

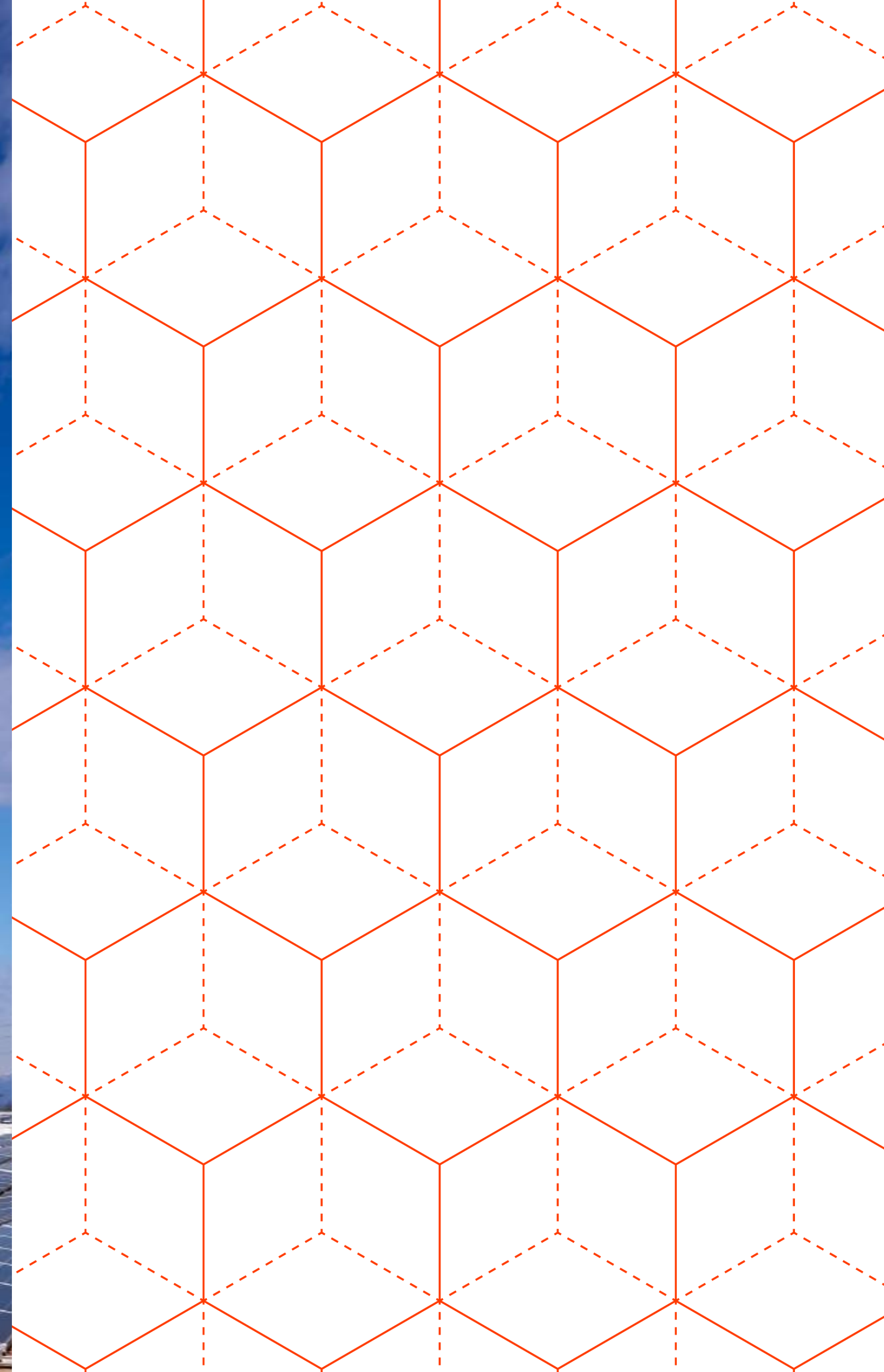


GXO

ESG

2021 REPORT

**Making a positive impact for
our people, partners and planet**



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Optimized for digital viewing

In the interests of minimizing environmental impact and paper wastage, this report has been optimized for digital viewing and as such incorporates a variety of interactable elements for both navigation and supplementary multimedia content.

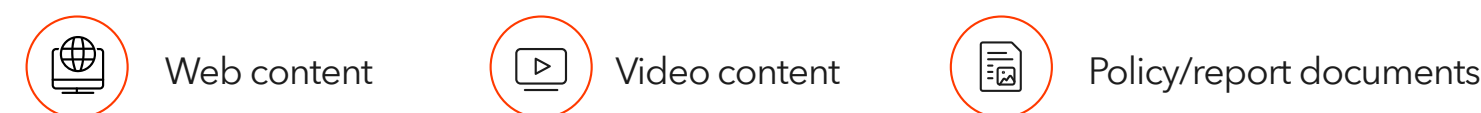
Navigation cues

Our clickable function buttons enable you to quickly navigate your way through the report content. Examples are shown below:



Multimedia indicators

Supplementary multimedia content is categorized into **web**, **video** and **policy/report** links. The below indicators signify an interactable link to such content.



ESG in action

Throughout this report we use case studies to illustrate the value we bring our customers and the positive impact we have on people, planet and community. To see a list of all the case studies used in the report, please see our case study index.

[View](#) the index



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Messages from our leadership





A letter from our Chief Executive Officer

Welcome to the inaugural report on GXO's Environmental, Social and Governance (ESG) impacts and goals. Thanks to the immense work of an incredible team, GXO spun-off from XPO and became a standalone company on August 2, 2021. We hit the ground running.

Our fresh beginning brings a rare opportunity—and responsibility—to create a strategy around what matters most to our employees, customers, investors and communities. That means harnessing technology to not only improve profitability and performance, but also minimize our environmental impact, create a safe, welcoming workplace and do business the right way.

We call ourselves gamechangers. And on the following pages, you'll learn why. Along with our values, you'll see examples of how we are delivering on the full potential of logistics for our customers. You'll learn details about our journey to become an employer of choice for talented people worldwide and how we have delivered against our stakeholders' priorities in our first five months as an independent company. You'll also get a preview of our plans for the years to come.

Building warehouses of the future

As the world's largest pure-play contract logistics provider, GXO is establishing itself as the logistics partner of choice for forward-looking companies that share our commitment to ESG. Together with our customers and landlords, we're deploying new equipment and methods to shrink our collective

impact on the planet. We're already making progress toward [our global targets](#) for reducing emissions, minimizing waste and conserving resources.

Thirty percent of our warehouses are implementing the future of logistics with next-gen innovations that help advance sustainability as well as efficiency, productivity and employee safety. In fact, almost every one of the new contracts we've signed since the spin-off has included some element of advanced technology, robotics or automation.

Becoming an employer of choice

With labor markets becoming increasingly competitive, one of our main objectives is making GXO an employer of choice around the world. Our more than 100,000 team members are making our success possible. Their engagement is the fuel that powers GXO.

We nurture this engagement with careful attention to every aspect of employment, from competitive compensation to a vigilant approach to health and safety. Through GXO University, our employees have numerous opportunities to expand their skills and plan a course for career growth.

We are intent on building a winning culture, one where all GXO employees feel valued and supported and have a sense of belonging. We appointed our first [Vice President of Diversity, Inclusion and Belonging](#), who will help us foster inclusion as we recruit and develop talent with diverse backgrounds and perspectives.

Strengthening our communities

GXO operates over 900 warehouse locations in cities and towns across 28 countries. These communities are home to our customers, our colleagues and our families. Our commitment to creating a better world around us starts by being a good neighbor. We stand with our team members in supporting important causes through donations of time, money and other resources. And we partner with community organizations to amplify our impact.

As we issue our 2021 report, we recognize the humanitarian crisis unfolding in the wake of the war in Ukraine. Like many other global companies, we have team members who are directly affected, and our thoughts are with them constantly. We are committed to supporting our colleagues and those affected by this crisis, and we will share details of our efforts in next year’s report.

Leading by example

The ESG commitments you’ll read about in this report stem from a sincere desire of our Board and our executive leadership to create an exceptional company in collaboration with all of you, our stakeholders. Together, we will pursue measurable results and accountability for our impact around the world.

We’ve set a high bar, and we are already seeing results. In October 2021, GXO earned an “AA” ESG rating from MSCI.

There is much more to do, and we will remain diligent in our evaluation and pursuit of our ESG goals. I look forward to reporting on our progress as we continue to unleash the power of logistics at full potential.

Sincerely,

Malcolm Wilson

Malcolm Wilson
Chief Executive Officer



Watch Malcolm describe GXO’s commitment to people, partners and planet



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A letter from our Chief Compliance and ESG Officer

Shortly after GXO's launch in August of last year, I joined a group of senior GXO leaders from around the world to discuss what we wanted to be as an organization. Our discussions covered much more than balance sheets and global markets.

As we defined and explored our values and responsibilities, it quickly became clear that ESG is a critical and foundational priority with champions at the highest levels and across all business functions.

As a new company, we have the advantages necessary to excel in our ESG work. We're nimble and able to pivot swiftly as new needs arise.

We're also fortunate to have stakeholders who are not only receptive to change, but who also share GXO's goal to be at the forefront of innovative ESG policies and practices.



In GXO's DNA

The emphasis on ESG performance inspires leadership and colleagues in every function in the organization. ESG goals are being embedded into all that we do in areas such as emissions, energy and resource use, diversity, community impact and compliance management.

We share a commitment and a common understanding that "how" we do things at GXO is every bit as important as "what" we do.

We expect every team member to embed ESG principles into their daily work and share in the mission of doing business the right way, which includes:

- Making decisions that are responsible, sustainable and ethical
- Acting in the best interests of our planet, communities, employees, customers and investors
- Providing a safe and supportive workplace
- Building a culture of diversity, inclusion and belonging
- Working with partners who share our values

The "right way" also guides how we interact with and support our team members and communities. It drives us to partner with our customers on innovative solutions. It empowers us to build our investors' confidence through smart risk management and strong governance practices.

Implementing an ESG strategy

To bring a fresh lens to our thinking, we engaged our key stakeholders to complete our first materiality assessment and articulate our ESG priorities. We also formed committees at the Board and executive levels to help us achieve them. We are now in the process of developing an ESG scorecard for greater accountability and to focus our resources where they will be most impactful.

I'm extremely proud of what we've accomplished together in the past eight months. We've laid a solid foundation for industry leadership by nearly every measure.

And we are just getting started.

Regards,



Meagan Fitzsimmons

Chief Compliance and ESG Officer



Hear more from Meagan on the role of ESG at GXO



What we do

We chose the name GXO because it represents the core of what we provide for our investors, customers and colleagues: game-changing opportunities.

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GXO: Logistics at full potential

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Changing the game in logistics



GXO: Logistics at full potential

On August 2, 2021, GXO was officially born.

We are a company of more than 100,000 people worldwide who see endless opportunities to drive innovation in logistics to help our customers unlock the full potential of their supply chains.

Our customers include more than a quarter of the *Fortune 100* companies, and we are more than their suppliers; we are their strategic partners.

From warehousing to distribution, we tailor supply chain management solutions to the business challenges and complexities of different industries and use our knowledge and technology to deliver the results our customers demand.



Numbers that matter

Scale

~900

Warehouse locations

100,000+

Team members

28

Countries

~200 million

Square feet of warehouse space

1/4

of *Fortune 100* companies are our customers

\$7.9 billion

Revenue in 2021

Results

4-6x

Productivity improvement with team members supported by robots

5x

More items shipped using robotic automation

5-7%

Average labor efficiency improvement by deploying machine learning













GXO has experience supporting businesses in some of the world’s most complex and high-growth industries.

GXO brings major advantages of technology, scale and expertise, as well as something unique—customized logistics solutions that transform challenges into competitive strengths—to every customer relationship. We understand the supply chain requirements of each industry that we serve, including regulations, special handling, surge management and other demands.



[Learn more](#) about how we support businesses in some of the world’s most complex and high-growth industries

Industries we serve

- | | | | | | |
|---|--|---|---|---|---|
| 
Aerospace and defense | 
Agribusiness | 
Automotive | 
Chemical and energy | 
Consumer packaged goods | 
Ecommerce |
| 
Food and beverage | 
Healthcare | 
Industrial and construction | 
Omnichannel retail | 
Public sector | 
Technology and consumer electronics |



Changing the game in logistics

Our team members see endless opportunities to advance logistics through technology. This is why we call them **gamechangers**.

And in many ways, GXO is not just a logistics company—**we are also a technology company** at our core because we are focused on creating bespoke, technology-driven solutions for our customers, which in turn creates new and exciting opportunities for our colleagues.

GXO uses automation and technology as key differentiators to boost safety, efficiency and productivity for customers while transforming the work experience for our team members. Our focus is on data-driven processes, intelligent automation and machine learning-technologies that deliver smarter, more efficient and agile supply chains and help our customers realize their goals.



For example, GXO has developed high-profile “digital” warehouses—“warehouses of the future”—around the globe that also serve as innovation incubators for our technology organization. Designed as collaborative environments where we work closely with customers, these have far-reaching impacts on the future of logistics.

In addition to the direct benefit to supply chain operations, our technology-enabled warehouses help our customers move forward on corporate responsibility goals, such as environmental sustainability and workforce health and wellness.

Throughout the report, we share examples that illustrate how we are helping our customers capture new opportunities and enabling our colleagues to thrive in a new world of work by pushing the boundaries of what’s possible.



Where we innovate

Logistics is ripe for transformation through the technology that we provide.

Automation gives our operations the ability to flex with demand and deploy our resources where they have the most benefit.

Real-time visibility enhances stock-keeping and lowers cost.

Collaborative robots support workers during picking and packing operations. Ecommerce, in particular, requires an optimal combination of human and technological resources to address rapid growth, seasonal peaks and shifts in online behavior.

This commitment to game-changing innovation is a defining characteristic of GXO's logistics technology. We're engineering supply chains that transform logistics today and anticipate the future.



By the numbers

In 2021



2,000+

new technology
units deployed

1,000+

tech experts
worldwide



100%

increase in
goods-to-person
systems



200+
new technologies
tested from 100+
new suppliers



200%
increase in
collaborative robots,
called cobots



Learn more about how we are using automation to change the game for customers, team members and even the planet



Listen to our Chief Information Officer describe the future of logistics, technology and GXO



How we do it

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Our culture and values

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Our ESG priorities



Our culture and values

At GXO, our values aren't just words on paper—we live them every day.

We know that being a leader in logistics means making sure we take care of our customers and each other. That's why everything we do is grounded in our values-based culture.

A key part of our journey entails defining who we are and what we want to achieve. Our core values—be safe, be inclusive, make an impact, change the game and deliver results—are the foundation of our culture.

Be safe

We put safety first.
It's our responsibility to take care of each other. Together, we create safe, supportive workplaces where people can thrive and return home from work as healthy as they arrived.



Be inclusive

We value individuals' diverse **voices, talents, identities, backgrounds** and **experiences** to drive innovation and success. We build a culture of belonging that respects every team member and constantly finds ways to meet their diverse needs.



Make an impact

We strive to make a positive impact for our **people, partners** and **planet**. We do it by listening, doing business responsibly and ethically, and going above and beyond to deliver environmental, social and economic value.

Change the game

We never stop finding bold, original solutions to tough challenges. We continually raise the bar, powering **game-changing solutions** with advanced technology. We help our customers evolve to meet the needs of tomorrow, as well as today.

Deliver results

We're laser-focused on delivering the best results. Every day, we find ways to increase **efficiency, speed** and **overall performance**. We're passionate about producing outstanding outcomes for all our stakeholders.



Our ESG priorities

At GXO, we are looking to lead the way on ESG.

We account for environmental and social impact in everything we do, whether that’s building career paths that help diverse teams thrive or designing operations that reduce energy consumption and increase environmental sustainability. ESG criteria are core to our operations.



Hear more from our Chief Compliance and ESG Officer Meagan Fitzsimmons on the role of ESG at GXO and how we do business the right way

Material issues: Listening to the voices of our stakeholders

In 2021, we undertook GXO’s first materiality assessment. Partnering with an independent firm, we conducted a comprehensive review of the environmental, social and governance topics most relevant to our industry to prioritize the topics that would be most important to GXO and our stakeholders over the next 3-5 years. We sought to identify the areas where GXO should focus its efforts to sustain long-term value creation.

We began by performing research to identify issues that are likely relevant and important to GXO’s internal and external stakeholders. To start, we referenced leading global standards and frameworks, including the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), to identify potentially relevant issues to a broad set of stakeholders. We also examined dozens of sources and industry research to identify emerging issues and trends. This analysis yielded a list of potential issues, which we then tested via interviews and surveys to define which ones we deemed material.

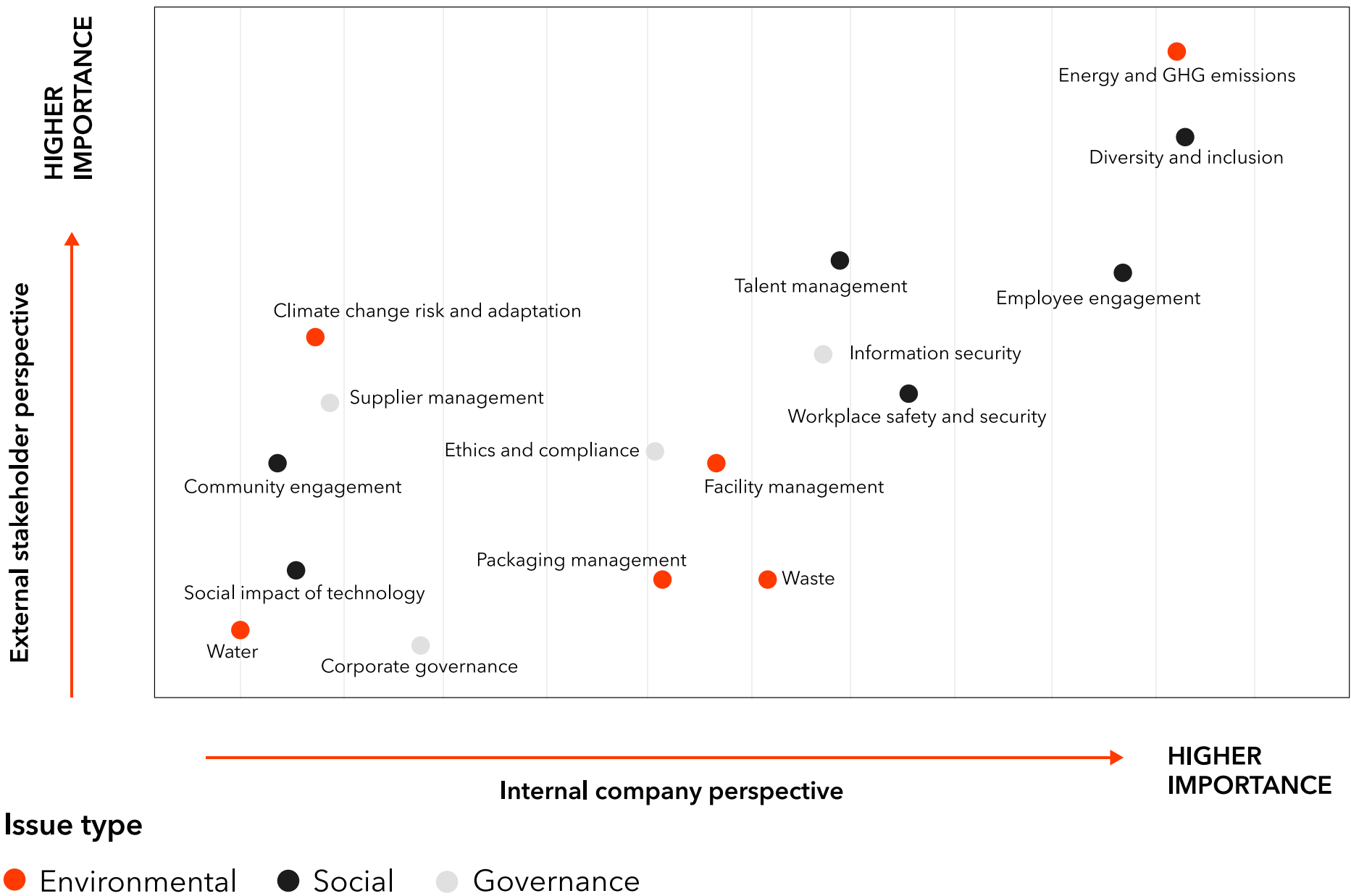
This testing included interviewing members of our executive leadership team, surveying internal subject matter experts and analyzing opportunities for and risks to the business. We also engaged GXO’s core

stakeholders, including customers, investors and team members, through interviews and surveys. We combined the results with an in-depth analysis of documents featuring the perspectives of policymakers, communities and the industry at large. The final analysis was reviewed by both the executive leadership team and the Board.

