



2018

**SUSTAINABILITY
REPORT**

PANALPINA 

in motion

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Dear Stakeholders

We must be creative and resilient. We must harness the power, energy and ideas of our people to drive our company and industry forward.

Thank you for reading this report. We are very proud of who we are as a company. Over the past few years, we have worked hard to operationalize our strategy, to improve our processes, to reduce our impacts, live our values, and achieve the Panalpina Spirit.

Sustainability is central to our mission. To be sustainable we must be as efficient as possible in our day-to-day operations. We need a culture of safety. And we must work to reduce the impacts of our activities and protect the environment wherever possible. Most importantly, we must be creative and resilient. We must harness the power, energy and ideas of our people to drive our company and industry forward.

Our customers demand this. We play a critical role in the value chains of some of the world's leading companies. They depend on us to deliver their raw materials and to get their products to market. We must do this in an efficient manner. But to be a good partner to our customers, we must work with them to provide the services they need in an efficient, responsible and high-quality manner.

Our people make this possible. We have the most talented and capable team in the business. They solve problems and rise to any challenge. When things don't go as planned, they figure it out. We train them well, we keep them safe, and most importantly, we are a company they can be proud to work for. Our people drive our success now, and they will in the future. They are the Panalpina Spirit.

Moving forward, we are committed to achieving our goals. From the Science-Based Targets we have set for our greenhouse gas emissions, to our productivity and financial goals, we aspire to be the best company in our sector.

Thanks again for reading this report. We look forward to your feedback.

Best regards

Stefan Karlen
Panalpina President and CEO

PAC Charity Auction 2018



Stefan Karlen
Panalpina President and CEO

Dear Friends

Year over year, my global QHSE team has shown dedication, hard work, and the Panalpina Spirit as we have improved our QHSE performance. 2018 was one of our best years yet. I am so proud to lead this function. We are always focused on delivering high quality service to our customers, while keeping our employees safe, reducing our impacts to the environment and giving back to the communities we operate in.

2018 was a year of great accomplishments for Panalpina. Our whole team and the entire Panalpina organization have shown our commitment to sustainability, to quality, to the health and safety of our people and to the prosperity of our communities in ways that I could only hope for.

In this report, we announce our commitment to reduce our scope 1 and 2 emissions 20% by 2025 from 2013 levels and our scope 3 GHG emissions 25% by 2030 from a 2017 base-year, was approved by the Science Based Targets initiative. These are tough, ambitious targets. But we can see the progress we have already made in the data and I am confident that we will meet this challenge.

We had the best year ever in terms of our performance for the health and safety of our employees. Year over year, our team has been dedicated to improving our training and reporting programs, and this past year these efforts have paid off. But we won't stop here. You can never rest when it comes to ensuring the health and safety of our people.

Our quality team has built the systems, programs, and most importantly, the culture of continuous improvement that we must have to deliver the best services to our customers. If things go well, we know why. If things don't go as expected, we are ready to jump in and figure out why they didn't go as planned and fix them.

In my mind, our sustainability efforts crystallize for our team during two weeks of the year. The first is Global Sustainable Action Week. This one-week period is where our entire company comes together to make the world a better place. We clean up important places, we help people who need help, we partner with deserving charities, and we show others who we are as a company. The second, is Global Safety Week. During this week our team talks to each other about the importance of keeping each other safe in the work

place. Building a culture of safety is the most important thing we can do for each other. It is a lot of fun but it's also hard work. Taken together these two weeks represent what our company is about and what we want to show you in this report.

We have come far in recent years and I am very proud of the culture we have built at Panalpina. It is one of quality, safety, sustainability and caring. This culture is what will drive us forward and make us successful far into the future. We look forward to having you join us in this journey.

We hope you enjoy this report and share in our excitement for what we are doing.

Best regards

Lindsay Zingg
Global Head of Quality,
Health, Safety and Environment



Lindsay Zingg
Global Head of Quality,
Health, Safety and Environment



About Panalpina

The Panalpina Group is one of the world's leading providers of supply chain solutions. The company combines its core products – Air Freight, Ocean Freight, and Logistics and Manufacturing – to deliver globally integrated, tailor-made end-to-end solutions for 12 core industries. Project Solutions is a specialized service for the energy and capital projects sector.

70

COUNTRIES

500

OFFICES

14,500

EMPLOYEES WORLDWIDE

Drawing on in-depth industry know-how and customized IT systems, Panalpina manages the needs of its customers' supply chains, no matter how demanding they might be. In addition to the design and execution of logistics and transportation services, Panalpina offers its customers strategic consultancy on their end-to-end supply chain.

The Panalpina Group operates a global network with some 500 offices in around 70 countries, and it works with partner companies in another 100 countries. Panalpina employs approximately 14,500 people worldwide who deliver a comprehensive service to the highest quality standards – wherever and whenever.



Value Creation

Our business model results in a variety of impacts on the world, both positive and negative. These impacts are the consequences of our own actions (“direct activities”), or more often, the consequences of the actions of subcontractors who are working at Panalpina’s behest (“indirect activities”). Regardless of their origin, our priority is to understand these impacts on the world and on our stakeholders, and to reduce them where possible.

Value Creation and Our Impacts

We think about the impacts we have on the world in terms of six different capitals: **Financial, Intellectual, Human, Social, Manufactured and Natural capital**. The company’s strategy and business processes use these capitals, and impacts, positive or negative, are the result.

Our value creation process can be discussed in the context of our core strategies: organic growth, external growth, innovation and operational excellence. By growing our business, either organically or through acquisition, our footprint will also increase and our use of resources such as natural capital (e.g. fuels and materials to build our infrastructure) or manufactured capital (infrastructure and equipment) will also increase. Clearly, financial capital will be required for both organic and external growth.

Understanding our Impacts

We are committed to understanding our impacts and to taking steps to amplify the positive ones and minimize the negative ones. It is through our relationships (social capital) with stakeholders, including customers, suppliers, employees, trade organizations, and our local communities, that we are able to witness and understand how we can contribute to sustainable development in the locations where we operate and around the world.

Mitigating Impacts

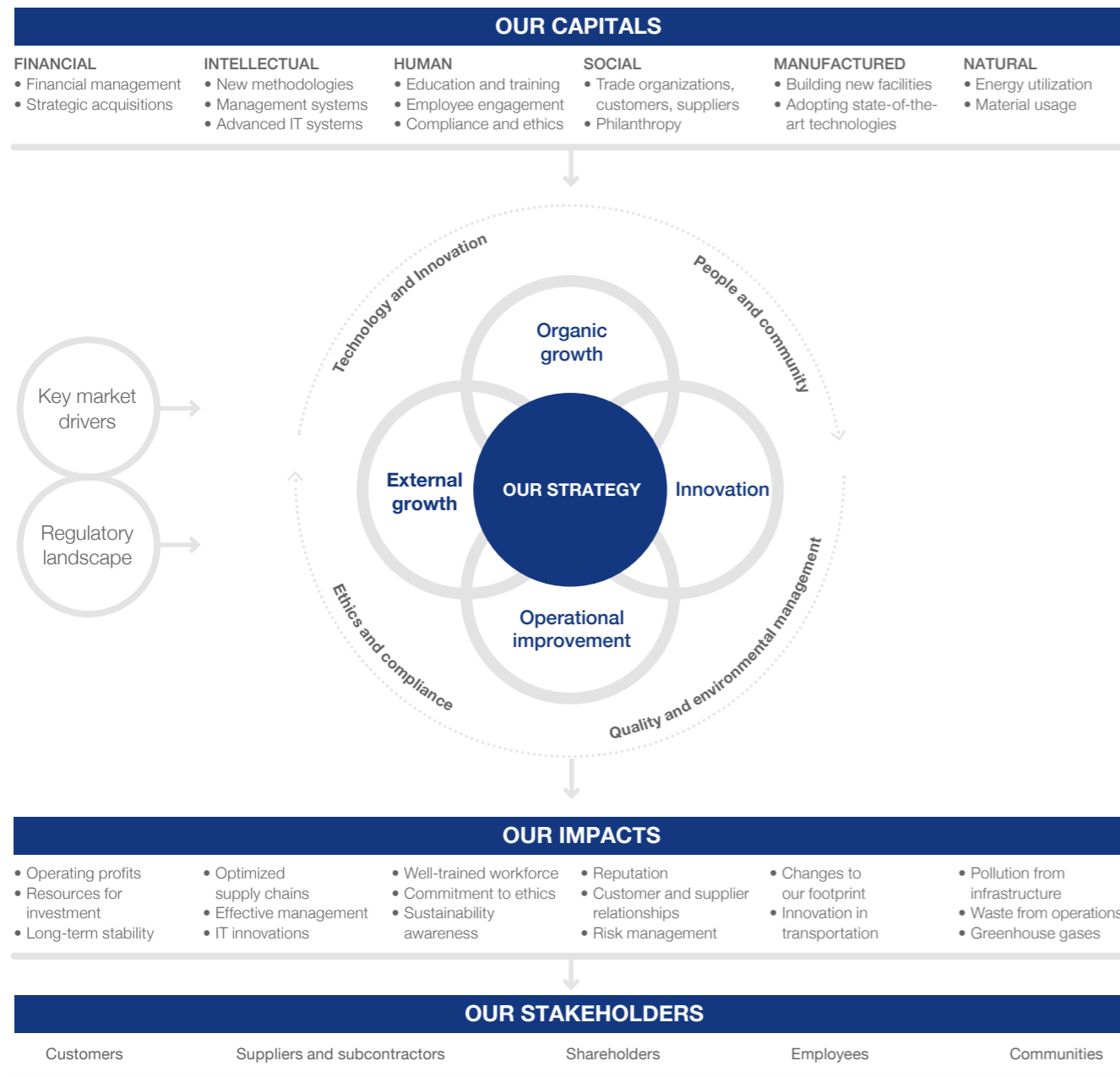
The potentially negative impacts we have can be mitigated through innovation and operational excellence - developing new technologies (and thus expanding our intellectual capital resources) and approaches to deliver our services to our customers or improving our internal processes. Either of these can reduce impacts on, or lower our need for natural and manufactured capital. In any scenario, our mission is to grow financial capital, and bring that value to our shareholders and to society.

Our impacts on human capital resources are more complex. We rely on a pool of well-trained and engaged employees to deliver high-quality services to our customers. We invest heavily in our people, train them

well and ensure they are safe in the workplace. These actions result in net positive impacts in our estimation. At the same time, the inexorable trend in our industry is towards automation, which ultimately will change people’s direct role in our value creation process.

Volunteer Programs





Capital Resources: Definitions

Financial

The pool of funds that is available to an organization for use in the production of goods or the provision of services, and funds obtained through financing, such as debt, equity or grants, or generated through operations or investments.

Intellectual

Organizational, knowledge-based intangibles, including intellectual property such as patents, copyrights, software, rights and licenses, and “organizational capital” such as tacit knowledge, systems, procedures and protocols.

Human

People’s competencies, capabilities and experience; motivation to innovate; alignment with and support for an organization’s governance framework; risk management approach; ethical values; ability to understand, develop and implement an organization’s strategy; loyalty and motivation for improving processes, goods and services; ability to lead, manage and collaborate.

