GXO

ESG

2022 REPORT

Contents

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:

HOME E S G → → ← Return to contents

Multimedia indicators

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

Web content   Video content   Policy/report documents
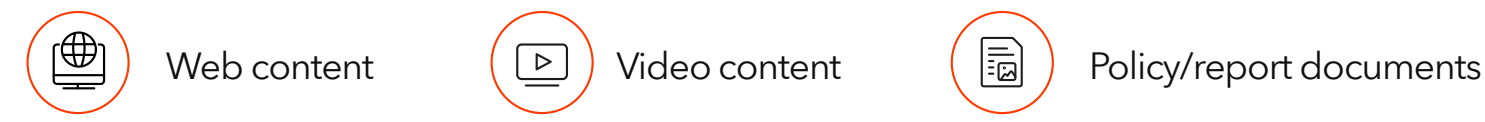
ESG in action

Throughout this report we spotlight examples of how we bring value to our customers and the positive impact we have on people, planet and community. To see a list of all the spotlights featured in the report, please see our ESG in action index.

View the index →

Messages from our leadership

A letter from our Chief Executive Officer

At GXO, we are guided by the belief that how we do things is as important as what we do, and this report is a reflection of our commitment to doing business the right way. We see ESG as a true competitive advantage and in our first year as a standalone company, we continued to set the benchmark for our industry. We are proud that our efforts rank among the best in our industry. We again received a stellar "AA" ESG rating from MSCI and were named by Newsweek as one of America's Most Responsible Companies.

From inception, GXO has invested resources in formalizing an ESG strategy that permeates the entire organization and incorporates input from our Board as well as gamechangers at every level of the company. Our strategy includes tactics to help us achieve our own ambitious ESG goals while enabling our customers to achieve their own goals—a major differentiator for GXO.

Enabling the Circular Economy

By implementing large-scale, best-in-class ESG initiatives for many of the world's leading companies, we're constantly gaining expertise in a range of ESG solutions across verticals and geographies. Whether recycling sneakers into rubber for playground mats or creating more sustainable packaging, we know what gets results for our customers and our environment.

We're enablingn the circular economy and decreasing manufacturing costs by getting products back into the hands of consumers and keeping goods out of landfills, thereby reducing the need to make more. We're also collaborating with customers and landlords to transform our knowledge into site-specific improvements focused on reducing emissions and waste. When appropriate, we scale effective solutions across our other operations.

In last year's inaugural ESG report, we shared our top ESG priorities and committed to five environmental targets to measure our progress in managing and reducing our energy use and greenhouse gas emissions. Building on this framework, this year we are introducing an ESG Scorecard. Our ESG Scorecard announces our overarching goals in managing each of our priorities. For each goal, we will develop targets to measure our progress annually. As with our environmental work, we are once again taking this journey together with our employees, customers, shareholders and partners. You can read more about our evolving ESG Scorecard in the ESG priorities section of this report.

Advancing ESG through "The GXO Difference"

Our ESG progress to date is a direct result of what we call The GXO Difference, our unique combination of technology, scale, and expertise, that sets us apart and enables us to create value for customers.

Our leadership in technology and our breadth of capabilities, particularly managing product

returns and repairs, have enormous environmental and economic benefits. We're deploying the latest automated innovations, from cobots to wearable scanners, that make work safer, more efficient and more satisfying for our gamechangers. In addition to increasing productivity, our technology solutions help customers realize lower costs and higher revenues while playing a critical role in achieving their environmental goals. That's why customers look to GXO to design and implement sophisticated solutions for their most complex logistics challenges, including ESG.

Championing our people

Our company's overall success depends on the engagement and contributions of over 130,000 GXO gamechangers. Our ESG strategy purposefully nurtures this engagement with careful attention to every aspect of employment, from competitive compensation to a comprehensive approach to health, safety and professional growth. For instance, through GXO University, our global training and development platform, we prepare employees for the economy of the future by providing access to numerous opportunities to expand their skills and plot a course for their career advancement.

I'm especially proud of our diversity, inclusion and belonging programs. They fortify and expand diversity in our talent pipelines and create new employment opportunities for individuals from historically underrepresented populations. In February 2023, Diversity First recognized GXO as one of the top 50 U.S. companies increase awareness of the value of diversity, equity, inclusion, and belonging for social change.

Looking forward

This year, we are excited to unveil a new ESG Ambassadors program. Ambassadors across GXO will help deliver site-level projects to advance both GXO's and our customers' ESG goals. We also look forward to fully leveraging the capabilities we gained through our acquisition of Clipper Logistics. Clipper comes to us with highly developed reverse logistics and circular economy offerings, which we plan to expand across GXO's operations. There is great synergy that promises to elevate ESG across all of GXO.

In 2023 and beyond, GXO will continue to meet the growing expectations of our stakeholders. This includes gaining a more detailed understanding of our Scope 3 emissions and expanding our reporting practices. Measuring where we are now allows us to establish benchmarks, which is a key step in maintaining accountability as our business evolves in the years ahead. We are encouraged by our progress to date and we are energized to raise the bar ever higher going forward.

On behalf of everyone at GXO, I thank you, our stakeholders, for your partnership in our important work.

Sincerely,

Malcolm Wilson
Chief Executive Officer

Above: Malcolm Wilson pictured alongside Eduardo Pelleissone (President, Americas and Asia Pacific), Karlis Kirsis (Chief Legal Officer) and various team members from our Boeing operation where, in 2022, we were named 'Supplier of the Year for Support & Services'.

A letter from the Chairperson of our Nominating, Corporate Governance and Sustainability Committee

A few words come to mind when I think of ESG at GXO:

Accountability	**Collaboration**
Integrity	**Intentionality**

GXO's leadership has made it clear from the start that ESG merits the same level of attention and scrutiny given to other business priorities. Leadership is focused on thoughtful, ambitious and achievable ESG goals as a part of its business strategy. The tone is set at the top, which has resulted in our culture of integrity and intentionality.

At every level of the organization, our people share a common desire to do well by doing good. We support each other, perpetually strive to improve customers' results and dedicate ourselves to supporting the communities where we live and work.

The Board of Directors knows that a strong foundation of independent governance guided by strong ethical and compliance standards is necessary for long-term sustainable growth. We, along with GXO's Executive Management Team, also recognize the importance of collaboration and accountability for our success.

My colleagues and I on the Nominating, Corporate Governance, and Sustainability Committee take our oversight of ESG seriously and meet with management regularly to discuss progress. Beyond this committee, the entire Board makes themselves available to serve as a resource; we happily lend our knowledge and support to advance GXO's initiatives however we can. We strive to ensure GXO follows industry best practices, fulfills promises and remains accountable to our stakeholders.

Even in our young stage as a company, I'm impressed by what we have accomplished so far across all three facets of ESG. Ongoing investments in renewable energy sources, waste diversion and efficient operations reduced GXO's carbon footprint in 2022; kept the company on pace to cut emissions 30% by 2030; and helped us add value to our customers in connection with their sustainability efforts.

Our employees are our most important asset, and GXO is committed to ensuring that they are safe, that they feel valued and that they are offered ample opportunities to advance their careers. We will continue to invest time and resources to ensure our colleagues feel empowered to show up to work as their authentic selves and leave as safe as they arrived.

Most importantly, we remain committed to doing business the right way. That's why, even as we continue to expand the boundaries of what's possible in logistics and unlock game-changing opportunities, we remain focused on staying true to our ethics. We comply with regulatory requirements, strengthen inclusivity across all global operations and positively impact our people, partners and planet.

Whether introducing innovative packaging, lowering the production of waste or enhancing circularity, GXO meets customers where they are in their ESG journeys and helps them move toward their goals while pursuing our own – which we see as a key area of GXO's competitive advantage. It aligns with our holistic approach to ESG efforts; including capturing the voices of all our stakeholders across different operations. There are countless stories about how GXO's bespoke logistics solutions, warehouse innovations and process improvements add value to our customers.

As indicated by the highlights from the past year that follow in this report, the future potential of ESG at GXO is bright. We believe that by operating with accountability, collaboration, integrity and intentionality, positive impacts will follow. I greatly look forward to continuing this journey with you in the coming years.

Regards,

Joli Gross
Chairperson, Nominating, Corporate
Governance and Sustainability Committee

Who are we

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

Company profile

GXO Logistics, Inc. (NYSE: GXO) is the world's largest pure-play contract logistics provider, and it benefits from the rapid growth of ecommerce, automation, and outsourcing. GXO is committed to providing a diverse, world-class workplace for more than 130,000 team members across more than 970 facilities totaling approximately 200 million square feet. The company partners with the world's leading blue-chip companies to solve complex logistics challenges with technologically advanced supply chain and ecommerce solutions, at scale, with speed and efficiency. GXO's corporate headquarters is in Greenwich, Connecticut, U.S.A.

2022-2023 Highlights

Clipper Logistics acquisition

14.9% reduction in emission intensity since 2021

Named One of America's 'Most Responsible' Companies

Over 1.2 million total learning hours

1 year bell ringing at NYSE

Named Top 50 U.S. Company for Diversity

Global rollout of ESG Ambassador Program

Expansion of ESG Scorecard

Belonging weeks

2022

2023

HOME   E S G

What we do

At GXO, we design and implement sophisticated solutions to our customers' challenges, delivering value through "The GXO Difference". Our unique combination of technology, scale and expertise enables us to design and operate some of the most advanced warehouse and logistics solutions in the world. By working with us, customers are able to efficiently get their products into the hands of the consumer while realizing process and cost efficiencies and reducing overall impacts on the planet.
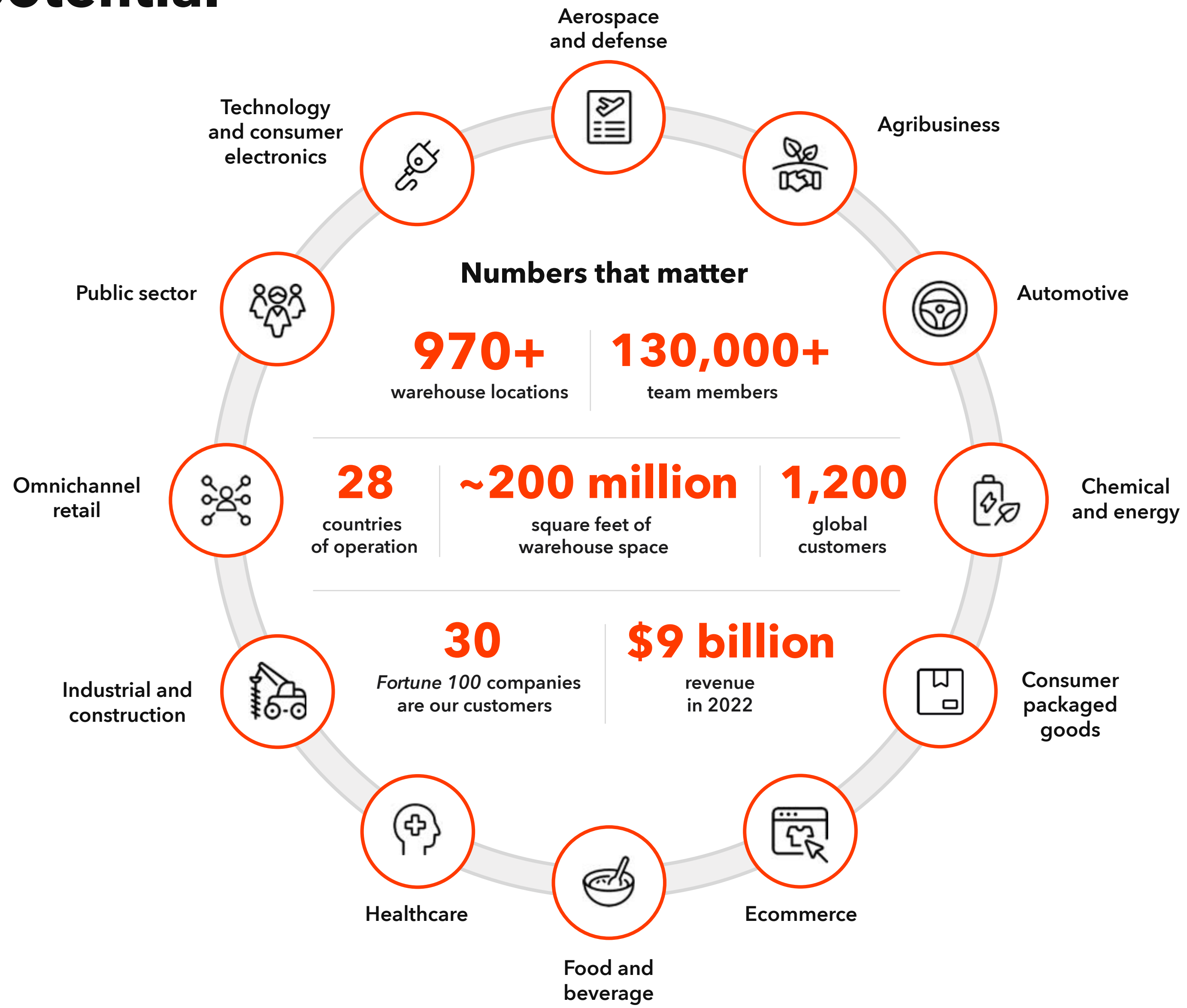
GXO: Unlocking logistics at full potential

Put simply, GXO pushes the envelope on building the world's most advanced warehouse solutions. No other company in this space matches our combined scale, use of cutting-edge technology and logistics expertise—all of which enable us to overcome our customers' challenges and unlock the full potential of their supply chains.

We are fortunate to count among our customers many of the world's largest and most sophisticated companies, including 30 of the Fortune 100. Often, we function as our customers' strategic partners—designing and implementing solutions to their most complex issues in areas ranging from warehousing, inventory and supply chain management to distribution. Working with GXO, our customers realize increased productivity and safer and more rewarding work environments, all while meeting their financial and sustainability goals.

In 2022, through the acquisition of Clipper Logistics (referred to as "Clipper" or "legacy Clipper" throughout the report), we committed to expand our capabilities in reverse logistics. We look forward to leveraging the synergies of the Clipper acquisition with GXO's current capabilities to provide incremental revenue opportunities within the broader enterprise and reduce the environmental impact of our customers' operations.

Learn more about how we support businesses in some of the world's most complex and high-growth industries.

Numbers that matter

970+ warehouse locations	**130,000+** team members

28 countries of operation	**~200 million** square feet of warehouse space	**1,200** global customers

30 *Fortune 100* companies are our customers	**$9 billion** revenue in 2022

Aerospace and defense

Agribusiness

Technology and consumer electronics

Automotive

Public sector

Chemical and energy

Omnichannel retail

Consumer packaged goods

Industrial and construction

Ecommerce

Healthcare

Food and beverage

Innovating across operations

Warehouses must evolve to meet the shifting consumer expectations and preferences. They demand faster delivery times, higher levels of returned inventory and real-time visibility throughout the supply chain.

Whether we're building a brand-new facility, transforming an existing one or helping our customers manage their own operations, we deploy technology in ways that only an organization with our significant resources and expertise can.

Our industry-leading automated solutions leverage agile technology to address our customers' needs. Through automation, we can adjust quickly to meet changing demands and deploy resources where they'll deliver the greatest benefit. It therefore comes as no surprise that we see a strong correlation between automation and market share growth.

In addition to strengthening and expanding automation, GXO focuses on adaptive technologies in our goods-to-person systems, vision technology and collaborative robots, or cobots. Cobots and other adaptive technologies exemplify how we combine human and technological resources to improve efficiency in picking and packing while reducing repetition, movement and strain for our team members.

By incorporating the latest advancements in hardware and software into our processes—including machine learning and AI—we optimize the flow of inventory through warehouses and streamline fulfillment. We also actively pilot technologies for ongoing improvements that add measurable value for our customers.

At sites around the world, we continue to develop warehouses of the future that function as innovation incubators for our technology teams. In these facilities, we work closely with customers and suppliers to explore new ways of using technology to boost safety, efficiency and productivity while dramatically improving both the work experience and autonomy for GXO team members.

To complement our supply chain advancements, GXO's technology-enabled warehouses help customers advance their own corporate responsibility goals, such as environmental sustainability and workforce health and wellness.

Throughout this report, we share examples that demonstrate how GXO is delivering value for customers and enabling our team to thrive by innovating at every turn.

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

Watch our Chief Commercial Officer Bill Fraine explain the GXO Difference.

GXO

- Aftermarket Support
- Fulfilment & Lead Logistics
- Reverse Logistics
- Public Warehousing
- Supply Chain Optimization
- Value-added Services
- GXO Direct™ Distribution Network
- Manufacturing Support

Advanced Automation
Vision Technology
Automated Sortation
Innovation Centers
Digital Warehouses
Intelligent Robotics

How we do it:
The ESG Difference

Our values

What we do at GXO tells only a part of our story. How we do it, with ESG at the forefront, speaks to who we are and what we hope to achieve as a company.

ESG is simply too vital to relegate to a secondary mission. We've woven our comprehensive ESG strategy throughout our entire organization—starting with the core values that form 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

For GXO, 2022 marked the first year with our material ESG issues in place. These material issues were established via our company's first materiality assessment in 2021, conducted in partnership with an independent firm. The assessment revealed which ESG topics resonated as top priorities and areas in which our customers, investors and employees feel GXO can have the greatest impact in the next several years. In recent months, we reviewed our materiality assessment and decided to further expound on the material issue of workplace safety and security, which we term "health and safety." Health and safety is one of our core values and a high priority to our stakeholders, and we fully recognize its impact to the long-term success of the organization.

Our material issues are:

Energy and greenhouse gas (GHG) emissions

include our carbon footprint, use of renewable energy, energy efficiency and reduced emissions from optimizing logistics for our customers.

Diversity, inclusion and belonging

includes our culture of belonging and board, executive, workforce and supplier diversity.

Talent management

includes recruitment, retention, development and learning and career progression.

Employee engagement

includes our work environment and culture, employee satisfaction and well-being, compensation and benefits as well as proactive and productive communication with team members, respect for workers' rights and compliance with applicable labor regulations.

Health and safety

includes adherence to safety laws and regulations, health and safety governance and systems, employee safety training and driver safety training.

Information security

includes data privacy and protection and the security of our information systems, along with the data they contain.

Additional details on our 2021 materiality assessment and our broader material topic universe can be found in our **materiality assessment overview**.

This year, we are happy to announce the expansion of our "ESG Scorecard" of global goals and targets, which are tied to our material issues and will help guide our progress in generating a positive impact on society.

This was a broad effort, and we worked with various stakeholders to develop these goals, including Human Resources, Risk Management, Health and Safety, Cybersecurity, Diversity, Inclusion and Belonging, Environmental Sustainability and Ethics and Compliance. We also took into account external stakeholder interests (e.g., customers, investors, industry expectations). Our programs and policies are aligned with these goals, and we are committed to building out additional quantitative targets and measuring our progress. This year, in addition to our existing environmental targets, we have added regional health and safety targets. Due to our deep commitment to ESG, we continue to develop ambitious targets, which we hope will drive meaningful performance. We continue to be thoughtful in our approach and look forward to sharing more in the future.

Environmental Goals

Reduce our environmental impact
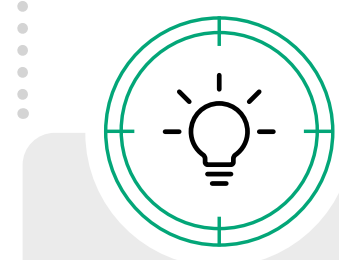
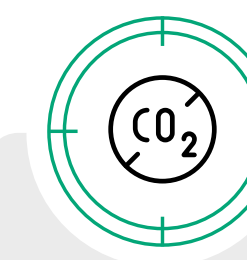**80%** global operations using LED lighting by 2025

80% global landfill diversion rate by 2025

30% GHG emissions (Scopes 1 & 2) reduction by 2030 vs. 2019 baseline

50% renewable energy globally by 2030

100% carbon neutral (Scopes 1 & 2) by 2040

Social Goals

Build a culture of belonging

Provide a clear and rewarding path for all employees

Ensure a safe workplace

In our Americas and Asia Pacific operations, reduce Total Recordable Incident Rate (TRIR) by 15% by 2027 vs. 2022 baseline.

In our U.K. & European operations, reduce Lost Time Incident Rate (LTIR) by 15% by 2027 vs. 2022 baseline.

Governance Goals

Maintain a best-in-class information security program

Embed an ethics-driven culture

ESG

Our ESG approach

ESG is both a commitment and competitive advantage at GXO. We work to ensure that all team members across the organization understand our material issues and that our focus on doing business the right way guides their actions and decisions. Our emphasis on ESG helps to ensure that we are a company that our customers want to work with and that our employees want to work for as well as a business partner of choice for suppliers.

In 2022, we instituted a new ESG structure that incorporates a bottom-up and top-down approach with heavy involvement from both our Board and the individuals working at warehouse locations, as well as every team member in between. All groups provide unique views that we leverage to create actionable strategies. This structure also helps us build a feedback loop between decision-making levels that allows ESG to be top-of-mind during strategic budgeting conversations and when those decisions are operationalized at the site level.

From an ESG perspective, we directly align with our customers' needs, and our solutions focus on generating economic, environmental and social benefits.

We see ourselves as ESG enablers who help customers achieve their own ESG aspirations and deliver on their own ambitious targets. We can offer management and consulting services for our customers to help them realize the full value and potential of ESG across their supply chains.

Hear our Chief Compliance and ESG Officer Meagan Fitzsimmons on how GXO wins with ESG.

Looking ahead

In 2023, we plan to continue our holistic approach to ESG. Our new ESG Ambassadors program will leverage existing channels of communication and engagement at the site and country levels and systematize the way team members can become involved in making a difference. Building on existing GXO and legacy Clipper sustainability ambassador programs as well as a host of other volunteer-led engagement programs, sites will be empowered to make suggestions and improvements that enhance the services we provide, team members' work culture and an environment of inclusion and belonging. There will be an avenue for all team members to become involved, whether they're interested in environmental sustainability, community engagement, diversity-inclusion-belonging or ways to engage.

As the global market continues to experience disruptions in labor availability and supply chains, we promise to continue to do our work with integrity and intentionality. We are proud to be a trusted partner to our customers and take pride in our ability to deliver financially and environmentally impactful solutions to them. Our success is the success of all our stakeholders. With ESG rooted in our business approach, we look forward to contributing to the development of a more sustainable, inclusive and prosperous world through our operations.

Spotlight on legacy Clipper ESG efforts

Even before joining GXO in 2022, Clipper Logistics plc long treated sustainability and ESG as an important focus area. Now within the GXO family, legacy Clipper looks forward to leveraging the combined expertise of both organizations to further improve its customer and employee engagement as well as its technical capabilities, including repair and refurbishment work. GXO is proud of legacy Clipper's achievements in the ESG space and we look forward to integrating their efforts and data into next year's ESG report. Highlights from legacy Clipper operations include:

Circular economy successes

Since 1995, legacy Clipper has offered industry-leading repair and refurbishment work in consumer electronics, fashion and other industries. Under GXO's Technical Service Division, services offered include collecting returns, testing, cleaning and repairing items so they can be either resold or preparing them for recycling. Read more about Clipper and GXO's efforts to enable a shift away from a linear economy in our section **Enabling the circular economy**.

