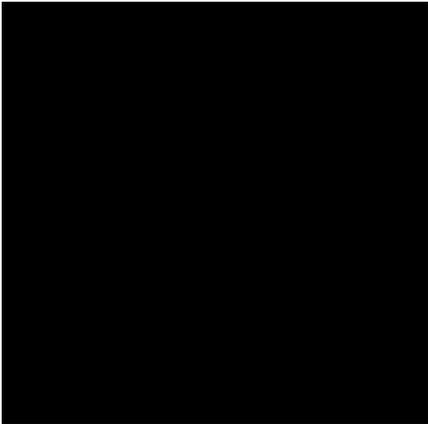


IMPLEMENTING UNITED NATIONS GLOBAL COMPACT PRINCIPLES IN XPO LOGISTICS EUROPE



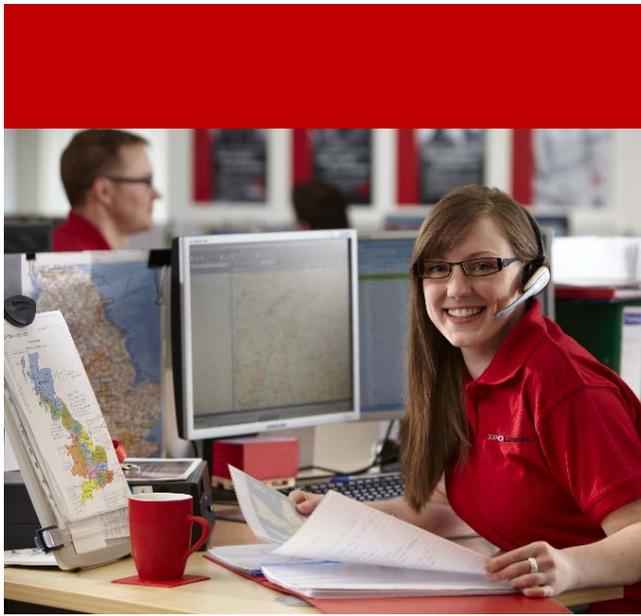
2016
COMMUNI-
CATION ON
PROGRESS



XPOLogistics

Since June 2015, Norbert Dentressangle SA has been XPO Logistics.

This document reflects the commitment and actions taken in 2015 by the European operations of XPO Logistics.



STATEMENT OF CONTINUED SUPPORT

To our stakeholders:

I am pleased to confirm that XPO Logistics Europe reaffirms its support of the 10 Principles of the UN Global Compact.

In this annual Communication on Progress, we describe our actions to continually improve integration of the Global Compact and its principles into our business. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely,

Troy Cooper, CEO of XPO Logistics Europe

HUMAN RIGHTS

PRINCIPLE 1:
BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF
INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

PRINCIPLE 2:
MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES



OUR COMMITMENT

- Operating each and every day, everywhere across our business, while respecting all human rights laws;
- Promoting, inside our organization, respect of rules, legislation and all human rights;
- Making sure that key subcontractors operate while respecting human rights laws;
- Promoting within our sector, and increasing customers' awareness of, rules, legislation and all human rights.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Code of ethics

All newly hired or integrated (through a new company acquisition) managers are given the Group's "Code of Ethics" and a "Rules and key procedures handbook" which sets out in detail – in the form of a practical guide – the fundamental rules they must respect in the day-to-day performance of their work, particularly on issues concerning corporate ethics, integrity and compliance with the legal and organizational framework.

Key outcome

All XPO Logistics Europe managers receive an updated version of the "Code of Ethics" and "Rules and key procedures" handbook. They must confirm receipt and commit to respecting the rules they contain. Last version is dated 2014 and has been circulated to the 1,000 key managers.

General common HR principles and policy

Our business is widespread and our model is also based upon external growth. With all that this entails in terms of the integration of new people, with new practices and new values, we have set up common general principles, policies and standards in human resources management, all based on respect of rules, legislation and human rights.

Key outcome

*XPO Logistics Europe has introduced a CSR independent audit procedure carried out by several organization including **SEDEX**, reviewing ethical and HR practices of various branches : **98.4% compliance in 2015.***

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Internal audit

The internal audit department dedicates part of its time to verifying that internal procedures and policies relating to laws, regulations and human rights are fully and efficiently enforced throughout the Group. It also verifies that common HR standards, principles and policies apply across the Group.

