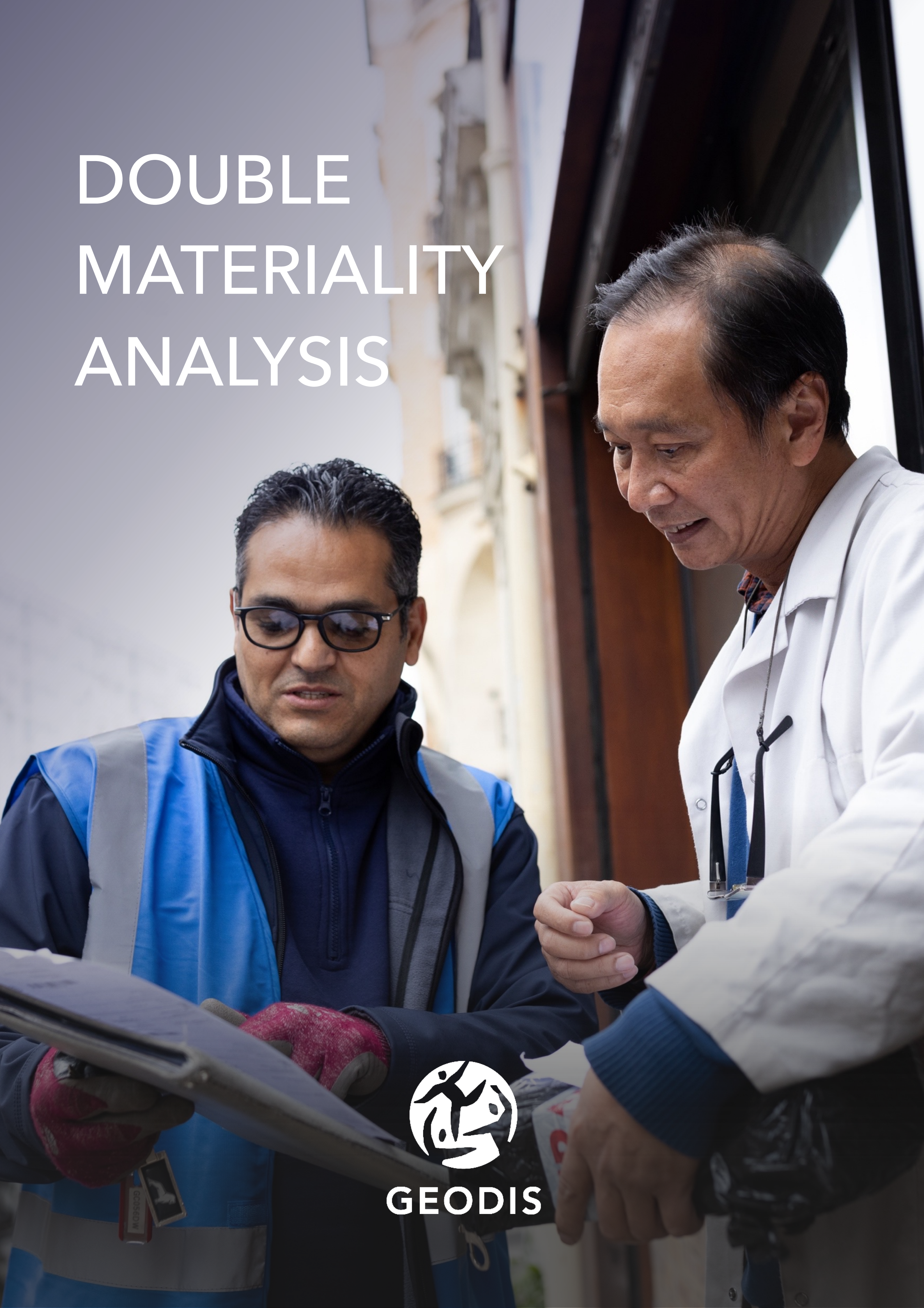
DOUBLE MATERIALITY ANALYSIS



GEODIS

SUMMARY

01 DOUBLE MATERIALITY ANALYSIS

GEODIS performed its first materiality analysis in 2023, with the aim of prioritizing the CSR issues facing the Group. This materiality analysis was carried out principally through consulting its main stakeholders, both internal and external, and adopting a double materiality approach.

