



**DSV PANALPINA
RESPONSIBILITY
REPORT
2019**



Global Transport and Logistics



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Our commitment

This Responsibility Report is a Communication on Progress (COP) of the Group under the United Nations Global Compact, which DSV Panalpina signed in 2009.

The Responsibility Report gives information and data on the corporate responsibility activities of the parent company and of subsidiaries of the Group in which the parent company has an ownership interest of more than 50%.

The Responsibility Report covers the 12-month period that ended 31 December 2019. Data regarding Panalpina is covered from 19 August when DSV's acquisition of

Panalpina was completed. This Responsibility Report is part of management's review and covers the statutory reporting on corporate social responsibility, as prescribed by section 99a of the Danish Financial Statements Act. Further, this report serves as DSV Panalpina's statement according to section 54 of part 6 of the UK Modern Slavery Act.

With this progress report, we would like to express our continued support to the United Nations Global Compact initiative and its 10 fundamental principles as well as its efforts to achieve the Sustainability Development Goals.



TAKING RESPONSIBILITY IS PART OF WHAT MAKES US STRONG

DSV Panalpina provides global transport and logistics services, and we see it as a fundamental part of our value proposition to be a responsible business partner and to seek sustainable solutions.

For us at DSV Panalpina, 2019 will be remembered as the year where two great companies joined forces. We are still in the process of combining the two organisations, but we believe that the new DSV Panalpina will be an even stronger company. This also applies to our corporate responsibility strategy. Even though we had to put several activities on hold in 2019 to focus on the integration, we also strengthened our existing corporate responsibility setup to better support our activities going forward. In 2020 we are going to present a new strategy and new targets, and it will require focus from the whole organisation to realise our aspirations in this area.

Since we joined the UN Global Compact 10 years ago and began reporting annually on our activities, we have improved our efforts and our transparency – but we can do more. As the latest UN report on climate change

showed, there is a need for more substantial changes to prevent irreparable damage to the environment. We are therefore going to develop a strategy in 2020 that will set new and more ambitious targets for corporate responsibility.

SCIENCE-BASED TARGETS

Our new commitment to the Science Based Targets initiative will be central to our future sustainability efforts. As part of this initiative, we are setting targets for greenhouse gas reductions, which will serve as a guide for our whole sustainability value chain. Once the targets have been approved, most likely in the first half of 2020, it will be the responsibility of everyone at DSV Panalpina to contribute to achieving them.

We believe that the targets will inspire us to improve our existing ways of working and find new ones to the benefit of both our customers and ourselves. A key element will be to reduce emissions from subcontracted transport services and thereby help drive down total CO₂ emissions. We see this as both an environmental and a commercial success in the making.

Another important aspect of our increased efforts is our new CO₂ reporting system, which will contribute to a new level of transparency. The system will improve our ability to calculate and minimise the carbon footprint of our customers' shipments across multi-geographical and multi-modal supply chains.

A STRONGER CODE OF CONDUCT

An important milestone in 2019 for us was our comprehensive update to the DSV Panalpina Code of Conduct. Our Code of Conduct guides us to act in a responsible and ethical manner, and in 2019, we updated some of its key topics. Our ethical standards have not changed since our last major update, but as the world changes, so must our way of addressing the topics that are important to us and our stakeholders.

We have, for example, introduced a new topic outlining our firm position against money laundering and modern slavery. We also updated our whistle-blower reporting system to provide our employees and business partners with simpler ways of anonymously reporting alleged violations of law or of our Code of Conduct.

VALUABLE PARTNERSHIPS

'Achieving more together' is the tagline for the integration of DSV and Panalpina, so it is a phrase I have used a lot during the past few months. I believe that we have a greater chance of success when we bring capabilities together. That is also why we are adding new partnerships to the one we have with the Red Cross I Red Crescent movement anchored through Danish Red Cross.



One of our new partnerships investigates both how wind energy can be used to produce renewable hydrogen for certain heavy-duty vehicles, and how we can take steps to develop sustainable fuel production and infrastructure in Denmark. In another new partnership, I will represent DSV Panalpina in working with the Danish government to find greener solutions for land transportation – and drive them forward.

We take our responsibility seriously, and we believe that our wider ambitions and new initiatives will take us a step in the direction of a more sustainable transport and logistics industry.

JENS BJØRN ANDERSEN
CEO

DSV PANALPINA AT A GLANCE

AMERICAS North and South America

Gross profit:
DKKm

5,357

EBIT before special items:
DKKm

2,035

EMEA Europe, Middle East and Africa

Gross profit:
DKKm

14,919

EBIT before special items:
DKKm

3,334

APAC Asia, Australia and the Pacific

Gross profit:
DKKm

3,478

EBIT before special items:
DKKm

1,285



**80+ countries
worldwide**



**4th largest
freight forwarder**



**DKK 120 billion
annual revenue***



**60,000+
employees**

*Proforma revenue for a full year for the combined company DSV Panalpina

FREIGHT FORWARDING AND VALUE-ADDED SERVICES

DSV Panalpina is a global freight forwarder offering transport and logistics services supporting our customers’ entire supply chain. We provide traditional transportation of goods as well as a variety of value-added services.

Value-added services include purchase order management, cargo consolidation, customs clearance, cargo insurance, warehousing, distribution and other related services.

Our services are offered through our three divisions – Air & Sea, Road and Solutions – delivering a full range of transport and logistics solutions throughout more than 80 countries in which we operate.

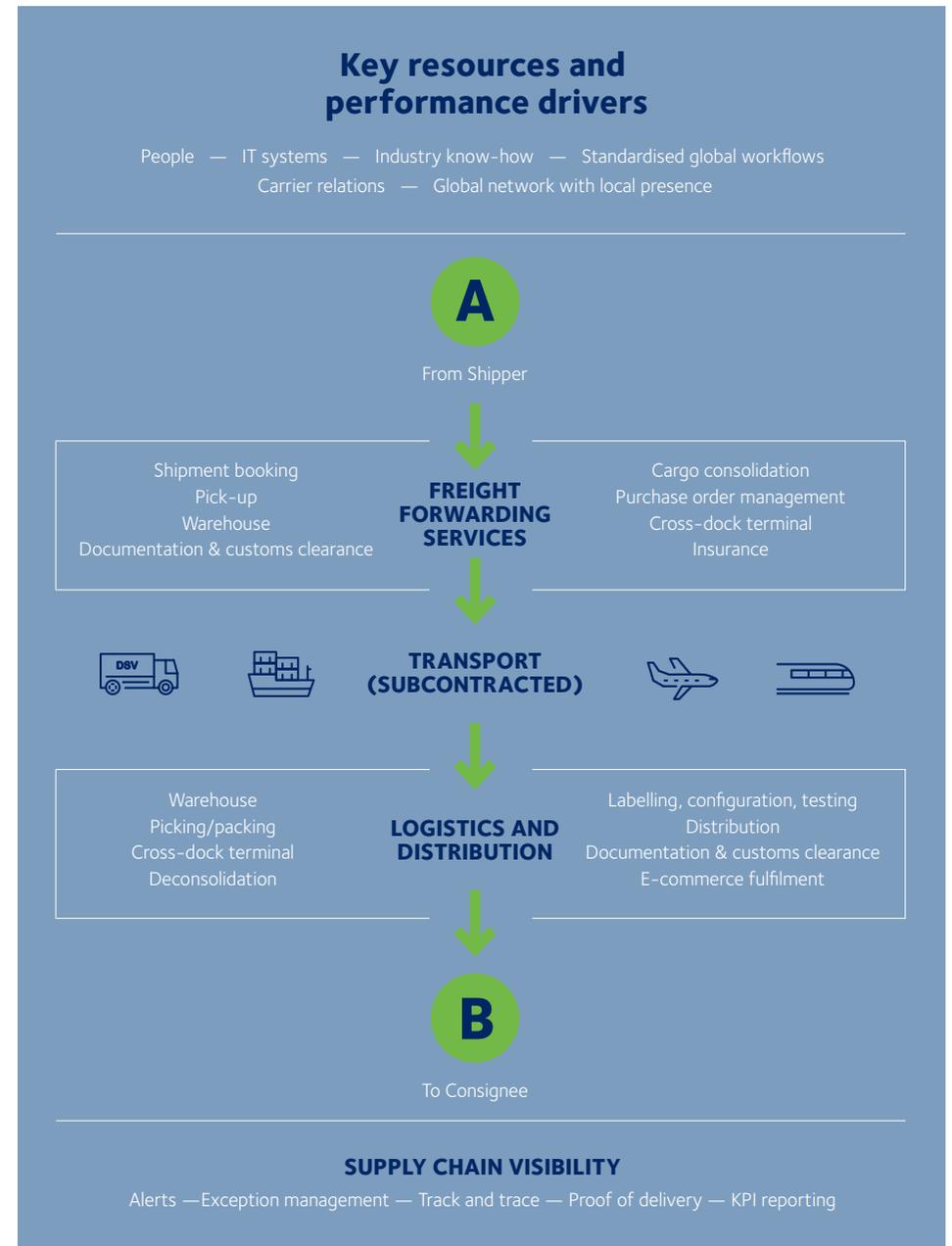
DSV Panalpina was founded in Denmark in 1976 and has since then evolved to become

the world’s fourth largest freight forwarder generating total revenue of DKK 94,701 million in 2019 and having a skilled workforce of more than 60,000 employees.

