



## **XPO Logistics – Slavery and Human Trafficking Statement for the year ending 31<sup>st</sup> December 2019**

### **Our Commitment:**

This statement is made by XPO Supply Chain UK Limited, XPO Transport Solutions UK Limited, XPO Maintenance UK Limited and XPO Bulk UK Limited (together referred to as “XPO”) operating in the UK as part of the XPO group of companies, pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes XPO’s slavery and human trafficking statement for the financial year 1 January to 31 December 2019.

Our culture at XPO is about achieving results through teamwork, which requires us to perform to the highest standards of business conduct at all times. As a global leader in our industry, we endeavour to set an example which is beyond reproach.

We are committed to:

- Acting with integrity in all of our business dealings
- Treating each other with dignity and respect
- Complying with all applicable policies, laws and regulations
- Upholding our commitment to the “Integrity Matters” XPO Code of Business Ethics

XPO is committed to conducting business in a manner that respects human rights and the dignity of all people. We acknowledge our responsibilities in accordance with the Modern Slavery Act 2015 (the “MSA”) and we do not tolerate any conduct that contributes to, encourages or facilitates human trafficking, child labour, forced or compulsory labour, or any other human rights abuses.

### **Business Structure:**

XPO is a top ten global logistics business. We run our business as one, highly integrated network of people, technology and physical assets in 30 countries, with 97,000 employees and 1,506 locations. We use our network to help customers manage their goods more efficiently throughout their supply chains.

XPO Logistics, Inc., headquartered in Greenwich, Connecticut, US, is the parent company of the XPO group.

Within Europe, we operate in 17 countries: Belgium, Czech Republic, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Romania, Russia, Slovakia, Spain, Switzerland, and the United Kingdom. Within the UK, we have five main operating companies employing approximately 22,500 employees at the end of 2019.

### **XPO’s Operations and Supply Chains:**

XPO has two reporting segments: logistics and transportation. Within these segments, the business is diversified by geographies, verticals and types of service.

In our logistics segment, we provide a range of supply chain services, including highly engineered solutions and high-value-add contract logistics. We perform e-commerce fulfilment, reverse logistics, factory and aftermarket support, packaging and labelling, distribution and managed transportation.



In our transportation segment, we provide freight brokerage, last mile, expedite, intermodal, drayage, less-than-truckload, full truckload, and global forwarding services. We have a strong franchise in each of our service offerings, including leading positions in fast-growing areas such as e-fulfilment.

Our supply chains are extensive given the global reach of our operations. Within the supply chain, the key areas are labour (including sub-contract labour and agency workers), warehousing facilities, vehicles and equipment.

### **Steps Taken to Proactively Prevent Modern Slavery in our Supply Chains:**

Consistent with the approach adopted in our previous statements, we have taken steps to ensure that XPO is open and transparent in the way we operate our business and that our transactions and relationships are firmly compliant with our responsibilities under the Modern Slavery Act. Specifically, we do this by reference to our activities in three areas; policy, risk assessment and due diligence.

During the last financial year, we have taken the following steps in our business in the UK to combat slavery and trafficking:

#### **Policy**

Human rights and the principle of treating everyone who has contact with our business with dignity and respect is set out in our global Code of Business Ethics and our “Integrity Matters” ethics and compliance programme. This Code is a blueprint of the Company’s business standards.

The Code is accompanied by a set of more detailed policies which include, in the UK, our Anti-Slavery and Human Trafficking policy. This policy is applicable to all XPO employees, officers and directors and other parties acting on XPO’s behalf, such as its suppliers and partners in respect of our business in the UK.

The Code and policies are communicated to every new employee when they join XPO and training and awareness campaigns are carried out for all employees from time to time.

During 2019 training on Respect in the Workplace was delivered to over 19,700 employees through mandatory site briefings and on-line training.