Highly engaged employees and customers

Launched in 2022, the Sustainability Ambassador Program (soon to be expanded across GXO as the ESG Ambassador Program) has 120 volunteers across more than 50 sites. Working in tandem with our customers, volunteers help develop and operationalize impactful environmental and social projects at the site level. In addition to helping our customers save on operational costs, these programs have led to significant reductions in their environmental impact. Highlights from 2022 include:

- Implementing a closed loop recycling system to reduce and reuse excess packaging

- Developing driver training materials and idling enforcement policies to reduce Scope 1 emissions

- Achieving zero-waste distinctions across nine U.K. sites

An employer of choice

Similar to GXO, legacy Clipper has always understood the importance of its workforce. Clipper has continuously invested in the learning and development of employees while providing access to employment individuals from underrepresented populations.

An example of this commitment to reducing barriers to employment is the Fresh Start initiative in which legacy Clipper partnered with 12 nonprofit organizations to provide additional training and support to hire individuals from underrepresented communities across 37 of its sites in the U.K.
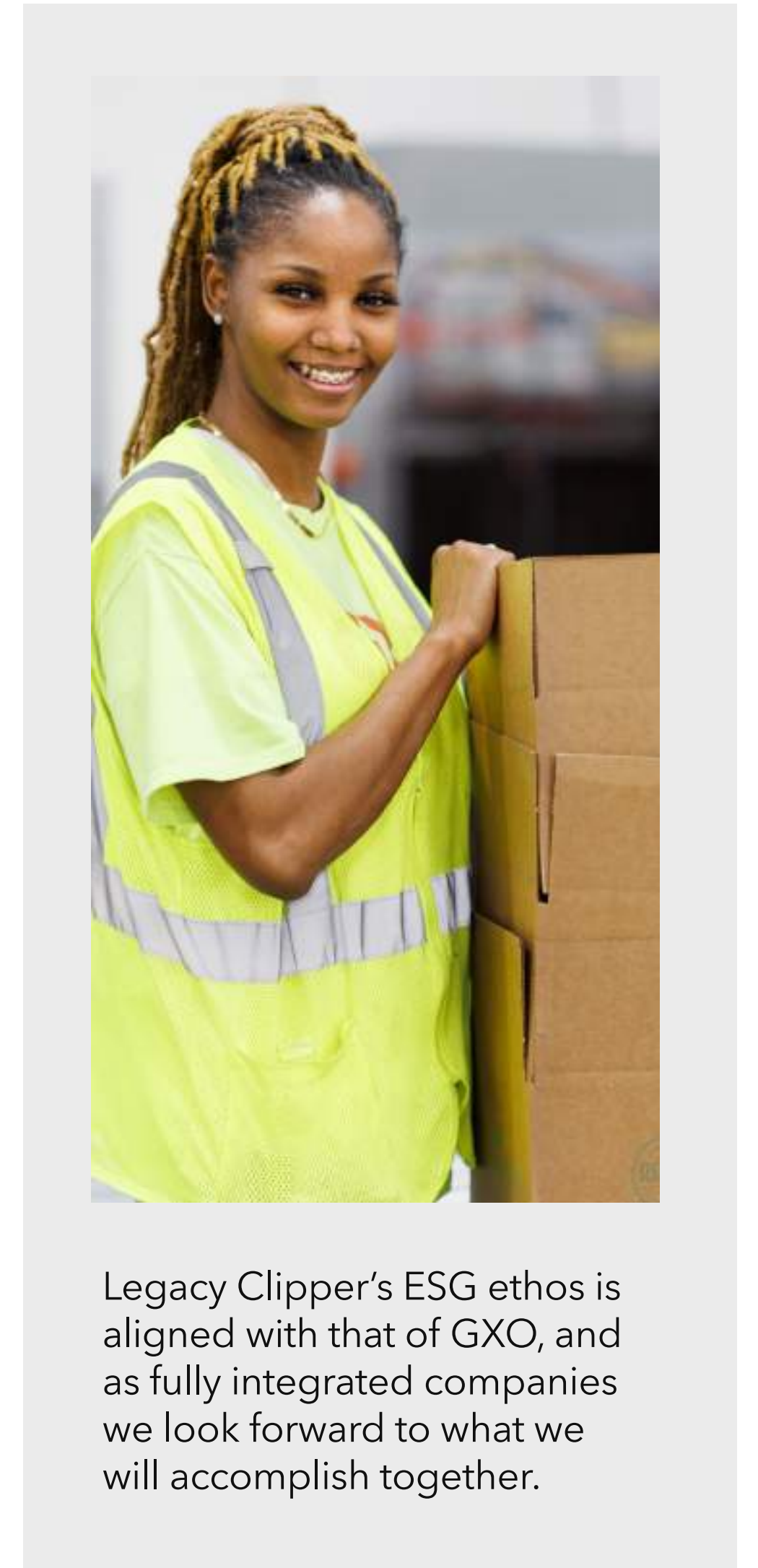
Legacy Clipper's ESG ethos is aligned with that of GXO, and as fully integrated companies we look forward to what we will accomplish together.

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. **Our efforts are illustrated in the highlights below:**

Propelled the global transition toward a circular economy

Advanced automation to increase efficiency in package processing and reduce environmental impacts

Reached 61% of energy-efficient LED lighting in our global operations

Disclosed Scope 3 Business Travel figures for 2022

78.7% of waste associated with operations diverted from landfill globally
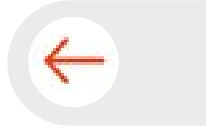
Scope 1 & 2 emissions reduced 17.4%

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

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Enabling the circular economy

At GXO, we see our business as uniquely suited to support the global transition from a linear economy to a circular one that focuses on reducing waste and keeping products and materials in circulation as long as possible. We work with our customers to develop innovative, sustainable solutions that help them better serve their customers and achieve their own environmental goals while dramatically decreasing costs. This includes finding the most sustainable ways to get products to end consumers and/or returned or refurbished products into the hands of the next consumer. Often, the positive results of these efforts are not reflected in our own environmental footprint. We understand that efficiencies in delivering products to consumers, including product returns, positively affect carbon footprints as well as decrease the need for excess manufacturing and avoid waste.

As a service provider to producers across multiple major industries around the globe, we are in a unique position to advise some of the world's largest corporations on how to reduce the environmental impacts associated with their products and services. At times, we go beyond advising and take on the operational footprint of our customers by facilitating their supply chain functions, including waste generation, energy use and emissions. Our intention is to decrease negative environmental impacts across our operations and those of our customers.

We see our role in enabling a circular economy through the lens of reduce, repair/reuse and recycle.

Handling outbound products with utmost care to minimize incorrect or damaged orders

Reducing resource use through optimized and sustainable packaging

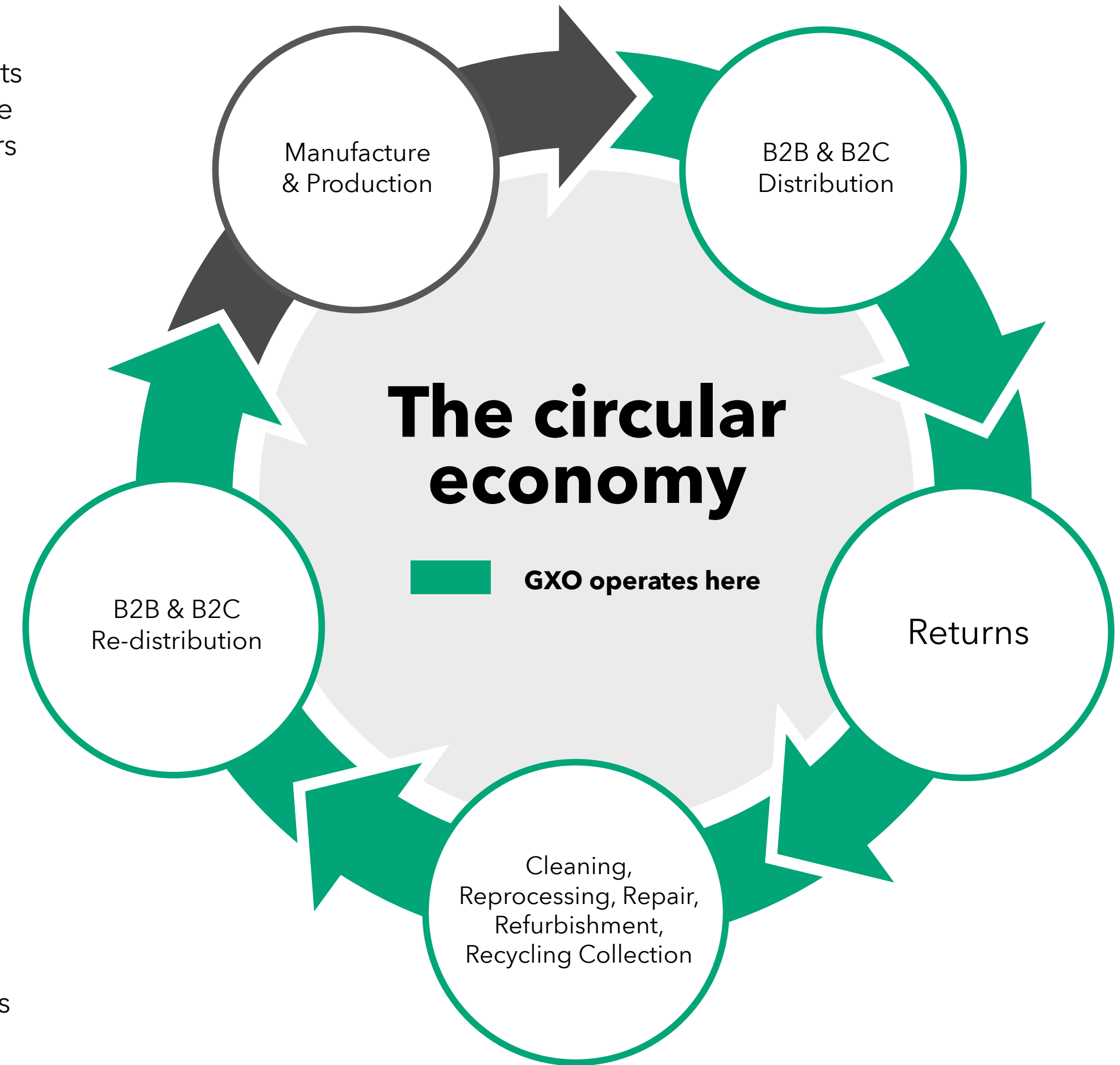Minimizing the resources needed to store, stage and ship inventory

Handling returns with maximum efficiency

Cleaning, repairing or refurbishing products for redistribution

Recycling waste and returns to minimize environmental repercussions

The circular economy

Manufacture & Production

B2B & B2C Distribution

Returns

Cleaning, Reprocessing, Repair, Refurbishment, Recycling Collection

B2B & B2C Re-distribution

GXO operates here

Reduce

In logistics, reduction often equals improvement. When reducing the need for repeat shipments, the total volume of shipments, packaging input or the distance required for travel, we decrease costs, improve operations and reduce the negative environmental impacts associated with the shipment of our customers' products.

Ongoing investments in warehouse technology help improve productivity and safety and can reduce waste along the way. Increased order accuracy can decrease returns, contribute to reduced inventory waste and excess and decrease the overall need for virgin materials to create new products.

Across our operations, we strive to maintain the protection and positive out of box experience that appropriate packaging provides while reducing environmental impacts. This can be done through automated solutions to right-size packaging, such as our Small Order Automated Packing (SOAP) machine. Through the use of this technology, SOAP is able to process up to 700 packages per hour, leading to reductions in resource and energy use.


SOAP and similar technologies reduce the use of packing materials and reduce package sizing. This allows shipments to use less space on delivery trucks, leading to reduced road miles traveled. Packaging sized to fit can also reduce the likelihood of products becoming damaged during shipping and can require less plastic to fill empty spaces in cartons. In addition to reducing product packaging materials, we also reduce the materials required for shipment packaging.

We have been able to reduce the volume of plastic pallet shrink wrap across numerous sites throughout our U.K. and European operations. Our efforts have enabled us to completely offset plastic tax costs and drive additional savings for customers. In an effort to raise productivity through innovation, we are piloting the use of reusable pallet collars to further reduce the need for shrink wrap.

We also seek to minimize the resources needed to stage, store and ship customer inventory. At GXO, we can utilize vertical storage, such as mezzanines, to maximize efficiency. We're also expanding our offering of shared warehousing space through GXO Direct. Through this model, many companies can leverage a single warehouse—reducing both their expenses and negative environmental impact. In North America, our GXO Direct sites are strategically located in major markets, which enables one-day delivery for customers. Outside our GXO Direct solution, we strive to locate our warehouses near key logistics hubs to reduce the transportation and associated emissions required for customers to ship their products. In 2022, we contracted with an existing customer to leverage GXO Direct distribution centers in order to reduce transportation-related CO_2e by an estimated 58%, which would also result in a cost savings of approximately $12 million to the customer annually. The project is launching later this year, and we look forward to sharing our progress with you in the future.
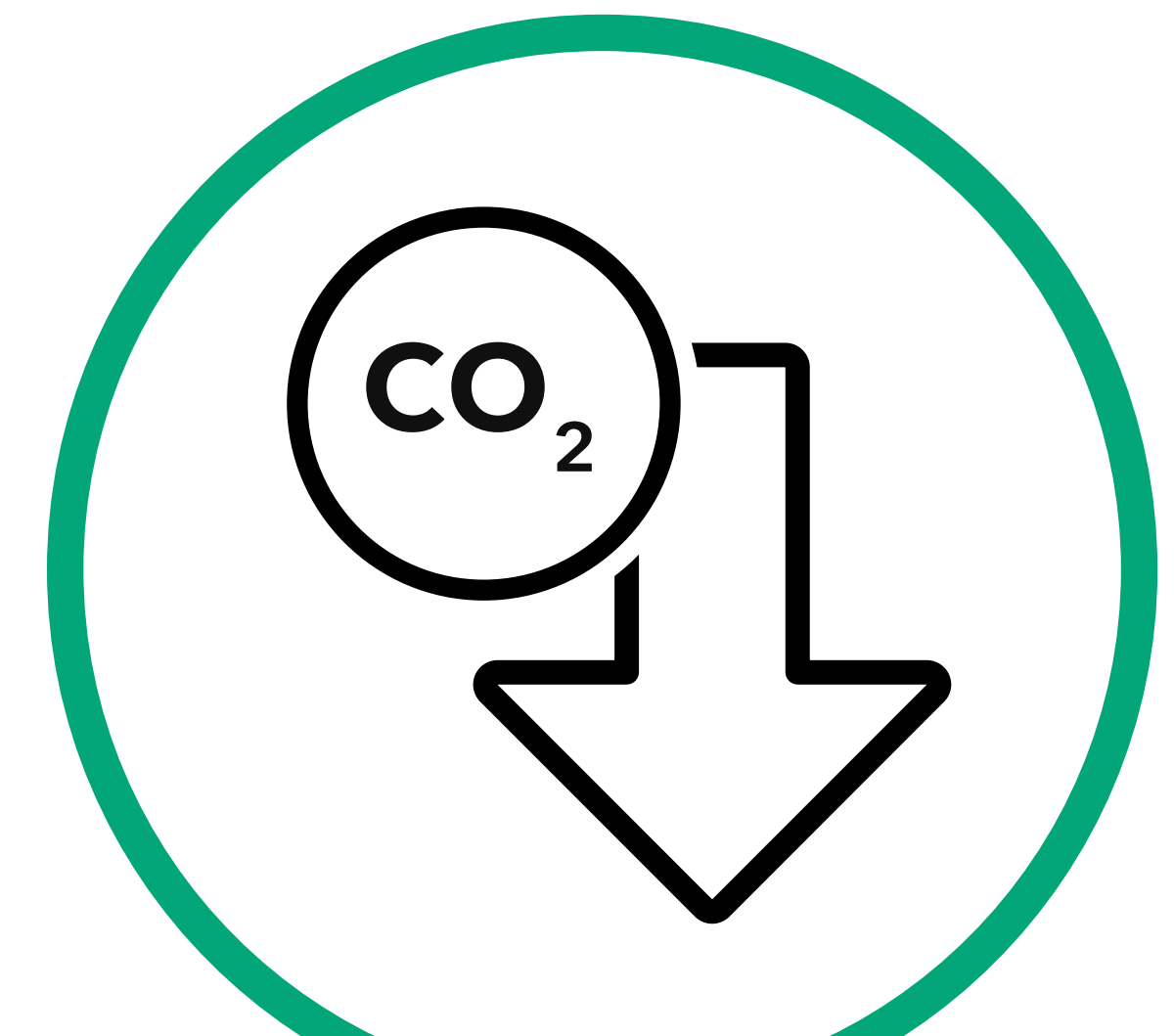
Spotlight: Optimizing outbounds in France

The opportunity

A leading online shoe and clothing/accessories retailer needed an efficient packaging, labeling and returns system to continue to deliver excellent service to its customers while minimizing its sustainability footprint.

The solution

GXO worked with a supplier to design and implement a technology that generated three standard packaging sizes to reduce excess packaging and increase predictability in pallet configurations.

Outcomes

GXO's solution increased the number of packages that could fit on a pallet by 25%, from 60 to 75. The reduced transportation needs achieved an equivalent of 190 truckloads saved per year, resulting in approximately 2.7 metric tons of CO_2 emissions avoided annually and an additional 27% savings in transportation costs.

Spotlight: Slimming down plastic wrap in the U.K.

The opportunity

In April 2022, the U.K.'s Plastic Packaging Tax required companies to reduce their shrink wrap costs and their associated impact. GXO teams in the U.K. sought ways to reduce use for a customer while preserving excellence in product delivery.

The solution

Working with a new vendor, the team conducted shrink wrap film trials. They tested film thicknesses and machine settings to find the optimal combination to reduce costs and environmental impact without sacrificing packaging performance.

Outcomes

The site adjusted to a 15-micron thickness (reduced from 17-micron). The change generated a per pallet savings of £0.06 ($0.07) and more than offset the Plastic Packaging Tax. This might not sound like much, but with tens of thousands of pallets wrapped per year in a given warehouse, it adds up. It also resulted in a 30% reduction of shrink wrap used, which yielded an additional carbon emissions reduction from avoided plastic production and disposal. These results have been shared with other sites so they can replicate the process and reap similar benefits.

Spotlight: Consolidating the supplier network for an industrial customer
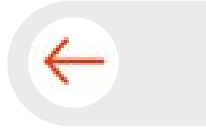
The opportunity

A major aerospace customer asked GXO to help improve efficiency in its supply chain, which was creating outsized costs and excessive delays. At the time, its supply chain comprised over 10,000 individual components from manufacturers across the U.S., and there were 36,000 shipments annually across the supply chain.

The solution

GXO's solution was to aggregate the demand from the customer and up to 300 of its Tier 1 suppliers for critical components, create a single forecast per part number back to the manufacturer and distribute the component supply effectively. Additionally, GXO opened a distribution center that is within 50 miles of 90% of the customer's Tier 1 suppliers.

Outcomes

The speed and accuracy of the customer's supply chain have been enhanced, and with the enrollment of targeted Tier 1 suppliers in the GXO program, total annual shipments of components decreased over 75% during the first four years of the program. GXO facilitated a "milk-run" model whereby manufacturers shipped to one GXO hub, with a single vehicle picking up components from various manufacturers for the bulk of the shipments. The program is ongoing, and while we don't manage the transportation, we know our solution has dramatically reduced related emissions.
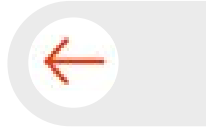
Reuse

Reusing returned products keeps more material out of landfills and allows customers to generate sales. GXO will clean, grade, repair and refurbish products to quickly get them back into circulation.

We are rapidly expanding our capacity for repair and refurbishment. Through legacy Clipper operations alone, GXO refurbished or recycled over 550,000 electronic items in 2022. Sometimes, we have to find a creative reuse for an item that never made it out of our warehouse. For one U.K. grocery customer, we set up a company store to sell surplus inventory to our team members, which helps avoid sending goods to the landfill and raises funds to donate to charities supported by team members.

Spotlight: Rejuvenating fashion

The opportunity

A large European fashion ecommerce retailer looked for a solution to incorporate circularity in its garment returns processes to minimize processing costs and lower the volume of items being sent to landfills.

The solution

Through our clothing salvage and rejuvenation service, we empowered the fashion retailer to restore items to salable conditions. The process included a wide range of repairs, such as button sewing, zipper replacements and spot cleaning.

Outcomes

Through GXO's solutions, the customer was able to maximize its working capital and reduce the number of mark-down items to process, which greatly reduced the volume of waste sent to the landfill. GXO was able to repair 97.6% of returned items for the fashion retailer. A total of 3,080,575 units of clothing were salvaged, which equated to £29.6 million ($36 million) in savings. The clothing salvage and rejuvenation service delivers productivity, efficiency and savings, adding incredible value to our customers' bottom line while improving their business operations and unlocking progress toward their sustainability goals.

Spotlight: Refurbishing appliances delivers social and environmental benefits

The opportunity

GXO is leveraging the power of technology and data to help inform how we approach product repairs and refurbishments. A leading U.S. appliance manufacturer asked us to partner with it to improve its refurbishment processes and reduce the number of large durable goods sent for recycling and to landfills.

The solution

GXO relied on data science to uncover common patterns in the returns and repairs of the customer's products and used the insights to introduce efficiencies in testing, repackaging, storing and shipping. Our focus on continuous improvement enabled the customer to increase the number of unique repairs that GXO can perform on returned goods from 28 to 85, leading to a more robust and agile repair process.

Outcomes

GXO's extensive repair efforts have led to a decrease in products sent to scrap recyclers by more than one-third, from 43% to 28%. This increased the amount of economic value for the customer, as repaired units are redistributed via secondary resale markets. In 2022, over 130,000 large home appliances found second life as a result of GXO's repair work. Overall, between resale and scrap recycling, we have enabled our customer to keep over 30 metric tons of product out of landfills since 2019. With this customer, not all repaired appliances were destined to be resold. In an exciting social impact opportunity, GXO partnered with our customer in 2022 to repair and donate high-efficiency laundry machines to communities in Long Beach, California, through the Alliance for Water Efficiency. GXO donated its repairs, and our customer donated its products to serve this worthy cause.