Social

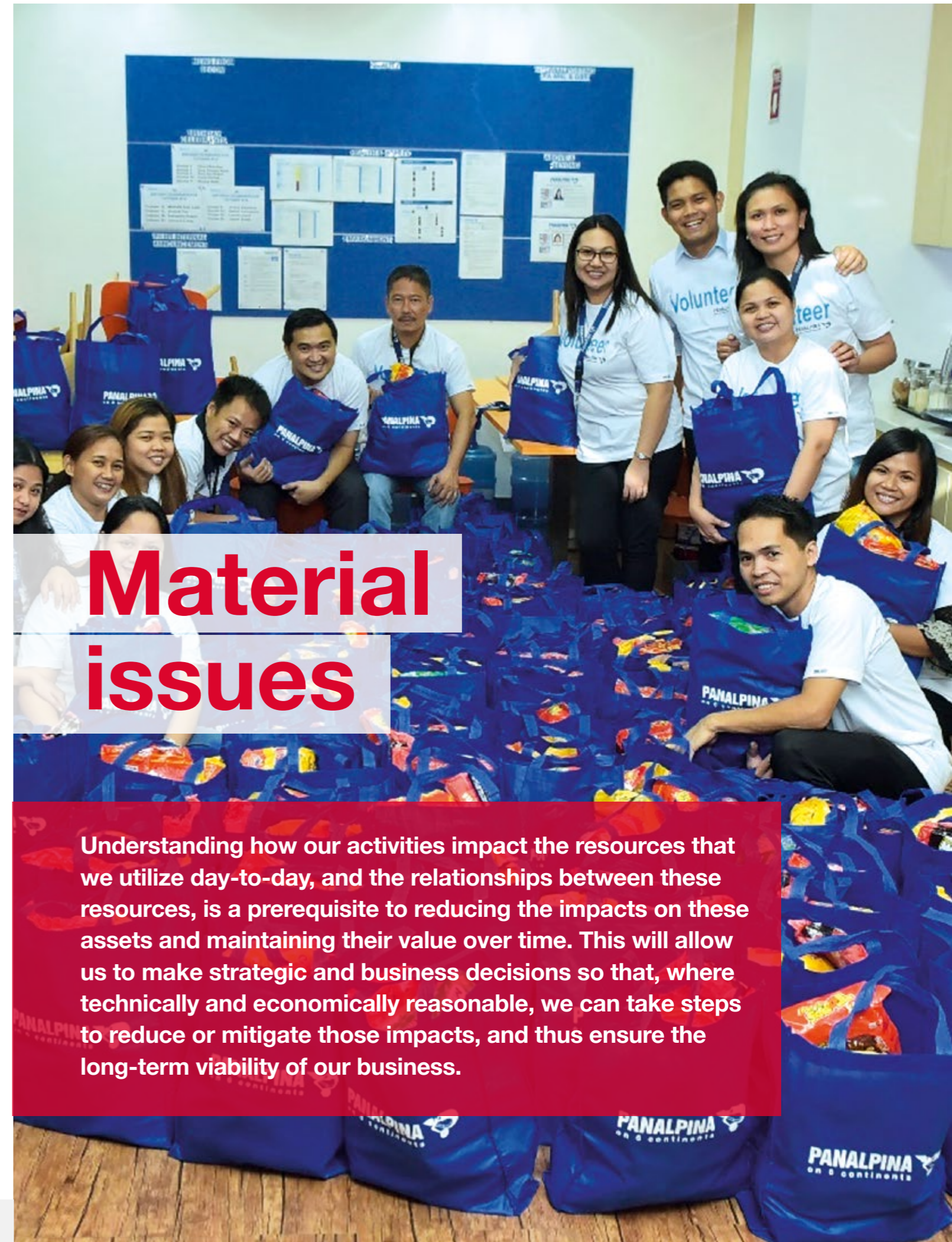
The institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being.

Manufactured

Manufactured items that are available to an organization for use in the production of goods or the provision of services, including buildings, equipment and infrastructure.

Natural

Renewable and non-renewable resources that provide goods or services that support the prosperity of the organization.



Material issues

Understanding how our activities impact the resources that we utilize day-to-day, and the relationships between these resources, is a prerequisite to reducing the impacts on these assets and maintaining their value over time. This will allow us to make strategic and business decisions so that, where technically and economically reasonable, we can take steps to reduce or mitigate those impacts, and thus ensure the long-term viability of our business.

Material Topics

We are committed to deepening our understanding of how our value creation process impacts, and is impacted by, the world around us. While this involves seeking answers to a complex set of questions, it is important to our commitment to long-term value creation for our stakeholders.

The 2018 Panalpina Corporate Sustainability Report presents a balanced and concise description of our management and performance related to our material issues. These were determined through a comprehensive materiality assessment that carefully evaluated their potential impact on our ability to achieve our strategy, to remain commercially sustainable and socially and environmentally responsible. Consideration was given to issues that influence stakeholders' assessments as to how Panalpina can fulfill their needs over the long term. Also important were factors that specifically impact the countries and regions in which Panalpina operates. From this process, we identified 28 material aspects in 10 categories, which we address in this report, or other relevant corporate publications that we will reference here.



A new life for used shoes, Taiwan

Governance of Material Issues

Panalpina's Board of Directors is the highest governing body. Its primary objective is to protect the long-term interests of shareholders by consistently seeking opportunities for growth in Panalpina's core business. It is therefore the responsibility of these eight independent and non-executive Board members to manage corporate performance and strategy, capital structure, and market exposure, as well as the company's overall risk profile.

Many material topics, including energy, environment, health and safety, and quality are overseen on an operational and strategic basis by the Global Head of Quality, Health, Safety and Environment. As of 2018, the Global Head of QHSE reports to the Chief Human Resources Officer. Regarding sustainability related issues, the Corporate Manager for Sustainability and four Regional Sustainability Managers report to the Global Head of QHSE.

Issues such as ethics and compliance, risk management and compensation are the responsibility of individuals or committees on the Board of Directors. Two such committees exist under the Board of Directors: the Audit, Risk and Compliance Committee and the Compensation and Nomination Committee (see the Corporate Governance Report, pages 47-62).

Our Board currently has eight members, including two women. They each bring extensive leadership and broad-based skills and expertise in areas that are critical to our business. The constitution of the Board also reflects an ongoing effort to drive diversity of thought and experience at the highest levels of our company in order to better compete in a global marketplace. Panalpina's Board of Directors is regularly informed about performance and programs, and it engages in ongoing conversations with senior management about sustainability-related opportunities, priorities and goals.

Executive Committee

Currently, the remuneration policies for Panalpina's senior management team do not explicitly include sustainability metrics as criteria for compensation. However, many issues that are indirectly connected to sustainability performance, such as cost savings, profitability, employee performance and other topics, are included in performance and compensation reviews.

Material Topics

Category	Topics
Customer Centricity	Quality and operational performance Client relationships and engagement Brand image Thought leadership Product and service innovation
Financial Performance	Sustainable growth Cost management
Ethical Behavior	Anti-corruption Anti-competitive behavior Appropriate incentives for employees
Talent Management	Training and education Leadership development Corporate culture
Good Employer	Labor/management relations Employment Employee engagement
IT Infrastructure	IT infrastructure and resilience Cybersecurity
Health and Safety	Occupational health and safety
Sustainable Procurement	Procurement practices Engaging with suppliers Supplier assessments for QHSE and human rights
Environmental Performance	Environmental compliance Emissions Energy Environmental footprint of suppliers
Communities and Social Responsibility	Community engagement Social responsibility



Sustainability in Action

Our commitment to sustainability is part of our everyday work. But there are special moments, instances, where we can directly support projects intended to protect the environment, promote renewable energy and help people in need.

Supporting Renewable Energy

Benban Solar Park in Egypt is due to open in mid-2019 and, when it does, it will become the biggest solar power installation in the world. Spread over 37 km² – around the same size as 4,000 football pitches – the site will cost \$653 million and a projected 10,000 people will work there.

Panalpina’s Ocean Freight team and Project Solutions team will be combining efforts and global expertise in capital projects and the renewables sector to deliver the components and panels to make the venture a success.

Construction is also underway on a disused mango farm in the dry tropics of Queensland, Australia. The Ross River Solar Farm will have 417,000 solar panels installed with the capacity to generate 148 MW of clean energy – enough to power over 54,000 homes. The farm is expected to operate for up to 40 years, after which it will be refurbished for further use or decommissioned, returning the area to its natural condition.

Promoting STEAM in Namibia

Panalpina Air Freight teams met a tight deadline to send educational materials and tablets from Washington, DC to Windhoek, Namibia for a Women in Science camp at the Namibia University of Science and Technology. The camp provides girls and women the opportunity to develop their skills in STEAM (science, technology, engineering, arts and design, mathematics). Faced with logistical and administrative roadblocks, the teams quickly found solutions and ensured a seamless shipping process for essential equipment.

Relief Flight to South Sudan

Panalpina’s relief flights at the end of the year have become a tradition whereby the company offers its air charter expertise to UNICEF. Like last year, Panalpina assisted UNICEF by flying relief aid to Africa to help children in South Sudan, where the humanitarian needs after years of conflict remain massive. A Panalpina chartered cargo aircraft carried nearly 70 tons of supplies, which were then trucked to South Sudan and distributed across the country.

Supplies on the flight chartered and donated by Panalpina included medicines, teaching material for schools, equipment for midwives, reanimation

equipment and “Interagency Emergency Health Kits”. These kits containing medicines and medical supplies cover the diverse health needs in humanitarian emergencies and disasters. They ensure a fast, reliable and affordable supply of essential medicines for 50,000 people for three months and also address the need of children for psychosocial treatment in emergency situations.

Supporting Expedition Earth

Between 2018 and 2019, we helped Expedition Earth with one of their major logistical challenges: moving their Jeep “Gunther” across the South Atlantic Ocean on a four-week voyage from Argentina to South Africa.

Global Sustainable Action Week

The centerpiece of our team’s commitment to sustainability is Global Sustainable Action Week. One week each year, each of our country offices undertakes an effort to improve the local environment, help people in need, support a charity, or otherwise tap into their enthusiasm for making our communities and the world a better place.

Our spirit is strengthened by the support shown by our senior management team. Throughout the year, and particularly during Global Sustainable Action Week, they participate in events, speak about Panalpina’s support for sustainability, and actively engage with employees in the activities in their regions.

Since starting as a one-day event in 2014, Panalpina’s Global Sustainability Action Week has become a tradition and is now a week-long event involving all Panalpina locations across the world. Since its inception, nearly 1,500 initiatives have taken place globally, benefiting those most in need and improving the sustainability of Panalpina workplaces and the communities where we operate. This year’s Global Sustainable Action Week, which took place from October 22 to 26, had nearly 430 initiatives in 60 countries. Every year, an increasing number of colleagues, customers, subcontractors, and charity organizations join the initiative. In 2018, more than 10 customers and 25 charities took part in our activities.

1500 INITIATIVES SINCE 2014	430 PROJECTS IN 2018	25 CHARITIES SUPPORTED	60 COUNTRIES
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Sustainable Action Week MEAC

Our MEAC team brought much needed support to children and people in need, including a visit to the Al Noor Training Centre for Persons with Disabilities in Dubai. In Turkey, our team arranged a significant donation of cleaning supplies toys, rucksacks and especially stationary for a local school, while in Kenya, the staff partnered with the Ruben Center, an NGO focused on education, health, social and economic empowerment. There the team assisted in the disability and day-care centers, donated needed items, and participated in sports activities with the children of the center. In Russia, our colleagues helped an animal rescue organization care for vulnerable animals.