ASSET-LIGHT BUSINESS MODEL

DSV Panalpina is an asset-light freight forwarder. We plan and coordinate transportation from shipper to consignee as illustrated in the business model. The physical transport is outsourced to suppliers – airlines, shipping lines, haulage companies etc.

We create value for our customers in our core strategic areas: customers, growth, people and operational excellence. These areas constitute the pillars of the services that we offer as freight forwarders when making our skills and industry know-how, our specialised and integrated IT infrastructure, and our global network available.



GOVERNANCE

We aspire to be the most responsive third-party logistics provider of sustainable value chains. To maintain the necessary focus and attention on this aspiration, the responsibility for the area is extended from the Board of Directors to each local entity.

Corporate responsibility activities are anchored with the Board of Directors, which sets the direction for our strategy, targets and Group policies together with the Executive Board.

On a daily basis, the responsibility for implementing, driving and ensuring compliance with the Group's corporate responsibility strategies and initiatives rests with the management of our local subsidiaries because of our decentralised structure and trust in local empowerment acting within global frameworks.

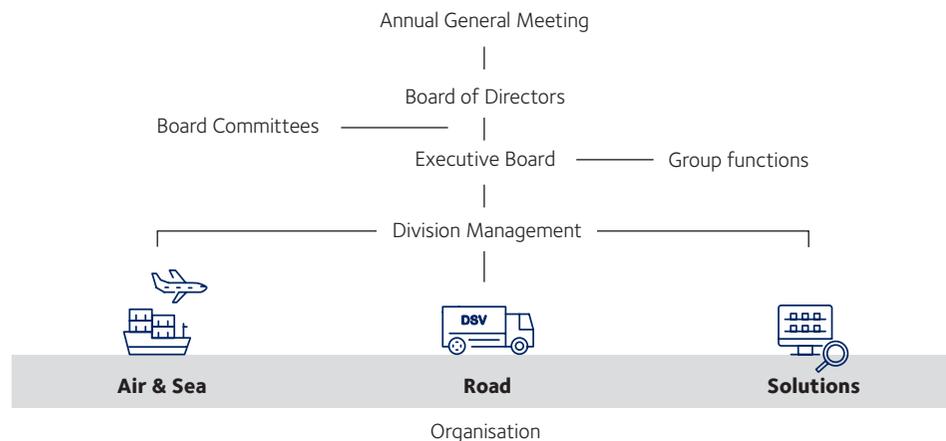
The Group CSR department plans, manages and follows up on global corporate responsi-

bility initiatives throughout the organisation. The department acts as the main contact point for local subsidiaries in order to support them in driving initiatives, and together with other Group functions, the CSR department performs local on-site reviews.

ON-SITE REVIEWS

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

In 2019, DSV Panalpina performed on-site reviews to look for opportunities for improvements in established processes and standards and to identify any systemic issues that needed to be addressed. However, the main part of reviews was put on hold in the second half of the year due to the acquisition of Panalpina in August 2019 and the subsequent integration.



FOCUS AREAS

As a significant, global player in the transport and logistics industry, our business activities have an impact on the world around us. We are committed to understanding these impacts and to taking steps to amplify the positive ones and minimise the negative.

We have identified four focus areas in which we have the biggest impact. These areas all play a vital part in defining our corporate responsibility strategy and measuring our progress. The focus areas are:

ENVIRONMENT

The transport and logistics industry is a major emitter of greenhouse gases. As the fourth largest player of the industry, we acknowledge our negative impact as a natural part of our activities, but also an opportunity to drive a change.

BUSINESS ETHICS

We employ and do business with people from all over the world. Therefore, it is essential that our employees and suppliers share the same business ethics.

PEOPLE

Freight forwarding is a people business. It's imperative that we provide healthy and safe working environments across the organisation and that all employees are offered development opportunities.

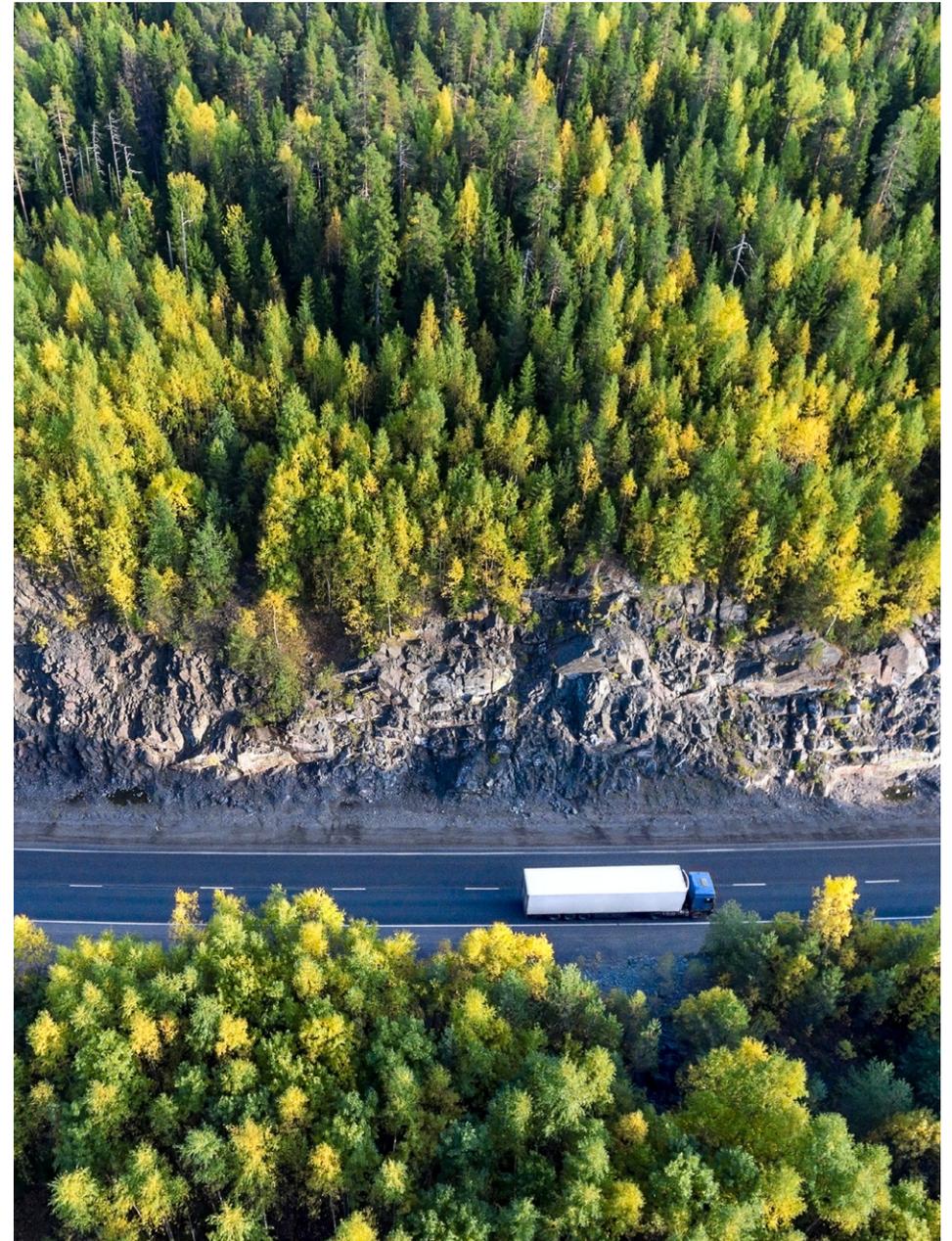
SUPPLIERS

Because of our asset-light business model, we rely on thousands of suppliers every day. As we are part of the same value chain as our suppliers, our business success is critically dependent on the performance of our sub-contractors and their adherence to the agreed processes and procedures.