Recycle

When products exhaust their useful lives and waste becomes inevitable, we endeavor to divert them from landfills through recycling. Across our facilities, we recycle waste associated with our operations, such as corrugated cardboard, wooden pallets and plastics. We also work to recycle products directly from our customers. As we mentioned in several of our case studies, a portion of our reverse logistics/returns cannot be put back into use. Because of our size and scale, we're able to find unique ways to repurpose, recycle or otherwise divert from landfill products that wouldn't be taken at a typical municipal waste facility.
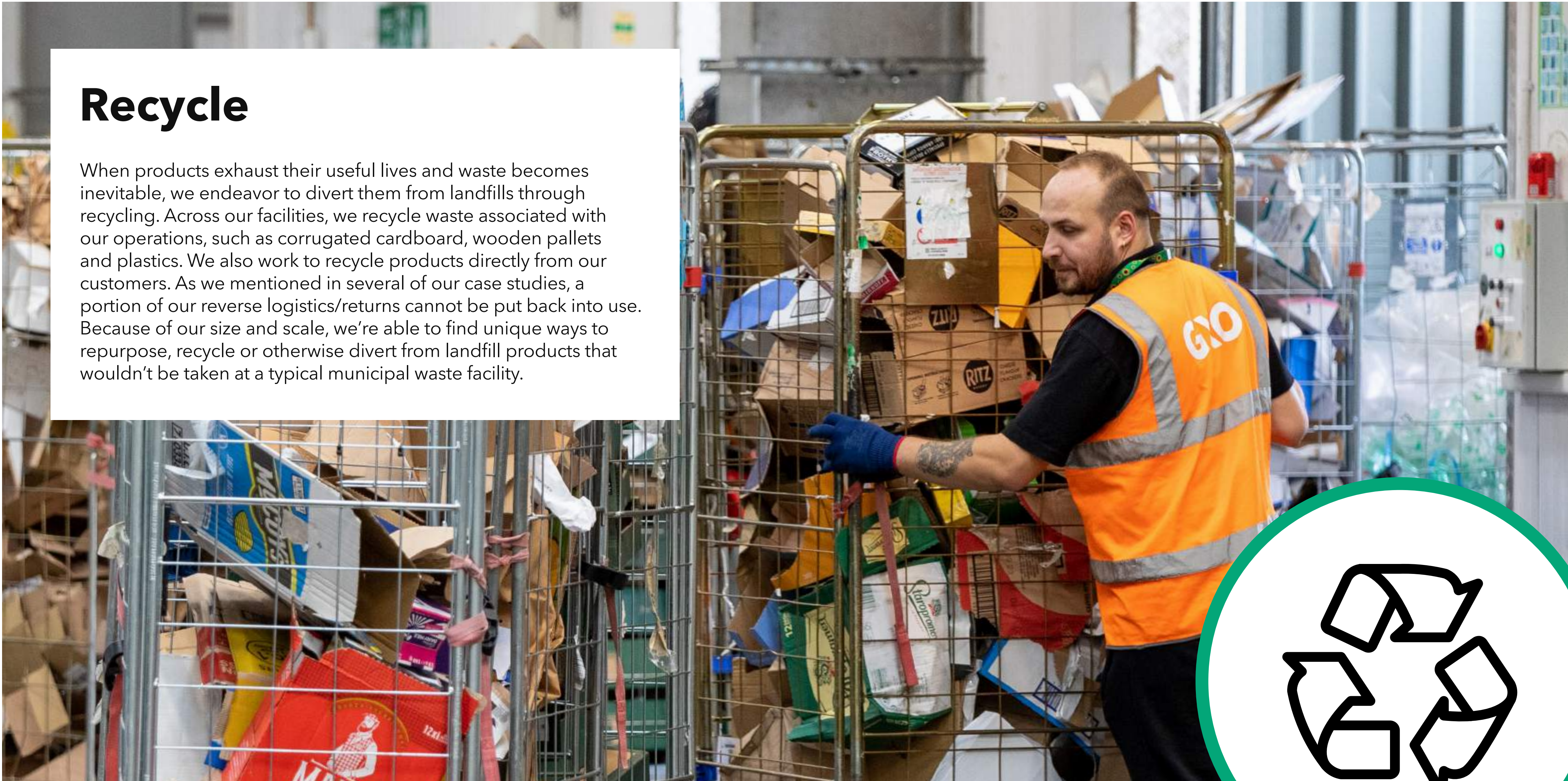
Spotlight: Upcycling saves money and minimizes waste

The opportunity

A U.S. healthcare customer needed to dispose of over 4.4 million expired medical gowns, which totaled over 500 metric tons, or 140 truckloads.

The solution

GXO leveraged its waste and recycling network to find a vendor able to upcycle the gowns into recycled tote bags at a fraction of the cost the customer would have incurred for sending the gowns to a landfill.

Outcomes

GXO's novel solution helped avoid the release of over 440 metric tons of CO_2 into the atmosphere while creating costs savings for the customer through recycling efficiencies.

Spotlight: GXO helps major supermarket chain steer waste away from landfills
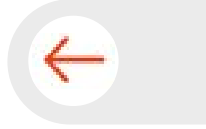
The opportunity

As part of a relationship dating back to 1992, a major U.K. supermarket chain tapped GXO to help reduce its environmental footprint by collecting all recycling and handling all equipment washing and repairs for all 3,400 of its stores.
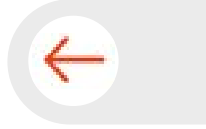
The solution

GXO introduced new processes to help our customer meet its net-zero carbon target by 2035 through reusing, recycling or sending away products for energy recovery. One of GXO's innovative solutions was a method of washing produce trays that uses cold water instead of hot. A change in the cleaning chemical and washing equipment allowed us to maintain the same level of quality and hygiene, all with cold water.

Outcomes

By reducing energy that would have been used to heat the water, we were able to deliver financial and environmental savings to the customer. Since 2009, the customer has sent zero waste directly to a landfill. Each week, GXO handles an average of 5,375 metric tons of cardboard and 410 metric tons of plastic waste and washes 4.4 million trays. Twelve GXO sites operating 24/7/365 and employing a staff of 900 make 1.3 million equipment repairs and wash 260 million trays and more than 11 million flower buckets annually.

Spotlight: Reducing polyethylene waste for a premier fashion brand

The opportunity

A GXO site in Italy serving a major fashion brand generates significant polyethylene waste through transparent polybags, garment covers and other products used in packing and shipping.

The solution

We introduced a recycling process for polyethylene waste using a dedicated waste compactor. The polyethylene waste is first transformed into a reusable resource by an on-site supplier. The raw material is then collected by a second supplier and recycled back into new polyethylene-based products.

Outcomes

In 2022, the site recycled over 47 metric tons of polyethylene waste, 100% of which has been transformed into recycled film and recycled garment covers.

Reducing our operational footprint

While empowering clients to achieve their ESG goals is one aspect of GXO's sustainability work, we also aim to lead by example by reducing the footprint of our own operations across over 970 sites worldwide.

We are proud of the progress we have made toward achieving our **five global environmental targets** thus far and we look forward to our continued collaboration with all our stakeholders to minimize the environmental impact of GXO and our customers.

In 2022, we continued our focus on advancing our GHG reduction targets as well as minimizing the generation and subsequent diversion of waste to landfills. One of our priorities in 2022 and continuing into 2023 was to identify how we define Scopes 1, 2 and 3 boundaries amid continued global growth. Through this effort, we have been able to identify and provide initial disclosures of our Scope 3 Business Travel figures for 2022. We are encouraged by this progress and we remain committed to understanding the full extent of Scope 3 and to developing mitigation strategies in the future.

We are maintaining our current global goal of achieving carbon neutrality (that is, no net carbon emissions across Scopes 1 and 2) by 2040, but we recognize and support our business units that may be able to set more aggressive targets. GXO U.K. is the most advanced in our portfolio in its environmental impact reduction and therefore is able to raise its ambition to be net zero (that is, no net carbon emissions across all 3 Scopes) by 2045. We are proud of its example and further motivated in our work toward reducing our global emissions. **Read our UK Carbon Reduction Plan**.

We are making meaningful and incremental progress on both transparency and impact through expanding our external assurance practices. Our 2022 emissions data for both the U.K and Europe, and Americas and Asia Pacific regions were externally assured.

By the numbers:
Progress on our environmental goals

80% global operations using LED lighting by 2025

76% to goal
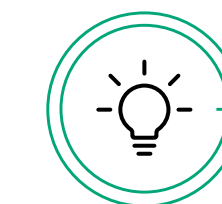
80% global landfill conversion rate by 2025

98% to goal

30% GHG emissions reduction by 2030

58% to goal

50% renewable energy globally by 2030

14% to goal

Conserving energy

GXO aims to lower GHG emissions with the flip of a switch by replacing incandescent warehouse lighting with LED alternatives, which are up to 90% more efficient.

Our ambitious LED goal varies by warehouse location and customer needs. As we do not own the majority of the facilities we operate, we make progress toward our LED target by prioritizing new warehouses with existing LED and endeavoring to include LED requirements in lease renewals. We continue to partner with landlords, customers and other stakeholders to finance retrofitting projects, which vary in cost and complexity. Despite not owning all our facilities, we recognize that it's important to reduce energy use during our occupancy and that of our successors.

By year-end 2022, 61% of our global operations were illuminated by energy-efficient LEDs. This figure does not include several dozen warehouses from our acquisition of Clipper Logistics, which had its own ambitious environmental targets as a standalone company. While we strive for our global goals, it's important to call out regional success stories: as of today, 100% of our sites in Romania and Spain have converted to LED lighting.

While LED coverage is a key component of our emission reductions strategy, we're looking at other ways to reduce the environmental impact of our facility-based operations.

In the buildings we own and lease, we promote environmental sustainability top-to-bottom with features such as:

- **High-efficiency water fixtures**, which reduce consumption and any related energy use. Some sites also collect rainwater to further reduce freshwater consumption.

- **Reflective window films**, which reduce heat generated by solar gain, ambient temperature, and the reliance on air conditioning.

- **High-volume low-speed (HVLS) fans**, which circulate air more efficiently than air conditioners.

- **Voltage reduction systems** that return any unused power to the supply source, which reduces overall energy consumption for site operations.

- **Sensors**, which enhance the energy efficiency of LED lighting by keeping lights off when areas are unoccupied and when natural lighting is sufficient.

- **Native landscaping**, which can support local vegetation and pollinators and manage water use. Some sites go a step further and tend bees.

- **Demand side response technology,** which 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 CO_2e output.

- **Reciprocal systems in vehicle wash facilities** that filter contaminants from the effluent and reuse the wash water.

Spotlight: Using lithium batteries in forklifts

GXO Italy has begun integrating forklifts with lithium batteries across operations to lower electricity needs through greater battery efficiency and recharging capabilities. On average, a single lithium battery consumes 1,700 fewer kWh/year than a traditional lead battery, which results in an average reduction of 600 kilograms (0.6 metric tons) of CO_2e emissions per year per battery. The lithium forklift fleet in Italy currently has nearly 300 operational units and is expected to grow by 10% in 2023. Across Europe, lithium-battery-powered forklifts will also begin replacing traditionally battery-powered forklifts as they reach the end of their useful lives. In addition, some of these units will be able to be charged via solar panels installed at the sites.

Renewables

As we work to reduce the energy use at our sites, we're also committed to sourcing the energy we do require from renewable sources. In 2022, 6.88% of our energy sourced globally was from renewable sources. Our Spanish sites continue to be powered by 100% renewable electricity from a combination of on-site solar panels and renewable energy from the grid. We are in the process of researching how best to invest in renewables at the sites where we manage the utility contracts. We work directly with landlord partners and other stakeholders to drive these solutions.

Even at sites where we don't manage the utility contracts and thus don't consider them in our operational scope, we support our customers in finding renewable solutions that will benefit everyone. At our Trecate, Italy, site, we helped our customer install solar panels covering over 611,584 square feet.

We managed the consultation, construction and installation of this 12.5 MW array, which not only powers the site but also generates excess solar energy that is sold back to the grid. The project saves about 5,620 metric tons of CO_2 emissions per year. This project helped our customer's site achieve LEED platinum certification in 2022. Our teams are always happy to work with customers on projects like this because we understand that the impact of carbon emissions is not tied to who produces them.

Looking ahead, we will continue exploring different types of on-site renewables, such as wind and geothermal, and off-site solutions, such as virtual power purchase agreements (VPPAs) and renewable electricity certificates or tariffs.

Managing environmental performance

At GXO facilities across the globe, high-performing environmental management systems are standard. All our operational policies and procedures are designed in accordance with ISO standards.
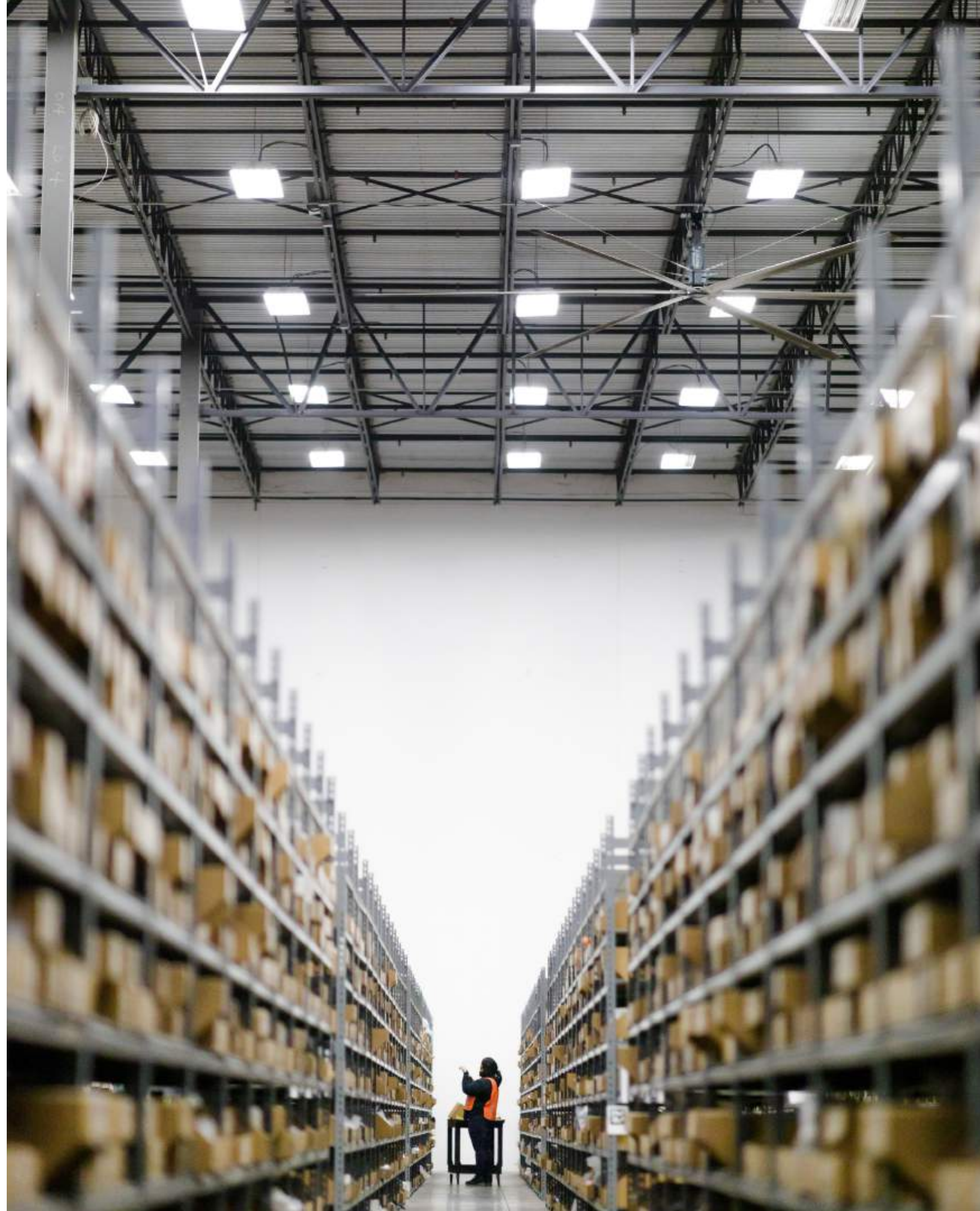
As of 2022,

160

GXO sites in the U.S., and the U.K and Europe were ISO 14001-certified.

13

GXO leased or owned facilities globally currently have LEED or BREEAM sustainability certifications.

We also regularly conduct audits of our sites to ensure they comply with local environmental regulations, customer expectations and our own high standards.

Transportation and fleet

While we are primarily a warehousing provider, as part of the services we can offer, GXO manages a small fleet of trucks dedicated to distributing our customers' goods from our warehouses to their stores. This accounts for the majority of our Scope 1 GHG emissions and is a category ripe with environmental opportunities.

GXO continually explores innovative solutions that cover everything from the types of vehicles we use in our fleet to how we use them. In addition to incorporating more electric vehicles and increasing the use of biofuels, GXO is targeting several other strategies that reduce the use of gasoline and the production of petroleum-related emissions, such as:

- Developing a driver training program to implement more fuel-efficient driving methods, which include an idling enforcement protocol.

- Investing in more aerodynamic fleet vehicles.

- Using AI to drive more efficient route scheduling.

Due to our size and scale, we're also trialing innovative solutions to transportation-related emissions. In Romania, we are trialing the use of flexible solar panel films on the roofs of two trailer trucks. The solar energy generated helps power the vehicles' equipment. Early results from the trial, launched in November 2022, show a potential for annual CO_2 emission reductions of over 700 kg per truck.

E S G

By the numbers:
## Our path to carbon neutrality

Through the use of LED lighting, building efficiency solutions, renewable energy sources and more sustainable fleet transportation solutions, we are making steady progress toward reducing our Scopes 1 and 2 GHG emissions, even as our operational footprint continues to grow.

Between 2021 and 2022, our emissions intensity by revenue decreased 14.9%, continuing its downward trend since 2019. We have decreased our absolute global Scopes 1 and 2 emissions by over 17.4%, or approximately 65 metric tons of CO_2e, from our 2019 baseline year. We are on track to achieve our target of 30% GHG emissions reduction vs. baseline by 2030.*

Global emissions intensity by revenue
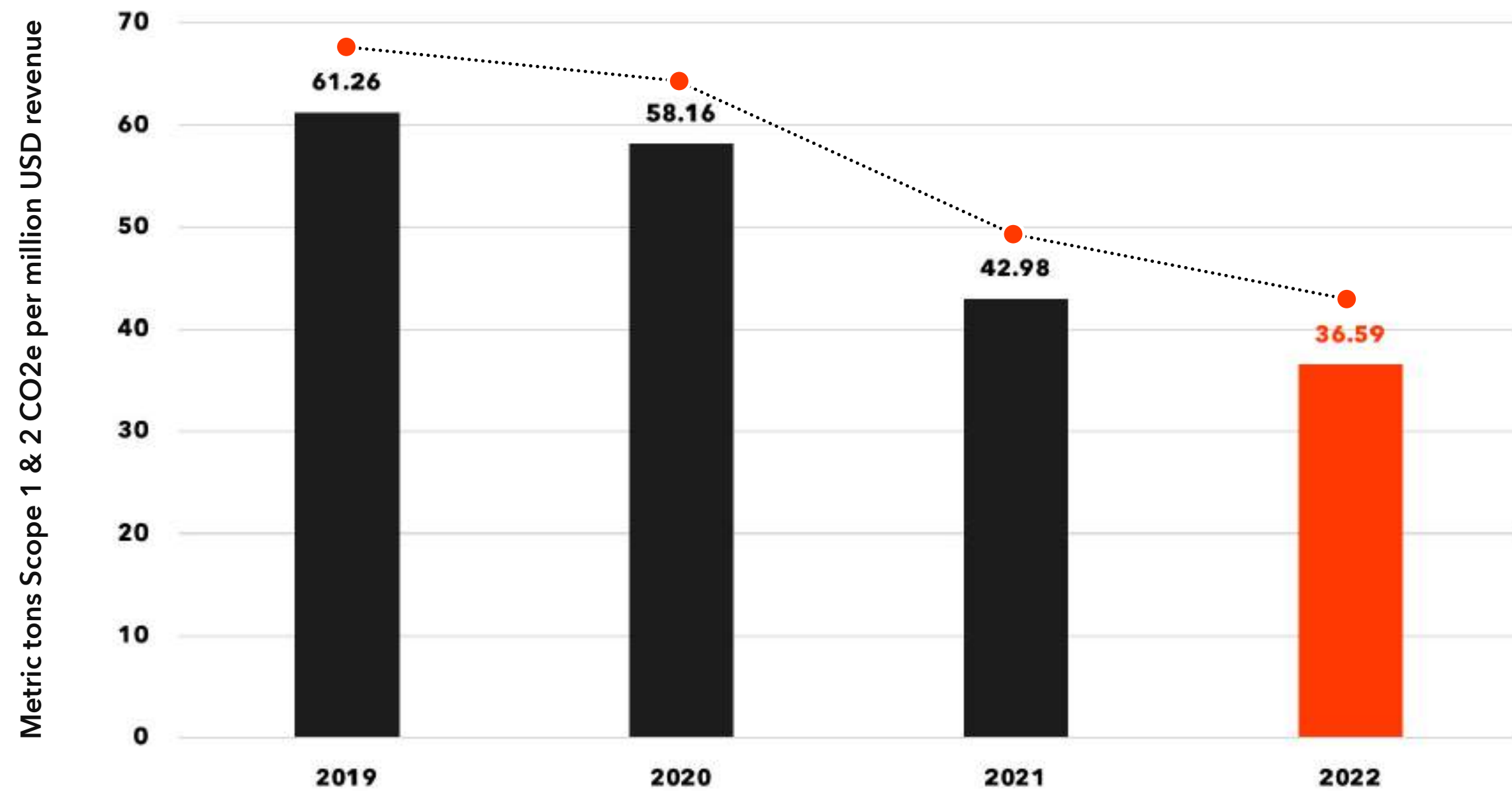
*Progress against 30% reduction excludes emissions from operations acquired in 2022. See performance table on page 97 for more detail.
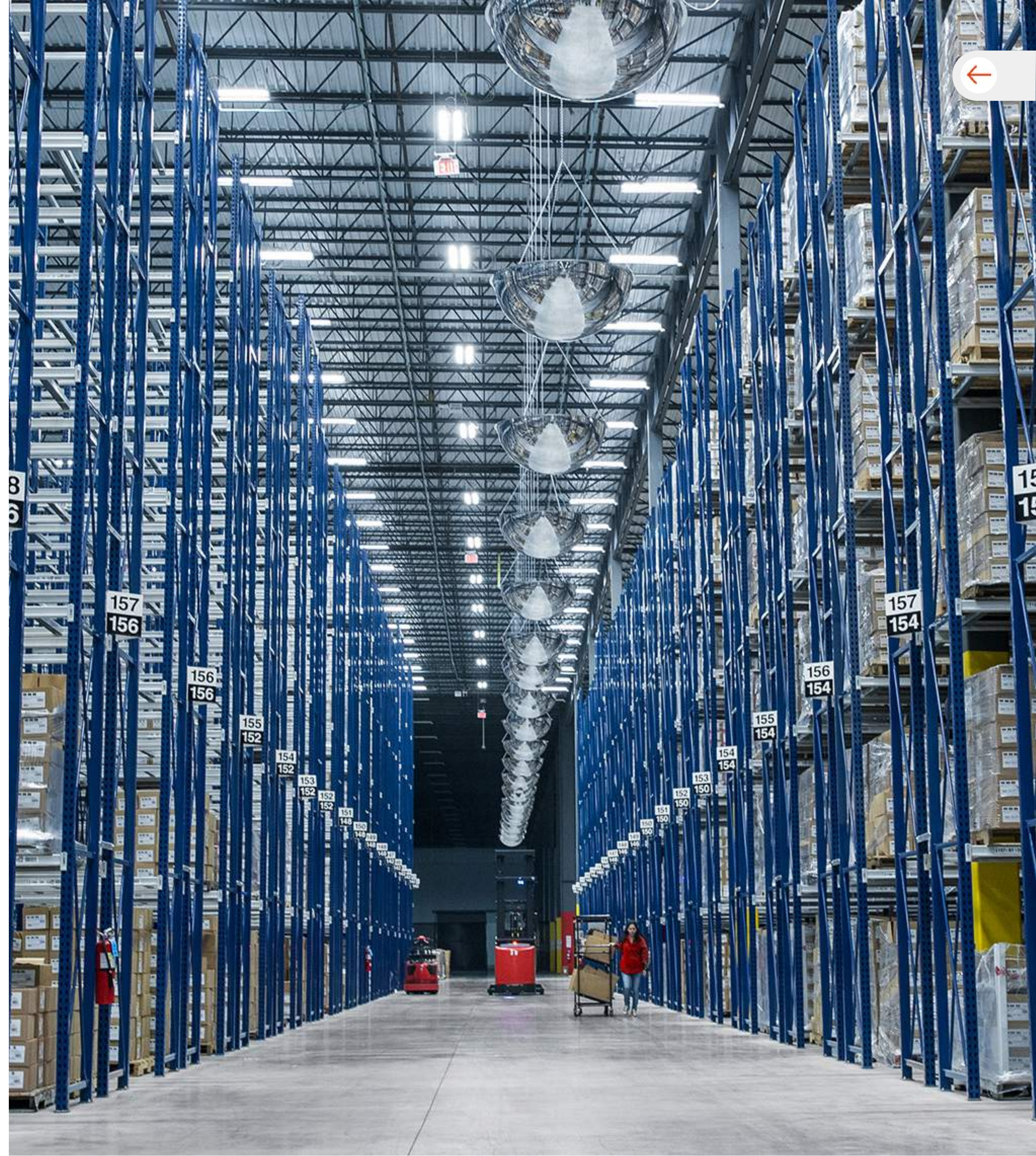
Diverting waste

Around the world, our regional waste diversion programs continue to perform well. In 2022, GXO diverted 78.7% of waste generated across global operations.

