

UN Global Compact

Communication on progress 2014



MØBELTRANSPORT DANMARK
HOUSE OF RELOCATION



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COMMITMENT FROM OUR CEO

It is my pleasure to present our second communication on progress report, which shows our support and commitment to advancing the ten principles of the United Nations Global Compact within our sphere of influence.

As Denmark's largest moving- and relocation company, we acknowledge our responsibility for the society in which we operate. Where there is a natural connection with our core competences and business area, we wish to act voluntarily and proactively in protecting our employees, society and the environment at large.

Møbeltransport Danmark has throughout the year, continued to incorporate sustainability into our business and making the principles part of our day-to-day operations. In 2013 and 2014, we presented and implemented our Code of conduct in our organisation, based on the ten principles of the UN Global Compact regarding people, planet and profit. Our Code of conduct serves as a framework for our employees by presenting a strict set of ethical values that guide us in our daily business operations and ensures that we continue to express good corporate citizenship.

We also developed and implemented a HSE policy (health and safety policy) which outlines the organizations focus

areas in this regard and guides all of our health and safety committees in improving the overall work-environment in the company.

During 2015, we plan to make further progress in regards to third party evaluation when we undergo a SMETA 4-pillar certification. SMETAs four pillars align with the UN Global Compact principals as they are built on the four key areas: Labour standards, Health and safety, the environment and Business Ethics. Results from the audit will be uploaded and shared on the secure supplier ethical data exchange website, SEDEX.

Documenting our approach to sustainability and corporate citizenship and even getting third party evaluation of our efforts and managements systems is an effective way to demonstrate to our customers and society at large, that we are a transparent and reliable company, who constantly seek to improve our business practices. This is important, as our customers demand for reassurance of our business conduct has become even greater in recent years. At the same time, we it encouraged to become even better at identifying areas of improvement, measure our performance and report on our results.



A handwritten signature in black ink, appearing to read 'Niels Bach', written over a horizontal line.

Niels Bach
CEO



ABOUT US IN BRIEF

Møbeltransport Danmark can be traced back to 1879 and is today Denmark's largest moving and relocation Company. With offices in Denmark's four largest urban areas and several affiliates in both Denmark, Sweden and Spain, we can provide a wide range of services within moving and relocation to our customers, globally as well as locally.

Nationally, Møbeltransport Danmark conducts quality office- and private moves, storage of household goods and is the largest provider of logistics of fine art transport. Our Danish affiliate Reloc A/S specialize in logistic planning and carrying out office relocations and domicile change. Reloc A/S helps customers with everything from interior design drawings, IT cabling and internal rotations.

Our international brand, Aspire Mobility, annually helps more than 2.500 families and corporate employees move to new homes worldwide. We also assist the families through the whole relocation and settling-in process, including applying for visas and residence permits, finding a new home, a school for the kids or obtaining knowledge about the new residences public services, health care system and culture.

SCOPE OF OUR REPORT

Conducting our business in a responsible and ethical manner has always been part of Møbeltransport Danmark's culture. The importance of measuring and documenting our approach have though in recent years become of greater importance to our company.

We have therefore adopted a more strategic approach to Corporate Social Responsibility, by documenting policies, targeting our efforts and measuring and reporting on our progress.

This communication on progress applies for Møbeltransport Danmark's four offices in Copenhagen, Aarhus, Odense and Aalborg, our brands Aspire Mobility and Lyngby flytteforretning and our affiliates Reloc A/S, as they are residents in the same office buildings. Through the report, all departments, affiliates and brands hereunder will be collectively referred to as Møbeltransport Danmark.

The following report will describe Møbeltransport Danmark's top priorities for action and provide information on our performance in 2013. Our challenges and opportunities along with our objectives for the future are further-more described.

PROGRESS ON KEY TARGETS

As our business is expanding, so is our corporate responsibility – in everything we do, our core competences is to deliver high quality service to our customers, based on responsible solutions that is performed with respect to our employees, environment and society in general.

Code of Conduct

In 2014 we affirmed our commitment to continuous implementation of the 10 principles, covering the areas of human rights, labour, environment and anti-corruption by writing and implementing our Code of Conduct for employees.

