As a European leader in automotive logistics and a global player in industrial logistics, GEFCO provides its customers with comprehensive solutions for optimising their flows, at each stage in the supply chain, all over the world. With its engineering offices and the expertise of its teams in the field, the Group is able to meet the most complex of logistics challenges.

With the backing of the JSC Russian Railways (RZD) and PSA groups, GEFCO operates in every continent and runs a global network. As one of Europe’s ten largest logistics integrators, GEFCO also has the biggest private land-based multimodal transport network, consisting of 80 hubs and depots in strategic development zones and 65 logistics platforms.

Thanks to its demanding standards in terms of quality, its 4PL expertise and the appeal of its services which are ever more advanced and innovative – Overland, Overseas, Finished Vehicles Logistics (FVL), Customs & Tax, Warehousing & Reusable Packaging –, GEFCO achieved a turnover in 2013 of 4 billion euros of which 77% was in international flows.
INTERNATIONAL EXPANSION IN 2013

ASIA
- China: opening of GEFCO’s 9th representative office in Shenzhen
- India: inauguration of a 4,500 m² vehicle storage yard located in Ranjangaon Pune

SOUTH AMERICA
- Argentina: inauguration of a second automotive centre
- Brazil: opening of a new office in Contagem, in Minas Gerais State, which will specialise in the delivery of spare parts
- Mexico: opening of the subsidiary in Mexico City

CENTRAL AND EASTERN EUROPE
- Bulgaria: opening of a second depot in Varna
- Croatia: opening of the subsidiary based in Zagreb
- Romania: opening of a new platform in Balsacine
- Russia: opening of a new land transport site in Crasova and inauguration of a new warehouse close to Anad

EUROPE
- China: inauguration of a 6,000 m² vehicle storage yard located in Guangzhou
- India: inauguration of a new platform in Bangalore
- Russia: opening of a depot in Togliatti in the Samara region and of a second site for the delivery of vehicles to the commercial port of Novorossiysk
- United Arab Emirates: creation of the subsidiary in Dubai

* Full Time Equivalent (FTE) employees.
Over the last year, GEFCO has been through major changes. What is the position today?

We started the year with a new majority shareholder, the JSC Russian Railways Group (RZD) which now owns 75% of GEFCO. 2013 focused on the integration of our Group within the RZD organisation. At the same time, despite a difficult economic situation in Europe, GEFCO was able to deliver results which were satisfactory and in line with our expectations. The turnover figure of 4 billion euros is the best GEFCO has ever achieved in its history. Profitability, which was also up, has strengthened our capital base. These results are proof that our strategic focus has been the right one. They also bear witness to the dedication and the excellence of our teams, which have delivered the unique expertise of GEFCO. I would like to say a big thank you to them.

How would you describe your integration within RZD?

The aim of RZD is to provide GEFCO with long term strategic support and to make it a world leader in diversified industrial logistics. To date, the technical integration has been a success, the reporting and governance systems function satisfactorily and the commercial synergies are being developed. Thanks to the support from RZD, GEFCO is sufficiently large in size in Russia and the CIS* countries to be able to help the major Russian and international manufacturers optimise their supply chains and increase productivity. We’ve set up a development division in Moscow made up of 50 logistics experts. We’ve seen our order books grow significantly with our international customers in the Russian market.

What are the priorities and the major focuses for the development of the Group today?

We plan to double our turnover by 2020 by accelerating our geographical and sectorial diversification, including through external growth. Although GEFCO still remains the sole logistics provider for PSA Peugeot Citroën in the world, 50% of its turnover (compared to 42% in 2012) comes from a variety of customers, from the automotive, but also from the aeronautics and defence, two-wheelers, electronics, fast moving consumer goods and industrial manufacturing sectors. In 2013, we were able to support our customers in new countries through the opening of our subsidiaries in Dubai, Mexico, and Croatia, and we’ve consolidated our grip on the high growth markets of Eastern Europe and China. In the coming years we will continue to increase the presence that we have in the countries where we already operate and extend our geographical coverage to growth areas such as South America, China, India, Central and Eastern Europe, the Middle East and Russia. The aim is to provide manufacturers with a global logistics network.

This intention to diversify is also reflected in your services.

It’s true that the value provided by our expertise and our competitive edge is a major growth factor. Building on the trust which has been placed in us by General Motors, which has given us the responsibility of managing its entire European logistics chain, we are going to intensify the development of our 4PL Experts service.
At the same time, we’ll be launching a service which will be dedicated to manufacturers which have set up operations or are planning to expand in a vast area which includes Russia, Ukraine, Kazakhstan and the Baltic States. In this region – which we call the “1520 zone” in reference to the standard width of the rail tracks in these countries – GEFCO has two competitive advantages. Firstly, its knowledge of the players and the challenges posed by this market, a knowledge which is aided by RZD, and secondly preferential access to the intercontinental rail network linking Russia and Asia. So innovation really is a trade mark of GEFCO?

Our goal is to offer an ever more efficient service to our customers: that is what innovation is all about.

Where do you see the Group in 2020?

By 2020 GEFCO will first and foremost be a Group which has established itself as one of the Top 10 European logistics integrators with a turnover that will have doubled. Thanks to its solid capital base, the Group will be able to continue investing in its network and coverage, whilst being able to seize the opportunities for external growth when they occur. It will remain focused on its goal of always seeking to improve the support that it provides to its customers, on optimising their logistics chains through the continued improvement of its five business lines and its cross-sector expertise. It will invest heavily in integrated, flexible and efficient information systems covering all of its businesses and sites. Our information systems are a key resource for improving the productivity in our customers’ operations as indeed they are for our own. Finally, the GEFCO Group will vigorously pursue its plans for growth while fully respecting the people and the environment of the countries where it expands – as shown by our commitments in terms of social and corporate responsibility.

OPTIMIZING THE SUPPLY CHAIN OF OUR CUSTOMERS THROUGH THE CONTINUED IMPROVEMENT OF OUR BUSINESS LINES.

Executive Board
(as of 30 June 2014)

Luc NADAL, Chairman of the Board of Directors
Philippe COSSÉ, Strategy, Finance and Legal Director, member of the Board
Antoine REDIER, 4PL Director, member of the Board

Phil SHANKLEY, Sales and Marketing Director, member of the Board
Marc CAINING, Director France
Paul-Henri FRÉRET, PSA Peugeot Citroën Customer Director

Jean-Xavier LALO, Human Resources, Communications and Organisation Director
Beray LEGOUVERNEUR, Information Systems Director
Christophe POIRTIMEAU, Director of the East Asia Zone (ASOR)

Review of the 2013 economic situation

In 2013, the contrast between the economies of Western Europe and the economic prosperity in the other continents continued. The Eurozone struggled to emerge from recession, despite signs of a recovery in the second quarter.

Nevertheless thanks to the effects of a slight improvement in the European economy and ageing vehicles on the roads requiring replacement, the worst would seem to be over in the automotive sector.

In China and Russia, where the Group is particularly active, there has been a strong increase in the demand for logistics solutions. During the first eight months there was a 9.5% increase in goods flows in China, estimated at around 15 billion euros. As such, the development of the land and intercontinental transport network in the Asia zone has meant that the prospects for logistics companies are very attractive indeed. Russia, for one, has also embarked on ambitious programs for the modernisation and construction of its transport infrastructure, which should help stimulate flows and open up the hinterlands.

Finally, in the regions which are experiencing strong growth such as Eastern Europe, South America and India, the booming automotive market constitutes a major and lasting source of growth for GEFCO.

RESULTS

ACCELERATION DRIVEN BY GLOBALISATION

Despite a difficult economic situation in Europe, in 2013 GEFCO recorded some of the best results in its history, with turnover up 11%. The lion’s share of the company’s growth was driven by the strategy of targeted international expansion over its new territories - Russia, Asia and Latin America - and by its new service offers as a 4PL logistics coordinator.

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INTERNATIONAL PERSPECTIVES

Seamless intercontinental door-to-door flows

What is your analysis of the recent changes which have occurred in the Asian market?

The ASEAN (Association of Southeast Asian Nations) zone is seeing borders open up, an increased number of connections, and more and more intracontinental flows: a major challenge for logistics operators is how to extend their network in the region so as to support these changes. Furthermore, the local and international manufacturers which operate in the zone are increasingly on the look-out for new types and better standards in value added services. These requirements mean that logistics operators have to invest heavily in staffing and technological resources.

What support do you give your customers in this major strategic zone?

GEFCO has some real advantages, in particular its ability in terms of security and effective management for flows, with constant attention to quality and fluidity. Another major strength that we have is our extensive network and in particular, the connections that we are putting in place between China and Eastern Europe. We have the expertise which allows us to set up seamless intercontinental door-to-door flows. Manufacturers feel more comfortable about only having a single contact partner to deal with, who is responsible for all of the operations, including those concerning customs clearance and document inspection and management. Our ability to integrate flows and business lines is a tremendous competitive advantage in these fast growing regions.

What are the development priorities in the region?

The ability to capitalise on our advantages is our primary resource for growth, but we remain open to the opportunities which exist in terms of external growth or partnerships. We are opening representative offices in Vietnam, Indonesia and in Thailand in order to strengthen our network in these countries with theirboom ing economies, we will be developing services which are targeted at distributors and producers of equipment and consumer goods, as an addition to the basic services which are designed for the automotive industry.

Strengthening the Group’s presence on the American continent

Why set up a new subsidiary in Mexico?

The fact that Mexico is the key trading partner of the United States makes it a strategically important country. Besides, it is the world’s eighth largest producer of cars: three million vehicles produced in Mexico in 2013, 80% were exported all over the world. Since its opening in March 2013, our Mexican subsidiary has allowed us to consolidate our presence on the American continent. Our automotive expertise coupled with our range of services, in particular overseas, has meant that we are ideally placed for providing door-to-door logistics solutions on that continent. We have already acquired two major customers: the bus and truck manufacturer MAN and the vehicle equipment provider Delphi Mexico.

