



WE SUPPORT

This is our **Communication on Progress** 2018 in implementing the principles of the **United Nations Global Compact** and supporting broader UN Goals.

We welcome feedback on its contents

## Statement from the EVP Jørgen Jessen


In our third year as a participant in UN Global Compact, it is with great satisfaction I can witness that our organization has fully embraced the principles and actively support sustainability.

We have worked diligently to improve and this year's update confirms our significant progress. We have revised our purpose and mission statements – which now better reflect our organization and emphasize the human aspect of our company.

We have also clearly defined environmental objectives and expanded our policies on environment, quality, health and safety, code of conduct and anti-corruption.

The progress report will be distributed to all staff and shared with our customers and other business partners.

On behalf of all our Scan Global Logistics employees, I would like to thank you for the interest in our report and company.



**Jørgen Jessen**  
Executive Vice President,  
Member of the Executive Management Team



# PURPOSE, MISSION & CORE VALUES



## ***Purpose***

"We exist to make the world a little less complicated..."

## ***Mission***

"...by bringing a human approach to everyone, everywhere"

## ***Core Values***

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



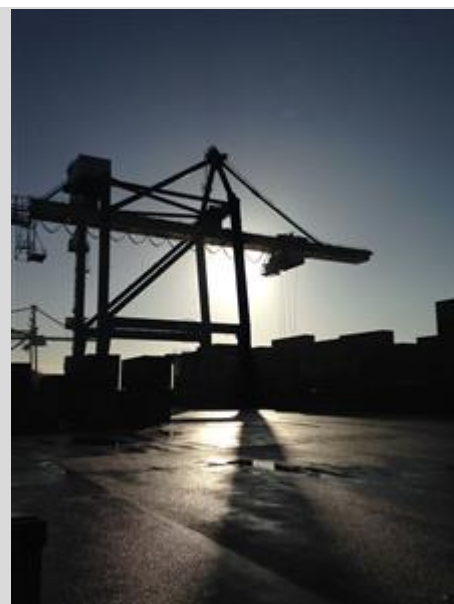
## About us

Headquarter: Copenhagen, Denmark

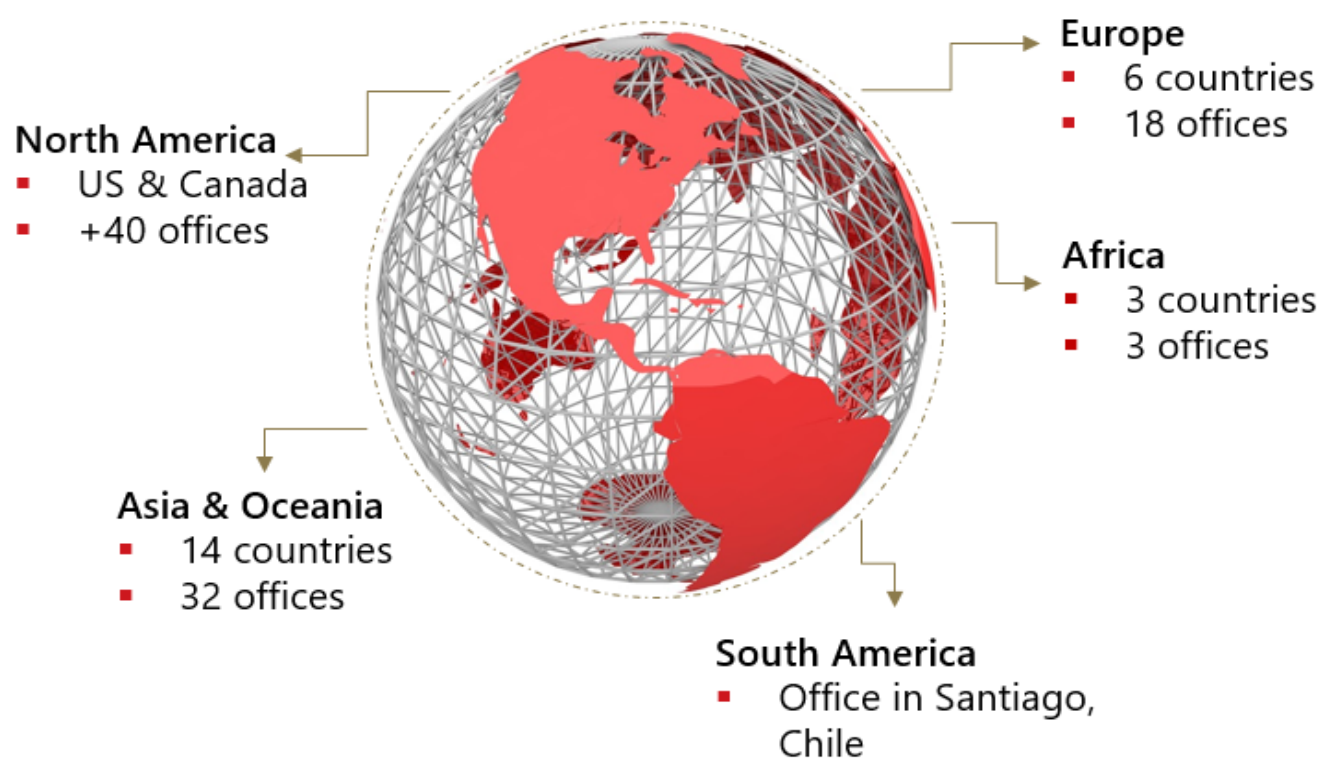
CEO: Allan Melgaard

Turnover 2017: DKK 5.4 billion

Employees: More than 1300



## Worldwide representation



**GLOBAL COVERAGE THROUGH  
PARTNERS AND AGENTS!**

# History

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- 2007 Foundation of Scan Global Logistics (SGL). SGL is the result of a merger between two Danish transport & logistics companies, Mahé Freight and ScanAm Transport. Mahé's core business being air freight and ScanAm's business being sea freight.