In the Americas and Asia Pacific, we kept 47.2% of waste out of local landfills. That number reached 93.4% in the U.K. and Europe. As a result of our work on this front, we remain on track to exceed our 2025 target of 80% landfill diversion globally.

To keep moving in the right direction, we are instituting composting initiatives, developing durable pallets from recycled plastics, and hosting friendly cross-site competitions to incentivize waste diversion.

We have numerous zero-waste sites across our operations, including one in Spain that has recently gone through Green Business Certification Inc.'s TRUE Zero Waste rating process. The facility is awaiting its final rating, but we are expecting Gold level.

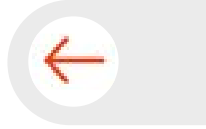## By the numbers, percentage of total waste diverted from landfills:

78.7%	**47.2%**	**93.4%**
Globally	Americas and Asia Pacific	U.K. and Europe

Biodiversity

While GXO leases most of our assets, we still make an effort to enhance biodiversity at our sites. Despite most sites being in urban or industrial areas, we often have the potential to help support native habitats along site margins. We often recruit volunteers and our customers in these biodiversity initiatives, which have included the creation of green walls, pollinator gardens, ovine landscape maintenance and other activities that foster the natural ecosystems around our warehouses. We also strive to utilize native landscaping to reduce the need for irrigation in dryer climates, and in the U.K. and Europe we have a procedure to identify and manage invasive plant species located on sites.

Social
Changing the game for our people and 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 130,000 team members in operations in 28 countries around the world, we strive to be an employer of choice. We recognize the amazing potential we have to create new opportunities, not only for our customers but also for our teams and communities. We seek to create a positive work environment through ensuring the safety and of our gamechangers, cultivating a culture of inclusion, providing opportunities for growth, providing competitive benefits and support, using innovation to make our gamechangers more efficient in what they do and supporting the causes that matter to their local communities. These efforts result in happier, more engaged team members and satisfied customers.

Chapter table of contents

Our efforts are illustrated in the highlights below:

#WeBelong — Global launch of GXO's Belonging Network

Introduction of 7 new Business Resource Groups

Over 1.2 million hours of development and education provided to employees

50% increase in the number of automated technologies within GXO warehouses

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

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

Putting safety first

At GXO, the first of our core values is "Be safe." We aim to create a safe, supportive workplace in which people can thrive and return home from work as healthy as when they arrived. We are proud that our gamechangers have confidence that they will leave work everyday as safe as when they arrived.

GXO tracks a wide range of industry-standard and compliance-related Health and Safety metrics, and we consistently outperform the industry benchmarks, as defined by OSHA in the U.S. It's important to note that due to different regulations in each jurisdiction, the definition of what types of injuries are included for each metric differs. For this reason, GXO reports our Health and Safety metrics by region rather than globally. This year, as part of our ESG Scorecard, we are setting targets using the most representative regional metric to accelerate our journey on the path to excellence.

Introducing our health and safety targets

In our Americas and Asia Pacific operations, reduce Total Recordable Incident Rate (TRIR) by 15% by 2027 vs. 2022 baseline.

2022:
1.5
Total Recordable
Incident Rate (TRIR)

In our U.K. and European operations, reduce Lost Time Incident Rate (LTIR) by 15% by 2027 vs. 2022 baseline.
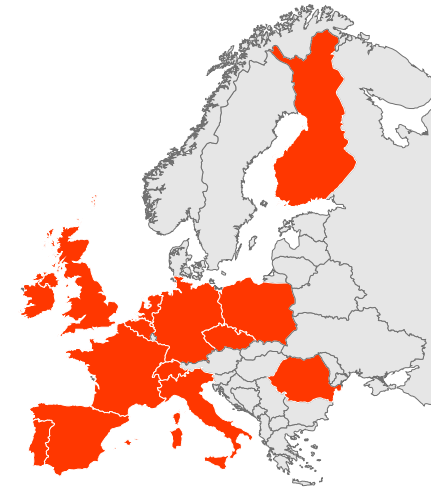
2022:
2.4
Lost Time
Incident Rate (LTIR)

Continuous improvement principles carry across all of our initiatives focused on ensuring a safe workplace, including policy creation and adoption as well as training and auditing. And since we're constantly seeking new and better ways to approach site safety and accident prevention, we want to learn from our most knowledgeable resources, our employees. GXO empowers all employees to speak up and report safety violations or unsafe practices. We have dedicated health and safety leaders, and we also believe that safety is everyone's job and requires a tireless team effort.

When safety incidents occur, we see tremendous success at the local level with Emergency Response Teams. All GXO sites have Emergency Response Teams in place to provide first aid, CPR or AED as needed. Responders are trained in emergency evacuation and shelter-in-place plans as well as standard emergency care. We continue to invest in our local Emergency Response Teams to provide opportunities for employees to learn, use their expertise in support of their teammates and support quick responses to events that might occur at a site.

GXO operates a small fleet dedicated to transporting our customers' goods from our warehouses to their destinations. Fleet safety is of the utmost importance to us, and we have several programs to ensure those on the road are also on the Road to Zero, which is our pursuit of zero occupational injuries and illnesses. For example, in the U.K. we launched our SAFE driving course to augment our Driver Academy in 2023. Designed as ongoing professional development for drivers, SAFE modules address specific issues facing drivers in our industry. Requirements include a mix of classroom and road-based instruction, along with a theory paper. In the U.S., the safety of our fleet operation is best in class, with a positive rating from the Federal Motor Carrier Safety Administration (FMCSA). GXO maintains a recommendation of pass and an inspection value of 31 out of 100 (where lower is better) in the FMCSA's Inspection Selection System for the Compliance, Safety, Accountability program.
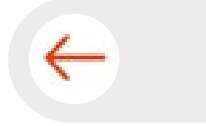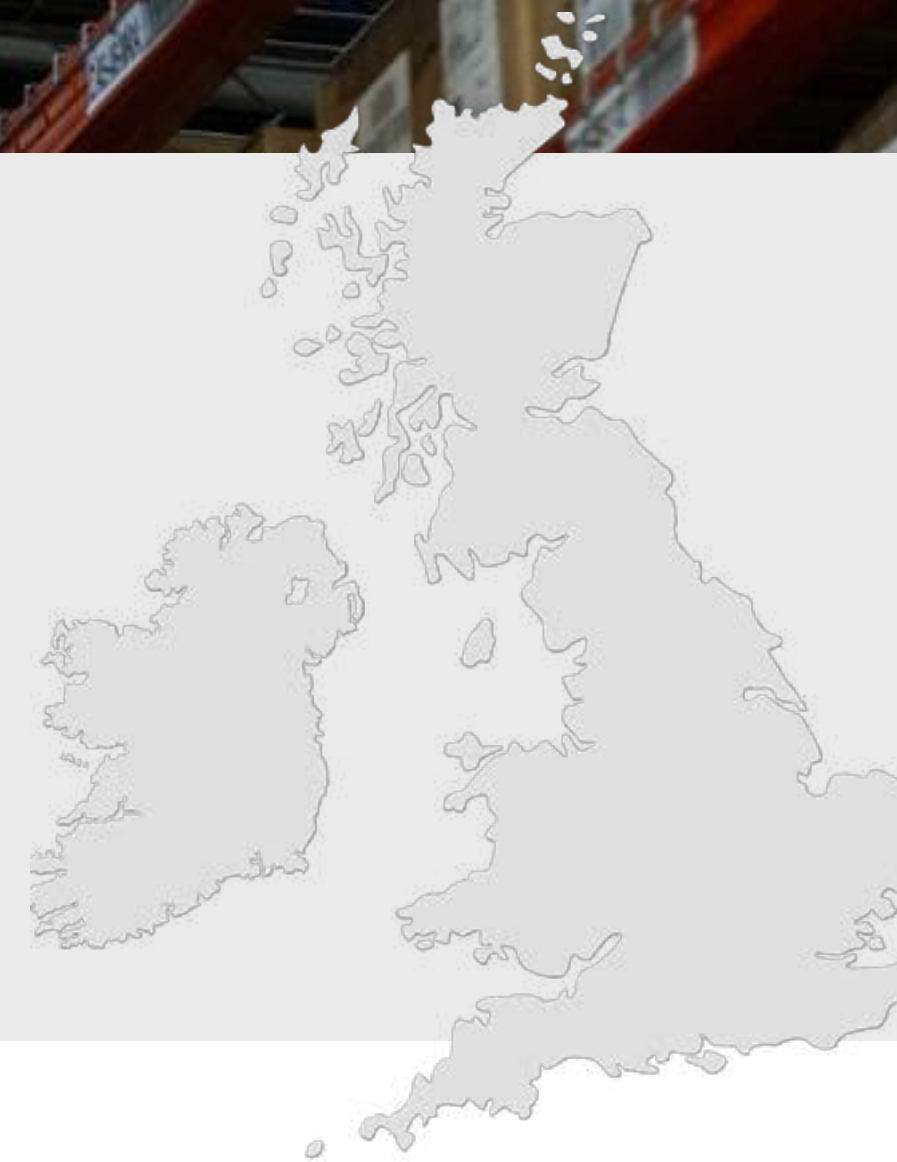
E **S** G

We base all GXO occupational health and safety policies and procedures on globally accepted standards, and we internally audit our sites. Globally, 148 of our sites are externally accredited to OHSAS18001 and/or ISO45001. As part of our ongoing commitment to continuous improvement, GXO's Health and Safety leaders are also developing a new global tiered policy strategy to ensure that all policies and programs align with company-wide decisions while allowing for appropriate adjustments to reflect the unique attributes of each site.

GXO sites win safety awards in the U.K.

53

Fifty-three sites in the U.K. have received the Silver Award or higher from the Royal Society for the Prevention of Accidents.

Encouraging employee input

All team members attend and complete safety training. We also work diligently to make sure our people feel comfortable voicing any concerns and joining the safety conversation. A key focus of our health and safety strategy is how we engage team members on these issues.

For example, our site-level safety committees are based on the principle of empowering employees to speak up at work and helping them stay connected. We regularly seek employee input on areas of strength and weakness through strategies such as peer observations, safety cards and the inclusion of health and safety topics in daily pre-shift meetings and regular engagement surveys. We are now tracking such leading indicators at our sites to recognize the proactive efforts of our sites at maintaining a safe environment.

Spotlight: Safety cards

When it comes to monitoring safety, there's no substitute for employees' eyes and ears. GXO's U.K. and European sites' safety card system simplifies reporting potential issues and provides management with insights from all team members. Employees fill out cards to report potential issues and they are also prompted to suggest improvements. GXO then reports back with proposed remedies and investments. Safety cards are one of the many ways GXO seeks to empower employees and recognize their contributions.

Spotlight:
Safety committees empower employees

At GXO sites in the Americas and Asia Pacific, our safety committees rely on team members to provide the feedback needed to ensure a safe workplace. Every employee is required to make at least one safety observation or recognition per month. These help to reduce work-related injuries but also can reinforce positive behavior. Supervisors are also required to perform multiple weekly dock audits to validate that proper dock safety protocols are being flawlessly executed. Results of these practices are communicated to the site safety committee to monitor for unsafe patterns, as well as recognize demonstrated behaviors that ensure safety for all team members.
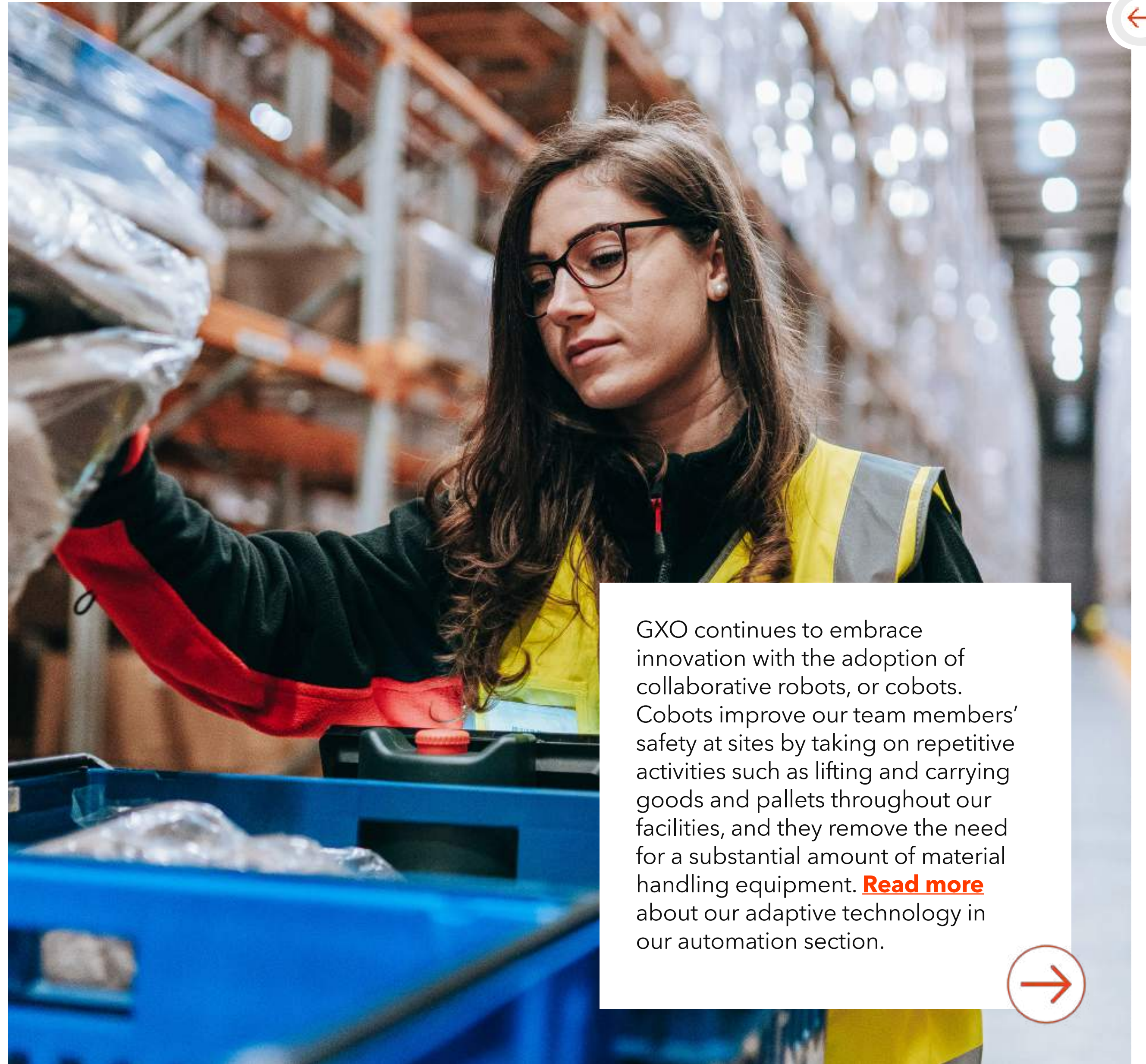
GXO continues to embrace innovation with the adoption of collaborative robots, or cobots. Cobots improve our team members' safety at sites by taking on repetitive activities such as lifting and carrying goods and pallets throughout our facilities, and they remove the need for a substantial amount of material handling equipment. **Read more** about our adaptive technology in our automation section.

Building a culture of inclusion

At GXO, we innovate and succeed due to the diversity of perspectives permeating every level of the organization.

We are intentional in our aim to create a best-in-class workplace for all that prioritizes diversity, inclusion and belonging (DI&B). These priorities are not just words on paper; they are embedded in our cultural values—to "Be inclusive" and to "Make an impact".

Through our actions, we take great care to ensure every team member feels welcome and supported so they bring their authentic selves to work each day. While there will always be more to do, GXO aims to be a leader in DI&B by:

| **Creating opportunities for underrepresented groups** | **Being mindful to learn more about and mitigate microaggressions** | **Raising awareness of unconscious biases and their impact** |
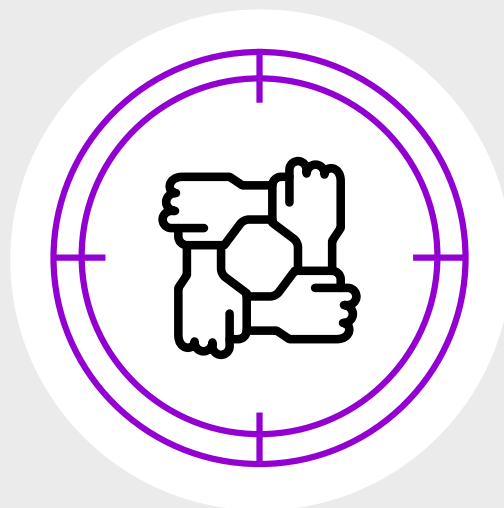
We strive to build a culture of belonging where every team member feels respected. As part of our diversity, inclusion, and belonging program, GXO tracks a wide range of metrics internally. We are diligent in building a culture of inclusion, and we continue to review the best metrics by which to track progress against this goal.
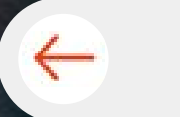
Diversity

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 in which everyone feels secure, supported, and accepted.
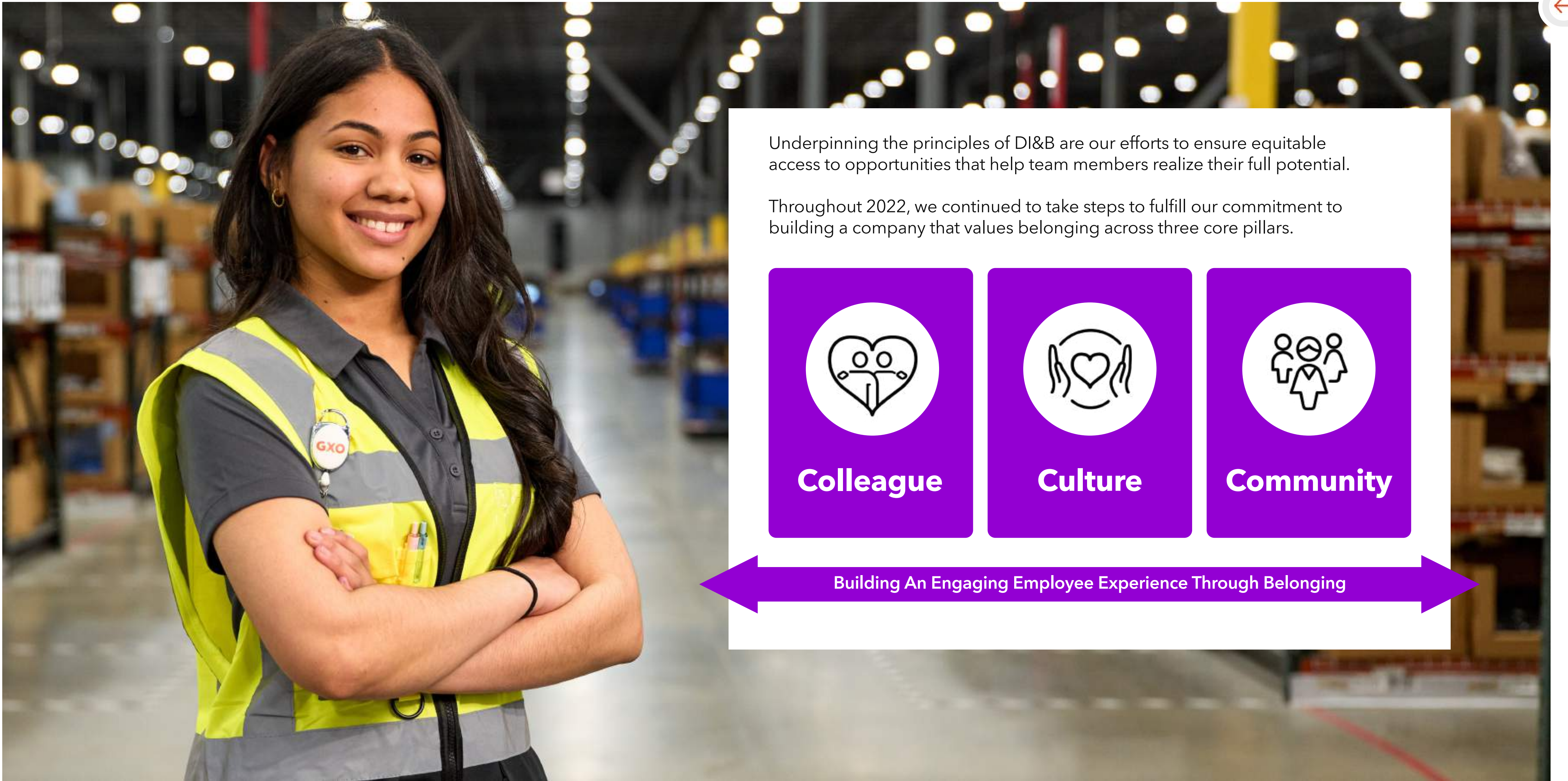
Underpinning the principles of DI&B are our efforts to ensure equitable access to opportunities that help team members realize their full potential.

Throughout 2022, we continued to take steps to fulfill our commitment to building a company that values belonging across three core pillars.

Colleague

Culture

Community

Building An Engaging Employee Experience Through Belonging

Invested colleagues

DI&B works at GXO due to its alignment with our core values and the fact that all GXO team members, regardless of their position within the organization, embrace its importance for the success of the organization.