Key outcome

A general country audit is completed on average every 2 years, which includes a review of HR processes and assessment of the working environment for employees. In 2015, 29 audits were completed across the Group's subsidiaries.

Subcontractors' procedure

Our procedure follows a two-step approach:

- Make key subcontracted businesses subject to prior standardized checks to ensure compliance with rules, legislation and human rights.
- Encourage every operational manager to certify key subcontractors and to undertake regular audits.

Key outcome

Use of subcontractors is mainly linked to the performance of transport activities, for which it is a common and necessary market practice. A dedicated policy has therefore been introduced and is implemented directly by the Transport Solutions Business Unit. New XPO transport subcontractors have to sign the Subcontractors' Charter and meet the requirements set out in XPO Logistics' general purchasing conditions, which define the quality and safety standards with which any transporter chartered by the Company must comply. The Transport Solutions Business Unit has also set up a "Transport Subcontractors" data base, which involves staff priority use of previously approved, classified and monitored suppliers. This enables ongoing compliance controls to be performed on its approved subcontractors. The Internal Audit department regularly conducts audits of XPO Logistics' procedures for managing subcontractors.

LABOR

PRINCIPLE 3:

BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4:

THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOR

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOR

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION



OUR COMMITMENT

- Our company considers its human resources as its first and main asset and is therefore committed to managing them in line with three key values: fairness, respect and trust;
- Our company considers different perspectives to be an asset and an opportunity and therefore encourages diversity;
- Our company guarantees freedom of association and expression of employees' ideas and opinions through social dialogue and close local management;
- Our company will never tolerate any form of forced or compulsory labor, nor any form of child labor within our organization or our subcontractors' organizations;
- Our company considers that it can play a significant role in social integration (due to the profile of its work) and invest in developing its human resources through training and through a policy of internal promotion.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

General common HR principles and policy

HR policies have established proper pre-hire checks and work contracts as the absolute minimum requirement everywhere across the business.

To foster internal promotion, our company gives priority to internal candidates to meet any recruitment needs. XPO Logistics Europe also runs a talent development training program to maximize its chances of receiving internal applications.

Key outcome

Our objective is to have 100% of our managers trained to improve their management, communication and social dialogue skills through a specific training program called "Red Management". By the end of 2015, more than 2,800 managers in the company's various entities had had the opportunity to follow this program.

In 2015, 691,976 hours of training were provided. XPO Logistics Europe spent €13 million, or 1% of total staff costs, on staff training. Employees spent an average of 17 hours on training during the year.

XPO Logistics Europe has made internal job mobility a recruitment priority. Some 60% of our key positions are filled through internal promotion. In Logistics in 2015, for example, more than 3 out of 5 team leaders, and 4 out of 5 operating managers have been promoted in house. In both Transport and Logistics, 2 out of 3 site managers have also been promoted in house.

Code of ethics – Delegation of authority and key procedures

Newly appointed or hired (or integrated) managers, in particular, are made aware of their responsibility to respect and enforce HR principles, standards and policies, as well as regarding the building of quality social dialogue.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Combating discrimination

HR principles clearly set out the restrictive criteria upon which decisions on human resources (hiring, pay raises, promotion, disciplinary measures and access to training) can be based: track record, skills, past career and experience.

The issue of integrating and supporting employees with disabilities is covered by decentralized policies in each country and area of activity. These policies aim in particular to increase the number of people with disabilities employed by XPO Logistics Europe. As regards equivalent posts and skills, the company's aim is to reduce the pay gap between men and women to less than 10% by 2016, particularly by monitoring this indicator more closely within the framework of pay review cycles.

Key outcome

Steps taken to employ and support disabled people

To maximize impact, the matter of employing and supporting disabled people is covered by specific policies according to each country and business. The policies aim to increase employment of disabled people.

In the French Supply Chain Business Unit, this issue is covered in a signed agreement with the staff representatives, which includes the following commitments:

- *Increase recruitment and training of disabled people so as to improve retention and access to jobs;*
- *Develop training courses and internships, increase use of companies operating in the French 'protected sector' as well as temporary disabled staff by working with relevant agencies;*
- *Support disabled staff to be "RQTH" certified (French abbreviation for the Recognition of the Quality of a Disabled Worker) and at their place of work within the company;*
- *Strive to retain disabled people in employment.*

In France, XPO Logistics, together with the charity Ares, has also set up a unique organization in the form of a joint venture for charitable purposes: Log'ins. The Company aims to train disabled or unqualified Logistics workers so as to allow them to subsequently work for the Company, supported by individual social aid (for housing, access to healthcare, mobility etc.) and professional support.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Management and social dialogue principles

Responsibility for leading social dialogue is given to local operational managers.