What services does GEFCO Mexico offer?

The new subsidiary offers the whole range of GEFCO services: air and sea freight, warehousing, land transport, customs engineering and vehicle logistics. Global sourcing forms a significant part of our activity. This service is provided from our international platform in Toluca, close to Mexico City. For example, we manage the supplies of parts manufactured in Mexico for our customers, then we consolidate them in sea containers and send them to their production sites using our Overland, warehousing & reusable packaging operations.

What is your analysis of the recent changes which have occurred in the Asian market?

The environment in which we operate is rapidly changing. For example, we are seeing the increasing demand from French manufacturers for the increasing demand from French manufacturers.

Creating a competitive advantage for GEFCO

What strategic role do information systems play in your company like GEFCO?

GEFCO devotes a third of its investment to the information systems (IS), which are a strategic part of the service that we offer as part of our product. The aim of the IS is to bring added value to the services which we offer our customers by providing them with all the information concerning the operations: traceability, proof of delivery, delivery status, damages, etc. This IS, which represents the real backbone to our logistics services, are a powerful tool for increasing the productivity of our customers as well as our own operations.

What changes can we expect as a result of the innovations that have been introduced this year?

For our customers, we have set up a collaborative platform which is dedicated to managing and tracing orders which will significantly increase the reactivity and reliability of the service. We’ve also concentrated on optimising land-based flows by introducing new tracking software, a portal for managing the carriers which are shared by all the subsidiaries and a real-time flow management software program.

What are your progress priorities?

The performance of the IS is one of the main selection criteria for decision makers when it comes to international logistics issues. We need to constantly improve the flexibility and performance whilst optimising costs.

Our aim is to provide GEFCO with a competitive edge. For example we will be developing the nomad applications in order to reduce the distribution costs still further.

A strategic entry point for serving the whole of Central Europe

How does GEFCO’s presence in Slovenia benefit manufacturers?

We can offer local and international manufacturers the expertise and the standards of a recognised operator as well as all the inbound and outbound services – groupage, full load, door-to-door flows, services for finished vehicles and customs and tax operations. Our strong point: a presence close to the port of Koper, which is a strategic entry point for serving the whole of Central Europe, and which is one of the best ways of importing from China into Europe. We also have a groupage platform in Ljubljana.

What plans do you have for 2014?

We want to become a major player at the port of Koper in order to develop the Slovenian market and serve the GEFCO subsidiary in Central Europe, which is one of the best ways of importing from China into Europe. We also have a groupage platform in Ljubljana.

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What are the development priorities in the region?

The ability to capitalise on our advantages is our primary resource for growth, but we remain open to the opportunities which exist in terms of external growth or partnerships. We are opening representative offices in Vietnam, Indonesia and in Thailand in order to strengthen our network in these countries with their booming economies, we will be developing services which are targeted at distributors and producers of equipment and consumer goods, as an addition to the basic services which are designed for the automotive industry.

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Serving all industrial sectors

EVEN GREATER AMBITIONS

Being able to provide performance for and with one’s customers is the very essence of the business of being a logistics expert. GEFCO is able to meet this challenge by designing customised, flexible and solid solutions, which offer consistent quality and reliability. The ability to innovate and react in the face of production problems is an integral part of the DNA of GEFCO.
GEFCO can offer its customers its expert knowledge of industrial supply chains, coupled with advanced expertise in inbound and outbound logistics engineering. Its 65 years of experience at the centre of the worldwide automotive industry, which is one of the most demanding in terms of logistics, has allowed GEFCO to add value to all the sectors that it is involved in.

> AUTOMOTIVE

With 4 million vehicles transported in 2013 (GEFCO is the European leader on this sector and operates throughout the whole automotive supply chain. From the assembly site to the sales outlets, the Group offers a comprehensive range of services to meet the specifications of its customers, whether they be manufacturers, equipment providers or dealerships. GEFCO operates intercontinental transport models and provides solutions for reducing the risks of interruption to the supply chain: secure systems, synchronised flow deliveries, management of returns under guarantee and waste products.

In this sector where there are several major manufacturers and numerous suppliers, the quality and reliability of the logistics flows form major differentiation priorities. GEFCO can provide these industries with its expertise in managing the inbound logistics chain: management of transport plans, engineering and application of complex logistics plans, security plans for production lines and just-in-time supply, as well as customs and tax representation. As an architect of IT solutions, GEFCO also designs solutions for sharing data among all the stakeholders. Its information systems are made from components produced by around 120 suppliers from all over the world. GEFCO can help its customers design new distribution plans in advance. In so doing its specialists analyse the logistics limitations of each flow and come up with tailor-made solutions so as to constantly improve competitiveness. GEFCO is also an expert in return flows – packaging recovery, management of returns under guarantee and waste products.

Client references: Airbus Group, Laböhler, Safran, Zodiac-Aerospace...

> AERONAUTICS AND DEFENCE

From securing supplies to the capital delivery of finished goods, GEFCO takes care of all inbound and outbound flows – whether they are national or international. Repackaging operations, smoothing flows and management of seasonal demand are just some of the resources for improving the competitiveness of producers and distributors. Thanks to its engineering departments all over the world, GEFCO can help its customers design new distribution plans in advance. In so doing its specialists analyse the logistics limitations of each flow and come up with tailor-made solutions so as to constantly improve competitiveness. GEFCO is also an expert in return flows – packaging recovery, management of returns under guarantee and waste products.

Client references: Dia, Ilea, Procter & Gamble, Sephora, Unilever...

> FAST MOVING CONSUMER GOODS AND RETAIL

Safran rationalizes its parts flows between Europe and North Africa

“Safran has a number of subsidiaries operating in Morocco including Aircelle, Labinal Power Systems and Matís, which produce aircraft engine nacelles, thrust reversal systems and cable harnesses respectively. These systems are made from components produced by around 120 suppliers from all over Europe. They are then sent to our European sites or to our end customers which are aviation manufacturers such as Airbus, Dassault, Rolls-Royce...

We first started working with GEFCO on these flows back in 2000. At the time we saw that we could make progress by reducing the supply interruptions, distribution times and the dependence on air transport whilst at the same time reducing stock levels. The solution of sharing transport resources among the Moroccan production sites and running daily shuttles to and from Europe seem to us to be an obvious one, and so we asked GEFCO to help us to do this and come up with some proposals on the organisation that would be required. Now all parts transit through the GEFCO cross-dock in Toulouse, before being sent by road and sea to the Safran sites...

We were interested in working with GEFCO for three reasons: first, the expertise offered by its Toulouse hub in the organisation of complex flows; then the presence it has locally in Morocco and its excellent knowledge of how customs procedures function in Morocco. In the same way, the fact that they have Authorized Economic Operator (AEO) status was for us a decisive advantage and made it easier for us to sort out the issue of customs process harmonisation. Furthermore, on the routes used for the flows, GEFCO provided double floor vehicles for optimal loading – which in turn helped reduce our impact on the environment. Finally, the tracking, monitoring and POD (Proof Of Delivery) systems allow our GEFCO contact partners in Toulouse to keep our subsidiaries informed in real time of the progress of deliveries and supplies in transit. As a result, this complex supply chain has become more fluid, more efficient and the quality of the documentation processes has been improved. We appreciate the professionalism and the dedication of the GEFCO teams.”

Éric Tilly, Transport, Logistics and Travel Domain Manager – Safran Purchasing
GEFCO GROUP IN 2014

GEFCO Siemens, Schneider Electric… Ingersoll-Rand, Saint-Gobain, supply chain to flow more freely. declarations in order to enable the and looks after tax and customs parts through to quality control, also provides the logistics for high added value services. GEFCO issues, which are enhanced with transport plans that address their how as an integrator, by designing services include inbound logistics (intercontinental transport, storage), mainstream logistics (platform management, packaging), outbound logistics (capillary distribution) and customs and tax operations. The Group offers solutions for constant improvement of product availability times at sales outlets, without ever compromising the quality of its services. What is more, GEFCO’s “Events” division organizes product launch events at sales outlets all over the world.

Customer references: Electrolux, Philips, Sagemcom, Whirlpool…

The experience that GEFCO has built up over 65 years as an architect of 4PL solutions (4th Party Logistics) for the automotive industry has given it unique expertise for serving the equipment industries. From supply to distribution, GEFCO can provide the every type of logistics service. It offers its customers its know-how as an integrator, by designing transport plans that address their issues, which are enhanced with high added value services. GEFCO also provides the logistics for spare parts. From the removal of parts through to quality control, and looks after tax and customs declarations in order to enable the supply chain to flow more freely.

Customer references: Alstom, Ingersoll-Rand, Saint-Gobain, Siemens, Schneider Electric…

ELECTRONICS

For the ultra-competitive electronics market in Asia and Europe, GEFCO provides complex logistics services for major manufacturers in this sector, as well as for their sub-contractors. Its services include inbound logistics (intercontinental transport, storage), mainstream logistics (platform management, packaging), outbound logistics (capillary distribution) and customs and tax operations. The Group offers solutions for constant improvement of product availability times at sales outlets, without ever compromising the quality of its services. What is more, GEFCO’s “Events” division organizes product launch events at sales outlets all over the world.

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TWO-WHEELERS

As the European leader in the two-wheeler market, GEFCO prepares optimised multimodal solutions, with transport plans which are adapted to the small volumes involved. The Group performs customs clearance for vehicles and stores them in dedicated two-wheeler centres, until they are ready for distribution to the dealerships. The range of services that can be provided includes in particular storage, picking, the assembly of accessories, and vehicle painting and alterations. In order to be able to guarantee a constant quality of service to the manufacturers’ distribution networks, GEFCO can devise dedicated transport plans and deploy special resources such as tail lifts or double floor vehicles.

