

Digitalization and urban logistics: XPO Logistics highlights its innovative vision for the future of supply chain at SITL 2017

Lyon (France), March 13, 2017 – XPO Logistics experts will present the company's latest innovations in digital supply chain management and urban logistics at the 2017 edition of the SITL fair in Paris, France, on 14 March 2017. The company is a proponent of continual investment in advanced technology to serve customers in an evolving supply chain world.

Bertrand Le Goff, managing director–supply chain at XPO Logistics in France, will participate in a roundtable entitled *“From the factory of the future to the last mile: are logistics providers taking the digital route?”*. The session will be an opportunity for M. Le Goff to call attention to the significant investments made by supply chain providers in areas such as big data, automated processes and new, sustainable approaches to urban logistics.

Alexis Guyonnet, sales director–transport solutions at XPO Logistics in France, will present XPO's current projects in urban logistics during a roundtable entitled *“Best practices and experiments in urban logistics”*. M. Guyonnet will share details of XPO's successful use of the Seine for inland water transport and the company's investment in gas-powered fleet for one of its pallet distribution centres close to Paris. These activities align with XPO's commitment to lower the environmental impact of urban logistics and, in doing so, serve the sustainability goals of large cities.

XPO Logistics sees its proprietary technology as being critical to continuously improving customer service and leveraging scale. The company has an IT organization of approximately 1,600 individuals worldwide, and its annual investment in technology is amongst the highest in the industry.

To learn more about XPO Logistics' vision for the future of supply chain, please attend these SITL conferences on 14 March 2017:

- **“From the factory of the future to the last mile: are logistics providers taking the digital route?”**: Speakers include **Bertrand Le Goff**, managing director–supply chain, XPO Logistics in France (3.45 – 5:15 pm, Room 1).

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- “Best practices and experiments in urban logistics”: Speakers include **Alexis Guyonnet**, sales director–transport solutions, XPO Logistics in France (5.00 – 6.00 pm, Room 2).

More information about XPO’s investments in innovation is provided in the attached document.

► About XPO Logistics, Inc. and XPO Logistics Europe SA

XPO Logistics, Inc. (NYSE: XPO) is a top ten global logistics provider of cutting-edge supply chain solutions to the most successful companies in the world. The company operates as a highly integrated network of people, technology and physical assets in 34 countries, with over 87,000 employees and 1,425 locations. XPO uses its network to help more than 50,000 customers manage their goods more efficiently throughout their supply chains. The company has two reporting segments: transportation and logistics, and within these segments, its business is well diversified by geographies, verticals and types of service.

XPO's corporate headquarters is in Greenwich, Conn., USA, and its European headquarters is in Lyon, France. The company conducts the majority of its European operations through its subsidiary, XPO Logistics Europe SA, in which it holds an 86.25% controlling interest. The remaining stock is traded as XPO on Euronext Paris - Isin FR0000052870. www.xpo.com

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XPO Logistics invests in supply chain innovations

In the supply chain industry, technology is the glue that allows services to be delivered with the utmost efficiency. XPO Logistics constantly enhances its customer solutions with cutting-edge technology, supported by an annual IT budget of approximately US\$ 425 million and a global team of more than 1,600 IT professionals who develop and deploy new capabilities in a cloud-based environment.

Innovation in technology: Big data allows transport services to be delivered with the utmost efficiency.

With scale comes big data and all the opportunities it offers. By investing in state-of-the-art technology at the global level, XPO Logistics is optimizing the services it delivers to customers. Big data is the framework for identifying and sharing best practices, driving efficiencies and lowering costs.

In Europe, XPO Logistics is investing in its FTL (Full Truckload) business with track and trace technology for both its owned fleet and brokerage operations. This technology interacts with customer systems to provide full visibility of goods in transit.

XPO is currently deploying its proprietary Freight Optimizer technology at European level. Freight Optimizer uses advanced algorithms to source the optimal truck for each load — and once that load starts moving through the XPO network, it adds data about market capacity, pricing, lanes and other dynamics that, taken as a whole, make XPO teams more efficient with the next load.

The company is also exploring new operational methods such as in-door pallet positioning; this is currently being tested at one of XPO's transport centres in France.

Innovation in equipment: Process automation in warehouses creates the ability to adapt to customer fluctuations in volumes and customizations.

XPO's supply chain warehouses are becoming high-tech hubs with a combination of automated systems and robotics. This enhances agility in adapting to the increasing pace of change in customer needs, especially with the rapid rise of e-commerce.

XPO has developed extensive expertise in automated logistics to meet challenges linked to the stock management, accuracy and speed demanded by various sectors, most notably e-commerce, fashion and apparel, and electronics. The company is now

able to design, develop, launch and manage large-scale projects very quickly, leading to important new efficiencies for customers. For example, XPO sites have the ability to customize products on the fly, very close to fulfilment.

In addition to improving service to customers, XPO believes that investing in technology can enhance working conditions for warehouse employees, enabling them to focus on value-added services that satisfy customers and build relationships.

Innovation in services: Faster, more reliable and cleaner urban logistics.

Urban logistics increasingly requires supply chain providers to innovate as a way of coping with end-consumer expectations. XPO Logistics is leveraging its expertise in the last mile delivery of heavy goods in North America by expanding this service to Europe.

Last mile is the industry term for the final delivery of purchased goods to the home, with technicians performing assembly and installation as required. Heavy goods are items such as furniture, large appliances and electronics, and exercise equipment. XPO holds patents on software that manages real-time workflow and results in industry-leading consumer satisfaction ratings in North America; this is currently being adapted for the European market. New last mile contracts have already been signed with XPO in the UK and the Netherlands.

XPO Logistics also invests in sound environmental practices, in line with the commitment of large cities to reduce the environmental impact of urban logistics. In 2016, XPO inaugurated a new pallet distribution hub at Bondoufle (Essonne department, France) by unveiling a fleet of vehicles running on liquefied natural gas (LNG/CNG). In addition, the company was granted authorization to run 25-meter long “mega-trucks” in Spain. Mega-trucks accommodate more freight per transport, thereby reducing CO₂ emissions.

These initiatives expand on XPO’s environmental leadership in other areas, such as the company’s inland water transport solution through the Seine, and its intermodal solution in connection with the Chapelle International project: a combination of urban rail shuttle service and gas-powered road transport that will deliver goods to central Paris.