

An aerial photograph of a multi-lane highway winding through a lush green landscape. A blue truck with a white trailer is driving on the highway. The surrounding area is filled with trees and grass. The text 'Our responsible way forward' is overlaid in large white letters.

Our responsible way forward

DSV Panalpina
Corporate Responsibility Report 2020

The DSV logo, consisting of the letters 'DSV' in a bold, white, sans-serif font.

DSV

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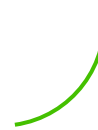
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COMMUNICATION
ON PROGRESS

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

We welcome feedback on its contents.

GRI has given formal confirmation that our report has undergone and successfully completed the Materiality Disclosures Service in 2021





Letter from the CEO

Charting a responsible way forward for transport and logistics

While managing the challenges of COVID-19, we raised our ambitions for corporate responsibility in 2020 and made good progress on our initiatives. During the pandemic, our job did not change. We had a responsibility to keep supply chains flowing so people could continue to have the goods, medicines, and personal protective equipment they needed.



I am very proud to say our team rose to the challenge and have shown extraordinary integrity dealing with the unusual circumstances.

During the crisis, our top priority has been the health and safety of our people, whether they were working from home or moving goods in our warehouses and on the road. Despite the circumstances, we managed to both complete the operational integration of Panalpina extraordinarily fast, and to continue our activities within corporate responsibility with full force. We updated our strategy for the area and set new targets for both short- and long-term improvements.

Reducing our carbon footprint

I have felt a growing urgency among our employees, in society and in myself to raise our ambitions and to set a clearer direction for our sustainability efforts. In 2020, we reached an important milestone, as we set ambitious, science-based targets for how much and how quickly we need to reduce our carbon footprint. We chose to align our targets with the latest thinking from climate science, since it adds real meaning to reducing emissions.

By 2030, we must reduce our carbon footprint by at least 30% from our 2019 baseline year. In 2020, we already saw a significant decline in CO₂ emissions, mainly driven by lower shipping volumes following the outbreak of COVID-19. Our overall energy efficiency was improved, though, and we will continue to reduce our impact, also when activity returns to pre-pandemic levels.

We intend to lead the way in our industry, and that means we must take responsibility for more than just ourselves. That is why our emission reduction targets include subcontracted transport, and why we have partnered with other large companies to develop sustainable fuels. It is also why I represent the company in working with the Danish government to find greener solutions for land transport.

A people's business

I often say that 'DSV Panalpina is a people's business,' meaning that people drive the success of the company. It is therefore crucial that we continue to focus strongly on maintaining a healthy, safe, and fair workplace environment. In 2020, we strengthened our diversity and inclusion policy, promoting practices that help us create an even more diverse and inclusive company. We unfortunately saw a rise in occupational accidents, but also fewer lost workdays due to occupational injury. On both topics, we will continue to improve as part of our new health and safety programme.

We continue to ensure that everyone in the company understands our Code of Conduct and receives the proper training to comply with it. Managers and selected white-collar employees must pass an exam as part of our Code of Conduct e-learning course to verify that they have understood important subjects related to ethical behaviour, while all other employees get local awareness training. Currently, we are also improving our global supplier management framework, helping us to better identify and assess suppliers – and ensure they live up to the same standards we have set for ourselves.

Blueprint for a better world

We are proud to continue our commitment to the United Nations Global Compact, an important global blueprint for a better world, to which we have been a proud signatory since 2009. The UN's Sustainable Development Goals continue to play a big part in assessing where our activities have the greatest impacts. In 2020, we decided to align our corporate responsibility efforts with four additional SDGs which means that we now focus on a total of nine goals.

We went through a challenging 2020 without reducing focus on our corporate responsibility activities, and you will learn about many more of the year's achievements in this report.

Thank you to the people of DSV Panalpina and to our suppliers for their extraordinary efforts during 2020 and to our customers for entrusting us with keeping their supply chains flowing.



Jens Bjørn Andersen
CEO, DSV Panalpina

DSV Panalpina at a glance



AMERICAS

Gross profit: DKK 5,931 million

20.8% of total

EBIT before special items: DKK 2,177 million

22.9% of total

EMEA

Gross profit: DKK 17,148 million

60.1% of total

EBIT before special items: DKK 4,484 million

47.1% of total

APAC

Gross profit: DKK 5,455 million

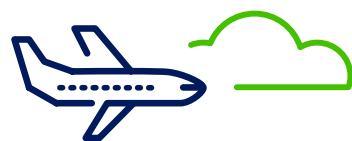
19.1% of total

EBIT before special items: DKK 2,859 million

30.0% of total



Over 80
countries



5th largest
freight forwarder

DKK 116 billion
in annual revenue



56,000+
employees

1,300 offices &
logistics facilities



About DSV Panalpina

DSV Panalpina is a global freight forwarder offering transportation of goods as well as a variety of value-added services.

These include lead logistics, e-commerce solutions, purchase order management, cargo consolidation, customs clearance, cargo insurance, warehousing, distribution, and other related services.

The company was founded in Denmark in 1976 and has since then evolved to become one of the world's largest freight forwarders, offering services throughout our three divisions – Air & Sea, Road and Solutions.

DSV Air & Sea offers alternative routings and flexible schedules to suit even the most demanding logistical requirements to and from all parts of the world. We handle 2,200,000 TEUs of sea freight and 1,300,000 metric tonnes of air freight every year.

DSV Road is one of the leading road freight operators in Europe with distribution networks in North America and Africa. Annually, we handle more than 30 million shipments and every day more than 20,000 trucks are ready to carry goods in a fast, efficient, and flexible manner.

At DSV Solutions, we partner with our customers to design and deliver logistics solutions, adding value by increasing operational and cost efficiency. We operate hundreds of logistics facilities comprising a total of 6,000,000 m².



Among the world's largest

We have grown steadily over the years – not least through several large acquisitions. We operate with own locations in more than 80 countries and are represented by partners and agents in countries where we do not have our own locations. Our global market share is estimated to 3-4%, making us one of the top five global freight forwarders in the world. The global freight forwarding market is considered to be quite fragmented, with the top 20 players having approximately 30-40% market share.

Business model and strategy

We run an asset-light business model which means that while we plan and coordinate transport from shipper to consignee on behalf of our cus-

tomers, the actual physical transport is outsourced to suppliers, including airlines, shipping lines, rail operators, couriers, and haulier companies. Our asset-light approach implies that the majority of our terminals, warehouses and operational equipment are leased on short-to medium-term contracts with the average duration closely monitored to accommodate capacity requirements.

Our vision is to continue being a leading global freight forwarder targeting extensive growth. Driving the organisation towards this ambition are four strategic focus areas – customers, growth, people, and operational excellence. Being a responsible business partner is tied into all four areas and fundamental to achieving our goals, and we constantly work to strengthen that foundation through our corporate responsibility initiatives.

Revised strategy for an even more ambitious focus

We have updated our corporate responsibility strategy to address the changing world we live in. It is our belief that investing in corporate responsibility yields stronger stakeholder relationships and ultimately better business results.

Key stakeholders

The foundation for reassessing our material topics and for our corporate responsibility strategy is our stakeholders. On a yearly basis we review our important stakeholders and identify potential new ones. This review provides us with relevant insights into our stakeholder relationships.

Our ability to make decisions in the best interest of our stakeholders is largely dependent on the quality of information flowing between us and them. We therefore engage with our stakeholders openly and transparently in a variety of ways to create mutual value.

Customer relationships are crucial for us, and while much of the day-to-day contact is handled by our freight forwarders,



Our key stakeholders:

- Customers
- Suppliers
- Current and potential employees
- Investors
- Analyst and rating agencies
- Authorities

we engage with customers on many levels throughout the company. Key account managers, for example, coordinate activities around large customer relationships, conducting regular business reviews with them to ensure that all topics of interest to customers are addressed. Corporate responsibility is increasingly becoming a part of the tender process, requiring us to outline our approach in order to be considered a potential supplier.

Our asset-light business model requires strong relationships with suppliers to provide services reliably, efficiently, and responsibly, while existing and potential employees will always be key stakeholders in our line of business. In the chapters entitled Responsible Procurement and People, we elaborate on these key stakeholder relationships.

All our key stakeholder relationships, which also include investors, analysts, rating agencies and authorities, were taken into consideration when performing our materiality assessment.

The road towards an updated strategy



Materiality assessment

In 2020, we carried out an assessment of which corporate responsibility topics are most important to DSV Panalpina, ensuring that we continue to have the right focus. During the process, we assessed topics according to how influential they are in our ability to achieve our strategy, to remain commercially sustainable, and socially and environmentally responsible.

We have given particular consideration to issues that influence the long-term needs of our stakeholders and to factors that impact the countries and regions in which we operate.

Sustainable Development Goals

We have been a signatory to the United Nations Global Compact since 2009, and we have pledged to adhere to the Compact's ten principles.

At the same time, we have been supporting the UN's Sustainable Development Goals since 2015, focusing on the ones that we affect the most through our business, both positively and negatively.

After reassessing our material topics, we have reviewed their alignment with the Sustainable Development Goals. We have subsequently added four new SDGs to the five that we already focused on and will continue to work systematically with nine SDGs.

You can find our material topics, our focus areas, and the SDGs that we support in our Focus house on page 9. This report describes our progress and ambitions within each area.



The 17 Sustainable Development Goals and the **nine goals that we support.**



Focus house

This overview contains our overall intent for corporate responsibility, our five focus areas, our material topics, and related commitments.

We are committed to a responsible and sustainable way forward for transport and logistics

Overarching statement

Our corporate responsibility focus areas

Business ethics

We do business with integrity, respecting different cultures and the dignity and rights of individuals in all countries.

People

We provide safe and healthy work-places, and we strive to attract, motivate and retain talented people by offering responsibility, empowerment, and growth opportunities.

Environment

We have a responsibility to drive our own operations and the industry towards minimising the environmental impact of transport and logistics services.

Community engagement

We engage with and support communities in which we operate, and we use our expertise to support people in need.

Responsible procurement

We ensure our suppliers meet our high standards, service quality and price requirements and demonstrate an understanding of our corporate responsibility objectives.

Material topics

- Conflict of interest
- Anti-competitive behaviour
- Anti-corruption
- Data privacy
- Taxes
- Compliance

- Employee engagement
- Health & Safety
- Diversity
- Labour rights
- Human rights

- Emissions
- Energy
- Waste management
- Product and service innovation

- Community engagement

- Supplier engagement and conduct

Our commitment



Environment

We have a responsibility to drive our own operations and the industry towards minimising the environmental impact of transport and logistics services



7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS



Watch our CEO present our science-based targets

Moving cargo and keeping supply chains flowing throughout the world has an impact on the environment. Whether the impact, including greenhouse gas emissions, are from our own operations or due to the activities of our subcontractors, we have a responsibility for measuring, disclosing, and reducing the impact where possible.