Our efforts within each focus area are described in detail in the chapters of this Responsibility Report.

You can read policies within the focus areas at:

www.dsv.com/responsibility/policies



DERIVED FROM A DETAILED ANALYSIS

The focus areas for corporate responsibility have been identified by means of the risk management process of DSV Panalpina, which is described in the 2019 Annual Report. We follow this process to ensure that our focus areas related to corporate responsibility are addressed at the same level and with the same urgency as our operational key risks.

Our material topics are identified, monitored and managed on an ongoing basis. The potential impact of the identified material topics on our ability to achieve the goals outlined in our strategy is carefully evaluated. The Board of Directors uses these assessments

as the basis for making decisions and for developing DSV Panalpina’s business model to ensure that we continue to act in a responsible manner and stay committed to creating long-term value for our stakeholders.

UN GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS

We have been a signatory to the United Nations Global Compact since 2009, and we report annually on the progress of our efforts on the Compact’s 10 principles of anti-corruption, the environment, and human and labour rights. By working systematically within this framework, and reporting publicly about our efforts, we aim to improve our performance.

The UN’s Sustainable Development Goals (SDGs) also play a part in assessing where our business activities have the greatest impacts and in conveying to our stakeholders how we seek to make a difference. All SDGs are relevant to DSV Panalpina, but our business activities have a bigger impact on reaching some goals more than others. By matching our key focus areas with the SDGs, we find that we can make the greatest contributions to SDGs 8,12,13,16 and 17.

UNDERSTANDING OUR IMPACT IS KEY TO DEVELOPMENT

By knowing the material topics for our corporate responsibility efforts, we can focus our efforts on improvement and change.

Within each of the key areas we work to minimise our impacts and, where possible, make a positive difference.

We seek to drive improvements through innovation, operational excellence, and by partnering with our supply chain, where much of our impact originates. This is realised through the development of new technologies and approaches to provide services to our customers or improving our internal processes. In any scenario, our corporate responsibility efforts follow the company’s strategy of pursuing profitable growth and value creation for all stakeholders.

THE GLOBAL GOALS
For Sustainable Development



We apply the 17 SDG goals as a framework for defining our strategies and measuring our progress with a special focus on the five global goals:

SDG Goal 8
Decent work and economic growth

SDG Goal 12
Responsible consumption and production

SDG Goal 13
Climate action

SDG Goal 16
Peace, justice and strong institutions

SDG Goal 17
Partnerships for the goals

2019 – ACHIEVING MORE TOGETHER

Following the acquisition of Panalpina in 2019, we brought together the best of both worlds to strengthen our corporate responsibility efforts, and we secured a strong foundation for governance across the organisation.

We are going to refocus our efforts around two main areas: an even stronger global focus on QHSE (Quality, Health, Safety, Environment), and higher ambitions for sustainability.

At Group level, we have a dedicated QHSE department to develop and uphold a high-quality and transparent framework for QHSE standards that local entities must follow. This includes on-site reviews and the possibility of ISO certifications where it makes commercial sense. Likewise, a specialised Sustainability department focuses on driving DSV Panalpina's efforts within sustainability and on supporting the local

entities in driving initiatives in line with DSV Panalpina's ambitions. All sustainability efforts will support our commitment to the Science Based Targets initiative.

Combining DSV and Panalpina – two large and complex organisations – requires a strong focus from everyone in both organisations. In 2019, the shift in focus, and the change in context, meant that several of the overall targets set for the corporate responsibility areas in 2018 were put on hold, and for the same reason, no new targets were set. However, the integration has offered us an opportunity to strengthen the corporate responsibility area – both within the organisation and in terms of setting more ambitious targets – so at the end of 2020, we will have new and more ambitious targets.

Our new science-based targets, however, are further ahead in development, and we expect to present them in the first half of 2020. The targets will specify how much and how quickly DSV Panalpina needs to reduce its greenhouse gas emissions, serving as a guide for the Group's future sustainability efforts. Targets will be set for both our direct

emissions, scope 1, and for our indirect emissions, scope 2 and 3, which include subcontracted transport.

We believe that the combined DSV Panalpina will be even better equipped to deliver results within the corporate responsibility areas and to make a positive difference.

COLLABORATIVE EFFORTS

Collaboration with business partners and customers will play a significant part in setting and working towards our targets. For example, a major issue within our industry continues to be the reduction of carbon emissions from commercial activities. If we are to achieve our goal of reducing those emissions and creating sustainable, cost-efficient value chains, we can only do so together with our suppliers and customers.

Additionally, we believe that conducting business in an ethical manner and influencing our suppliers to do the same will also attract significant focus in the coming years. These areas are closely linked to our key corporate responsibility areas and will continue to form a significant part of our efforts.



BUSINESS ETHICS

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



At DSV Panalpina, business ethics are an integral part of the corporate culture. We believe that by respecting a set of ethical principles and guidelines, we create stronger and more trusting relationships with customers, investors, suppliers, authorities and other stakeholders. We also believe that ethical behavior helps us to attract and retain talented people – people want to work for a company that demonstrates integrity.

Our company has activities all over the world, which means that we employ and do business with people from many different cultures. Therefore, business ethics for us starts with respect for different cultures and respect for the dignity and rights of individuals in all countries.

A STRONGER CODE OF CONDUCT

Business ethics is guided by the DSV Panalpina Code of Conduct. Its core principles help us to act safely and ethically in our everyday work. Without exception, everybody at DSV Panalpina must follow the Code of Conduct, just as they must follow national legislation and international regulations.

86%

of all managers have currently completed the updated Code of Conduct e-learning

In June 2019, we launched a comprehensive update to the Code of Conduct, including clearer guidance on data privacy, social media, human rights and conflicts of interest. It also introduced a new topic highlighting DSV Panalpina's firm position against money

laundering and modern slavery. The latter is a potential issue when doing transport.

When the updated Code of Conduct was launched, we conducted local training to maximise awareness of our expectations to our employees.

At the same time, we updated our Code of Conduct e-learning course, which is required for all managers to ensure that they can successfully guide employees in pursuing safe and ethical work behaviours.

86% of all managers have completed the updated e-learning course and in the beginning of 2020, we aim to reach 100% as it is vital for us that everyone assigned to such education also completes it.

New employees receive the DSV Panalpina Code of Conduct and must give their consent to adhering to it. With the recent merger of DSV and Panalpina, the combined company benefitted from the fact that both individual companies already had strong ethics and compliance processes and cultures.

We also took steps to ensure that the employees of both organisations are aware of our expectations and committed to fulfilling any additional requirements regarding ethics and compliance.

Tax payments

DSV Panalpina contributed to tax in more than 80 countries

Our tax contributions



When it comes to tax, we have made a choice to act in what we consider to be a fair and responsible way. We aim to comply with tax legislation and do not engage in aggressive tax planning to avoid tax payments. We believe in contributing our fair share to the societies and local communities in which we operate.

In 2019, DSV Panalpina contributed to tax in more than 80 countries and our corporate tax payments amounted to DKK 1,084 million. Through our tax payments, DSV Panalpina contributes directly and indirectly to local communities and to supporting the UN's 17 Sustainability Development Goals, specifically SDG 16 and SDG 17.

DSV Panalpina does not support the concept of tax havens. We do note, however, that occasionally offshore company constructions are inherited through mergers and acquisitions. In that case, our priority is to liquidate these companies as soon as possible.

Currently, we are not present in any countries classified by the EU as non-cooperative tax jurisdictions.

NEW WHISTLE-BLOWER CHANNELS

If someone at DSV Panalpina, or a business partner, witnesses a breach or a suspected breach of law or of our Code of Conduct, they are urged to report it through our whistle-blower programme. In 2019, we launched an updated whistle-blower website and an app, through which incidents can be easily reported. Our whistle-blower channels are administered by an external provider to ensure the anonymity of those reporting an incident.

When an incident is reported – regardless of where in the world it has occurred – we follow up and make sure that appropriate action is taken. In 2019, the number of incidents reported through the whistle-blower programme was 60, an increase compared with 2018, and an expected outcome after a major merger. Most of the received reports were employee issues to be resolved by local management.