Through our Code of Conduct, Møbeltransport Danmark wishes to promote a healthy environment, good working conditions and an honest conduct of business. Our Code of Conduct therefore represents a framework of company principals, values and rules that guide employee's daily business decision-making. The Code of Conduct encourages the discussion regarding ethics and is hereby improving how employees deal with the ethical dilemmas, prejudices and grey areas that are encountered in everyday work.

Møbeltransport Danmark's Code of Conduct includes, among others, the following elements, relevant to Global Compact:

- labour rights,
- health and safety,
- environment,
- anti-corruption and
- Data security.

By providing a visible guideline for behaviour, our Code of Conduct represents an open disclosure of the way our organization operates, and communicates our standard for doing business and our commitment to employees and relationship with the community.

Health and safety policy

The health and safety of our employees is of paramount importance to us, both in our own facilities and when we deliver services to our customers on their premises. Møbeltransport Danmark always strives to put a safe working environment first and to make sure that safety is not compromised for economic or productivity reasons.

In the beginning of 2014 Møbeltransport Danmark's approach to maintaining a good physical and psychological



work environment was documented in our Health and safety policy (HSE policy).

Møbeltransport Danmark's work environment group is responsible for ensuring that the policy is implemented throughout the organization and that employees are instructed in what necessary preventive measures to take and what personal protective equipment to use to avoid health and safety risks.

At the same time, our employees also have a responsibility to follow the instructions given in the health and safety policy. It is therefore clearly stated that "All working tasks performed by employees of Møbeltransport Danmark must, at all stages, be performed safely and responsibly, as it is the duty of every employee to prevent situations where the risk of an accident may occur."

Our Health and safety policy support the UN global compact as it encompasses many of the same objectives as the UN Global Compact principals. The policy sets forth a framework for the implementation of these principles and thereby facilitates reporting on our progress.

Environment

As an ISO:14001 certified company Møbeltransport Danmark continuously strive to minimize our environmental footprint.

During 2014 Møbeltransport Danmark installed storm windows in our office in Copenhagen, to improve the overall building's insulation capabilities. The effect of the installation is still being measured, but employees report on a noticeable and significant improvement in their working environment. We are hereby able to use fewer resources to maintain a good room temperature for our employees, which benefit both our working conditions and represent an environmental improvement.

In our efforts to further minimize our buildings resource consumption, we have painted the roof of our warehouse building white, to extend its lifespan and to avoid using energy on air-condition during warm summer periods. This has resulted in a temperature drop of 2.5 degrees (Celsius) in average within the warehouse, which eliminates the need to use energy on air-conditioning.



HUMAN RIGHTS



01

Principle:
Businesses should support and respect the protection of internationally proclaimed human rights.

02

Principle:
Businesses should make sure they are not complicit in human rights abuses.

Møbeltransport Danmark support and respects internationally proclaimed human rights in all our operations. As a large player in our industry, we have an obligation to advocate for compliance with the human rights principals.

The key challenge in relation to human rights is that human right abuses most often lies outside of our sphere of influence. Nationally ratified human rights treaties in Denmark ensures that human right violation issues rarely arise for Danish businesses. The main area where human right abuse risks may arise is within Møbeltransport Danmark's international activities, when we are provide moving- and relocation services to families who are moving abroad. To avoid complicity in human right abuses, we always cooperate with FIDI FAIM certified suppliers, whenever possible. FIDI is the largest global alliance organisation of international moving and relocation companies. Their quality benchmark certification FAIM requires members to have a periodic independent assessment of their international moving activities through an independent audit, which is performed every three years. Companies that are FIDI FAIM certified follow an ethical conduct and have to ensure that their services are provided through conditions that respect human rights.

Health and safety

According to the international human rights law, employees have the right to a safe workplace. Creating and continuously controlling and developing a safe working environment is

a key priority for Møbeltransport Danmark. All of our employees are offered health insurance, which entitles them to the best and fastest medical treatment. We also report on all work-related incidents, along with health and safety issues, which are discussed during our quarterly health and safety committee meetings. It is hereafter assessed what measures should be taken to prevent future injuries and if more health and safety training is required.