> In the first full year following Letitia King James' appointment as Vice President of DI&B, more than 150 employees from sites around the world demonstrated a passion for bringing DI&B principles to life by vo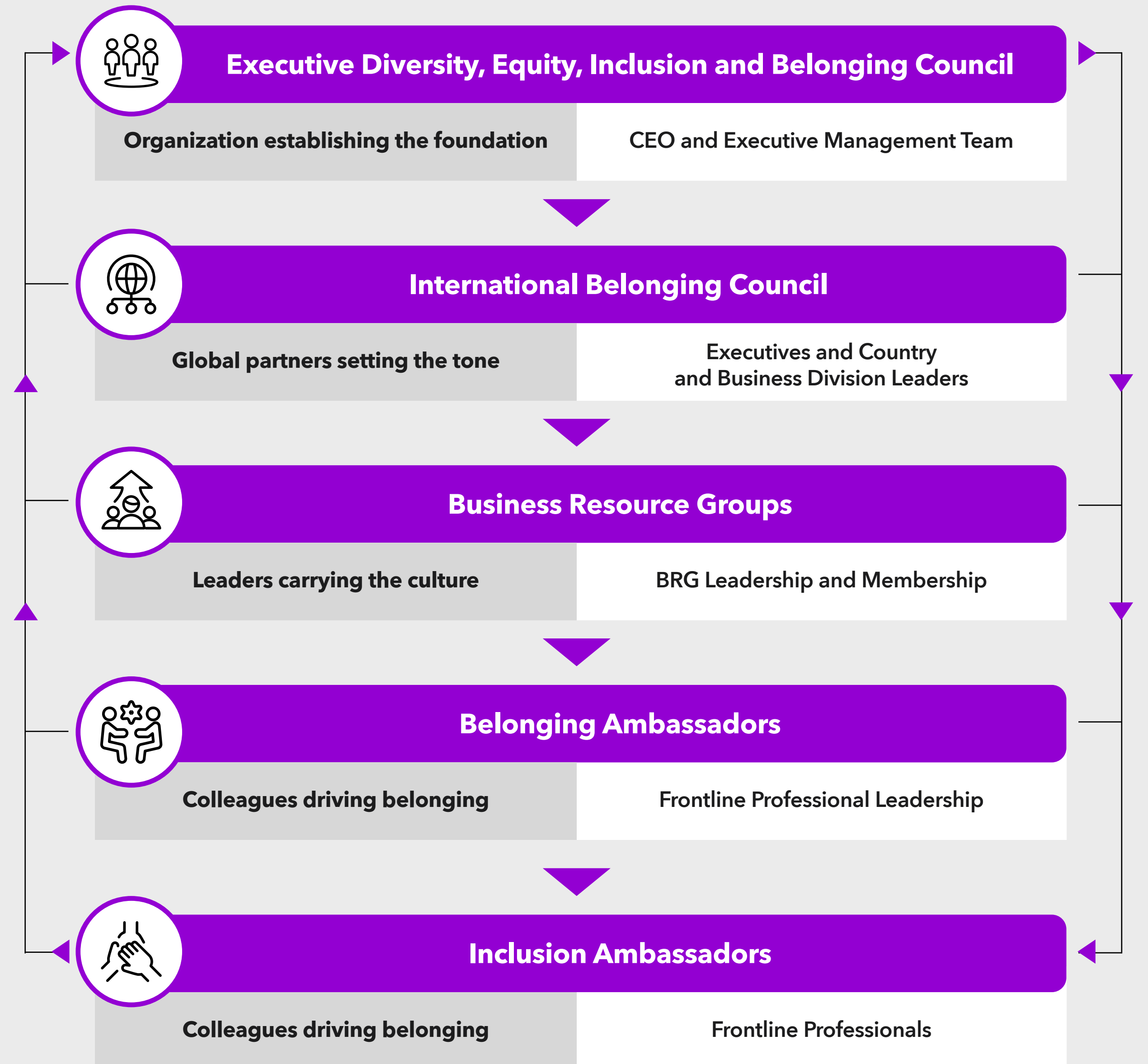lunteering as part of GXO's global Belonging Network. Leaders serve as strong ambassadors and are quick to address potential issues.

The Belonging Network includes employees across functions and geographies eager to help reinforce our DI&B commitments. For instance:

- The **Executive DI&B Council** establishes the foundation for our work, with oversight from CEO Malcolm Wilson, Chief Human Resources Officer Maryclaire Hammond and the rest of the executive management team.

- The **International Belonging Council's** global partners include executives and country and division leaders who work to ensure that GXO's DI&B strategy resonates at the local level.

- Through seven new **business resource groups (BRGs)**, leaders carry the DI&B culture forward by promoting connection and collaboration between employees from similar backgrounds.

- Through inclusive frontline leadership, **Belonging Ambassadors** act as a bridge to effectively relay the essence of GXO's belonging content to each site.

- Frontline professionals also drive belonging across GXO sites for colleagues by serving as **diversity and inclusion champions**.

DI&B governance overview

Executive Diversity, Equity, Inclusion and Belonging Council

| Organization establishing the foundation | CEO and Executive Management Team |

International Belonging Council

| Global partners setting the tone | Executives and Country and Business Division Leaders |

Business Resource Groups

| Leaders carrying the culture | BRG Leadership and Membership |

Belonging Ambassadors

| Colleagues driving belonging | Frontline Professional Leadership |

Inclusion Ambassadors

| Colleagues driving belonging | Frontline Professionals |

Spotlight:
Launching our first business resource groups

Business Resource Groups (BRGs) bring together employees with similar backgrounds to connect and share their experiences. In 2022, GXO established the organizational foundation for seven new BRGs:

- Women
- Veterans
- Generations
- Cultures Connected
- Disabilities
- LGBTQ+
- Working Parents

Our goal for 2023 is to provide more resources to help these groups thrive. This will include more programming support and initiatives to increase participation and awareness across the organization.

Feedback from our belonging network

We rely on our volunteers to make sure our activities and programming are relevant to all our team members. Here's what some of them had to say about DI&B at GXO.

"GXO's Belonging program is very important to not only those who are in the programs, but also their family, friends, community and even co-workers. Everyone deserves to feel that there's a place for them and to be included, regardless of their abilities or barriers."

Heather Fain
Senior HR Manager

"DI&B is a vehicle that can be used to break down barriers (seen and unseen). It is valuable for me to know that GXO understands the necessity to build a culture that shows that discrimination in any form is unacceptable. Not only is GXO persistent at increasing awareness, but it further acts on the best practices that can be realized throughout the whole company. GXO is truly a 'game changer' in every facet of diversity and inclusion and actively works to create a workplace that stands on those values."

Stephanie Brown
Senior Director, Operations PMO

"We bring the DI&B agenda to life with inspiring stories from individuals who work within the company which I think helps others to feel they are welcomed in GXO regardless of their differences. It is these differences that [make] people unique and [it is] something to be celebrated."

Louise Phillipson-Masters
Regional General Manager, U.K.

"GXO enables me to feel comfortable to be me by letting me be visible and have a voice as a gay person, by giving me a platform to share my experiences. By sponsoring Pride events it shows me their commitment to the LGBTQ+ community and that they are a true ally to me."

Dawn Richmond,
Lead Program Manager Diversity, Inclusion and Belonging

"What I've learned at GXO is that I'm not viewed as just an employee, but as an employee who is also a parent when things come up—and when they do, it is okay to go and be a parent—that is priceless."

Erica Sepulveda
Senior Project Manager HR PMO

"One of the compelling and exciting things about being in the GXO family is the devotion to 'Belonging.' Diversity, Inclusion and [Belonging] does not scare the leadership of GXO, it drives the leadership. We know that we have not arrived, but we are passionate and committed to the journey of Belonging."

Fred Boyd
Lean Lead Project Manager

"After four years at GXO I am continuously re-energized by the challenges and wins of the day to day. Being part of Belonging initiatives has added a bonus spark and excitement. I am able to grow and contribute within my space but also be part of one of our most important values."

Carolina Bell
Talent Acquisition Manager

"I joined GXO several years after my transition from the Army. However, the teamwork, chain of command structure, standard work instructions etc... remind me very much of the military environment that I was used to. I recommend GXO as a great company to seek employment with for those looking to transition from the armed forces."

Kevin Chatmon
Director, Supply Chain Operations

"I am inspired by the real conversations we're having with our associates, leaders and customers about how we can improve, give everyone a voice, enable growth opportunities and truly embrace all the contributions of a diverse workforce. Enabling a belonging culture requires us to learn from each other, open our minds to new ways of thinking and working, and be able to look at our environment through perspectives that are different from our own—and that is what keeps me energized!"

Kristy Applegate
Senior HR Manager

In 2022, Supply & Demand Chain Executive magazine recognized GXO's Donna Del Rosso (Senior Vice President, Transformation), Lou Lebrun-Gonnet (Site Director) and Cynthia Tyler (Vice President, Supply Chain Operations) for their outstanding leadership, accomplishments, mentorship and for championing women at all levels of the company and industry.

An inclusive culture

In building a belonging and inclusive culture, our aim is that every colleague feels and sees a positive difference. We have been hearing from our team members that our efforts at building a belonging and inclusive culture are working.

We introduced Take the LEAD (Learning Everything About Diversity) toolkits, designed to build belonging through reciprocal learning. These toolkits raise teamwide awareness of experiences, diverse heritages and impactful moments in history. Heritage Kits are part of Take the LEAD and provide colleagues with an overview of different cultures celebrated at particular times throughout the year. They also provide discussion questions for colleagues to connect and better understand how each group has played a role in their lives and experiencex at GXO. Beyond celebrating distinct heritages, in 2022 the Belonging Network hosted a pilot Belonging Week dedicated to celebrating all aspects of diversity.

Spotlight: Belonging Weeks
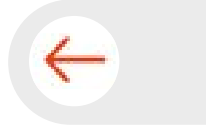
Following the success of the pilot last year, in January 2023, GXO held the first of multiple Belonging Weeks. Belonging Weeks are dedicated to celebrating all aspects of diversity—we reflect on what we've been able to achieve and commit to building on that momentum. Through education and by celebrating our diversity, our goal is to drive connectivity at the site level. Our mission is to ensure that every employee at GXO feels a sense of belonging and is supported in bringing their authentic self to work.

GXO Belonging Weeks help us celebrate six key dimensions of diversity, along with others:

- Gender
- Generations
- Disabilities
- LGBTQ+
- Race & Ethnicity
- Veterans
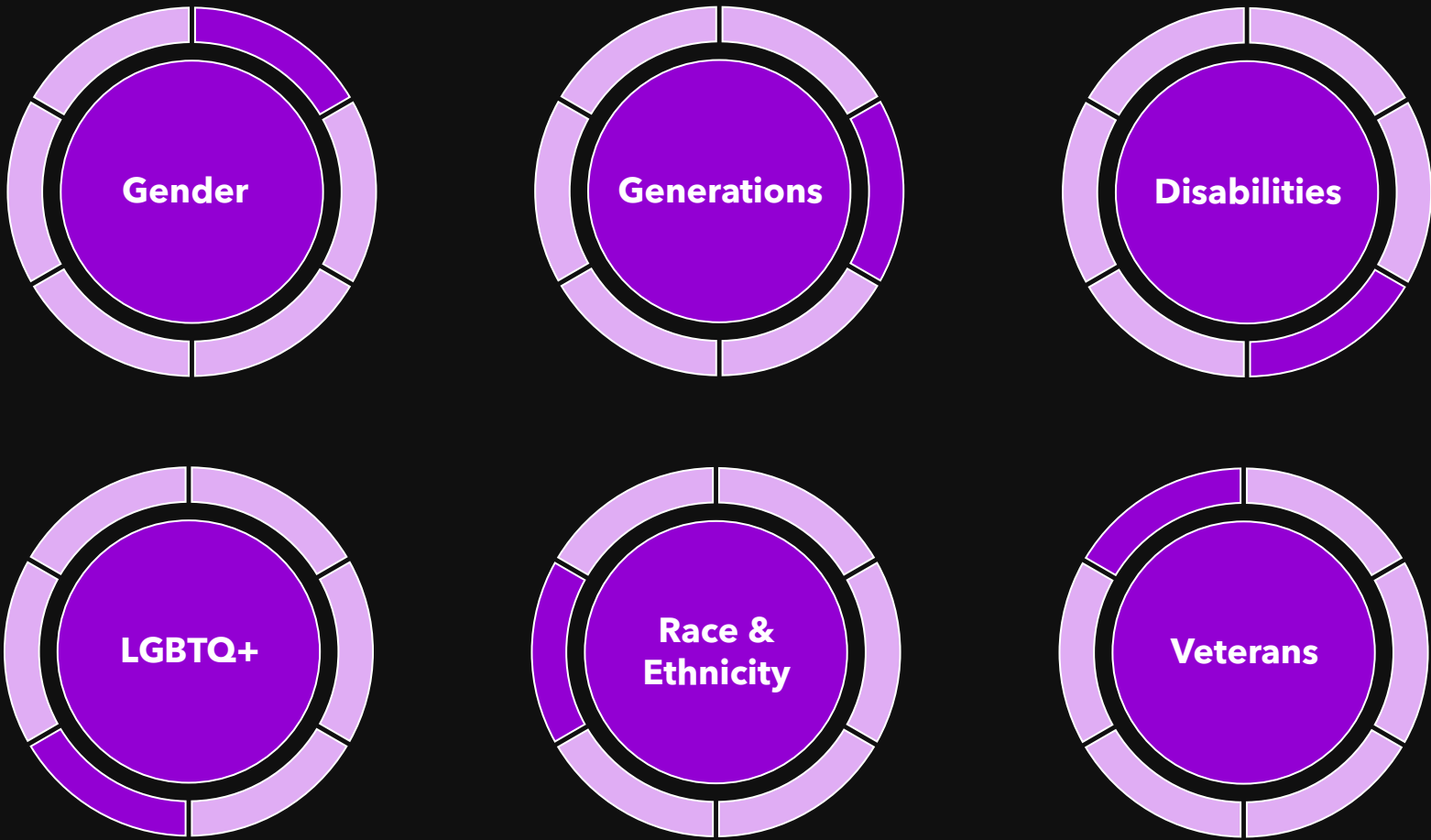
As part of Belonging Week, teams around the world signed the GXO #WeBelong pledge. Site leaders received #WeBelong posters to display, templates to promote their own activities and talking points to guide meaningful conversations around what DI&B means at GXO and elsewhere. GXO will keep conversations going throughout the year and host additional Belonging Weeks in April, August, and November in 2023.

We also continue to formalize training around diversity and inclusion to help employees learn about others and themselves. Courses offered through GXO University include:

• Overcoming Your Own Bias

• Understanding Unconscious Bias

• How Culture Impacts Communication

As a data-driven company, we use data to set goals and measure our performance in DI&B. Through regular employee surveys, we are able to take the pulse of our culture and proactively identify any areas for potential improvement. We also stay abreast of DI&B best practices—both in and beyond our industry. It is our mission to cultivate an inclusive culture that meets or even exceeds our stakeholders' expectations.

Spotlight:
New event builds momentum for DI&B

On November 9, 2022, GXO hosted our inaugural Be INclusive Conference. This event invited gamechangers from sites around the world to opt-in to build belonging.

Hiring practices factor heavily into creating a culture of belonging. That's why we consistently look to expand our candidate pool through relationships with minority-serving institutions, LGBTQ+ allies and organizations that support military veterans and people living with disabilities.

Notable efforts to include people living with disabilities include:

The Arc in the U.S.: GXO partners with The Arc to hire people with intellectual and developmental disabilities to help them live, work and thrive in their communities.

WorkFit in the U.K.: GXO connects with candidates with Down syndrome. Each colleague from WorkFit has at least two "buddies" on the GXO team and a designated trainer.

Log'ins in France: a joint venture between GXO and Ares, this program has helped close to 800 individuals with disabilities connect with employment over the last 10 years, including approximately 150 workers at one of eight participating GXO warehouses.

Learn more about our disability inclusion partnerships across the world and hear from some the participants.

We also develop diverse talent working on our frontlines and support their advancement with upskilling and other resources.

You can **learn more** about what we are doing to support the continual growth of our employees in the "Supporting and developing our people" section of this report.

GXO received the 2022 Employer of the Year award from The Arc Maryland. The Arc is a nationwide advocacy organization dedicated to protecting and advancing the rights of children and adults with intellectual and developmental disabilities.

The award, given to Team GXO in Aberdeen, Maryland, recognizes the group's exceptional commitment to offering competitive employment opportunities and creating an inclusive workplace for people with intellectual and developmental disabilities.

Community contributions

GXO delivers on changing the game through building a sense of community internally as we make an impact within the communities we serve externally. We seek to include virtual and in-person volunteer opportunities aligned with our heritage months and other celebrations.

For example, as part of the pilot Belonging Week in 2022, gamechangers organized a series of volunteer opportunities. In the span of five days, over 500 team members volunteered 625 hours in support of seven nonprofit organizations. They lent their time and talents to help spread DI&B values by:

- Conducting mock interviews with students at Historically Black Colleges and Universities to help them become stronger job candidates.

- Creating cards for socially isolated seniors.

- Writing letters to military veterans and athletes with intellectual disabilities.

- Building support kits for immigrants, Ukrainian refugees and seniors.

Read more on our community contributions in the "Strengthening our communities" section of this report.

Supporting and developing our people
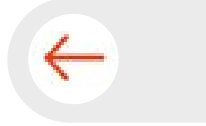
We are proud to be a global workforce with strong talent at every level. Today, companies around the world are facing increasingly competitive hiring and retention environments, and we recognize that our operations rely on the strengths of our team members. GXO stands out as an employer of choice by offering competitive compensation and benefits packages as well as empowering employee growth at every level of the organization.

GXO understands that offering opportunities for career development is one of the top ways to retain great employees and avoid the high cost of turnover. People join GXO knowing they can pursue long-term careers that will challenge and reward them. From day one, employees have access to many opportunities to realize their full potential amid a culture of respect and collaboration.

One of our key goals is "Provide a clear and rewarding career path for all employees", and GXO currently tracks a wide range of relevant metrics internally. We are diligent in our pursuit to be an employer of choice, and we are working to identify which metrics are most meaningful in tracking progress against this goal.

Unlocking career potential

Learning and development has occurred by region throughout the organization, catering to local needs. Illustrating our collective commitment to supporting the career goals of our colleagues, our employees performed 1,215,000 hours of learning and development training in 2022. As we grow, we recognize that there is also an opportunity to provide centrally driven career training options to our gamechangers. In 2022, GXO University was launched with this in mind, and it is our intention that GXO University will eventually be home to all such programming.

Total learning hours:
Over 1.2 million

Average learning hours per employee:
15.4 hours

GXO University

Few initiatives embody our company-wide commitment to elevating employee performance and enabling career advancement like GXO University. Through this evolving, comprehensive learning platform, employees at all levels find opportunities to hone their skills, expand their knowledge and strategically advance their careers. Through GXO University, we deploy resources digitally to employees as well as to local HR departments. These easy-to-implement programs can be accessed virtually or delivered in classroom settings, allowing broader access to training and addressing each employee's individual learning needs. GXO University enables us to work towards our goal to promote from within and provide clear trajectories for professional and personal growth, from hire to retire.

Five distinct colleges make up GXO University, each devoted to a different stage of training and advancement. Employees enroll in these colleges based on where they are in their employment experiences and based on which direction they want to take in their careers. Nearly all programs are currently offered in multiple languages, thanks to cost-effective AI technology, to ensure that we foster our diverse, global workforce, and we're adding more program translations.

"GXO University is a growth engine; careers are our product. I'm thrilled with how our teammates proactively engage with the University with such demand. Because they find a career with GXO, we have an advantage over our competition."

John Heun
GXO Global Head of Talent and Learning, Senior Vice President

Launch at GXO

We believe in starting strong. Launch at GXO starts employees off on the right foot, whether they are new hires, joining via acquisition or adding to current job responsibilities. Engagement begins immediately with functional and safety training, along with the materials all employees need to master new roles and processes.

Throughout 2022, we saw a new hire orientation completion rate of 81% via GXO University within the first 90 days, and over 400 managers completed the Leading the GXO Way program. As our business is unique, we value that over 85% of employees find the knowledge presented as advantageous to their immediate success at GXO.

In response to a driver shortage in the U.K., we added the U.K. Driver Academy to our Launch at GXO curriculum. More than 80 employees participated in the academy to prepare for their commercial licenses and secure new roles in the company in 2022. Course instructors prepared these employees to pass the rigorous written and practical exams. We are looking to grow this program in 2023, supporting our mission to upskill employees and provide more job opportunities.

Succeed at GXO

Through Succeed at GXO, employees find the training and tools needed to thrive in their current roles. We encourage all employees to take advantage of Succeed to improve their performance and stay current with required training such as our Annual Compliance and Education program.

We also implemented a partnership to incorporate training software provider Skillsoft into GXO University. The partnership expanded our course catalog to 30,000 offerings across the enterprise, which are woven into career preparation programs. Skillsoft helps workers advance beyond what they can do in their current positions and in their specific locations. This software supports GXO University's goals for upskilling employees and boosting retention through advancement opportunities. In 2022, employees accessed nearly 20,000 courses and had completed or were in progress toward completing over 40% of those courses by year-end.

Succeed at GXO also includes training on HR topics, such as our performance management and talent review processes and, in the U.K., mental health awareness training.

Empower at GXO

The Empower at GXO college houses our Assessment and Development Center. This aspect of GXO University guides managers and their employees through performance and talent reviews. For employees, Empower offers tools and surveys to identify their talent potential, help them determine programs for positions they'd like to move into, and plot their courses with career path frameworks. In 2022, we piloted the IT Career Path Framework and we'll fully implement three major frameworks across operations and global functions in 2023.

Empower also helps improve the overall effectiveness of GXO through our GXO Pulse survey. This survey not only measures employee engagement but also key areas of continued focus to help us address employee concerns. Nearly 60% of our salaried employee population completed this survey in late 2022, and the results became 2023 goals for GXO University related to performance and career management.

Ultimately, Empower helps GXO identify top talent and set them on the right trajectory for advancement. We can clearly match high performers to new roles that fit their talents and pinpoint possible new or expanded roles for their future.

Over 700 employees
attended GXO's Mental Health Awareness training

Over 100 employees
passed the Mental Health First Aid program

Grow at GXO

What comes next? Grow at GXO guides employees to answers. When employees start to think about a higher role or moving into a leadership position, Grow helps them accumulate the essential skills for the job. Sites that have Grow at GXO experience about a 10% increase in retention.

In 2022, Grow Tracks launched at all U.S. and Canada sites, with piloted sites in the U.K., Mexico, Spain, the Netherlands and Poland. Grow Tracks are GXO University's on-demand training curricula available to full-time employees seeking to advance their careers. On average, every Grow Track requires 35 hours of self-paced online training.

More than 1,850 employees participated in Grow Tracks in 2022 globally, and more than 400 graduated from their courses. These employees are ready for their next roles at GXO as soon as they open. In 2022, we were able to place over 25% of graduates in new roles.

In addition to our on-demand Grow Tracks, Grow at GXO includes:

- The Graduate Academies, which, across several countries, have more than 100 active participants who are university graduates. This two-year program is available to those with an undergraduate college degree and consists of three placements of eight months each. Each placement in length across the business, exposing participants to a variety of roles within the field of logistics. As of year-end, there was a 70% completion rate.

- The Intern Academy, which attracted dozens of individuals for fixed term internships across five countries.