The results of our work are represented in our materiality matrix, which reveals the relative importance of the issues relevant to our company and our stakeholders.

Materiality matrix

Click on an issue to learn more about our efforts





Based on the results of this analysis, the issues reflected in our global goals and additional issues prioritized by our customers, investors and employees, we have identified the following priority material issues for GXO over the next 3-5 years:

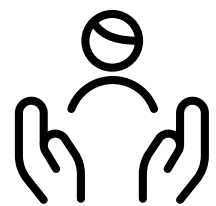
- **Energy & Greenhouse Gas (GHG) emissions** includes our carbon footprint, use of renewable energy, energy efficiency and reduced emissions from optimizing logistics for our customers.
- **Diversity and inclusion** includes our culture of belonging and board, executive, workforce and supplier diversity.
- **Talent management** includes recruitment, retention, development & learning and career progression.
- **Employee engagement** includes our work environment and culture, employee satisfaction and well-being and compensation and benefits as well as proactive and productive communication with team members, respect for workers' rights and compliance with applicable labor regulations.
- **Information security** includes data privacy and protection and the security of our information systems along with the data they contain.

While all the issues analyzed are important to GXO, the above issues represent areas where stakeholders have indicated that we can have the greatest impact. GXO will continue to carefully consider all ESG-related issues and intends to focus appropriately on the additional issues prioritized by our stakeholders, including packaging management, waste and workplace safety and security.



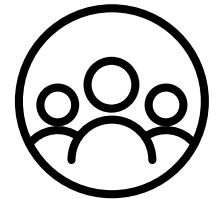
The materiality matrix reflects the issues our stakeholders deem important for GXO to address. Individual stakeholder groups also expressed issues of the most importance to them:

Customers:



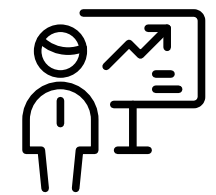
- Energy and GHG emissions
- Packaging management
- Diversity and inclusion

Employees:



- Workplace safety and security
- Employee engagement
- Energy and GHG emissions

Investors:



- Climate change risk and adaptation
- Diversity and inclusion
- Information security

Where we've been and where we're heading: a summary

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Reflections on our first year and the journey ahead

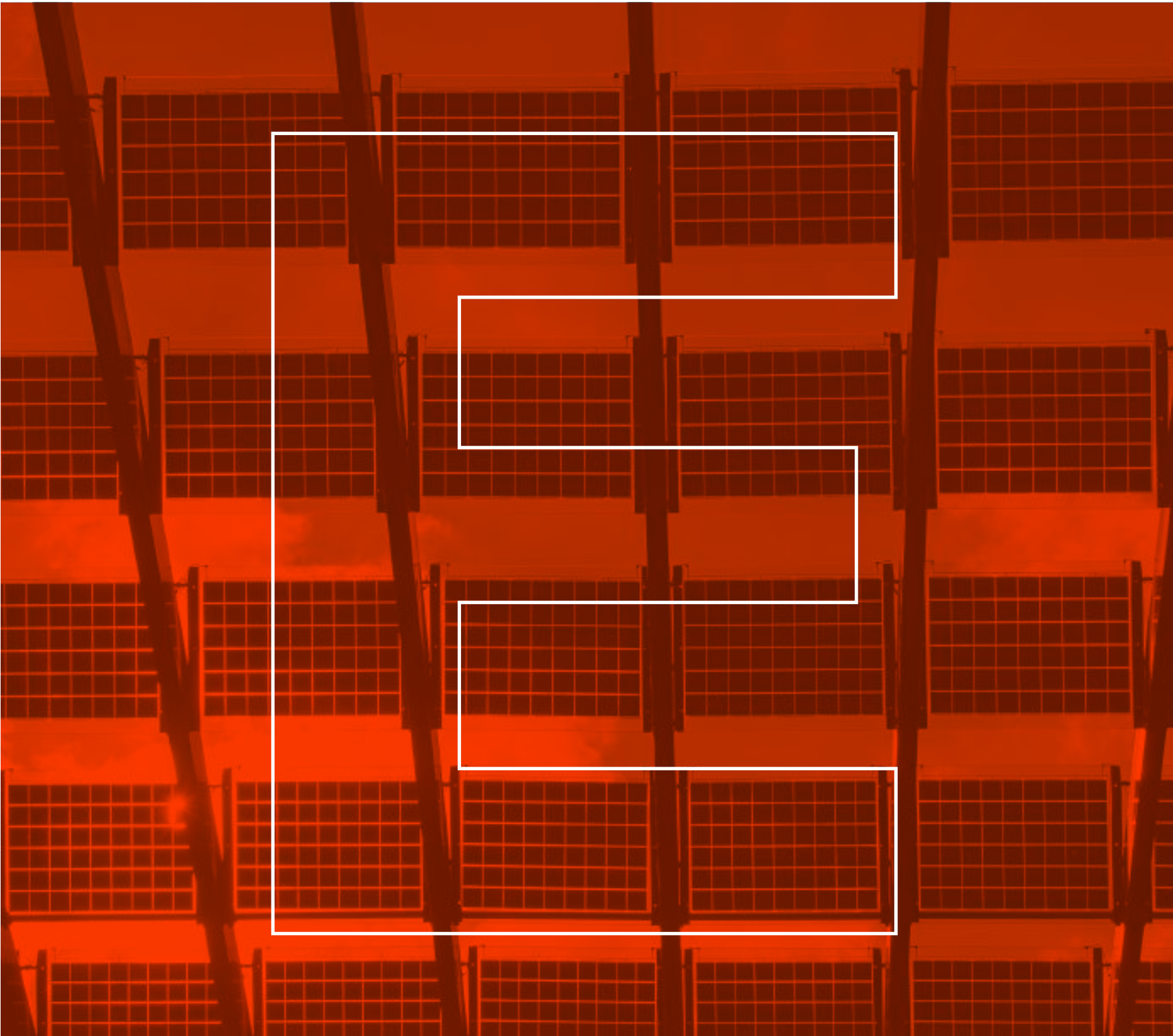
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Recognition of our efforts and our people



Reflections on our first year and the journey ahead

In our first year as an independent company, we are proud of the progress we have made against our ESG priorities and look forward to further progress on our ESG journey. Here are a few highlights from 2021. Read more throughout the report.

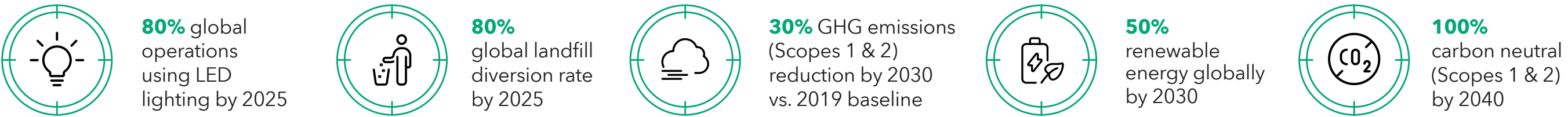


Environmental:

We focus on sustainability for two reasons. First, it's the right thing to do for our planet. And second, it's important to our customers, employees and investors. We're actively partnering with customers around the world to help them achieve their sustainability goals while we innovate to reduce our own environmental impact.

Highlights from 2021

- 5 ambitious environmental goals launched



- 37% of GXO-owned or leased facilities globally are ISO 14001–certified, and our new logistics center in Trecate, Italy, aims to be the first LEED v4 Platinum-certified warehouse in the EU
- Our global Scope 1 and 2 emissions have decreased by 13,624 metric tons CO₂e since 2019 and our emissions intensity has decreased 16.7 metric tons CO₂e per million dollars of revenue, or 26%, since 2019, even as we have expanded our business and footprint significantly
- 47% of our floorspace in the U.S. and Europe using energy-efficient LED lighting
- 79% of waste diverted from landfill globally in 2021, nearing our 2025 target of 80% landfill diversion ahead of schedule

Our environmental sustainability efforts align with the following United Nations Sustainable Development Goals:



[Read more about how we are changing the game in sustainability](#)



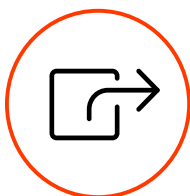
Social:

We are building a workplace that cares for and develops our gamechangers while we seek new ways to strengthen the communities in which we live and work. We champion diversity, inclusion and belonging (DI&B) throughout our daily work, and we strive to give each person the support needed to thrive.

With more than 100,000 team members in operations in 28 countries around the world, we recognize our amazing potential to create new opportunities not only for our customers, but also for our team members and communities.

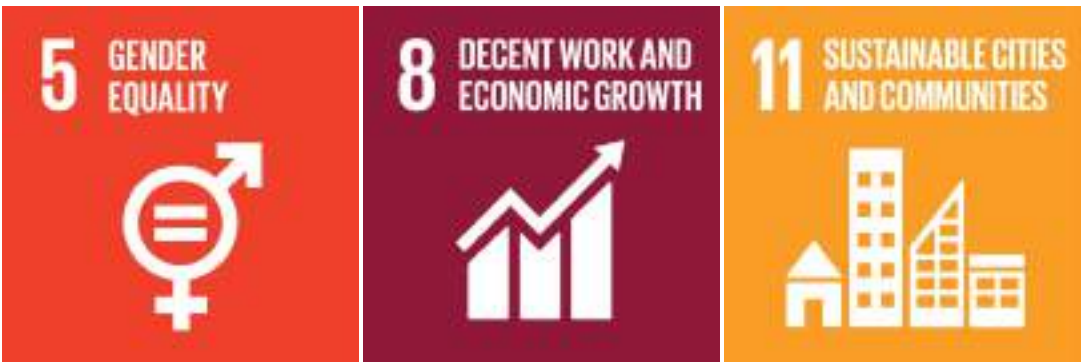
Highlights from 2021

- First Vice President of Diversity, Inclusion and Belonging (DI&B) appointed
- Our Road to Zero program aspires to zero occupational injuries and illnesses while ensuring the emotional well-being of all GXO team members
- **109,000** users completed a total of **315,000** learning modules at GXO University
- **30%** of GXO’s more than 900 warehouse operations are automated or tech-led—a percentage six times greater than our competitors’. Employees supported by goods-to-person systems saw productivity gains of 4 to 6 times while productivity doubled for those working alongside cobots. What’s more, staff turnover at GXO automated facilities is about 30% lower than the group average.
- **~2x increase** in women leaders at VP level and above globally since 2019



[Read more about how we are delivering on our social goals](#)

Our social goals impact the following United Nations Sustainable Development Goals:





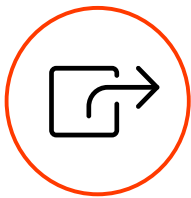
Governance:

Throughout our organization and across more than 900 warehouses around the world, our values and our commitment to ESG guide the decisions we make. Our strong governance structure and practices help bring these values and commitments to life for our team members worldwide, our shareholders and our business partners.

Highlights from 2021

- 75% of our board members are independent
- 50% of our board members are women
- Our “speak up” culture encourages colleagues to embrace each employee’s responsibility to report any concerns over or potential violations of our values or policies without fear of retaliation
- GXO Code of Business Ethics and related policies made publicly available in multiple languages

Our focus on good governance impacts the following United Nations Sustainable Development Goals:



[Read more about how we are doing business the right way](#)



[Watch:](#) GXO at Work

Recognition of our efforts and our people

We're proud to be recognized for our work with our customers, our impact on our communities and our vision of creating a workplace of choice for talented team members of all backgrounds.

Global

- "AA" (Leader) MSCI ESG Rating
- Gartner-3PL Magic Quadrant for 5th consecutive year*
- FreightTech 100
- Green 75 Supply Chain Partner, 2020, by Inbound Logistics for 5th straight year*
- Maytag Dependability Award for reverse logistics, 2020, by Whirlpool*
- Human Rights Campaign Corporate Equality Index for LGBTQ+
- 2021 Sustainable Future Award from Covanta

Regional

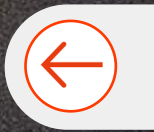
- Il Logistico dell'Anno (Italy)
- Kings of Supply Chain Innovation Award, 2020, Supply Chain magazine* (France)
- #3 of Top 100 Logistics Providers in the Netherlands, 2020, by Logistiek*
- Defence Employer Recognition Scheme (DERS) Bronze Award (U.K.)
- Forbes 50 best companies to work for in Spain

With our partners

- Institute of Innovation and Knowledge Exchange (IKE), ISO 56002 Investor in Innovations Standard (GXO-Virgin Media)

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* while part of XPO



GXO has implemented technology like this Small Order Automated Packaging (SOAP) machine to reduce cardboard use and minimize wasted space in shipments. Learn more on [pg. 30](#)

Environmental: Changing the game in sustainability by redefining logistics

We focus on sustainability for two reasons. First, it's the right thing to do for our planet. And second, it's important to our stakeholders. We're partnering with customers around the globe to help them achieve their sustainability goals while we innovate to reduce our own environmental impact.

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Pushing the boundaries of what's possible

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Reversing the process: rethinking returns

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Reducing our operational footprint

Our environmental sustainability efforts align with the following United Nations Sustainable Development Goals:



Pushing the boundaries of what's possible

We are changing the game for our customers.

We work with our customers to develop innovative solutions that help them to better serve their own customers and achieve their goals. This includes finding the most sustainable ways to get products to end consumers, or even returned products into the hands of the next consumer.

For many of our customers, the logistics component of their supply chain accounts for a sizeable portion of their greenhouse gas (GHG) emissions and waste footprint. We collaborate with customers to create action plans that reduce emissions related to their supply chains through technology-enabled solutions.

The food industry is a prime example. Research shows that 25% of GHG emissions come from the food supply chain. Improving grocery and food order accuracy alone industrywide could result in up to a 1% reduction in global emissions. GXO's automated warehouses improve accuracy by several percentage points to shrink waste and associated emissions to minimal amounts.

GXO also delivers significant value for fashion retailers. More than half of emissions from the fashion industry relate to the manufacture and shipping of products. For many fashion retailers, more than 30% of this inventory remains unsold at the end of the season, with "overstock" often ending up in landfills. GXO's warehouse efficiencies can reduce overstock by more than half, which decreases the amount of goods that need to be manufactured and in turn can help reduce emissions across the supply chain by nearly 10%. This is before we consider the impact of returns. Industrywide, approximately 30% of fashion products sold are returned, with 25% of those returns typically ending up in landfills, producing approximately 7.5% more emissions. GXO's reverse logistics innovations address this challenge directly: We are helping our reverse logistics customers ensure nearly all returned products are resold—with any unsold products being recycled or donated to charity.

In this section, we delve deeper into some of the ways we are helping our reverse logistics customers across industries transform the sustainability and resilience of their supply chains.



GXO's new packaging innovation cuts waste down to size for Amer Sports

The Opportunity

International sporting goods leader Amer Sports is home to popular brands such as Salomon and Wilson. While seeking to improve ecommerce fulfillment, the company recognized an opportunity to reduce its environmental impact by targeting the extra space, plastic packing materials and GHG emissions linked to using only standard-sized cardboard boxes.

The Solution

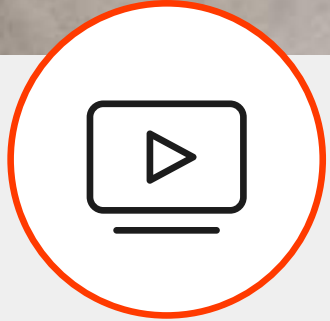
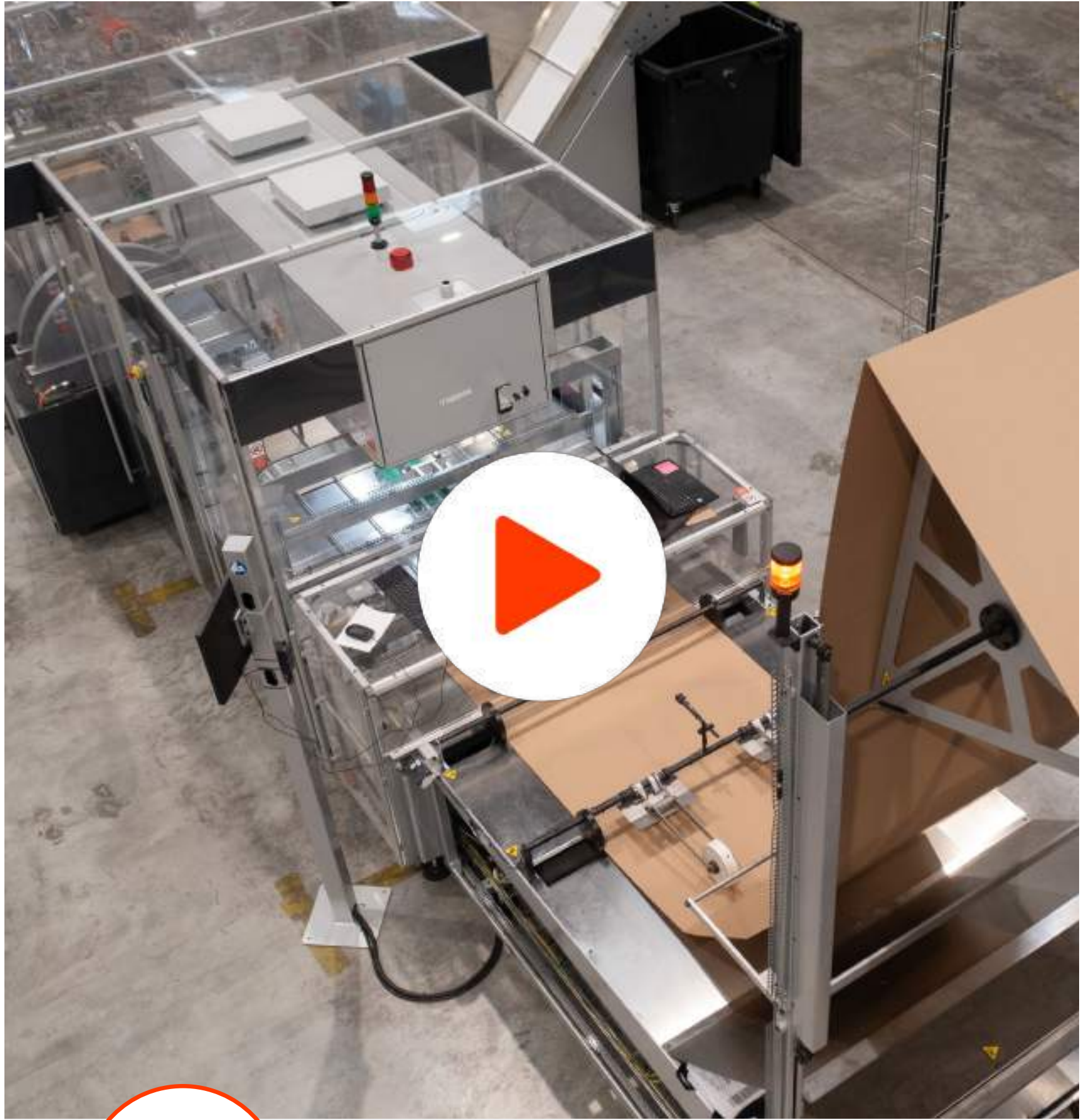
GXO's solution is an innovative new Small Order Automated Packaging machine at its Saint-Vulbas, France, distribution center that automates the final stages of packaging. The machine customizes Amer Sports boxes to perfectly fit parcels at a rate of up to 700 packages per hour. After taking 3D measurements, the machine cuts cardboard to within a millimeter of the product's dimensions. All offcuts are recovered and recycled.



Outcomes

Last-mile delivery vehicles can now fit more right-sized packages into each load, reducing the overall number of shipments and transportation-related GHG emissions. The precise cutting **reduces cardboard use and waste by up to 15%**. The technology also reinforces corners, which strengthens structural integrity. These reinforced corners increase durability to minimize damaged returns—reducing the environmental footprint from returns and improving consumer satisfaction.

GXO is proud of this innovation and our ability to leverage this technology, as well as similar custom packaging solutions, for other customers around the world.



See the new packaging machine in action

Warehouse of the Future advances Nestlé's ambitious environmental goals

The Opportunity

Nestlé, the world's largest food and beverage company, has set two bold operational goals for 2030: achieving zero environmental impact and halving its absolute emissions. The company's plan includes reducing water withdrawals, increasing renewable energy use, innovating sustainable packaging solutions and eliminating landfill waste.