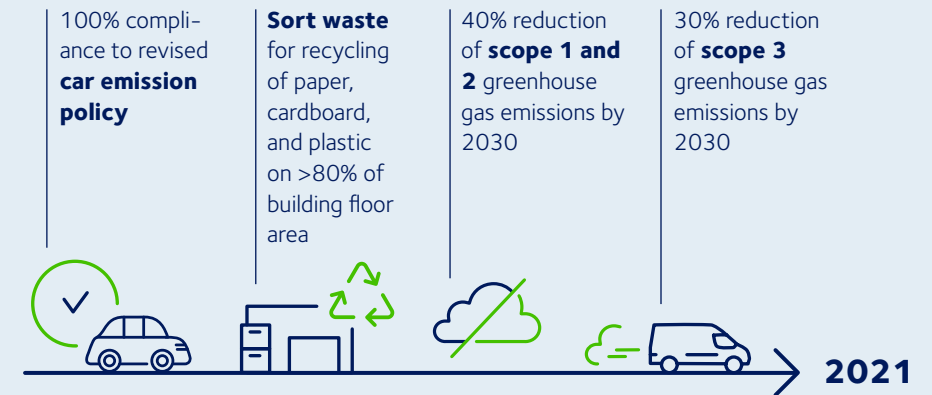
Our business model is asset light, which means that the actual transport of the goods is performed by 3rd party subcontractors besides a small fraction that we transport ourselves. Therefore, we share responsibility for minimising the negative impact of transport with our suppliers and customers, and only by working closely with these stakeholders to implement smarter solutions and to choose greener options when economically feasible can we achieve our targets.

In 2020, our Sustainability Board approved ambitious science-based targets for reducing our greenhouse gas emissions, and we have started several new initiatives to achieve these targets. Our goal is to continually improve our environmental performance, use resources responsibly, and collaborate with key stakeholders to find new ways of moving goods with less environmental impact.

Achievements 2020



Targets 2021



Science-based targets



We have chosen to work with the Science Based Targets initiative (SBTi) to reduce our carbon footprint.

The SBTi is an internationally recognised framework for climate change goals and a collaboration between the Carbon Disclosure project (CDP), the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Science-based targets provide a clearly defined pathway for companies to reduce greenhouse gas emissions, consistent with the research-community's latest understanding of climate change. Targets are considered 'science-based' if they support the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

Our 2030 science-based targets

Scope 1 and 2
reduction of greenhouse gas emissions

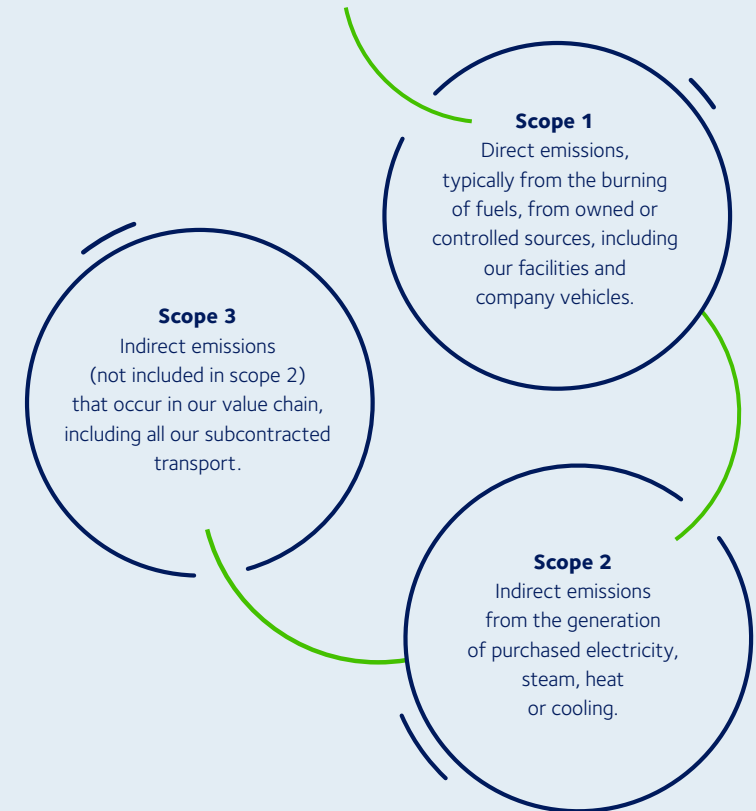
↓ 40%

Scope 3
reduction of greenhouse gas emissions

↓ 30%

Scopes of emissions

The SBTi framework uses the reporting standards established by the Greenhouse Gas Protocol which divides greenhouse gas emissions into scopes:



Calculating our baseline

Our science-based targets aim to reduce our CO₂ emissions by 2030 from a 2019 baseline year. To estimate the baseline, we took DSV's total CO₂ emissions in 2019 and added them to the CO₂ emissions from Panalpina's operations, the company we acquired during 2019. In addition, we adjusted our methodology (see page 38) before reaching our 2019 baseline of 16 million tonnes of CO₂ emissions.

Making progress in 2020

Detailed in our data summary on page 40 of the report, our total CO₂ emissions in 2020 increased compared to previous years. The increase is due to the full year inclusion of Panalpina's emissions compared to the reported figures in 2019, which only had four months included.

However, if we compare the two full years of 2019 and 2020, we have made substantial progress towards our science-based targets in 2020 with a reduction on all three scopes. The year was significantly impacted by the COVID-19 restrictions which reduced shipping volumes in many industries, resulting in lower CO₂ emissions from our subcontracted

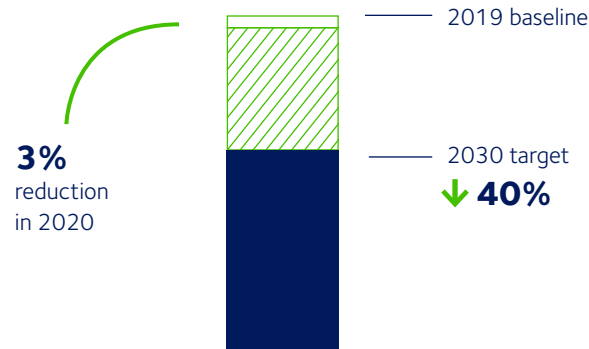
transport. Other consequences of COVID-19 restrictions, including less business travel, also affected our CO₂ emissions.

Despite of COVID-19 restrictions, we also saw reductions in CO₂ emissions resulting from energy efficiency improvements in our own facilities and through our partnerships with subcontractors to encourage the use of more fuel and energy efficient vehicles.

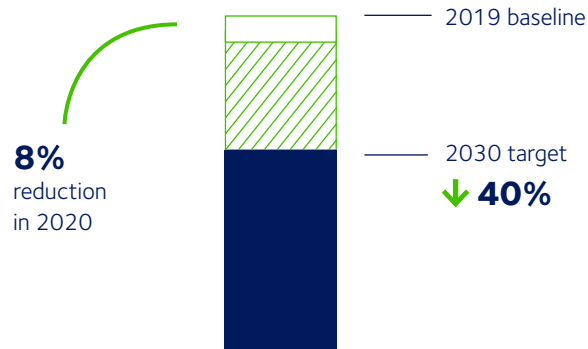
In 2021, we expect increased CO₂ emissions as shipping volumes rebound to pre-pandemic levels. We will remain focused on continuing our efforts to make energy efficiency improvements through the initiatives described in this chapter – and thereby working towards meeting our 2030 targets.



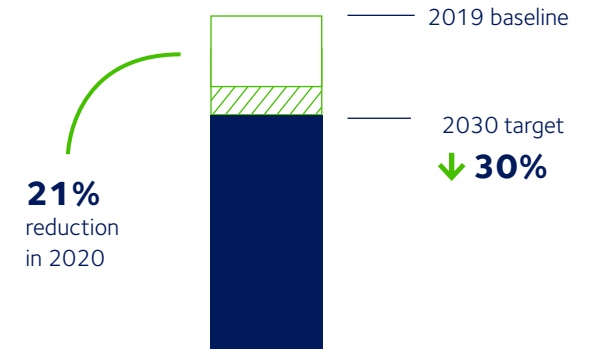
Scope 1 status



Scope 2 status



Scope 3 status



Environmental management

A key aspect of our greenhouse gas reduction efforts (scope 1 and 2) is to improve our internal energy efficiency.

Greener buildings

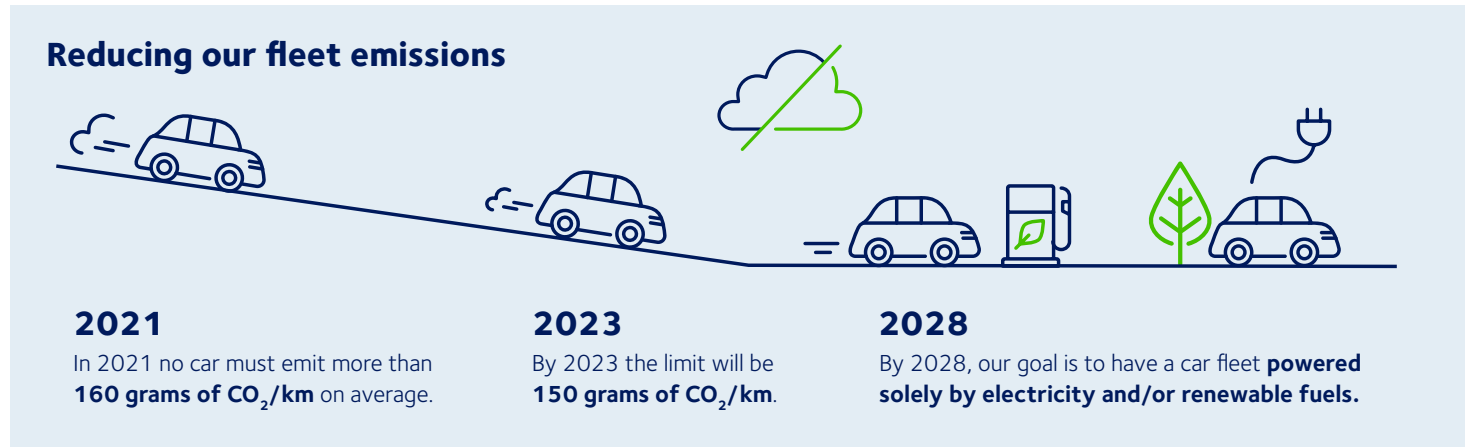
We adhere to some of the strictest national and international standards when constructing new buildings, including the BREEAM, LEED and DGNB standards, which assess the environmental, social, and economic sustainability performance of buildings. New buildings are constructed with a long lifespan of minimum 50 years, and we aim for 85% of the building materials to be reusable.