- 2008 SGL acquires PR Shipping A/S in Esbjerg, Denmark and established subsidiaries in Malaysia, Indonesia and Taiwan.
- 2009 SGL enters a strategic alliance with TransGroup in the USA adding more than 30 international offices in North America.
- 2016 BWB Partners and all other shareholders of SGL entered into an agreement to sell their shares to the private equity group, AEA Investors.
- Later in the year, SGL and TransGroup shareholders succeeds in achieving a unified ownership structure.
- The result of the unification was a broadened service offering and a strengthened organization with a truly global footprint. The combined entity consisted of more than 90 offices on five continents with an excess of 1.300 highly dedicated and professional team members.
- In November of the same year, SGL signs an agreement to acquire the Swedish company, Airlog Group, a privately held logistics service provider with offices in Sweden and Denmark. The implementation will conclude Q1 2017.
- 2017 SGL acquires CROSSEUROPE AB, a Swedish company with road freight as their main product.
- 2018 SGL expands in Japan with an additional office in Nagoya.
- In July, SGL creates a footprint in Australia by acquisition of the Australian based freight forwarder Kestrel Freight & Customs PTY LTD.
- July also brings another milestone when SGL acquires 55% of Macca Logistics SARL in Bamako, Mali. Macca also have operational offices in the ports of Dakar, Senegal and Abidjan, Code D'Ivoire.
- Finally, in November, SGL acquires 100% ownership of the leading special solution provider for high-end automotive Logistics – the German company International Quality Service Group (IQS Group)

## Key programs and initiatives

Mandatory Code of Conduct training for employees

- *90% of staff passed the test in 2018*

Obtain ISO 14001 certification in Finland and Norway

- *Finland completed in 2018, Norway scheduled January 2019*

Environmental demands imposed on sub-contractors

- *Stringent qualification process*
- *More than 90% of our hauliers have engines with Euro norm 5 or 6 in their trucks*