Cyber security

Awareness campaign rolled out globally with an e-learning course

DATA AWARENESS

Ensuring the security and privacy of our data is essential in order to be a trusted business partner. We are also obligated to comply with international data privacy laws, including the European Union’s General Data Protection Regulation (GDPR). When we launched our updated Code of Conduct, we organised a campaign for our employees to ensure continuous awareness of expectations and obligations regarding data privacy.

In 2019, we also raised the level of awareness of how to prevent breaches of cyber security. Such breaches can be extremely damaging to our systems and to the trust that we have earned from our business partners. This is why we have a proactive approach to cyber security. In 2019, this included an awareness campaign, including an e-learning course, on how to stay vigilant with cyber security – especially when it comes to email security and the threat of phishing.

OUR TARGETS FOR 2019

We will ensure awareness of the updated Code of Conduct through: Global roll-out and awareness campaigns for the Code of Conduct and whistle-blower programme.

Training in the DSV Panalpina Code of Conduct for employees below management level in selected regions.

Uphold procedures to ensure that all new employees at management level receive training in the DSV Panalpina Code of Conduct.

Existing employees at management level will repeat the training at appropriate intervals.

On-site reviews must be carried out in all operating subsidiaries of the Group according to an established risk and materiality approach, according to which visits take place in intervals between two and four years.

OUR ACHIEVEMENTS IN 2019

The updated Code of Conduct was launched globally in June 2019 together with a new whistle-blower setup.

All employees below management level were trained in the updated Code of Conduct when it was launched – not just employees in selected regions.

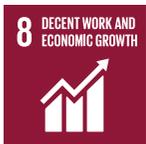
Due to launch and roll-out of new Code of Conduct and e-learning, these procedures were put on hold. They will continue in 2020.

The updated e-learning course on the Code of Conduct was launched. Going forward, managers must repeat the training at appropriate intervals.

9.4 % of all operating entities underwent a on-site review in 2019. Reviews were put on hold due to the integration. They will continue in 2020.

PEOPLE

We provide safe and healthy workplaces, and we help our employees develop through mentorship, motivation and effective talent management.



Over 60,000 people in more than 80 countries across the world make up DSV Panalpina. The efforts and dedication of our employees in driving the company forward enable us to deliver the best possible services to our stakeholders. Our employees bring unique skills, backgrounds and expertise to the table, and that diversity plays an important part in our continued growth and success.

We are committed to ensuring that everyone feels valued and safe in their jobs, and we work continuously to bring out the best in our people by:

1. offering development opportunities for all employees and
2. providing safe and healthy workplaces

Providing opportunities for everyone

We want our employees to be successful in their jobs and to grow their careers. To that end, our local and global HR departments have several initiatives to attract, develop and retain the best people.

Our employee development programmes are closely aligned with our business strategy and focus on customers, growth and operational excellence. Ranging from talent management and sales training to literacy courses, the programmes all serve to equip employees with the skills they need to succeed in their roles.

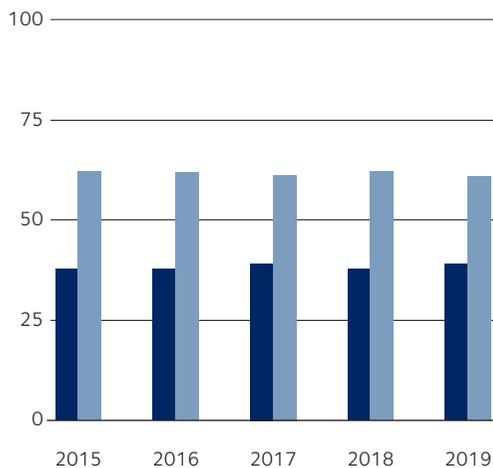
In 2019, the number of people employed in our organisation grew from 47,000 to more than 60,000 when DSV and Panalpina joined forces. During the first few months of the integration period, we assessed people's capabilities and experience levels to ensure retention of the right talent. All new employees receive the necessary training in new systems and are briefed of our expectations for their work to ensure a good integration process.

Restructuring measures across the organisation was also a key step during the integration process to ensure the best possible results. As a consequence, these restructuring measures resulted in job cuts of overlapping functions in IT and other corporate functions.

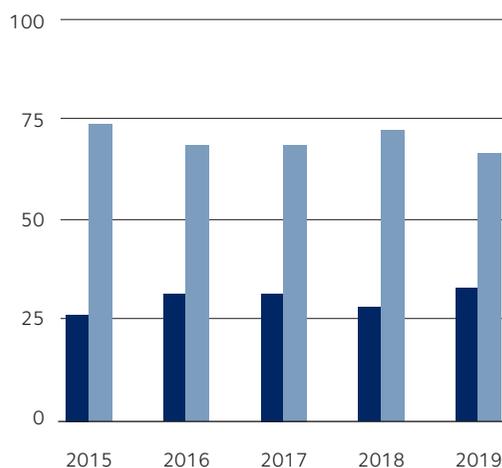
As a commercial enterprise, we aim to minimise employee turnover and retain the best people. Employee turnover in 2019 was 23.2% compared with 20.1% the year before. We attribute part of this increase to the integration and restructuring measures. We expect a rise in employee turnover next year as well until the integration process is fully completed.

In 2020, we will continue our efforts to retain employees at all levels of seniority in order to maintain knowledge and competencies and to secure the company's development.

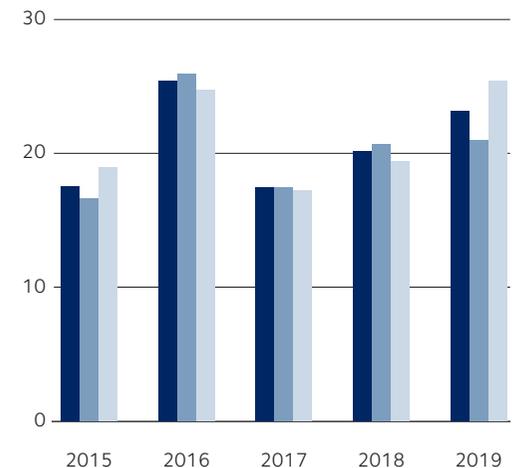
EMPLOYEE GENDER RATIO (%)
 ■ Female employees
 ■ Male employees



MANAGEMENT GENDER RATIO (%)
 ■ Female employees
 ■ Male employees



EMPLOYEE TURNOVER (%)
 ■ Total
 ■ Salaried employees
 ■ Hourly workers



GLOBAL ONBOARDING

In 2019, we developed a new global framework for onboarding new employees. The process was introduced to a series of countries in 2019 to ensure compatibility with local processes. In 2020, the global onboarding approach will undergo further development, including an e-learning module – and will be introduced to all DSV Panalpina countries. The objective of this framework is to ensure that all new employees are welcomed and integrated into the business – regardless of whether they join the company through mergers and acquisitions or through standard recruitment processes.

By focusing on the experience that people have when joining DSV Panalpina, we are better able to retain and to support them in performing their best from the beginning. This is essential to employees and to the business.

LEADERSHIP TRAINING

Our Group HR department continued to devote attention to leadership training across DSV Panalpina in 2019. Both DSV and Panalpina conducted leadership training prior to joining forces. A comparison of the leadership programmes showed that a lot of the contents were based on the same tools and the same approach. In both organisations, leadership is perceived as an operational task rather than a theoretical one. We will continue to focus on leadership training, to add new skills and to strengthen the network between leaders across divisions and countries.

Leadership training

More than 600 managers received training at 123 leadership workshops taught over 237 days

Leadership training at DSV Panalpina focusses on a combination of business leadership and people leadership. Topics that are covered include: communication, motivation, change management, situational leadership, performance and much more. An important part of the training is the pre- and post assignments that are based on each participant's own challenges instead of generic examples.

Leadership training was conducted for managers across the organisation in 2019. More than 600 managers from more than 30 countries received training. Some 123 modules were taught in 2019 – a total of 237 training days.

To make the training more flexible to each participant's schedule, and to ensure the best possible learning environment, our Group HR department will look into the possibilities for more online learning in 2020 as a supplement to the ongoing, face-to-face leadership training.