Several other activities help us increase energy efficiency and lower emissions, including low energy lighting, energy-friendly roofing, smart use of electricity, and efficient water consumption facilities, which have led to a reduction in our water consumption globally. In 2020, we started a new initiative that requires all new buildings to also use renewable energy – either generated on-site or purchased. The optimisation measures we make use of in our building projects can vary from project to project and from country to country.

While optimising our approach to buildings, we ensure that the economic performance of our building activities go hand in hand with the environmental performance. We therefore require that the cost of attributes, such as energy efficiency or renewable energy, be returned within 7 years.

Waste management

With more than 1,300 offices and logistics facilities around the world, from small offices to large warehouses of more than 100,000 m², waste



management is an important part of our commitment to good environmental management.

Besides ensuring processes for recycling and sorting wherever possible, we are always seeking to identify opportunities for improvement. In total, 74% of our building square metres have recycling programmes for paper, cardboard, and plastic, and in 2021, we are launching a recycling project to increase our global efforts.

Local entities driving the global strategy

Local entities in our divisions ensure that our environmental management initiatives are implemented, and that ownership is taken to drive them forward. For example, in 2020 a sustainability programme was initiated in DSV Solutions, our division related to warehousing, fulfilment, contract logistics and more.

Led by local ambassadors, the programme has two tracks: 1) interacting with our customers and suppliers to implement green solutions, and 2) optimising technical solutions in our own offices and warehouses, includ-

ing automatic control of heating, cooling and ventilation. The programme also introduces more sustainable equipment in warehouses such as energy-efficient forklifts and alternative environmentally packaging solutions, while more trees will be planted in areas outside of our warehouses.

Company car fleet

Our company car fleet represents another opportunity to make progress on our environmental goals and to reduce greenhouse gas emissions (scope 1). In 2020, we accelerated the most crucial factor in reducing our fleet emissions, phasing electric vehicles into our fleet. In 2021, we are introducing a new requirement that reduces the maximum allowed level of CO₂ emissions from fossil-fuel powered cars in our fleet to 160 grams of CO₂/km on average. By 2023 the limit will be lowered further to 150 grams of CO₂/km.

As electric vehicle technology is rapidly developing, we will perform a yearly assessment of the maturity level of available EV technologies and determine the type of green cars that we will introduce. By 2028, our goal is to have a car fleet powered solely by electricity and/or renewable fuels.

Sustainable logistics services

Many of our customers are seeking lower-carbon logistics services. Because of our asset-light business model, and the fact that much of the greenhouse gas impact of our services is due to the actions of our subcontractors, their engagement is essential.

We have started several initiatives to lower the greenhouse gas emissions from our subcontracted transports (scope 3).

Green service offerings

To improve our range of sustainable offerings, we are currently developing a set of green transport and logistics solutions, supported by several different aspects of our services. The package of services has three pillars:

1. **Report:** Provide accurate and timely CO₂ emission reports through EcoTransIT, our Customer CO₂ reporting tool which will replace our existing solution in 2021.

2. **Reduce:** Implement the right mix of technologies and services to reduce CO₂ emissions. Options include alternative fuels, carbon offsetting, and supply chain optimisation projects that explore possibilities of mode shift, optimal loading factors, routing, carrier selection, and innovation.

3. **Collaborate:** Explore collaboration projects with carriers on new technology and fuel providers.

This important offering requires all components of the value chain to work together, including:

- **Procurement and product teams:** To build awareness and capability to understand the environmental performance of our carriers.
- **Information technology:** In order to be able to model and calculate the benefit of these improvements.
- **Commercial teams and customers:** To implement and adopt the new procurement process.

An important component of the programme is focused on alternative fuels. We are committed to helping our customers find the right mix of fuel solutions, such as second-generation biofuels, LNG, hydrogen, and others.

Three sustainability pillars:



1. Report



2. Reduce



3. Collaborate

Green collaboration in action

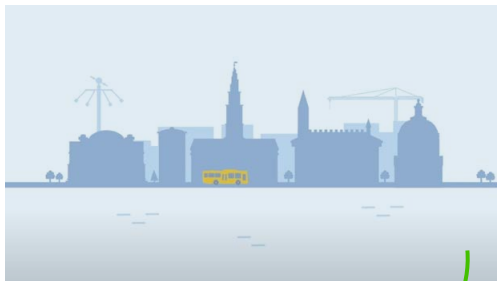
In one example of green collaboration in action, we have partnered with a major customer to provide a range of transport and logistics services and to significantly reduce the customer's CO₂ impact at the same time. Together, we have established a 2030 green logistics roadmap and prioritised initiatives based on where the most significant reductions are possible.

This collaboration has four workstreams:

- **Optimise transport** within current network setup through mode selection, consolidation, port rationalism, and packaging.
- **Improve logistics emission standards** through carrier selection, vehicle specification and fuel type.
- **Optimise logistics** network segmentation and performance alignment.
- **Challenge** remaining supply chain elements through sourcing and manufacturing decisions.

Innovation

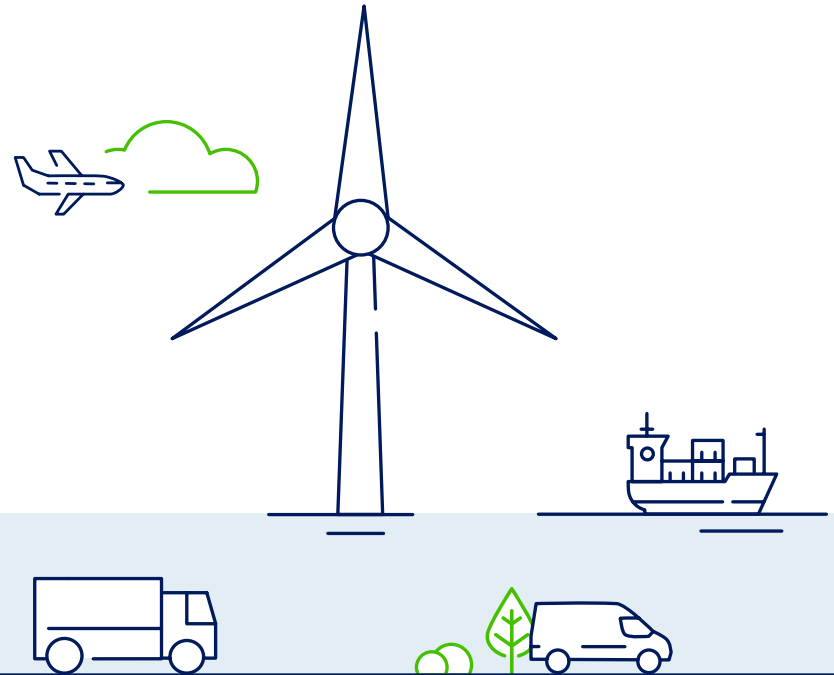
The world of logistics is changing, and today there are higher demands from businesses and consumers to the environmental performance of products and services they purchase. We embrace this change by innovating and improving our services and operations.



Click to watch video

Learn how renewable hydrogen is developed

The thinking behind the renewable hydrogen project is the concept of **Power-to-X**, a term covering the transformation of power into new materials or fuels. We see great potential in **Power-to-X** technology and support exploring its promising possibilities.



Innovation takes place on several levels at DSV Panalpina with developments on local, divisional, and global levels. Central to our efforts is the DSV Innovation Hub which is the home of several of our in-house research and development programmes.

Renewable hydrogen

In 2020, we joined forces with other leading Danish companies on an ambitious sustainable fuel project, aiming to convert wind energy into sustainable hydrogen for road, maritime and air transport. A key aspect of the project is to make sustainable fuels competitive with fossil fuels by scaling production to industrial size.

The project entails setting up an electrolysis facility south of Copenhagen with a capacity of 1.3 GW by 2030. Using power from offshore wind, the plant will supply more than 250,000 tonnes of hydrogen-based fuels annually for busses, trucks, maritime vessels, and airplanes.

Our role in the partnership is to assess the suitability of hydrogen fuel cell trucks for commercial use and to test it in our own supply chain. Through our collaboration with Cardiff University, we also contribute with analyses of, for example, traffic patterns, helping to ensure that the proposed plans will be truly viable and competitive for our customers and suppliers.

Collaboration with Cardiff University

We have a long-standing partnership with Cardiff University's PARC Institute in the UK. The partnership aims to identify new ideas and produce top level research in the fields of logistics, manufacturing and inventory management.

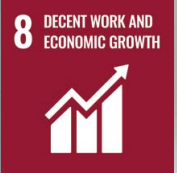
The collaboration provides us with access to top-level logistics experts, while we provide real-world data for projects. Published research articles from our colleagues linked to Cardiff University include 'Value Creation Through Green Vehicle Routing' and 'Journey to the circular supply chain.' To be published in the first quarter of 2021 is a white paper about the future impact of COVID-19 on supply chains.

Recently, the institute and DSV also collaborated to produce 3D-printed visors for NHS staff in the UK in the fight against COVID-19.

Learn more at:
www.cardiff.ac.uk/parc

People

We provide safe and healthy workplaces, and we strive to attract, motivate and retain talented people by offering responsibility, empowerment and growth opportunities





People drive the success of our company, so the more we focus on providing healthy and safe workplaces – as well as strong development opportunities – the greater is our chance of achieving our ambitions. We have defined two overall topics that relate directly to our employees: Employee care and Good employer.

Employee care covers activities related to health and safety, focusing on minimising risks by creating good and safe working environments. We safeguard our employees throughout the company by assessing risks continuously and minimising them through our processes and policies for safe conduct. Many employees had their daily work lives disrupted during 2020, as COVID-19 spread and restrictions were implemented all over the world to contain it. Throughout the crisis, our priority has been the health and safety of our people, who have worked hard to keep global supply chains flowing.

Good employer means that we take steps to ensure the continuous development of our employees and attract the best and brightest talent to our team. We want our employees to be successful in their jobs and to grow their careers. To that end, our local and global HR departments have several initiatives to attract, develop, and retain talented people.

In 2020, we implemented a new health and safety programme and moved forward on several other related initiatives. After finalising the integration of Panalpina, we have reinstated targets for lost workdays and occupational accidents and included a target for eliminating fatalities.