Programs in place aimed at reducing electrical consumption as well as paper consumption

- *Reduce electrical consumption by 5% per employee in 3 years*
- *Reduce paper consumption by 5% per employee every year*

Commitment to reduce the amount of combustible waste

- *Reduce combustible waste to become max. 20% of total*

Various activities supporting local communities

- *Participation in local fundraisers*

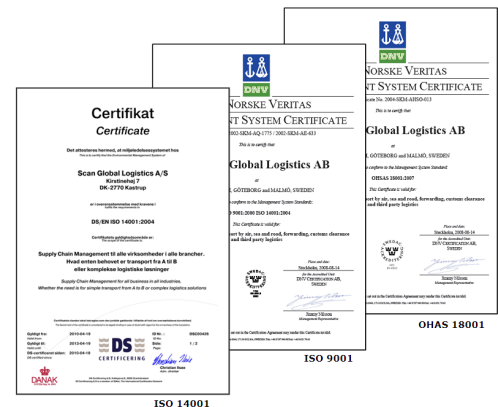


# Corporate Social Responsibility

We are committed to and our responsibilities towards all our stakeholders to adhere to the laws of every 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, the program is subject to a continuous process to develop trust and integrity.

## 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 was established in 2013 and applies 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.
- The 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).
- The 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.



*To deny people their  
human rights is to  
challenge their very  
humanity.*

- Nelson Mandela, 1990

# Labour

- Scan Global Logistics respects human rights 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
- Our employees are free to join or not to join a union/employee representation of their choice, free from threat or intimidation.
- We do not discriminate and provide equal opportunity for all
- We comply with European Union regulations as well as national or 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.



## Environmental objectives

- We will actively reduce emission to the extent it is possible.
- We will foster environmental responsibility by increasing employee awareness of the environmental control system and objectives, and ensure commitment to environmental work through education and training.
- We will make environmental demands on suppliers through dialogue and cooperation.
- We will ensure that our efforts will result in continuous and measurable environmental improvements.
- We will proactively inform our clients on environmental issues.
- We conduct environmental assessments of major investments and changes.
- We have an open dialogue with authorities, customers and other stakeholders, and provide information regarding the company's environmental conditions.
- We comply with applicable laws and regulatory environment.
- We will select the best available techniques considering both environment and economy.
- We will encourage our employees to make continuous improvement proposals that may affect the environmental areas in a positive direction.
- We will continuously work to reduce consumption of electricity, water and heat in the organization.
- We will continuously reduce resource consumption for transport of goods by making the most of available capacity.
- We will continuously improve sorting, storage, recycling and disposal of all waste products which are the result of company activities and services.
- We pledge to continuously guard against and prevent negative environmental impact.
- We will prioritize road transport with Euro norm 5 + 6 vehicles.
- We have purchased CO2 quotas and thus the SGL website is CO2 neutral

## Anti-Corruption

- It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.
- We act with integrity and are accountable to stakeholders for our actions and relationships.
- We do not promise or provide bribes or any other inducement or reward in order to gain any commercial, contractual, regulatory or personal advantage.
- We do not accept gifts or hospitality from a sub-contractor or third party where there is an expectation that a business advantage will be provided by us in return
- We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
- We have an established sub-contractor management policy and undertake due diligence of our business partners. Sub-contractors are continuously screened in accordance with our policy and UN Global Compact's ten principles.



**WE SUPPORT**

## Ending note

The commitment to UN Global Compact's Ten Principles remains anchored in Scan Global Logistics' strategy and behavior. We are continuously working on initiatives and activities aimed at protecting the rights of all, both within our communities and with our employees. We will strive to further improve and we are committed to an ongoing communication on the subject towards shareholders, clients and employees.

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**For questions, please contact:**

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# SCAN

GLOBAL LOGISTICS



Our world is logistics