Context

Both as a company and as an employer, social issues are among GEODIS's foremost concerns. These issues form part of the Group's CSR strategy, which consists of three priorities (environment, social, ethical) in which it seeks to meet the key expectations of its stakeholders.

GEODIS is constantly seeking to improve its CSR strategy and strives to:

- update and prioritize the major sustainability issues so that the CSR strategy can come as close as possible to meeting its stakeholders' expectations;
- anticipate impending changes in the European legislative framework, notably the regulatory obligations relating to the Corporate Sustainability Reporting Directive (CSRD), which is due to come into force. The results of the double materiality analysis – an exercise that enables us to identify priorities – will become a structuring element of the 2024 CSR report.

For this purpose, GEODIS performed a double materiality analysis in 2023. This approach is an integral part of management of the Group's CSR policy: thanks to the results of the materiality matrix, the Group's CSR strategy will be revised and enhanced.

A double materiality analysis is also fully in line with the Group's approach to dialogue with its stakeholders, a key element in the GEODIS CSR policy. This dialogue enables the Group to identify priority sustainability issues, but also risks and impacts with regard to the environment, society, humans and its entire ecosystem. An understanding of what each party's priority issues are helps guide the Group in its decisions and commitments.

Double materiality analysis

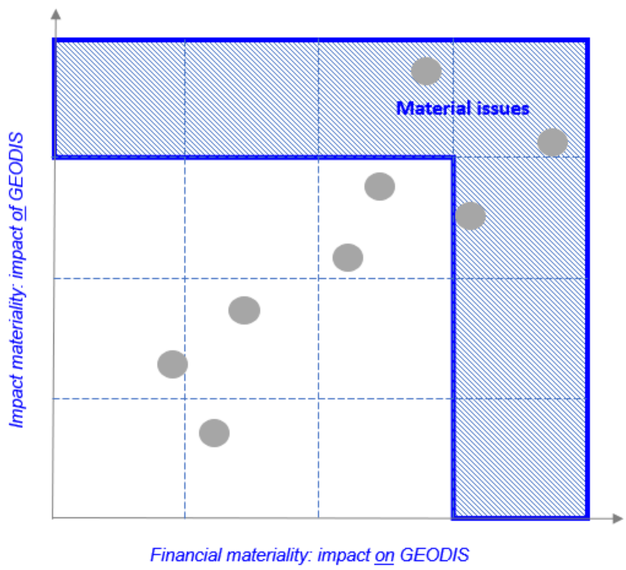
Single materiality identifies and ranks issues according to their importance for stakeholders and their impact on the company. This approach takes account of the positive impacts (opportunities) and the negative impacts (risks) generated by the economic, social and natural environment on the company's development, performance and results. This "outside-in" vision, focused on a company's performance, was not adequate to reflect the impacts of a company's activities on its ecosystem ("inside-out" vision).

This is why the European Union has updated its requirements for non-financial reporting and is asking companies to perform a double materiality analysis, combining financial materiality with impact materiality:

- **Financial materiality** takes account of the impact of the sustainability issues on the company's business (risks and opportunities): this is the classic "outside-in" approach. Financial materiality evaluates a company's business relations and the company's continued use of or access to resources;
- **Impact materiality** focuses on the impact of the company and its activities on sustainability issues (social and environmental): it is a complementary "inside-out" approach. Impact materiality evaluates issues from three angles: scale, scope and remediability.

An issue can be "material" from the point of view of financial materiality, impact materiality, or both.

The double materiality matrix: the intersection of two perspectives on sustainability issues



GEODIS carried out its materiality analysis over a period of 6 months. Under the responsibility of the Sustainability Department, an internal project team was created, representing the various Lines of Business and Regions, in order to contribute to the study and encourage the involvement of the various stakeholders. The project team was supported by BL evolution, a consultancy specializing in Sustainability. The entire process was supervised by a steering committee specially constituted for the materiality analysis, consisting of five members of the Group's Management Board.

02 METHODOLOGY

The double materiality analysis was conducted in three phases:

- Selection of the sustainability issues (environmental, social and governance) that are potentially material for GEODIS;
- Consultation of internal and external stakeholders and consultation of experts;
- Consolidation and construction of the matrix, with the use of international standards and databases.