By empowering local managers, we provide quick, relevant and appropriate answers to local employees' concerns and issues, in line with the local reality - this guarantees the quality, fairness and efficiency of our social dialogue.

XPO Logistics Europe gives its social partners a bigger voice and a broader picture of the company, its activities, its economic health and its perspectives in terms of activity and employment through a European social dialogue body - the XPO European Work Council - and through a French social dialogue body covering the whole Group - the XPO Group Committee.

Key outcome

Most of the countries in which XPO Logistics Europe operates have local employees' representation bodies with whom it has regular and constructive dialogue (the absence of formal employee representation bodies is due to the very limited number of employees in some countries). In 2015, 238 negotiating meetings were held with staff representatives throughout the company. 52% of XPO Logistics Europe's employees are covered by a collective bargaining agreement or similar agreement.

Internal audit

Internal audit reviews encompass common HR standards, principles and policies, checking compliance across the company.

Key outcome

On average, each country is audited at least once every two years. In 2015, 29 audits were completed, covering various countries and processes. In 2016, we are planning to conduct less audits due to the implementation of Sarbanes Oxley (SOX) legislation. Audit visits include observing whether the procedures in place ensure respect of labor principles in the working environment.

ENVIRONMENT

PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES



OUR COMMITMENT

- With the largest owned and operated fleet of heavy goods vehicles in Europe, XPO Logistics Europe makes a priority of reducing each truck's environmental impact and, in particular, its carbon footprint. Having been a partner of the French Environment and Energy Management Agency (ADEME) for the past ten years, our two focuses are constantly improving the CO₂ emissions performance of transport and using innovation to cut emissions.
- XPO Logistics Europe has also set an exacting standard for the environmental management of its sites, which is applied to all its logistics platforms.
- XPO Logistics Europe trains its teams and provides itself with the most up-to-date equipment and infrastructures, thus ensuring a very high level of safety, both on the road and in the warehouse, as regards the storage and handling of goods.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Reducing pollutant emissions

To meet its commitments, XPO Logistics Europe has introduced an action plan covering the following: reducing vehicle fuel consumption, training drivers in responsible eco-driving, experimenting with new engines using alternatives to diesel such as the diesel-electric hybrid or natural gas (NGV or LNG), and optimizing transport flows organization with the aim of always using the most appropriate transport route, from a financial and environmental point of view – road, rail, river or short sea.

Key outcome

The company has been measuring its carbon footprint since 2005 and has been committed to curbing CO₂ emissions since 2008 under the CO₂ Charter – the first instrument for cutting road transport CO₂ emissions, which was introduced by the French Environment and Energy Management Agency (ADEME). In 2009, the company introduced its own CO₂ calculator (now part of its service offering), which allows us to calculate carbon footprints for each customer and for each transport operation. In 2014, XPO Logistics Europe once again collaborated with the ADEME in drawing up a new standard to certify transporters' performance with a "CO₂ Label".

Our Group has the most modern and environment-friendly fleet in Europe. The fleet is 97% compliant with Euro V, EEV and Euro VI standards, and each truck is on average 2.5 years old. In 2015, the company has introduced its first LNG-powered tractors. Major programs implementing this technology are underway in 2016.

XPO Logistics Europe monitors its direct greenhouse gas emissions (fuel and gas) as well as its indirect energy related emissions (electricity). It is also able to estimate the emissions of its operations executed by subcontractors. XPO Logistics Europe is currently working on 14 measures that fall within the four areas of improvement defined under the "CO₂ Label": vehicles, drivers, fuel and transport flows organization.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Key outcome

XPO teams have performed more than 31,550 multimodal transport operations (in Twenty-Foot Equivalent Units – TEU), including 34% by river-road, 40% by road-rail and 26% by shortsea; i.e. a 100% increase in volumes compared with the number of operations performed in 2010.

*In 2015, XPO Logistics Europe has improved again its performance by reducing by 1.6% its CO₂ emissions: 61.17 grams of CO₂ per tonne.km (versus 62.16 gr/T.km in 2014). **Since 2010, XPO Logistics Europe has saved 70,200 tons of CO₂.***

Environmental management of sites

Our approach as a company includes complying with regulations; monitoring and measuring energy consumption, discharges into water and noise pollution; recycling and re-using waste, and raising the awareness of our employees and partners.

