

Our world is logistics



WE SUPPORT

This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact and
supporting broader UN Goals.

We welcome feedback on its contents

Statement from the Group CEO

I am proud to announce that Scan Global Logistics supports UN Global Compacts ten principles on Human Rights, Labour, Environment and anti-corruption.

With this report we would like to describe our commitment and interest to make the principles and active part of our general company strategy, organizational culture and general day-to-day operations.

I came to Scan Global Logistics in 1993, when the company was still called Mahé Freight. Since 2004 I have been co-owner of the company and in November 2017 I took on the role as Group CEO. Over the years, I have with great humbleness watched the organization embrace the enhanced focus on the ten principles. We have successfully delivered a great number of shipments to a number of UN missions worldwide and together with our partners worldwide and thereby proved to ourselves, that we are a reliable supplier of high-quality.

We are excited to update you on our initiatives from 2017 in this, our second, Communication on Progress report.

This report will be shared with all staff around the world and our business partners, via our communication channels.

On behalf of all our staff, I would like to thank you for the interest in our report and company, and I wish you happy reading.



Group CEO
Allan Melgaard



Introduction



OUR VISION, MISSION & CORE VALUES

- *Vision*

SGL's vision is to become the Nordic Region's leading provider of logistics solutions and to further develop the position as a global market leader in transport and logistics solutions.

- *Mission*

We meet our customers' demands for a personal and professional service by offering innovative supply chain solutions for global sea, air, and road transportation as well as certain specialist services.

- *Core Values*

Dedicated, Reliable and Committed.

For us it means that we are **DEDICATED** to serve our customers.

We are **RELIABLE**, keep our promises and believe in open and honest relationships.

We are **COMMITTED** to constantly improve.

About us

Scan Global Logistics (SGL), is the result of a merge between the two Danish transport- & logistics companies: Mahé and ScanAm. Mahé's core business being airfreight and ScanAm's business being Sea freight. The merge took place in 2007.

In 2008, SGL bought PR Shipping A/S in Esbjerg, Denmark and established subsidiaries in Malaysia, Indonesia and Taiwan.

At this time, SGL was present in 16 countries including, Russia, Estonia, Vietnam, China, Hong-Kong, Finland, Australia, Norway, Japan, Columbia, USA, Finland and Sweden. In 2009, SGL was entering a strategic alliance with TransGroup, USA adding more than 30 international offices in North America.

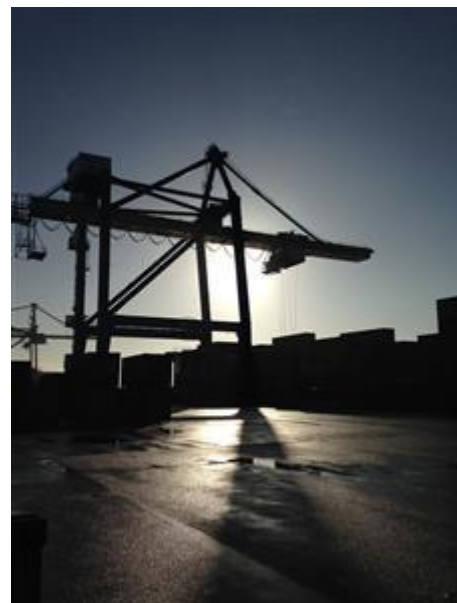
In May 2016, BWB Partners and all other shareholders of international freight forwarder SGL entered into an agreement to sell their shares to the well-reputed private equity group, AEA Investors. Closing took place in August 2016.

In October 2016, SGL and TransGroup shareholders succeeded in achieving a unified ownership structure, which will further enhance our 15 years of successful collaboration and growth.

This unification makes our service offerings even stronger in the global market where the combined company is +90 offices on five continents with +1.300 highly dedicated & professional team members.

In November 2016, SGL signed an agreement to acquire Swedish company Airlog Group, a privately held logistics service provider with offices in Sweden and Denmark. The agreement was signed in Copenhagen; November 14 the deal will conclude Q1 2017.

In 2017, SGL acquired CROSSEUROPE AB, a Swedish company with road freight as their main product.



Short facts

Headquarters:

Copenhagen, Denmark

CEO: Allan Melgaard

Turnover 2016:

DKK 5 billion

Employees: +1 300

Locations:

+90 offices in Americas, Nordics and Asia-Pacifics

Established:

Merge between Mahé (1975) and ScanAm (1988) in 2007
Unified ownership structure between Scan Global Logistics and TransGroup established in 2016.

GLOBAL COVERAGE THROUGH PARTNERS AND AGENTS!