GXO is enabling Nestlé to advance quickly toward its targets through a new **"Digital Distribution Warehouse of the Future"** in the East Midlands, U.K. The facility became fully operational in March 2021, with state-of-the-art sustainability features alongside the latest in automation and robotics.

The Solution

From the start, Nestlé's 2030 goals factored heavily into GXO's design. A site-spanning sensor network and analytics suite capture real-time data detailing the building's carbon footprint, such as energy use and temperature controls. This data triggers timely changes to reduce greenhouse gas emissions. GXO is also helping Nestlé on its way to 100% renewable energy sourcing and to meet its key targets with energy-saving LED lighting, environmentally friendly ammonia refrigeration, air source heat pumps for administration areas and rainwater harvesting. Automation solutions are helping to improve order accuracy and reduce waste-related GHG emissions.

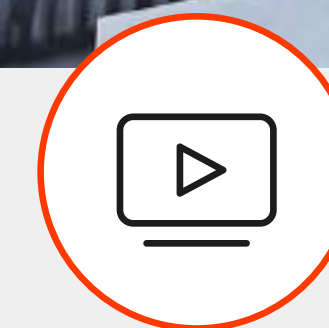
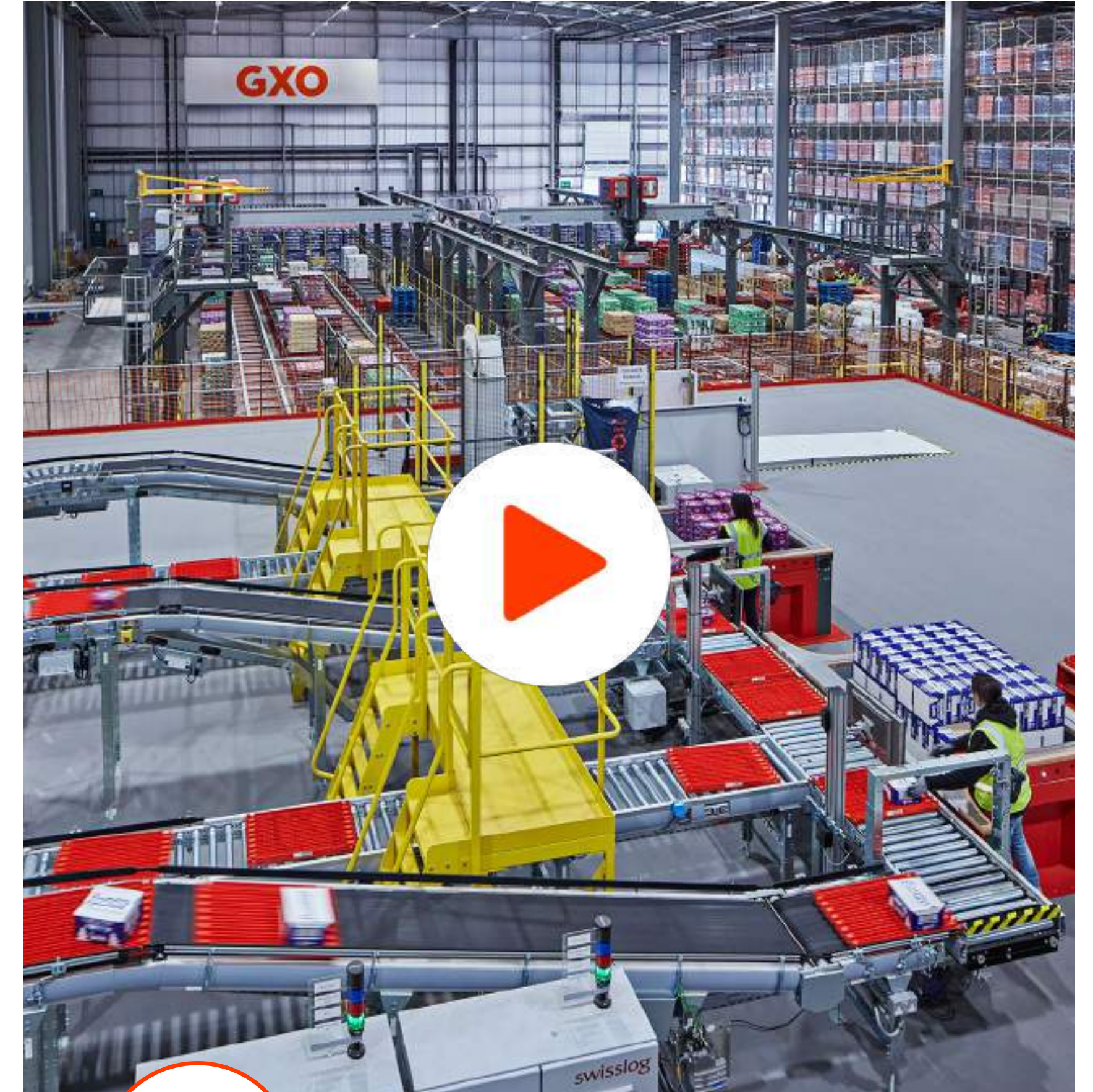


Outcomes

100%
LED penetration

Significant decrease
in inventory waste

Nestlé and GXO will continue to work together to push the boundaries of innovation and automation to capture the value of logistics and smarter supply chains as a strategy to tackle ambitious environmental goals.



Step inside the GXO/Nestlé Warehouse of the Future

GXO Direct cuts delivery times and emissions for The Beachbody Company

The Opportunity

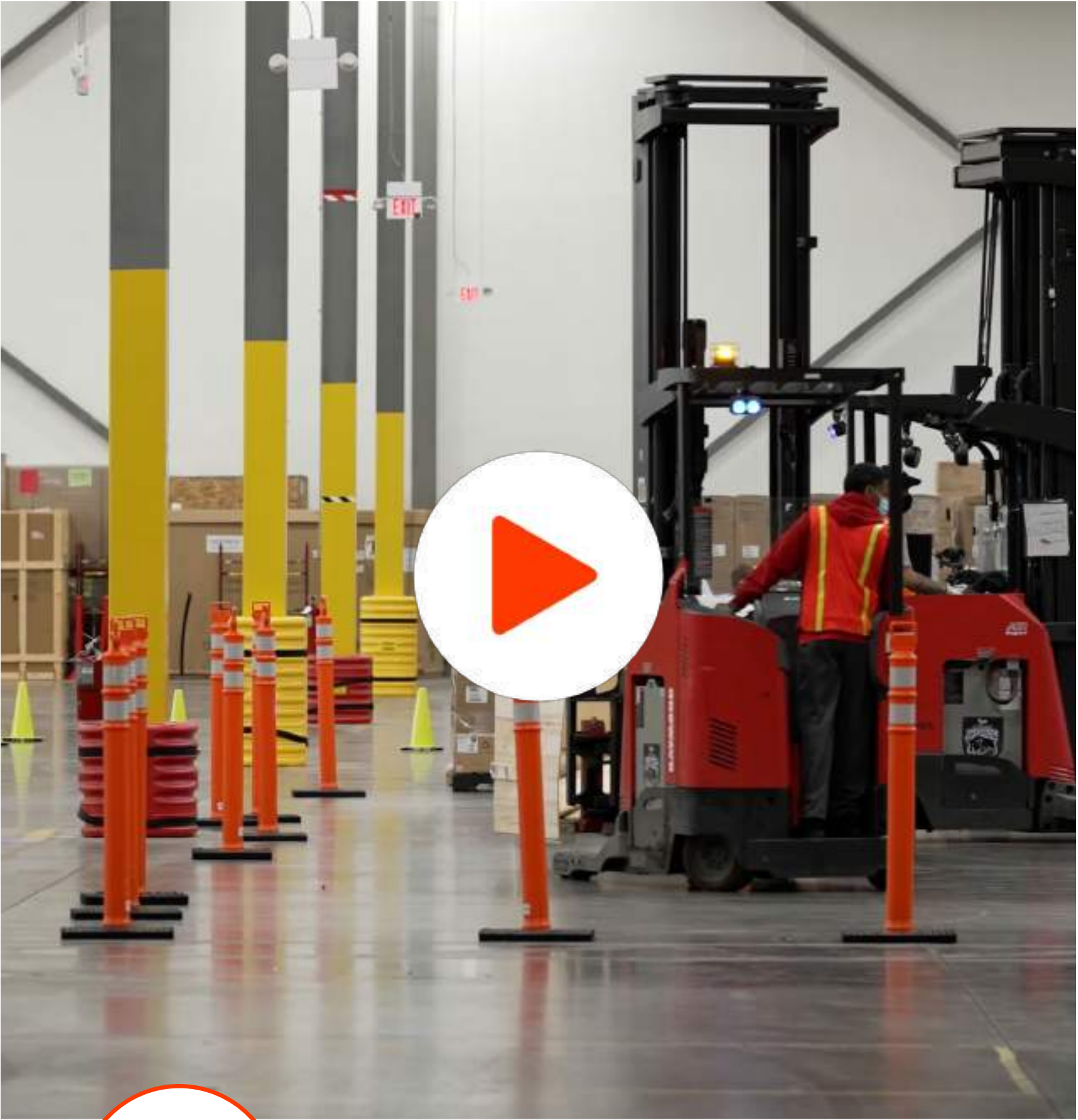
As the pandemic closed gyms and retail outlets, demand soared for the home delivery of fitness equipment. Leading at-home connected fitness brand MYXfitness from The Beachbody Company saw a huge surge in its ecommerce activity. The company quickly needed additional warehouse space in a strategic location to accommodate orders and minimize delivery-related GHG emissions.



The Solution

MYXfitness boosted capacity by adding a GXO Direct facility in Atlanta, Georgia, to its existing distribution points. The GXO Direct network helps companies meet rising demand through shared warehouse space across 41 U.S. locations. During a challenging time, GXO Direct provided MYXfitness with the ideal space, along with industry-leading knowledge, technology and a more environmentally friendly process.

GXO Direct facilities enable retailers like MYXfitness to drive fewer miles to satisfy customers and avoid the expense and GHG emissions of expedited air transportation—which is 600% more carbon-intensive than road transport.



See how GXO Direct adds muscle to The Beachbody Company's distribution

ESG in action:

From bulbs to bees: GXO and global fashion retailer design a model for sustainability

The Opportunity

In the ongoing effort to reduce its impact on the planet, a leading online fashion retailer enlisted GXO subject matter experts and a third-party facilities management team to transform a U.K. distribution site into a sustainability-first operation.

The Solution

GXO experts helped implement many innovative solutions to cut emissions and conserve resources. On GXO's long list of initiatives for this customer: replacing halogen lights with energy-efficient LED lights, instituting paperless digital returns, installing a voltage optimization system to reduce consumption, transitioning to pallet wrapping to save on plastic, upgrading the recycling program and installing tap water savers in all sinks.

We even helped establish three bee colonies on site in a highly creative approach to enhancing biodiversity. More projects are planned for rainwater harvesting, wind turbines and roof-wide solar panels.

Outcomes

The work done to date will **reduce CO₂ emissions by 3,223 tons** and **save nearly 3.9 million kWh in electricity per year**. The beehives? They'll produce 200 jars of honey in the spring and summer months.



Purging plastic: GXO helps a telecom leader cut waste in distribution

The Opportunity

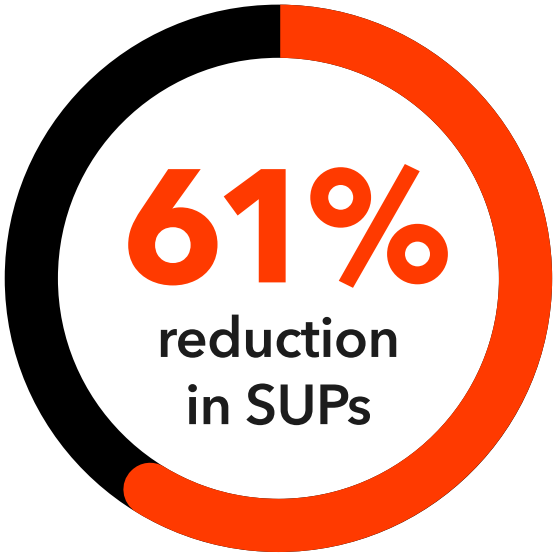
A leading European telecom company made big strides toward its net zero carbon and zero waste operations goal, but plastic use remained an issue. As operator of the company’s distribution centers, GXO helped identify opportunities to reduce single-use plastics (SUPs) and dramatically cut packaging and delivery waste.

The Solution

GXO analyzed the company’s packaging data to identify SUP use throughout the distribution process. We instituted numerous changes, including swapping single-use bags for reusable totes, replacing traditional plastic tape with a paper solution and securing pallets with banding instead of plastic wrap.

Outcomes

By the end of 2021, the company **reduced its SUP consumption by 61%** (62 tons), with an eye toward another 38% reduction in the first quarter of 2022. These efforts will **leave only 0.32% of the company’s original SUP use**, all of it related to meeting health and safety requirements.





Reversing the process: rethinking returns

The complexities of logistics can multiply significantly when customers return products back into the supply chain. So can the environmental ramifications: Returned products require more transportation, meaning more carbon emissions, and unusable items become waste in landfills. As many as 35% of goods bought online are returned to sellers each year, according to a recent GXO global survey.

Globally, nearly 35% of online orders are returned, with around 25% of returned products then sent to landfill.

Furthermore, 57% of consumers globally say having a sustainable returns program is an important factor when making a purchase online.

At GXO, we do everything in our power to minimize returns and their associated environmental impact. Ongoing investments in warehouse technology help ensure we deliver the right product to the right consumer on the first attempt. We use the latest in packaging technology to ensure products are carefully bound and delivered undamaged to consumers.

When returns are unavoidable, we carefully manage the entire process, including inspection, refurbishment and repackaging. We streamline reverse logistics with the goal of

quickly getting products that have a short shelf life back into circulation so customers can resell them while they are still useful and in demand to end consumers. We also help minimize the resources needed for shipping and storage. If that's not possible, we recycle materials and packaging to reduce the amount of waste. As a result, not only do we reduce our collective environmental impact, but also we help improve our customers' profitability.



Read more from our CEO, Malcom Wilson, about how GXO is helping unpack the challenge of sustainable returns



Strategic sustainability

GXO works with clients across industries to tailor approaches to the sustainable reuse and recycling of returned products. We've made considerable progress in this area, including recent examples from Europe:

- In the Netherlands, we have worked with Xerox to achieve full visibility on all returned products. As a result, we have found that our solutions enable more than 90% of their returns to be re-used or recycled.
- In France, GXO's Satolas-et-Bonce site partnered with Envie, an organization that supports disadvantaged adults who help sort and repurpose polystyrene packaging. To date, they have turned 134 cubic meters of polystyrene into reusable plastic, reducing carbon emissions by 54%. This effort won the 2020 Shared Value Creation prize at the Sustainable Industry Awards organized by *L'Usine Nouvelle*, a French trade publication.
- One of our U.K. sites serving a fashion retailer managed the return of more than 11 million products in 2020. Of these, 98% were resold thanks to the efforts of GXO staff to expertly iron, repair and re-package items.

Moving reverse logistics forward

Increasing sustainability in the returns process requires a team effort. In 2022 and beyond, GXO aims to collaborate with vendors to incorporate more sustainable materials into the returns process. This work, along with tools such as industrial bailing presses, will help create more value for clients and move us closer to our goal of an 80% reduction in landfill waste by 2025.



By the numbers: minimizing waste from returns of online orders

The challenge:

Globally, nearly 35% of online orders are returned, with around 25% of returned products then sent to landfill. Beyond generating a significant volume of waste, this cycle of returns represents approximately 8% of the carbon emissions from ecommerce companies' supply chains. By helping companies rethink reverse logistics, GXO is able to get products back out to consumers and minimize waste while reducing climate impact.

When GXO manages reverse logistics:

96%+

of returned items resold

~3%

of returned items go to charity

<1%

of returned items go to landfill, compared to industry average of 25%



By the numbers: increasing the useful life of consumer electronics and reducing ewaste

The challenge:

On average, consumers replace their mobile devices every two to three years, and up to one billion handsets ship every year across the world—nearly 275 million smartphones in the U.S. and Western Europe alone. When these devices are damaged or returned in shipping, they can end up in landfills, contributing to the growing problem of global ewaste. In addition, the production of smartphones itself generates additional emissions.

When GXO manages reverse logistics:

GXO's warehouses help facilitate the repair of the 5%-10% of handsets sold each year that are damaged and returned to manufacturers so they can be refurbished and enjoy a second life. GXO also helps handle the 10%-20% of handsets that are traded in each year so they can be resold and reused.

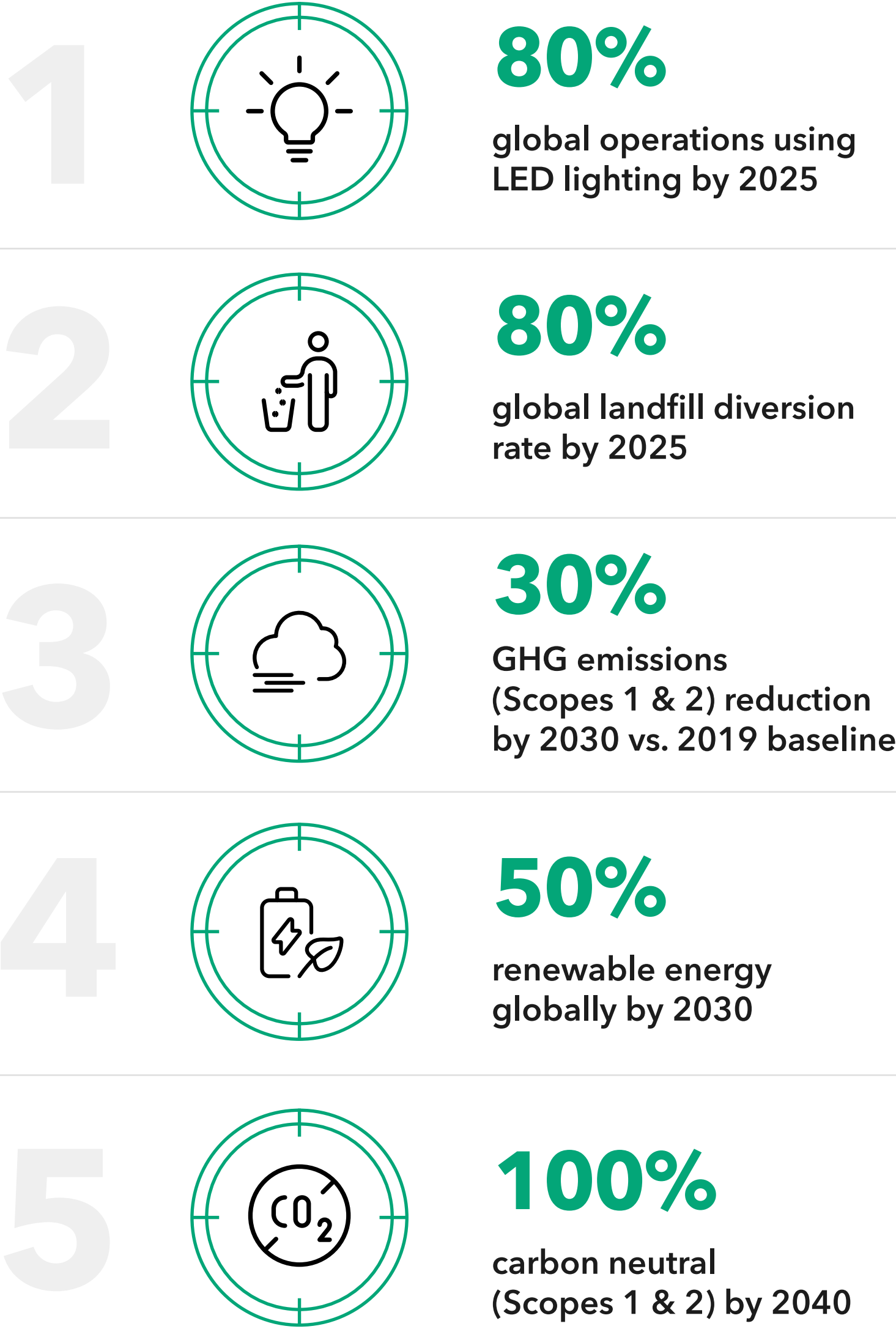


Reducing our operational footprint

Empowering clients is one aspect of GXO's sustainability work. The other: setting an example by reducing our own operations footprint across approximately 900 sites worldwide.

To this end, we work with customers, landlords and vendors on sustainability initiatives that minimize GHG emissions and waste. Our commitment begins with a Board invested in transparency and progress. Environmental leads around the world drive site-level programs to meet GXO's five global targets for becoming a more sustainable enterprise. We are proud of the progress we have already made against our global targets. In many cases, we are on track to not just meet, but also exceed our goals.