Wendy King
Regional Sustainability
Manager, MEAC



The Panalpina Spirit

In 2018, we embarked on a mission to unite the Panalpina team behind a common purpose and direction. The Panalpina Spirit, which is being introduced at all locations, captures the aspirations we have as a customer-focused and innovative company. It will serve as a focal point for the transformation of our company, helping us to build on our history and set the path for an efficient and ultimately more sustainable future.

At Panalpina, we're changing the way the world moves, by designing and refining global supply chains that are fit for the future.

For 120 years, we've helped businesses move in the best way possible. And as a result, we've broken new ground to find inventive ways to solve our customers' challenges.

How? By embracing our entrepreneurial spirit.

Our 14,000 experts share a passion for shaping the future of logistics. We're not weighed down by traditional assets, we embrace data and technology, so we can be agile and out-think our industry. Together, with our vast global network and strategic partners, we create imaginative digital-first solutions to unlock value for our customers – wherever they are, whenever they need them.

Put simply, we combine smart people and smart technology to help the world move forward.

Panalpina. in motion.

Innovation at Panalpina

Innovation is one of Panalpina's strategic priorities. In today's fast changing world of complex, global supply chains, there is an abundance of opportunities to reshape the way products are sourced, manufactured, delivered and repaired to make our supply chains faster, more efficient and ultimately more sustainable.

A Changing Landscape

Previous constraints to manufacturing and supply chains are being quickly removed, forcing global manufacturers and retailers to change their supply chain setups to respond to the new market demands. Speed, proximity to market and product personalization have become increasingly critical in influencing choices about where to manufacture products, where to hold inventory and how to get products quickly to customers in the fastest way possible. How to get the products back, repaired, and back in the market is growing in importance.

Collaborations for Innovation

To support customers in transition to this new world of supply chains, Panalpina continues to identify new ideas and shape the industry through the Panalpina Research Centre for Logistics and Manufacturing Research (PARC).

Co-founded with Cardiff University, PARC is a joint industry-university initiative that aims to produce world-class research with industry impact in the fields of logistics and manufacturing management. Its research interests include supply chain forecasting, inventory control, transportation science, supply chain modelling, and macro-economic changes affecting global supply chains. It also is seeking to advance knowledge in areas including:

- the circular economy and closed loop supply chains, including forecasting and inventory/production optimization
- distributed manufacturing and its implications on global supply chains
- last-mile delivery and its implications for freight/transportation optimization
- the effects of additive manufacturing (3D printing) solutions on supply chain decision making the transition from contract logistics to on-demand logistics services

The PARC partnership includes award-winning collaborative Knowledge Transfer Projects (KTPs) that focus on topics such as inventory forecasting and optimization, resilient remanufacturing and the transition to distributed manufacturing supply chains.

Digital Innovation

Panalpina has also invested significantly in digital innovation, managed through Panalpina's Innovation Board, chaired by our Chairman Peter Ulber and supported by Luca Graf hired in the newly created position of Head of Digital Innovation. Moving forward, the Innovation Board and the Executive Board of the company will more closely collaborate, ensuring that this topic remains at the forefront of Panalpina's core strategy in the future.

In 2018, as part of its digital transformation process, Panalpina launched the Panalpina Digital Hub, which is tasked with exploring disruptive technologies and developing new digital solutions for customers as well as realizing business opportunities for Panalpina. Its goal is to embrace new technologies including the Internet of Things (IoT), artificial intelligence (AI) and blockchain that have the potential to disrupt the business in the coming years. The new business unit, which reports directly to the CEO, is to explore innovative technologies, develop new digital solutions for customers, and engage with digital start-up companies. The company also launched an industry changing new customer portal, leveraging the SAP TM platform now in use at Panalpina.

*In 2018 Panalpina joined global innovation platforms **Plug and Play** and **Blockchain in Transport Alliance (BiTA)***

Global Innovation Platforms

Panalpina also joined the global innovation platform Plug and Play, the best known and most active accelerator program in the area of supply chain and logistics. Founded in 2006, Plug and Play is headquartered in Sunnyvale, California and connects large corporations to the world's best start-ups through industry-focused accelerator programs in Silicon Valley and other startup-rich locations such as Berlin and Shanghai. With over 6,000 start-ups and 280 official corporate partners, the platform has created start-up ecosystems in many industries including supply chain and logistics (Logtech). The partnership with Plug and Play will allow Panalpina to get access to digital start-up companies in Plug and Play's global network and identify attractive pilot and investment opportunities. The company is particularly interested in cooperating with start-ups that create solutions in the fields of blockchain, IoT, asset tracking, advanced analytics and supply chain optimization.

Panalpina joined the Blockchain in Transport Alliance (BiTA) in 2018, a forum of leading tech and transportation companies focused on the development and implementation of blockchain standards in the freight industry. The company sees many advantages of blockchain technology for freight forwarding and logistics operations including areas such as perishables. BiTA standards will address how the blockchain's ledger-based approach for managing transactions may impact contracts, freight payments, asset maintenance and ownership history, chain of custody of freight, and other issues facing the industry.

Panalpina sees many advantages of blockchain technology for freight forwarding and logistics operations, and the Panalpina research team published a peer-reviewed paper in a leading academic journal on the impact of blockchain on global supply chains. One advantage identified is the better tracking of orders and assets. Because of the decentralized nature of a blockchain, no single entity is in control of the tracking process, which will increase transparency in the supply chain and ultimately improve consumer trust. In the area of perishables, for example, blockchain technology can be used to reliably track products from farms to grocery stores, which allows for very precise and quick reports or recalls.

Innovation at Panalpina also extends into the day-to-day roles of other business units. Starting in 2017,

the Quality, Health, Safety and Environment function requested regional and country managers to provide sustainability-oriented project concepts as part of their annual goal-setting process. The impact of these projects was witnessed when Panalpina's Lindsay Zingg was invited to present Panalpina's approach at the global QMOD (Quality Management and Organizational Development).



Mike Wilson
Global Head of Logistics and
Manufacturing at Panalpina

In recognition of the research carried out by PARC and its impact on global supply chains, Mike Wilson, Global Head of Logistics and Manufacturing at Panalpina, was named the newly chaired honorary visiting professor at Cardiff Business School in 2018.

Ethics

Being an ethical organization is at the core of how we operate as a business. At all times, our team has very clear marching orders – to do the right thing, in full compliance with all laws and regulations, and to live up to our values and the high standards outlined in our Code of Conduct.

Ethics at our Core

We see strategic opportunity in our performance as an ethics and compliance-driven organization. We can use this as a selling point and a differentiator with our customers. We operate in a very competitive sector, where historically, unethical practices were commonplace. But our customers cannot and will not tolerate this from their business partners. Our job is to integrate this commitment throughout all levels of our organization to ensure that we maintain our hard-won reputation. Importantly, we must continuously communicate to our customer-facing employees, the sales teams, the importance of a culture of ethical business practices and protecting against graft and corruption and how this is part of our core values. It is essential that our customers perceive that we understand the significance of these issues and that we take their concerns very seriously.

Our Reputation is Strong

Our reputation for ethics and compliance is very strong. Our programs regularly receive top scores in supplier assessments from key customers, and we have been asked to deliver training to other companies about our approach. We must also be vigilant about the practices and standards of our subcontractors. We regularly classify critical subcontractors in certain categories. For those subcontractors, compliance is part of the onboarding process which includes a review of their practices to ensure they meet our expectations. We perform hundreds of subcontractor reviews and audits each year, including both on-site and desktop reviews. In recent years, we would perform around 200-250 desktop reviews per year. In 2019, we expect to perform over 500 desktop reviews. If there are any areas of concern with a subcontractor, we follow up on-site with a detailed, in-person audit that same year, to understand the root cause of our concern and whether there are any issues that require addressing. In addition, we randomly select several subcontractors per year for in-depth audits.

99%

COMPLIANCE OF
REFRESHMENT
TRAINING

Ethics Training

1k+

EMPLOYEES
PARTICIPATED
IN TRAINER
PROGRAM

Our training programs for ethics and compliance related issues are detailed and thorough. In 2018, we continued with compliance refreshment training, which all employees must participate in. This last year, we had over 99% compliance with this requirement. In addition to this, we implemented a new concept of a “train-the-trainer” program. Over 1,000 employees participated in this program where they were trained on Panalpina’s approach to ethics and compliance and equipped to deliver this training back to their teams and business units. Looking ahead, we are examining the best format and method to conduct this training and will be revising our approach to ensure the highest quality training is provided to our employees.

For example, we are looking at our approach to online training, and whether shorter, more dynamic versions may be the best approach to keep the content fresh and engaging. Topics we will focus on include Panalpina’s Code of Conduct, anti-fraud, anti-corruption and anti-trust. We base the selection of topics on a risk analysis of where our exposure is greatest, and where our training investments are most wisely focused.

We are confident that our approach to ethics and compliance works. In the last year, we were informed that employees in our sales department were confronted with situations where they were asked to engage in illicit behaviors to facilitate some bidding processes. In each case, this was reported internally through established internal channels, and the Panalpina team was able to address the situation in an appropriate and legal manner. We see any such instances as a learning opportunity, from which we can improve our approach and response to ensure that we continuously live up to our values, our Code of Conduct, and the expectations of our customers.



Employees

In 2018, we continued our journey to establish a much clearer strategy for how we manage our people, particularly in terms of how we connect our human resource management to our core business processes, and to further develop the values we hold as leaders of people, leaders of teams and leaders of organizations. This is how we will best deliver on our business strategy.

Building the Spirit

A centerpiece of this effort was the development of the Panalpina Spirit, which articulates our core values and our collective mission as a team. It is intended to be a unifying concept that all our employees can relate to and feel a sense of ownership in. In 2018 we brought the senior leadership of the company together to encourage and equip them to create a challenging, motivating and rewarding work environment, where people can learn, grow and explore their full potential, and we can attract and retain the right talent.

We seek to inspire our people by sharing our vision in a way that resonates with individuals at any level in the company. We want to help colleagues and staff understand how every aspect of their job brings value to the organization, and to foster a sense of pride and purpose as our teams fulfill their daily responsibilities. Our team needs to be adaptable and resilient, and we need to energize all employees with passion and enthusiasm.

Building a More Effective Organization

This effort is being operationalized by a concerted effort to strengthen the overall effectiveness of our global human resource organization. This includes developing stronger employer branding through efforts such as the Panalpina Spirit. We are building our own distinctive leadership culture that encourages engagement of our employees and unleashes their full potential. In 2018 we convened the senior managers of the organization to present these ideas to them, and to equip them to go back to their own regions and countries to generate “buzz” about this effort, and to engage their colleagues at a local level.

Strengthening the Model

We are also strengthening the operating model of the human resources team and improving the structure of the HR organization by implementing an organizational structure that include Centers of Excellence that focus on particular competencies that are relevant across the entire organization, Business Partners that support the human resources needs of individual Panalpina product lines and finally, local human resource operations to support the countries and regions at a more granular level.

Developing our Team

Our training and development programs continue to offer Panalpina employees with opportunities to further develop their professional skillsets in areas that benefit them and the business. Globally 253 leaders participated in our leadership development training, Steering Success.

Our Global Talent programs, Navigating our Future (NOF) and Panalpina Accelerated Career Entry (PACE) welcomed 32 new participants into the programs in 2018.

Our e-learning platform was heavily utilized with thousands of hours of training delivered to our employees in modules such as Sales or Customer Service, our Environmental Awareness program or specific product related learning. In addition, we held more than 3,000 different training events like classroom sessions or webinars.