STRATEGY

We are a **team of entrepreneurs...**

- ...achieving **profitable growth** and **managing our profitability** closely
- ...supported by **business intelligence, processes and compliance**
- ...and enabled by employing & developing an **engaged and best-in-class team**



Our 2018 Business Plan holds initiatives within the following four areas:

- GROWTH
- PROFITABILITY
- EXCELLENCE
- PEOPLE

Goals from 2016 and onwards

Our goals for 2016 were;

- Based on our own commitment and general values, we expect that all of our business partners strive to act in a responsible and respective matter.
- We want to contribute to deliberating human & labor rights violations throughout our operations
- We will continue to improve our energy-efficiency and initiate new tests to reduce our consumption
- Continue our roll out and training on Code of conduct for employees and partners, to protect human rights and anti-corruption.

Did we reach our GOALS from 2016?

- We have implemented a supplier code of conduct which is handed to all new and renewed suppliers.
- We have contracts with every single employee and actively working with unions on labor laws etc.
- We have internal and external audit in 2017 and found that we have improved our energy efficiency through focus and measuring.
- Mandatory e-learning courses have been rolled out globally. The course has to be passes with a test.

Our GOALS for 2017

- 80% of all staff, globally, has passed the Code-of-Conduct e-learning with 80-100% correct answers in the final test
- Information Policy including Social Media Strategy rolled out
- More than 90% of our hauliers will have engines with Euronorm 5 or 6 in their trucks
- We will continue to improve our energy-efficiency and initiate new tests to reduce our consumption
- We will continue to contribute to deliberating human & labor rights violations throughout our operations.



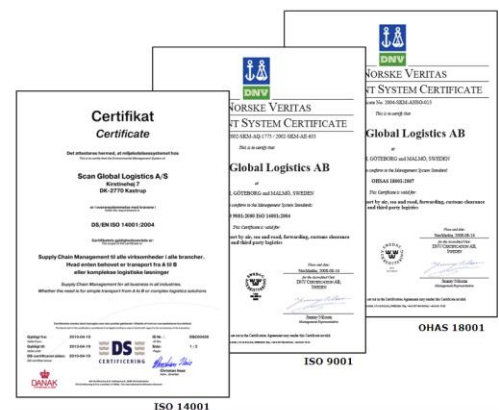
Global Compact Principles

At Scan Global Logistics we are deeply committed to our responsibilities towards all our stakeholders and to complying with the laws of every local country we operate in. In this respect, the Scan Global Logistics Code of Conduct and compliance program has been globally deployed across our lines of business. As an integrated part of our Business Plan 2018, the program is subject to a continuous process to develop trust and integrity.

New in 2017: Once again, we hold the work environment certification, OHSAS 18001, in 2017.

AEO & ISO Certified

- Co2 emission reports
- Co2 efficiency products
- We believe in who cares wins
- Responsibility to reduce our collective impact on the limited resources of our planet



IT IS NOT JUST ABOUT WHAT WE DO,
— IT'S HOW WE DO IT!



Human Rights

- The Scan Global Logistics Code of Conduct is guided by the principles of the Universal Declaration of Human Rights, the UN Global Compact and those of the 1998 International Labour Organization (ILO) declaration on the fundamental rights and principles of work as well as the OECD Guidelines for Multinational Enterprises.
- The Scan Global Logistics Code of Conduct is an integral part of our corporate culture and is closely aligned with our values; "Dedicated, Reliable, Committed". Our Code of Conduct is guided by the principles of the Universal Declaration of Human Rights, the UN Global Compact as well as the conventions issued by the International Labour Organization (ILO).
- Since 2013, the Code of Conduct has applied to all regions of Scan Global Logistics. The Code of Conduct lays down guidelines for day-to-day workplace conduct for our workforce of some 800 employees. The Code of Conduct also sets out our commitment to the health and well-being of our employees, as well as our understanding of equal opportunity and diversity. The Code of Conduct is underpinned by additional Group policies such as the Anti-Corruption Policy, which provides clear instructions on how to handle gifts, benefits and offers of hospitality. The Competition Compliance Policy prohibits agreements with competitors.



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Labour

- Scan Global Logistics respects human rights within our sphere of influence and we conduct our business in a manner that makes us an attractive employer. We are clearly committed to the elimination of all forms of forced or compulsory labor
- We do not engage in human trafficking
- In the Scan Global Logistics Code of Conduct it is clearly stated that our employees are free to join or not to join a union/employee representation of their choice, free from threat or intimidation.
- We do comply with EU as well as local safety regulations (national law and the binding regulations of our mandatory accident insurance)

Environment

- We care deeply for the environment and always strive to reduce the environmental impact of our operations.
- We work closely with our partners to aim to ship the vast majority of our goods by sea to reduce our carbon footprint.
- By collaborating with partners on the correct management and transport, we help our customers protect the environment.



Anti-Corruption

- We continue to practice our open door/open book policy with employees, customers and partners. We act with integrity and are accountable to stakeholders for our actions and relationships. We undertake due diligence of our new business partners and screen them according to the UN Global Compact's ten principles.

Ending note

- In this Communication on Progress, we defined some of our actions already taken towards the ten principles, including our goals for the coming year. We will continue our focus on UN Global Compacts ten principles and we commit to share this information with our shareholders, through our communication channels.

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For questions, please contact:

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