We also continue to raise our environmental ambitions. For example, GXO plans to broaden our reporting against Scope 3 emissions and to explore the implementation of science-based targets. We are also exploring further opportunities to align with the TCFD Framework. As in previous years, we externally assured our European emissions data this year, and we intend to extend that to all of our emissions data in the future. We look forward to sharing more in future reporting cycles.



Conserving energy

Lower GHG emissions depend on more energy-efficient operations. For GXO, energy-efficient warehouse lighting is a top priority. Wherever possible, we are switching to LED lighting products, which are up to 90% more efficient than their incandescent counterparts.

In Europe, GXO has invested more than €6 million in capital expenditures on LED upgrades, with 50% coming from partnerships with landlords. In the U.S., our LED project is similarly managed in partnership with facility landlords, including Prologis. To date, 47% of our floorspace in the U.S. and Europe is covered by energy-efficient LED lighting.

GXO’s Analyze and Act carbon management program brings internal teams and external partners together to find ways to identify and mitigate energy waste and raise energy awareness in all areas of operation across our largest energy-consuming locations in the U.K.

Additional conservation measures include:

Renewables

At sites where GXO holds utility contracts, we are investing in renewable energy sources, including solar panels. In the United States, we recently launched two sites in New Jersey that are fully powered by solar energy. These two installations have the potential to reduce CO₂ emissions by 2,450 metric tons annually—enough to supply electricity to 309 homes for one year. In Spain, 100% of our facilities now run on renewable energy, including some that generate renewable energy from on-site solar panels.

Smart buildings

GXO is using state-of-the-art technology solutions to automate energy conservation measures in facilities:

- Demand Side Response (DSR) technology (U.K.) adjusts a site’s energy consumption when demand surges on the national grid. Shutting off commercial refrigeration during times of peak demand also reduces costs and CO₂ output.
- Voltage reduction systems return any unused power to the supply source, which reduces overall energy consumption for site operations.
- PIR sensors enhance the energy efficiency of LED lighting by keeping lights off when areas are unoccupied and when natural lighting is sufficient.

By the numbers:

44%

growth in share of renewables in our global energy consumption since 2019

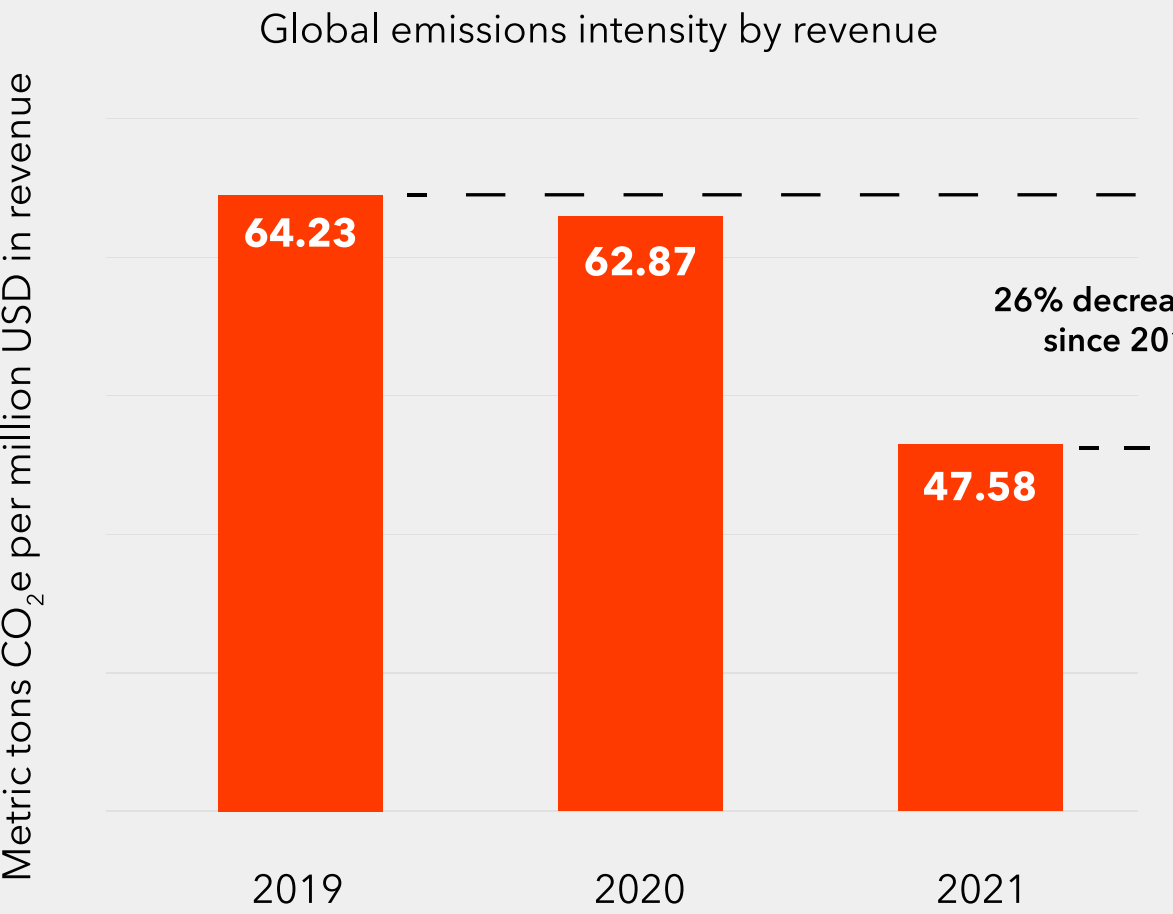
21%

decrease in energy intensity by floorspace globally since 2019

By the numbers: our progress to carbon neutrality

Driven primarily by our focus on expanding the use of renewable energy and installing LED lighting at our facilities, we are making progress on reducing our Scope 1 and 2 GHG emissions, even as our business and footprint continue to expand.

Our global Scope 1 and 2 emissions have decreased 3.5%, or 13,624 metric tons of CO₂e, from our 2019 baseline year, putting us on track to reduce our emissions 30% by 2030. Moreover, our emissions intensity by revenue has decreased 26% since 2019:



[For more information, please see the environmental data performance table.](#)



Diverting waste

In 2021, GXO diverted 79% of waste generated in its global operations. Region by region, we are strengthening our programs.

In Europe, we have a strong diversion program, with 88% of waste diverted from landfills. In the Americas and Asia-Pacific, we are making progress toward our goal with 66% of waste diverted from landfills. As a result, we are on track to exceed our 2025 target of 80% landfill diversion globally.

Additional planned recycling projects include composting, developing durable pallets from recycled plastics and friendly competitions across sites to incentivize waste diversion.



Color-coding to support recycling

A GXO site in the U.K. introduced 250 color-coordinated bins to support waste segregation facility-wide, with the potential to divert 84 tons of general waste from landfills.

By the numbers:

Waste diverted from landfills (2021)

79%

Globally

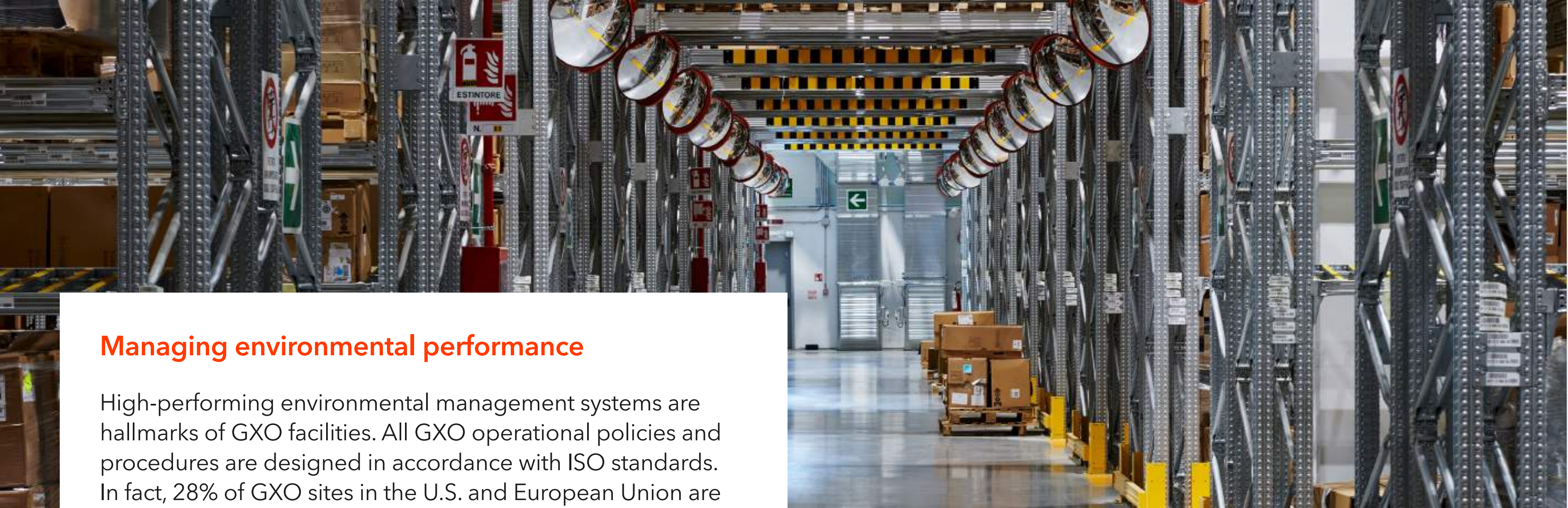
66%

Americas and Asia-Pacific

88%

Europe





Managing environmental performance

High-performing environmental management systems are hallmarks of GXO facilities. All GXO operational policies and procedures are designed in accordance with ISO standards. In fact, 28% of GXO sites in the U.S. and European Union are ISO 14001-certified, and our new Trecate, Italy, logistics center aims to be the first LEED v4 Platinum-certified warehouse in the EU. In total, 7 facilities globally currently have LEED or BREEAM sustainability certifications.

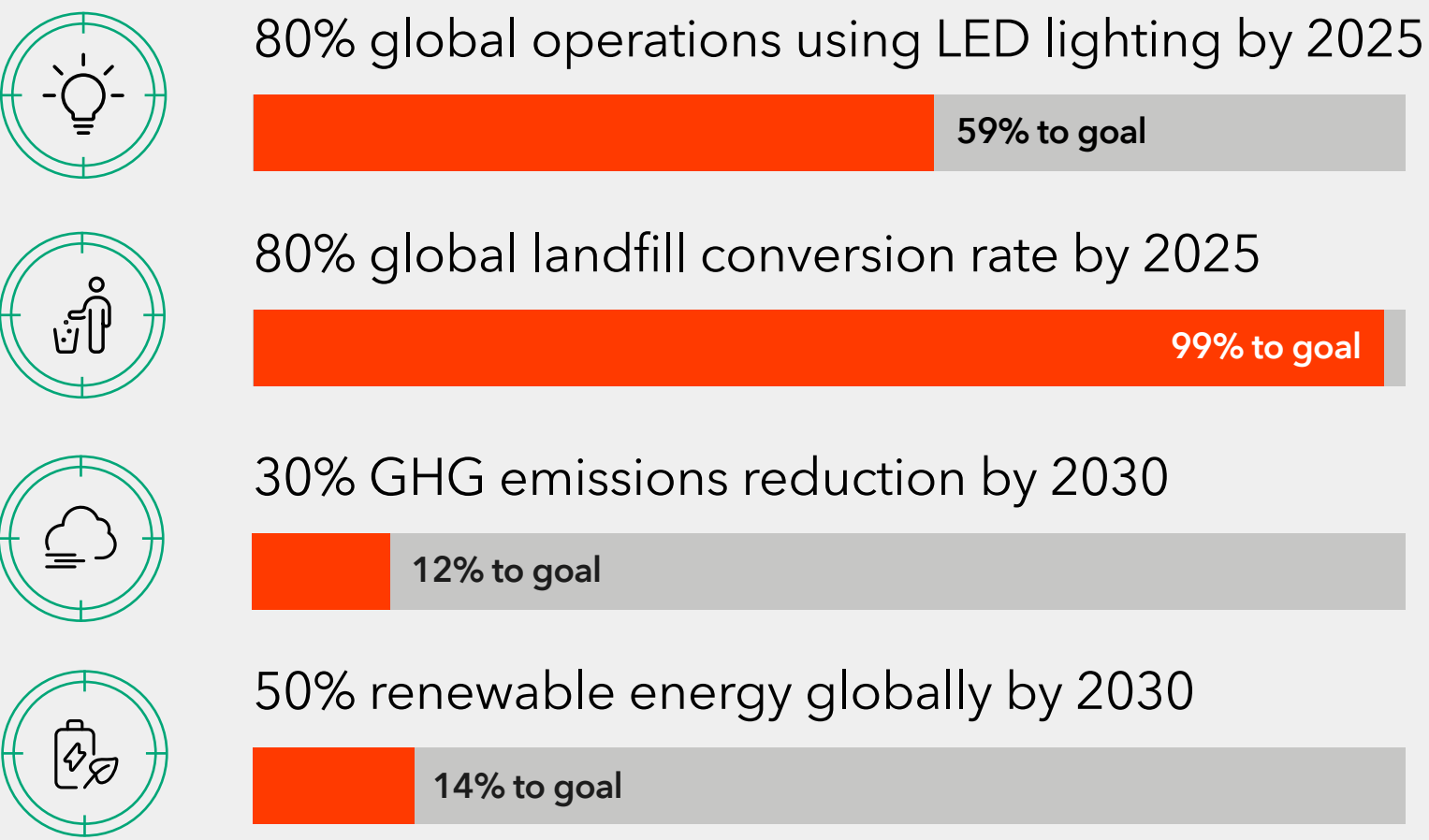
At the buildings we own and lease, we address sustainability throughout with features such as:

- Mains-fed water coolers to reduce plastic water bottle usage and delivery-related emissions
- Reflective window films to decrease air conditioning use
- Electric hand dryers instead of paper towels
- Waterless urinals, water cistern volume reduction and water blade tap attachments to conserve water

Alongside these features, we also conduct audits to ensure that our sites comply with local environmental regulations, customer expectations and our own stringent standards.



By the numbers: Progress on our environmental goals



Environmental: media links

In order of apperance



Watch: See our new packaging machine in action



Watch: Step inside the GXO/Nestlé Warehouse of the Future



Watch: GXO Direct adds muscle to the Beachbody Company's distribution



Read: Malcolm on how GXO is helping unpack the challenge of sustainable returns

Social: Changing the game for our people and our communities

We are building a workplace that cares for and develops our team members while we seek new ways to strengthen the communities in which we live and work.

With more than 100,000 team members in operations in 28 countries around the world, we recognize the amazing potential we have to create new opportunities not only for our customers, but also for our colleagues and communities.

43 →

Putting safety first

48 →

Building a culture of inclusion

53 →

Supporting and developing our people

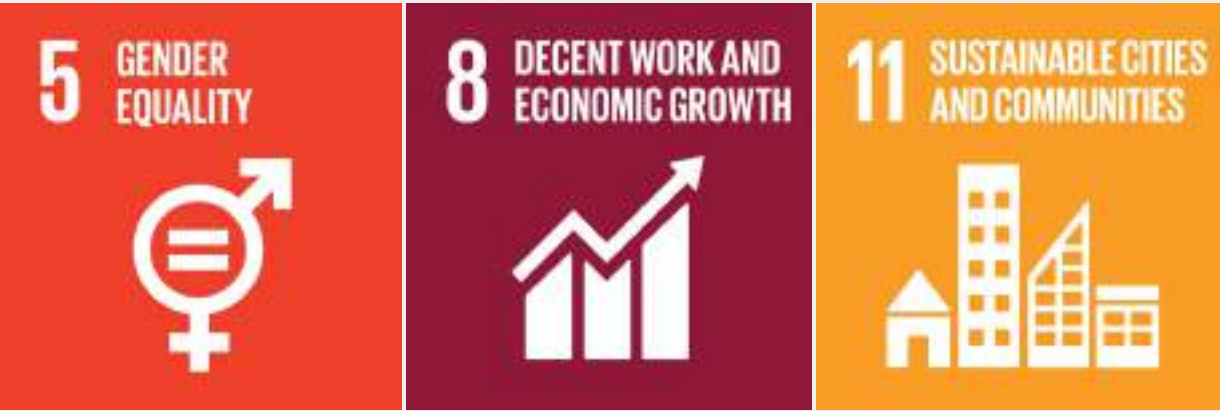
57 →

Creating the future of work

60 →

Strengthening our communities

Our social goals impact the following United Nations Sustainable Development Goals:



Putting safety first

Safety first is a way of life at GXO. In fact, our core values start with “Be Safe.” That means we do what’s necessary to create safe, supportive environments where team members thrive and finish their workday as healthy as they started it.

Throughout 2021, we strengthened efforts to improve dock safety and reduce incidents involving forklifts and other Powered Industrial Trucks (PIT).

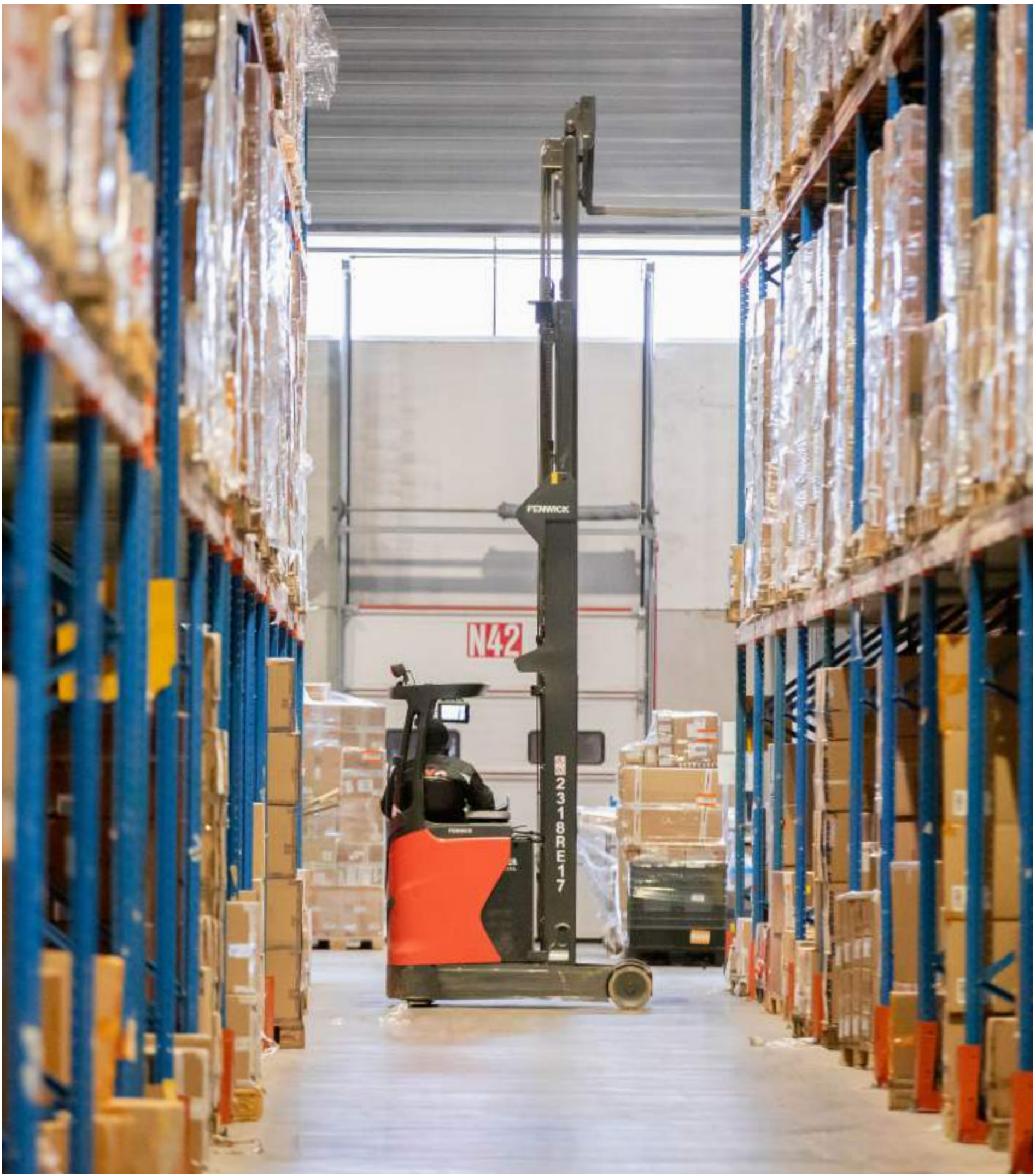
Safety begins with training and awareness. Through GXO University, all our team members attend and complete safety trainings. We promote a “speak up” culture so our team members feel empowered to bring attention to health and safety issues in their workplace and we conduct regular site audits to ensure safety protocols and regulations are being followed.