A safe working environment

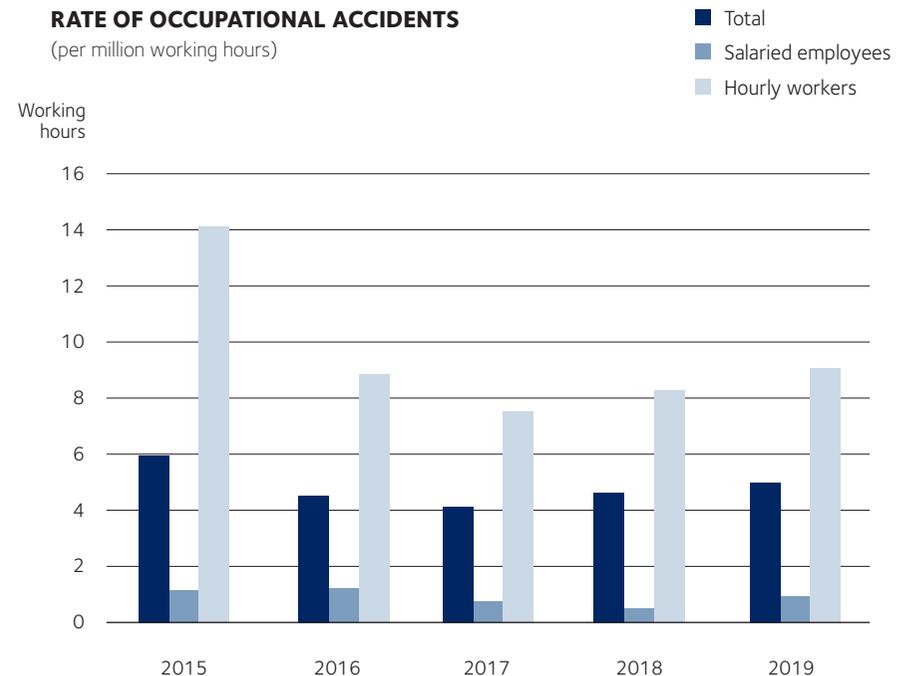
A good working environment is a safe working environment, and that is a top priority for DSV Panalpina. We focus on minimising risks and raising awareness about health and safety for our employees, both physical and mental.

Our health and safety departments' efforts are aimed at avoiding occupational accidents or injuries altogether. Both at Group and local levels, staff assess risks and make sure that procedures for safe conduct are in place. In 2019, we continued our efforts to safeguard the health and safety of all employees.

In 2019, the rate of occupational accidents in DSV Panalpina rose from 4.6 to 5.0. The result is still within the target that we set in 2018. Sadly, we had a fatal accident in 2019, which underlines the importance of always safeguarding the best and safest possible working conditions. To ensure as low a rate of occupational accidents as possible, the area will continue to have our focus.

ISO 45001

Increased number of locations upgraded from OHSAS 18001 to ISO 45001 certification



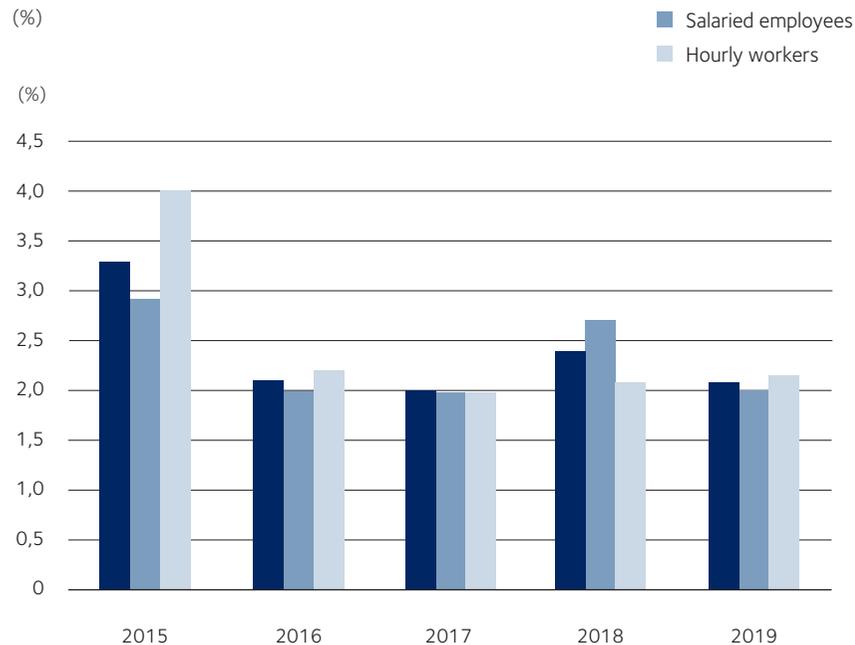
Absence due to illness decreased from 2.4 in 2018 to 2.1 in 2019. However, the result will not change our focus to continue minimising absence due to illness as it has high importance.

In 2019, we took the first steps to further strengthen our Group level processes for health and safety. By joining forces with Panalpina our setup was strengthened, and we started a process to ensure an even higher level of health and safety standards.

In 2020, we will focus on establishing a stronger global framework for standards of

quality and working environment. The new framework will consist of a range of clearly defined measures and mandatory incident management procedures, which will help ensure that every location of the DSV Panalpina Group is a safe place to work. The global framework will also include a standardised set-up for obtaining and managing ISO certifications at the individual locations. The intention is to make sure that our global set-up takes into account the needs of local entities and supports local empowerment. Establishing and implementing this comprehensive framework will continue beyond 2020.

ABSENCE DUE TO ILLNESS



OUR TARGETS FOR 2019

The rate of occupational accidents must be kept stable and not exceed 5 per million working hours in total.

The rate of lost work days due to occupational injuries must be kept stable and not exceed 100 per million working hours in total.

To ensure even better procedures for our health and safety setup, we will develop and roll out an improved global approach in 2019.

To maintain focus on a diverse workforce, we will continue the efforts to roll out new diversity policy.

OUR ACHIEVEMENTS IN 2019

✓ The rate of occupational accidents was at a stable level in 2019 and did not exceed 5 per million working hours.

✓ The rate of lost work days was at 97.5 per million working hours in 2019 and thereby at a stable level.

⊗ This activity was put on hold in 2019 due to the integration process. It has been resumed as described in this chapter.

○ This activity was put on hold in 2019 due to the integration process, which had a general focus on the workforce rather than a specific focus on diversity.

ENVIRONMENT

We work with our customers and suppliers to review and improve our practices to minimise the impact on the environment.



With logistics being a major contributor to global greenhouse gas emissions, individuals and businesses are increasingly seeking more sustainable ways to move cargo around the world. At DSV Panalpina, we take our part of the responsibility for moving the transport sector towards a more sustainable future.

Most of our environmental impact is through the suppliers that we employ to provide our services. And while there are some technologies available to move cargo with less impact on the environment, the reality is that the transport sector's willingness to choose sustainable solutions is dependent on whether they are also cost-efficient. Despite these challenges, we are focused on making progress.

Renewable hydrogen partnership

The H2RES partnership investigates how offshore wind can be used to produce renewable hydrogen for heavy-duty transport. See page 20

The best way forward for us is through collaboration with customers and suppliers. We have, for example, substantial expertise in building more sustainable supply chains, and we want to use that expertise to help our customers. The number of customers expressing an interest in sustainable transportation and logistics continues to rise.

Science-based targets

We have committed ourselves to the Science Based Targets initiative, which will guide our sustainability efforts

SETTING TARGETS IN 2020

A crucial new initiative is our commitment to the Science Based Targets initiative. The targets we are setting as part of the initiative will specify how much and how quickly we need to reduce emissions, including both direct emissions and indirect emissions (emissions from suppliers). The targets will guide our sustainability efforts, and by joining the initiative, we ensure that our low-carbon transformation is aligned with climate science.

Part of our system for managing our environmental efforts is tied to the ISO 14001 certification, which many of our facilities have. At those facilities, we have implemented risk and opportunity identification processes, continuous improvement methods and other systems to ensure that our efforts are effective.

The following three activities aim to contribute to reaching our sustainability goals:

- Optimising customer supply chains
- Developing sustainable solutions
- Using resources responsibly

Optimising customer supply chains

We work with our customers to optimise their supply chains and to increase visibility of the impact that their supply chains have on the environment. Our efforts include CO₂ emissions reporting, consolidating freight, choosing the right transportation modes, and choosing the optimal location for warehouses. Besides making sense from a commercial perspective for customers, these aspects of supply chain optimisation and visibility can help reduce the impact that transportation and logistics have on the environment.

IMPROVING OUR CUSTOMER CO₂ EMISSIONS REPORTING

We provide our customers with reports on the carbon emissions from the services we provide to them. Our goal is to provide complete transparency over carbon emissions, and to that end, we are strengthening our reporting setup with one of the leading CO₂ emissions reporting systems – EcoTransIT World.

CO₂ customer calculation tool

An updated IT system is being implemented to improve customer CO₂ emissions reporting

What is the Science Based Targets initiative?