Demonstrated Engagement

Over the past three years we have conducted an employee engagement survey, with steadily improving results year-over-year. In 2018 we achieved again a high participation rate of 87%. More importantly, we improved globally in terms of all the survey’s main indicators: engagement, commitment and manager effectiveness. This is a very encouraging result, confirming that the employee engagement journey we commenced in 2016 is gaining momentum and that our concrete action plans have made a difference. Looking at the results in slightly more detail, Panalpina has moved ahead in all of the “engagement drivers.” This is a positive development with us being more aligned with the external benchmark. Top management continues to be committed to this journey, as we still have areas to focus and improve on.



EMPLOYEES BY AGE GROUP 2018

Headcount*

UNDER 30 (24%)

3,417

30 TO UNDER 40 (36%)

5,254

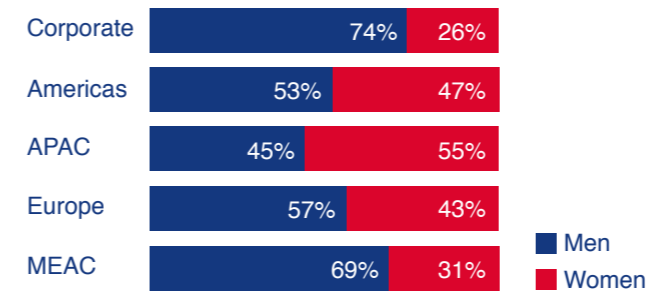
40 TO UNDER 50 (24%)

3,492

OVER 50 (16%)

2,264

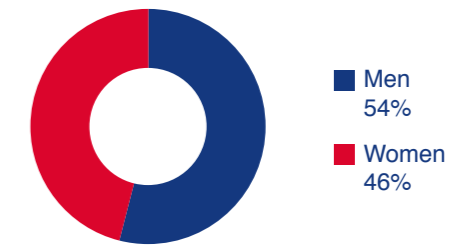
EMPLOYEES BY GENDER AND REGION 2018



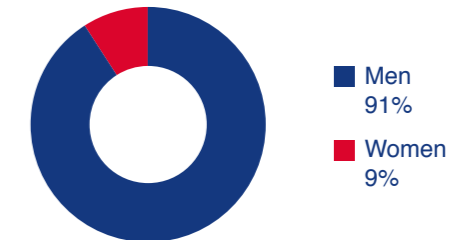
*Does not include headcount from recently acquired companies.

EMPLOYEES BY GENDER AND EMPLOYEE GROUP 2018

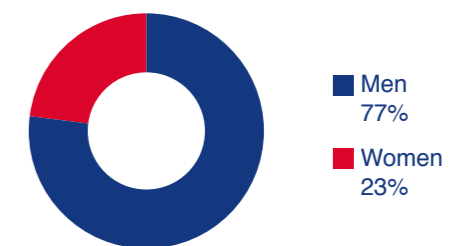
Overall



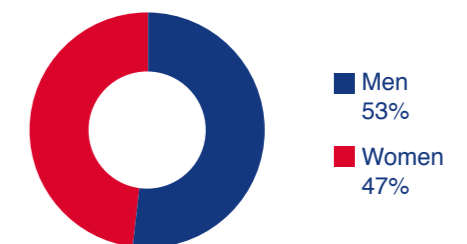
Top Leadership (Includes Executive Board and Executive Committee)



Senior Management



Other employees (excluding previous categories)





Sustainable Action Week Europe

Our Europe colleagues participated in a wide-range of activities for Global Sustainable Action Week. In many locations, including Antwerp, Hamburg, France and Luxemburg the Panalpina team stopped using plastic coffee cups and water bottles, in support of global efforts to reduce plastic waste, particularly plastic in the oceans. Our German colleagues organized a “plogging” event, combining jogging with cleaning up plastic refuse. The team in Ireland showed their commitment to their community by cleaning trash and beautifying the environment and our Slovakian team cleaned and painted an orphanage. The Panalpina team in the Czech Republic participated in a tree-planting activity and our Hungarian colleagues participated in a charity run.



Marie-Laurence Merville
Regional Sustainability
Manager Europe



Quality

Our approach to delivering quality services is based upon our structured quality management system, a commitment to understanding the root cause of problems, and a responsive culture that constantly seeks to improve.

Quality Drives Performance

Central to our success in quality management is our self-assessment process. In 2018, our quality, health, safety and environment (QHSE) team performed 94 Good Distribution Practice (GDP) audits to look for opportunities for improvements in established processes and standards and to identify any systemic issues that require addressing. When a non-conformance is identified, a root-cause analysis is performed immediately to identify the origin of the issue, and a corrective action plan is developed.

Subcontractor Management

As an asset light organization, our success is critically dependent on the performance of our subcontractors and their adherence to agreed processes and procedures. As part of our environmental, quality and safety management systems, we have a rigorous program of subcontractor audits, whereby the working standards and corporate controls of our subcontractors are assessed regularly. These audits include environmental performance standards, and adherence to labor and human rights performance. In 2018, 164 subcontractor audits were performed.

International Management Standards

Panalpina's management of quality is based upon ISO9001:2015, the most up-to-date version of the world's leading framework for quality management and performance. While we were already globally certified to the previous version of the ISO 9001 standard, the new 2015 version required revisiting the documentation of processes and procedures, training staff on the new expectations, and disseminating the information globally throughout our organization. In 2018, we successfully completed an external audit and were certified to the new ISO 9001:2015 standard. We were also recertified to the ISO 14001:2015 Environment and OHSAS 18001 Health and Safety standards. We were the first freight forwarding and logistics company to be globally certified by this auditor to these new standards and are now the only multinational provider of supply chain solutions to achieve global certification for all three frameworks. The auditing company noted that Panalpina is in the top 5 percent globally of all

companies they audit for quality, health, safety and environment management systems.

Panalpina's corporate, regional and country QHSE (quality, health, safety and environment) teams were key contributors to this process.

Healthcare Good Distribution Practice

Central aspects of our quality program are the implementation of Good Distribution Practice (GDP) and certification of key facilities under these standards. GDP certification applies to the logistic and pharmaceutical industries, to ensure the safe handling of pharmaceuticals, the control of the distribution chain and the maintenance of the quality and integrity of medicinal products. Many pharmaceutical companies require that logistics providers with whom they collaborate be GDP-certified by an accredited body.

Healthcare supply chains have zero-fault tolerance, and GDP certification demonstrates that we can give pharmaceutical companies access to a global, quality distribution network for their products. As of the end of 2018, we have 37 facilities with GDP certification, with 11 being certified in 2018 alone. Facilities receiving the certification in 2018 included Panalpina's new, state-of-the-art warehouse in Singapore, the first Panalpina warehouse outside of Europe to obtain the GDP certification. Other sites certified in 2018 are: Narita (Tokyo) and Hyderabad in APAC, Dubai in MEAC, Innsbruck and Lisbon in Europe and Nashville, San Francisco, Panama, Bogota and Montreal in Americas. New sites are expected to be GDP-certified in 2019.

Such certification requires full engagement. Our Healthcare GDP implementation team at Panalpina has a documented process to obtain the GDP certification. The process starts with completing a gap assessment at the site, and then, implements all points included in the certification. The key quality factors that can impact the distribution of pharmaceuticals include training, risk assessment, subcontractor management, documentation and complaints.

The Integrated Management System provides the backbone of our Healthcare Quality system necessary to absorb GDP standards and customer requirements worldwide and translate those Panalpina standards to be implemented locally.

Tools to Monitor Subcontractor Performance

We also use Validaide, an online platform we co-developed to qualify our key suppliers and make lane-risk assessments, especially for the healthcare industry. On the open platform, customers and suppliers of services are connected to standardize and improve supplier qualification for different product categories and transport modes. In 2018, Validaide was fully implemented across the company, with all Panalpina sites mapped in terms of their capabilities (temperature control, certifications, subcontractors etc). With more than 1,500 transport lanes in our systems, we currently have more than half of the lanes fully mapped for their risks including physical risks, delays, temperature, and security issues. We have also mapped the risks to the airports used for transporting cargos. In 2019, we will continue to map the risks of our trade lanes and extend this capability to door-to-door risks, and to our airline and ocean freight partners.

Panalpina Provides Secure Logistics

Aligned with our core mission of delivering quality services, we are committed to providing security strategies that identify and mitigate risk throughout the supply chain network. To accomplish this, our Security Team works closely with customers and business partners to deliver proactive security measures that safeguard shipments throughout our network. Consisting of experienced security professionals, our Security Team continues to expand our relationships with new and existing clients, and to devise global and regional security programs that address specific risks and threats.

In 2018, we achieved successful certification of our Global Supply Chain Security Standards and Guidelines from the International Standards Organization (ISO 28000 – Security Management). This industry leading achievement will further help us to deliver a best-in-class, secure supply chain program to our customers.

Additionally, throughout the year, we maintained our focus on securing our network through audits and assessments of owned/leased facilities and transport suppliers, as well as reviewed and revised security protocols for our agents. These efforts ensure that our standards, including the Panalpina Government Customs Security Program (released in 2017), and our customers' requirements are continuously sustained.

Another area of focus for our Security Team is the long-standing Customer Outreach Initiative. These engagements with clients emphasize our commitment to our existing customers and support the expansion of business. Our customers positively reflect on this initiative as a proactive method that adds value to their operations and further differentiates Panalpina from the competition. In 2019, Panalpina looks to expand these outreach efforts by conducting a security focused Customer Symposium to further integrate 'security' into our customers' normal business operations.

Cardiff Conference

We are consistently recognized for our innovative approach to quality management. In August 2018, the company was invited by its research partner, Cardiff University, to present at the International Quality Conference, attended by internationally recognized leaders of the quality movement and more than 170 participants from 32 countries and 5 continents. Lindsay Zingg, our Global Head of Quality, Health, Safety and Environment, and Andrew Lahy, the Global Head of Strategy and Innovation, Logistics presented on the benefits of managing the triple bottom line - People, Profit and Planet. The presentation shared our perspective on what quality means in the logistics world today, and some of the changes that are expected regarding the future of quality. Most importantly, they highlighted how quality and sustainability together encourage internal alignment of processes and people.



Jaime Aznar
Corporate Quality Healthcare Manager



42

**GOOD DISTRIBUTION PRACTICE
SUBCONTRACTOR AUDITS**



164

SUBCONTRACTOR AUDITS

.....
GLOBALLY CERTIFIED TO
ISO 9001:2015

GLOBALLY RECERTIFIED TO
ISO 14001:2015

.....
CERTIFIED TO
ISO 28000

GLOBALLY RECERTIFIED TO
OHSAS 18001

.....



37

**FACILITIES
GDP-CERTIFIED**



Basel City Run

Panalpina management and staff joined the Basel City Run in support of the Basel Children's Cancer Charity, an organization dedicated to researching cancer in children and young people.

Volunteers also hosted an auction to raise funds for the Basel Area Cancer Foundation, where artwork, fashion items, food and health products, sports equipment, children's items, and even dinners with executives were auctioned to the highest bidder. Collectively, these events raised over CHF 10,000.

“What an exciting event! We all have enjoyed a powerful run surrounded by Christmas lights and supporters on every corner. Even better that we could also support the children's cancer charity with the run.”

Evelyn Kocsis
Executive Assistant to the CHRO



“The atmosphere was excellent, and the run couldn't have been organized better. It was great fun and I personally was very happy to see Panalpina's Executive Board and many Panalpina employees engaged and involved in order to support the children's cancer charity.”