We also expanded our use of collaborative robots, or cobots, to improve our team members’ safety in distribution centers. Cobots retrieve, lift and carry goods and shrink-wrap pallets, all of which reduce walk-time in our facilities and associated injury risks. Cobots are a perfect complement to ergonomic wearables and other robotic innovations that minimize injury while making work easier.



Reaching for zero with a multinational tech company

For a global technology leader, GXO manages over 60 sites with more than 3,000 employees on five continents. Across all of these sites, GXO achieved a 2021 global incident rate of 0.34—significantly below the 5.00 industry average. Many other sites have similarly impressive success stories; some have gone as many as nine years without a recordable injury.





COVID-19: Essential support for essential workers

Featuring facility deep cleanings, risk mitigation plans and a Business Continuity Response Team, GXO's initial pandemic response proved remarkably effective. In 2021, GXO added an array of new protective measures to keep workers safe, in addition to existing trainings to teach employees and managers safe hygiene practices.

A prime example: Wearable Microshare social distancing technology sounds alerts when workers come too close to others. Other new resources and support included:

- Appreciation pay for approximately 18,500 frontline workers in the U.S. and Canada
- 100% paid pandemic sick leave for eligible team members in addition to their standard annual paid time off
- Personal protective equipment for employees in all sites
- Free COVID-19 testing
- Expanded access to our Employee Assistance Programs, which include counseling services for mental health issues

As the pandemic continues to subside, we will continue our strategies for boosting protection and resilience in warehouses and our offices around the globe. GXO sites in the U.S. have been following a five-stage phased recovery process based on localized CDC transmission rate data, immunization rates and positive cases. The process offers flexibility for individual sites to respond based on their local situation and adjust protocols for masking, gatherings, distancing, cleaning and more as conditions change.



A shot at winning

In December 2021, GXO started a program to reward workers who did their part to help mitigate the spread of COVID-19. Employees who submitted their vaccination cards were entered in a weekly drawing with a chance to receive a \$10,000 bonus.

See the reactions of some winners.



GXO's Road to Zero

At minimum, GXO seeks to maintain an OSHA recordable incident rate that is less than half the published rate for the General Warehousing and Storage sector, based on the "Industry Injury and Illness Data" of the U.S. Bureau of Labor Statistics. All GXO policies and procedures are based on the principles of ISO9001, 14001 and 45001. Even sites that do not have external accreditation are internally audited to ensure high operating standards are maintained.



But we continue to work toward the highest ambitions for employee safety. Our Road to Zero program aspires to zero occupational injuries and illnesses while ensuring the emotional well-being of all GXO team members. All of our sites have Emergency Response Teams (ERTs) that immediately provide aid to anyone requiring first-aid, CPR or AED assistance and are trained to assist with emergency evacuation or shelter-in-place responses.

Road to Zero principles permeate all corporate priorities, including employee training and the adoption of policies and supportive technologies. We are changing the way we think about accident prevention and encouraging team members to pay attention to their own behaviors—all in pursuit of a culture where all team members feel empowered to ensure their own safety and the welfare of others.

1000

Measuring safety in years

GXO handles logistics for a specialty chemical company in Dallas, Texas. By January 2022, there hadn't been a safety incident at the facility in more than 1,000 days, or close to three years. Like GXO, the company is dedicated to a culture of safety, which is no surprise considering the company's products are used to make fire retardants and fire-protection products.

Moreover, across Europe GXO has 70 sites in which there hasn't been a lost-time incident in more than 1,000 days. In fact, one site has gone over 6,500 days without an incident.

By the numbers: Health and safety

0

work fatalities globally in 2021

136

sites in the Americas that won safety awards in 2021

146

sites in Europe externally accredited to OHSAS18001 and/or ISO45001

Going for Gold: GXO sites win safety awards

The U.K. has 63 sites that have been awarded the Gold Award or higher from RoSPA—the Royal Society for the Prevention of Accidents.



Employee engagement and wellness

Another important measure of GXO’s success is workforce wellness—physical and mental health and the extent to which all employees feel valued and heard.

To maintain accountability, we use scores from regular engagement surveys as key performance indicators for every site and develop action plans to address areas for improvement.

We also expanded virtual access to doctors, counselors and premier online programs for reducing stress, eating healthier and improving fitness. Some of our sites include wellness features such as gyms, physical therapy facilities, subsidized cafeterias and social spaces.

Throughout the pandemic, GXO has connected employees to counseling and online resources for managing such unique circumstances. For Mental Health Awareness month in the U.K., a mindfulness practitioner was engaged to develop podcast recordings of meditations that can be used at different times of the day. These were then made available to team members through email as well as through posters with QR codes for those without email.



ESG in action:

Creating a winning culture for a top athletic brand

The Opportunity

True to its brand ethos, a leading athletic apparel company wanted its new U.S. distribution center to foster a winning culture built around teamwork. Creating a sense of belonging was paramount for a workforce representing several different countries and backgrounds.

GXO's Solution

We partnered with the company to design an efficient warehouse where every worker feels empowered and respected. Intent on advancing inclusivity, site leaders celebrate the importance of the individual in the pursuit of common goals. An on-site basketball court will also help to put this team spirit in the spotlight with some friendly competition.

Outcomes

Workers from both the athletic apparel company and GXO's gamechangers note the positive energy in the warehouse and the distinct family-like atmosphere that keeps them excited and engaged.



Building a culture of inclusion

Innovative solutions require diverse perspectives, from the frontline to the boardroom.

At GXO, we’re intentional about creating a respectful, ethical and collaborative workplace where every team member belongs. We aim to create a best-in-class experience for all. We champion diversity, inclusion and belonging (DI&B) throughout our daily work and give each person the support needed to thrive.

Our values aren’t just words on paper—we aim to live them every day. And we’ve taken a range of actions to help bring them to life.



Invested leaders

In November 2021, GXO named Letitia King James its Vice President of Diversity, Inclusion and Belonging (see her feature in this section). Letitia will oversee our global efforts to build a culture where everyone feels a sense of belonging and opportunity.

GXO also assembled DI&B Steering Committees in Europe and Americas Asia-Pacific. Within each, leaders from various business functions promote DI&B efforts and serve as role models. One example: employee education events that engender empathy and raise awareness around the unique challenges facing different individuals.

Data-based

GXO is a data-driven company. We use data to set goals and measure performance across the board—including DI&B. Data helps uncover areas needing more attention or new initiatives. For instance, we have publicly disclosed some of that data in our U.K. [Gender Pay Gap Report](#). We remain focused on pay equity for team members across GXO.

Internally, we conduct regular employee surveys for feedback on our inclusive culture. We also keep a close eye on the marketplace—in and beyond our industry—to ensure our initiatives match or exceed norms.



Defining DI&B

- **Diversity** recognizes the differences between us and acknowledges that these differences are a valued asset.
- **Inclusion** aims to embrace and involve all people irrespective of race, gender, ability, experiences or need.
- **Belonging** actively nurtures an environment where everyone feels secure, supported and accepted.

Underpinning them all: ensuring **equitable access** to opportunities that help team members realize their full potential.

Meet our new VP: Letitia King James

Vice President of Diversity, Inclusion and Belonging



In November 2021, Letitia King James broke new ground as GXO's first Vice President of Diversity, Inclusion and Belonging. She brings a unique perspective to the role shaped by a career trajectory she hopes will inspire others.

"I started in a mail room. My experience as a frontline professional lives with me daily. I knew all I needed was an opportunity and a leader to invest in me as I grew. I want to make sure every GXO gamechanger feels that same sense of possibility. I want everyone to have a voice, to feel valued. And I want this to be a place people call home for the long term."

Fueled by her passion to help people feel a strong sense of connection and belonging, Letitia champions GXO's Diversity and Inclusion initiatives based on data, best practices and direct feedback from colleagues.

She is building and strengthening an inclusive culture that will extend the diversity in GXO's warehouses through the corporate ranks and into the C-suite. "Inclusivity is one of our core values, so it must be part of our daily routines. I'm very excited because our leadership is 100% committed to creating a best-in-class, inclusive experience that values all voices and backgrounds."



"With a company that leads the way in realizing our full potential, there is no limit to what we can do."

Diversifying our workforce

Building a pipeline of diverse talent is foundational to GXO's DI&B commitments. We continually enrich our candidate pool through relationships with minority-serving colleges and universities as well as LGBTQ+ allies and organizations supporting veterans and people living with disabilities.

Notable relationships include:

- A joint venture with Ares, an organization that supports social inclusion in France. Its Log'ins program trains individuals with disabilities in logistics and other fields.
- WorkFit in the U.K., which connects our teams with colleagues with Down syndrome. Each colleague has at least two "buddies" on the GXO team and a designated trainer.
- The nonprofit Vocational Improvement Program (VIP) in the U.S., which expands our hiring of employees with disabilities for meaningful careers. In 2021, our VIP partnership earned an award from the California Disabilities Association.
- Signing the Armed Forces Covenant (U.K.), which demonstrates our proud commitment to being "armed forces-friendly." Across all sites, we recognize the value veterans and reservists add with their range of transferable skills and qualities. In recognition of our commitments to the armed forces community, GXO received the Bronze Award from the Defence Employer Recognition Scheme (DERS), run by the Ministry of Defence.



Meanwhile, we're also accelerating efforts to develop the diverse talent working on our front lines and support their advancement with upskilling and other resources:

- In its first year, our Grow at GXO development program for entry-level employees reached 204 sites in the U.S. and Canada, with over 800 signups and more than 100 graduations, along with a 24% promotion rate.
- In the U.S., our tuition reimbursement benefit will pay up to \$5,250 annually for employees who wish to pursue higher education.
- In the U.K., GXO employees received funding and opportunities to pursue advanced degrees through the U.K. Apprenticeship Programme, which recaptured over 60% of the U.K.'s business tax levy for apprenticeship programmes compared to an average of 25% by other U.K. businesses.



By the numbers: growing representation in our workforce

~2x

more women at VP level and above globally since 2019

60%+

increase in underrepresented groups by ethnicity at VP level and above in the U.S. since 2019

Raising teamwide awareness

Building an inclusive culture of respect and opportunity takes a team effort and intentionality. Everyone needs to understand and embrace our mission and goals.

With that in mind, GXO formalizes training around diversity and inclusion to help employees learn about others and themselves. Course examples in GXO University include:

- Your Role in Workplace Diversity
- Overcoming Your Own Bias
- Understanding Unconscious Bias
- Workplace Diversity, Equity and Inclusion



Our Learn Everything About Diversity (LEAD) series provides toolkits and discussion drivers to help team members appreciate and honor their differences. More tools and resources are in development for 2022 to help us realize the full potential of our Be Inclusive core value.

Expanding our Belonging Network

GXO's global Belonging Network will include employees across functions and geographies who share a pay-it-forward passion for diversity and inclusion. They will play numerous roles in helping ensure our DI&B commitments shift from aspiration to implementation:

- Belonging Partners drive country/region-specific DI&B activities
- Belonging Administrators contribute to initiative development, rigorous research and program support
- Diversity Champions are frontline professionals who help DI&B themes gain grassroots traction and support
- Inclusion Ambassadors keep diversity top of mind and DI&B goals as focal points of our business strategy

In 2022, GXO's Belonging Network will collaborate to:

- Launch Business Resource Groups where employees with similar backgrounds can connect and share their experiences
- Provide specialized support to engage and empower hourly frontline employees as well as those in office or managerial roles
- Host virtual volunteering events aligned with our heritage celebrations, including black history, women's history, Hispanic heritage, LGBTQ+ Pride and military appreciation months



Supporting and developing our people



We are proud to be a global workforce with strong talent at every level. Today, companies around the world are facing one of the most competitive hiring environments in recent history, which makes it even more important that we are a company where people can enjoy rewarding careers over the long term.

We recruit individuals who are passionate about making a difference at every level. But we recognize that hiring people is just the start. We focus on creating a workplace that allows all team members to thrive and fulfill their potential as true gamechangers. Our diversity, culture of respect and focus on collaboration are core to how we believe a business should be run and key to how we deliver.

We offer competitive pay, career development and opportunities for all team members to achieve their full potential while working in an agile, technology-led culture.

Compensation and benefits

We appreciate that our employees choose to work for GXO from among the many different options available to them inside and outside our industry.

We offer competitive wages and a comprehensive suite of benefits to all employees to maintain our position as an employer of choice in the talent marketplace. A number of the benefits we offer were introduced in response to employee feedback, and several exceed local country requirements.

In the U.S., examples include flexible pregnancy care accommodations and paid prenatal leave, a family bonding policy for new parents, tuition reimbursement for continuing education, a 401(k) plan with employer contributions and benefits such as diabetes management, supplemental insurance and short-term loans.

In Europe, the benefits offered vary by country and are tailored to the needs of the local markets. Examples include comprehensive healthcare and disability insurance, employee assistance programs covering mental, physical and financial well-being, pension plans, profit sharing and local and global bonuses structured to offer competitive pay in each country.

By the numbers: our benefits

100%

of full-time employees
have access to medical
and mental health benefits

100%

of full-time employees
have access to paid
family leave

100%

of full-time employees
have access to tuition
reimbursement programs

Talent and learning

Becoming an employer of choice means helping GXO employees pursue and excel in long-term careers. We pride ourselves on nurturing diverse talent from within and enabling career advancement through mentoring, upskilling and focused training.

Faculty at GXO University—which provides anytime, anywhere training—create virtual and in-person development programs. Employees have access to four main “colleges” tailored to steps along their career journey, from hire to retire:

- **Launch at GXO** gets new employees and those expanding their roles off to a strong start with functional and safety training.
- **Succeed at GXO** provides training and tools to help employees improve results in their current roles.
- **Grow at GXO** prepares employees for their next role at GXO with career maps, tools and targeted skills development.
- **Lead at GXO** supports leadership development at all levels—supervisor, manager, executive and more—through dedicated, role-based Academies.

Empower at GXO houses our **Assessment and Development Center**, which helps managers and their employees fulfill their potential through performance and talent reviews, development plans and pathways for career growth.

Promoting from within

We want our gamechangers to thrive at GXO for the long term. The programs at GXO University and the Empower at GXO program support our efforts to develop and grow internal candidates for open positions. Where possible, we aim to create opportunities for career progression by promoting from within, both upward into management and laterally into other departments that offer more career growth. Internal promotions enhance the retention of our talented employees and strengthen our succession planning process.



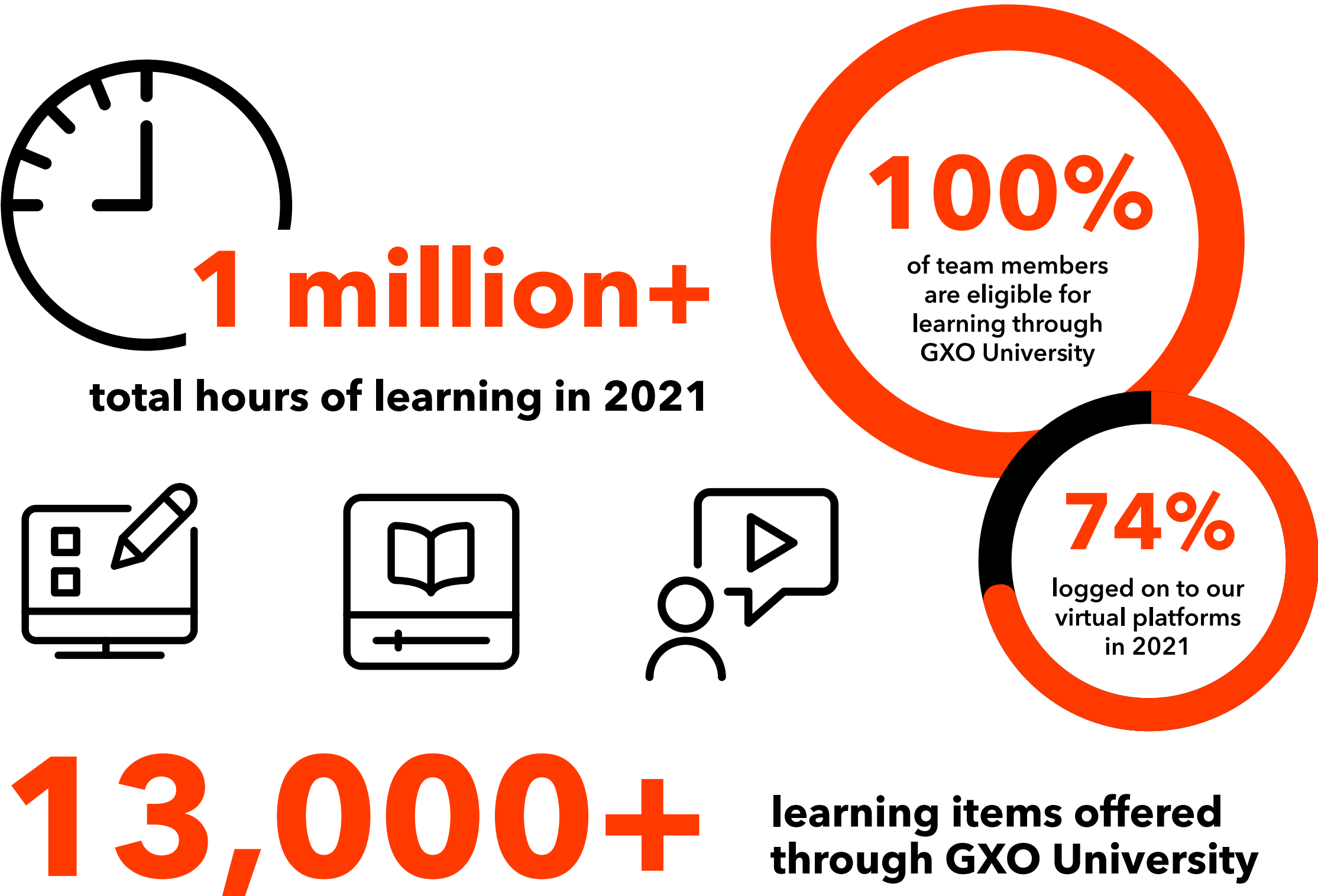
Developing people-focused site leaders

Site Operations Manager is one of GXO’s most critical operational positions. It requires a passion for logistics and, just as important, the ability to create and maintain a positive, inclusive work environment that boosts productivity and satisfaction. We started the Site Operations Manager Academy in the U.S. to prepare rising operations managers to take on these roles and oversee their own sites. Through a blend of training, coaching and on-the-job experiences, candidates learn a great deal about management styles and themselves. In 2021, we had 15 graduates. In 2022, we will expand the academy to Europe.

Expanding education for 2022 and beyond

To deliver on our promise of career growth potential, we are exploring partnerships with universities and technical institutes to add robotics and engineering courses to GXO University. These courses will enable frontline employees to upskill and shift into more advanced implementation and maintenance roles as our warehouses become more automated.

We're also making our training content more inclusive. Since GXO operates in 28 countries, we must reflect the variety of languages our team members speak. We currently offer key training in multiple languages, including our Code of Business Ethics, and offer site-specific trainings in local languages. We are further expanding that inclusivity globally for GXO University.



Training future logistics leaders in Poland

Preparing the next wave of workers is key to building a robust talent pipeline. In January 2022, GXO partnered with Kozminski University in Poland to help develop effective programs.

The Financial Times recognized Kozminski University as the best business university in Central and Eastern Europe. The school will host a "Career Academy" to educate Poland's future logistics industry leaders. Designed by GXO's Operations and Human Resources teams, the Academy combines classes, internships and apprenticeships for experiential learning.

Students will acquire the skills needed to thrive in a vital and evolving logistics industry with the possibility of recruitment for work at GXO, which operates 12 logistics centers across the country.

Listening to team member voices

GXO's success as a company depends on the innovation, productivity and engagement of team members at every level.

We take seriously our commitment to maintain positive labor relations and make sure team members know we respect their rights, value their contributions and welcome their voices.

North America

Since our launch in 2021, GXO has established strong, direct relationships with leaders and employees across our U.S. and Canadian sites. Direct engagement, supported by open lines of communication, creates the best opportunities to monitor, address and enhance the employee experience. This includes working conditions, work hours and other issues vital to engagement and performance.

We work proactively with team members through roundtables, engagement committees, surveys and site assessments to ensure employee voices are heard. We learn what's working and what needs improvement and take follow-up actions accordingly.

