



Gender Pay Gap Report

At XPO Logistics in the UK, we have three legal entities that each employs 250 or more colleagues. These entities are: XPO Supply Chain UK Limited, XPO Transport Solutions UK Limited and XPO Bulk UK Limited. We welcome the government's initiative to have companies publish their gender pay gaps as a step forward in legislating for equality.

Making Our Difference

A message from Mark Simmons, Executive HR and QHSE Director, XPO Logistics, UK:

We are pleased to provide this report on our UK organisation's progress in narrowing the gender pay gap.

We operate in an industry that historically has employed men. Change is taking root, but the industry itself presents some unique challenges. For example, our business must satisfy the numerous contracts we have in place across approximately 250 sites, with each contract designed to suit the terms and conditions of a specific customer. Despite this complexity, our colleagues in like-for-like roles, such as drivers and warehouse associates, are compensated and treated the same across our UK footprint.

Our colleague demographic in the UK is 79% male and 21% female. This has gradually improved in favour of females over the last four years. Our gender split is similar to the rest of the UK Supply Chain and Distribution sector, and our performance compares favourably to the sector as a whole — but we're committed to doing even better.

Here are some highlights of our talent acquisition progress:

- The percentage of females shortlisted for graded roles was 41% in 2018. The percentage of females successfully hired into graded roles was 37%.
- Female internal hires were up by 140% in 2018. The average starting salary for females saw an increase of 15% year-over-year.
- As a percentage of all hires in 2018, 32% of roles were filled by females. When shortlisted, 55% of females were hired.
- 44% of all apprentice recruits were female.

In 2018, in the UK, we implemented a three-year plan for diversity and inclusion, with the first year focusing on becoming an employer of choice for women. Specific objectives include:

- Introducing diversity initiatives that ensure a woman is shortlisted on every new or existing middle and senior management vacancy
- Implementing training for hiring managers, to eliminate unconscious bias
- Launching gender neutral advertising and challenging recruitment briefs to ensure that we are as flexible as we can be
- Promoting agile working conditions wherever possible

We will continue to refine our diversity initiatives to ensure that our recruitment process is always fair and reflects XPO as an equal opportunity workplace. There is more work to be done to ensure equal treatment, but we're confident that the strides we're making will be reflected in future gender pay reporting.

We confirm that the data reported is accurate. In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, XPO Logistics is required to carry out this Gender Pay Gap reporting.

XPO Logistics - UK Gender Pay Gap

Our mean gender pay gap at present is 13.8% for Supply Chain, 3% for Transport Solutions and 28.7% for Bulk. This compares favourably to the UK distribution sector. Our goal is to reduce the gap to zero. Total employee counts reflect all fully paid employees as of the April 2018 reporting period.

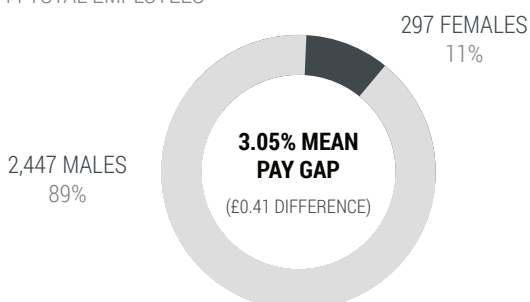
Mean Gender Pay Gap in Hourly Pay

- The total of hourly pay rates for all male employees divided by the number of male employees.
- The total of hourly pay rates for all female employees divided by the number of female employees.

Mean gender pay gap calculation: $(A - B) / A$

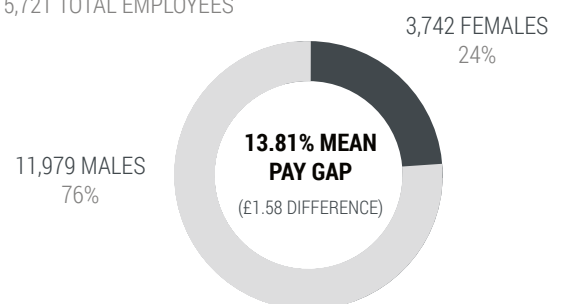
TRANSPORT SOLUTIONS

2,744 TOTAL EMPLOYEES



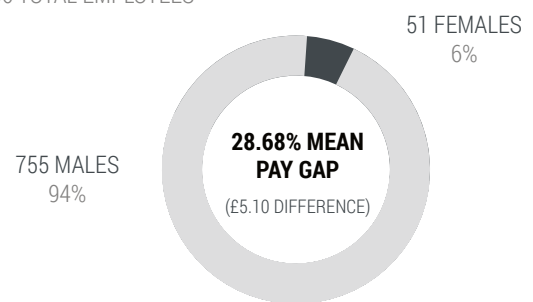
SUPPLY CHAIN

15,721 TOTAL EMPLOYEES



BULK

806 TOTAL EMPLOYEES



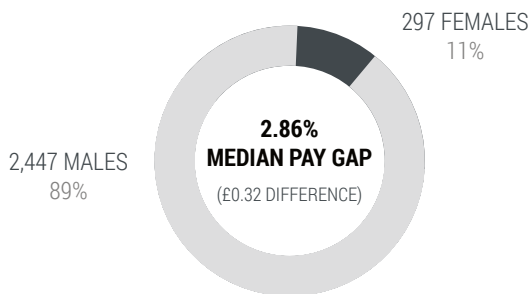
Median Gender Pay Gap in Hourly Pay

- A. The median value of all male hourly pay rates listed from highest to lowest.
- B. The median value of all female hourly pay rates listed from highest to lowest.