Achievements 2020

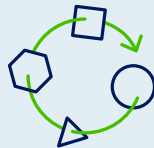
Initiated a **COVID-19 support and communication programme**



Implemented a new **Health & Safety** programme



Updated and launched our **diversity and inclusion policy**



Rolled out our online **global training platform**



2020

Targets 2021

Number of **occupational accidents** must not exceed 5 per million working hours



Number of **lost workdays** must not exceed 100 per million working hours



Number of **fatalities** must not exceed 0 during the year



2021

Employee care

We must work to protect the well-being of our most valuable resource, our people. While 2020 was overshadowed by the spread of COVID-19, we continued developing and implementing a stronger global health and safety programme.



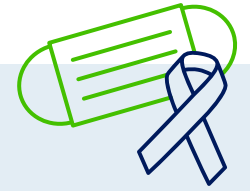
Our response to COVID-19

When the COVID-19 pandemic spread across the world in early 2020, we quickly established an Executive Crisis Committee, chaired by our Group CEO, to oversee all key activities related to the crisis. The committee appointed a Group Crisis Management team to collect and redistribute operational information from all entities on behalf of the committee. As the situation has differed from country to country, the efforts of local management have been equally crucial.

A strong flow of communication to both internal and external stakeholders has been essential to handling the crisis. This includes:

- Travelling and workplace guidelines
- Operational information
- Business continuity plans
- IT guidelines, work tools guidelines
- Guidance on leadership in uncertain times, incl. remote leadership

This high degree of coordination enabled us to acquire and deliver personal protective equipment and issue global workplace guidelines early in the crisis. We could therefore support our employees to continue doing their jobs in a safe and secure manner despite the many restrictions most countries implemented. An essential tool to support our employees' productivity has been our IT infrastructure, functioning work tools and technical support enabling people to work from home where possible.



Case

Buying face masks while supporting breast cancer research

Many of our local units were highly resourceful during the COVID-19 crisis. In April 2020, an employee at a local DSV unit in Belgium was looking for personal protective equipment, including face masks. This early in the crisis, there was a scarcity of face masks, but a message on social media caught their attention.

It said: "Buy face masks and support Think Pink." Protecting colleagues and contributing financially to Think Pink, an organisation dedicated to strengthening breast cancer research, sounded perfect to the DSV employee. The first order of masks was made from Belgium at the beginning of May – later an order was made from the Netherlands, then Luxembourg, Denmark, Germany and Austria.

Tens of thousands of DSV branded face masks ended up being ordered through Think Pink, helping to protect employees against infection while also supporting an important cause.



The new global minimum requirements are built on the ISO 45001 standard, and described in the new Health & Safety Policy Manual

Minimum requirements for health and safety

With a large and increasing workforce, standardised processes and guidelines for health and safety are crucial to continue eliminating hazards, reducing risk, and collecting feedback from our employees, customers, and suppliers. In 2019, we began developing a global health and safety programme, which was approved by our Executive Board in 2020.

As part of the programme, we implemented global minimum requirements for health and safety in 2020, for all entities to follow.

The new minimum requirements build on the foundation of the ISO 45001 standard and are described in the Health & Safety Policy Manual which divides the minimum requirements into four key areas (see key areas below).

Safe systems

- Identify and manage risks
- Ensure safe work practices
- Comply with legislation and other requirements

Safe people

- Train competent staff
- Measure safety performance
- Drive improvements

Safe equipment

- Adhere to procurement standards
- Operate as intended
- Maintain to agreed standards

Safe workplace

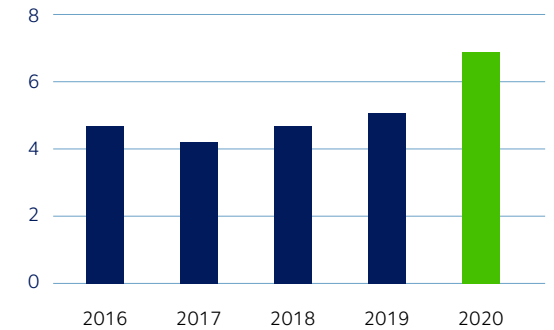
- Ensure emergency preparedness
- Ensure safe storage and handling
- Manage risk in interactions



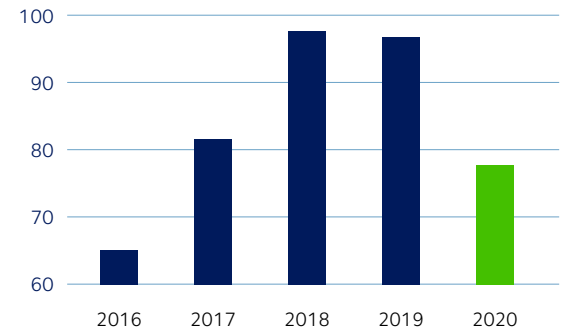
In 2020, we unfortunately saw an increase in the rate of occupational accidents, mainly within our terminals and warehouses. However, as the impact and severity of the accidents were lower, we also experienced the lowest rate of lost workdays due to occupational injury since 2016.

With our new health and safety programme, we aim to reduce the risk of accidents happening while increasing our operational performance.

Occupational accidents
(per million working hours)



Lost workdays due to occupational injury
(per million working hours)



Good employer

We are committed to a culture of respect and fairness, and strive to attract, motivate and retain talented people by offering paths for their further development, with a clear commitment to diversity and inclusion and human and labour rights.

Diversity and inclusion

Transport and logistics is a people-driven business, meaning that our success as a company is dependent on having a competent and a highly motivated work force. That workforce is made even stronger when it is diverse in background and experience.

We genuinely believe that having a diverse workforce, where employees can realise their potential based on their different backgrounds, is a significant business advantage that we can leverage. A diverse workforce in an inclusive culture fosters dynamic workplaces and, ultimately, better business decisions.

Diversity is the visible and invisible differences between people, including, but not limited to, gender, racial, cultural, national and occupational background, sexual preference, age, disability, religion and political opinion. It also encompasses diverse ways of thinking and ways of working.

In 2020, we revised our diversity policy, adding focus on inclusion. Being inclusive is to recognise and accept the uniqueness of each individual – and to put that uniqueness before any visible and invisible traits and social identities that people carry with them. Inclusion is also about removing obstacles and barriers so that current and future employees have equal opportunities in the organisation, regardless of the traits described above.

This approach to diversity and inclusion as defined by our Diversity & Inclusion Policy applies to all employees of the DSV Panalpina organisation, including the Executive Board and the Board of Directors. The policy is available [here](#).

Initiatives and results

To strengthen the development of a diverse and inclusive working environment, we started a number of initiatives in 2020 all aiming to promote and increase general diversity and inclusion awareness. We have also accommodated for this in our recruitment and advancement practices, as well as talent management processes and succession planning.

In addition, we have a dedicated focus on achieving a more balanced gender ratio throughout our global organisation, including at senior management level. Status on progress is reported to the Nomination Committee of the Board, Executive Board and Group Executive Committee at least once on a yearly basis.

These initiatives also serve in supporting the United Nations Sustainable Development Goal number 10, aiming to reduce inequalities.

In 2020, we saw an **increase in sickness absence** which was predominantly due to COVID-19.

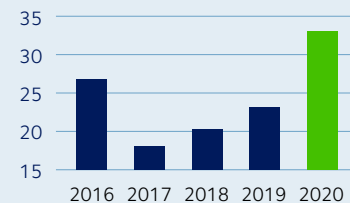
56,000+
Full time employees



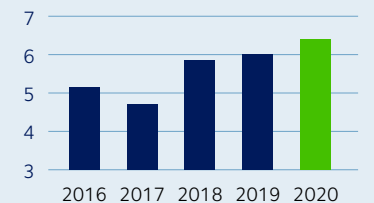
Employee gender ratio	62% Male	38% Female
Management ratio	66% Male	34% Female

The high employee turnover in 2020 was due to the integration of Panalpina, and because of adjustments in the organisation as trade activity decreased during COVID-19 restrictions globally. Also, the transport and logistics industry generally has a high level of employee turnover among blue collar workers, due to seasonal fluctuations in the required workforce.

Employee turnover ratio (%)



Sickness absence (days per FTE)





Gender diversity

The direction towards a balanced gender ratio is set at the very top by the Board of Directors. At present, the gender ratio of the Board comprises 43% women and 57% men, which is considered an equal gender representation. The composition of the Board of Directors, including diversity and skills required by its members, is addressed at least once a year in the Nomination Committee and finally in the Board of Directors. The results are reported on in the Corporate Governance section of the DSV Panalpina Annual Report.

The Board also considers diversity at executive and lower management levels, including when appointing and evaluating the composition of the Executive Board.

The current Executive Board of DSV Panalpina, comprising the CEO and CFO, are both male, of Danish nationality and have been with the company for more than 20 years. When any of these positions become vacant, the Board of Directors will oversee that the recruitment process will take diversity parameters into consideration at the same level as experience, background, and other relevant skills of the candidates.

At lower management levels, 34% of all DSV Panalpina managers are women and 66% men. The overall employee gender ratio in 2020 was 38% women and 62% men.

Human and labour rights

Tying in with our approach to diversity and inclusion, we are likewise deeply committed to upholding human rights, and oppose discrimination, differential treatment, harassment, inappropriate or unreasonable interference with work performance and insist upon fair and equitable employment and working conditions for all.

Human rights are fundamental rights and should always be protected. Our policy is that anyone performing services on our behalf, either directly as an employee or indirectly as a supplier, must be treated decently and with dignity and must treat others in the same way. In our Code of Conduct we outline how we recognise and support human rights and fight modern slavery.

We support and will always work to comply with generally accepted human rights and must always comply with any applicable labour laws. Local management in all sites have the responsibility to comply with these policies, including identifying any risks and potential impacts related to their implementation.

We are also committed to ensuring that there is no modern-day slavery or human trafficking in our supply chains nor in any part of our business. In the context of global supply chains, this refers to cases where people are subject to human trafficking, forced labour, or debt servitude. It also refers to instances where coercion, threats, or deception are used to intimidate, penalise, or deceive workers, thereby creating situations of involuntary work and exploitation.

In our [yearly update regarding modern slavery](#), you can read more about our reflection on the Modern Slavery Act.



Reporting on management gender composition cf. section 99b of the Danish Financial Statements Act

The Danish Financial Statements Act § 99b requires Danish companies of a certain size to set targets for and report on gender representation in the company's Board of Directors, and further inform about the company's policy on gender representation on lower management levels. This section of the DSV Panalpina Corporate Governance Report addresses these requirements.