Customer references: Kawasaki, Kymco, Triumph, Bombardier Recreational Products, Yamaha…

EQUIPMENT INDUSTRIES

The strategic zone known as “1520” takes its name from the track width (1,520 mm) which is used in Russia and neighbouring countries. This region is criss-crossed by a vast rail network, all of which is operated by the RZD Group. This key position represents a springboard allowing GEFCO to offer its customers preferential access to these zones where access is sometimes complicated.

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Customer references: Electrolux, Philips, Sagemcom, Whirlpool…

AMBICTIONS / STRATEGY

Gateway 1520 Solutions: Destination Eurasia

Thanks to the preferential access that it enjoys to the 85,200 km of railway operated by its majority shareholder JSC Russian Railways (RZD), the Group has been able to expand its operations in Eastern Europe and in Northern Asia and has launched a special service for these regions. Its aim: to allow local and international manufacturers to benefit from all of its expertise as a logistics integrator.

The Group offers solutions for constant improvement of product availability times at sales outlets, without ever compromising the quality of its services. What is more, GEFCO’s “Events” division organizes product launch events at sales outlets all over the world.

Customer references: Alstom, Ingersoll-Rand, Saint-Gobain, Siemens, Schneider Electric…

1520 solutions:

- Destination Eurasia

The strategic zone known as “1520” takes its name from the track width (1,520 mm) which is used in Russia and neighbouring countries. This region is criss-crossed by a vast rail network, all of which is operated by the RZD Group. This key position represents a springboard allowing GEFCO to offer its customers preferential access to these zones where access is sometimes complicated.

- Preferential access to growth

Russia and the nearby countries – Kazakhstan, the Baltic States, and the member States of the CIS – represent a major growth potential for companies from the zone, as they do also for international manufacturers of components or consumer goods. Because of its administrative organisation and its size, it is nevertheless a complex area to deal with, which requires the use of supply or export systems, a strong local presence and special logistics approach. The new solutions which have been developed by GEFCO with Gateway 1520 Solutions incorporate all the quality standards that the Group’s reputation has been built upon, as well as the expertise that has been developed to deal with the specifics of these countries. This expertise ensures both importing and exporting manufacturers that the whole of their logistics chain is provided with a comprehensive, global and tailor-made service. GEFCO’s customers can rely on dedicated teams which have been trained in accordance with their standards.

- The largest multimodal network in Eastern Europe and North Asia

Reliability, simplicity, quality, price and resource stability: industry demands a lot but GEFCO is more than capable of meeting these requirements.

Performance of tax and customs procedures: thanks to a network of more than 40 local experts specialising in working with the administrations and used to local procedures and regulations.

Fully integrated door-to-door solutions right up to local distribution, from the ports on the Baltic Sea to the countries of the Commonwealth of Independent States (CIS) and Central Asia, by road and rail. For example, the interconnection between GEFCO land and sea networks and the “1520” tracks means that transport times can be reduced significantly: only 3 to 4 days are needed for transporting a container from the port of Riga (Latvia) to Kaluga (Russia).
Turnkey solutions for importing finished vehicles in the region up to their capillary distribution
A freight management service which provides visibility in real time on its progress, using a tracking system for cargo and rail movement on the rail network.
Tailor-made services for sensitive freight: insurance services, transport plan preparation and alternative procedures, urgent transport services, road transport security.

Everywhere in the world, providing the stepping stones inside and to the zone

The challenge for GEFCO in Eastern Europe is to optimise the synergies with the RDZ Group, in particular in terms of skills complementarity, networks and customer portfolios.
In 2013, the Group put teams in place in its western and Asian subsidiaries, dedicated to developing flows to Russia, the Baltic States and the CIS (Commonwealth of Independent States), or from these destinations.
In addition to logistics engineering services, GEFCO subsidiaries offer their customers information and training sessions as well as advice on what needs to be done in advance of setting up a supply chain in the region.
In these countries, the issue for the Group is one of attracting the main local manufacturers and of strengthening its relations with international companies which wish to boost their logistics activities.

In Russia, the Group has put together a team of 50 logistics experts, whose responsibility is to oversee the development of the targeted activities: logistics support to the Russian railways (RZD); assistance to strategic Russian industries (agriculture construction, industry, petroleum products) use of the “Pacific Atlantic Corridor”; development of intercontinental flows for the aviation and High and Heavy (out of gauge industrial machinery) markets; consolidation of the relations between car makers which already work with GEFCO in the region.
The ultimate aim of this development plan is to make GEFCO the leader in industrial logistics in this sector.

In recent months your subsidiary has greatly increased its business with the countries in the so-called “1520 zone”. How have you built up these business partnerships?

Our sales teams have been very proactive. With the support from our Russian-speaking colleagues and from the GEFCO subsidiaries in Central and Eastern Europe as well as the 1520 zone, we have targeted a major marketing campaign at our customers and prospects in these complex markets.
Today, not only are our teams fully versed in the geopolitical aspects of this region, which is vital, but also in its customs procedures, because there are special requirements concerning imports and exports.

What customer sectors are concerned by flows which go to the “1520” zone?
On the face of it, any industrial sector can be concerned by the growth potential of countries such as Russia, Ukraine, Kazakhstan and the Baltic States. Our dedicated 1520 zone service has already opened the door for us to new markets. For example, we were awarded a major contract in the High and Heavy sector with Talgo, the Spanish train builder. We organise the multimodal transport for the block trains manufactured by Talgo, from Vitoria (Rivabellosa), via the Russian port of Ust-Louga. GEFCO also carries out the customs clearance for the trains.

What are your sales priorities for 2014?
This year we’re going to concentrate our efforts on growing our business with the 1520 zone, which is a very promising one for GEFCO. We’ll also be working on developing the French market, which is Spain’s largest trading partner, as well as our 4% expertise. We’ll be strengthening our partnerships with our customer sectors: obviously the automotive sector, but also fast moving consumer goods and retail, health & beauty, construction, aeronautics, and so on.
**4PL Experts**

**CREATING VALUE FOR MANUFACTURERS’ SUPPLY CHAINS**

For manufacturers, the challenge is to optimise logistics costs and generate productivity. GEFCO’s answer to these fundamental challenges is the deployment of its 4PL Experts division. Every day the teams focus on managing long-lasting economies of scale for manufacturers, thanks to a tight management of their operations throughout their logistics chain.

- **The 4PL Experts control tower: a unique expertise**
  
  The 4PL (or 4th Party Logistics) service goes beyond the traditional business of the 3PL logistics provider. It consists of taking care of the coordination between all the stakeholders: the shipper, the end customer and the logistics provider. Designed like a control tower, it requires the strategic, tactical and operational vision that only a global player can provide. GEFCO can do this because for 65 years it has been both a 3PL operator and a 4PL organiser for the PSA Group. This expertise, which has been built up since 2012 as an independent entity of the Group, is available to all manufacturing customers whatever their business sector is.

- **A system 100% dedicated to helping manufacturing customers expand**
  
  The 4PL service is based on the expertise historically GEFCO possesses as a 3PL supplier, combined with the know-how of its special research and engineering departments and its interconnected business information systems. The central function has thirty or members of staff who are supported by 140 people spread among the seven European locations of the Group: Germany (Mörfelden), Great Britain (Luton), Spain (Zaragozza), Hungary (Budapest), Russia (Moscow and St-Petersburg) and Poland (Gliwice). Each site functions like a control tower providing the customer with better visibility of its logistics chain as a whole but also the reduction of its costs. The customer has the benefit of a dedicated team, which can deal perfectly with the challenges, limitations and expectations from its professional sector.

The multicultural dimension to the GEFCO teams is a real advantage, which encourages a mix of different approaches across all of the countries served by the sites as well as a profound understanding of local issues.

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**3 QUESTIONS TO Antoine Redier,**
**Director 4PL Experts**

**How has the 4PL Experts business been in 2013?**

GEFCO has this year set up the largest 4PL contract in the automotive sector, making it one of the biggest European operators in this field. The challenge was to run the logistics activities for General Motors (GM) in Europe, Russia and Turkey in respect of supplies and distribution. In total, the work involved optimising distribution for a million vehicles every year. The renegotiations carried out with 230 GM suppliers have already allowed major savings to be made in terms of purchases: we have achieved the goals in terms of savings and productivity that were expected of us.

**What were the key factors in your success?**

The teams are very deeply involved and share the challenges faced by their customers. We also enjoy the cross-sector benefit of the 4PL entity and the GEFCO logistics engineering sectors for the Overland and Finished Vehicles Logistics divisions. These research and engineering departments are responsible for designing new transport plans which are aimed at increasing the synergies between the flows.

**How do you see the future for 4PL Experts?**

We plan to expand our operations in South America and in India, both in the customs engineering service and the spare parts flows. The standardisation of best practice at all levels is our priority. The 4PL service is a major stepping stone for growth for GEFCO, and the contract which has been signed with GM illustrates the maturity of our service. It will provide us with development opportunities with our 3PL customers from non-automotive sectors.
For manufacturers, the ability to run an efficient logistics chain is a key factor. As a world expert in logistics engineering, GEFCO is involved at all levels of the supply chain, inbound as well as outbound, both in a global and integrated way. Its mission is to consistently provide more added value through a service which is constantly enhanced so as to meet the competitiveness challenges of global companies.
GEFCO is the No. 1 private European transport company, operating in five continents, and providing a comprehensive range of logistics solutions for manufacturers. Its speciality: the ability to put together door-to-door transport plans combining road and rail, to provide a service which is impeccable in terms of quality, cost and lead times.

For an ever more robust and reliable supply chain

Every year GEFCO is the force behind 37,000 daily shipments and the transportation of 28 million tonnes of freight. To achieve this daily performance, GEFCO can count on a network of 141 interconnected depots and on its highly efficient information systems. Its 1,000 international routes all operate to the same standards and the same qualitative norms. This means that whether it’s from Rennes in France to Niizh Novgorod in Russia or from Almaty in Kazakhstan to Glasgow in the United Kingdom, the Group can guarantee its customers that they will enjoy the same reliable service.