Median gender pay gap calculation: $(A - B) / A$

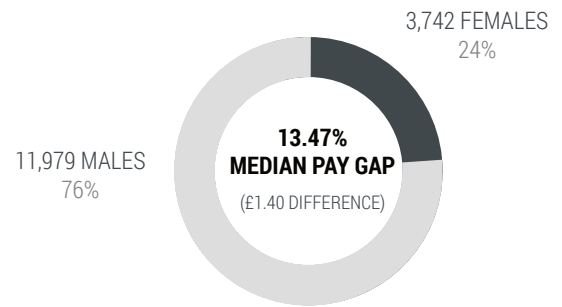
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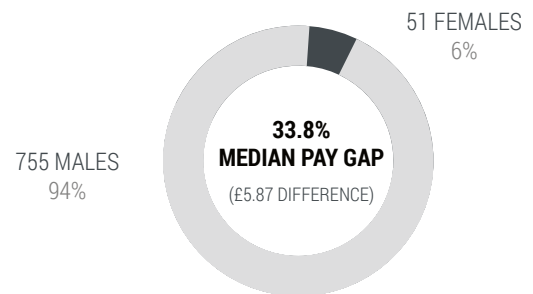
SUPPLY CHAIN

15,721 TOTAL EMPLOYEES



BULK

806 TOTAL EMPLOYEES



Gender Pay Gap Quartile Figures

Methodology:

- The full list of hourly pay rates is sorted in order from highest to lowest and then divided into four quartiles, with an equal number of employees in each quartile.
- The number of employees in each quartile is divided by the total number of employees to obtain the percentages by gender.

| SUPPLY CHAIN | FEMALE % | MALE % |
|-----------------------|----------|--------|
| UPPER QUARTILE | 11.26% | 88.74% |
| UPPER MIDDLE QUARTILE | 17.55% | 82.45% |
| LOWER MIDDLE QUARTILE | 30.71% | 69.29% |
| LOWER QUARTILE | 35.61% | 64.39% |

| TRANSPORT SOLUTIONS | FEMALE % | MALE % |
|-----------------------|----------|--------|
| UPPER QUARTILE | 10.79% | 89.21% |
| UPPER MIDDLE QUARTILE | 8.89% | 91.11% |
| LOWER MIDDLE QUARTILE | 9.33% | 90.67% |
| LOWER QUARTILE | 14.29% | 85.71% |

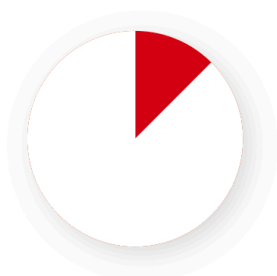
| BULK | FEMALE % | MALE % |
|-----------------------|----------|--------|
| UPPER QUARTILE | 0.99% | 99.01% |
| UPPER MIDDLE QUARTILE | 2.97% | 97.03% |
| LOWER MIDDLE QUARTILE | 5.45% | 94.55% |
| LOWER QUARTILE | 16.00% | 84.00% |

Bonus Pay - Gender Pay Gap

In our overall business, we have a higher proportion of male employees to females, which puts more males in a position to be eligible for a potential bonus. We have a number of female colleagues in senior roles who are eligible for a potential bonus, and most fall into the higher end of the scale for incentive payments.

Proportion of Males and Females Receiving Bonuses

Supply Chain



4,168 FEMALE EMPLOYEES

15.43%
RECEIVE BONUSES



13,115 MALE EMPLOYEES

21.62%
RECEIVE BONUSES

Transport Solutions



303 FEMALE EMPLOYEES

23.43%
RECEIVE BONUSES



2,548 MALE EMPLOYEES

13.07%
RECEIVE BONUSES

Bulk



55 FEMALE EMPLOYEES

12.73%
RECEIVE BONUSES



797 MALE EMPLOYEES

53.32%
RECEIVE BONUSES



Mean Gender Pay Gap in Bonus Pay

| Males vs. Females | £ Gap | % Gap |
|---------------------|--------|---------|
| Supply Chain | £19.29 | 58.08% |
| Transport Solutions | -£5.89 | -12.98% |
| Bulk | £18.57 | 38.12% |

The £ gap shown is the monthly difference in mean bonuses paid.

Our bonus pay gap highlights that the mean/median bonus paid in Supply Chain and Bulk is higher for males than females, whereas **in Transport Solutions, females received a higher mean/median bonus.**

Median Gender Pay Gap in Bonus Pay

| Males vs. Females | £ Gap | % Gap |
|---------------------|---------|---------|
| Supply Chain | £21.02 | 33.63% |
| Transport Solutions | -£45.69 | -62.66% |
| Bulk | £34.17 | 62.12% |

The £ gap shown is the monthly difference in median bonuses paid.

Our bonus pay gap highlights that the mean/median bonus paid in Supply Chain and Bulk is higher for males than females, whereas **in Transport Solutions, females received a higher mean/median bonus.**