Reporting on diversity policies cf. section 107d of the Danish Financial Statements Act

The Danish Financial Statements Act § 107d requires Danish listed companies of a certain size to report on the diversity policies of the company targeting management composition. This section of the DSV Panalpina Corporate Governance Report addresses these requirements.

Growth through training

Our role as a good employer is to offer our employees opportunities to expand their skills. This benefits them, increases their job satisfaction and results in a more engaged workforce.



DSV Academy

DSV Academy is the umbrella programme that brings together our global training programmes and initiatives. We offer our employees training in subjects such as freight forwarding, recruitment, sales, traffic, languages, change management, leadership, warehousing, and logistics.

Online training platform

In 2020, we integrated a new library of e-learning courses to our global online training platform, DSV Learning. The aim of the library is to support our managers and employees in their professional and personal development through "training on demand" and link training to specific competence development.

Managers using DSV Learning get full access and can take a course whenever it fits their schedule. With over 6,000 hours of training, there is something for everyone on the new platform, whether they are looking for quick training on a very specific topic or looking to dive deeper into a certain area. The content of the new global online library covers both hard skills, such as technical knowledge, and soft skills, such as leadership and communication training.

Leadership training

Competent and highly skilled leaders are fundamental to a well-functioning organisation, particularly during uncertain times. We take the responsibility of leadership seriously by investing in tools and training that enables our leaders to better manage their employees and increase performance.

Competent and highly skilled leaders are fundamental to a well-functioning organisation

Our training focuses on a combination of business and people leadership and includes topics such as communication, motivation, change management, situational leadership, and performance. An important part of the training is the pre- and post-assignments, which integrate content specific to each participant instead of using generic cases.

COVID-19 made onsite training a challenge during 2020. In January and February, we conducted our leadership training sessions as usual, but as restrictions were put in place, we had to postpone further sessions. Instead, we offered global leadership training via our online platform, including a virtual leadership training programme with a live trainer.

Combined with an open and transparent dialogue, we can ensure that everyone has the right skills and knows what to focus on in their jobs

Young DSV

Young DSV is our international freight forwarding trainee programme. The two-year programme takes trainees through on-the-job training in a local DSV department and 8 weeks of theoretical training.

The theoretical training consists of eight different modules conducted by a Danish business school and our own in-house experts. The trainees have regular follow-up meetings with their immediate manager to ensure that they are on track and that they improve their skills according to plan. Trainees complete the programme by taking a final exam.

After having successfully completed the programme, trainees become certified freight forwarders, possessing the skills and knowledge needed to start a successful career at DSV Panalpina.

In 2020, the Young DSV programme was also affected by COVID-19, as onsite training of our international participants was prohibited. Instead, we were able to conduct the Young DSV training online and therefore continue with the development of the next generation of freight forwarders.

New global HR system

Another important element of our human resources strategy in 2020 was to continue the implementation of a new global HR system to support employee development. The system enables ongoing goal and priority setting and ensure continuous feedback.

Combined with an open and transparent dialogue, we can ensure that everyone has the right skills and knows what to focus on in their jobs. By “checking in” with employees more often and having an easier way to document goals and progress and to give feedback we want to raise employee motivation and alignment.



Young DSV is our **international freight forwarding trainee programme**. The two-year programme takes trainees through on-the-job training in a local DSV department and 8 weeks of theoretical training.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Responsible procurement

We ensure our suppliers meet our high standards, service quality, and price requirements and demonstrate an understanding of our corporate responsibility objectives



As an asset-light company, we engage suppliers to perform transport and logistics services on our behalf. This means that we are highly dependent on their performance and standards, and that most of the impacts we are responsible for, environmental or otherwise, occur through our suppliers. It is therefore crucial to our success that our suppliers deliver the services they commit to providing and do so in a manner that meets the expectations of our customers.

We see our suppliers as an extension to our business and we focus on creating strong collaborative relationships with them, but with a global network consisting of thousands of suppliers, we are sometimes faced with the risk of non-compliance from their activities. Therefore, we continuously work to minimise these risks by clearly communicating our requirements and processes to them, emphasising on an open and transparent dialogue.

As part of our collaboration, we expect our suppliers to meet our standards regarding ethics, quality, health, safety, and sustainability. We prioritise reliability and source suppliers that demonstrate commitment to corporate responsibility.

During 2020, we continued our development of a global supplier management framework that aims to improve our ability to vet systematically and onboard suppliers according to the standards we expect from them. In 2021, our target is to roll out the new and improved framework.

Achievements 2020

Integrated Panalpina in **our Responsible Procurement framework**



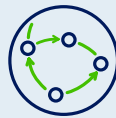
Strengthened organisation to work on a new global supplier management framework



Developed the blueprint for global supplier management framework



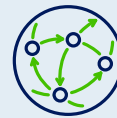
Distributed the Supplier Code of Conduct to all suppliers with a yearly spend of more than EUR 25,000



2020

Targets 2021

All suppliers with a yearly spend of more than EUR 25,000 to receive the **Supplier Code of Conduct**



Perform 400 or more **supplier audits**



Roll out new and improved **global supplier onboarding programme**



2021

Supplier engagement and conduct

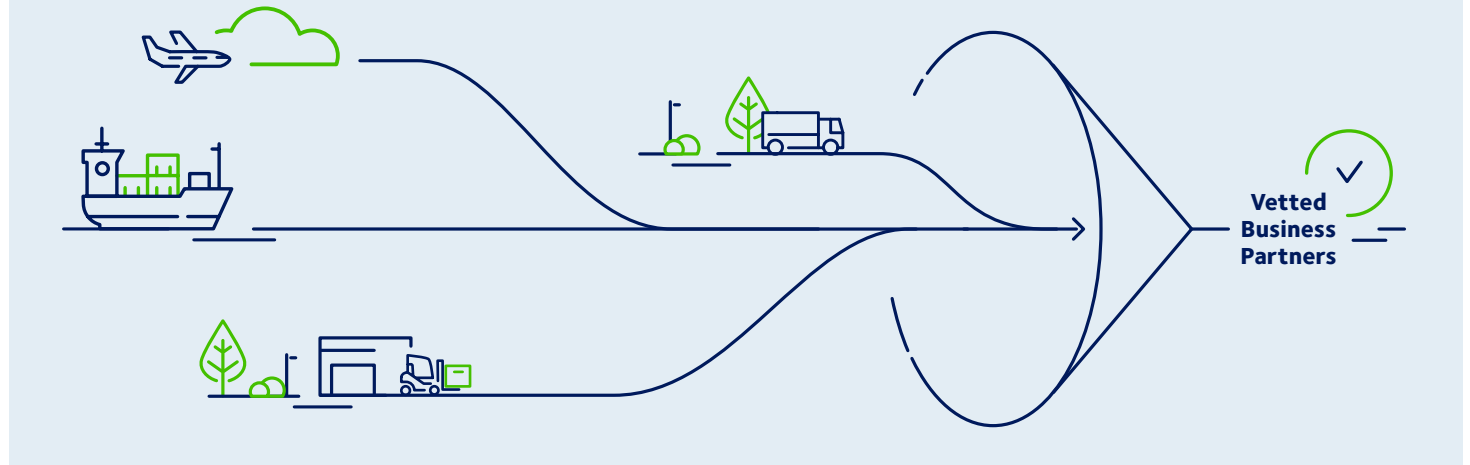
Fundamental to our relationship with our suppliers is the DSV Panalpina Supplier Code of Conduct, which clearly outlines the conduct and standards required to perform services on our behalf. We have maintained and distributed this policy to suppliers for many years, and to ensure that it always reflects our development, we review the Supplier Code of Conduct on a yearly basis. In 2019, it underwent a substantial update, while our review in 2020 concluded that an update was not necessary.

In 2020, integrating new entities and suppliers from the Panalpina acquisition into our framework for responsible procurement was a key activity. As our global network continues to expand, it is ever more important to minimise risks by ensuring proper inclusion of local entities into our procurement procedures.

The Supplier Code of Conduct is distributed to all suppliers with a yearly spend of more than EUR 25,000. For road freight suppliers, we distribute a Road Haulier Code of Conduct, which defines our ethical principles and health and safety requirements for road hauliers. Topics include truck safety, safe driving on the road, working rights for drivers, and more.

As part of our procurement framework, we track the performance of our suppliers to ensure they live up to regulations and to our standards. Our local entities perform the tracking and ensure that any non-compliance is immediately addressed with corrective action where needed. Tracking the performance of our suppliers also enables us to evaluate and review them on an ongoing basis.

Supplier channel system



Global framework for supplier management

With many suppliers in our global network, strong procurement procedures are crucial to maintaining high standards and delivering quality services. Since our procurement procedures so far have primarily been anchored locally and regionally, we have faced challenges in ensuring alignment across supplier types and across our entire supply chain. In 2019, we therefore began developing a new, global supplier management framework, which we continued to work on in 2020.

The global supplier management framework will streamline onboarding of suppliers across the company, as every supplier will be vetted through the same central channel. The framework will include a simple and automated due diligence process based on legal and industry requirements such as health and safety and the environment. We will get an overview of all

suppliers and their risk level, enabling us to accurately identify and assess suppliers throughout the company.

In 2021, our primary focus will be on a stepwise implementation of the global framework for supplier management with a selected group of suppliers identified through a risk-based assessment. Eventually, all suppliers in our supplier network will be included in the framework, providing us with a tool that more effectively helps us mitigate risk and protect our customers and our company even better.

Partners we collaborate with towards responsible procurement

- Clean Cargo Working Group ([CCWG](#))
- Sustainable Air Freight Alliance ([SAFA](#))
- Smart Freight Centre's Global Logistics Emissions Council ([GLEC](#))

Business ethics

We do business with integrity, respecting different cultures and the dignity and rights of individuals in all countries





As a company with daily operations all over the world and a focus on growing through mergers and acquisitions, as well as organically, we face many different types of risks, operational, financial, and reputational, that require our attention. On all levels, and in all the places that we do business, we are therefore committed to honest and ethical business practices and are complying with all relevant regulations.

We remain focused on key ethical topics such as anti-corruption, anti-competitive behaviour, conflicts of interest, our whistle-blower programme, and on creating a culture where employees understand their role in maintaining high ethical standards.

Doing business with integrity helps us create stronger and more trusting relationships with our stakeholders, and it strengthens our work force,

as people want to work for a company that has a strong focus on ethical behaviour. Crucially, our focus on compliance and good ethical practices also makes sense financially and is key to long-term business stability.