While there are no unions at GXO facilities in North America, we respect our employees' right to make informed decisions about such issues that are best for themselves and their families.

U.K. and Europe

72.8% of our employees in Europe are covered by collective bargaining agreements. We seek to maintain positive relationships with the different union partners and employee representatives in each country with careful attention to the differences in collective bargaining and labor relations practices among them.



Creating the future of work



"The way to look at this is how do we create the workforce of the future. Operating warehouses has become an end-to-end process, and the human-robot interface becomes really critical, if not the critical area."

Sandeep Sakharkar,
Chief Information Officer
(in Loadstar, December 2021)

Visiting a GXO facility can feel like leaping forward in time. Robotic picking arms, automated guided vehicles (AGVs) and other cutting-edge technologies abound—the very definition of a well-oiled machine.

In total, 30% of GXO's warehouse operations are automated or tech-led—a percentage six times greater than our competitors'. These advancements help GXO dramatically improve our customers' supply chain efficiency. More importantly, they foster a more productive, happier and safer workplace for our team members. Staff turnover at GXO automated facilities worldwide is about 30% lower than the group average.

AGVs, for example, enable frontline teams to spend more time on value-added tasks such as improving picking and packing accuracy. Sophisticated operating systems help manage the flow of volume, to support worker efficiency and productivity.

At GXO, technology doesn't replace employees, it supports them. In fact, GXO is growing. For instance, we hired some 10,000 people in the past 12 months. Innovative tools empower workers to boost their overall productivity while cutting down on manual labor.



Major upgrades to worker safety

Among its greatest advantages, advanced automation helps GXO fulfill our commitment to protecting our workforce. For example, using robots to perform repeatable movements over sustained periods of time minimizes the risk of repetitive strain.

Other notable examples of technology-aided safety improvements include:

- Collaborative robots, or cobots, reduce walk-time in our facilities, which reduces the risk of injury.
- Ergonomic, wearable barcode scanners won't interfere with employees' natural motion so they can comfortably get more done—a significant upgrade over earlier handheld scanner technology.
- Exoskeletons provide chest and back support to reduce lower back fatigue and injuries.
- Microshare wearables protect workers during COVID-19 by sounding alerts when social distancing protocols are violated. This innovation earned the prestigious Il Logistico dell'Anno prize in Italy.



High-tech helping hands

GXO team members routinely work side-by-side with robotic counterparts called cobots. With complete knowledge of their space, these high-tech colleagues assist with tasks such as locating and pulling items, validating inventory and transporting goods to the appropriate packing stations.

How are they doing?

To date, cobots in GXO warehouses have doubled productivity rates and improved accuracy by 50%.

With innovation comes opportunity

At GXO, advanced technology brings new opportunities for team members to grow and expand their careers.

Employees working in fully automated sites are multi-skilled and receive training for various positions. Given the continued demand for tech talent, GXO will look internally to train employees for essential roles related to configuring and maintaining robotics-enabled warehouses.

GXO also uses robotics and virtual reality to help train seasonal workers quickly while enhancing the employee experience and improving accuracy. In 2021, some sites reduced training time for picking by approximately 80% and time to competency by more than 60% after introducing cobots.



Empowering the Dunelm Group to work safer, simpler and faster

The Opportunity

Housewares retailer Dunelm Group operates 175 stores across the U.K. along with an online ecommerce store. With a spike in online sales and more growth forecasted, Dunelm needed to increase capacity for its home delivery fulfillment operations. Paramount to any enhancement: improving worker safety, satisfaction and efficiency.

The Solution

GXO introduced a host of innovations to increase Dunelm’s throughput and improve delivery efficiency from its new Stoke-on-Trent facility. Team members now benefit from the latest automated advancements in logistics.

For instance, Cognex machine vision systems help workers reduce errors by watching for items that may be damaged or have other issues. Ergonomic ProGlove wireless wearable barcode scanners empower team members to work “hands-free” and increase productivity by up to 10% with less effort and strain. GXO also trained our Dunelm colleagues on the latest techniques for fulfilling online orders, packing them efficiently and handing them off to carriers for delivery.

These innovations debuted within the facility’s first three months of operation. Dunelm and GXO anticipate even greater automation-driven improvements in the coming year across worker safety, satisfaction and productivity metrics.



Benefits of automation at a glance

4-6x

productivity improvement with employees supported by goods-to-person systems

2x

productivity improvement with employees who work alongside cobots

Strengthening our communities

Our communities are home to our customers, our team members and our families. We take great pride in contributing to our communities and empowering our employees to make a difference wherever we operate.

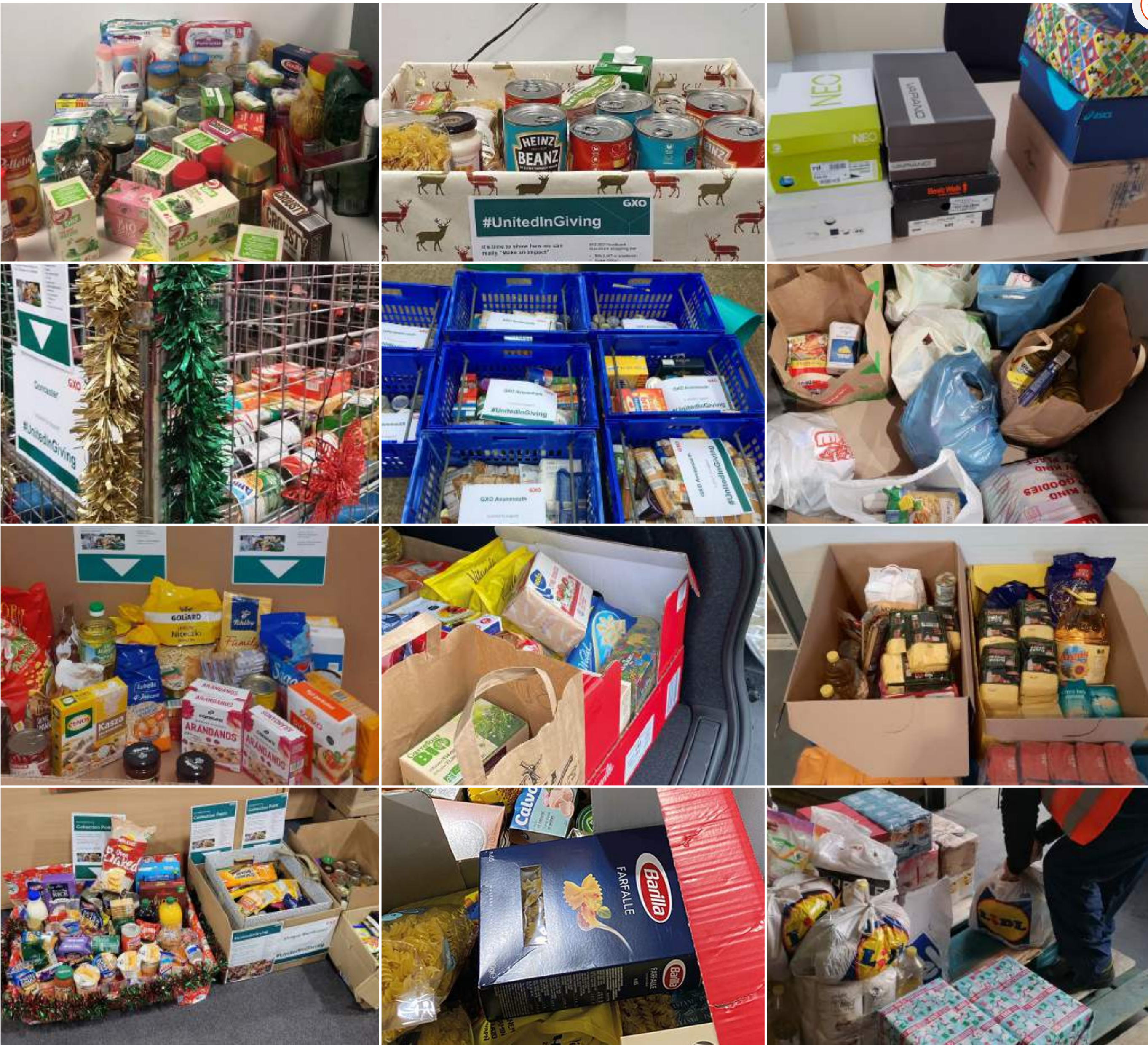
For example, gamechangers from more than 70 sites in eight countries stepped up to make the 2021 holiday season a memorable one for countless families. As part of GXO's inaugural United In Giving campaign, they collected and donated 10 tons of clothes, toys and necessities and several tons of food to local organizations and charities.

In addition to corporate giving, both monetary and in-kind, we organize employee volunteering and partner with organizations to strengthen our vital community connections.

Some of our local and national initiatives included:

- Collecting for local food banks
- Fundraising for the Komen Foundation for breast cancer support
- Providing scholarships through Junior Achievement in Columbus, Ohio, to introduce young people to careers in logistics
- Volunteering with Habitat for Humanity to build homes in local communities

Click the icons below to **see more** of our work in our communities on our social media





Social: media links

In order of appearance



Watch: A shot at winning



Read: Gender Pay Gap Report



See more of our
work on social media

 [Facebook](#)

 [Twitter](#)

 [LinkedIn](#)

 [YouTube](#)

 [Instagram](#)

Governance: Doing business the right way

Throughout our organization and across more than 900 warehouses around the world, our values and our commitment to ESG guide the decisions we make. Our strong governance structure and practices help bring these values and commitments to life for our more than 100,000 team members worldwide, as well as for our shareholders, customers and business partners.

63 →

Living our values

64 →

Leading responsibly

70 →

Making the right decisions every day

Our focus on good governance impacts the following United Nations Sustainable Development Goals:



Living our values

Strong governance strengthens all aspects of our values and ESG efforts, including our ability to sustain safe workplaces, delight our customers, foster the success of our team members, reduce environmental impacts and ensure we continue to do business the right way. This means not only ensuring compliance with laws, rules and regulations, but also upholding our values, our Code of Business Ethics and our voluntary commitments.

Highlights of our governance approach include:

Board independence, diversity and accountability for ESG

As a reflection of its importance to GXO, ESG is overseen by the Nominating, Corporate Governance and Sustainability Committee of the Board of Directors, which engages with management on a broad range of ESG strategy, risks and opportunities. Our eight-member Board includes six independent members. Fifty percent of our board members are women.

Executive-level commitment and role modeling

We recognize that doing business the right way begins with the commitment and actions of our leaders. Role modeling of our values is a central tenet of our expectations for our leaders. But we are taking this a step further: We are developing an ESG scorecard tied to GXO’s most important ESG issues that we intend to incorporate into our management performance evaluation.

Robust risk management practices

We are focused on embedding ESG considerations—both risks and opportunities—into our broader risk management and business planning processes. For example, the Global Risk Committee, chaired by our Chief Compliance and ESG Officer, brings together cross-functional leaders, including risk and audit, to understand emerging global risks and address them through enterprise risk management systems and processes. ESG risks will be specifically addressed on an ongoing basis as part of this process.

Individual accountability

At GXO, upholding our company values is everyone’s responsibility. Through our [Code of Business Ethics](#), [company policies](#) and related training programs, employees understand how to embed our values and expectations into their day-to-day decision-making. We also continue to build our “speak up” culture to encourage employees to embrace the right and the responsibility to report any concerns regarding ethical issues or potential violations of our values or policies without fear of retaliation.

Risk-driven third-party due diligence

We hold our partners and vendors to the same high standards to which we hold ourselves—to be truthful, honest and ethical in business dealings and to abide by all applicable laws and regulations. GXO’s tiered, risk-based Third-Party Due Diligence process, overseen by the Ethics and Compliance team, applies to all third parties, including vendors, agents and consultants.

We describe our commitment to strong governance and how this helps us achieve our business objectives and live our values in the sections that follow.

Leading responsibly



As a global leader in our industry, we have a responsibility to set an example that is beyond reproach. This goes to the heart of who we are as a company and as individuals. Our commitment to leading responsibly begins at the top of our organization.

Our Board

GXO’s Board of Directors oversees the company’s management and ensures that appropriate procedures and controls are in place covering management’s activities in operating the company responsibly.

The Board has adopted Corporate Governance Guidelines that provide a framework for the effective governance of the company. The guidelines address matters such as the respective roles and responsibilities of the Board and management, the Board’s leadership structure, the responsibilities of the lead independent director and vice chair, director independence, Board membership criteria, Board committees and Board and management evaluation.

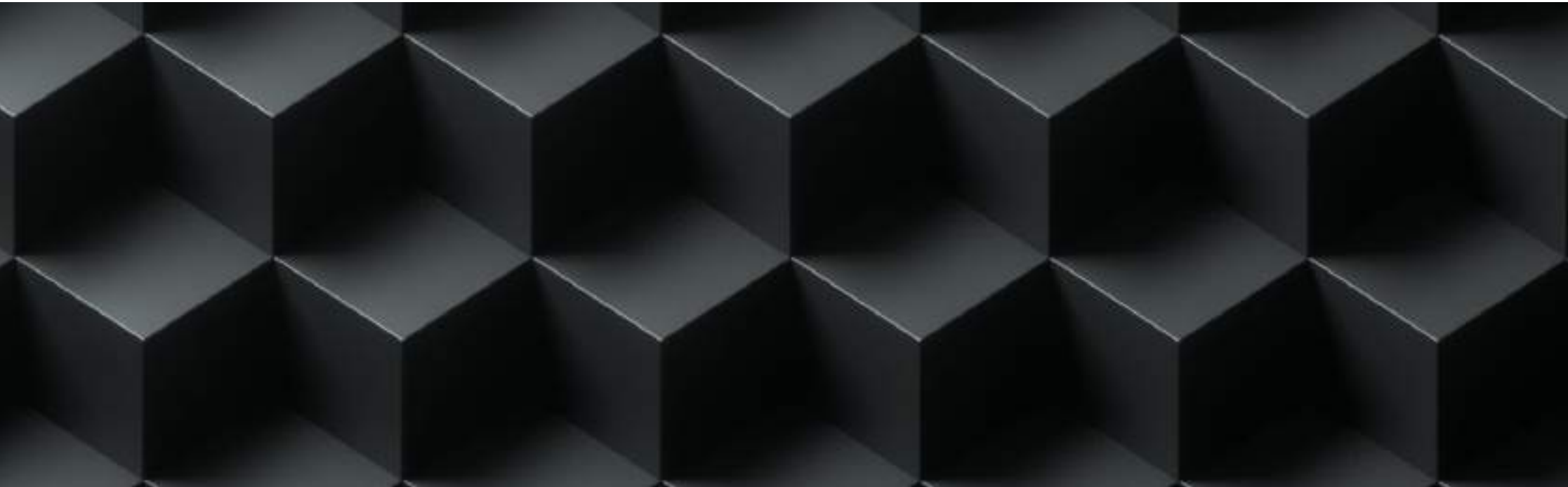
The composition of the Board also mirrors our commitment to doing business the right way. The Board’s current leadership structure reflects:

- A strong, independent and highly experienced lead independent director with well-defined responsibilities that support the Board’s oversight responsibilities
- A robust committee structure consisting of three standing committees composed entirely of independent directors with oversight of various types of risks, including ESG-related risks
- Leaders with deep experience and expertise across the industry and specific topic areas, from a variety of backgrounds

We seek board members with high professional standards who have our shareholders’ and other stakeholder interests in mind. To that end, we believe it is important to, among other guidelines, limit participation on other companies’ boards and monitor transactions with related parties.

GXO is focused on building a Board that is knowledgeable about ESG issues. The Chair of GXO’s Nominating, Corporate Governance and Sustainability Committee, Joli Gross, brings extensive ESG leadership experience. In addition, the Chief Compliance and ESG Officer provides regular updates to the Board to familiarize Directors with ESG concepts and trends and potential implications for GXO’s broader business strategy.

The composition of each committee is reviewed annually to ensure that members are qualified in accordance with applicable laws, rules and regulations.



An independent and diverse Board

When selecting nominees, GXO's Board values experience, integrity, independence and diversity. The current composition of our Board reflects those ongoing efforts and the continued importance of diversity and independence.

6 of 8 members are independent

100% of standing committee members are independent

50% of members are women



[Read more](#) about our Board in our 2021 Proxy Statement

Learn more about how we do what we do

[Corporate Governance Guidelines](#) →

[Nominating, Corporate Governance and Sustainability Committee Charter](#) →

[Audit Committee Charter](#) →

[Compensation Committee Charter](#) →

[Read our policies](#) →

[Meet our Board members](#) →



From Joli Gross, the Chair of the Board's Nominating, Corporate Governance and Sustainability Committee

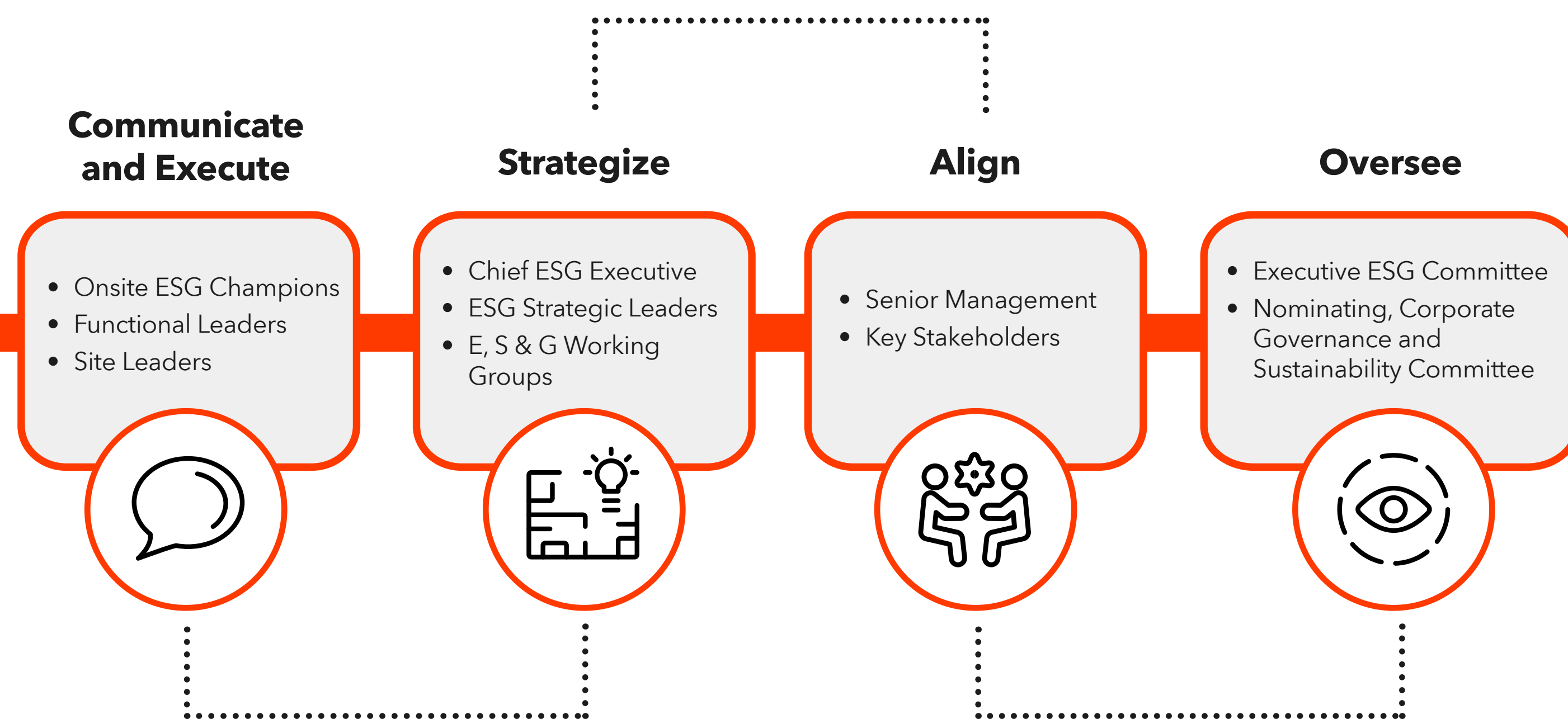
"There are so many opportunities for GXO when it comes to sustainability. This will help us not only make the world a better place, but also drive value for our investors, engage our customers more deeply and retain our employees, all integral to our ability to deliver as an industry leader in third-party logistics."

Board oversight of ESG issues and strategy

ESG is a top priority for our Board.

The Nominating, Corporate Governance and Sustainability Committee plays the central role in supporting GXO's Board on ESG strategy as well as on broader corporate governance matters. As with other board-level Committees, members of the Nominating, Governance and Sustainability Committee are independent.