In the UK we provide an Anti-Slavery and Human Trafficking on-line training module to all new managers as part of their induction. In addition to the mandatory training for new starters at management level the on-line training is also available to all UK employees through our “XPO University” learning management platform.

In 2016 we developed a Modern Slavery “Toolkit” to educate employees and raise awareness of modern slavery and human trafficking issues. During 2019 we reviewed and updated this Tool Kit and made this available to all UK employees on our UK Employee HR Portal.

#### **Risk Assessment**

During 2019, we worked on developing a robust methodology to identify and map risks related to human rights, among other topics, within our direct and indirect operations across Europe. While not directed solely at slavery and human trafficking issues, this exercise enabled us to develop a Vigilance Plan (as required under French law for our European group companies) which addresses matters related to human rights, health and safety, and the environment within our operations and our supply chains.

It has also enhanced our knowledge and understanding of the potential risk areas for modern slavery and human trafficking and enabled us to identify further mitigating actions to address these. It has confirmed that our main area of risk, where human trafficking and modern slavery could occur, is with our sub-contract labour and our agency workers.

The methodology to map the Company's risks focused on three main steps:

- Identifying the main risks within our operations and wider industry, as well as our suppliers and subcontractors' operations,
- Classifying the measures already in place to mitigate or prevent identified risks, and
- Assessing and mapping the risks according to their criticality and likelihood of occurrence.

We conducted extensive interviews with representatives across the subsidiaries and countries we operate in, as well as with individuals within central corporate functions. The objective of the interview process was to identify how the Company's business activities and relationships may impact individual human rights and fundamental freedoms, health and safety, and the environment. Interviewees represented the diverse make-up of our business. Our risk mapping has taken into account our direct activities and those of our suppliers with whom we have an existing commercial relationship and we have identified the subsidiaries and procurement categories where the possibility of risks occurring is highest based on our risk mapping.

We will continue to monitor and review our activities in accordance with our Vigilance Plan which will in turn assist in our compliance with the Modern Slavery Act.

## **Due Diligence**

All supplier appointments go through a centralised procurement team which means that we have a consistent approach and can maintain control around our appointment of agency labour. During 2019 we have continued to review our labour agencies to ensure that the workers supplied to us are treated and payed lawfully.

We have a rolling programme of HR and Compliance Audits for all of our UK sites with a view, amongst other things, to identifying and eliminating forced or compulsory labour in our workforce. During 2019, we have updated our process which includes checking that sites are using approved agencies for temporary workers, checking that employees are completing designated training, and that our sites are properly displaying posters and awareness materials on slavery and human trafficking.

We have continued to invest in our HR and payroll systems. Specifically, we have strengthened our process around colleagues who wish to have their pay credited to another individual's bank account and we are installing biometric Time and Attendance systems giving greater certainty around the identity and working hours of our workers.

## **Future Steps to Prevent Modern Slavery in our Supply Chains:**

We will continue to monitor modern slavery risks by way of policy, risk assessment, training and due diligence.



Specifically, we will continue the risk mapping work in the areas of human rights, health and safety and environment within our supply chains across Europe and will review and evolve our management of modern slavery and human trafficking risks.

We will continue to carry out due diligence on our labour agencies and labour sub-contractors and audit our sites to ensure that all sites are recruiting workers from our approved agencies and sub-contractors which comply with the law and our XPO Code of Business Ethics.

We will use our internal “XPO University” learning management platform to deliver modern slavery and human trafficking training and awareness to all employees on a regular and mandatory basis.

Any concerns regarding human trafficking or modern slavery within our business should be reported to us at [ComplianceOffice@xpo.com](mailto:ComplianceOffice@xpo.com) or [www.xpo.ethicspoint.com](http://www.xpo.ethicspoint.com)

This statement was approved by the Boards of XPO Supply Chain UK Limited, XPO Transport Solutions Limited, XPO Maintenance UK Limited and XPO Bulk UK Limited.

Signed:

GAVIN WILLIAMS

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