Global, flexible and multimodal

A priority for industry is to be able to adjust its supply levels to mirror as closely as possible the variations in volume of the flows worldwide; this is a challenge shared by GEFCO, which is constantly striving to improve its flexibility. Its teams, which are specialists in logistics engineering design and run global solutions, making every effort to reduce transport costs, avoid interruptions to the logistics chain and bring down stock levels. These plans, which are always tailor made, incorporate two major business lines: truck loads (full or part) and groupage.

Their flexibility is reflected in the fact that there are services to meet all the needs of the supply chain. “Continental Europe” for standard goods transport; “Inbound Flows Management” which allows customers to control the land-based supply flows for their production sites; “Outbound Distribution System” for managing the distribution flows of finished products. As a responsible Group, GEFCO also does its best to promote multimodal solutions (combining rail and road), thus limiting the carbon footprint for the transport work which is entrusted to it.

Aiming for 100% flow traceability

2013 saw the implementation of the ambitious data collection program which was embarked upon by the Group in 2011. From now on customers can be kept informed in real time on the progress status of their transport, the predicted delivery time and when it actually occurs. The information obtained from drivers/delivery staff, via their PDA (Personal Digital Assistant) makes continued productivity improvement something which is now possible: loading times are optimised, as are truck journeys and their ability to manage more flows during a day. Thanks to a paperless data system and the use of its new tracking application on smartphones, GEFCO is now considered a leader in event reporting in real time.

New countries, new opportunities

In 2013, the opening of new subsidiaries in Mexico, Croatia and Dubai, the opening of sites in Eastern Europe, the start of sales activities in India, China and particularly in Russia and in the CIS contributed substantially to the progress that the network has made in the regions where there is economic growth. Another defining moment in the year was the gain of new contracts in the field of special transports – including the organisers of international events who were attracted by the Group’s expertise in logistics, trans- and intercontinental transport and customs engineering.

— SUCCESS STORY
Camaïeu: meeting the challenges in the ready-to-wear clothing sector

Based in the North of France, the ready-to-wear fashion company Camaïeu was looking to harmonise its logistics services for five Central and Eastern European countries in an effort to eliminate some recurring problems.

The challenge

To provide a daily delivery service from France to 183 stores spread over 5 countries of Eastern Europe with shipments of between 5,000 and 60,000 articles every day. All the articles have very tight delivery requirements: 24 hours between the departure from the warehouse in France to delivery in the Czech Republic, 48 hours to Slovakia and Poland, and 72 hours for deliveries to Hungary and Romania. Included within these deadlines are the re-packing operations, which involve several relabellings to be completed for the destination countries, including countries which are not in the Euro zone.

The GEFCO solution

The Group provided Camaïeu with a dedicated single contact person responsible for the whole of the supply chain, from international transport to in-store distribution, via on-site logistics. By hiring vehicles with two crews and using delayed differentiation solutions for the relabelling and repacking operations, it was possible to achieve optimal management for the flow variations without delaying deliveries.

The outcome

97.5% of deliveries were made within the time limit: allowed of 30 mins before store opening and closing times. The relabelling quality level was 99.99%.
INTERCONTINENTAL
FLows

“JUST-IN-TIME”
BEYOND THE SEAS

As an expert in complex intercontinental traffic flows, GEFCO provides manufacturers with tailor made air and sea transport solutions, which have been designed to adapt to their production limitations and address the commercial issues in their strategic development zones.

- 300 destinations in 150 countries

A powerful air and sea network interconnected to an overland network with a global reach, all managed centrally. The robustness of GEFCO’s ‘Overseas’ services meets the major challenges facing manufacturers: flexibility of the solutions, cost control throughout the logistics chain, reduction of transport times, shipment reliability. To encourage the free flow of long-distance freight and guarantee an optimal door-to-door service, the Group uses multi-skilled teams which operate at every stage of the supply chain in 150 countries.

- Interconnections and integration, the GEFCO added value

GEFCO provides the industries it serves with:

- Global management for their flows both inbound and outbound and for their variations.
- Fully integrated services, including, in particular, logistics and customs operations, order preparations, cross-docking services, collection and regrouping of goods, quality control and capillary distribution.

- Its status of Authorized Economic Operator (AEO) by customs authorities in 13 countries as of 1 April 2014.

- Its ability to organise “just in time” logistics flows using the connections that its port and airport hubs have to a land-based network which includes around 1,000 international road and rail routes. These are operated using the same processes and to the same quality standards.

- A single IT interface, for managing the hundreds of destinations which are served daily and for providing customers and operations agents with real-time traceability.

- Providing maximum support for the globalisation of manufacturing flows

GEFCO has extended its global network so as to be able to offer its expertise in door-to-door logistics to all industrial sectors. In 2013, the Group strengthened its integrated sea groupage service, opening new connections between Europe, Asia and the Middle East.

The overseas logistics flows were improved by the strategically based operations of the Group in growth regions such as South East Asia, China, Eastern Europe and South Africa. Two new sea routes have been opened, one covering Russia, Ukraine and Georgia, and the other linking Tunisia to Europe.

The varied business lines mastered by GEFCO allow our customers to save time

- How have the expectations of your customers regarding their logistics services providers changed?

Just-in-time flow management imposes major difficulties on manufacturers, which, in more and more cases, leads them to depend on supply chain experts and to favour fully integrated solutions. These are solutions for reducing their costs, and allowing them to save time so that they can concentrate on their core business.

- What systems are you putting in place to help them?

Our approach can be summed up in three words: adaptability, globalisation and integration. At GEFCO, our reactivity is built upon an organisation which is both very centralised and interconnected, and which enables our customers to save up to a week’s lead time on their transatlantic shipments.

- What are your priorities for the coming years?

We are going to develop our network through external growth and consolidate our positions as the standard setting operator for the flows between Europe and Asia, and Europe and South America. Central and Eastern Europe and in particular Russia and the CIS (Commonwealth of Independent States) countries also represent strategic growth areas. We intend to increase the number of routes we offer across the Atlantic and to central and south-east Asia. Everywhere the focus will be on transport plans which combine train, road and sea, which are more flexible and profitable for our customers, whilst keeping control over the impact that our services have on the environment.
SUCCESS STORY

Renault Logistics Parts and Accessories implements a partnership with GEFCO in the “Grand Paris” area

“One of the requirements of Renault Logistics Parts and Accessories is to achieve excellence in the service it provides to its dealerships. We undertake to deliver early morning next day any spare parts which are ordered before 4 pm. For our dealerships as for us, performance regularity and stability are crucial. It’s a real logistics challenge every day! We needed a partner with the experience and the ability to provide this service to more than 200 dealerships in the «Grand Paris» region. That meant more than 5,000 packages a night to be collected, sorted and delivered before 8 am to the dealerships. The service also includes the management of return flows (packings and parts).

GEFCO has made the difference regarding the key criteria: its automotive expertise, the experience of its dedicated spare parts expert team and its system for providing traceability and measuring performance. Its teams provided us with very convincing transport plans, which were perfectly in tune with our targets: that of maintaining a high level of performance, optimising the rounds and increasing competitiveness.

Two weeks after the start of the service, the performance level for the flows recorded for the business varied between 80 and 100% in terms of punctuality. For the return flows and the claims management, the GEFCO team joined forces to tackle the difficulties encountered and guaranteed an equally impeccable service level. We are very satisfied with the results which have got better and better.”

Matthieu Béguin, Head of Transport and Packaging Department, Logistics Engineering Division Parts and accessories – Renault Group

AUTOMOTIVE
UNIQUE EXPERTISE FOR MEETING THE CHALLENGES OF PERFORMANCE

GEFCO, the Number 1 in Europe for automotive logistics, has a full range of solutions designed to help companies keep up with the changes occurring in this sector. What makes it different: a full and comprehensive service provided for finished vehicles, with the same demands and standards on quality worldwide.

4 million vehicles transported yearly
2,000 logistics plans in operation

› Proactivity and reliability

The changing automotive market, particularly in Europe where competition has intensified, has forced manufacturers to look for ways of optimising their flows and costs. The flexibility required because of the variations in volumes has become their priority. GEFCO has 65 years of experience of managing the requirements of reactivity and reliability and has incorporated them in to the structure of its service.

› Finished vehicles management: a turnkey service

As a recognised partner to carmakers, GEFCO offers a comprehensive package for managing their logistics chain, with three major business lines.
- Logistics engineering and in particular the construction and deployment of multimodal transport plans at the GEFCO research and engineering departments, using dedicated resources for rail, sea and road as well as tax and customs expertise.
- The customisation and preparation of finished vehicles: in its 90 land and port centres reserved for vehicle storage and preparation, GEFCO takes care of all or a part of the Post-Production Operations (PPO): fitting of optional extras, alarms, GPS, etc. Its teams also prepare the vehicles before they are distributed in the sales network (Pre-Delivery Inspection): dynamic tests, de-protection, mechanical and electrical tests, final quality control, strictly in accordance with the terms and conditions of the manufacturer’s specifications.
- CPP: the teams arrange vehicle distribution from the GEFCO sites to each sales and each dealer zone.

› More than half a century of expertise serving the automotive industry

The Group can provide manufacturers and equipment providers with:
- its historical and in-depth knowledge of their issues, along with its ability to devise solutions which are ever more efficient, profitable and environmentally friendly;
- a coverage which is both comprehensive and tailor made for their needs. In particular the Group can manage door-to-door flows including a whole range of services inbound and outbound;
- a dedicated rail transport plan which is unique in Europe, with a fleet of 1,250 wagons. Its rail transport business was improved in 2013 when it was granted preferential access to more than 5,000 packages a night to be collected, sorted and delivered before 8 am to the dealerships. The service also includes the management of return flows (packings and parts).
- its dedicated rail transport plan which is unique in Europe, with a fleet of 3,250 wagons.