In 2020, we continued our journey of creating awareness about our ethical framework and whistle-blower programme, and for 2021, we have goals for even more widespread training.

Achievements 2020

Integrated Panalpina into our **business ethics framework**



Completed roll-out of Code of Conduct e-learning to all DSV managers



Provided Code of Conduct e-learning to selected employees below manager level



Continued local awareness training as well as **whistle-blower programme awareness**



→ 2020

Targets 2021

Train 100% of white-collar employees in the Code of Conduct through e-learning



Achieve **90% or above pass rating of Code of Conduct e-learning** on first attempt for all white-collar employees



→ 2021

Guiding ethical behaviour

The foundation for our culture of compliance is the DSV Panalpina Code of Conduct. We perform yearly reviews to ensure full alignment with the business and compliance with applicable laws and internationally recognised regulations such as the UK Bribery Act 2010 and the Foreign Corrupt Practices Act (FCPA). We made a substantial update to the Code of Conduct in 2019, and in 2020, we found that no updates to the content were necessary.

The Code of Conduct is based on our values and applies to all employees, including Executive Board and the Board of Directors. When people begin working for us, they receive the Code of Conduct and must confirm that they will adhere to it, and through continuous training we ensure that everyone understands it.

A key activity for us in 2020 was integrating former Panalpina employees into our business ethics framework. During the process, we used newsletters, e-learning, and other communication tools to inform our new colleagues about the framework. As the number of employees continues to increase, it is even more important to minimise risks by ensuring proper inclusion into our business ethics framework.

Awareness through training

We continued our efforts in 2020 to ensure that everyone in the company understands our Code of Conduct and receives the proper training to comply with it.

In order to achieve this, we offer both local, in-person and online training, accommodating the different responsibilities and job types that our employees have throughout the company. The online training consists of an e-learning course, which includes a final exam, enabling us to ensure that topics are understood effectively.

By the end of 2019, 86% of managers had completed the Code of Conduct e-learning, and in 2020, we reached a 100% completion rate.

To support increasing awareness, we also provided the e-learning to selected white-collar employee groups below manager level, who were identified through a risk assessment focused on certain job functions.

In 2021, our target is to ensure that 100% of our white-collar employees go through the Code of Conduct e-learning course, and that they achieve a 90% or above pass rate in the first attempt. Going forward, the e-learning will be automatically assigned to all new managers who will be required to take it on an annual basis.

Secure whistle-blower channel

Central to our business ethics framework is our whistle-blower programme, which offers protection and assurance to employees and business partners who want to report incidents of potential misconduct.

The programme has been running for several years, and we continuously encourage people to report their concerns, suspicions, or knowledge of misconduct through the programme as it allows us to take appropriate action. People can use an app or a website to report incidents, and to safeguard the anonymity of those making a report, the channels are administered by an external provider.

All reports made in the whistle-blower system that are within scope of the programme are subject to an investigation so that appropriate corrective action can be taken. The purpose of an investigation is to verify collected facts, possibly collect further information, and to communicate findings and necessary information to the Group CFO. Ultimately, the information is communicated to the Audit Committee of the Board of Directors.

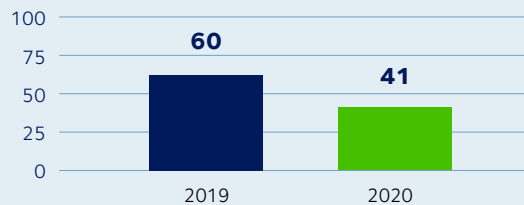
The number of reported incidents in 2020 was 41 – a decrease compared to 2019, where 60 cases were reported. We had a higher level in 2019 after going through a major acquisition and we are now back on the level before 2019. The majority of cases in 2020 consisted of HR related matters not in scope for the whistle-blower programme.

Reported incidents



Whistle-blower programme

Number of reported incidents



In 2020, we conducted **awareness training on the whistle-blower programme**, work that will continue in 2021 with an awareness campaign focusing on how, where and when to report an incident.

Taxes and data privacy

Our tax contributions

We are committed to complying with tax legislation and do not engage in aggressive tax planning to avoid taxes. We believe in contributing our fair share to the societies and local communities in which we operate.

In 2020, we contributed with direct and indirect taxes such as corporate taxes, VAT, GST, duties etc. in more than 80 countries, and our corporate tax payments amounted to DKK 1,063 million. Through our tax contribution, we directly and indirectly support local communities and the UN's Sustainable Development Goals, specifically SDG 16 regarding peace, justice and strong institutions and SDG 17 regarding partnerships for the goals.

We do not support or actively seek to set up non-operational entities in identified tax havens but do occasionally inherit offshore company constructions in mergers and acquisitions. In those cases, our priority is to liquidate these companies as soon as possible. Besides this, we also still have normal operational entities in e.g. countries like Panama which is classified by the EU as a non-cooperative tax jurisdiction. Maintaining end-to-end supply chains for our customers, we also need operational entities in countries that may reside companies for tax purposes.

You can read our full approach to taxes in our tax policy, which includes roles, responsibilities, and risk management, including management of concerns and stakeholder engagement. Read it [here](#).

Data privacy

We seek to protect personal data where we have it and have the appropriate organisational and technical security measures in place. We have an obligation to comply with international data privacy laws, such as the European Union's General Data Protection Regulation (GDPR).

We operate globally and connect with employees and customers through a range of secure solutions. We store and access information in various devices, and we are required to protect both business data and personal data.

Our employees are our first line of defence for protecting the company from potential data privacy breaches. Therefore, we have launched a global programme for our employees called Simply Secure. This information security programme focuses on employee behaviour to ensure a high level of security, against common security risks such as phishing. The programme is aimed at everyone in the company and creates awareness through monthly newsletters, e-learning, intranet news articles, and through an online platform describing all aspects of data privacy.



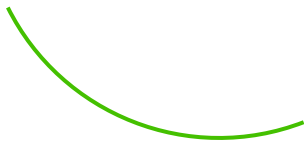


Community engagement

We engage with and support communities in which we operate, and we use our expertise to support people in need

Being a responsible, sustainable company is also about using our expertise to support people in need. That includes giving back to the communities where we operate and making a real difference for people in vulnerable populations.

Our community engagement is centred around our partnership with the Red Cross | Red Crescent movement through the Danish Red Cross and is supported by local activities around the world.



01. Supporting relief in Cox’s Bazar

Restrictions to confine COVID-19 in Bangladesh stopped much of the humanitarian work in the world’s largest refugee camp, Cox’s Bazar. DSV supports the Red Cross financially to provide food, shelter, and protection in and around the camp.

[Read the full story here](#)

02. Warning system can anticipate natural disasters

We are proud to sponsor Forecast-based Action which helps the Red Cross anticipate disasters and save lives. When disaster strikes, our teams are ready to transport relief equipment to disaster-struck areas.

03. New warehouse space for Red Cross emergency equipment

We donate more than 2,000 m² of warehouse space in Copenhagen to the Danish Red Cross to store emergency relief equipment and to train disaster relief teams for deployment. In 2020, we offered new and improved warehouse space for this important task.

[Read the full story here](#)

04. Red Cross relief efforts in Beirut

Following the devastating explosion in Beirut in August 2020, we supported the Red Cross | Red Crescent’s relief efforts with a financial donation.

[Read the full story here](#)

05. Cleaning up DSV sites on World Clean-up Day

DSV Panalpina teams from the US, Canada, Romania, Poland, the Philippines, Germany and many more countries participated in World Clean-up Day in 2020, an annual event uniting millions of people to clean up litter.

06. DSV Hong Kong won awards

Recognising its efforts to enhance employees’ wellbeing and protect the environment, DSV Hong Kong was named a ‘Hong Kong Green Organisation’ and a ‘Good MPF Employer’ by local authorities. The eco-friendly measures by the company included initiatives to encourage saving energy, water and paper resources.

07. Support for victims of Taal Volcano eruption

In February 2020, DSV in the Philippines donated food, toiletries, and clothing to support the victims of the most recent eruption of the Taal volcano in the Philippines.

01



05

02



Click to watch the video



03



06

07



04





Governance

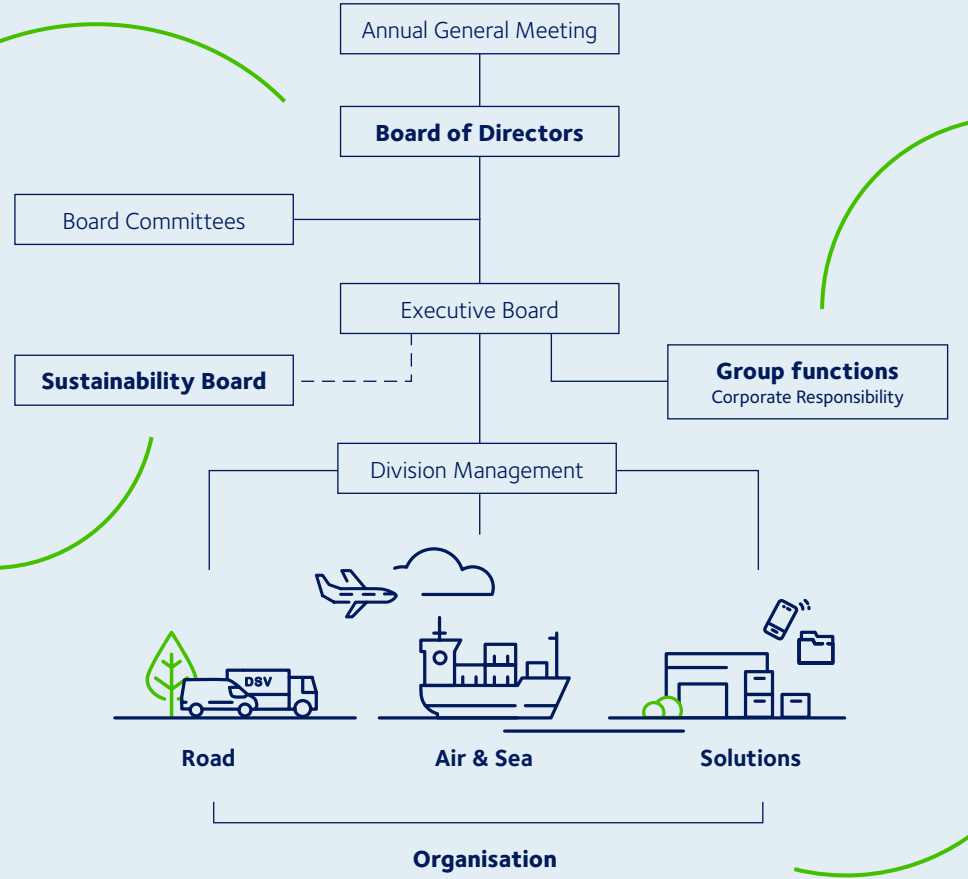
As a global company, we rely on strong alignment throughout the organisation – from management to local entities – in order to realise our corporate responsibility strategy.