2.1 Selection of issues

In the first place, a list of the principal environmental, social and governance issues was drawn up on the basis of internal interviews (risk management, internal audit, etc.), documentary research, non-financial reporting questionnaires and sector studies in order to ensure that all potentially important topics were taken into account.

Alongside issues that are specific to GEODIS and its business sector, the Group also ensured that the selection included issues described in the European Sustainability Reporting Standards (ESRS), which form the basis of the CSRD.

This list of issues was then fine-tuned following a review by the project team. The project steering committee finally signed off on a list of 25 key materiality issues.

ENVIRONMENTAL
Greenhouse gas emissions
Adaptation to climate change
Air pollution
Soil & water pollution
Noise pollution
Water management
Land biodiversity
Marine biodiversity
Waste management
Consumption of non-renewable resources
SOCIAL
Working conditions and environment
Employee engagement
Diversity and inclusion of employees
Training & development of employees
Value sharing and remuneration policy
Human rights in the value chain
Impact on local communities
Continuity of service
Health & safety
Labor relations
GOVERNANCE
Business integrity
Data privacy protection
Responsible communications
Responsible purchasing
Advocacy for CSR with our stakeholders

2.2 Interviews with internal and external stakeholders

The double materiality exercise was carried out with stakeholders for ranking key materiality issues and evaluating their impact. This took the form of an international campaign of qualitative interviews involving leading playing in GEODIS's ecosystem. The panel of stakeholders, both internal and external, was set up to ensure a high degree of representativeness and to reflect the diversity – especially the geographical diversity – of the Group's activities and stakeholders:

- internal stakeholders: employees, trade unions and employee representative bodies;
- external stakeholders: customers, suppliers and subcontractors, commercial partners, the academic community, the financial community, local and regional stakeholders, public authorities, civil society and NGOs.

These interviews were intended to seek out the stakeholders' views on the importance of the sustainable issues selected, but also on their impact on GEODIS's activities.

In addition to these individual interviews, the importance of key materiality issues was also assessed by way of a question included in the annual employee engagement survey and in the annual customer satisfaction survey. A workshop consisting of around ten employees from different regions was also organized to assess the issues according to the principle of double materiality. Finally, experts were also questioned on GEODIS's impact, positive and negative, on its external environment.

2.3 Consolidation and construction of the matrix

To develop the double materiality matrix, several types of data were consolidated.

For the analysis of financial materiality:

- international standards (SASB), non-financial rating agencies de (MSCI, DJSI): these are industry accounting standards which provide investors with detailed information on the financial impact of environmental and social questions on the business model;
- contributions from stakeholders during the interview phase;
- the results of a financial materiality workshop, in which GEODIS employees and external experts in the various fields (environmental, social, governance) assessed the financial impact of the issues.