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Matthieu Béguin, Head of Transport and Packaging Department, Logistics Engineering Division Parts and accessories – Renault Group
to the Eastern European network (where the rail track-width is 1,520 mm) represents 25% of the flows managed by GEFCO, compared to 17% which is the average in Europe.

- a centralised system which guarantees manufacturers and fleet managers consistent practices and procedures in the management of their fleets on every continent;
- an innovative information system, which communicates with customers’ systems so that the progress of logistics events can be followed in real time (customer order, pre-delivery inspection and acceptance of vehicles) all over the world.

Adding flexibility to the logistics service

GEFCO is constantly improving its logistics plans and the size of its fleet so as to be able to provide the most suitable solution to the economic and environmental challenges which concern European automotive import-exports. In 2013, the Group moved to integrate its sea and rail routes in Europe, using its port platforms which are connected to the rail network. For manufacturers these more flexible plans represent competitive alternatives to road transport that GEFCO is focusing more and more on for local distribution.

Continued global expansion

GEFCO has set itself the double goal of supporting the major manufacturers in their development in the fast-growing markets and increasing their productivity through the optimisation of operations in all of their markets. The Group has capitalised on its increased presence in Russia and in Eastern Europe with the opening of a new 8,000 m² automotive terminal on the Black Sea – the first private storage yard in the country – close to the port of Novorossiysk and has started a regular sea freight service from Southern Europe. This means that its export customers can access the fast-developing Russian domestic market more easily and at the lowest possible cost.

In India, the Group has opened the first private storage yard in Ranjangaon. The site, which stretches over 4,500 m² with a storage capacity of 2,000 vehicles, is intended to become a multimodal hub.

In South Africa, GEFCO has launched its first global service with the intention to contribute to the development of a local market which has expanded to the neighbouring countries. New pre-delivery inspection sites have also been opened in Argentina, in Chile, in Peru and in Turkey.

Besides in India, in Austria, in China and in Algeria, the Group has also continued to develop its work with dealerships, distribution centres, and fleet managers through new sub-contracting contracts.

Strengthening locally based services through innovation

In the automotive-logistics sector one of the main issues on innovation is about devising solutions which allow stakeholders to achieve competitive savings. For instance, in Russia, GEFCO shows its expertise by offering manufacturers on-site logistics support, supervising the whole supply chain.

In Italy, the Group has introduced its “Dealer to Dealer” (DtD) service, aimed at optimising the flow of vehicle models between dealerships and reducing delivery times. GEFCO has also intensified its efforts to develop its operations in South America, by introducing a new service to compensate for the inadequate rail network: the transport of trucks in special vehicles. It is already used in Argentina, and will gradually be deployed across the continent. As an expert in Post-Production Operations (PPO), the Group has launched an “e-catalogue” which allows dealerships to improve their vehicle customerisation service.

What are the priorities for the GEFCO Finished Vehicles Logistics activity in the short term?

With the market slowing down, our challenge is to increase the number of vehicles that we manage. To achieve this we have to rely on the excellence of our services and the globalisation of our business.

What are the major priorities of your strategy?

Our ability to provide tailor made services is a growth resource. The same goes for our critical size, which has allowed us to target investments in teams and infrastructure so as to ensure that everywhere the services are always reactive. The challenge that we are constantly up against as a global provider is to be recognised by our customers as a supplier capable of supporting them thanks to the range of our services. Also, we are positioned as a “turnkey expert” designing solutions which are the perfect answer to their technical and sales needs.

And with an unrelenting commitment to quality...

This is always our first and flagship objective. It is what our leadership is built on and it is an advantage which really sets us apart. In 2013, most of our teams underwent training so as to be able to continue to improve the way they work and we have invested in new, simple and user-friendly equipment for improving our quality control even more.
GEFCO provides added value to the supply chain of its customers thanks to its expert services in the field of customs and tax representation. There are three sections to the service: the engineering and the implementation of compliant and optimised logistics plans and the performance of customs and tax representation operations.

GEFCO has 200 customs experts and legal advisers operating in 103 countries. Because customs clearance remains a complex step in the logistics chain, the Group endeavours to simplify the procedures for its customers. GEFCO has been an approved customs broker since 1971, and also has the status of Authorised Economic Operator (AEO) within the countries of the European Union - which is a decisive advantage and gives it a competitive edge. Indeed GEFCO is recognised as a secure and reliable partner by the customs authorities, and enjoys access and priority treatment so that lead times can be reduced.

The management of the global logistics chain is taken care of by the Harmony system, which is built into the Group’s information system. With the acceleration of the customs clearance procedures and the growing importance of the intercontinental land-based and sea connections in the Group’s activities, the ability to have a global vision of information, from the place where products are shipped to their final destination, has become more crucial than ever. The system, which has been in existence since 2012, provides a 360 degree view of the customs activity for added reactivity in the face of requests from manufacturers.

GEFCO holds the position of “best in class” in terms of customs activities and tax representation, in particular in respect of the quality and performance of its solutions. This goal has been supported by the recognition received through certifications concerning credibility and reliability. In January 2013, for example, GEFCO Poland obtained the most comprehensive version of the status of Authorized Economic Operator: AEO-F certification “Customs simplifications” / “Safety and Security”. This status, which GEFCO already holds in ten or so European countries and which strengthens GEFCO’s position in the region, in particular in respect of the quality and performance of its solutions, has become more crucial than ever. The system, which has been in existence since 2012, provides a 360 degree view of the customs activity for added reactivity in the face of requests from manufacturers.

EXPRESS CUSTOMS CLEARANCE ON THE BLACK SEA

The prior customs clearance declaration procedure which was set up by GEFCO with the Krasnodar (Russia) customs centre depot was a major factor in making this port a sea entry to Russia and the CIS for imported vehicles. These vehicles are cleared by customs on the day they arrive and can be on their way for delivery the next day: this is precious time saved when one considers how long and costly these formalities can be. It’s this performance which is attractive for manufacturers and which strengthens GEFCO’s position in the region. With this in mind, Toyota carried out a test in December 2013 involving the transport of its vehicles by train from the port quayside, and noted a significant reduction in the journey time between its factory in Turkey and its depot in Kazakhstan. The success of this initial trial run could be very promising in terms of future opportunities for GEFCO, which now operates from two facilities in Novorossiysk and Krasnodar.

A comprehensive range of turnkey services

It is through its local teams that GEFCO deploys its expertise in the regulations and procedures which are specific to each country. Customs engineering and tax representation includes numerous turnkey services such as the introduction of simplified customs procedures (import, export, transit), the bonded warehousing of goods, local tax management...

A powerful and efficient information system

As part of the assistance that it provides to its manufacturing customers in their international activities, GEFCO has incorporated its field-based expertise in customs and tax engineering into its all-in-one service. Its dedicated teams create the conditions for free-flowing customs clearance beforehand, suggest plans for optimising the customs costs and the VAT, include them throughout the supply chain, produce reporting systems for customers and provide them with support in the event of any administrative inspections.

— FOCUS

250,000 customs declarations annually

103 countries included in the scope of GEFCO customs operations

2,000 tax operations carried out every year for 150 customers
GEFCO GROUP IN 2014

GEFCO, SYSTEM, FOR RESPONSIBLE LOGISTICS

With 6.5 million reusable containers, 22 collection and washing centres (CCL) and forward centres (CA), 1,300 user customer centres and some 48 million movements of containers concerned every year, GEFCO makes a significant contribution to the reduction of the manufacturing industry’s carbon footprint. The GefboxSystem service is adaptable and sustainable; it is based on a comprehensive range of boxes, containers and pallets, made from standardised plastic. It also incorporates the design of ergonomic packaging for conserving sensitive components and making handling easier.

In its role as worldwide specialist in inbound flows engineering, GEFCO provides its customers with high added value warehousing and container flow management services. Its expertise in the processes and its ability to adapt to the needs of the customer ensures that the logistics chain is as reliable and free-flowing as possible.

560,000 m² of storage space
2,200 employees in the world

A comprehensive and innovative service

Warehousing & Reusable Packaging (WRP): this service requires input from more than 2,200 dedicated employees operating on 56 platforms around the world to satisfy the warehousing requirements from four logistics families: inbound, outbound, spare parts, storage. From the most simple to the most complex, all operations are covered by this expertise: warehousing, storage, cross-docking; synchronised lineside deliveries; delayed differentiation operations; repackaging; assembly, customisation, packaging, etc. Besides, GEFCO has developed its own cardboard and wood packaging patents. The Group has designed a special service for its manufacturing customers: the “Flow centres”, logistics platforms offering 470,000 m² of high value services upstream and downstream, from forward stock management to tailor made packaging.

As regards containers, GEFCO provides its customers with comprehensive solutions for managing reusable packagings, via its “GefboxSystem” service. This is an innovative, responsible, environmentally friendly and economic way of helping support manufacturers in their own commitment to sustainable development, whilst removing the need for cardboard and waste management on the assembly line.

Meeting the challenges from manufacturing customers

Matching stock management as closely as possible to needs, reactivity and reliability of supply deadlines, logistics costs control, adherence to regulations on the environment and security: manufacturing operators have to deal with many challenges. The solutions provided by GEFCO allow them to optimise these essential positions in their businesses. The flexible, reliable and efficient supply chain activity relies on a powerful IT system, which incorporates the information systems from each key network and which allows real-time traceability for goods.

The expertise of the GEFCO teams also makes it possible to meet the requests requiring special know-how, such as the treatment of fragile parts or large volumes. The same concerns added value services such as reconditioning, relabeling and the management of containers.