Stefan Karlen
President and CEO Panalpina



“This was an amazing event to run in as a company and to wear the red heart from the children's cancer charity made it even more special, all running together for such an important cause. The work that this charity does is so well-done and professional, and is a real asset for families in Switzerland.”

Lindsay Zingg
Global Head of QHSE



“It was great to run alongside colleagues from Panalpina in such a great atmosphere. It was for a very good cause and it felt good to promote and contribute towards helping improve the lives of those affected.”

Ian McClelland
Corporate Health and Safety Manager





‘Storing cargo safely at height’ training in Mexico

Health and Safety

This past year was a milestone in our health and safety performance. We achieved record lows for workplace injuries and lost work days. We have seen the number of accidents consistently driven down year upon year due to training and the engagement of our managers and staff on the topic. We intend to be an industry leader when it comes to safety and are fully focused on innovation and improvements to build upon our already high standards.



‘We Live Without Drugs’ race organized by the National Police of Ecuador



Singapore Traffic Police, Make it Home Safely Training, Singapore

Innovation

One of the key aspects of our safety record is our ability to record, analyze and take corrective action quickly when an incident occurs. This year we further improved our analytical strengths through the bespoke design and roll-out of a new HSE software tool. Designed by the Swiss software start-up Sulytics, the tool is simple to use and provides live trend analysis data down to business unit level, enabling HSE managers to implement improved controls and raise awareness of the most common incident types.

Health

Further integrating health and safety into all aspects of our work, our global Health and Safety Week is used to improve awareness, increase engagement and demonstrate how important it is while adding an element of fun.

The global QHSE teams have free license to promote the health topics most relevant to their location and country. For example, this year colleagues from Ecuador and Singapore collaborated with their respective national police forces to raise awareness on local issues. A number of Ecuadorian colleagues joined many others and entered the ‘We Live Without Drugs’ race organized by the National Police of Ecuador, while on the other side of the world, colleagues in Singapore were provided with training to ‘Make it home safely’ by the Singapore Traffic Police. Both subjects are very important to each location and the events were enjoyed by those that attended.

At the Panalpina corporate head office, managers attended workshops hosted by health professionals which provided guidance and skills that can be used to identify stress reactions in employees and how to help increase resilience. Complimentary workshops also focused on relaxation, improving sleep and combating early heart attacks and high blood pressure through improved nutritional intake and healthy lifestyle choices.

In Santiago, Chile, meeting rooms were transformed into special clinics where staff were offered eye examinations with an optometrist or a nutritional evaluation with a doctor and receive advice on their cardiovascular risk, blood pressure, glycaemia, and cholesterol levels. A lively health mascot also distributed nutritious food around the office!

Safety

Storing cargo safely at height, safe business travel, environmental spill training and risk assessments were the topics focused on during Health and Safety Week. Panalpina warehouse and office staff around the globe took part in inspections, spill demonstrations and challenges to test their safety skills.

The Ultimate Forklift Challenge which began in one warehouse in Mexico several years ago is now a popular contest hosted throughout the Panalpina Americas Region during the week. The skills of forklift drivers are put to the test to evaluate precision and safe driving techniques, while at the same time injecting a sense of competition, pride and fun under the banner of safety. Every year the Panalpina QHSE teams get more and more creative with the challenges and this year included bowling, basketball and precision loading, all performed with forklifts. Recorded safety incidents involving forklifts have fallen globally by 58% since 2015 due to the increased attention on safe driving and loading.

The key to the success of Panalpina’s Health and Safety Week is active participation and engagement to promote a safe working environment. Colleagues in the Philippines staged a fun safety fashion show that was both a positive fun event and helped embrace the importance of having a positive culture of safety within Panalpina.

Since the introduction of our first Health and Safety Week back in 2015, Panalpina has seen a 55% reduction in workplace injuries and a significant reduction in lost work days.

Being Prepared for Anything

This past year, a Panalpina employee in Brazil felt a small sting on his finger while separating material from a wooden box. He continued to work without any problems, but the next day, the finger felt much worse. The employee had the wound checked by one of the staff trained in first aid, who immediately recognized the seriousness of the situation and assisted the employee in obtaining professional medical help. The cause of the pain was in fact a spider bite, requiring medical attention in order to cut open the swelling and treat the infection. In a separate incident, an employee opened a wooden box to find a scorpion hidden inside. No one suffered a bite this time and it was carefully and safely removed.

Being prepared for all contingencies is a central element of our safety management system and is how we ensure the safety of our staff, customers and visitors in our facilities.

Future

To enhance our future commitment to a safety culture, we have developed our first HSE e-learning module that will ensure that all full-time and part-time health and safety officers will be trained to the same high standards. The modules include safety training videos, presentations and explanations of all aspects of safety and environmental requirements at a simple and easy to understand level. Providing such training and support at the business unit level throughout the organization ensures that high standards of safety extend throughout our whole organization.



Ian McClelland
Corporate Health and Safety Manager



Health and Safety Week

Health & Safety week covers a broad range of activities to raise awareness from Safe Working at Height and the forklift challenge in Brazil, to office safety in the Philippines and healthy eating at the headquarters.



Panalpina Global Health & Safety Statistics 2018

	Q1	Q2	Q3	Q4	Total
Total number of employees (FTE)	14,154	14,196	14,426	14,399	14,294
Total man hours	7,214,236	7,187,584	7,453,570	7,281,049	29,136,439
Driving distance	709,093	176,434	265,302	357,427	1,508,256
First aid incidents (FAI)	14	15	10	7	46
Medical treatment incidents (MTI)	5	3	3	5	16
Restricted work cases (RWC)	1	3	1	0	5
Lost time incidents (LTI)	8	7	10	7	32
Lost work days (LWD)	158	197	188	173	716
Near misses	114	101	110	84	409
Miscellaneous incidents	2	3	5	1	11
Environmental incidents	4	1	1	0	6
Property damage	19	15	11	6	51
Driving accidents	2	5	2	5	14
Inspections	607	583	446	403	2,039
Fatalities	0	0	0	0	0
Sub contractor HSE violations	21	16	25	12	74
Reportable incident cases (RICs)	1	0	3	4	8
Reportable occupational incident cases (ROICs)	0	0	0	0	0

72% reduction in injuries to staff since 2013

Frequency Rates (analysis calculated per 200,000 man hours worked)



INJURY

2018 TARGET: <1.09
2018 PERFORMANCE

0.7



LOST WORK DAYS

2018 TARGET: <7.24
2018 PERFORMANCE

4.9



LTI / RIC

2018 TARGET: <0.49
2018 PERFORMANCE

0.27



Vivian Lopez
Regional Sustainability
Manager, Americas

Sustainable Action Week Americas

The Panalpina Americas team lent their support to a variety of organizations, including food banks in the USA, Canada and Mexico, and a beach cleanup effort in Vancouver. In Brazil, the team planted trees in a nature preserve, hosted an art activity for children to show their commitment to the environment, and led discussions regarding waste reduction and the importance of recycling.





Environment

Protecting the environment is central to our commitment to sustainability and responsible corporate practices. Throughout our organization, our employees and senior management show a strong sense of support and excitement about the new initiatives we started in 2018 as we continue to make progress towards our ambitious environmental goals.

Recognition for Performance

In 2018, our environmental management and performance was recognized by two top ratings from external reporting agencies. We have been awarded an A- for our 2018 climate change response by the Carbon Disclosure Project, one of twelve companies in Switzerland to have attained the “leadership” level in the climate change questionnaire in 2018.

We also received a gold rating from EcoVadis, a multi-industry corporate social responsibility (CSR) rating platform that evaluates companies’ CSR performance on 21 topics. Since we joined Ecovadis in 2009, we steadily increased our rating and again received the gold rating for 2018. This score is greater than 97% of all companies responding and puts us in the top 1% of companies in our sector.

Subcontractor Management

Over time, we have made tangible progress towards achieving our goal of providing more sustainable logistics solutions. This is particularly true regarding the impacts of the third-party contractors who provide transport services for us. These efforts are underpinned by our environmental management system which is globally certified to the ISO 14001:2015 standard and includes robust subcontractor engagement to identify risks and opportunities as well as to increase reporting and transparency.

We actively engage with subcontractors in the trucking, shipping and air freight sectors with the goal of better understanding what the impacts of their services are, and to identify opportunities to reduce those impacts in a collaborative manner. All subcontractors are required to acknowledge their understanding of our expectations regarding environmental performance, and work with us to track their performance and seek ways to improve their performance over time.

Investing in New Technology

This past year we entered into an agreement with CMA CGM, one of the world’s leading shipping groups, and signed a sustainability agreement aimed at reducing the carbon emissions of ocean freight services by

2025. The centerpiece of this effort will be newly built LNG-powered mega-vessels with a capacity of 22,000 twenty-foot containers (TEUs) that will emit as much as 25% lower CO₂ emissions, 99% less sulfur emissions, 99% less fine particles and 85% less nitrogen oxides emissions.

The scope of the sustainability agreement between CMA CGM and Panalpina goes beyond the reduction of the environmental impact via eco-friendly transport solutions. The companies have also committed to collaborate, innovate and improve in four key areas: the environment, ethics and compliance, social responsibility, and community. Initiatives where CMA GGM and Panalpina intend to work more closely together also include occupational health and safety programs, local sourcing as well as emergency relief and support.



Partnering for Sustainability

We are also proud to be a member of the Clean Cargo Working Group (CCWG), the leading buyer-supplier forum for sustainability in cargo shipping. Through this membership, our team interacts with many of our most important subcontractors to collaborate to find solutions for some of the bigger challenges facing the logistics industry. The Working Group also produces the annual Clean Cargo Tradelane CO₂ Emission Factors report, representing 85 percent of containerized shipping, which shows continued progress in reducing emissions from container shipping.

Panalpina Attends Global Climate Summit

The 2018 Global Climate Action Summit was held on September 12 in San Francisco to celebrate a major milestone for the Science Based Targets (SBT) initiative. Some 133 companies globally now have approved science-based targets as a cornerstone of their business strategies. Panalpina being one of the first logistics companies who has approved science-based targets, was invited to participate. The conference took place at the Levi Strauss headquarters, overlooking the San Francisco Bay. The summit brought together leading experts in sustainability from around the world for a spirited discussion on the SBT initiative.

Improving Data Quality

In 2018, we participated in the development of EcoTransIT World, the first emission calculation tool to be accredited as compliant with the Global Logistics Emissions Council (GLEC) framework. The GLEC framework established by Smart Freight Center (SFC) is the leading methodology for freight transports and logistics operations. It allows companies to consistently calculate their GHG footprint across the global multi-modal supply chain.

Our team has been an active user of this tool since our launch, and an active participant in efforts to improve our capabilities. This tool currently is the backbone of our reporting processes to provide end-customers with accurate information about the GHG impacts of the logistics services that Panalpina provides.

Exploring the Circular Economy

In 2018, our team was invited to participate in the G7 meetings in Canada at the value retention policies workshop on advancing remanufacturing, refurbishment, repair and direct reuse. The event, which was held at the Panoramic Hall of the Montreal Science Center, included a section on reverse logistics. Our team's presentation focused on how logistics providers can be key enablers and drivers of the transition to more sustainable circular supply chains in the future.

As product life-cycles get shorter and consumers demand that products be delivered faster, a system is required to govern and link multiple locations and facilities that can manufacture and repair products locally or 3D-print parts for customers on-demand. Panalpina's warehouses in Dubai, Brazil, Panama, and the Czech Republic have been transformed into manufacturing facilities and gone from simply storing inventories of products made overseas to manufacturing them in, or closer to, the country of demand.



