

# Board of Directors

The only way for XPO to reach its goals is by doing business the ethical way. Our strong governance structure, including a diverse board of directors with independent committees, serves to reinforce our commitment to operating with integrity. This informs all aspects of our sustainability efforts, including our ability to sustain safe workplaces, serve our customers, foster the success of our employees, reduce environmental impacts and act as a good corporate citizen.

XPO's robust corporate governance structure enables our Board to strike the right balance between decisive leadership and rigorous independent oversight of management. Our independent eight-member Board is composed of five men and three women. Currently, seven out of XPO's eight directors are independent, three of whom have been added to the Board since 2016. The XPO Board of Directors is led by Brad Jacobs, who also serves as chairman and chief executive officer.

To encourage open discussion without management influence, XPO's Corporate Governance Guidelines require non-management directors to meet one or more times annually without the presence of management. These guidelines also provide for Board members' access to senior XPO officers and outside advisors.

Our Board aims to create a team of directors with



diverse experiences and perspectives to provide our complex, global company with thoughtful and engaged board oversight. When selecting new directors, our Board considers, among other things, a nominee's:

- Breadth of experience
- Financial expertise
- Integrity
- Ability to make independent analytical inquiries
- Understanding of our company's business environment
- Experience in areas relevant to our company's businesses
- Willingness to devote adequate time to Board duties

Our Board also aims to actively seek out highly qualified women and individuals from underrepresented groups to include in the pool of prospective directors. In support of this effort, since 2015, we've required an annual election of all directors by majority shareholder vote. By adopting a one-year term, we ensure that the Board's composition evolves to reflect the larger and more diverse company we've become.

## Committee Roles

XPO's Board of Directors has four standing committees:

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- **Audit Committee.** Oversees the policies governing the company’s risk assessment and risk management processes, among other duties.
- **Compensation Committee.** Assists the Board with compensation plans for executive officers, including oversight of plan administration, among other duties.
- **Nominating, Corporate Governance and Sustainability Committee.** In December 2020, as a reflection of the importance of this issue to XPO, the Board elected to elevate sustainability oversight to the previously-named Nominating and Corporate Governance Committee. Now, our Nominating, Corporate Governance and Sustainability Committee provides oversight of, and engagement with, management on our sustainability strategies, performance and external disclosures, including material ESG matters. In addition, the committee identifies qualified individuals for directorships or committee appointments and oversees corporate governance matters.
- **Acquisition Committee.** Reviews acquisition, divestiture and related transactions proposed by management, among other duties.

To complement the roles of the committees and their chairs in providing effective independent oversight, the Board established two leadership positions for independent directors: the lead independent director and a vice chairman. Since



## INTRODUCING A SUSTAINABILITY STEERING COMMITTEE FOCUSED ON EUROPE

Sustainability is a top priority for XPO in every market. Yet rules, priorities and culture can vary by region. Goals related to diversity and inclusion are different in Europe, for example. Likewise, regulations around carbon, pollution and labor change across regions, too.

To refine our sustainability strategy and improve the execution of related practices, XPO is establishing a steering committee focused on sustainability in Europe. This cross functional team will draw experts from across XPO, from sales to operations and procurement.

With cascading links to XPO’s global sustainability committee, the European team is responsible to track and report on progress toward overall corporate targets. Guided by these high-level goals, the committee will also provide insights and recommendations, with a near-term focus on enhancing transport fleet efficiency, boosting the performance of our facilities and reducing packaging-related waste.

2016, Michael Jesselson, an independent director of XPO with substantial public company Board experience, has served as the lead independent director. AnnaMaria DeSalva, an independent director of XPO since 2017, has served as vice chairman of the Board since February 2019.

### Steering Sustainability

In 2020, the European Sustainability Steering Committee was created to provide strategic guidance and overall direction to the company’s sustainability roadmap. Guided by the explicit

target of meeting XPO’s 2020 ESG targets contained in our ESG Scorecard, the committee will help deepen the company’s long-term governance of environmental sustainability.

Operationally, the committee is tasked with developing actionable sustainability roadmaps and overseeing their implementation. This group is also responsible for:

- Supporting oversight of the company’s purpose-driven sustainability and ESG-related strategies, performance and external

disclosures, including the company’s systems for evaluating material risks and opportunities related to these issues and the company’s approach to shareholder and stakeholder engagement regarding sustainability and ESG matters.

- Discussing with management XPO’s external disclosures regarding material sustainability and ESG matters, including the preparation and publication of the company’s periodic sustainability report.