The Nominating, Corporate Governance and Sustainability Committee supports the Board in its oversight of GXO's purpose-driven sustainability and ESG-related strategies and policies, performance and external disclosures, systems for evaluating ESG-related material risks and opportunities and GXO's approach to shareholder and stakeholder engagement regarding sustainability and ESG matters.



The Nominating, Corporate Governance and Sustainability Committee meets several times per year to address not only ESG matters, but also broader corporate governance guidelines, board and committee qualifications and board evaluations. Our Chief Compliance and ESG Officer, supported by other leaders, regularly presents to this Committee on ESG-related issues. Executive leaders and board members also receive regular updates and discuss ESG at monthly operational reviews.

The Nominating, Corporate Governance and Sustainability Committee also coordinates with the other Board committees on broader issues as needed. This includes the Audit Committee, which oversees GXO's systems of internal controls, compliance with legal and regulatory requirements and monitoring of major financial risks, which often includes ESG-relevant issues. The Nominating, Corporate Governance and Sustainability Committee also coordinates as needed with the Compensation Committee, which oversees executive and director compensation and supports alignment with broader company goals and incentives, including ESG-related incentives.



Our leadership team

Our values are the bedrock of our approach to leadership as a company. Our executives foster a company culture that is safe and inclusive, with a focus on innovation, making an impact and delivering results. Our leadership seeks to demonstrate through words and actions that GXO is laser-focused on doing business the right way.

Our company is led by highly experienced executives who are recognized as leading practitioners in their respective fields. Our leadership team brings a diversity of perspectives and a wealth of experience within and outside GXO.

Our current executive team offers many years of collective experience. Many have risen through the ranks of GXO's predecessor companies, highlighting GXO's commitment to internal growth and development. Our commitment to diversity and the advancement of those from underrepresented groups into management will continue in the years ahead.

Management at a glance, VP level and above

~2x increase in women's representation globally since 2019

60%+ increase in underrepresented ethnicities in the U.S. since 2019



Meet our leadership team





Leading on ESG

Our executive team defines the direction of business strategy with oversight by the Board. The company's ESG strategy and reporting are managed by the Chief Compliance and ESG Officer with oversight by the Executive ESG Committee and the Nominating, Governance and Sustainability Committee of the Board of Directors, which provide guidance on ESG-related matters and support coordination across other Committees with responsibility for critical ESG-relevant activities.

The Executive ESG Committee helps to define strategic priorities related to ESG issues across GXO, from climate change to health and safety to diversity. The committee also works with functional leadership and working groups focused on a range of ESG issues and supports development and execution of strategic initiatives on the ground. ESG champions across global sites will also provide input and support implementation of ESG efforts. The ESG Committee will meet quarterly.

By focusing on operations, products, partners and policy, this team strives to work across functions, regions and facilities to reduce our company's environmental impact while capturing broader environmental, social and economic opportunities for our customers, team members and communities worldwide. For guidance on globally changing dynamics, this team engages with experts around the world, including internal policy, technology and environmental professionals as well as internal and external subject matter experts.

As a company, we have implemented extensive policies and practices that underpin our commitment to doing business the right way. Furthermore, we recognize that aligning incentives and performance to ESG priorities can further strengthen our ability to bring this commitment to life. GXO's leadership and the Board have expressed their intention to integrate ESG-related performance into compensation and develop an ESG scorecard that will play an important role in this alignment.

Risk management

While management is responsible for assessing and managing GXO’s exposure to various risks, the Board of Directors has overall risk management oversight responsibility. Our Board committees assist the Board with this oversight responsibility by reviewing specific risk areas.

Within GXO, the Global Risk Committee (GRC), chaired by the Chief Compliance and ESG Officer, shapes GXO’s enterprise risk management (ERM) approach. The GRC seeks to develop and advance strategies to identify and manage enterprise risk, including driving alignment across the organization to address ESG risks and opportunities.

The committee includes all members of our executive team as well as other senior functional leaders from across the organization, including those within Environmental, Health and Safety, Legal, Investor Relations, Finance, Corporate Communications, Human Resources, Information Security and Operations.

The GRC has identified areas of risk as a foundation to its ERM framework, and additional data and information on these risks will be added through surveys and assessments. Risk areas will be assigned an owner, a senior leader responsible for action plans to address relevant risks and opportunities that could have substantive financial or strategic impact on the organization. Managers and others across the organization will



then implement these initiatives, with the owners providing regular progress updates to the GRC. Risk owners provide regular updates on progress against action plans to the GRC.

For climate risks specifically, the risk team will assess property risks annually to estimate the probable impact from hazards such as hurricanes, floods and fires, which are increasing in frequency and severity due to climate change.

GXO’s business continuity standards identify the baseline requirements for implementing disaster recovery and enhancing overall resilience to help ensure our preparedness and capability of recovery in the event of a significant business disruption that may affect our ability to meet customer expectations.

At the facility level, business groups and site managers have their own processes and a business resilience plan. These plans are prepared with the support of local leaders and management and are submitted for regular audits and assessments.

When risks are identified, the committee proposes approaches to mitigate, transfer, accept or control the identified risks and opportunities. We reference our ERM risk prioritization criteria in the context of business continuity and service resilience, which include the scope of impact (e.g., reputational, regulatory and cost), potential return on investment and time and resources required to implement changes.

Making the right decisions every day

Our culture at GXO is about achieving results through teamwork. We help each other succeed. We're proud to support our customers, partners and team members. We're fair, respectful, lawful and honest.

Shared values

We expect anyone working for, with or on behalf of GXO to share our **values**—and make the right decisions every day. We see a shared responsibility to:

- Act ethically and with integrity in all our business dealings
- Treat each other with dignity and respect
- Comply with all applicable policies, laws and regulations
- Uphold our commitment to our Code of Business Ethics (our "Code")

Our values and our commitment to making the right decisions every day are embodied in our Code of Business Ethics, a guide for GXO employees to understand how our day-to-day decisions support our ability to fulfill our responsibilities to each other, to our customers, investors and communities and to society.

In addition to the Code, we have policies and professional standards that apply to every employee of GXO and to third parties acting on our behalf. Some of the topics addressed by our Code and supporting policies include anti-corruption and bribery, human rights and anti-discrimination, workplace safety, confidentiality and protection of company assets, conflict of interest, anti-competitive practices, information security and personal investments.

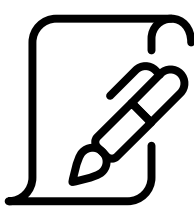
Globally, the Ethics and Compliance team promotes the Code internally and, in partnership with Human Resources, ensures that all employees receive, understand and agree in writing to abide by the Code and take part in relevant training programs.

All GXO team members are expected to comply with the Code, all company policies and applicable laws, rules and regulations, and we expect our leaders to model our values and professional standards. Team members are required to acknowledge the Code and participate in annual training, which includes topics such as ethics, building a respectful workforce and anti-corruption. GXO's Annual Compliance Education (ACE) program includes up to five hours of training per person each year, tailored to role and location.

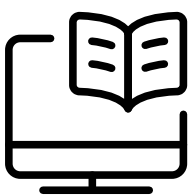
Suspected violations of our code, policies or other regulatory requirements are subject to comprehensive investigation in line with our internal compliance framework and subsequent appropriate action, up to and including termination of employment.

Compliance with the Code of Business Ethics and supporting processes is reported regularly to the Audit Committee, which also has the responsibility to review and approve requests for waivers and promptly disclose any waivers that are granted as required by law, regulation or applicable listing standards.

By the numbers



100%
of employees receive and are required to sign GXO's Code of Business Ethics



5 hours
of training on average per employee related to Annual Compliance Education (ACE)

GXO's global risk-based compliance program is built on a foundation of ethical culture.



Speak up culture

We seek to foster a “speak up” culture at GXO. Every employee has the responsibility to raise questions or concerns about values, ethics or other standards without fear of retaliation. Employees are encouraged to voice concerns to a supervisor or a representative of the Human Resources and/or ethics and compliance departments. But they have many other places to turn if they prefer a different route.

In addition to many internal avenues to raise questions and concerns, GXO offers additional channels for employees and even third parties to raise concerns in a confidential manner and, where legally permissible, anonymously. These include:

-  **1** **Ethics Point, www.GXO.ethicspoint.com, a website administered by a third party and available 24 hours a day, 7 days a week.**
-  **2** **A toll-free telephone service operated by an independent third party 24 hours a day, 7 days a week. Local numbers with translation services are provided in all 28 countries in which we operate.**
-  **3** **A dedicated email account at GXO, monitored by GXO’s Ethics & Compliance Team.**
-  **4** **Direct reporting to the GXO Ethics Team.**
-  **5** **Internal reporting to HR and business leaders**

We take every concern seriously and have established a clear framework and process for addressing them.

GXO maintains an enterprise-wide investigative program that seeks to protect the interests of the company and its shareholders by preventing, detecting and investigating potential misconduct and violations. The internal investigations process is centrally overseen by GXO’s Ethics & Compliance team and is supported by a network of more than 200 cross-functional employees. This process is designed to facilitate the delivery of clear findings, conclusions and investigative outcomes, which are shared to drive proactive and impactful risk management and facilitate effective information sharing with internal partners and stakeholders across all investigative functions.

All concerns are fully investigated and an action plan is implemented and tracked depending on the outcome. Each report is forwarded to an appropriate member of management, Human Resources or Ethics & Compliance for prompt review. GXO evaluates each report carefully to determine whether further investigation or action is necessary. Employees are required to cooperate fully with company investigations.

We utilize an independent third-party system to manage concerns (Ethics Point) and track multiple metrics that are reported to leadership and the Audit Committee and external auditors, as appropriate. We also have an internal Ethics & Compliance quality assurance and governance process in collaboration with key functions, including Human Resources, Finance, Safety and Security.

Learn more about how we do what we do



**Ethics at GXO**

**Code of Business Ethics**

**Read our policies**



Ethical business practices

Our Code of Business Ethics, combined with supporting policies, outlines our expectations for ethical business practices, from anti-corruption to international trade to conflict of interest.

GXO wins and awards business based on merit. GXO does not tolerate bribery or corruption in any form, directly or indirectly, whether doing business with a government entity, commercial enterprise or individual. Employees may not authorize, offer to pay or accept bribes, kickbacks or gratuities; this includes offering or making payments to third parties in situations where there is reason to believe that even a portion of the payment will be offered to someone else for an improper purpose. In addition, the company does not give or receive business gifts of products, services or entertainment to improperly influence business decisions. Our policies outline clear guidelines for gifts and entertainment that all employees are required to follow.

As a global company, GXO complies with all laws and regulations governing international trade. GXO does not permit the export or import of goods, services or data without appropriate authorization. We prohibit doing business with or for any embargoed or sanctioned country or any party subject to debarment or economic sanctions without appropriate government authorization.

All employees are required to read and certify that they will comply with our Code. GXO employees are asked to recertify to the Code following annual training and receive additional compliance training relevant to role and location.

Policies related to ethical business standards are owned by the Ethics and Compliance team with oversight from the Chief Legal Officer and Board-level Committees. The Chief Compliance and ESG Officer reports on performance against these policies to GXO management and the Board.

Employees have a responsibility to report concerns or potential violations of our policies. Violations may result in serious disciplinary action, up to and including termination of employment. Posters hang in every GXO location reminding employees of their responsibility to voice any concerns and listing all the reporting mechanisms available to them. These posters are translated into multiple languages and use local phone numbers for easy toll-free dialing.

GXO policy strictly prohibits retaliation against any employee for reporting in line with these policies, as outlined under the “speak up” section above.



Human rights and labor

GXO is committed to conducting business in a manner that respects the human rights and dignity of all people—from our employees and our suppliers to our customers and our communities.

We foster a work environment where respect and diversity are valued and safety is paramount. We comply with all laws that govern fair employment and labor practices, including the freedom of association and collective bargaining. We do not tolerate any conduct that contributes to, encourages or facilitates human trafficking, child labor, forced or compulsory labor or any other human rights abuses.

We are focused on providing a work environment that is free of discrimination, harassment and retaliation and we have a zero-tolerance policy against such acts. All acts of unlawful discrimination against and harassment of or against our job applicants, employees or interns by another employee, vendor, customer or any third party are prohibited and will result in disciplinary action up to and including termination of employment.

We support government policies in the U.S. and other countries that combat human trafficking and forced labor, and we expect our customers, subcontractors and suppliers to respect human rights laws.


We also include human rights in risk assessments that we undertake. For example, in 2019-2020, we undertook a risk mapping exercise under France’s Duty of Vigilance law to look at risks in our workforce and supply chain and the impact of our operations on human rights, health and safety and the environment. A wide range of human rights risk areas was examined, including child labor and forced or compulsory labor; risks of non-compliance with fair working conditions, such as illegal or undocumented employment, or freedom of association; risks of discrimination and harassment; and risks of modern slavery in customers’ supply chains. The mapping exercise was then used to develop a Vigilance Plan that not only identified the key risks across our European operations, but also described our mitigation actions to prevent and mitigate these risks. The Plan is considered a living document that will be updated over time, including addressing new potential risks GXO faces as an independent organization.


Employees have a responsibility to report concerns or potential violations of our policies related to human rights and labor. Violations of our Code and policies may result in serious disciplinary action, up to and including termination of employment.


GXO policy prohibits retaliation against any employee for reporting in line with these policies, as outlined under the “speak up” section above.


We intend to publish a Modern Slavery and Human Trafficking Statement later this year.




[**Code of Business Ethics**](#)

[**Third-Party Due Dilligence**](#)

[**No Discrimination Policy**](#)

[**Read our policies**](#)

[**Human Trafficking Policy**](#)



Supply chain and third parties

We seek to work with third parties that share our values and commitment to doing business the right way. We hold our suppliers, partners and other third parties to the same high standards that we hold ourselves.

GXO's Third Party Due Diligence process is designed to detect and prevent risks, including those related to anticorruption and trade compliance. This process applies to any relationship with a third party, which includes but is not limited to vendors, customers, agents, contractors and consultants. The policy is managed by the Chief Compliance and ESG Officer with oversight from the Audit Committee and support of diverse executive committees, including the Global Risk Committee. The Ethics and Compliance team monitors compliance with this process, which is subject to review by internal audit.

GXO's due diligence process is risk-based and is informed by the expectations of applicable regulatory authorities and internal risk assessments and mapping. For example, we mapped specific risks across our supply chain as part our Duty of Vigilance Plan, required under French law. This included identifying the main risks not only within our operations and wider industry, but also those of our suppliers.

We've developed several due diligence initiatives related to this commitment, which vary according to a number of risk factors, including the country in which, for example, suppliers provide goods and services to GXO, and according to the categories of partners. We pay particular attention to countries exposed to elevated levels of potential corruption and to the agency partners who supply certain of our workers, among other factors.



The appropriate due diligence procedures must be completed before any new third party will be authorized to work with GXO and performed regularly depending on the level of risk as defined in the policy. All suppliers are subject to standard due diligence, with enhanced due diligence based on risk assessment. Approvals for certain higher-risk third parties require management and Board review.

To support implementation of the policy, team members receive training related to managing third-party risks tailored to role and responsibilities, as outlined in our broader risk management framework and processes.

Looking forward, we are seeking new opportunities to engage our suppliers to work toward shared ESG priorities and goals. For example, we are expanding our Supplier Code of Conduct, which clearly communicates the expectations we have of our suppliers and subcontractors regarding, among other issues, human rights, working conditions, health and safety, the environment, trade compliance, anticorruption and business ethics.

By the numbers **100%** of our suppliers are subject to standard third-party due diligence

Learn more about how we do what we do



Code of Business Ethics



Conflict of Interest Policy



Third-Party Due Diligence



Read our policies

Tax and transparency

GXO acts responsibly and with integrity in all tax matters. We are committed to paying the right amount of tax in the right place at the right time. We hire qualified tax personnel and engage with tax advisors as appropriate. GXO does not tolerate tax evasion, nor do we tolerate the facilitation of tax evasion by others. GXO maintains open and transparent relationships with all relevant tax authorities.

Our business activities around the world incur a substantial amount and variety of taxes. GXO pays corporate income taxes, customs duties, excise taxes, stamp duties, employment taxes and many other business taxes in all jurisdictions where applicable. In addition, GXO collects and pays employee taxes and indirect taxes: for example, Value-Added Tax (VAT), fuel taxes and truck taxes.

GXO seeks to comply with all tax rules and regulations on a worldwide basis, and our tax affairs are aligned with and appropriate for our commercial business activities and substantive transactions, such as acquisitions and divestments. Tax is inherently complex, and where the tax treatment of a particular transaction or activity is unclear, we seek tax advice and follow the generally understood interpretation of tax law.

GXO maintains robust and appropriate internal policies and procedures to support our tax control framework. Given the local/regional nature of tax laws, direct responsibility for tax matters varies by location. Ultimate responsibility for GXO's tax policy globally rests with GXO's Chief Financial Officer and Senior Vice President of Tax.

Learn more about how we do what we do



[U.K. Tax Strategy](#)



[GXO Annual Report](#)



[Read our policies](#)





Protecting privacy and information security

Data privacy and information security are top business priorities for GXO.

As a company with a focus on technology, automation and innovation, we recognize that our ability to secure systems and data is paramount to our ability to deliver for our customers and employees. GXO rigorously protects our confidential and proprietary information from unauthorized use or disclosure. This includes information about the company’s strategies and operations, business plans, employees, customers, suppliers, financial status, trade secrets or any other information unavailable to the public.

Our data privacy and protection approach is guided by our own Data Protection Policy as well as the EU Data Retention Policy and the General Data Protection Regulation (GDPR) Privacy Policy. A cross-functional GXO Privacy Team works with country-level coordinators to identify requirements, set policies and organize regular communication and training for employees on privacy issues. GXO also requires suppliers and

contractors to comply with all applicable privacy regulations and we regularly monitor their compliance.

We track our performance in this regard through monitoring and auditing our procedures for the management of personal data, the logging of any data security incidents (whether or not they involve personal data), working with our country-level coordinators to understand any country-specific differences and issues and logging subject access requests (the exercise by data subjects of their rights under applicable privacy laws).

Working across all levels of the organization, from the Board to leadership and other employees, GXO is focused on meeting our information security obligations while integrating best practices into the way we do business. As we further our use of automation and expand our global footprint, we will continue to improve our information security systems and processes to keep pace with these changes and new system demands. Our global information security team is led by our Chief Information Security Officer (CISO), who reports to our Chief

Information Officer (CIO). Together, they are responsible for network security, engineering processes and continuous improvement across information security domains in support of GXO’s business strategies and priorities. The team partners with leaders from across our global regions and provides reports to the Board of Directors.

Our information security leader serves on GXO’s Global Risk Committee (GRC), which monitors and addresses the company’s most significant global risks. To support the identification and management of information security risks, the CISO meets monthly with broader information technology leadership, including the CIO and executives from the infrastructure team. The information security team also participates in the monthly executive operating review and reports regularly to the Audit Committee.

To help employees understand and fulfill their responsibility to keep information secure, the information security team provides awareness and training across various domains and through multiple channels. Dedicated staff tailor a mix of formal training, awareness campaigns and materials, phishing tests and other efforts based on location, level of interaction with systems and role, among other factors. The team focuses on different delivery models, including gamification, to increase the relevance of and engagement with the training content. Contractors are also made aware of and are expected to comply with GXO's information security policies.

We draw on best practices from multiple frameworks to define the elements most relevant to GXO's business. We have a harmonized set of controls that integrates guidance from the EU's GDPR and aligns with the U.S. National Institute of Standards and Technology's (NIST) cybersecurity framework, among others.

GXO's controls and operating processes align to ISO27001 certification, and systems are maintained in line with this standard. In addition, we assess our practices against industry-leading frameworks, including the Internet Security Forum (ISF), to confirm our systems meet our needs and discover opportunities to improve. Our program includes multiple components that act as an additional line of defense, including regular testing, tabletop exercises, cybersecurity exercises, audit and maintenance, awareness and training and risk evaluation and controls.







In 2021, we strengthened our efforts to enable a more holistic and integrated approach to information security. At the beginning of the year, we also conducted a program maturity self-assessment against the NIST Cybersecurity Framework (CSF) and scored across domains to identify, analyze and enhance cybersecurity capabilities. The process reviewed over 30 policies and procedures, included multiple stakeholder interviews and resulted in an analysis and multi-year roadmap for improvement. We will continue to refine and align our framework to ensure our program continues to integrate the best guidance available.

We have built-in escalation paths with dedicated leaders and legal partners in case incidents arise within the course of standard operations. GXO reports material data privacy and information security breaches in our annual 10-K report. In 2021, there were none.