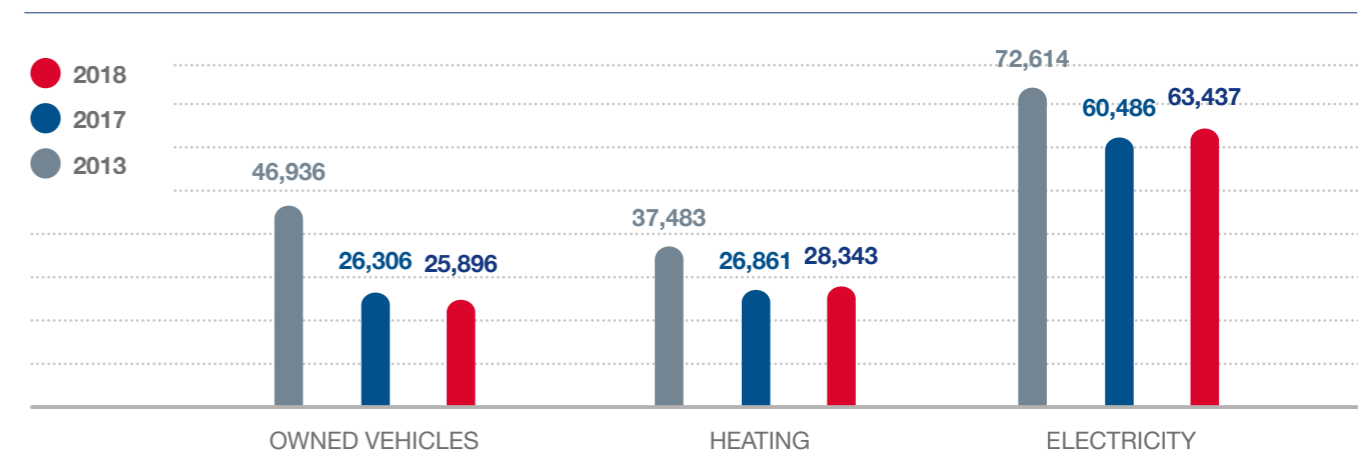
Environmental Metrics

Performance against environmental goals continued apace for Panalpina in 2018. The impacts of the company fluctuate significantly year-to-year due to a variety of factors, primarily market demand and the opening/closure of facilities. In recent years, customer demand for air freight has increased substantially, driven mostly by tightly-scheduled supply chains, and consumer desire for next-day delivery services. As a result, Scope 3 emissions due to subcontracted transport have increased in recent years, as air freight is highly greenhouse gas (GHG) intensive. It is precisely these market dynamics, and the challenge of providing GHG-intensive freight services, that make our participation in efforts such as the EcoTransit World tool validation, and the Clean Cargo Working Group so important. Our science-based targets for GHG emissions reductions are ambitious. We commit to reduce our scope 1 and 2 emissions 20% by 2025 from

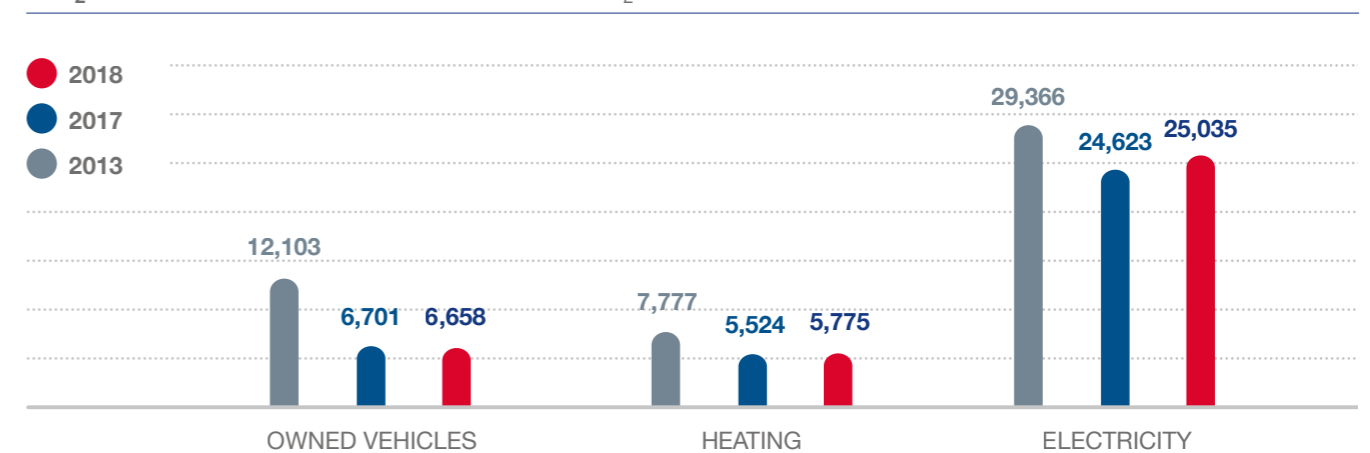
2013 levels. We also commit to reduce absolute scope 3 emissions 25% by 2030 from a 2017 base year. We are making substantial progress towards our science-based targets and reducing our impacts overall. Scope 1 emissions are down almost 40%, Scope 2 emissions are 14% lower and Scope 3 emissions due to business travel are 18% lower when compared against the 2013 baseline year. We have only been reliably measuring Scope 3 emissions due to subcontracted transport for the past two years and are still assessing the dynamics and trajectories of this important category of emissions.

But our progress is clear. From 2013 to 2018, our internal emissions (Scope 1 and Scope 2 emissions) have decreased in absolute terms (49,246 metric tons in 2013 to 37,468 metric tons in 2018). When normalized per employee, there were 3.8 metric tons per employee in 2013 versus 3.3 metric tons per employee 2018 when business travel is included.

Energy Consumption by Category (MWh)



CO₂ Emissions by Activity (in tons of CO₂ equivalents)



Energy and CO₂

			2018	2017	2016	2013 (baseline)	2018 to 2017 change	Change from 2013
Electricity	Consumption	MWh	63,437	60,486		72,614	4.9%	-13%
Heating	Overall consumption	MWh	28,343	26,861		37,483	5.5%	-24%
District Heating	- of which District heat	MWh	4,177	4,520		4,120	-7.6%	1%
Vehicle Fuel	Consumption <i>(Panalpina-owned and leased-vehicles only)</i>	MWh	25,896	26,306		46,936	-1.6%	-45%
CO ₂ emissions	Total emissions	Tons	6,659,239	6,379,654		59,724	4.4%	
	- Direct (Scope 1)	Tons	11,663	11,333		19,078	2.9%	-39%
	- Indirect (Scope 2)	Tons	25,805	25,516		30,168	1.1%	-14%
	- Indirect (Scope 3, business air travel)	Tons	8,577	8,126		10,478	5.6%	-18%
	- Indirect (Scope 3, subcontracted transport)	Tons	6,613,194	6,334,680			4.4%	
	- Relative emissions per FTE (excluding subcontracted transport)	Tons/FTE	3.3	3.2		3.8	1.7%	-14%
Materials								
Paper	Consumption	Tons	665	690		1,070	-3.6%	-38%
Water	Consumption	m3/1000	331	283		423	17.2%	-22%



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

REDUCE
SCOPE 3
EMISSIONS

25%
BY 2030

REDUCE
SCOPE 1 AND
2 EMISSIONS

20%
BY 2025





Sustainable Action Week Headquarters

The Panalpina Headquarters team in Basel kicked off the week with team spirit, energy and fun by organizing an auction that raised much needed funds to support the children's cancer charity Basel Area Cancer Foundation. Artwork, fashion items, food and health products, sports equipment, children's items, and even dinners with executives were auctioned to the highest bidder. Panalpina CEO Stefan Karlen and his colleagues served food at an event to support Schweizer Tafel, an organization that distributes tons of surplus food to homeless shelters, street kitchens, emergency kitchens and other relief organizations. Other activities included a group blood donation, a charity run, and an after-work "Apero" party to support Plan International's disaster relief fund.



Danijela Hirt
Corporate Quality and Environmental Manager



"I sense a great atmosphere at Panalpina, and a high degree of pleasant camaraderie among all the employees whom I've seen in action. The generosity of Panalpina and its employees during Sustainable Action Week represents a wonderful contribution to our work."

Paul Castle,
Trustee, Kinderkrebsstiftung Basel





Sustainable Action Week APAC

The APAC team supported both child-focused activities as well as the elderly. In Taiwan, we supported a local charity to collect used shoes to donate to villages in Africa. In Singapore and Cambodia we worked at a children's home and schools where we cleaned, renovated a playground and planted trees. In the Philippines we worked with the foundation ChildHope, and took local street kids on a museum tour, did arts and crafts with them and participated in role play activities to help the kids learn about values and responsibility. The Panalpina Myanmar team worked with a local home for the elderly, donating needed supplies, cleaning, and relaxing with the residents.



Shruti Singh
Regional Sustainability Manager, APAC





Management approaches

Panalpina's sustainability performance depends on clear management processes, accountability, and the engagement of our teams in all locations.

Financial Performance

Financial performance is the ultimate measure of value creation for Panalpina and is relevant to most Panalpina stakeholders including shareholders, employees, customers and suppliers.

The material topics included in financial performance are:

- Sustainable growth and cost management:** Ultimate oversight of Panalpina's financial performance is provided by the Board of Directors with support from the Executive Board and leadership teams from individual business units. They are responsible for strategic planning, financial forecasting and goal-setting, revenue generation, cost controls and ultimately, profitability. Performance is assessed on an ongoing basis, and with quarterly results.

Ethical Behavior

Operating ethically and responsibly is of the utmost importance to Panalpina and its ability to create value: incidents of bribery, corruption or other illegal actions may expose Panalpina to legal, financial and reputational risks. These issues are relevant to all Panalpina stakeholders and its value chain.

The material topics included in ethical behavior are:

- Anti-corruption and anti-competitive behavior:** Panalpina complies with all applicable laws and regulations in the countries where it operates. Ethics, anti-corruption and regulatory compliance issues are overseen by the board-level Audit, Risk and Compliance Committee. All business units are assessed for risks related to bribery and corruption on an annual basis. The Ethics and Compliance hotline is available to employees to report potential violations confidentially 24 hours a day, 7 days a week. These reports are monitored by the corporate ethics and compliance officer and brought to the attention of the board-level Audit, Risk and Compliance Committee as needed.



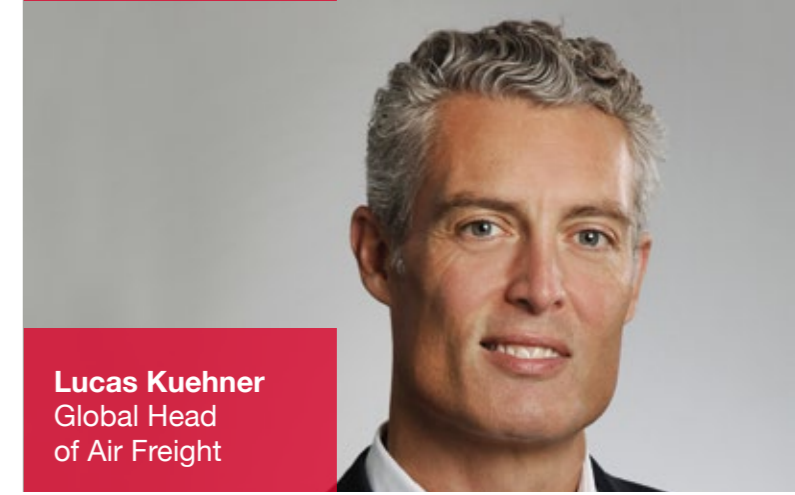
Stefan Karlen
Panalpina
President and CEO



Karl Weyeneth
Chief Commercial
Officer at Panalpina



Karsten Breum
Chief Human
Resources Officer



Lucas Kuehner
Global Head
of Air Freight

Talent Management

Ensuring that we have a well-trained, high-performing workforce is critical for Panalpina to be able to provide quality service to its customers. Providing opportunities for development allows Panalpina to achieve its business goals and create value in the long term. Moreover, a motivated and engaged workforce is nurtured by a positive corporate culture that provides opportunities for employees to flourish. This issue is particularly important to Panalpina's employees.