- The Apprenticeship Academy, which reached more than 1,000 new and existing colleagues in the U.K. and more than 50 colleagues in France. Apprenticeships are unique in that they combine the opportunity to train and obtain a professional certification all while continuing to work.

Lead at GXO

The Lead at GXO college supports leadership development through seven dedicated, role-based academies. The main focus of the academies is to provide promising employees with the soft and hard skills needed to excel in positions at the supervisor, manager and executive levels:

- 268 employees participated in a new engagement-focused leadership training, Leading Through Connection, which recorded satisfaction scores of 94% and above.

- 53 leaders attended our four-workshop series called Coaching with Care, which was translated into 11 languages.

There are other courses specific to warehouse operations, as well. For example, we expanded our Site Operations Manager Academy from the U.S. and Canada to include Europe in 2022. Graduates from this academy will ensure the cultural continuity of leadership at our sites as our business expands. Globally, we implemented our Lead and Supervisor Academies and graduated over 500 employees. We also piloted our Operations Manager Academy in the U.S.

Record-level learning engagement

As we continued to expand the global coverage of GXO University's learning management system, we set new records for several key metrics in 2022:

Exceeded our training hours goal	Exceeded our unique user goal	Recorded
by **132%**	by **134%**	**264,000** unique completions

Employee engagement

We are a continuous-improvement-driven company, not just for our customers, but also for our employees. Across GXO, we conduct regular confidential surveys of employees to rate how well we're meeting their needs and maintaining our position as an employer of choice. In 2022, we conducted two topical surveys for office-based employees to inform business choices and program effectiveness as well as surveys for more general workplace experience. We also ran additional regional surveys to comprehensively assess employee engagement across all offices and sites. A key metric for us is job satisfaction, which we use as the primary measure of employee engagement. We are in the process of harmonizing our various surveys to develop a consistent measurement of job satisfaction across all populations.

Following our surveys, we create targeted action plans to address any potential issues and ensure that our sites are staffed with engaged team members who are ready to deliver for our customers.

Managing our global workforce

We believe there is a direct link between our industry-leading performance and how we engage with our employees. GXO is committed to maintaining positive labor relations, and we work to ensure that team members in all positions understand that we respect their rights and encourage their input. Approximately 98% of our workforce is located in North America, the U.K. and Europe.

North America

Across our U.S. and Canadian sites, GXO maintains strong relationships with leaders and employees. GXO facilities in North America do not have unions. While GXO supports the rights of employees to choose or decline union membership, we firmly believe that heightened levels of engagement and communication give us the best opportunities to improve working conditions and issues central to the employee experience.

We empower team members to share any feedback with leadership through surveys, site assessments, roundtables and other channels. These interactions help us quickly identify and address areas of improvement. Site leadership takes pride in prioritizing opportunities for improvement and holds themselves accountable to executing and communicating action plans.

U.K. and Europe

In Europe, 65% of our employees are covered by collective bargaining agreements. We strive to maintain positive relationships with union partners and employee representatives in each country. We take great care to stay current on the differences in collective bargaining and labor relations practices across the different European regions we conduct business in.

Compensation and benefits

Maintaining our standing as an employer of choice means offering competitive wages and comprehensive benefits packages.

Our goal for benefits in 2022 was to lift, shift and stabilize benefits. Though they vary by country, examples of GXO benefits include comprehensive healthcare and disability insurance, supplemental insurances, employee assistance programs, profit sharing and retirement plans.

In the U.K and Europe, we customize employee benefits to meet distinct needs in our local markets. We have worked with key partners and providers to expand coverage for medical and risk benefits and limit premium increases to below inflation levels, providing our colleagues with high-value, company-paid coverage and benefits.

In the U.S., 100% of full-time employees have access to medical and mental health benefits. We were able to absorb increasing costs in health care and for 2022 maintained employees' cost-share level for medical, pharmacy, dental, and vision insurance programs. Beyond insurance, in the U.S. we offer paid parental leave to all full-time employees as well as to part-time employees who become pregnant.

To ensure we offer benefits that matter to attract and retain top talent, we conducted a U.S. benefits survey in 2022. Employees ranked among their most valued benefits GXO's total compensation and expressed current and long-term financial security as one of their top concerns. Based on survey results, we made several adjustments and additions to our benefits in 2023, with a particular emphasis on financial well-being, medical and voluntary benefits. We continue to monitor satisfaction with our benefits globally and take necessary actions.

Well-being

We gauge our company's success in large part by the overall wellness of our workforce. This includes their physical and mental health as well as their financial well-being.

In 2022, we continued to expand worldwide virtual access to doctors, counselors and premier online programs for reducing stress, eating healthier and improving fitness. In addition to our direct employee offerings, we also hosted a webinar for leadership on how our employee assistance program works and how they can best convey information about this benefit to employees.

Given current macroeconomic conditions, we also devoted significant attention to supporting our employees' financial well-being in 2022.

In the U.K., we sent home letters highlighting the company benefits that may help employees get more for their money. We also introduced the GXO Spree card, a pre-loaded debit card that offers up to 15% cash back to our employees on their everyday spending.

In the U.S., we provided financial education and communications via webinars on how to access various budgeting and savings resources.

Creating the future of work

GXO embraces innovation as a powerful differentiator and we strive to maintain our market leadership position in the use of automation and technology. There are three components to GXO's technological advantage: innovative automation, adaptive technology and software. Around 34% of revenue in 2022 came from tech-enabled operations.

GXO leads our industry in the design of large warehouses, in which the majority of processes are automated from day one. Customers who undertake automation projects realize tremendous benefits via the ability to manage high degrees of logistics complexity, higher inventory accuracy levels, productivity increases of up to four times and repeatability. These highly automated solutions also create a more empowered, autonomous working environment.

We are also committed to expanding our adaptive technology solutions, which can be deployed without disruption to existing operations. We increased our adaptive technology solutions by 50% year-over-year in 2022 and had approximately 7,600 pieces of equipment in operation at the end of 2022. This technology optimizes operations, reduces costs and improves safety.

Automation and technology at work

Technology makes our team members' jobs simpler, safer and more satisfying. Automation and technology enable team members to do what they do best with greater efficiency and results.

Technology and automation can also speed the ramping up of an operation and yield reduced training times to get new team members up to speed. Technology frees employees to pursue opportunities for upskilling and career advancement, and GXO employs robotic technicians, engineers and data scientists on location at a significant number of our sites.

As an example, collaborative robots, or cobots, assist GXO employees with tasks ranging from validating inventory to transporting picked orders to the correct packing stations. Cobots can increase productivity to twice that of fully manual operations.

Similarly, robotic arms take on activities such as packing, engraving and building pallets of packaged goods. Wearable machine-vision technology, such as glasses and smart gloves, enable employees to efficiently gather information about storage locations, product identifiers and inventory levels. Our machine-vision technology provides an approximately 8% increase in processing speeds compared to manual scanners. Additionally, some sites now have automated box-opening devices. This alternative to manual box-opening reduces the risk of worker injury and creates the possibility of reusing packaging materials.

In the interest of continuous improvement, we're examining how to apply automation to many existing warehouse processes and how to get more value from our solutions on a global scale. Answers will come from our combined top-down and bottom-up approach. Our automation and innovation team applies the former by implementing technologies and processes developed in one site or region, where suitable, to GXO's global operations. For the latter, we empower a workplace where continuous improvement is rewarded.

By the numbers: Automation and technology

7,600

pieces of tech are operational at customer sites around the world, **up 50% year-over-year in 2022.**

30%

The industry today is around 8% automated, but **GXO is about 30% automated.**
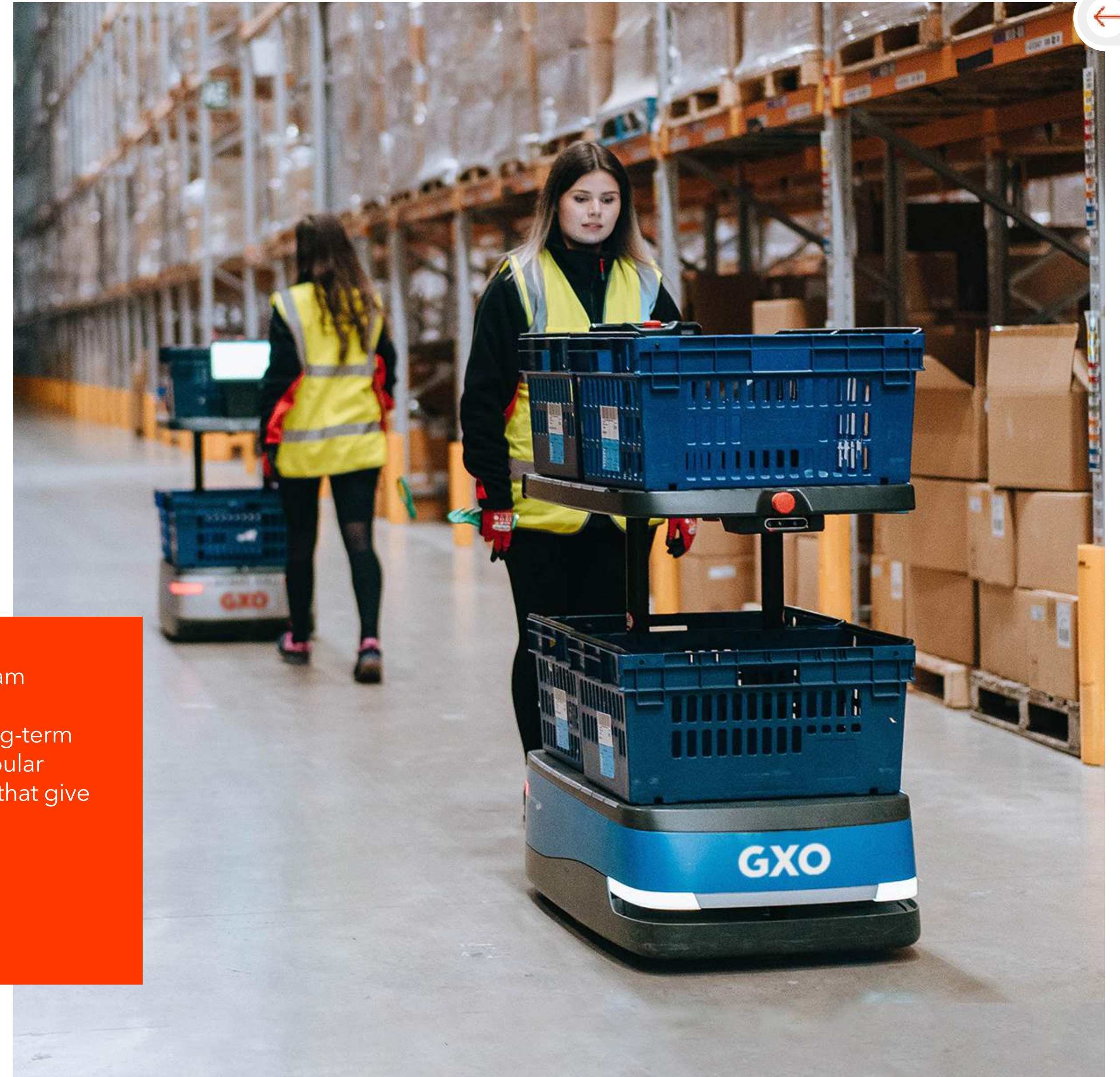
Spotlight:
Get to know Chuck

In 2022, GXO entered a multi-year agreement with 6 River Systems (6RS), a leading fulfillment solutions provider, to ensure we can meet the demand for collaborative mobile robots in our logistics operations across the U.S., U.K and Europe.

Specifically, we are supplementing our teams with "Chuck," an autonomous mobile robot from 6RS that helps maximize operational efficiencies. Autonomous mobile robots are capable of operating in multi-tier installations, directing employees to the correct inventory, processing more goods, maximizing available space and reducing walking time, repetitive tasks and material handling equipment. They also reduce walking distances for employees, speed up operations such as stocking, picking and sorting items and are capable of reducing training time for new GXO team members by as much as 80%.

"Chucks provide a huge boost to the retention of our team members and deliver a substantial, sustained increase in operational productivity. This agreement fortifies our long-term partnership with 6RS, ensuring rapid deployment of popular productivity-enhancing warehouse collaborative robots that give our customers a competitive advantage."

Sandeep Sakharkar
GXO Chief Information Officer

Spotlight:
GXO extends partnership with Groupe SEB in the U.K.

In January 2023, GXO extended its 15-year partnership with Groupe SEB, a leading manufacturer of small domestic appliances and cookware sold in over 150 countries.

"We're helping Groupe SEB provide an outstanding customer experience with our custom end-to-end supply chain solutions. We've successfully deployed a proprietary Warehouse Management System. In 2023, we'll add new automation and technology options that will reduce in-aisle travel for retail by up to 50% and further improve pick accuracy."

Gavin Williams
Managing Director, GXO U.K. and Ireland

GXO's high level of stock accuracy has enabled Groupe SEB to eliminate its annual stock count, reducing inventory management costs and the related operational impact.

"GXO is helping us optimize and grow our business," said Martine Perkins, Warehouse and Distribution Manager at Groupe SEB. "They offer significant efficiencies and superior supply chain support for our projected annual growth."

Strengthening our communities

Every year, team members across GXO demonstrate their commitment to helping others in the communities where they live and work. We take great pride in our teams' grassroots efforts and do what we can to empower them to make a difference wherever we operate. Community events can be in person or online.

An example of our virtual volunteering is the GXO 1,000 Voices initiative in which gamechangers read and record materials to become audiobooks for children who are visually-impaired around the world. While we have global or regional initiatives that harness the collective strength of our over 950 sites worldwide, much of the work done by our gamechangers is bespoke to the unique needs of their communities.

In 2022, GXO mobilized to support those affected by the war in Ukraine. In addition to monetary donations to support relief efforts, we organized supply donation drives at our sites. We worked with our customers to donate product as well to those in need. All together, we collected, packed, shipped and distributed dozens of pallets (multiple trucks' worth) of goods to help those fleeing conflict. Team members volunteered their time sorting and delivering goods, as well as across various nonprofits. In Romania and Poland, we facilitated transportation of individuals from the Ukrainian border to refugee welcome centers, and several colleagues opened their homes to those displaced. Across GXO, we continue to provide support to our Ukrainian colleagues,
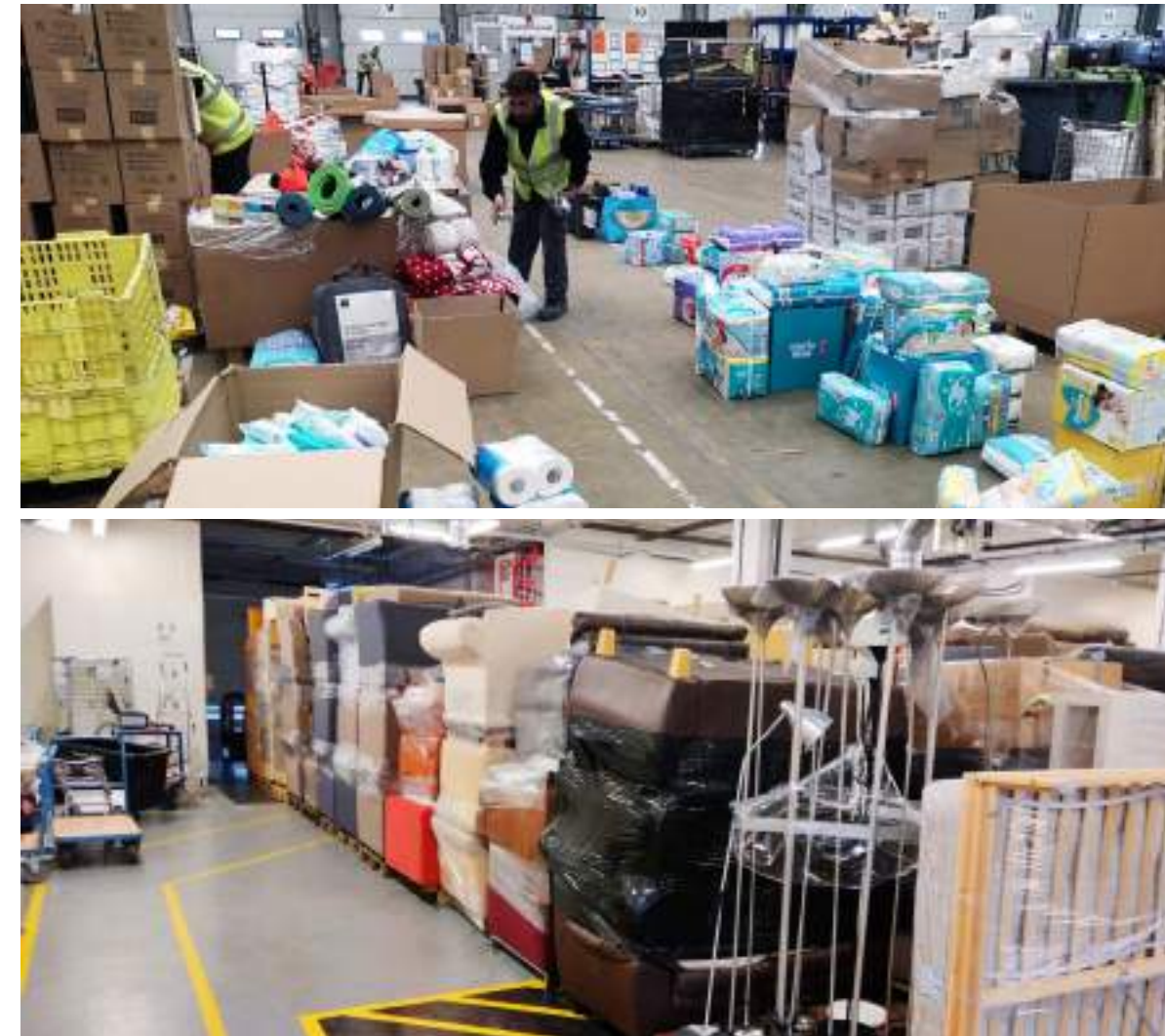
connecting them with resources to relocate their families and identifying work opportunities at GXO for Ukrainian refugees. The response from our team members in the face of ongoing crisis represents the best of GXO and demonstrates our values in action.

Additionally, in late 2022, we continued to expand our United in Giving campaign across the U.K. and Europe. Participating sites collected hundreds of kilograms of foodstuffs, toys and hygiene products destined for local charities and nonprofits. Some sites raised funds directly or donated gift certificates. One employee at our Stoke, U.K., site pledged to walk 500,000 steps and raised over £775 (about $950) from sponsors for the local food bank.

Sites are active throughout the year in helping local communities via donation drives, fundraisers and volunteer events. Our team members impress us daily with their commitment to their communities and other local causes. Initiatives in 2022 included:

- A site in California hosted dunk tanks to raise funds for St. Jude's Children's Hospital. Team members donated funds for the opportunity to dunk the management team. Great fun was had, and hundreds of dollars were raised in this activity that will continue in the coming years.

- Several sites dedicated to three major food and beverage customers in the U.K. donated over 162 metric tons of surplus goods to the Felix Project, Fareshare and The Bread and Butter Thing.

- T-shirts were collected at one of our sites in France to be made into caps for those losing hair due to cancer treatment.

- A site in Maryland collected nearly 1,000 pounds of food for a local food bank.

- A regional cricket match pitted U.K. sites against each other to raise money for a local animal charity.

Spotlight: Turning surplus into sustenance

GXO devised a unique no-cost solution to help a U.K. grocery partner address its problem of excess stock. We set up a company store selling damaged and overstocked perishable items to colleagues at a 75% discount off retail price. We returned the earnings collected from the damaged stock to the customer and donated earnings from the excess stock to local, employee-chosen charities.

Since 2021, three GXO sites have donated £263,000 (about $320,000) to dozens of charities and kept 164 metric tons of food and other products out of landfills, including 40 metric tons of goods donated directly to food banks. Often, charities stay in touch with the sites and participate in GXO family fun days to raise awareness of their services and raise funds.

# Spotlight: Engagement by the numbers in Pennsylvania

One of our sites in Pennsylvania, which opened in 2021, set a goal to volunteer 300 hours in 2022. Through seven events ranging from Earth Day clean-ups to awareness walks to reading to school children, team members contributed 368 hours in 2022—exceeding the goal by 23%. Even more impressive were the site's fundraising efforts: they raised over $12,000 in 2022 for various causes.

Spotlight: Gamechanger lends time and talent to food bank warehouse

GXO employees regularly donate their time to local food banks as part of their charitable giving. In 2022, Piotr Chruściel took this practice to another level.

Piotr works as a forklift operator in the GXO logistics center in Garwolin, Poland. But for one month, GXO sponsored him to share his skills and expertise doing similar work for a local food bank. "I was curious to see what it would be like in another warehouse," said Piotr. "I helped prepare and issue products, sort various goods and prepare sets."

GXO also paid for Piotr's transportation and confirmed the safety of the working conditions. "Through this experience, I learned a lot about being more flexible. It also gave me a sense of agency, having a positive influence on people's lives."
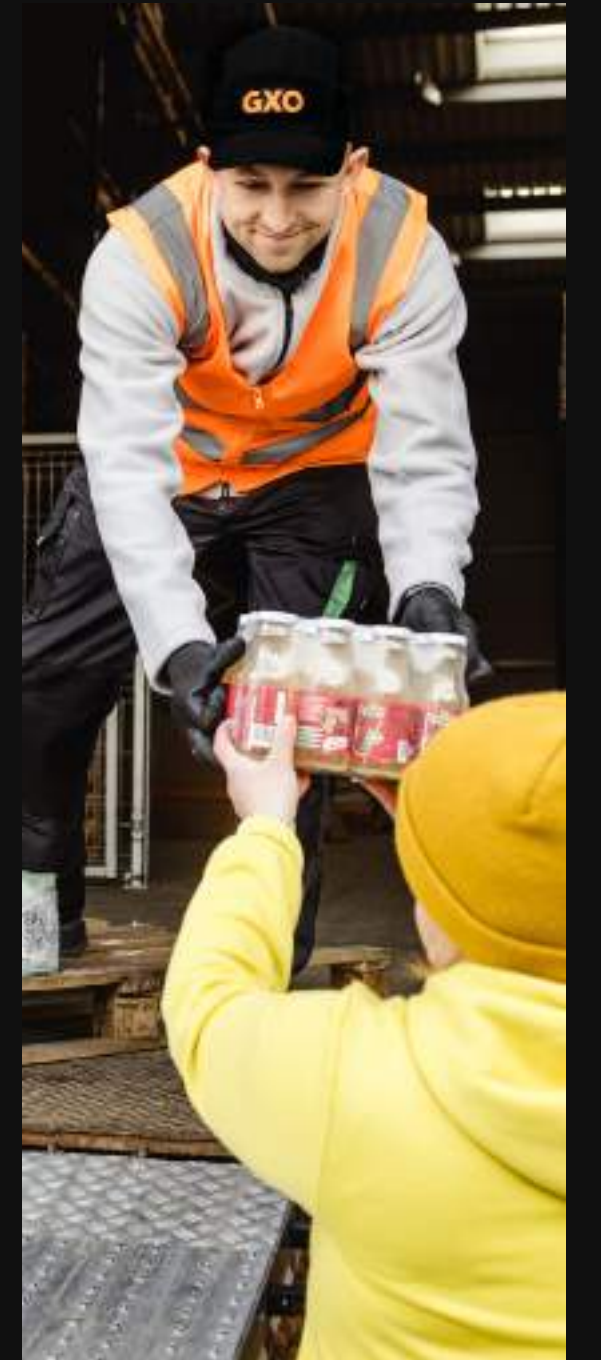
Click the icons below to see more of our work in our communities on our social media.

f twitter in youtube instagram

Governance

Doing business the right way

Throughout our organization and across more than 970 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 130,000 team members worldwide, as well as for our shareholders, customers, and business partners. **Our efforts are demonstrated in the highlights below.**

Launched a new cloud-based tool to enhance Enterprise Risk Management

Launched a global Business Partner Code of Conduct

Delivered a privacy training program to GXO's global team

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Leading
responsibly

79 →

Making the right
decisions every day

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

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

11 SUSTAINABLE CITIES AND COMMUNITIES

17 PARTNERSHIPS FOR THE GOALS

Leading responsibly

GXO's position as an industry leader brings considerable responsibility to set an example in how we operate. Our commitment to doing right by our employees, customers and all other stakeholders begins with our senior leaders. Our corporate values and shared commitment to ESG serve as the North Star for these decisions at the organizational level and across more than 970 warehouse sites worldwide. They guide us to do right by our team members, customers, shareholders and business partners.