Resources for endogenous and exogenous growth

GEFCO has capitalised on its automotive know-how for securing new markets which have been convinced by the very demanding team standards. This is how the Group has gradually made inroads into the agricultural machinery, public buildings and works, supermarket retailing and floor lining industries... In Spain, for instance, GEFCO uses its automotive expertise in managing a Forward Supplier Warehouse (MAF) for the customer Dia.

Finally, the Group is increasing its number of new platforms so as to consolidate its position among key automotive accounts or in strategic geographical zones, such as the projects underway in Mexico, South Africa, Romania and in Argentina.
As a global player operating locally, GEFCO is committed to a policy which is about caring for the planet and its people. Social, corporate and environmental responsibility are fundamental to the company’s operations and represent an essential priority in its growth strategy.
GEFCO’s policy regarding Corporate Social Responsibility (CSR) is based on five operational priorities: organisation and governance, social commitment, environment, innovation and business line practices, communities and local development. These priorities take the form of initiatives out in the field, which are measured and audited every year.

Because it wishes its CSR policy to be compliant with demanding industry standards, GEFCO is a member of the UN Global Compact. The ten principles which form the Global Compact come straight from the Universal Declaration on human rights, the declaration on the fundamental rights and principles at work (International Labour Organisation), the Rio declaration on the environment and development as well as the United Nations Convention against Corruption. Every year, since it became a member, GEFCO has sent a report on the steps taken to the French delegation of the Global Compact.

For 2013, GEFCO was evaluated by EcoVadis, a referential independent body examining the commitment level of companies for the components of CSR. The “Silver” evaluation places GEFCO in the upper bracket of its activity sector.

The 5 GEFCO values: a commitment from the teams in the field

Because the way the result is achieved is just as important as the result itself, the GEFCO Group has based its development on five values, action principles and exemplary attitudes which are shared by all employees:

- Commitment, to rise to the most ambitious challenges;
- Passion for service, to offer our customers total involvement;
- Solidarity, to share and stand together;
- Innovation, to come up with new proposals;
- Transparency, to build with trust.

Organisation and Governance

The change of the majority shareholder within the GEFCO Group has resulted in the introduction of new institutions for governance and the strengthening of the Group’s control procedures.

- Balanced governance, guaranteeing responsible growth
  GEFCO is a company with an Executive and Supervisory Board. This configuration guarantees an objective supervision of the management and the provision of transparent information. The Supervisory Board, which is a non-executive body, is tasked with ensuring that the Group functions properly and keeping the shareholders informed. The Board has 12 members and is assisted in its strategic consultation actions by 4 commissions. The Executive Board is a collegial body chaired by Luc Nadal, and is responsible for managing GEFCO. It has five members who are appointed by the Supervisory Board.

- Management following precise operating guidelines
  The new rules on how the Group must operate were issued in December 2013. They represent a significant evolution from those that had been in place since 2007, and reflect the company’s international expansion.

They are a guide to the values and beliefs of GEFCO that employees need to follow in their relations with customers, suppliers and investors. These rules also represent an ethical framework for adhering to the procedures and attitudes required for safety in the work place, human resources, communication, etc. Like all GEFCO standards, they are applicable in all subsidiaries.

- Keeping risks under control through demanding internal inspection
  One of the special characteristics of the Group is that it is organised into profit centres. The different GEFCO sites are directly responsible for the operational, accounting and financial aspects to their businesses and draw up a monthly income statement. As such, each GEFCO site has responsibility for ensuring that the services which have been carried out are correctly recorded and invoiced.

The controls which are carried out concern in particular sales margins, staffing costs and operating expenses. Each subsidiary qualifies the operating accounts of its depots and makes sure that the flows of funds are compliant with current procedures in the Group. Finally, at corporate level the accounts and results of each subsidiary are checked via a single information system. These rules on internal control have been put in place in accordance with generally accepted accounting rules.

Furthermore it was GEFCO’s wish to go further than what is required by law by implementing an annual self-appraisal of the activities concerning amongst other things the respect for human rights, the fight against corruption and regulatory adherence. This self-appraisal which is completed each year by the profit centre managers allows the strict observance of the values and the principles concerning the actions of the Group to be checked and if necessary corrective measures to be taken. In 2013, the questionnaire containing 200 items was distributed more widely, among 34 subsidiaries in fact compared to 27 in 2012. Since they were introduced these self-appraisals have led to 3,000 action plans being implemented, which are assessed half yearly.

GEFCO Turkey fixed office

GEFCO Group in 2014

Active Responsibility on a Daily Basis
The GEFCO Group intends to fulfil its social responsibility fully and comprehensively. It ensures that its employees can work in a safe and motivating environment and invests in ambitious induction and training programs as well as in developing staff diversity.

**A worldwide framework Agreement as a common standard**

In 2006, GEFCO made its commitment to the unions and other partners official under the terms of a global framework Agreement on social responsibility. In line with the requirements of the Global Compact, this agreement covers five major areas: the respect of fundamental human rights; health, safety and working conditions; putting an end to discrimination; and the promotion of equal opportunities; dialogue between employees and employers; respect for the environment. Its corporate requirements and those on safety have been extended to include GEFCO’s suppliers and sub-contractors as well as temporary employment companies.

**Employee-employer dialogue: making progress together**

The Group ensures that current legislation in respect of the appointment of the members of union organisations and the establishment of the staff representation bodies is scrupulously adhered to, once the required conditions have been fulfilled. Employees are represented at every level so that local working conditions can be taken into account. The increase in the number of company agreements signed within the Group in 2013 – more than 40 – is proof of the effectiveness of this cooperative approach. Notable examples of this are the employee agreements which have been signed in France, Argentina, Tunisia and in the United Kingdom.

**Application of internal regulations**

The internal regulations, which are the standards of the GEFCO ethic and values. In 2013, internal regulations applied to 26 subsidiaries, including GEFCO Kazakhstan which has recently introduced them. Internal regulations are due to be introduced in Mexico and in Germany in the course of 2014.

**Health and safety at work, a top priority**

Making sure that its employees can work in a safe environment is the first priority for the Group. GEFCO sets its standards via its Health and Safety at Work Management System (SMST). The SMST Road Map breaks down the procedure to be followed into five stages for achieving a degree of safety culture, which is incorporated in managerial practice. The aim of the Group in this respect is to impose the management’s principles in terms of safety at work on a long term basis. 2013 marked the finalization of the deployment of the “Acciline” database, which lists incidents and accidents at work. This system is now in operation in all the subsidiaries. By detecting “near accidents” (risks situations which may result in an accident involving physical injury), Acciline encourages the introduction of targeted prevention plans. In total, in the 27 subsidiaries covered by the SMST, 104 action steps were taken in 2013, including numerous “health days” or “health and safety weeks” as well as campaigns on how to lead a healthy lifestyle.

**Managing and preventing risks**

Managing psycho-social risks is a major priority of the SMST which is followed by the subsidiaries. As is the case for 19 subsidiaries where it is already in place, in 2013 GEFCO China introduced an alert system for cases of harassment, discrimination or corruption. Furthermore the process of assessing professional risks was continued in 2013 in all subsidiaries. Most of them have also taken measures to avert the risk of repetitive strain injuries. Keeping road-related hazards to a minimum is also an important SMST priority at GEFCO.

**Diversity, a real asset**

The principles of equal opportunities and diversity in the workplace are the focus for HR policies which are all part of every GEFCO’s employee’s career path: recruitment, appraisal, training and career development. Particular focus is placed on cultural diversity among job positions; equality between men and women and on the integration of disabled people within the Group. All over the world, the teams are standard bearers for these values in the field. With this in mind, in France, the training regarding diversity and non-discrimination was added to the GEFCO training catalogue in 2013. GEFCO France is making every effort to reduce the negative effects that being absent due to maternity or paternity can have on career prospects. Furthermore, the Italian, Brazilian and French subsidiaries have made determined efforts to recruit disabled people. To ensure that they can be employed, the “Handicap Initiatives” unit in France finances training courses as well as skills assessments and helps in the purchase of equipment.
FOOTPRINT
LIMIT THE ECOLOGICAL FOOTPRINT

Because it contributes to reducing costs, developing best practices and bolstering its sustainability, GEFCO’s environmental performance is inseparable from its economic performance. It is continuously improved by an integrated approach, formalised by the Group’s Quality and Environment policy. Its environmental actions are in line with the requirements of the ISO 14001 certification and hinge on the results of an annual environmental report.

Management of the environment integrated in the strategy
In the framework of its Quality and Environment policy, GEFCO structures its management of the environment according to a voluntary ISO 14001 certification approach. As of today, 59 sites are certified, or 37% more than in 2012. The actions are determined and managed on the basis of the environmental report which the Group’s 275 sites participate in. They are implemented in each subsidiary via a network of Quality & Environment leaders. Today, the environment management plan extends to all the Group’s business lines, establishing specific indicators and objectives for each one.

Reducing greenhouse gas emissions
To answer to the requirements of the “Grenelle environment round table”, GEFCO has set ambitious targets for itself regarding the reduction of greenhouse gases (GHG). The Group is particularly committed to ensuring that these gases increase at a rhythm inferior to its turnover.

Since 2011, the Group has been performing an annual carbon inventory of its sites. The latest results, delivered at the beginning of 2014, confirm the promotion of alternative overland transport methods, in particular by rail. Indeed, GEFCO has reinforced its status as a benchmark operator for rail logistics since its integration into the RZD Group. In parallel, GEFCO is working on accelerating the modernisation of its truck fleet, reducing its overall fuel consumption and training drivers in eco-driving (300 in France). Among the actions put in place, we can notably list the fleet of 80 km/h trucks, the equipment of the road fleet (owned and managed) with the latest generation deflectors and the implementation of a new built-in system making it possible to monitor the fuel consumption per trip.

Protect natural resources and the ground
The environment management plan guides the Group’s subsidiaries towards numerical targets for the reduction of their water and energy consumption and their waste production (see environmental indicators).