The material topics included in talent management are:

- **Training, education and leadership development:** Panalpina provides internal and external training programs, job rotation, international assignments and on-the-job coaching. Panalpina also offers job-specific development programs that refine skills such as leadership, sales, customer relations and compliance. All programs related to employee education, benefits and compensation, and related issues are ultimately the responsibility of Panalpina's chief human resources officer (CHRO), who reports to the chief executive officer.
- **Corporate culture:** This topic is currently the subject of efforts led by the CHRO. Evaluation metrics are not currently available but may be discussed in future communication.
- **Employee engagement:** Panalpina regularly administers an employee engagement survey to assess the overall engagement levels and key issues of concern for the employees. This is the responsibility of the CHRO, who assesses the results, and leads planning efforts to respond to issues that arise through this process.

IT Infrastructure

Panalpina operates in a sector increasingly shaped and enabled by information technology systems. These systems facilitate new efficiencies, faster transactions, more accurate record-keeping and greater transparency, all of which contribute to long-term value creation for the company. However, these

systems must be robust and resilient, and provide a high level of security for the data contained within them. These topics are of particular interest to Panalpina's customers.

The material topics included in IT infrastructure are:

- **IT infrastructure and resilience:** Panalpina's IT systems are managed by the chief information officer (CIO) in alignment with the operational and strategic plans for the company. The CIO is responsible for managing the infrastructure and business continuity planning for the systems.
- **Cybersecurity:** This is an evolving risk to all businesses, including Panalpina. Monitoring cybersecurity threats and developing resilience and risk-mitigation plans are also the responsibility of the CIO for the company.

Good Employer

Panalpina is committed to fostering a culture where employees are treated with respect and fairness and are part of an engaging work environment. This topic is directly relevant to Panalpina's employees and managers.

The material topics included in good employer are:

- **Labor/management relations and employment:** The CHRO oversees all functions relating to Panalpina employment including talent recruitment, employee development and labor relations. Fair labor practices and compliance with labor laws are of the utmost importance to Panalpina. Compensation levels at Panalpina are based on the qualifications of the employee, the requirements of the position and job performance. Employees are informed of operational changes well in advance when restructuring, role changes or changes to facilities are planned. Employees have the opportunity to report any grievances about labor practices through their local managers or through the Ethics Hotline and when necessary these issues are brought to the attention of Panalpina's Human Resources.

Health and Safety

Providing a safe and healthy work environment is critical to Panalpina's success and long-term value creation. This topic includes employee safety, monitoring of accident rates, healthy working environments and other topics that impact the health and well-being of Panalpina's employees. Due to the nature of the logistics business, customers are not typically exposed to health and safety risks. Therefore, Panalpina's employees are the part of its value chain most impacted by this topic.

The material issues included in health and safety are:

- **Occupational health and safety:** Occupational health and safety risks are managed through Panalpina's systems and processes that are certified to OHSAS 18001 standards. These issues are overseen by the global head of QHSE. Each employee is provided with safety training and is held accountable for following safety practices and reporting workplace accidents, injuries, and unsafe use of equipment. Emergency plans and response procedures are upheld at all Panalpina locations. Procedures such as emergency reporting, response training, access and egress, and fire detection and suppression are critical to ensure Panalpina employees can respond to emergency situations appropriately.

Driving wellness performance is another key focus for Panalpina. Wellness campaigns that highlight issues such as hygiene, cardiovascular health, and regular exercise encourage Panalpina employees to maintain healthy lifestyles.

Company-wide-policies are implemented at each site to ensure compliance with local environmental regulations, and all employees are responsible for ensuring Panalpina operates in a responsible manner. Health and safety metrics are closely monitored across Panalpina facilities.

Customer Centricity

Ensuring customers have a positive experience and view Panalpina as a valuable supplier of services and solutions is critical to the growth of our business. Moreover, Panalpina's ability to innovate and bring new

products and services to market is key to its long-term value creation. Customer centricity is most relevant to Panalpina's operations, its employees, subcontractors and to its customers.

The material topics included in customer centricity are:

- **Quality and operational performance:** This is managed primarily through Panalpina's ISO 9001 Quality Management System, which provides a structured process for the identification of issues relevant to the quality of its products and services, continuous improvement, and the evaluation of its efforts. Responsibility for this topic resides with the global head of QHSE.
- **Client relationships and engagement:** Customers are regularly given the opportunity to provide feedback about their overall satisfaction with Panalpina's products and services. This feedback is acquired through comprehensive customer surveys, quarterly business reviews, and other formal and informal mechanisms. Customer satisfaction is reviewed and monitored by key account managers.
- **Brand image:** This topic is managed by multiple functional units in Panalpina, including Corporate Communications and key account managers. Evaluation of the company's efforts is determined by, among other things, media coverage and anecdotal information from customers and peers.
- **Thought leadership:** Panalpina's collaboration with non-governmental organizations (NGOs) and universities, as well as with customers and industry partners, is managed through its product groups and functional groups most closely aligned with the topic. Progress is measured in various ways, including publications, white papers and invitations to speak at conferences and trade association meetings.
- **Product and service innovation:** This is managed through Panalpina's Innovation Board and the newly created position of head of digital innovation. Starting in 2017, the QHSE function requested regional and country managers to provide sustainability-oriented project concepts as part of their annual goal-setting process.

Sustainable Procurement

As an asset-light company, Panalpina is critically dependent on the performance and standards of its subcontractors. They must deliver the services they commit to providing and do so in a manner that meets the expectations of Panalpina's customers. Panalpina seeks to build relationships with partners who uphold its high ethical standards, and consequently expects its suppliers to uphold the values outlined in its Code of Conduct.

The material issues included in sustainable procurement are:

- **Procurement practices, engaging with suppliers and supplier assessments for QHSE and human rights:** To ensure its suppliers also adhere to these values, Panalpina implements due diligence procedures such as onsite assessments and compliance certifications. As part of the ISO 14001 management system, and included in its regular reporting to customers, Panalpina assesses the management systems, certifications and performance of its suppliers on an ongoing basis. This is managed by the Panalpina procurement team, supported by the QHSE team which is responsible for the ISO 14001 system. Metrics are collected regularly from suppliers; non-compliances are immediately addressed, and corrective actions required where indicated.

Environmental Performance

Panalpina views environmental stewardship as a critical component of its corporate responsibility program. By continuously refining processes to manage environmental issues, Panalpina can better understand its impacts, identify ways to improve, and contribute to the company's value creation processes. The highest level of direct responsibility for environmental management lies with Panalpina's Executive Board and the Board of Directors. Environmental strategies, policies, compliance, and management systems are overseen by the global head of QHSE.

The material issues included in environmental performance are:

- **Environmental compliance:** Panalpina is committed to adhering to all applicable environmental regulations where it operates. This is the responsibility of country, regional and global QHSE personnel, and is monitored on an ongoing basis for non-compliance.
- **Energy and emissions:** Energy and emissions data is collected twice-yearly and analyzed for opportunities for improvement. The global head of QHSE is ultimately responsible for this data, and energy performance is the responsibility of facility managers.
- **Environmental footprint of suppliers:** Panalpina operates an asset-light business model: it purchases capacity from suppliers rather than owning its planes, ships, trucks and other vehicles. However, this does not absolve Panalpina of the responsibility to operate these fleets in a responsible way. To this end, Panalpina has implemented programs to minimize the impacts associated with the delivery of its products and services. Reducing the environmental impacts from transportation is the responsibility of Panalpina's key account managers, who work closely with each customer.

Communities and Social Responsibility

Panalpina is committed to be a good member of the communities where it operates. These programs contribute to Panalpina's "license to operate" which is an element of Panalpina's reputation and may influence its ability to expand into new markets and regions, expand facilities, or win new business. It also contributes to employee morale and engagement as they want their employer to demonstrate responsible, ethical and charitable values. This topic is especially relevant to Panalpina's employees, and residents of the communities where the company operates.

The material topics related to communities and social responsibility are:

- **Community engagement:** Panalpina carefully monitors the impacts it has on the communities where it operates. Consequently, when new trade routes or services are introduced, Panalpina remains aware of any potential impacts they may have on local communities and grievance mechanisms are made publicly available to members of the community.
- **Social responsibility:** Panalpina regularly engages in programs to leverage its expertise and employee interest to perform charitable and volunteer activities in the communities where it operates facilities. These programs are coordinated by the Panalpina country managers, supported by the corporate QHSE team. The outcomes of these programs are reported and monitored.

Panalpina carefully monitors the impacts it has on the communities it operates in.



Global Goals



Panalpina performs charitable and volunteer activities in the communities it operates in.



GRI CONTENT INDEX

The Global Reporting Initiative (GRI) provides the world's most widely used framework for sustainability reporting. The GRI Standards offer a structured format to coherently and comprehensively share information about material issues, performance metrics, and the management of sustainability-related issues within the organization.

The reporting principles for defining report content and quality have been applied throughout the information collection and report development process. Panalpina's 2018 Sustainability Report covers the reporting period of Calendar Year 2018. Data presented in the report represents all wholly owned Panalpina operations, including subsidiaries unless explicitly noted otherwise. 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.