To us, actively managing health and safety risks means regularly ensuring that our employees have the right information, training and equipment specific to their job area. All of our fire prevention equipment is annually tested and all employees in Copenhagen and Aarhus participate in fire drills on an annual basis to ensure, that in the event of fire, everyone knows their designated responsibilities and will react in an effective and orderly manner. Both offices have furthermore acquired a defibrillator, in case an employee or any person outside of the office buildings should suffer from a heart attack.

As a transportation company, accidents can happen outside of our own premises and all vehicles are therefore equipped with a first aid kit. Furthermore, all drivers attend a first aid course every fifth year, so they can react and provide lifesaving first aid if they should witness or be involved in a traffic accident.

LABOUR RIGHTS

03

Principle:
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

05

Principle:
Businesses should uphold the effective abolition of child labour.

04

Principle:
Businesses should uphold the elimination of all forms of forced and compulsory labour.

06

Principle:
Businesses should uphold the elimination of discrimination in respect of employment and occupation.

with more than 200 people working for Møbeltransport Danmark – the labour rights principles are of great importance to us as well as adhering to local legislations.

Møbeltransport Danmark complies with the principals of freedom of association, as our employees are all free to be part of a union and enter into collective bargaining with management.

In relation to principal four, Møbeltransport Danmark dissociates itself from all kind of child labour. As stated in our Code of conduct:

“Møbeltransport Danmark shall not engage in, or benefit from, the use of child labour. The minimum age for employment shall not be less than 15 years. If the law states a higher age, the law must be followed.”

Labour practises

The principle of abolition of forced labour is strictly upheld in our organisation. All employees are free to seek new opportunities outside of the company. Møbeltransport Danmark has however always been blessed with a committed and engaged workforce, which has enabled us to keep a relatively low employee turnover rate. To express our appreciation, we offer anniversary bonuses to employees who have shown their commitment to our company for several years. By striving towards ensuring good working conditions for all employees and to be an exemplary employer, we aim to continuously attract and retain competent and ambitious employees.

Working overtime is always voluntary in Møbeltransport Danmark. One of the challenges in the moving industry in general is seasonable periods where demands for our services are higher than in other periods. This affects the working environment for our employees, which we try to address by hiring third party providers and offering compensation to those employees who wish to work overtime or who agree to postpone their vacations to a less busy period, in compliance with local legislation.

CSR Policy

Creating and continuously controlling and developing a safe working environment is a key priority for Møbeltransport Danmark. This is evident from our CSR policy where it is clearly stated:

“It is company policy to maintain high standards for employee safety, through continuous improvement of safety measures, training and prevention of workplace injuries and accidents.”

Diversity and inclusion

The most relevant principle in relation to labour rights is the principal regarding elimination of discrimination of employment and occupation.

A diverse and inclusive work environment is important to Møbeltransport Danmark. We believe that differentiated knowledge and competencies within our organisation can challenge and evolve the way we do business and thereby sustain our competitive edge. We therefore strive to develop a workplace that offers our employees the best conditions, regardless of gender, ethnicity, skin colour, religion or faith, political beliefs, sexual orientation, age, disability, nationality or educational background.

Our workforce is further more divers in terms of gender ratio, age and employment according to individual needs and abilities.

We have several trainees and apprentices in our offices in Denmark and in our Spanish affiliate, who rotate between job areas so they can learn different aspects of the business and students who support their education with a part time position within our organization to gain work experience. Some employees, who have dedicated many years of their carrier to our company, stay on after retirement and help out from time to time. We also have several employees who, due to illnesses or other reasons, work part time or on flexible hours and we cooperate with the local authorities by providing temporary employment for people who would like to test their work abilities after a longer period of illness.

In terms of gender ratio, the moving and relocation industry has always been characterized as male dominant, especially in relation to moving staff. These conditions are not likely to change, as it is rarely women who seek moving staff positions. However, we do have a fair distribution in gender ratio in amongst our office staff, and in senior management.

Møbeltransport Danmark is proud of our inclusive work culture and our diversity. It is of great importance to the organisation to maintain a tolerant working environment that is built on mutual respect and appreciation of differences and we therefore apply a zero tolerance approach towards bullying and harassment.