In addition, GEFCO distributes an “Eco-driving guide” in all the countries it operates in, and in 2013 it created a special training course that will be offered to the Quality & Environment leaders as of 2014.

Regarding water management, the sites with the highest consumption – automotive centres with a vehicle washing unit, and centres for the collection and washing of reusable plastic containers – are integrated in the programme aiming to optimise the environmental performance standards. The GEFCO Group, including all of its countries, recycles an average of 57% of its waste, thanks to the local initiatives and the sharing of good practices.

Accompany third parties
GEFCO commits to supporting its customers’ environmental approach and to facilitating their access to data regarding their carbon footprint. In 2013, GEFCO reinforced the environmental dimension of its technical and sales approach in order to promote its multimodal solutions to manufacturers more systematically.
In all of its business lines, GEFCO positions itself as a company which contributes to collective progress. The Quality management tools implemented daily by the teams in the field aim at the continuous improvement of productivity for customers.

Innovation in the practices is one of the main objectives of the GEFCO Management System (GMS), the Group’s management method. The policies and processes implemented are aimed at the highest performance, safety and neutrality for the environment. Deployed since 2009, the GMS took on a new dimension in 2013 by broadening its databases with more precise performance indicators.

Concrete innovations for the benefit of all

GEFCO is constantly developing in the different logistics domains. Its technological progress are also competitive advantages which contribute to putting its subcontractors and customers on a path to progress.

Quite often, the problems put forth by manufacturers to the Group’s design offices are at the origins of innovations. Interfaces between the customers, the logistics activities, their networks and the transport partners, the GEFCO experts have all the data to identify, case by case, ways for progress and to offer solutions. Their priority area of research is to conceive efficient alternatives to road transport. One of the important 2013 projects is the implementation of a “Vesoul (France) - Kaluga (Russia)” rail corridor leaning on the RZD network in Russia and in the CIS. Given the intensification of the East-West flows, considerable time savings, energy consumption and productivity are expected.

Collective intelligence, an engine of continuous improvement

By sharing their ideas, every employee can stimulate the company’s capacity for innovation. This behaviour is encouraged by a specific programme deployed since 2010: STIM. This method, which makes it possible to collect and promote the employees’ suggestions, is already used in 8 countries. Examples of some of the ideas retained include the replacement of on-site semi-trailers by cleaner, quieter and less expensive small electric trains in Spain, or the creation of a new trestle to carry out the detailing and bumper painting operations in Turkey, with the keyword being increased productivity.

Training, a source of competitiveness

The Group’s internal university, GEFCO Campus, designs programmes that allow employees to update their knowledge and know-how, and to adapt to the customer’s requirement level. In 2013, the Group notably reinforced its “Business line” training programmes and also deployed a programme in Quality leadership.

Quality rewarded: Subsidiaries in the limelight

“2012 logistics operator of the year” award for GEFCO Poland, granted by the Eurologistics Publishing and Data Group Consulting Research Agency organisations.

“Logistics company with the fastest growth award in 2012” for GEFCO Bulgaria, awarded by the Press Auto Club Bulgaria.

First place in the ranking of the largest companies in Bucharest for GEFCO Romania in the “Medium-sized companies” category in the “Other activities connected with transport” sector.
By the very nature of its logistics activity, the GEFCO Group helps to shape territories, influence local economies, develop infrastructures and even open up some developing regions. Convinced that sustainable development must be a creator of shared values, the Group and its teams invest in the communities hosting them, all over the world.

➢ Be a part of humanitarian and philanthropic operations

In the regions it is located in, GEFCO supports philanthropic and general interest actions led by its subsidiaries and encourages the voluntary investment of its employees. In Argentina and the Czech Republic, which suffered major floods this year, the subsidiaries carried out several actions to help the affected populations: financial support, providing trucks for use, collection of products. In Portugal, for the renewal of its IT equipment, GEFCO made a donation of 400 kg of electronic equipment to the Entrajuda foundation. In Spain, GEFCO signed collaboration agreements with two organisations: Ambit Asociación, which specialises in the reintegration of marginalised persons, and the Proclade Foundation, which develops actions in developing countries. The subsidiary has been working with the Spanish Federation of Food Banks (FESBAL) for several years.

➢ Open up prospects to the local active resources

GEFCO promotes local employment as much as possible by calling upon suppliers and subcontractors located in the employment pools of its sites. This involvement, recognised by the communities, contributes to establishing GEFCO’s reputation with the local decision-makers.

The partnerships tied with schools, universities and the integration of students represent another occasion for GEFCO to promote its responsible image among its stakeholders. All over, the Group opens its doors to apprentices and trainees in order to find new talent and to incite youth to seek training in its different business lines. Thus, in China, in the framework of the cooperation agreement signed with the “Shanghai Institute of Foreign Trade” public university, the subsidiary hosted 12 student trainees.

The GEFCO subsidiaries regularly host youth from the university and schools to train them in the logistics and transport activities and to discover new talent. In France, GEFCO has formed partnerships with several specialised schools to recruit work placement students. Showing a 5.9% rate of work placement contracts, GEFCO France is the second company in its sector to surpass the national legal rate (4%). For its part, GEFCO Turkey offers its trainees personalised training in its different departments, opening up the possibility of them being recruited after obtaining their diploma. In Latvia, to support young professionals in their career development, GEFCO Baltic is working together with Riga Technical University by awarding a series of grants and traineeships. In March 2013, GEFCO Poland joined a joint social initiative by the Accor and Nobody’s Children associations, placed under the honorary patronage of the Polish Ministry of Labour and Social Affairs. The aim is to support 20 youths having difficulty entering the job market, through traineeships and training programmes.
SOCIAL INDICATORS

These indicators come from the Social Report that GEFCO publishes annually. The scope, expressed in terms of annual average numbers of employees registered, that is 10,609 employees, covers all GEFCO subsidiaries as well as Mercurio, with the exception of Mercurio Pata (Italy subsidiary), the Tunisia subsidiary and several recent entities - Croatia, United Arab Emirates, South Africa, Mexico, Iran, Iraq and Granat entity (Russia).

The main geographic regions are broken down as follows:
- France;
- Western Europe and the Mediterranean: Spain, Italy, United Kingdom, Portugal, Switzerland, Netherlands, Belgium, Morocco;
- Central and Eastern Europe, Middle East: Austria, Bulgaria, Germany, Hungary, Kazakhstan, Baltic States, Poland, Czech Republic, Romania, Russia (substitute and Alsat JVs), Slovak, Slovenia, Croatia, United Arab Emirates, Tunisia subsidiary and several recent entities - Algaï JV, Slovakia, United Arab Emirates, France, Spain, Italy, United Kingdom, Portugal, Bulgaria, Morocco, Belgium, Switzerland; India excepted.
- Latin America: Argentina, Brazil and Chile;
- East Asia: China, including Hong Kong.

The GEFCO Group comprises 71 nationalities

The twenty most represented nationalities

This graph demonstrates the growing internationalisation of the GEFCO group, which today comprises 71 nationalities. Apart from French nationality, the first twenty account for 57.3% of the workforce.

- 40.00% French
- 7.25% Spanish
- 6.31% Brazilian
- 4.28% Slovakian
- 4.25% Italian
- 3.59% Polish
- 3.55% British
- 3.52% Russian
- 2.69% Czech
- 1.78% Hungarian
- 1.67% German
- 1.56% Turkish
- 1.41% Chinese
- 1.23% Romanian
- 1.14% Moroccan
- 1.10% Dutch
- 0.57% Ukrainian
- 0.53% Hungarian
- 0.50% Swiss

Number of training hours by geographic region

Total: 133,222 hours

- France: 44,580
- Central and Eastern Europe and the Mediterranean: 27,448
- Latin America: 20,338
- East Asia: 2,162

Number of employees trained in 2013

Total: 6,263 employees

- France: 2,456
- Central and Eastern Europe and the Mediterranean: 2,407
- Latin America: 1,457
- East Asia: 163

Workforce by main growth area

Total: 10,609 employees

- France: 4,256
- Central and Eastern Europe, the Middle East: 2,407
- Latin America: 1,457
- East Asia: 163

Female representation by geographic region

France: 1,388 (33%)
Central and Eastern Europe and the Middle East: 1,008 (42%)
Latin America: 1,185 (53%)
East Asia: 767 (32%)

19% of GEFCO’s workforce consists of seniors (employees aged 50 and over). 21% of the male global population and 15% of the female global population is over 50. The majority of seniors are in Western Europe. The Group has begun to study the employment and the motivations of these employees in order to give value to their experience and prepare the transfer of knowledge.

Workforce by age group and gender

Total: 10,609 employees

- 50yrs+: 1,069 (10%) 767 (73%)
- 40-49yrs: 2,989 (28%) 1,467 (14%)
- 30-39yrs: 3,506 (33%) 1,698 (16%)
- 20-29yrs: 2,042 (19%) 1,224 (12%)
- <20yrs: 1,212 (11%) 523 (5%)

Female representation is very unequal between geographic regions. Increasing the number of female employees is a major area of progress for GEFCO, which has undertaken actions to develop diversity.

Training programmes are designed to implement the group’s strategic orientations and to improve the professional level of the teams. Deployed in all the subsidiaries, usually in the language of the country, they are the means to develop a common culture and identical professional practices. In 2013, 6,263 employees, that is 59% of the workforce, attended at least one training course. In total, 133,222 hours of training were given in the Group.

Group’s workforce by age group and gender

Total: 10,609 employees

- 50yrs+: 1,069 (10%) 767 (73%)
- 40-49yrs: 2,989 (28%) 1,467 (14%)
- 30-39yrs: 3,506 (33%) 1,698 (16%)
- 20-29yrs: 2,042 (19%) 1,224 (12%)
- <20yrs: 1,212 (11%) 523 (5%)

Female representation is very unequal between geographic regions. Increasing the number of female employees is a major area of progress for GEFCO, which has undertaken actions to develop diversity.
ENVIRONMENTAL INDICATORS

Methodology

GEFCO manages its Group Environmental Report with an online tool developed by service provider Tenaxia. Data is collected locally by the contributors to the Group environmental network, with a web interface available in six languages. This data is then validated by the sustainable development division.