Organizational Profile

GRI 101: Foundation 2016

GRI 102: General Disclosures 2016

Standard Disclosures	Location in Report	Information
102-1	Name of the organization	Page 63 Panalpina World Transport (Holding) Ltd.
102-2	Activities, brands, products, and services	Page 63 Core products of Air Freight, Ocean Freight and Logistics and the specialized service Project Solutions to deliver customized solutions for clients across the globe.
102-3	Location of the headquarters	Page 63 Panalpina World Transport (Holding) Ltd. Viaduktstrasse 42 / P.O. Box CH – 4002 Basel / Switzerland
102-4	Location of operations	Page 63 Headquartered in Basel Switzerland, Panalpina has operations in approximately 70 countries.
102-5	Ownership and legal form	Page 63 Panalpina World Transport (Holding) Ltd. (PWT) is the holding company of the Panalpina Group. PWT shares are exclusively listed on the SIX Swiss Exchange.
102-6	Markets served	Page 63 The geographic breakout of where Panalpina operates is in four main regions: the Americas, Asia Pacific, Europe, and Middle East, Africa and CIS. Primary industries served are: <ul style="list-style-type: none"> • Aerospace • Automotive • Chemicals • Consumer and Retail • Energy • Fashion • Government, Aid & Relief • Healthcare • Hi-tech • Manufacturing • Perishables • Telecommunications
102-7	Scale of the organization	Page 9,63 <ul style="list-style-type: none"> • Approximately 14,427 employees • Approximately 500 offices • Approximately 70 countries • Gross profit CHF 1,500 million • 70 countries
102-8	Information on employees and other workers	Page 29 <ul style="list-style-type: none"> • ~14,427 employees • ~54% male, 46% female
102-9	Supply chain	Page 63 Panalpina's supply chain consists of upstream suppliers who primarily provide packaging materials, technical equipment, and freight carriers (planes and ships).
102-10	Significant changes to the organization and its supply chain	Page 63 There were no significant changes regarding the organization's size, structure, ownership, or its supply chain.
102-11	Precautionary Principle approach	Page 63 The precautionary principle does not explicitly guide decisions made by Panalpina.
102-12	External initiatives	Page 63 The company supports the principles outlined in the UN Universal Declaration of Human Rights and observes fundamental labor and environmental standards. These basic values are included in Panalpina's Code of Conduct, which is used to guide employees in adhering to high levels of performance, integrity and professionalism.
102-13	Membership of Associations Strategy	Page 47, 48, 64 <ul style="list-style-type: none"> • IATA: International Air Transport Association • FIATA: «Fédération Internationale des Associations de Transitaires et Assimilés» or «International Federation of Freight Forwarders Associations»

102-13	Membership of Associations	Page 47, 48, 64	<ul style="list-style-type: none"> • TIACA: The International Air Cargo Association • C2K: Cargo 2000 (C2K) is an industry group with the mission to create and implement the quality standard and management system for the worldwide air cargo industry • Clean Cargo Working Group
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Strategy

102-14	Statement from senior decision-maker	Page 5
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Ethics & Integrity

102-16	Values, principles, standards, and norms of behavior	Page 64	<p>Panalpina's core values are based on performance, integrity, and professionalism. The company's Code of Conduct is based on these values and also highlights business-specific best practices and adherence to local laws and regulations. The Code is available in 27 languages and is accessible through the Company's intranet and public website. Each employee is provided with a one-time training on the Code through a face-to-face session with their supervisor. They are also asked to provide a signature indicating complete understanding of the Code and commitment to follow it in their daily work.</p> <p>Panalpina has appointed a Head of Ethics and Corporate Compliance, reportable directly to the CEO, to oversee the Code of Conduct and global compliance programs.</p>
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Governance

102-18	Governance structure	Page 14 (Page 48 of the Panalpina Management Report 2018)
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Stakeholder Engagement

102-40	List of stakeholder groups	Page 64	Main stakeholders are shareholders, customers, regulators, employees, business partners, and the neighbors of all company sites.
102-41	Collective bargaining agreements	Page 64	~25% employees are covered by collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Page 64	<p>Key stakeholders are selected based upon:</p> <ul style="list-style-type: none"> • The stakeholders' ability to significantly impact Panalpina's economic, ecological and social performance • Where Panalpina's economic, ecological and social performance significantly impacts stakeholders
102-43	Approach to stakeholder engagement	Page 64, 65	<p>Employees were engaged as part of the report preparation process, particularly during the materiality assessment workshop where key individuals representing a broad range of functions at the company participated in identifying relevant topics for the report.</p> <p>On a more regular basis, Panalpina engages with stakeholders through the following mechanisms and frequencies:</p>

102-43	Approach to stakeholder engagement	Page 64,65	<ul style="list-style-type: none"> • Shareholders through annual meetings and selected interactions with interested parties • Customers: regular customer satisfaction and feedback surveys, quarterly business reviews • Employees: regular employee engagement surveys • Business partners – Cooperative partnerships with suppliers include regular audits to ensure compliance with Panalpina's policies and applicable laws • Trade organizations through Panalpina's membership and engagement on specific issues • Neighbors of all company sites as issues arise
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102-44	Key topics and concerns raised	Page 65	Key stakeholders continue to show interest in sustainability issues. In 2018, multiple customers requested quantitative data regarding the environmental impacts resulting from the services provided by Panalpina. While the topics certainly vary by company and sector, most are interested in the energy and corresponding greenhouse gas emissions resulting from the transport of their goods, environmental compliance, labor relations and practices, and responsible sourcing.
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Reporting Practice

102-45	Entities included in the consolidated financial statements	Page 65	Panalpina Group is the only listed entity included within the scope of consolidated financial statements and no entities are excluded from such reports.
102-46	Defining report content and topic boundaries	Page 65	<p>A comprehensive materiality workshop was led by an external expert to identify the relative relevancy and boundary of GRI Standards Topics in addition to other topics. The coverage of Indicators categorized under those topics deemed relevant were reported to the fullest extent possible as data availability allowed.</p> <p>Key criteria for the inclusion of various GRI items is, first, their relevance to Panalpina's business impact and its stakeholders – and second, the availability of corresponding data.</p> <p>Reporting of included indicators complies with the GRI guidelines as much as data availability allows.</p> <p>Stakeholders expected to use this report include customers, employees, shareholders and trade associations.</p>

102-47	List of material topics	Page 15	
102-48	Restatements of information	Page 65	No restatements
102-49	Changes in reporting	Page 65	No changes
102-50	Reporting period	Page 65	January 1 to December 31, 2018
102-51	Date of most recent report	Page 65	March 2018
102-52	Reporting cycle	Page 65	Annual Reporting

102-53	Contact point for questions regarding the report	Page 66	Lindsay Zingg Panalpina Management Ltd. Global Head of Quality, Health, Safety and Environment 4051 Basel, Viaduktstrasse 42, Switzerland Phone: +41 61 226 1173 lindsay.zingg@panalpina.com
102-54	Claims of reporting in accordance with the GRI Standards	Page 66	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Page 62	
102-56	External assurance	Page 66	At this time, Panalpina has decided to not seek external assurance for the report.

Customer Centricity

GRI Material Topic: None

The Panalpina material topic “Customer Centricity” corresponds to the topics of Quality and Operational Performance, Client Relationships and Engagement, Brand Image, Thought Leadership and Product and Service Innovation.

GRI 103: Management Approach 2016

103-1	Page 59
103-2	Page 59
103-3	Page 59

Financial Performance

GRI Material Topic: Economic Performance

The Panalpina material topic “Financial Performance” corresponds to the topics of Sustainable Growth and Cost Management and includes the GRI Topic of Economic Performance.

GRI 103: Management Approach 2016

103-1	Page 57
103-2	Page 57
103-3	Page 57

GRI 201: Economic Performance 2016

201-1: Direct economic value generated and distributed	See page 12 of the Panalpina Management Report 2018 (https://bre.is/x2WZxglon)
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Ethical Behavior

GRI Material Topic: Anti-Corruption, Anti-Competitive Behavior

The Panalpina material topic “Ethical Behavior” includes the topics of Anti-Corruption, Anti-Competitive Behavior and Appropriate Incentives for Employees, and corresponds to the GRI Topics of Anti-Corruption and Anti-Competitive Behavior.

GRI 103: Management Approach 2016

103-1	Page 57
103-2	Page 57
103-3	Page 57

GRI 205: Anti-Corruption 2016

205-2: Communication and training about anti-corruption policies and procedures	Page 26
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GRI 206: Anti-Competitive Behavior 2016

206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2018, there were no new legal actions for anticompetitive behavior, antitrust or monopoly-related issues that were brought to the attention of the Board of Directors or the Executive Board.
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Talent Management

GRI Material Topic: Training and Education

The Panalpina material topic “Talent Management” corresponds to the topics of Training and Education, Leadership Development, and Corporate Culture, and includes the GRI Material Topic Training and Education.

GRI 103: Management Approach 2016

103-1	Page 58
103-2	Page 58
103-3	Page 58

GRI 404: Training and Education 2016

404-2: Programs for upgrading employee skills and transition assistance programs	Page 28
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IT Infrastructure

GRI Material Topic: Customer Privacy

The Panalpina material topic “IT Infrastructure” corresponds to the topics of IT Infrastructure and Resilience and Cybersecurity and includes the GRI topic Customer Privacy

GRI 103: Management Approach 2016

103-1	Page 58
103-2	Page 58
103-3	Page 58

GRI 418: Customer Privacy 2016

418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2018, there were no instances regarding breaches of customer privacy or losses of customer data that were brought to the attention of the Board of Directors or the Executive Board.
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Good Employer

GRI Material Topic: Employment

The Panalpina material topic “Good Employer” corresponds to the topics of Labor/Management Relations and Employee Engagement and includes the GRI Material Topic of Labor and Management Relations.

GRI 103: Management Approach 2016

103-1	Page 58
103-2	Page 58
103-3	Page 58

Good Employer

GRI 402: Labor and Management Relations 2016

402-1: Minimum notice periods regarding operational changes	Notice periods vary by region and country. All local laws are complied with.
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Health and Safety

GRI Material Topic: Occupational Health and Safety

The Panalpina material topic “Health and Safety” includes the GRI Material Topic of Occupational Health and Safety.

GRI 103: Management Approach 2016

103-1	Page 59
103-2	Page 59
103-3	Page 59

GRI 403: Occupational Health and Safety 2016

403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 43
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Sustainable Procurement

GRI Material Topic: Supplier Social Assessment and Supplier Environmental Assessment

The Panalpina material topic “Sustainable Procurement” corresponds to the topics of Procurement Practices, Engaging with Suppliers, Supplier Assessments for QHSE and Human Rights and includes the GRI topic Supplier Social Assessment and Supplier Environmental Assessment.

GRI 103: Management Approach 2016

103-1	Page 60
103-2	Page 60
103-3	Page 60

GRI 308: Supplier Environmental Assessment 2016

308-1: New suppliers that were screened using environmental criteria	Page 47
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GRI 414: Supplier Social Assessment 2016

414-1: New suppliers that were screened using social criteria	Page 33
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Environmental Performance

GRI Material Topic: Energy, Emissions and Environmental Compliance

The Panalpina material topic “Environmental Performance” corresponds to the topics Environmental Compliance, Emissions, Energy, and Environmental Footprint of Suppliers and includes the GRI topics Energy, Emissions and Environmental Compliance.

GRI 103: Management Approach 2016

103-1	Page 60
103-2	Page 60
103-3	Page 60

Environmental Performance

GRI Material Topic: Energy, Emissions and Environmental Compliance

The Panalpina material topic “Environmental Performance” corresponds to the topics Environmental Compliance, Emissions, Energy, and Environmental Footprint of Suppliers and includes the GRI topics Energy, Emissions and Environmental Compliance.

GRI 302: Energy 2016

302-1: Energy Consumption within the organization	Page 50
302-2: Energy Consumption outside of the organization	Page 50
302-3: Energy Intensity	Page 50
Reduction of Energy Consumption	Page 50

GRI 305: Emissions 2016

305-1: Direct (Scope 1) GHG Emissions	Page 50
305-2: Energy indirect (Scope 2) GHG Emissions	Page 50
305-3: Other Indirect (Scope 3) GHG Emissions	Page 50
305-4: GHG Emissions Intensity	Page 50
305-5: Reduction of GHG Emissions	Page 50

Communities and Social Responsibility

Material Topic: Local Communities

The Panalpina material topic “Communities and Social Responsibility” corresponds to the GRI topic Local Communities.

GRI 103: Management Approach 2016

103-1	Page 61
103-2	Page 61
103-3	Page 61

GRI 413: Local Communities 2016

413-1: Operations with local community engagement, impact assessments, and development programs	Pages 17, 18-19, 30-31, 44-45, 52-53, 54-55
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Thank you



Sustainability Report Consultants:
Sustainserv, Boston and Zurich

Report Design:
The Unknown Creative, Newcastle and London