Board of Directors

The Board of Directors is responsible for setting the direction for corporate responsibility. They shape the strategy and determine the targets in close alignment with the Executive Board.

Sustainability Board

Responsibility for activities related to environmental sustainability has been delegated from the Executive Board to a new Sustainability Board. Chaired by our CEO, the board sets the direction for our sustainability strategy, determines and monitors the performance of our targets and approves all global initiatives.



Group functions

The Group Corporate Responsibility team is responsible for the day-to-day management and follow-up of all material topics. They are also the link between the local operations and our management, ensuring alignment across the whole company.

Organisation

Divisional management and our local entities in the divisions have a crucial role in ensuring that our corporate responsibility initiatives are implemented and that ownership is taken to drive the initiatives forward.

Ensuring appropriate governance

In addition to the governance setup described on the previous page, we have several internal and external processes ensuring the appropriate governance of our activities.

Policies

Ensuring compliance with laws and regulations and employing responsible business practices in a global organisation require solid processes, systems, and policies to guide decision making. You can read our policies related to corporate responsibility [here](#).

Review of our programmes

To provide greater assurance that our agreed governance works as intended, we have processes for both internal and external reviews on a continued basis. Examples of these are found below and they are described in our internal control framework description found [here](#).

New global multisite ISO certification

As part of our QHSE (Quality, Health, Safety & Environment) programme, we work with ISO certifications in a number of locations worldwide. The process of obtaining ISO certifications has historically been a locally driven process, but as DSV Panalpina has grown in recent years, and the benefits of ISO certifications for us and our customers are becoming ever more apparent, we have chosen to implement a global multisite certificate for ISO 9001 (Quality), ISO 45001 (Health & Safety) and ISO 14001 (Environment) thereby securing one global framework and set of controls.

The decision to opt-in to the global multisite certificate and obtain the ISO certifications remains with the local entities. When a local entity chooses to opt-in, they agree to adhere to all ISO requirements and processes which will lead to even higher standards supporting our employees, operations and customer needs. With the implementation of our global multisite certificate for all three standards, we expect the number of certified locations to increase.

In 2020, the percentage of locations covered by ISO certifications decreased compared to 2019 due to the Panalpina acquisition. Panalpina had a multisite certificate covering all locations against the three standards ISO 9001, ISO 45001 and ISO 14001, which was cancelled in January 2020. The Executive Board therefore decided to set the ambitious target to have all local ISO certificates transferred to one group multisite certificate in 2020, which we managed to achieve.

Rating agencies

We subscribe to the rating agencies EcoVadis, CDP, SAM Corporate Sustainability Assessment and ISS ESG.

EcoVadis rates companies annually based on their efforts within corporate social responsibility (CSR), evaluating on Environment, Labour & Human Rights, Ethics and Sustainable Procurement aspects.

CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

SAM Corporate Sustainability Assessment rates companies annually based on environmental, social, governance and economic performance.

ISS ESG is a monthly evaluation of companies on governance, environment and social performance.

Compliance reviews

On-site reviews are part of our self-assessment process. They focus on finance, tax, legal and corporate responsibility matters to ensure compliance with procedures and reporting processes. The specific areas covered in a review are based on the risk profile of the relevant site and on key controls within the different review areas.

In 2020, we performed limited on-site reviews due to the restrictions imposed globally from COVID-19. However, it was possible to conduct a number of remote reviews based on defined priority rules. For 2021, we have developed a tentative visit plan to get into the normal review process, but the final execution is dependent on the improvement of the COVID-19 situation and accompanying restrictions and travel rules.

Factbook



Reporting approach

In this section, we present the definitions we use for our key ratios covering our material areas in the reporting period.

Reporting scope

This Corporate Responsibility Report provides information and data on the corporate responsibility activities of DSV Panalpina A/S and its subsidiaries in which an ownership interest of more than 50% is held. The report covers the 12-month period ended 31 December 2020 and forms part of management's review covering the statutory reporting on corporate social responsibility, as required by section 99a of the Danish Financial Statements Act.

Science-based targets: Bridging Responsibility Report 2019 to our baseline

	Total Scope 1	Total Scope 2	Total Scope 3	Total
DSV Responsibility Report 2019 (Panalpina included Sept.-Dec. 2019)	65,258	42,482	7,911,000	8,018,740
Panalpina (Jan.-Aug. 2019)	11,808	25,219	5,539,521	5,576,548
Other adjustments (Updated methodology)	5,580	39,550	2,476,000	2,521,130
= SBTi baseline 2019	82,646	107,251	15,926,521	16,116,418

Accounting policies for non-financial highlights

Policies applied

The figures and charts of the 2020 Corporate Responsibility Report have been prepared in accordance with the policies applied last year, except for below changes.

Environmental data

Updated methodology (Scope 1 & 3)

In 2020, we have adjusted the calculation methodology, where calculations of emissions from freight forwarding services (transportation by air, sea, road and rail) are performed with greater detail by splitting routes into relevant legs and applying more granulated parameters on shipment level, instead of using average parameters on consolidated levels.

Scope 2

In 2020 the scope 2 emissions from electricity have been updated due to change in the methodology used, to follow the guidance from Science Based Targets.

The impact on 2019 emissions from change in methodology is an increase of 2,521,130 tonnes of CO₂, as illustrated in the table to the left.

Historical emission figures have been restated according to the updated methodology.

Emissions

Carbon dioxide equivalent emissions from transport activities are calculated in line with the EcoTransIT methodology. EcoTransIT methodology is in accordance with EN 16258 and the Greenhouse Gas Protocol. The calculations include CO₂e emissions from air and sea carriers and road hauliers.

Carbon emissions from buildings are calculated based on direct consumption of electricity, gas, oil and water from DSV Panalpina's locations.

Emissions from company cars and business travels have been calculated based on fuel consumption from the company car fleet and collected emission data from travel agencies.

Emissions are reported in scope 1, 2 and 3 according to the definitions in the Green House Gas Protocol.

CO₂e scope 1*: Direct emissions from owned or controlled sources, which are natural gas, oil and water consumed in own buildings, company cars and our own small fleet of trucks in metric tonnes.

CO₂e Scope 2*: Indirect emissions from purchased electricity, heating and cooling in metric tonnes.

CO₂e Scope 3*: Indirect emissions resulting from our value chain, including all our subcontracted transport (Air & Sea carriers and Road hauliers) and business travels in metric tonnes.

* In accordance with ESG definitions from Nasdaq Copenhagen

Energy efficiency

Average emissions from shipments relative to freight volume and transportation distance is disclosed as grams of CO₂e for 1 tonne of freight moved 1 km.

*Energy consumption**

Consumption of relevant fuel types, electricity, district heating, and cooling from scope 1 & 2 converted into Giga Joule.

*Water**

Total consumption of water at DSV Panalpina's locations in m3.

*Renewable energy share**

Renewable energy sources in percent of total energy consumed in scope 1 and 2.

Euro engine standards

Proportion of different Euro engine standards of trucks operating for DSV Road Europe.

Recycling of paper, cardboard, and plastic

Total square metres at DSV Panalpina locations having initiated recycling schemes for paper, cardboard, and plastic, relative to the total number of square metres at locations of DSV Panalpina.

Social data*Updated methodology*

Sickness absence has been changed to number of days of absence due to sickness per FTE. Comparison figures have been restated according to the updated methodology.

*Employees (full-time workforce)**

Number of full-time employees at year-end.

*Gender diversity**

Number of female and male employees relative to total employees at year-end.

*Gender diversity, management**

Number of female and male managers relative to total number of managers at year-end.

Age distribution of employees

Number of employees by age group relative to total employees.

Employee seniority

Number of employees by seniority level relative to total employees.

*Employee turnover**

Number of employees leaving DSV Panalpina Group during the year, relative to the average number of employees in the year.

*Sickness absence**

Number of days of absence due to sickness per employee.

Occupational accidents

Number of reported occupational accidents resulting in more than one day of absence per million working hours scheduled for the year.

Lost workdays due to occupational injury

Number of reported days of absence from occupational accidents resulting in more than one day of absence per million working hours scheduled for the year.

Fatal accidents

Absolute number of fatal accidents.

Other data*Management system certifications*

Number of DSV Panalpina locations certified according to ISO 9001, ISO 14001 and ISO 45001, relative to total number of DSV Panalpina locations.

Distribution of DSV Panalpina's Supplier Code of Conduct

Number of suppliers with a yearly spend above EUR 25,000 where DSV Panalpina's Supplier Code of Conduct have been distributed, relative to total number of suppliers with a yearly spend above EUR 25,000.

* In accordance with ESG definitions from Nasdaq Copenhagen

Data summary

Environmental data	2020	2019	2018	2017	2016
CO₂e Scope 1 ('000 tonnes)					
Company cars *	13	14			
Road emissions (own fleet)	43	37	39	39	36
Building emissions	24	23	22	19	23
Total CO₂e Scope 1	80	74	61	58	59
CO₂e Scope 2 ('000 tonnes)					
Building emissions	98	85	78	78	87
Total CO₂e Scope 2	98	85	78	78	87
CO₂e Scope 3 ('000 tonnes) **					
Business travel *	1	8			
Air transport	6,825	4,631	3,291	3,208	3,002
Sea transport	1,366	1,553	820	855	867
Road transport	4,233	3,682	3,899	3,864	3,569
Rail transport *	139				
Total CO₂e Scope 3	12,564	9,874	8,010	7,927	7,438

* Full five-year historical data not available

** Comparative figures have been restated

Environmental data	2020	2019	2018	2017	2016
Energy efficiency on average (gram CO₂e per tonne transported one km) **					
CO ₂ e (g/tonne-km) – Air transport	704.0	718.2	728.0	751.0	745.0
CO ₂ e (g/tonne-km) – Sea transport	6.2	6.4	7.0	7.3	7.9
CO ₂ e (g/tonne-km) – Road transport	90.2	90.6	93.9	94.8	96.3
CO ₂ e (g/tonne-km) – Rail transport *	32.7				
Energy consumption scope 1 & 2 ('000 gigajoule)					
Total energy consumption *	1,673				
Water ('000 m³)					
Total water consumption - buildings	1,152	1,596	1,485	1,435	1,151
Renewable energy share (%)					
Renewable *	22%				
Non-renewable *	78%				
Euro engine standards (%)					
Proportion of trucks of DSV Road satisfying Euro 2 standard or older (own and suppliers' trucks)	0.2	0.2	0.7	0.7	1.2
Proportion of trucks of DSV Road satisfying Euro 3 or 4 standards (own and suppliers' trucks)	10.4	16.5	19.3	20.8	24.1
Proportion of trucks of DSV Road satisfying Euro 5 or 6 standards (own and suppliers' trucks)	89.4	83.3	80.0	78.5	74.7
Recycling of paper, cardboard and plastic (%)					
Proportion of locations recycling paper, cardboard, and/or plastic from offices, terminals, and warehouses	74	74	79	74	70