The Science Based Targets initiative uses measurable targets to help companies in their transition to the low-carbon economy. It is a collaboration between the CDP, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UNGC).

Targets to reduce greenhouse gas (GHG) emissions are considered "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C.

www.Sciencebasedtargets.org

This system improves our ability to calculate and optimise the carbon footprint of our customers' shipments across multi-geographical and multi-modal supply chains.

Specifically, the software allows us to calculate the direct and indirect energy consumption and emissions of vehicles during cargo transports.

The software can capture information about routing, weight, loading factors etc. for each shipment and calculate the emissions with a high level of detail. The calculations are

integrated into our reporting system, from which we can extract customised reports for our customers.

EcoTransIT also allows us to optimise shipping options for our customers by creating transport simulations. This enables customers to make an informed choice about which options present the best combination of speed, cost and environmental impact.

CONSOLIDATING FREIGHT

By consolidating our customers' shipments, we can help significantly reduce their carbon

footprint. This includes making sure that trailers and containers are optimally loaded with consideration for cargo weight, volume and density. This will help us reduce carbon emissions and improve energy efficiency by reducing the share of not fully loaded vehicles. Besides being sustainable, it also reduces the overall costs for customers.

We measure the energy efficiency of transports, and our aim is to increase it every year. We achieved that in 2019, increasing energy efficiency for road transports by 5%. In addition, we improved energy

efficiency for air transports by 2% and 8% for sea transports.

CHOOSING THE RIGHT TRANSPORT MODE

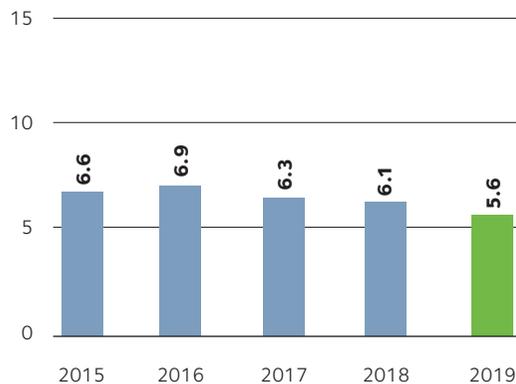
The choice of transportation mode and route also impacts the environment as different transport modes result in different amounts of carbon emissions. We help our customers find the right routes and transport modes that suit their needs for time of delivery and budget, while still focusing on choosing the most environmentally friendly solution. Generally, the faster the transport and the heavier the goods, the higher the cost and carbon emissions.

Energy efficiency on average

CO₂e (g/tonne-km)

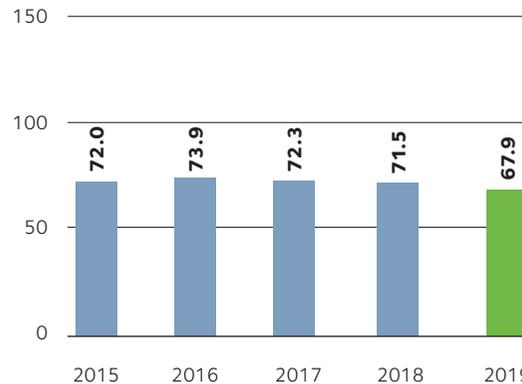
SEA TRANSPORT

CO₂e (g/tonne-km)



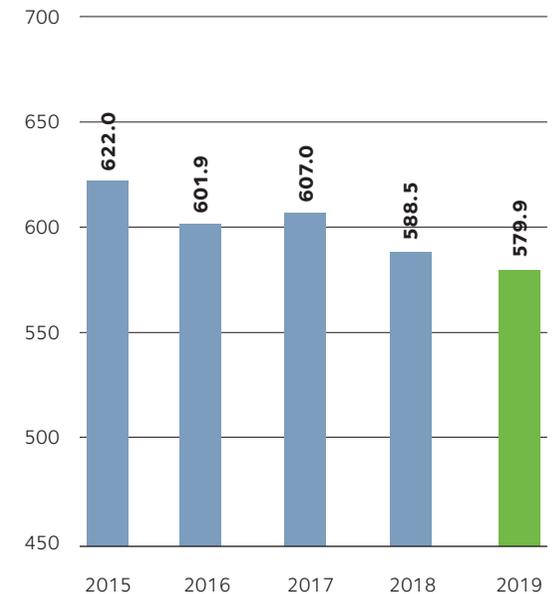
ROAD TRANSPORT

CO₂e (g/tonne-km)



AIR TRANSPORT

CO₂e (g/tonne-km)



Goods transported as air freight emit the highest amount of CO₂e per tonne-km. In fact, air freight emits approximately 100 times more CO₂e per shipment than sea freight and nine times more than cargo

transported by road. By being flexible on time of delivery, the customer may be able to choose an alternative transportation mode that emits less CO₂ and sometimes even reduces the cost.

Building more sustainable supply chains

The perfect supply chain is a lean and green supply chain.

Reducing supply chain waste is the job of our Supply Chain Innovation team, who collaborate with large customers to optimise from a cost, service and sustainability perspective. On average they find supply chain cost savings of 10-15%. Those savings go hand in hand with environmental savings.

The team is focused on building supply chains that are both economically and environmentally sustainable – one won't do without the other. When other factors are equal, the team will always choose the greenest options.

The team's data-crunching analysts and supply chain practitioners know where to find improvement potential in any supply chain. Their toolbox contains measures such as maximising container fill rates through smarter consolidation and optimal packaging, minimising the distance driven from a more optimal logistics network design, choosing the optimal transportation mode and choosing carriers that offer the optimal balance between sustainability, cost and service levels.

Supply Chain Innovation provides an additional, end-to-end perspective on supply chains, and a big part of that is creating visibility. By knowing the performance and the inner workings of supply chains, companies can react faster and improve continuously.

[Learn more about Supply Chain Innovation](#)

Developing sustainable solutions

New solutions are necessary if, as an industry and as a global community, we want to create a faster change towards a more sustainable future. We believe that the best way to develop new solutions is by collaborating with others, which is why we are increasing the number of partnerships that we are involved in.

When we partner with other companies and political institutions to share resources and ideas for sustainable solutions, we not only benefit from a larger pool of capabilities, we also ensure greater buy-in when the time comes to implement those solutions. Partnerships are particularly effective when they involve participants from the full value chain rather than a single link in the chain.

RENEWABLE HYDROGEN

DSV Panalpina has partnered with a number of Danish companies to start an innovation project called H2RES, with funding from EUDP (Energy Technology Development and Demonstration Program) under the Danish Energy Agency. The purpose is to demonstrate how energy production from offshore wind can be used to produce renewable hydrogen. The hydrogen is intended to be used for zero-emission fuel cell-based commercial heavy-duty transportation. The project aims to be the world's first integrated offshore wind and electrolyser setup to produce renewable hydrogen, thereby decarbonizing heavy-duty transportation through intelligent sector coupling. DSV Panalpina's role is to assess the suitability of hydrogen

fuel cell trucks for commercial use and to test them in our own supply chain.

NOXOUT ROOFING

In 2019, a new warehouse building next to DSV Panalpina's headquarters in Denmark was completed with environmentally-friendly NOX-OUT roofing. The mineral-based coating of the roofing breaks down NOx particles, thereby cleaning the air of particles emitted by cars and trucks. Three more buildings in the same area will soon be fitted with the NOXOUT roofing.

Using resources responsibly

We have more than 1,400 sites around the world, varying from small office spaces to large warehouses of more than 100,000 m². Besides ensuring processes for recycling and sorting wherever possible, we have high-standard requirements for our buildings – all aiming to reduce our direct impact on the environment and using our resources in a responsible manner.

RECYCLING AND SORTING

Our recycling initiatives vary across countries and types of location. Many sites recycle cardboard, paper and wooden pallets from operations and activities, and other sites use only recyclable storage boxes in warehouses.

The goal in 2019 was to recycle materials at 80% of our sites (measured in square metres), but due to the acquisition of Panalpina – which included many new buildings – we did not achieve the target. We recycled materials in 74% of our sites in 2019, a figure we aim to increase.

ENERGY-EFFICIENT BUILDINGS

The management of our buildings is an area which we can directly influence to reduce carbon emissions. We continuously renovate, consolidate and build new warehouses to make sure that our buildings live up to the energy efficiency requirements we set for ourselves.

In 2019, DSV Panalpina's buildings emitted 108,000 tonnes of CO₂ compared with 101,000 tonnes in 2018. This increase in emissions was caused by our expansion in 2019.