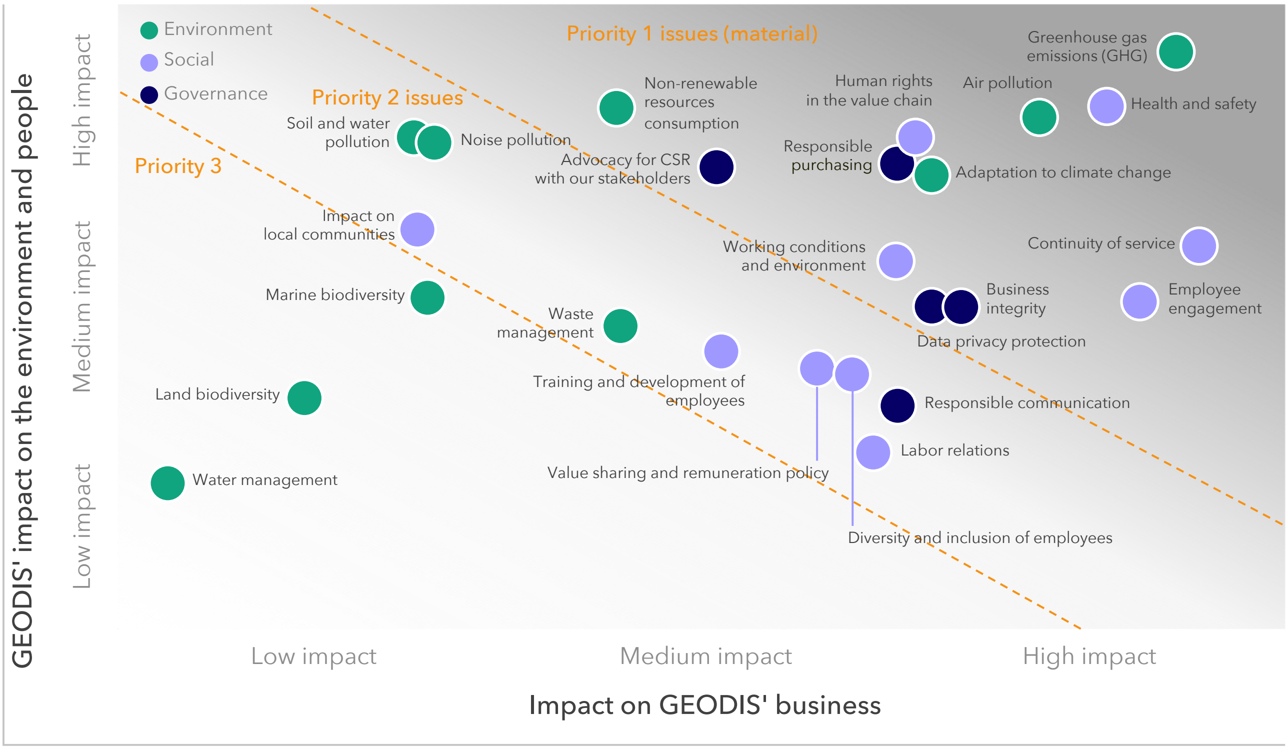
For the analysis of impact:

- data derived from international standards (SBTN), impact frameworks (ENCORE, UNEP-FI) and indicators of impact on human rights (Shift Red Flags): these impact frameworks make it possible to understand the potential impact of the companies of a given sector on the environment and on society;
- contributions from experts during the interview phase.

When the consolidation phase was complete, the key issues were entered and positioned on GEODIS's new materiality matrix. This was presented to the project team and the project steering committee, prior to being signed off by the Group's Management Board.

03 RESULTS

The compilation of a materiality matrix provides a new perspective on GEODIS's sustainability issues. From the 25 sustainability issues selected, 13 were shown by the study to be "material", i.e. they are very significant financially, or in terms of impact, or both.



The 13 material issues comprise 4 environmental issues, 5 social issues and 4 governance issues.

Environmental	Social	Governance
Greenhouse gas emissions	Health & safety	Responsible purchasing
Air pollution	Human rights in the value chain	Business integrity
Adaptation to climate change	Continuity of service	Data privacy protection
Consumption of non-renewable resources	Employee engagement	Advocacy for CSR with our stakeholders
	Training & development of employees	

Some of these material issues were noted to have a high impact on both perspectives: for these topics, GEODIS's impact on its external environment is high, as is the impact of the external environment on GEODIS. This category consists of:

- environmental issues: greenhouse gas emissions, adaptation to climate change, air pollution;
- social issues: health & safety, human rights in the value chain;
- one governance issue: responsible purchasing.

It should also be said that the materiality analysis received a positive response from the external stakeholders who were chosen to take part in the qualitative interviews. They confirmed the relevance for GEODIS of the key issues selected, suggested potential improvements and showed their interest in continuing to work with the Group on projects focusing on sustainability.

04 ANALYSIS OF MATERIAL ISSUES

An analysis of the double materiality matrix makes clear that, for the most part, the Group's most important issues are directly linked to its business sector. In addition, the analysis highlights the fact that the impact of GEODIS's activities covers its entire value chain.

Three of the priority social issues are very closely linked in terms of impact and activity: GEODIS's social impact is particularly important with regard to health & safety, working conditions and human rights in the value chain.