Social data	2020	2019	2018	2017	2016
Employees (full-time workforce)					
Total	56,621	61,216	47,394	45,636	44,779
Salaried employees	29,544	32,820	23,088	22,730	23,436
Hourly workers	27,077	28,396	24,306	22,906	21,343
Gender diversity (%)					
Proportion of female employees	38	39	38	39	38
Proportion of male employees	62	61	62	61	62
Gender diversity, management (%)					
Proportion of female managers	34	33	28	31	31
Proportion of male managers	66	67	72	69	69
Age distribution of employees (%)					
Employees <25	8.4	9.5	8.0	8.3	7.9
Employees 25-34	29.1	29.3	30.0	30.7	31.8
Employees 35-44	30.7	30.6	29.8	29.6	28.7
Employees 45-54	20.4	19.5	20.5	20.5	20.2
Employees >54	11.4	11.1	11.7	10.9	11.4

Social data	2020	2019	2018	2017	2016
Employee seniority (%)					
Seniority <1 year	17.0	17.7	19.4	19.1	19.5
Seniority 1-2 years	22.8	22.7	21.9	21.1	21.5
Seniority 3-5 years	19.9	19.8	17.2	16.2	16.1
Seniority 6-10 years	15.3	15.5	15.2	17.3	18.1
Seniority 11-25 years	20.3	20.0	21.4	20.5	19.0
Seniority >25 years	4.7	4.3	4.9	5.8	5.8
Employee turnover ratio (%)					
Total	32.5	23.6	20.1	18.0	26.6
Salaried employees	31.5	21.9	19.6	18.4	27.0
Hourly workers	33.6	25.3	20.6	17.5	26.1
Sickness absence (days per FTE) **					
Total	6.4	6.0	5.9	4.7	5.1
Salaried employees	5.8	6.0	6.6	4.7	4.9
Hourly workers	7.1	5.9	5.2	4.7	5.5

* Full five-year historical data not available

** Comparative figures have been restated

Social data	2020	2019	2018	2017	2016
Occupational accidents (per million working hours)					
Total	6.7	5.0	4.6	4.2	4.6
Salaried employees	0.8	0.9	0.5	0.8	1.3
Hourly workers	13.3	9.1	8.3	7.6	8.9
Lost workdays due to occupational injury (per million working hours)					
Total	78.8	97.5	98.0	81.2	64.1
Salaried employees	16.0	22.0	23.2	20.8	9.7
Hourly workers	148.6	173.8	164.5	142.5	133.5
Fatal accidents					
Fatal accidents in absolute numbers	0	1	0	0	0

Governance and other data	2020	2019	2018	2017	2016
Management System Certifications (% of locations in DSV Panalpina)					
ISO 9001 (Quality)	38	61	40	39	43
ISO 45001 (Health & Safety)	22	40	19	12	15
ISO 14001 (Environment)	30	52	33	24	23
Distribution of DSV's Supplier Code of Conduct (%)					
Total	100	100	95	93	79

GRI Content Index

The Global Reporting Initiative is a non-profit organisation that has produced a set of disclosures and guidelines for sustainability reporting. The main goal of the GRI is to create a framework for systematic, transparent and comparable sustainability reporting for corporations.

All disclosures in this report are based on the 2016 edition of the GRI Standards unless otherwise noted. For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to

102-49 align with appropriate sections in the body of the report. This report has been prepared in accordance with the GRI Standards: Core option.

Every profile or performance disclosure applied is linked to a specific section on our corporate website (www.dsv.com), the Annual Report (AR) or the Corporate Responsibility Report (CRR).



GRI 101: Foundation (2016)

GRI 102: General Disclosures (2016)

Organisational Profile

	Location in report
102-1	Name of the organisation
102-2	Activities, brands, products, and services
102-3	Location of the headquarters
102-4	Location of operations
102-5	Ownership and legal form
102-6	Markets served
102-7	Scale of the organisation
102-8	Information on employees and other workers
102-9	Supply chain
102-10	Significant changes to the organisation and its supply chain
102-11	Precautionary Principle approach

GRI 102: General Disclosures (2016)

	Location in report
102-12	External initiatives
102-13	Membership of Associations

Strategy

102-14	Statement from senior decision-maker
102-15	Key Impacts, Risks and Opportunities

Ethics and Integrity

102-16	Values, principles, standards, and norms of behaviour
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Governance

102-18	Governance structure
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Stakeholder Engagement

102-40	List of stakeholder groups
102-41	Collective bargaining agreements
102-42	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised

Reporting Practice

102-45	Entities included in the consolidated financial statements
102-46	Defining report content and topic boundaries
102-47	List of material topics
102-48	Restatements of information
102-49	Changes in reporting
102-50	Reporting period
102-51	Date of most recent report
102-52	Reporting cycle
102-53	Contact point for questions regarding the report
102-54	Claims of reporting in accordance with the GRI Standards
102-55	GRI content index
102-56	External assurance

Topic-Specific Disclosures

Location in Report

Business Ethics

This topic corresponds to the GRI Standards “205 Anti-Corruption”, “206 Anti-Competitive Behaviour”, “207 Taxes” and “418 Customer Privacy”

GRI 103: Management approach (2016)

103-1		CRR page 30, 35 – 36
103-2		CRR page 30, 35 – 36
103-3		CRR page 30, 35 – 36

GRI 205: Anti-Corruption (2016)

205-1	Operations assessed for risks related to corruption	AR page 28 – 33
205-2	Communication and training about anti-corruption policies and procedures	CRR page 30

GRI 206: Anti-Competitive Behaviour (2016)

206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None
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GRI 207: Tax (2019)

207-1	Approach to tax	AR page 71 – 73, CRR page 31
207-2	Tax governance, control and risk management	CRR page 31
207-3	Stakeholder engagement and management of concerns related to tax	CRR page 31
207-4	Country-by-country reporting	AR page 71 – 73

GRI 418: Customer Privacy (2016)

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
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People

This topic corresponds to the GRI Standards “401 Employment”, “403 Occupational Health and Safety”, “405 Diversity and Equal opportunity”, “408 Child Labour”, and “409 Forced or Compulsory Labour”.

GRI 103: Management approach (2016)

103-1		CRR page 35 – 36
103-2		CRR page 35 – 36
103-3		CRR page 35 – 36

Topic-Specific Disclosures

Location in Report

GRI 401: Employment (2016)

401-1	New employee hires and employee turnover	AR page 51, CRR page 21
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GRI 403: Occupational Health and Safety (2016)

403-1	Occupational health and safety management system	CRR page 36
403-2	Hazard identification, risk assessment, and incident investigation	CRR page 19 – 21
403-3	Occupational health services	CRR page 19 – 21
403-4	Worker participation, consultation, and communication on occupational health and safety	CRR page 19 – 21
403-5	Worker training on occupational health and safety	CRR page 19 – 21
403-6	Promotion of worker health	CRR page 19 – 21
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	CRR page 19 – 21
403-8	Workers covered by an occupational health and safety management system	CRR page 19 – 21
403-9	Work-related injuries	CRR page 19 – 21, 41
403-10	Work-related ill health	CRR page 19 – 21, 41

GRI 405: Diversity and Equal Opportunity (2016)

405-1	Diversity of governance bodies and employees	CRR page 21, 41
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GRI 408: Child Labor (2016)

408-1	Operations and suppliers at significant risk for incidents of child labour	AR page 28 – 33
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GRI 409: Forced or Compulsory Labour (2016)

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	AR page 28 – 33
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Environment

This topic corresponds to the GRI Standards “302 Energy”, “305 Emissions”, “306 Waste” and “307 Environmental Compliance”.

GRI 103: Management approach (2016)

103-1		CRR page 35 – 36
103-2		CRR page 35 – 36
103-3		CRR page 35 – 36

Topic-Specific Disclosures

Location in Report

GRI 302: Energy (2016)

302-1	Energy consumption within the organisation	CRR page 40
302-2	Energy consumption outside of the organisation	CRR page 40
302-3	Energy intensity	CRR page 40
302-4	Reduction of energy consumption	CRR page 40
302-5	Reduction in energy requirements of products and services	CRR page 40

GRI 305: Emissions (2016)

305-1	Direct (Scope 1) GHG emissions	CRR page 40
305-2	Energy indirect (Scope 2) emissions	CRR page 40
305-3	Other indirect (Scope 3) GHG emissions	CRR page 40
305-4	GHG emissions intensity	CRR page 40
305-5	Reduction of GHG emissions	CRR page 40

GRI 306: Waste (2020)

306-1	Waste generation and significant waste-related impacts	CRR page 40
306-2	Management of significant waste-related impacts	CRR page 35 – 36

GRI 307: Environmental Compliance (2016)

307-1	Non-compliance with environmental laws and regulations	None
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Community Engagement

This topic corresponds to the GRI Standard “203 Indirect Economic Impacts”.

GRI 103: Management approach (2016)

103-1		CRR page 35 – 36
103-2		CRR page 35 – 36
103-3		CRR page 35 – 36

GRI 203: Indirect Economic Impacts (2016)

203-2	Significant indirect economic impacts	CRR page 33
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Topic-Specific Disclosures

Location in Report

Responsible Procurement

This topic corresponds to the GRI Standards “308 Supplier Environmental Assessment”, “414 Supplier Social Assessment”.

GRI 103: Management approach (2016)

103-1		CRR page 35 – 36
103-2		CRR page 35 – 36
103-3		CRR page 35 – 36

GRI 308: Supplier Environmental Assessment (2016)

308-2	Negative environmental impacts in the supply chains and actions taken	CRR page 25 – 27
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GRI 414: Supplier Social Assessment (2016)

414-2	Negative social impacts in the supply chain and actions taken	CRR page 25 – 27
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CVR-No 58 23 35 28

Group Corporate Responsibility Report for the year ended
31 December 2020 — 44th financial year

Published 10 February 2021