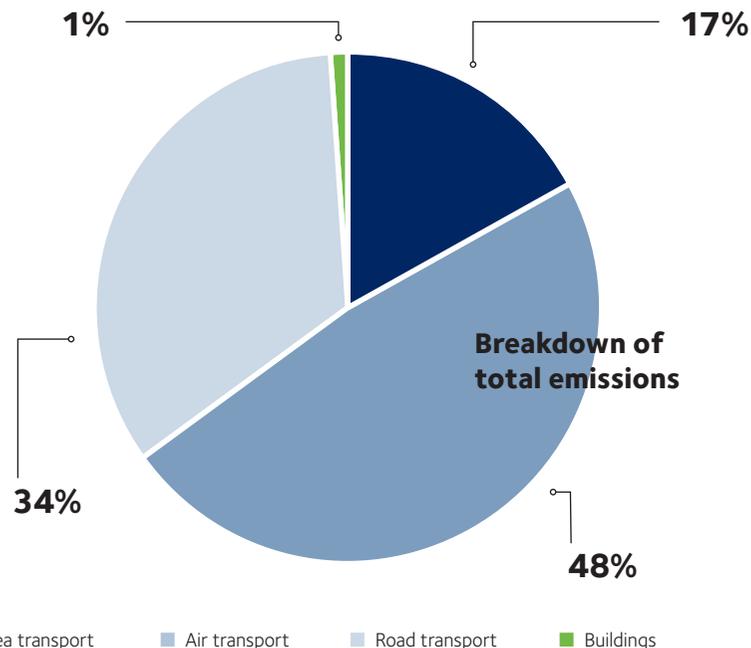
When planning a building project, we calculate which possible locations will provide the lowest total transportation costs, and thereby the lowest carbon emissions. Our Group Property department, consisting of specialists within the area, sets standards and requirements for buildings Group-wide.

When we have new locations built, we adhere to some of the highest national and international building standards, and we use high-quality materials to ensure high energy efficiency and to minimise the need for on-going repairs. New buildings are constructed

with a minimum life span of 50 years, and if one of our buildings needs to be removed, 85% of its materials could be reused. Also, new sites are built from energy-efficient solutions, such as automated lighting, low-energy light bulbs and water-saving fixtures, and with good working conditions for employees.

Our building projects are based on business cases that specify our long list of requirements, and we are currently assessing which of the UN Sustainable Development Goals we can incorporate into our business cases for future construction projects.

Transparency in carbon emissions



We measure our total carbon footprint and energy efficiency for each transport mode.

Because we use suppliers to carry out the transports booked by our customers, most of the chart on the left contains carbon emissions from transports performed by our suppliers. Our own emissions make up approximately 2% of total emissions.

The majority of greenhouse gas emissions from our operations is attributable to air and road transports, constituting 48% and 34% respectively, while 17% of our carbon emissions comes from sea freight and 1% from our buildings in 2019.

Ratings

Ratings are valuable tools to benchmark our corporate responsibility performance against our industry peers.

In 2020 we will make our first combined submissions as DSV Panalpina.

ECOVDADIS

EcoVadis is an online sustainability rating platform that DSV Panalpina reports to on a yearly basis. We do that through an industry-specific questionnaire that focuses on four themes: Environment, Labour & Human Rights, Ethics and Sustainable Procurement. These themes encompass 21 different topics on which we elaborate and provide supporting documentation.

CDP

CDP (Carbon Disclosure Project) is a non-profit charity that measures corporate action on climate change. We disclose our energy and greenhouse gas emissions data to CDP annually along with our reduction targets to measure our performance, risks and opportunities. We also use CDP's questionnaire to improve our greenhouse gas inventory and gain a deeper understanding of how to manage our carbon footprint.



HOW WE CUT METRO CONSTRUCTION TRANSPORTS BY 50% - AVOIDING EMISSIONS

The Copenhagen Metro's new Circle Line, unveiled in September 2019, consists of tunnel rings made of concrete that DSV Panalpina transported in the inner-city during construction.

The original project plan was for each truck to carry six parts for one ring at a time. But the high priority for DSV Panalpina and the developer to find the most environmentally-friendly solution caused us to revisit the plans.

We ultimately came up with the idea to use special 4-axle flatbed trailers – as opposed to traditional 3-axle trailers – which made it possible to load two entire concrete rings on each truck. We also managed to reduce the size of the padding between the pieces of concrete on the trailers and thereby lower the total height of the truckload by 30 cm.

This made it possible to take shorter routes back and forth from the port to the three construction sites.

As a result, the originally planned 22,000 transports were cut to 11,000 transports, which we carried out from 2012 and onwards. The change reduced the traffic load by 50%, thus substantially reducing CO₂ emissions.

[Learn more about this project](#)

OUR TARGETS FOR 2019

Increase collaboration with strategic customers and suppliers in order to find transport solutions focusing on the reduction of carbon emissions and general environmental impacts.

We will report on climate parameters such as Group carbon emissions, energy efficiency from transport modes and energy and water consumption from buildings.

To increase awareness of and transparency about CO₂ emissions among our customers, we will work on improving our CO₂ emissions platform.

We will implement an improved setup for responsibility reporting internally and potentially externally to ensure even better transparency in our responsibility data.

We will work on increasing the share of DSV locations that sort waste for recycling, measured per square metre, to 80% in 2019.

OUR ACHIEVEMENTS FOR 2019

We entered into new partnerships, which all focus on reducing emissions. They are described in this report.

We have reported on this.

A new CO₂ emissions platform is being implemented.

A new internal reporting system has been implemented.

74% of our sites (measured in square metres) sorted waste in 2019. The target is therefore not achieved. This is mainly due to the fact that many of our new locations do not have waste sorting schemes.

Achieved Partly achieved Not achieved

SUPPLIERS

We aim to ensure that our suppliers meet our high standards, service quality and price requirements and to demonstrate an understanding of our sustainability performance objectives.



We perform services for customers worldwide, and because of our asset-light business model, we rely on thousands of suppliers every day. Because of this business model, the vast majority of our impacts, environmental and others, are due to the activities of our suppliers, which makes our challenge to mitigate those impacts that much greater.

When our suppliers carry out services on our behalf, they are DSV Panalpina ambassadors. Since we are part of the same value chain as our suppliers, our business success is critically dependent on the performance of our subcontractors and their adherence to agreed processes and procedures. Therefore, we expect every supplier to share and live up to the same ethical standards as those to which we hold ourselves.

We do this by making efforts to ensure that the services provided by our suppliers are reliable and of the highest quality. We select carriers that meet our high standards, price, service quality requirements and we prioritise suppliers that demonstrate an understanding of the importance of sustainability.

However, due to our large and widespread network of suppliers, we are sometimes faced with the risk of non-compliance by suppliers. To minimise this risk, we continuously work to achieve an even better standard for supplier conduct according to DSV Panalpina's fundamental principles.

LIVING UP TO DSV PANALPINA'S STANDARDS

The DSV Panalpina Code of Conduct outlines and defines the ethical standards and the behaviour required by all employees. It also forms the basis for our expectations for suppliers. To ensure supplier compliance with these ethical standards, we have controls and processes in place consisting of preventive, detective and reactive measures.

Updated Supplier Code of Conduct

**The Code has been updated to
continuously ensure the behaviour
expected from our suppliers**

One preventive measure is to make suppliers commit to, as a minimum, our Supplier Code of Conduct, which is based on the DSV Panalpina Code of Conduct. In the Supplier Code of Conduct, we clearly outline what we consider appropriate conduct by suppliers when they perform services on behalf of DSV Panalpina. In 2019, we updated the Supplier Code of Conduct to reflect legal and societal developments and to spell out all behavioural parameters, including areas such as anti-bribery and our stance against modern slavery.

For suppliers carrying out road freight services, we distribute a Road Haulier Code of Conduct. In addition to defining the ethical

Clean Cargo Working Group (CCWG)



We are a member of the Clean Cargo Working Group (CCWG), which is a platform for forwarders, shippers and carriers to come together to accelerate the decarbonisation of the cargo shipping industry. We are proud to be a member of this forward-looking, collaborative sustainability initiative that through its more than 60 members represents over 80% of the container cargo carried globally.

The network is coordinated by the non-profit business network BSR (Business for Social Responsibility), which facilitates biannual meetings and webinars on a regular basis, resulting in project ideas and collaboration requests.