The period covered in this Report is from 1 November 2012 to 31 October 2013. This year, 275 GEFCO sites are included in the scope of the environmental report, compared to 232 in 2012.

Total water use (m³, mains water + surface water + underground water)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>245,653</td>
</tr>
<tr>
<td>2013</td>
<td>206,355</td>
</tr>
</tbody>
</table>

The favoured method for reducing the use of electricity is raising awareness among the employees through the guide of eco-friendly practices and visual management. GEFCO also favours the establishment of lighting methods that are more respectful of the environment.

Value of the WEEE (Waste electrical and electronic equipment)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>37%</td>
</tr>
<tr>
<td>2013</td>
<td>56.66%</td>
</tr>
</tbody>
</table>

Indirect GHG* emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>9,445</td>
</tr>
<tr>
<td>2013</td>
<td>10,591</td>
</tr>
</tbody>
</table>

CO₂ INVENTORY: THE THREE SCOPES

The inventory differentiates the CO₂ emissions directly attributable to the company’s activity and the emissions indirectly linked to it through three scopes:

Scope 1: direct emissions. These are the emissions produced by combustible (which use fuel, gas), fixed (buildings) and mobile (road, sea and air transport of the owned fleet) sources belonging to or held by GEFCO.

Scope 2: indirect emissions. They are linked to energy consumption: we speak of indirect emissions because it is the production of the energy by service providers that is the source of emissions (e.g. electricity).

Scope 3: indirect emissions resulting from the company’s activities. They come from sources not under the company’s responsibility. This scope mostly concerns subcontracting for the transport of goods.

GHG* emissions by Scope

<table>
<thead>
<tr>
<th>Scope</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 (not including own fleet)</td>
<td>2%</td>
</tr>
<tr>
<td>Scope 2 (own fleet)</td>
<td>3%</td>
</tr>
<tr>
<td>Scope 3 (not including transport)</td>
<td>7%</td>
</tr>
<tr>
<td>Scope 3 (transport)</td>
<td>86%</td>
</tr>
</tbody>
</table>

R/km per transport method

<table>
<thead>
<tr>
<th>Transport Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road (OVS and FVL)</td>
<td>40%</td>
</tr>
<tr>
<td>Rail (OVS and FVL)</td>
<td>37%</td>
</tr>
<tr>
<td>Air (OVS)</td>
<td>9%</td>
</tr>
</tbody>
</table>

The amount of waste placed into landfills corresponds to the percentage of waste produced by the entity placed into landfills, and which are thus not treated. The reduction of this ratio for the NHIW (non-hazardous industrial waste) demonstrates better waste management. Indeed, 79% of this waste was treated – meaning, either recycled or destroyed through the appropriate process, thus in a “clean” manner. Moreover, the rate of waste treated corresponds to the percentage of waste either recycled or destroyed through the appropriate process. The increase of this ratio is synonymous with better waste management by GEFCO.

Finally, the waste recycling rate corresponds to the percentage of the waste recycled. The increase of this ratio also signals better waste management.

GEFCO works on three areas of reduction of CO₂ emissions for transport:

1) Making the drivers responsible by implementing standardised eco-driving training courses and deploying them worldwide, as well as the encouragement to carry out regular monitoring of their fuel consumption and act accordingly in the event of over-consumption. The employee becomes the main player in the Group’s environmental approach.

2) Improving vehicle performance with the systematic installation of the latest generation defectors on our own and managed fleets, the fleet of 85 km/h trucks and the built-in system making it possible to follow the fuel consumption per trip. Thanks to these optimizations, together with close monitoring, we obtain a significant reduction in CO₂ emissions.

3) Managing subcontracting through the use of a system of evaluation and performance monitoring of our subcontractors. The “Carrier Management System” Internet portal displays a list of the Group’s current and potential subcontractors. It lists the characteristics of their services, including their environmental performance. The required criteria includes the distribution of their fleet in Euro standards, the percentage of their drivers trained in eco-driving and the condition of their fleet (age and maintenance methods). The information is regularly updated by the supplier. This portal facilitates the relationship between GEFCO and its subcontractors.

Impacted scopes: scope 3 (subcontracting)
Consolidated statement of income

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>3,603.7</td>
<td>3,992.8</td>
</tr>
<tr>
<td>Cost of services sold</td>
<td>(1,119.0)</td>
<td>(1,544.7)</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>(3,072.7)</td>
<td>(3,544.2)</td>
</tr>
<tr>
<td>Non-recurring operating profit</td>
<td>100.0</td>
<td>98.5</td>
</tr>
<tr>
<td>Non-recurring operating expenses</td>
<td>(21.3)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>88.2</td>
<td>99.3</td>
</tr>
<tr>
<td>Interest income</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>Finances costs</td>
<td>(72.0)</td>
<td>(16.7)</td>
</tr>
<tr>
<td>Other financial income</td>
<td>2.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Other financial expenses</td>
<td>(3.0)</td>
<td>(4.0)</td>
</tr>
<tr>
<td>Finance costs and other financial income and expenses, net</td>
<td>(9.1)</td>
<td>(19.0)</td>
</tr>
<tr>
<td>Profit before tax of fully consolidated companies</td>
<td>79.1</td>
<td>80.2</td>
</tr>
<tr>
<td>Current taxes</td>
<td>(30.8)</td>
<td>(70.1)</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>(5.6)</td>
<td>6.2</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(36.4)</td>
<td>(23.9)</td>
</tr>
<tr>
<td>Non-current financial assets, net</td>
<td>0.9</td>
<td>0.7</td>
</tr>
<tr>
<td>Share in net earnings of companies at equity</td>
<td>43.0</td>
<td>55.0</td>
</tr>
<tr>
<td>Attributable to equity holders of the parent</td>
<td>44.6</td>
<td>54.6</td>
</tr>
<tr>
<td>Attributable to non-controlling interests</td>
<td>(1.5)</td>
<td>1.0</td>
</tr>
</tbody>
</table>

* In 2013, the operating profit includes the launch costs of the 4PL contract with General Motors.

Consolidated cash flow overview

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated profit for the period</td>
<td>43.0</td>
<td>53.0</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation, amortisation and impairment</td>
<td>73.8</td>
<td>57.1</td>
</tr>
<tr>
<td>Provisions</td>
<td>6.6</td>
<td>(16)</td>
</tr>
<tr>
<td>Changes in deferred tax</td>
<td>5.9</td>
<td>(5.2)</td>
</tr>
<tr>
<td>(Gains) losses on disposals and other</td>
<td>(3.5)</td>
<td>(4.6)</td>
</tr>
<tr>
<td>Share in net (earnings) losses of companies at equity, net of dividends received</td>
<td>-</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Revivalisation adjustments taken to equity and hedges of debt</td>
<td>(4.9)</td>
<td>4.0</td>
</tr>
<tr>
<td>Funds from operations</td>
<td>120.9</td>
<td>106.5</td>
</tr>
<tr>
<td>Change in working capital</td>
<td>(37.9)</td>
<td>(65.5)</td>
</tr>
<tr>
<td>Net cash and cash equivalents from operating activities</td>
<td>(43.4)</td>
<td>(62.4)</td>
</tr>
<tr>
<td>Proceeds from disposals of shares in consolidated companies</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Proceeds from disposals of shares in non-consolidated companies</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Acquisitions of shares in consolidated companies</td>
<td>(61)</td>
<td>(20)</td>
</tr>
<tr>
<td>Acquisitions of shares in non-consolidated companies</td>
<td>(222)</td>
<td>(24)</td>
</tr>
<tr>
<td>Proceeds from disposals of property, plant and equipment</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Proceeds from disposals of intangible assets</td>
<td>0.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Investments in property, plant and equipment</td>
<td>(228)</td>
<td>(28)</td>
</tr>
<tr>
<td>Investments in intangible assets</td>
<td>(177)</td>
<td>(22)</td>
</tr>
<tr>
<td>Change in amounts payable on fixed assets</td>
<td>0.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Other</td>
<td>(2.5)</td>
<td>5.1</td>
</tr>
<tr>
<td>Net cash from (used in) investing activities</td>
<td>(44.4)</td>
<td>(42.3)</td>
</tr>
<tr>
<td>Payments paid:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- To GEFCO SA shareholders</td>
<td>(410.0)</td>
<td>-</td>
</tr>
<tr>
<td>- To other shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- To minority shareholders of subsidiaries</td>
<td>(435)</td>
<td>(24)</td>
</tr>
<tr>
<td>Loan increase</td>
<td>354.4</td>
<td>354.3</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(112)</td>
<td>(479.7)</td>
</tr>
<tr>
<td>Other</td>
<td>(161)</td>
<td>(3.9)</td>
</tr>
<tr>
<td>Net cash from (used in) financing activities</td>
<td>(104.2)</td>
<td>(484.5)</td>
</tr>
<tr>
<td>Effects of changes in exchange rates</td>
<td>(65)</td>
<td>(16)</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>(19.7)</td>
<td>(7.8)</td>
</tr>
<tr>
<td>Net cash and cash equivalents at beginning of period</td>
<td>25.1</td>
<td>170.4</td>
</tr>
<tr>
<td>Increase (decrease) in cash and cash equivalents</td>
<td>(104.4)</td>
<td>(95.7)</td>
</tr>
</tbody>
</table>

GEFCO GROUP IN 2014

Having separated from the PSA Peugeot Citroën Group at the end of 2012, GEFCO has become financially independent and has organised, with the support of its shareholder RZD, the finance of its working capital (BFR) and its investments through the establishment of bilateral relations with national and international banks for a total of more than €350 million.