Our Board

The **Corporate Governance Guidelines** adopted by the Board provide our company with its governance framework. These guidelines clearly delineate the roles and responsibilities of the Board, management, lead independent director and vice chair. The Board's leadership structure, membership criteria and approach to management evaluations are also governed through these guidelines.

Our Board members have a wealth of experience in corporate governance and strategy from varied professional and personal backgrounds, which enhances the Board's effectiveness. When appropriate, we provide additional training and information on topics such as cybersecurity and mergers and acquisitions by consulting external experts.

Currently, our Board's leadership comprises:

- A lead independent director who supports the Board's oversight responsibilities.

- Industry leaders from various backgrounds whose expertise in specific areas enhances the Board's perspective and understanding.

- Committees of independent directors who facilitate oversight of various risks, including ESG-related risks.

GXO evaluates each committee annually to verify that members meet our guidelines for effective governance practices as well as regulatory standards.

We have numerous guidelines in place to ensure Board members continually exhibit the highest professional standards and prioritize the interests of our stakeholders. This includes disclosure guidelines for transactions and investments with related parties as well as restrictions or limitations on participation in outside governing bodies, such as other corporate boards.

Similar to our focus on diversity in our workforce, we also value the diversity of experiences and perspectives among our Board members. In 2022, we took steps to increase transparency around our Board's diversity. Members and executive directors can now choose to self-disclose their backgrounds and experience, and their pictures are now available on GXO's website.

GXO's Board also implemented a self-evaluation process to assess areas of individual and collective performance improvement. The most common issues pinpointed for improvement were meeting cadence, length of materials and time allotted between meetings to consider decisions.

Spotlight:
An independent and diverse Board

The current composition of GXO's Board reflects our persistent efforts to select nominees based on experience, integrity, independence and diversity.

6 of 8
members are independent

100%
of standing committee members are independent

50%
of members are women

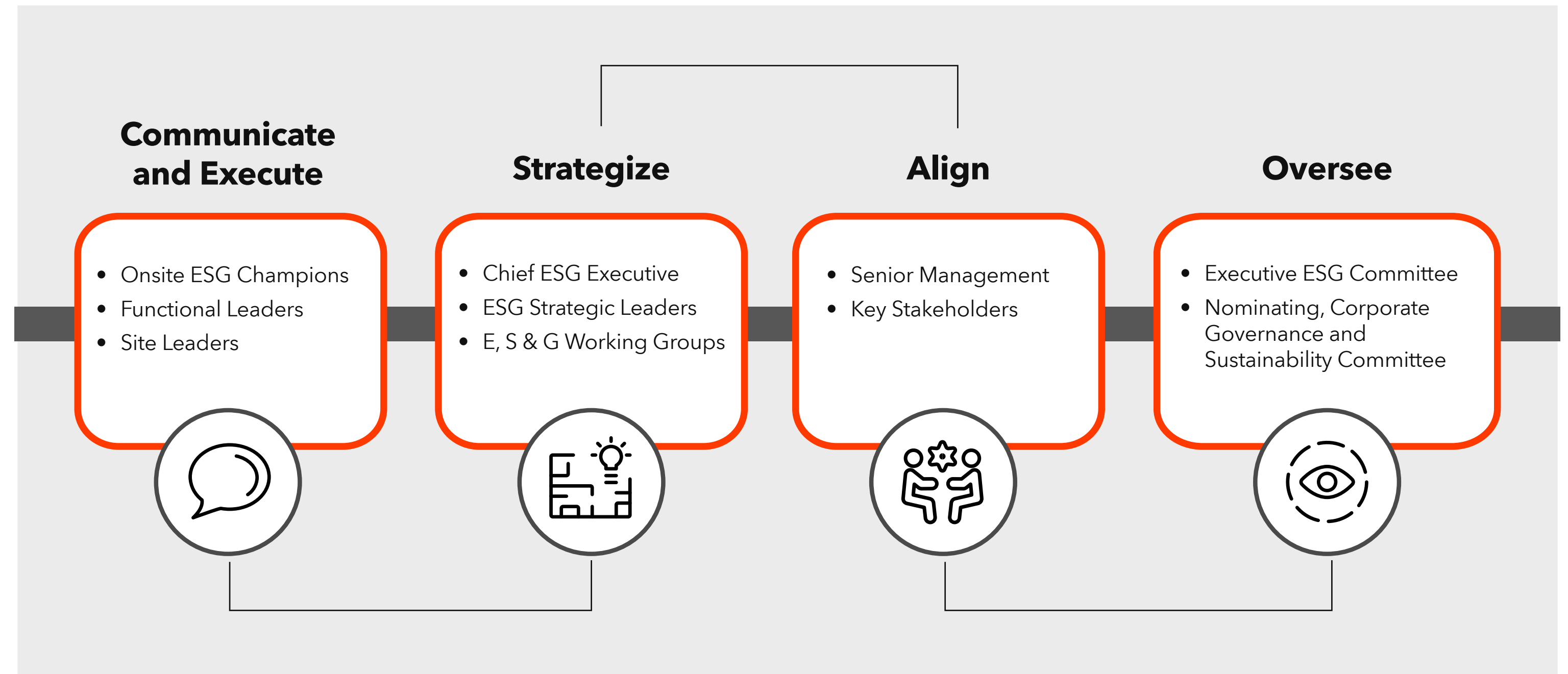**Read more** about our Board in our 2023 Proxy Statement.

Board oversight of ESG issues and strategy

GXO's Nominating, Corporate Governance and Sustainability Committee helps the Board make progress on ESG initiatives and broader governance matters. Specifically, the committee works with the Board to evaluate ESG-related risks, oversee performance and external disclosures and assess its approach to stakeholder and shareholder buy-in on ESG matters.

The committee chair, Joli Gross, provides invaluable guidance and insights from her years of ESG leadership experience. In addition, GXO's Chief Compliance and ESG Officer, Meagan Fitzsimmons, regularly updates the Board on emerging ESG-related concepts and new trends that may impact GXO's business strategy.

The Nominating, Corporate Governance and Sustainability Committee meets regularly with management to track ESG progress. Additionally, the Board is invited to monthly and quarterly meetings to review ESG information and strategies.

Communicate and Execute
- Onsite ESG Champions
- Functional Leaders
- Site Leaders

Strategize
- Chief ESG Executive
- ESG Strategic Leaders
- E, S & G Working Groups

Align
- Senior Management
- Key Stakeholders

Oversee
- Executive ESG Committee
- Nominating, Corporate Governance and Sustainability Committee

Our leadership team

True to our company values, GXO executives work hard to create and sustain a culture that is safe and inclusive, focused on innovation and driven to deliver on our promises. In all that they do, our leaders demonstrate that GXO only knows one way of conducting business: the right way.

Our leadership team comprises a well-rounded group of highly regarded executives with lengthy experience within and outside our company. Several current executives have risen to their positions from GXO's predecessor companies, exemplifying our focus on internal development. Moving forward, we will continue to expand our efforts to create opportunities for those from underrepresented groups to advance into management positions.

Meet our leadership team

Risk management

The Board of Directors, with support from Board committees, maintains responsibility for risk management oversight at GXO. Our Global Risk Committee (GRC), which is chaired by our Chief Compliance and ESG Officer, met quarterly in 2022 to examine and address global risks. The main topics discussed included cybersecurity, evolving regulatory business risks and trade compliance. The committee, chaired by the Chief Compliance and ESG Officer, includes the entire executive leadership team and other senior functional leaders from across the organization.

New for 2022, GXO launched a new cloud-based tool to manage Enterprise Risk Management (ERM). This tool has allowed us to make better use of our existing risk management processes and build on the progress we made in 2021.

As part of this expanded process, our ERM tool allowed for leaders and risk owners across the business to provide both qualitative and quantitative feedback on 88 risks across five categories – operational, strategic, financial, information security and legal & compliance. All inherent and residual risks identified by our ERM are shared with the GRC, and then with the Audit Committee which meets twice yearly on the topic. Through our ERM platform, GXO has one consolidated database to collect, store and access information

about the varied risks that could impact the company. The risk management team, in partnership with our customers and site operations, assesses property risk annually to project and mitigate possible impacts due to climate change. These might include severe weather events such as hurricanes, floods and fires, which are increasing in frequency, necessitating a regular schedule to revisit each property and possible hazards.

Business continuity is a major focus of our risk efforts. GXO has designed a business

continuity strategy to address disaster resilience and recovery. This includes identifying baseline requirements to prepare for possible scenarios and developing recovery strategies to ensure we can mitigate business disruptions as much as possible.

Moreover, each GXO facility has its own business resilience plan to protect processes and continuity. These plans are prepared with the oversight of business groups and site managers and the support of local leaders. They are also submitted for regular audits

and assessments and meet the applicable regulatory requirements in their geographic locations.

The GRC reviews strategies to mitigate, transfer, accept or control risks once identified. Using our ERM risk-prioritization criteria, we assess the potential impact and severity of each risk and focus on both inherent and residual risk.

Making the right decisions every day

Teamwork is a vital ingredient of GXO's success. We achieve outstanding results thanks to a supportive culture and we continually look for ways to build strong relationships with our partners, team members and customers. At GXO, we believe in being fair, honest and respectful in how we treat each other and those outside GXO.

Our values guide us in making the right decisions in all that we do. All team members must align with our high **ethical standards and values**, which include:

- Act with integrity in all business dealings.
- Treat others with dignity and respect .
- Maintain compliance with all laws and regulations.
- Embrace our Code of Business Ethics (**COBE**).

Our COBE covers all aspects of communication with our responsibilities as a company to our customers, investors, each other, the communities we serve and society as a whole. All employees receive and are required to sign the COBE.

As part of our goal to "embed an ethics-driven culture," GXO's Ethics and Compliance Team promotes our COBE internally. They work with Human Resources to make sure all employees receive and understand our COBE. They also make certain that employees receive adequate training around the topics covered in the policy while meeting any applicable regulatory requirements. GXO's Annual Compliance Education (ACE) program is mandatory for all employees and is tailored to their specific roles and locations.

An average of 5 hours of coursework is assigned throughout the year to keep ethics always at top of mind. ACE courses include topics such as ethics, information security, building a respectful workforce and anti-corruption.

Our internal compliance framework dictates the protocol that GXO follows to investigate any suspected violation of our COBE, policies or other applicable regulatory requirements. This includes a full investigation that results in appropriate action, which may include policy changes, process changes, control changes as well as disciplinary action up to and including termination of employment.

The Audit Committee regularly receives reports pertaining to compliance with policies and subsequent actions. That committee also reviews requests for waivers and discloses any waivers that are granted.

Speak up culture

GXO employees are empowered to ask questions and raise concerns about values and ethics and they have a right to do so without fear of reprisal. GXO has clear processes in place to encourage employees and others to speak up with a supervisor, Human Resources or Ethics and Compliance.

Internal and external channels for reporting concerns confidentially and, where legally permissible, anonymously, include:

1 **Ethics Point**, a website administered by a third party and available 24 hours a day, 7 days a week.

2 A toll-free, third-party telephone service available 24/7 in every country in which we operate.

3 A special email account monitored by GXO's Ethics and Compliance Team.

4 Reports sent directly to the GXO Ethics and Compliance Team, supervisors, HR and business leaders.

GXO follows a rigorous framework to address each issue fairly and equitably.

We fully investigate and follow up on every concern. Our process includes an action plan and tracking process for outcomes. In each case, we send reports to pertinent members of management as well as to our Ethics and Compliance Team and Human Resources. We evaluate each report to determine the next steps. Employees are required to cooperate with company investigations to the best of their ability.

Meanwhile, GXO's investigative program is designed to prevent or detect and investigate any potential violations or instances of misconduct. Our Ethics and Compliance Team oversees the internal investigations process, with a network of more than 300 employees supporting their efforts.

We designed our process for internal investigations to deliver clear and conclusive findings. We share these findings securely and efficiently with relevant partners and stakeholders to drive proactive and impactful risk management. The Ethics and

Compliance Team also has a structured review of case findings to ensure findings are accurate and have the appropriate outcomes with the materials and evidence presented.

EthicsPoint, an independent third-party provider, tracks and manages concerns while supplying multiple metrics to aid in our investigative process. These reports are furnished to leadership, the Audit Committee and external auditors when necessary. In addition to these measures, we employ a governance process and ethics and compliance quality assurance measures that complement key functions in HR, safety and security and finance.

Learn more about how we do what we do

Ethics at GXO

Code of Business Ethics

Corporate Governance Policies

Ethical business practices

GXO's COBE and supporting policies articulate our expectations for ethical business practices. They address topics such as human rights, anti-corruption and bribery, anti-discrimination and workplace safety. We also have policies regarding confidentiality for the protection of company intellectual property and assets and anti-competitive rules, parameters to address conflicts of interest and strict protocols on information security.

The Ethics and Compliance Team owns all policies related to ethical business standards. They function under the oversight of the Chief Legal Officer, Chief Compliance and ESG Officer and Board-level committees. The Chief Legal Officer and Chief Compliance and ESG Officer report directly to GXO management and the Board on issues related to these policies.

All GXO locations feature notices in multiple languages advising employees how to report concerns and potential ethics violations. Additional compliance training is made available to employees according to their roles and locations, ensuring integrity and alignment with GXO's way of doing business.

GXO policy strictly prohibits retaliation against any employee for reporting in line with these policies, as outlined under the **"Speak up culture" section**.

Human rights and labor

At GXO, we believe that human rights and the dignity of all people should be respected through our business practices and everyday engagements. We believe our work environment must reflect respect and diversity and that it should be a safe space for all teammates and those with whom we interact. Everywhere we operate, we comply with all laws that govern fair employment and labor practices, which include the freedom of association and collective bargaining. GXO does not tolerate any conduct that contributes to or encourages child labor, human trafficking, forced labor or any other human rights violation.

We are committed to fighting discrimination and harassment and work continually to maintain a healthy and equitable work environment. GXO takes all reports of related infractions seriously, and any employee determined to be guilty of harassment, discrimination or retaliation against coworkers will be subject to disciplinary action up to and including termination. Any unlawful treatment of job applicants, interns or employees by a GXO employee, business partner or customer is strictly prohibited.

GXO supports government policies that combat human rights violations and we expect our customers, suppliers and subcontractors to follow the same standards. In June 2022, the Uighur Forced Labor Prevention Act went into effect in the U.S. This law establishes that goods manufactured, wholly or in part, in the Xinjiang region of China are subject to an import ban due to the presumption that they were manufactured using forced labor.

In keeping with this Act, the importer must prove that no goods were made with forced labor. GXO communicated the restrictions around this Act to the relevant customer base in the U.S. and abroad after completing an internal review of customers and vendors to identify risks.

GXO also contacted clothing customers around the world to remind them of the GXO Modern Day Slavery policy. We worked with their procurement teams to determine that no goods they were buying or handling were manufactured in China's Xinjiang region.

We published our U.K Modern Slavery Statement in June 2022 for the 2021 calendar year. We plan on publishing the statement for the 2022 calendar year in June 2023.

Human rights and labor policies

Code of Business Ethics

No Discrimination Policy

Human Trafficking Policy

Corporate Governance Policies

Third-Party Due Diligence

Modern Slavery Statement

Business Partner Code of Conduct

Supply chain and third parties

GXO looks for opportunities to work with those who share our values. We have high standards for our suppliers and partners and we are committed to doing business the right way.

In November 2022, we codified this commitment by launching our Business Partner Code of Conduct, which was developed by our Ethics and Compliance and Procurement Teams. The Business Partner Code of Conduct communicates the operational expectations we have of our suppliers and subcontractors on issues such as human rights, working conditions, health and safety, the environment, trade compliance, anticorruption and business ethics. It is now integrated and used globally in our onboarding and renewal process for suppliers, as well as being required of existing suppliers, as appropriate.

GXO's Third-Party Due Diligence process helps us recognize and prevent risks, including those related to anticorruption, trade compliance, fair competition and ESG-related issues. The process extends to vendors, agents, customers, contractors and consultants. It also shapes our relationships with any third-party person or entity. GXO's Chief Compliance and ESG Officer manages the Third-Party Due Diligence process. She is supported by oversight from the Audit Committee and several other committees, such as the Global Risk Committee. Compliance is monitored by the Ethics and Compliance Team.

Our due diligence process is risk-based and informed by regulatory requirements and internal risk assessments. For example, we mapped specific risks across our supply chain as part of our compliance with the Duty of Vigilance Plan Law in France. This included identifying the main risks in our operations and industry as well as within our suppliers.

There are several due diligence initiatives in force that relate to our supply chain. These measures vary by risk factors, such as the country and industry of our partners. GXO pays particular attention to geographic locations where there may be increased potential for corruption and the potential for forced labor.

Due diligence procedures must be completed prior to any authorization of work for new third-party partners. These procedures are conducted at regular intervals once a business relationship with GXO begins, depending on the policy guiding the level of associated risk.

The Third-Party Due Diligence Policy is part of our COBE and our associated policies. It's overseen by the Ethics and Compliance Team. However, due diligence is carried out in several different ways across our business and by various teams.

All parties are required to go through standard due diligence, which includes financial and regulatory assessments, as well as restricted party screenings. Certain parties, which are identified in our Third-Party Due Diligence Policy must also submit to a more enhanced level of screening. These parties are identified through risk mapping exercises as entities that may present an increased concern for risks of corruption, bribery and human rights violations.

The enhanced due diligence process includes questionnaires to be completed by the third party and GXO employees who have a relationship with the third party. These questionnaires collect information on topics such as training initiatives, compliance policies, key employees and company ownership.

We calculate a risk score based on the collected data to determine eligibility or if we require more information. The list and categories are kept under review and may change over time.

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

100%
of our suppliers are subject to standard third-party due diligence

Tax and transparency

GXO acts responsibly and with integrity in all tax matters. We are committed to paying the right amount of tax to the proper entity by the deadlines set forth. We hire qualified tax personnel and engage with tax advisors as necessary. GXO does not tolerate tax evasion, nor 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, such as value-added tax (VAT), fuel and fleet taxes.

GXO seeks to comply with all tax rules and regulations on a worldwide basis. Our tax affairs are aligned with and appropriate for our commercial business activities and substantive transactions, such as acquisitions and divestments. Taxes are inherently complex, and where the tax treatment of a particular transaction or activity is unclear, we seek tax advice from reputable, independent external advisors 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.

Protecting privacy and information security

Data privacy and information security have been and remain top business priorities for GXO. One of our ESG goals is to maintain a best in class information security program. As a company focused on technology and innovation, we are able to provide secure systems and data that are integral to protecting our customers and employees. GXO sets forth and follows rigorous processes to protect confidential and proprietary information. Our initiatives protect our company's strategies, operations and business plans as well as employees, customers, suppliers, financial status, trade secrets and any other information that should not be made publicly available.

GXO has reviewed and updated our customer and vendor data processing agreements to reflect changes in legislation and in the standard contractual clauses that govern international data transfers. We have updated and reviewed our intra-company data-sharing agreement to reflect the latest changes in the law and updates to how we process personal data within the organization.
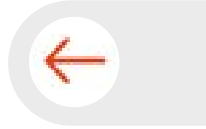
Our Data Protection Policy complies with applicable data protection legislation. GXO's Privacy Team identifies requirements and sets policies, working with coordinators in each country to undertake regular privacy communications and training for employees. In 2022, we delivered a global privacy training program to extend the privacy training that we had previously provided in Europe. We also require vendors, suppliers and contractors to comply with privacy regulations and we regularly monitor their progress.

GXO also monitors and audits our procedures in relation to data management. We track our performance by logging data security incidents at all levels and working with country-level coordinators to understand specific logging access requirements in the region.

Our information security obligations are a priority across all levels of the organization. We focus on integrating

best practices into our daily business dealings and continue to update our knowledge as technology and regulatory requirements evolve. With our additional automation and innovation expansion, we strive to adapt and strengthen our information security systems and processes to meet ever-changing demands.

The Chief Information Security Officer (CISO) leads GXO's global information security team and reports to the Chief Information Officer (CIO). The CISO and CIO maintain oversight and responsibility over all aspects of GXO's information security as they underpin our business management, strategies and priorities. This team partners with leaders from our global regions and reports regularly to the Board of Directors on information security topics.

this standard. We also continually assess our practices against industry-leading frameworks, including the Internet Security Forum. This helps us ensure our systems meet rigid standards and find new opportunities for improvement.

Our program includes components that enhance defense, such as regular testing, cybersecurity exercises, tabletop exercises, audit and maintenance and awareness and training. We've also created a built-in escalation path through consultation with leaders and legal partners to strengthen our response in the event of an incident.

GXO reports material data privacy and information security breaches in our annual 10-K report. In 2022, there were none.

The GXO GRC monitors our global risks, and the information security leader serves on this committee. To identify and manage security risks, the CISO and CIO meet monthly with the larger information technology leadership team.

The information security team provides training across the organization through various channels. These initiatives help employees understand and fulfill their responsibilities in keeping our networks and data secure. The team prepares a variety of training opportunities that include formal training, awareness campaigns, phishing tests and other initiatives depending on the location, access and roles of the employees. To address the increasing sophistication of cyber-attacks, GXO continues to evolve the training methods provided to employees and contractors to deliver the best outcomes. The materials comply with internal information security policies.

We've also increased the number of training opportunities at GXO, with almost weekly drills and tests aimed at avoiding phishing attempts.

GXO draws on best practices to build the elements of information security that support our business. We incorporate guidance from the EU's General Data Protection Regulation (GDPR) and align with the U.S. National Institute of Standards and Technology's (NIST) cybersecurity framework. GXO's controls and operating processes align to ISO27001 certification and we maintain our systems in line with

100%
of employees with network access required to participate in regular information security training

Learn more about how we do what we do

Code of Business Ethics	**GDPR Privacy Policy**
Conflict of Interest Policy	**U.K. Tax Strategy**
Data Protection Policy	**Polish Tax Strategy**
EU Data Retention Policy	**GXO Annual Report**
Third-Party Due Diligence	**Corporate Governance Policies**

Transparency and accountability

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Performance tables

GXO

E S G

About this report

The GXO 2022 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 from January 1, 2022 - December 31, 2022. 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. We also provide disclosures under the Sustainability Accounting Standards Board's (SASB) guidelines for Professional and Commercial Services. 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 TCFD.