ENVIRONMENT

07 Principle:
Businesses should support a precautionary approach to environmental challenges.

08 Principle:
Businesses should undertake initiatives to promote greater environmental responsibility.

09 Principle:
Businesses should encourage the development and diffusion of environmentally friendly technologies.

All of the environmental principals are of high importance to Møbeltransport Danmark. We continuously strive to improve our own environmental footprint and actively seek out environmentally friendly solutions for our customers.

Environmental management

Møbeltransport Danmark has since 2012 maintained an effective ISO 14001 certified environmental management system. The system enables us to constantly control our activities, processes and competences towards an improved environmental performance and ensures that we continue to undertake initiatives that can lead towards even greater environmental responsibility.

To promote sustainability in our business activities and to regularly review our environmental management system, Møbeltransport Danmark has established an environmental management board. The board ensures an overall coordination of relevant business initiatives across business units and regions. The board consists of top level management, as we believe it is important to anchor decisions related to sustainability at a high level in the organisation. The purpose of the board is further more to verify compliance with national and local regulations, share best practices and explore opportunities for improvement of the overall system. Annually our environmental management system is also evaluated and audited by a third party accredited international certification company.

One of the core focusses of our environmental work is to continuously increase measurability of our conduct, so our environmental progress can be monitored, compared,

documented and reported. Increasing the measurability of our performance enables us to priorities objectives and make any necessary adjustments along the way, to ensure that we meet our goals and continuous to improve our environmental impact.

Fuel efficiency

As a service provider in the transportation industry, our largest environmental footprint stems from our fuel consumption. Vehicle

emission control is therefore one of our primary priorities. To reduce air emissions, the largest part of our trucks in our fleet complies with Euro norm V and VI. The few trucks we have left that are Euro norm III or below have been fitted with particle filters. Trucks that are Euro norm VI or V are prioritized for international assignments, thereby reducing air emissions on long distance trips. New trucks are regularly added to our fleet with consideration to fuel consumption, a high euro norm and with consideration in regards to development and diffusion of environmentally friendly technologies.

Controlling and reducing each vehicle's fuel consumption is an important environmental objective for Møbeltransport Danmark. With four offices in the largest urban areas of Denmark, we can cover all national customers within relatively short distances, which reduces our fuel consumption and air emissions. Constantly striving towards high utilization of our trucks capacity also reduces our environmental impact. Møbeltransport Danmark's fleet consists of trucks, trailers and vans in different sizes, which on national assignments enable us to choose the vehicles with the right capacity to any of our customers' needs and requirements. On international assignments, Møbeltransport Danmark offers two service solutions to customers, a priority or a combination move. On a priority move, the customer chooses their moving date, whereas on a combination move Møbeltransport Danmark schedules transportation of more than one shipment on each trip. 90-95% of our customers choose a combination move, which both benefits the customer economically and the environment in terms of reduction of air emissions per cubic meter transported, whilst our flexibility is increased and our resource consumption decreased.

Our Movingboxes

One of our largest purchases as a moving company is our moving boxes, and using sustainable material is therefore important to Møbeltransport Danmark.

We have prioritised Moving boxes that are off a very high quality, so our boxes are not only able to protect customer goods better but can also be reused several times.

Møbeltransport Danmark moving boxes consists of:

69% recycled FSC certified paper.

31% wood from sustainable forestry in Sweden.



Møbeltransport Danmark closely measures each vehicles fuel efficiency to assess the improvement of our initiatives on fuel consumption. One initiative to further enhance the distances of mileage driven pr. litre is that all drivers participate in eco-efficient driving techniques course every fifth year.

Waste management and recycling

Waste represents a large environmental issue in today's consumer society. As a licensed waste carrier and licensed waste collector, we acknowledge our responsibility to manage our waste along with our customers waste, responsibly. We therefore have several containers from where we sort our own waste along with customers waste, in terms of paper, cardboard, wood, steel and recyclable furniture. We also only use waste brokers that are licensed by the Danish Environmental protection agency, to ensure that all waste is handled properly.