Key outcome

XPO Logistics Europe is engaged in an ISO 14001 certification process to control and meet the highest standard in the environmental field. In 2015, 50% of the company sites were ISO 14001 certified.

89% of the Supply Chain business unit's waste was treated and 78% recycled.

XPO Logistics Europe also measures water consumption at each of its facilities and monitors differences in order to implement the required corrective measures. In 2015, thanks to this close monitoring, water consumption was reduced by 13.9%. Around 4% of the Supply Chain Business Unit's facilities are equipped with rainwater collection systems.

All new sites built by the Group are low-energy buildings or high-performance energy buildings. The Transport Solutions head office is now ISO 50001 certified (energy management system certification).

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Safety on the road and in the warehouse

As early as 1991, our Group created its own tool, the “Safe Driving Plan”, which provides guided induction, training and work for all employees dealing directly or indirectly with road risks (from drivers to top managers). This tool is used in all of XPO Logistics Europe’s subsidiaries.

XPO Logistics Europe has also been a member since 2009 of the “European Road Safety Charter” supervised by the European Commission.

Key outcome

Thanks to the company’s investment in road safety, by the end of 2015, a XPO driver drove an average of 700,000 km without causing an accident – an improved performance that is significantly higher than the average for the profession. 100% of our drivers are trained under the Safe Driving Plan and to use eco-drive (rational driving) techniques.

ANTI-CORRUPTION

PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY



OUR COMMITMENT

- XPO Logistics Europe is committed to opposing any form of corruption inside or outside the company (by suppliers, customers or any other organization).
- Our governance rules and procedures include the protection of our company against corruption and bribery cases.

IMPLEMENTATION (SYSTEMS & TOOLS) KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

Code of ethics – Delegation of authority and key procedures

Newly appointed or hired (or integrated) managers are especially made aware of XPO Logistics Europe strict rules on any form of corruption, as set out in its “Code of Ethics” and “Rules and key procedures” handbook. This includes a warning as regards any form of gift they might receive from any organization, and they are asked to refuse any gifts over a specified or reasonable amount. The decision-making and selection process is submitted to several levels of validation, which helps to protect against corruption.

Key outcome

A Risk Committee has been set up at company’s level to ensure XPO’s development complies with key rules and procedures; including rules and procedures strictly prohibiting bribery and corruption.

On average, each country is audited at least once every two years. The audit department reviews processes and procedures in place whilst auditing, and refers to the “Rules and key procedures” company guidance with regards to bribery and corruption.

Additional measures are being introduced to further increase awareness and to bolster legal and regulatory compliance in this key area, including the addition of anti-corruption as a mandatory item for the Risk Committee, Audit Committee, and high-level executive meetings’ agendas to enable constant monitoring and review across the business; the design and roll-out of a dedicated training program aimed at country executive teams (and to be extended to on-site teams as a next step); and the development of specific guidance on prohibited facilitation payments.

ANTI-CORRUPTION

IMPLEMENTATION (SYSTEMS & TOOLS)
KEY 2015 OUTCOMES (ACTIONS & PERFORMANCE)

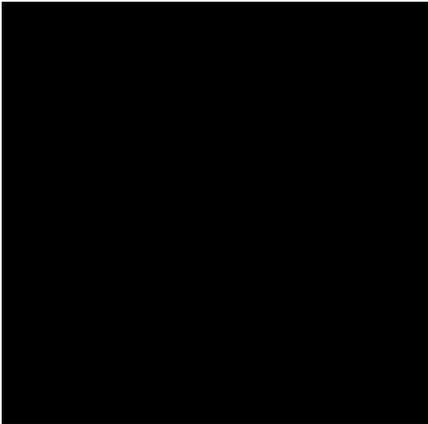
Commercial policy

The company's commercial policy featuring in the "Rules and key procedures handbook" clearly prohibits any form of corruption to win new business.

Key outcome

The company's commercial policy has been given and explained to 100% of our commercial staff.

IMPLEMENTING UNITED NATIONS GLOBAL COMPACT PRINCIPLES IN XPO LOGISTICS EUROPE



2016
COMMUNI-
CATION ON
PROGRESS



XPOLogistics