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

GRI Content Index

<table>
<tr><td colspan="6" style="background:orange;color:white">Appendix 1. GRI content index in accordance</td></tr>
<tr><td colspan="2">Statement of use</td><td colspan="4">GXO Logistics, Inc. has reported in accordance with the GRI Standards for the period January 1, 2022-December 31, 2022.</td></tr>
<tr><td colspan="2">GRI 1 used</td><td colspan="4">GRI 1: Foundation 2021</td></tr>
<tr><td colspan="2">Applicable GRI Sector Standard(s)</td><td colspan="4">None</td></tr>
</table>

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
General Disclosures						
GRI 2: General Disclosures 2021	2-1	Organizational details	2022 Form 10-K, pp. cover, 1, 5			
	2-2	Entities included in the organization's sustainability reporting	GXO's 2022 ESG Report addresses all of the entities included in its consolidated financial reporting. The GHG accounting related to recently acquired, Clipper Logistics plc, has not yet been integrated into GXO's GHG reporting. Full integration of Clipper will be reflected in GXO's 2023 ESG Report. 2022 Form 10-K, pp, 48-50			
	2-3	Reporting period, frequency and contact point	Sustainability reporting for GXO is in line with its financial reporting period. This report was published on April 27, 2023. For any questions, please contact esg@gxo.com. About this Report, p. 88			
	2-4	Restatements of information	In our efforts towards continuous improvement, GXO identified areas for minor updates in our European energy use, emissions and waste data for which we have restated 2019-2021 data. This included updating emission factors as well as addressing additional learnings following the spin-off from XPO and the related de-integration of systems.			
	2-5	External assurance	Energy consumption, total waste generated, and Scope 1 and Scope 2 emissions data for U.K. and Europe, as well as Americas and Asia Pacific, 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. Additionally, U.K. and Europe also received limited assurance on waste by treatment type and overall diversion rate.			
	2-6	Activities, value chain and other business relationships	What we do, pp. 11-14 2022 Form 10-K, pp 1-4			

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
General Disclosures						
GRI 2: General Disclosures 2021	2-7	Employees	Our employee base does not adjust during seasonal fluctuations Workforce Performance Data, p. 99 2022 Form 10-K, pp. 5-6			
	2-8	Workers who are not employees	We address seasonal fluctuations in demand through hiring contractors to support our warehouse operations. Workforce Performance Data, p. 99 2022 Form 10-K, pp. 10-11			
	2-9	Governance structure and composition	A Letter from the Head of our Nominating and Governance Committee, pp. 7-8 Leading Responsibly, pp. 75-78 2022 Proxy Statement, p. 20 Corporate Governance Guidelines GXO Website			
	2-10	Nomination and selection of the highest governance body	2022 Proxy Statement, p. 23 Nominating, Corporate Governance and Sustainability Committee Charter Corporate Governance Guidelines			
	2-11	Chair of the highest governance body	2022 Proxy Statement, p. 19			
	2-12	Role of the highest governance body in overseeing the management of impacts	2022 Proxy Statement, pp. 23-25 A Letter from the Head of our Nominating and Governance Committee, pp. 7-8 Nominating, Corporate Governance and Sustainability Committee Charter			
	2-13	Delegation of responsibility for managing impacts	A Letter from the Head of our Nominating and Governance Committee, pp. 7-8 Nominating, Corporate Governance and Sustainability Committee Charter			
	2-14	Role of the highest governance body in sustainability reporting	A Letter from the Head of our Nominating and Governance Committee, pp. 7-8 Nominating, Corporate Governance and Sustainability Committee Charter			
	2-15	Conflicts of interest	The Board requires conflicts of interest to be disclosed. 2022 Proxy Statement, p. 27 2022 Form 10-K, pp. 8-18 Corporate Governance Guidelines Related Party Transaction Policy Insider Trading Policy			
	2-16	Communication of critical concerns	A Letter from the Head of our Nominating and Governance Committee, pp. 7-8 Leading Responsibly, pp. 75-78 Making the Right Decisions Everyday, p.p. 79-86 Code of Business Ethics p. 24	2-16-b	Information unavailable or incomplete (specify which, why, steps being taken and timeline)	The number of critical concerns is not currently tracked, but the Board meets with the Leadership Team monthly to provide guidance where needed.

GRI Standard / Other Source	Disclosure	Location/response/comment	Omission		
			Requirement(s) omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-17	Collective knowledge of the highest governance body	2022 Proxy Statement, Skills Matrix, p. 18 A Letter from the Head of our Nominating and Governance Committee, pp. 7-8			
	2-18	Evaluation of the performance of the highest governance body	Since its spin-off from XPO in 2021, GXO has not had to take an action in response to these evaluations. 2022 Proxy Statement, p. 19 Corporate Governance Guidelines			
	2-19	Remuneration policies	2022 Proxy Statement, pp. 31-35, 38-39 Compensation Committee Charter			
	2-20	Process to determine remuneration	As a newly independent organization, it is our plan to connect a portion of executive compensation to the achievement of certain ESG targets in the future. 2022 Proxy Statement, pp. 31-25 May 24, 2022 Form 8-K Compensation Committee Charter			
	2-21	Annual total compensation ratio	2022 Proxy Statement, p. 41, 46	2-21-b	Not applicable	The CEO total compensation decreased significantly from 2021 to 2022, making this disclosure unapplicable for this year.
	2-22	Statement on sustainable development strategy	A Letter from the Head of our Nominating and Governance Committee, pp. 7-8			
	2-23	Policy commitments	Making the right decisions every day, pp. 79-86 Code of Business Ethics Third-Party Due Diligence Business Partner Code of Conduct Human Trafficking Policy See additional Ethics Policies See additional Governance Policies			
	2-24	Embedding policy commitments	Leading Responsibly, pp. 75-78 Making the Right Decisions Everyday, pp. 79-86			
	2-25	Processes to remediate negative impacts	Enabling the circular econmy, pp. 24-35 Reducing our operational footprint, pp. 36-42 Putting safety first, pp. 45-49 Building a culture of belonging, pp. 50-60 Supporting and developing our people, pp. 61-66 Leading responsibly, pp. 75-78 Making the right decisions everyday, p. 79-86 Code of Business Ethics Business Partner Code of Conduct See additional Governance Policies			

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
General Disclosures						
GRI 2: General Disclosures 2021	2-26	Mechanisms for seeking advice and raising concerns	Putting safety first, pp. 45-49 Supporting and developing our people, pp. 61-66 Leading responsibly, pp. 75-78 Making the right decisions everyday, p. 79-86 Code of Business Ethics Business Partner Code of Conduct See additional Governance Policies			
	2-27	Compliance with laws and regulations	Significant instances of non-compliance with laws and regulations would be listed in our 10-K, as required by the SEC. 2022 Form 10-K, p. 19			
	2-28	Membership associations	Corporate Eco-Forum, BCMPA, BFFF, CILT, UKWA, BWA, Cold Chain Federation, Retail Hive, Stowga, Construction Product Association, France Supply Chain, TLF, Polish Supply Management Leader, LEAD Network, AECOC, Asociacion UNO, CEMS			
	2-29	Approach to stakeholder engagement	2022 Proxy Statement, p. 25 How we do it: the ESG difference, pp. 15-21 Supporting and developing our people, p. 65			
	2-30	Collective bargaining agreements	2022 Form 10-K, pp. 5-6 Supporting and developing our people, pp. 65	2-30-b	Confidentiality constraints	Employee agreements are confidential
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Our ESG priorities, pp. 17-18			
	3-2	List of material topics	Our ESG priorities, pp. 17-18			
Diversity & Inclusion						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Building a culture of inclusion, pp. 50-60 Making the right decisions everyday, p. 79-86			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	2022 Proxy Statement, p. 13, 20 Workforce Performance Data, p. 99 Board of Directors			
	405-2	Ratio of basic salary and remuneration of women to men	Gender Pay Gap Report Building a culture of inclusion, pp. 50-60			

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
Talent Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Supporting and developing our people, pp. 61-66 Workforce Performance Data, pp. 99			
GRI 404: Training and Education	404-1	Average hours of training per year per employee	All full-time employees, regardless of their employment location, are offered the full range of GXO employment benefits. Supporting and developing our people, pp. 61-66 Workforce Performance Data, pp. 99			
	404-2	Programs for upgrading employee skills and transition assistance programs	Supporting and developing our people, pp. 61-66			
Information Security						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Making the right decisions everyday, p. 79-86			
GRI 418: Customer Privacy 2016	418–1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Making the right decisions everyday, p. 85-86			
Energy & GHG Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Enabling the circular econmy, pp. 24-35 Reducing our operational footprint, pp. 36-42			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental Performance Data, pp. 97-98			
	302-3	Energy intensity	Environmental Performance Data, pp. 97-98			
	302-4	Reduction of energy consumption	Our ESG priorities, pp. 18 Reducing our operational footprint, pp. 36-42 Environmental Performance Data, pp. 97-98			

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
Energy & GHG Emissions						
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Our ESG priorities, pp. 18 Reducing our operational footprint, pp. 36-42 Environmental Performance Data, pp. 97-98	305-1-c	Not applicable	GXO's operations do not emit biogenic CO2 emissions.
	305-2	Energy indirect (Scope 2) GHG emissions	Our ESG priorities, pp. 18 Reducing our operational footprint, pp. 36-42 Environmental Performance Data, pp. 97-98	305-2-b	Information unavailable or incomplete	GXO does not track market-based emissions.
				305-2-c	Not applicable	GXO's operations do not emit biogenic CO2 emissions.
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance Data, pp. 97-98	305-3-b	Information unavailable or incomplete	GXO does not track market-based emissions.
				305-3-c	Not applicable	GXO's operations do not emit biogenic CO2 emissions.
	305-4	GHG emissions intensity	Environmental Performance Data, pp. 97-98			
Workplace Health & Security						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Putting safety first, pp. 45-49 Supporting and developing our people, pp. 61-66 Creating the future of work, pp. 67-70 Making the right decisions everyday, p. 80-81 Workforce Performance Data, pp. 99			
GRI 403: Occupational Health & Safety 2018	403-1	Workers representation in formal joint management–worker health and safety committees	Putting safety first, pp. 45-49			
	403-2	Hazard identification, risk assessment, and incident investigation	Putting safety first, pp. 45-49 Making the right decisions everyday, p. 80-81			
	403-5	Worker training on occupational health and safety	Putting safety first, pp. 45-49 Supporting and developing our people, pp. 61-66			
	403-6	Promotion of worker health	Putting safety first, pp. 45-49 Supporting and developing our people, pp. 61-66			
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Putting safety first, pp. 45-49 Making the right decisions everyday, p. 80-81			
	403-9	Work-related injuries	Putting safety first, pp. 45-49 Making the right decisions everyday, p. 80-81 Workforce Performance Data, pp. 99			

GRI Standard / Other Source	Disclosure		Location/response/comment	Omission		
				Requirement(s) omitted	Reason	Explanation
Employee Experience						
GRI 3: Material Topics 2021	3-3	Management of material topics	Our ESG priorities, pp. 17-18 Putting safety first, pp. 45-49 Supporting and developing our people, pp. 61-66 Creating the future of work, pp. 67-70 Workforce Performance Data, pp. 99			
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. 61-66			
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	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 work councils or employee representatives are present only after engagement with those works councils and employee representatives.			

SASB Index

SASB Reference Table		
SASB Code	**Accounting Metric**	**2022 Cross-Reference or Answer**
Professional & Commercial Services		
Data security		
SASB - SV-PS-230a.1	Description of approach to identifying and addressing data security risks	Making the right decisions every day, pp. 85-86
SASB - SV-PS-230a.2	Description of policies and practices relating to collection, usage, and retention of customer information	Making the right decisions every day, pp. 85-86
SASB - SV-PS-230a.3	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	Except as required by law, GXO does not report this information. For more information on how GXO manages and mitigates against potential cyber security threats, please see Protecting privacy and information security, pp. 85-86
Workforce Diversity & Engagement		
SASB - SV-PS-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	Workforce Performance Data, pp. 99 2022 Proxy Statement, Directors & Committees of the Board and Committee Membership, pp. 13
SASB - SV-PS-330a.2	(1) Voluntary and (2) involuntary turnover rate for employees	GXO does not publicly disclose this information.
SASB - SV-PS-330a.3	Employee engagement as a percentage	Supporting and developing our people, p. 65
Professional Integrity		
SASB SV-PS-510a.1	Description of approach to ensuring professional integrity	Making the right decisions every day, pp. 79-86 Code of Business Ethics Corporate Governance Highlights
SASB SV-PS-510a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	Legal proceedings are discussed in Part 1, Item 3 Legal Proceedings of our 2022 Form 10-K.
Activity Metrics		
SASB SV-PS-000.A	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	Workforce Performance Data, pp. 99
SASB SV-PS-000.B	Employee hours worked, percentage billable	This metric is not applicable to GXO's employment practices.

Performance tables

Environmental[1]

	2019	2020	2021	2022
Emissions intensity (Scope 1 & 2)[2]				
Emissions by net revenue (metric tons CO_2e per million USD in revenue)	61.26	58.16	42.98	36.59
Emissions by net revenue (kg CO_2e per USD in revenue)	0.06	0.06	0.04	0.04
Greenhouse gas emissions[3,4]				
Total Scope 1 & 2 GHG emissions, global (metric tons CO_2e)[5]	373,340	360,300	341,239	308,220
Scope 1, global	230,442	232,744	214,169	198,128
Americas and Asia Pacific	45,445	35,108	36,876	34,132
U.K. and Europe	184,997	197,636	177,293	163,996
Scope 2, global	142,898	127,557	127,070	102,984
Americas and Asia Pacific	82,117	75,184	74,419	57,480
U.K. and Europe	60,781	52,373	52,651	45,504
Scope 3, global (business travel)[6]				5,863
Americas and Asia Pacific				3,058
U.K. and Europe				2,805

	2019	2020	2021	2022
Energy intensity (Scope 1 & 2)[2]				
Energy consumption by net revenue (kWh of electricity consumed per million USD in revenue)	80,974	75,077	58,938	51,020
Energy consumption within the organization[7,8]				
Total electricity, consumption, global (kWh)	493,455,176	465,102,305	467,967,987	429,790,184
Percentage renewable electricity	4.83%	5.71%	6.34%	6.88%
Americas and Asia Pacific	184,358,701	179,673,081	185,550,594	160,113,529
Percentage renewable electricity	0.00%	0.00%	0.00%	0.00%
U.K. and Europe	309,096,475	285,429,224	282,417,393	269,676,655
Percentage renewable electricity	7.72%	9.32%	10.50%	10.97%
Total fuel used by fleet, global (liters)[9]	64,825,727	71,039,065	60,513,131	60,198,773
Americas and Asia Pacific	475,355	633,335	276,016	6,275,959
U.K. and Europe	64,350,372	70,405,730	60,237,115	53,922,814
Total gas consumption excluding vehicles and air transport, global (m³)[10]	18,418,542	16,824,405	18,201,501	15,835,425
Americas and Asia Pacific	12,947,352	11,314,123	11,434,493	10,286,684
U.K. and Europe	5,471,190	5,510,282	6,767,008	5,548,741

[1] Data disclosed is for the associated year ended December 31 and does not include legacy Clipper data. In 2023, we'll be working to ensure that environmental baselines and associated performance metrics align with significant business changes in 2022.
[2] 2022 net revenue basis excludes revenue related to acquisition of Clipper, which as $569 million.
[3] GHG emissions calculated using GWP rates from the IPCC and country and source-specific emissions factors. For more information, see GRI 2-5 in the GRI Content Index.
[4] GXO has not included legacy Clipper Scopes 1 & 2 data in its overall environmental performance unless otherwise noted. Legacy Clipper's environmental data will be integrated into GXO's reporting in 2023. For calendar year 2022, legacy Clipper's scope 1 & 2 emissions totaled 29,065 metric tons.
[5] In the first quarter of 2022, GXO deconsolidated a 50% owned joint venture. Emissions and revenue from that deconsolidated entity are therefore not included in GXO's reporting as of Q2 2022. Our reported scope 1 & 2 emissions include the deconsolidated entity, for Q1 2022 (7,109 metric tons). No other data is from the deconsolidated entity is included in this report.
[6] Air and rail travel as reported by our corporate business travel providers and excludes business travel booked directly with other companies.
[7] In our efforts towards continuous improvement, GXO identified areas for minor updates in our European energy use, emissions and waste data for which we have restated 2019-2021 data. This included updating emission factors as well as addressing additional learnings following the spin-off from XPO and the related de-integration of systems.
[8] Verification and limited assurance for energy consumption, scopes 1 & 2 emissions, and total waste data was provided by Grant Thornton for 2022 on a sample basis for both U.K and European and Americas and Asia Pacific data. Additionally, U.K. and Europe also received limited assurance for waste by treatment type and overall diversion rate for 2022.
[9] Represents total diesel fuel within GXO's global fleet operations. Americas and Asia Pacific data for 2022 includes diesel used in our limited dedicated fleet that was previously thought to pertain to XPO following the spin-off in 2021.
[10] Represents total natural gas used by GXO's global facilities.

Waste	2019	2020	2021	2022
Total waste associated with operations, global (metric tons)	128,749	135,061	156,796	150,610
Non-hazardous waste, global	120,193	127,429	151,205	140,274
Americas and Asia Pacific	38,670	40,586	59,141	44,662
U.K. and Europe	81,523	86,843	92,064	95,611
Hazardous waste, global	8,555	7,632	5,590	10,337
Americas and Asia Pacific	62	45	152	19
U.K. and Europe	8,493	7,587	5,438	10,318
Total waste sent to landfill, global (metric tons)[12]	36,969	38,998	34,030	29,908
Americas and Asia Pacific	22,923	28,349	20,063	23,580
U.K. and Europe	14,046	10,649	13,967	6,328
Total waste diverted from landfill, global (metric tons)[12]	83,223	88,431	117,177	110,379
Americas and Asia Pacific	15,746	12,237	39,080	21,096
U.K. and Europe	67,477	76,194	78,097	89,283
Landfill diversion rate, global (%)[12]	69.24%	69.40%	77.50%	78.69%
Americas and Asia Pacific	40.72%	30.15%	66.08%	47.22%
U.K. and Europe	82.77%	87.74%	84.83%	93.38%

[12] Refers to non-hazardous waste only.

Facilities[13]	2019	2020	2021	2022
Total number of operating facilities	756	785	913	979
Customer-owned or leased (and operated by GXO)	257	280	323	372
Americas and Asia Pacific				120
U.K. and Europe				241
GXO-owned or leased	499	505	590	607
Americas and Asia Pacific				254
U.K. and Europe				292
LED coverage, global (%)[14]			47%	61%
Americas and Asia Pacific			45%	47%
U.K. and Europe			50%	75%
Total legacy Clipper sites				72

[13] Number of facilities as of December 31, 2022. Legacy Clipper sites are listed separately from "Customer-owned or leased" and "GXO-owned or leased".
[14] LED coverage is based on GXO-owned or leased facilities and does not include legacy Clipper sites, which will be integrated in 2023 data.

Social[1] - Workforce

	2019	2020	2021	2022
Workforce[2,3]				
Total employees	57,560	61,339	74,903	79,138
Permanent	55,544	57,511	71,590	76,638
Temporary[4]	2,016	3,828	3,313	2,500
Full-time[5]	52,239	55,431	67,716	71,656
Part time[5]	5,321	5,908	7,187	7,482
Contractors	28,921	36,595	42,803	40,214
Legacy Clipper FT Permanent Headcount				10,110
Employees by region[5]				
Americas and Asia Pacific	21,955	21,430	23,797	25,107
U.K. and Europe	35,605	39,909	51,106	54,031
Employees by gender[5]				
Women	19,381	21,117	25,843	25,922
Men	37,836	40,162	48,966	53,092
Not disclosed	343	60	94	124
Employees by age[5,6]				
<30	N/A	13,375	16,038	16,082
30-50	N/A	31,915	38,498	40,779
50+	N/A	16,049	20,367	22,119

Social[1] - Talent and Learning

	2019	2020	2021	2022
Employee development				
Total learning hours[2]	899,937	722,967	1,049,385	1,215,773
By gender				
Women	266,814	254,404	395,517	365,589
Men	633,037	468,472	653,705	849,741
Not specified	86	90	163	444
Average learning hours per employee	15.6	11.8	14.0	15.4
Average training and development spend per employee ($)	$449	$386	$325	$392

[1] Data disclosed is for the associated year ended December 31
[2] Learning hours excludes contractor training.

[1] Data disclosed is for the associated year ended December 31
[2] Headcount is used except for contractors in U.K. and Europe, where it is FTE
[3] Headcount data does not include legeacy-Clipper employees.
[4] Data is for fixed-term employees in U.K. and Europe only
[5] Data does not include contractors
[6] Date of birth data was not available for 158 employees

Social[1] - Health and Safety

	2019	2020	2021	2022
Employee Health and Safety[2]				
Employee total recordable incident rate (TRIR)				
Americas and Asia Pacific	1.2	1.3	1.5	1.5
Employee fatality rate				
Americas and Asia Pacific	0	0	0	0.03
U.K. and Europe	0	0	0	0
Lost time incident rate (LTIR)[3]				
Americas and Asia Pacific	0.8	1.0	1.3	1.26
U.K. and Europe[4]	2.6	2.5	2.6	2.4
Fleet Safety				
Crash rate (per thousand miles)	-			
Americas and Asia Pacific	N/A	N/A	N/A	N/A
U.K. and Europe	2.6	1.7	2.6	3.1
Number of road accidents and incidents	-			
Americas and Asia Pacific	-	-	45.0	29.0
U.K. and Europe	665.0	424.0	804.0	1,112

[1] Data disclosed is for the associated year ended December 31

[2] Rates are calculated based on 200,000 hours worked.

[3] Lost time calculated as DART (days away, restricted, or transferred).

[4] Rates take into account statutory requirements in various U.K. and European countries for time off after an incident.

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 targets of (i) 80% global operations using LED lightning by 2025, (ii) 80% global landfill diversion rate by 2025, (iii) 50% renewable energy globally by 2030, (iv) reducing greenhouse gas emissions (Scopes 1 & 2) by 30% by 2030 vs. 2019 baseline, (v) 100% carbon neutral (Scopes 1 & 2) by 2040, (vi) reducing Total Recordable Incident Rate by 15% vs. 2022 baseline in Americas and Asia Pacific operations, (vii) reducing Lost Time Incident Rate by 15% vs. 2022 baseline in U.K. and European operations. 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:

Spotlight stories

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Rejuvenating fashion →

Refurbishing appliances delivers social and environmental benefits →

Upcycling saves money and minimizes waste →

GXO helps major supermarket chain steer waste away from landfills →

Reducing polyethylene waste for a premier fashion brand →

Using lithium batteries in forklifts →

Safety cards →

Safety committees empower employees →

Launching our first business resource groups →

Belonging weeks →

New event builds momentum for DI&B →

Get to know Chuck →

GXO extends partnership with Groupe SEB in the U.K. →

Turning surplus into sustenance →

Engagement by the numbers in Pennsylvania →

Gamechanger lends time and talent to food bank warehouse →

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GXO

Logistics at full potential