As a waste carrier for large corporate customers, we advise those of our customers who have a greater amount of usable furniture for disposal, to donate it to organizations or public institutions who can benefit from it. In this way, we help reduce waste while at the same time benefiting these organizations.

The moving industry is heavily reliant on natural resources; in particular, materials such as paper, cardboard, tape etc. for both office use and as packing materials. Our moving crew substitutes the use of plastic materials with cardboard, where it is possible, and reuses all packing materials up until the quality has been compromised, thereafter it is sorted for recycling.

Our largest resource consumption in our offices is paper. However, Møbeltransport Danmark has, for the last couple of years, implemented effective business and management systems and optimized work processes, to move us closer to becoming a paperless office and we are still striving towards this goal.

ECONOMIC SUSTAINABILITY

10

Principle:

Businesses should work against corruption in all its forms, including extortion and bribery.

Møbeltransport Danmark is a privately owned company who has always been proud to conduct our business in an economic, responsible and ethical manner and we are therefore known for being a trustworthy, transparent and responsible business partner.

Anti-corruption is an integral part of our culture and business integrity is one of our guiding values. Møbeltransport Danmark therefore applies a zero-tolerance approach to extortion and facilitation payments, corruption and bribery in all its forms. We are committed to comply with Global Compacts principal 10 along with local and international anti-corruption and bribery laws, in all our business conduct.

Code of conduct

Each member of the Møbeltransport Danmark organisation is required to act in accordance with Møbeltransport Danmark's code of conduct, which outline company policies for how to manage any situation that may arise, in regards to corruption and bribery.

Our code of conduct sets forth the adaptation of good governance, transparency and accountability into day-to-day business by stating in the section regarding anti-corruption the following policies along with a thorough description of how to handle situations that may arise:

- Møbeltransport Danmark does not tolerate any form of corruption, extortion, bribery or fraud.
- Møbeltransport Danmark does not permit any kind of price cooperation cartels or abuse of dominance.
- Møbeltransport Danmark's employees do not participate in activities that may lead to conflicts of interest or exploit relations with business partners for personal gain.

Our code of conduct also covers the importance of sustaining a high level of information security in our organisation and prevents employees from using sharing confidential information.

By implementing our code of conduct as an ethical framework, Møbeltransport Danmark seeks to continue to create a prosperous and profitable business.

Suppliers

Denmark is amongst the countries in the world where corruption is least common, as Danish legislation is in line with the Council of Europe Convention on corruption and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. This is expressed in the notice of the Criminal Code, Act No. 1068 of 6 November 2008, §122, 144, 290, 299.2 and 306.

Møbeltransport Danmark wants a transparent and fair market and we therefore expect our suppliers to adhere to the same ethical conduct as we do.

Even though corruption from Danish companies is rare, our Supplier code of conduct apply to all national suppliers. Our Supplier code of conduct addresses human and labour rights, as well as environmental requirements and sets forth demands that go further than compliance with local law and regulations.

Our international suppliers are, primarily, chosen on the basis of their membership in FIDI FAIM, which is a global alliance of independent quality international removal companies. It is a requirement in FAIM that certified companies have a formulated a code of conduct which addresses the applicant's commitment to legal, ethical and professional business relationships and outlines policies for dealing with conflicts of interest; improper payments/bribes, kickbacks and extortion; anti-trust or anti-competitive activities.

As Møbeltransport Danmark primarily chooses international service providers that are FAIM certified, we can be certain that these suppliers have taken anticorruption measurements into consideration themselves and documented their ethical approach. Our Supplier code of conduct therefore initially applies to all non-certified international destination service providers.

ABOUT GLOBAL COMPACT

The UN Global Compact was launched in 1999 by former UN Secretary-General Kofi Annan and is today the world's largest corporate citizenship initiative – with 10,000 signatories based in more than 140 countries, and Local Networks existing or emerging in over 100 countries.

The purpose of the initiative is to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

The UN Global Compact advocates for companies to align their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Members of UN Global Compact commit to submitting an annual report on progress in regards to implementation of the ten principals.

By supporting the UN global Compact business' helps ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