This strong social impact can be explained in particular by the sometimes difficult working conditions and the arduous nature of certain professions in the logistics and transport sector. Failure to address these social issues would not only constitute a lack of ethics, but also significant financial risks for the Group (absenteeism, turnover of personnel, etc.). This is why employee retention (the issue of employee engagement) is paramount for GEODIS to be able to ensure the sustainability of its activities, in particular those that meet essential needs (the issue of continuity of service). Internal social aspects have more overall impact on GEODIS than on society (because they are directly linked to how the Group operates), while issues relating to the value chain have greater impact on society (mainly because of the number of people concerned).

Meanwhile, material environmental issues are also very closely linked to the nature of GEODIS's activities. The transport and logistics sector is responsible for 11% of the world's CO_2 emissions and contributes to both air and noise pollution. The transport and logistics sector is therefore particularly regulated in terms of the environment, which represents a significant risk for non-compliant companies. Taking account of the climate issue therefore represents a financial opportunity for GEODIS (development of a low-carbon service offering), and also makes it possible to reduce negative impacts on the environment. The results of the analysis highlight a very strong environmental impact for all of GEODIS's material environmental issues.

Finally, several governance issues are material, including responsible purchasing, an issue also intrinsically linked to GEODIS's activity. The heavy use of subcontracting makes control of socio-environmental impacts more complex, while control of the value chain is both a strong customer expectation and a regulatory requirement. This issue can represent both high human and environmental risks across the entire value chain if not controlled, but also an excellent opportunity for positive impact on society, through a ripple effect. The issues of business integrity and data privacy protection are also material because they constitute substantial risks in the event of non-compliance.

05 NEXT STEPS

The majority of the issues that emerged as material from the double materiality analysis have already been identified as such by GEODIS. Some of them are monitored and are elements of the Group's CSR strategy (e.g. greenhouse gas emissions, health & safety and business integrity). For these issues, ambitious policies are already in place, with performance measurement tools and quantified targets.

For other issues, the double materiality analysis highlighted their growing importance in terms of impact, for the Group and/or its stakeholders
(e.g. adaptation to climate change and human rights in the value chain).
These issues will be given a stronger place in GEODIS's CSR strategy.

A few issues, however, such as biodiversity, appear to be less material in the light of the double materiality analysis. Nonetheless, these issues will continue to be taken into consideration by the Group in a manner appropriate to their level of importance. Human issues internal to the Group, such as diversity and inclusion, labor relations and the development of employees, which have a lower level of materiality, are monitored closely and are subject to specific policies and programs. The commitment of all employees will be key to achieving the adaptation of the Group's strategy to the issues of ecological and social transition.

So that all the issues can be managed effectively and in a targeted manner according to their level of importance, GEODIS has split them into three categories, delineated on the double materiality chart by dotted diagonal lines:

Priority level	Description	Issues
Priority 1 issues	These material issues are at the heart of the Group's activities and its value chain. The Group is speeding up its efforts for these issues, so that they are all managed by a global program with specific governance, long-term objectives and performance indicators.	• GHG emissions • Air pollution • Adaptation to climate change • Consumption of non-renewable resources
		• Health & safety • Human rights in the value chain • Continuity of service • Employee engagement • Working conditions and environment
		• Responsible purchasing • Business integrity • Data privacy protection • Advocacy for CSR with our stakeholders
Priority 2 issues	Issues for which the Group is maintaining its efforts, as part of a process of continuous improvement. These issues benefit from programs implemented in the Lines of Business and Regions concerned, supported by medium-term objectives and performance indicators.	• Noise pollution • Soil & water pollution • Waste management
		• Diversity and inclusion of employees • Value sharing and remuneration policy • Training & development of employees • Labor relations • Impact on local communities
		• Responsible communications
Priority 3 issues	For these issues, the Group continues to monitor its performance using the appropriate indicators.	• Marine biodiversity • Land biodiversity • Water management

Finally, the double materiality exercise also serves as a guide to sustainability issues to be anticipated, whose importance and potential impact, whether positive or negative, could increase in future years.

The Group therefore intends to strengthen its discussions with stakeholders, through:

- The existing annual surveys of customers and employees;
- Ongoing internal dialogue as part of its work with representative bodies;
- Constitution of a stakeholder strategy committee made up of internal representatives and external experts, covering the entire range of economic, social and environmental issues.