By the numbers



Learn more about how we do what we do

- | | | | |
|---|---|---|---|
|  | Code of Business Ethics |  | Third-Party Due Dilligence |
|  | Data Protection Policy |  | GDPR Privacy Policy |
|  | EU Data Retention Policy |  | Read our policies |

Governance: media links

Web links



[Ethics at GXO](#)



[Our Board/Leadership Team](#)



[Read our policies](#)



[Ethicspoint](#)



[Our Values](#)

Policy, charter and guideline links

[Audit Committee Charter](#)

[Code of Business Ethics](#)

[Compensation Committee Charter](#)

[Conflict of Interest Policy](#)

[Corporate Governance Guidelines](#)

[Data Protection Policy](#)

[EU Data Retention Policy](#)

[GDPR Privacy Policy](#)

[GXO Annual Report](#)

[Human Trafficking Policy](#)

[No Discrimination Policy](#)

[Nominating, Governance and Sustainability Committee Charter](#)

[Proxy Statement](#)

[Third-Party Due Dilligence](#)

[U.K. Tax Strategy](#)

Transparency and accountability

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About this report

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Data and reporting



About this report

The GXO 2021 ESG Report details the company's objectives and progress in the areas of environmental sustainability, social initiatives and governance performance. Data about financial performance is not included in the report, but may be found on gxo.com under the "Investors" tab and in GXO's public filings with the U.S. Securities and Exchange Commission.

The information contained in this document reflects the global activities and initiatives undertaken by GXO as the logistics division of XPO from January 1 – August 1, 2021, and by GXO as an independent company from August 2 – December 31, 2021. The company intends to continue issuing updated ESG reports annually.

This report has been prepared in accordance with the Global Reporting Initiative (GRI), using the latest standards released in October 2021. As our reporting becomes increasingly robust, we will seek to expand the detail on our disclosures including aligning with additional standards and frameworks, such as SASB and TCFD.

For questions about this report, please contact the GXO ESG Team at esg@gxo.com.



GRI Content Index

GRI Content Index	
Statement of use	GXO Logistics, Inc. has reported in accordance with the GRI Standards for the period January 1, 2021-December 31, 2021.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI Standard	Disclosure		Location/response/comment
General disclosures			
GRI 2: General Disclosures 2021	2–1	Organizational details	GXO Logistics, Inc. Greenwich, CT, United States 2021 Form 10-K, pp.1-2
	2–2	Entities included in the organization’s sustainability reporting	GXO’s 2021 ESG Report covers all of the entities included in its consolidated financial reporting.
	2–3	Reporting period, frequency and contact point	About this report, pg. 80 This report was published in April 2022.
	2–4	Restatements of information	None
	2–5	External assurance	Scope 1 and Scope 2 emissions data from Europe was audited on a sample basis by external auditor Grant Thornton using a cross-section of data from contributing countries to limited assurance in line with the ISAE 3000 standard. Statement of assurance from Grant Thornton.
	2–6	Activities, value chain and other business relationships	What we do, pg. 9 2021 Form 10-K, pp.3-6
	2–7	Employees	Performance Data, pg. 92
	2–8	Workers who are not employees	Performance Data, pg. 92

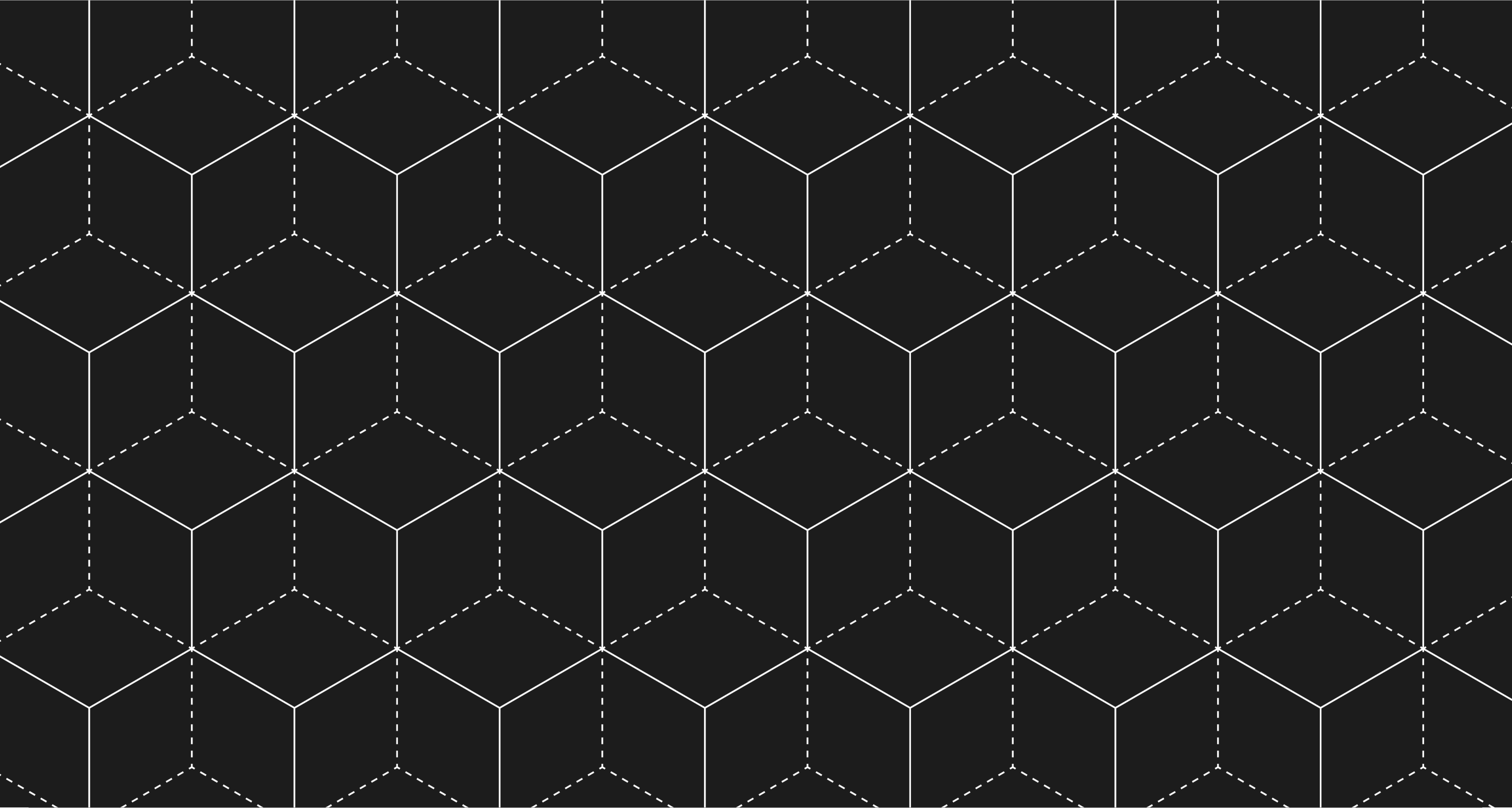
GRI Standard	Disclosure		Location/response/comment
GRI 2: General Disclosures 2021	2–9	Governance structure and composition	Living our values, pg. 63 Leading Responsibly, pp. 64-69 2021 Proxy Statement , Directors & Committees of the Board and Committee Membership Corporate Governance Committee Composition Leadership Team
	2–10	Nomination and selection of the highest governance body	2021 Proxy Statement , Director Selection Process Nominating, Corporate Governance and Sustainability Committee
	2–11	Chair of the highest governance body	2021 Proxy Statement , Director & Role of the Board and Board Leadership Structure Leadership team
	2–12	Role of the highest governance body in overseeing the management of impacts	Living our values, pg. 63 Leading Responsibly, pp. 64-69 Nominating, Corporate Governance and Sustainability Committee
	2–13	Delegation of responsibility for managing impacts	Leading Responsibly, pp. 64-69
	2–14	Role of the highest governance body in sustainability reporting	Our ESG priorities, pp. 20-21 Leading Responsibly, pp. 64-69
	2–15	Conflicts of interest	Corporate Governance Guidelines, pp.2-3 2021 Proxy Statement , Directors 2021 Form 10-K, pp. 19
	2–16	Communication of critical concerns	Leading Responsibly, pp. 64-69 <i>Qualitative information only</i>
	2–17	Collective knowledge of the highest governance body	Leading Responsibly, pp. 64-69
	2–18	Evaluation of the performance of the highest governance body	Corporate Governance Guidelines, pg.7
	2–19	Remuneration policies	2021 Proxy Statement , Director Compensation Compensation Committee Charter
	2–20	Process to determine remuneration	2021 Proxy Statement , Director Compensation Compensation Committee Charter

GRI Standard	Disclosure		Location/response/comment
GRI 2: General Disclosures 2021	2–21	Annual total compensation ratio	2021 Proxy Statement
	2–22	Statement on sustainable development strategy	Messages from our leadership, pp. 4-8
	2–23	Policy commitments	Making the right business decisions every day, pp. 70-78 Code of Business Ethics Third-Party Due Diligence See additional Ethics Policies See additional Governance Policies
	2–24	Embedding policy commitments	Leading Responsibly, pp. 64-69 Making the right decisions every day, pp. 70-78
	2–25	Processes to remediate negative impacts	Making the right decisions every day, pp. 70-78 Building a culture of inclusion, pp. 48-52 Supporting and developing our people, pp. 53-56 Pushing the boundaries of what's possible, pp. 29-34 Reversing the process: rethinking returns, pp. 35-37 Reducing our operational footprint, pp. 38-41
	2–26	Mechanisms for seeking advice and raising concerns	Making the right decisions every day, pp. 70-78 Corporate Governance Highlights Code of Business Ethics, pg. 25
	2–27	Compliance with laws and regulations	2021 Form 10-K, pg. 19 <i>Qualitative information only</i>
	2–28	Membership associations	No significant memberships
	2–29	Approach to stakeholder engagement	Our ESG priorities, pp. 20-21
	2–30	Collective bargaining agreements	2021 Form 10-K, pp. 4-5 Supporting and developing our people, pg. 56

GRI Standard		Disclosure	Location/response/comment
Material topics			
GRI 3: Material Topics 2021	3–1	Process to determine material topics	Our ESG priorities, pp. 20-21
	3–2	List of material topics	Our ESG priorities, pp. 20-21
Diversity and inclusion			
GRI 3: Material Topics 2021	3–3	Management of material topics	Our ESG priorities, pp. 20-21 Building a culture of inclusion, pp. 48-52 Making the right decisions every day, pp. 70-78
GRI 405: Diversity and Equal Opportunity 2016	405–1	Diversity of governance bodies and employees	Performance Data, pg. 92 Board of Directors
	405–2	Ratio of basic salary and remuneration of women to men	Building a culture of inclusion, pp. 48-52
Employee experience			
GRI 3: Material Topics 2021	3–3	Management of material topics	Our ESG priorities, pp. 20-21 Supporting and developing our people, pp. 53-56 Making the right decisions every day, pp. 70-78 Performance Data, pg. 92
GRI 401: Employment 2016	401–2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Supporting and developing our people, pp. 53-56
GRI 402: Labor/Management Relations 2016	402–1	Minimum notice periods regarding operational changes	<p>GXO aims to notify all impacted team members of operational changes as soon as practical as part of our commitment to comply with all required notice periods set forth in local, state and country-specific laws, including requirements and mandatory (minimum) notice periods in several jurisdictions. We aim to implement operational changes where works councils or employee representatives are present only after engagement with those works councils and employee representatives.</p> <p><i>Qualitative information only</i></p>
GRI 407: Freedom of Association and Collective Bargaining 2016	407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human rights and labor, pg. 73
GRI 408: Child Labor 2016	408–1	Operations and suppliers at significant risk for incidents of child labor	Human rights and labor, pg. 73
GRI 409: Forced or Compulsory Labor 2016	409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human rights and labor, pg. 73

GRI Standard	Disclosure		Location/response/comment
Energy & GHG emissions			
GRI 3: Material Topics 2021	3–3	Management of material topics	Our ESG priorities, pp. 20-21 Pushing the boundaries of what’s possible, pp. 29-34 Reversing the process: rethinking returns, pp. 35-37 Reducing our operations footprint, pp. 38-41
GRI 302: Energy 2016	302–1	Energy consumption within the organization	Performance Data, pg. 88
	303–3	Energy intensity	Performance Data, pg. 88
GRI 305: Emissions 2016	305–1	Direct (Scope 1) GHG emissions	Performance Data, pg. 88
	305–2	Energy indirect (Scope 2) GHG emissions	Performance Data, pg. 88
	305–4	GHG emissions intensity	Performance Data, pg. 88
Information security			
GRI 3: Material Topics 2021	3–3	Management of material topics	Our ESG priorities, pp. 20-21 Making the right decisions every day, pp. 70-78
GRI 418: Customer Privacy 2016	418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Making the right decisions every day, pp. 76-77

GRI Standard	Disclosure		Location/response/comment
Talent management			
GRI 3: Material Topics 2021	3–3	Management of material topics	Our ESG priorities, pp. 20-21 Supporting and developing our people, pp. 53-56 Performance Data, pp. 91-92
GRI 404: Training and Education	404–1	Average hours of training per year per employee	Performance Data, pg. 91
	404–2	Programs for upgrading employee skills and transition assistance programs	Talent and Learning, pp. 54-55



Performance tables

Environmental

Environmental	2019	2020	2021
Energy consumption within the organization			
Total fuel used by fleet, global (liters)	64,825,727	71,270,552	60,513,131
Americas Asia-Pacific	475,355	633,335	276,016
Europe	64,350,372	70,637,217	60,237,115
Total electricity, consumption, global (kWh)	493,455,176	465,102,305	451,671,830
Percentage renewable electricity	4.83%	5.71%	6.98%
Americas Asia-Pacific	184,358,701	179,673,081	185,550,594
Percentage renewable electricity	0.00%	0.00%	2.62%
Europe	309,096,475	285,429,224	266,121,236
Percentage renewable electricity	7.72%	9.32%	10.01%
Total gas consumption excluding vehicles, global (m³)	18,482,740	16,895,702	18,336,552
Americas Asia-Pacific	12,947,352	11,314,123	11,434,493
Europe ¹	5,535,387	5,581,579	6,902,059
Energy intensity			
Global electricity consumption by floorspace (kWh/m²)	50.25	48.09	39.51
Americas Asia-Pacific	43.75	38.22	40.33
Europe	55.13	57.41	38.96

¹ We have added large climate-controlled facilities to our portfolio, which has resulted in an increase in gas consumption for facility usage.

² GHG emissions calculated using GWP rates from the IPCC and country and source-specific emissions factors. European emissions data is assured on a sample basis by Grant Thornton. For more information, see GRI 2-5 in the GRI Content Index.

Environmental	2019	2020	2021
Greenhouse gas emissions ²			
Total Scope 1 & 2 GHG emissions, global (metric tons CO ₂ e)	391,419	389,500	377,795
Scope 1, global	243,158	250,546	248,595
Americas Asia-Pacific	45,445	35,108	36,876
Europe	197,713	215,438	211,718
Scope 2, global	148,260	138,954	129,200
Americas Asia-Pacific	82,117	75,184	74,419
Europe	66,143	63,770	54,781
Emissions intensity (Scope 1 & 2)			
Emissions by revenue (metric tons CO ₂ e per million USD in revenue)	64.23	62.87	47.58
Americas Asia-Pacific	51.55	46.51	42.31
Europe	72.09	73.09	50.18
Emissions intensity by floorspace (kg CO ₂ e per m²)	39.86	40.27	33.05
Americas Asia-Pacific	30.27	23.46	24.19
Europe	47.06	56.16	39.01
Emissions intensity by employee (metric tons CO ₂ e per FTE)	5.73	5.76	4.87
Americas Asia-Pacific	3.90	3.98	4.21
Europe	7.20	6.99	5.21

Environmental	2019	2020	2021
Waste			
Total waste generated, global (metric tons)	128,749	135,435	156,778
Non-hazardous waste, global	120,193	127,686	151,188
Americas Asia-Pacific	38,670	40,586	59,141
Europe	81,523	87,100	92,048
Hazardous waste, global	8,555	7,749	5,590
Americas Asia-Pacific	62	45	152
Europe	8,493	7,704	5,438
Total waste sent to landfill, global (metric tons)	30,129	36,607	31,263
Americas Asia-Pacific	22,923	28,349	20,063
Europe	7,206	8,258	11,200
Landfill diversion rate, global (%)	74.93%	71.33%	79.32%
Americas Asia-Pacific	40.72%	30.15%	66.08%
Europe	91.16%	90.52%	87.83%

Environment	2019	2020	2021
Facilities			
Total number of operating facilities	756	785	913
Customer-owned or leased (and operated by GXO)	257	280	323
GXO-owned or leased	499	505	590
Number of facilities covered by ISO14001	N/A	N/A	219
Americas Asia-Pacific	N/A	N/A	7
Europe	N/A	N/A	212
LED coverage, global (%)	N/A	N/A	47%
United States	N/A	N/A	45%
Europe	N/A	N/A	50%
Sustainable building certifications			
Number of locations with LEED certification	N/A	N/A	3
Number of locations with BREEAM certification	3	3	4

Social—Health and Safety

Social	2019	2020	2021
Americas & Asia-Pacific			
Employee health and safety¹			
Total recordable incident rate (TRIR)	1.2	1.3	1.5
Fatality rate for employees	0	0	0
Lost time injury rate²	0.8	1.0	1.3
Certifications			
Total number of locations accredited to ISO 45001	2	2	2
Fleet safety			
Number of road accidents and incidents	-	-	50

Social	2019	2020	2021
Europe			
Employee health and safety¹			
Fatality rate for employees	0	0	0
Lost time injury rate³	2.6	2.5	2.6
Certifications			
Total number of locations accredited to ISO 18001 and/or ISO 45001	-	-	146
Fleet safety⁴			
Crash rate (per thousand miles)	2.6	1.7	2.6
Number of road accidents and incidents	665.0	424.0	804.0

¹ Rates are calculated based on 200,000 hours worked.
² Lost time calculated as DART (days away, restricted, or transferred).
³ Rates take into account statutory requirements in various European countries for time off after an incident.
⁴ 2021 numbers include the integration of K&N business in the U.K.

Social–Talent and Learning

Social	2019	2020	2021
Employee development			
Total learning hours ¹	899,937	722,967	1,049,385
Average learning hours per employee	15.6	11.8	14.0
By gender			
Women	13.8	12.0	15.3
Men	16.7	11.7	13.4
Not specified	0.3	1.5	1.7
Average training and development spend per employee ²	\$449	\$386	\$325

¹ Learning hours exclude contractor training.
² Spend has decreased year over year due to increased efficiencies and decreased cost of creating and delivering content.

Social–Workforce

Social	2019	2020	2021
Workforce ¹			
Total employees	57,560	61,339	74,903
Permanent	55,544	57,511	71,590
Temporary ²	2,016	3,828	3,313
Full-time	52,239	55,431	67,716
Part-time	5,321	5,908	7,187
Contractors	28,921	36,595	42,803

¹ Headcount is used except for contractors in Europe, where it is FTE

² Data is for fixed-term employees in Europe

Social	2019	2020	2021
Employees by region			
Americas & APAC	21,955	21,430	23,797
Europe	35,605	39,909	51,106
Employees by gender			
Women	19,381	21,117	25,843
Men	37,836	40,162	48,966
Not specified	343	60	94
Employees by age			
<30 years old	N/A	13,375	16,038
30-50 years old	N/A	31,915	38,498
50+ years old	N/A	16,049	20,367

DISCLAIMER

Forward-Looking Statements

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including our goals of (i) 80% global operations using LED lighting by 2025, (ii) 80% global landfill diversion rate by 2025, (iii) 50% renewable energy in global operations by 2030, (iv) reducing greenhouse gas emissions by 30% by 2030 vs. 2019 baseline, and (v) being 100% carbon neutral by 2040. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target,” “trajectory” or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include, but are not limited, the risks discussed in our filings with the Securities and Exchange Commission.

All forward-looking statements set forth in this report are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this report speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

ESG in action

Click on one of the links below to view our case studies.



GXO's new packaging innovation cuts waste down to size for Amer Sports



Warehouse of the Future advances Nestlé's ambitious environmental goals



GXO Direct cuts delivery times and emissions for The Beachbody Company



From bulbs to bees: GXO and global fashion retailer design a model for sustainability



Purging plastic: GXO helps a telecom leader cut waste in distribution



Creating a winning culture for a top athletic brand



Empowering the Dunelm Group to work safer, simpler and faster



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Logistics at full potential