Sustainable Air Freight Alliance (SAFA)



We are also a member of the Sustainable Air Freight Alliance (SAFA): a buyer-supplier collaboration between shippers, freight forwarders, and air freight carriers to track and reduce carbon emissions from air freight and to promote responsible freight transport.

The platform will further sustainability-focused decision-making in businesses by assessing and comparing standardised carrier-level environmental and social performance data.

code, the Road Haulier Code of Conduct lists requirements for truck safety, safe conduct on the road, working rights for drivers etc.

SUPPLIER MANAGEMENT

To ensure our suppliers live up to our standards, we have processes for review in place across our organisation. Depending on the country, the DSV Panalpina division and relevant regulations, we measure supplier compliance against these standards.

Should a supplier witness behaviour which is non-compliant with our Code of Conduct and/or Supplier Code of Conduct, our whistle-blower system is available for suppliers to report their concerns about any issues, including allegations of anti-corruption and bribery.

Since joining forces with Panalpina in August 2019, we have started a process of merging two different approaches for supplier audits. Our aim is to develop a framework for supplier management whereby the working standards and corporate control of subcontractors are assessed regularly. This work will continue during 2020.

COMMITMENT TO IMPROVEMENT

The processes and procedures in place across DSV Panalpina play an important part in maintaining a standard for ethical business conduct with suppliers and the transport and logistics sector in general.

At the same time, we face challenges in ensuring alignment across every type of supplier and the entire supply chain. In 2020, we will continue the process started in 2019:

the process of identifying and assessing best practices for supplier management in the combined environment of DSV and Panalpina. We want to ensure that we have best practices in place that support every type of supplier and scenario.

We also have the goal to develop more sustainable logistics solutions for our collaboration with the third-party contractors who provide transport services for us. This will contribute to achieving our science-based targets for scope 3 emissions. The targets will be announced in the first half of 2020, after which we will collaborate with our subcontractors to find solutions to reduce the impact of their activities.

New memberships with the CCWG and SAFA

Working together with air and ocean carriers to accelerate the decarbonisation of the industry

Going forward, our preventive, detective and reactive measures will still be prepared centrally and anchored at the local DSV Panalpina entities. We believe that this decentralised approach with global framework is the best way to make sure that procedures are followed throughout our organisation and supplier network.



OUR TARGETS FOR 2019

The DSV Panalpina Supplier Code of Conduct must be communicated to suppliers and subcontractors with a yearly spend above EUR 25,000.

We will continue improvement of our supplier screening process through centralised and decentralised procedures.

OUR ACHIEVEMENTS FOR 2019

✓ An updated version of the Supplier Code of Conduct was launched in June 2019 together with an awareness campaign on how to communicate it.

⊗ The process was put on hold in parts of 2019 due to the integration activities. It has been resumed as described in this chapter.

⊗ Achieved ⊗ Partly achieved ○ Not achieved

COMMUNITY ENGAGEMENT

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



We are committed to giving back to the communities in which we operate and to use our expertise to help people in need. We believe that long-term, local relationships and transparent partnerships are important for the creation of lasting improvements wherever needed. This is also an important part of our culture and how we maintain a positive working environment.

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

HELPING BY DOING WHAT WE DO BEST

For three years, we have provided logistics services and financial support to the Red Cross | Red Crescent movement.

In Denmark, we sponsor 2,000 m² warehouse space for disaster relief equipment. The warehouse is split into two spaces: one for storage of emergency relief equipment and one for testing and training. This makes it possible for Red Cross' staff to practise setting up and becoming familiar with new equipment. When base camps need to be set up in disaster-struck areas, we also transport relief equipment to the airport to deploy it as fast as possible.

The Red Cross | Red Crescent movement has activities in more than 190 countries, making it possible for local DSV units to support the aid and relief organisation in the field.

RELIEF IN MALAWI AND THE BAHAMAS

In March 2019, large parts of Malawi were

flooded by Cyclone Idai, which affected more than 900,000 people. The cyclone and the subsequent heavy rainfall caused rivers to burst their banks, destroying numerous homes and forcing many to seek protection in evacuation centres. We provided both warehousing space for relief items and transported emergency equipment from neighbouring countries. When hurricane Dorian hit the coast of the Bahamas in September 2019, destroying infrastructure and means of transportation, DSV Panalpina helped the Danish Red Cross move equipment to the most affected areas in which an estimated 70,000 people was in need of help.

HELP FOR REFUGEE CAMP IN BANGLADESH

Since 2017, more than 900,000 people have arrived at Cox's Bazar, Bangladesh, from the Rakhine state in Myanmar. This influx has made it one of the world's largest refugee camps. With support from DSV Panalpina, Danish Red Cross and Bangladesh Red Crescent have been able to support thousands of people living in the camp.

The average space per person in the camp is 24 m², but in the most densely populated parts of the camp, the density is as little as 10 m². Minimum standards set by humanitarian organisations call for at least 30 m² per person. The Red Cross | Red Crescent movement has built new shelters which meet the basic standards for space.

SUPPORT FOR CHILDREN IN MALAWI

DSV Panalpina helps fund a programme in Malawi by the Danish Red Cross and the Malawi Red Cross. The programme improves



the resilience of 150,000 of Malawi's poorest people in the southern districts of Mwanza, Chikwawa and Mangochi – many of them being children.

With the funding, the Danish Red Cross and the Malawi Red Cross have been able to support thousands of children and several communities in Malawi with education, healthcare and water facilities.

NEW INITIATIVE – PREPARING FOR DISASTER BEFORE IT HITS

The climate is changing, creating more frequent and large-scale unpredictable disasters. Since the 1990s, the yearly average number of weather-related disasters, such as floods and droughts, has increased from 220 to 317 globally. The result is an increased need for disaster relief in affected areas.

To meet the challenges of more weather-related disasters and a greater need for help, the Red Cross | Red Crescent movement has created a weather-based alerting programme called Forecast-based Financing (FbF).

This warning system can predict when a weather-related disaster will occur with 90% certainty.

It pays to help before disaster strikes

Traditionally, funding for humanitarian aid is provided after a disaster has hit. The new approach, which is based on in-depth forecast information and risk analysis, aims to anticipate disasters, prevent their impact, if possible, and reduce human suffering and losses. In Denmark, the Red Cross is currently the only humanitarian organisation to use FbF to anticipate disasters and to raise funding for pre-disaster efforts. As a first step, DSV Panalpina is providing support to help establish FbF programmes in Mali, Sudan, Zimbabwe, Malawi and Nepal.



LOCAL COMMUNITY ENGAGEMENT

Around the world, we interact with the communities in which we operate to make a positive difference.

Local priority

Community engagement is also a local priority for DSV Panalpina

DSV Panalpina in Ecuador, for example, did a blood donation drive with the local Red Cross in October 2019. The drive was a success, as 42% of the Quito staff helped to meet patient needs through blood donations.

For years, DSV Panalpina has made annual donations to the Child's Cancer Fund (Børnecancerfonden). In 2019, DSV Panalpina again made a donation to the foundation.

Following the devastating bushfires in

Australia, DSV Panalpina has shipped containers with donated products from New Zealand to various relief sites in Australia free of charge. We have also set up Red Cross collecting boxes at local receptions, enabling staff and visitors to easily contribute if they wish to do so. Staff at our Melbourne office have also been provided with collection bins for donations of clothing, shoes, books and toys, which are collected and distributed to fire victims via Red Cross centres.

NON-FINANCIAL HIGHLIGHTS OF THE DSV PANALPINA GROUP

Environmental data

	2019	2018	2017	2016	2015
Transport emissions ('000 tonnes) - Estimates on Suppliers					
CO ₂ e emissions – Total transport	7,911	6,344	6,278	5,921	3,687
CO ₂ e emissions – Sea transport	1,359	715	738	757	516
CO ₂ e emissions – Air transport	3,793	2,660	2,593	2,425	1,270
CO ₂ e emissions – Road transport*	2,759	2,969	2,947	2,739	1,901
Direct emissions ('000 tonnes)					
CO ₂ emissions – Buildings**	108	101	93	115	88
Water ('000 m³)					
Total water consumption – Buildings**	1,596	1,485	1,435	1,151	716
Energy efficiency on average (gram CO₂e per ton transported one km)					
CO ₂ e (g/ton-km) – Sea transport	5.6	6.1	6.3	6.9	6.6
CO ₂ e (g/ton-km) – Air transport	579.9	588.5	607.0	601.9	622.0
CO ₂ e (g/ton-km) – Road transport	67.9	71.5	72.3	73.9	72.0

* Our own fleet make up 0-1% of total road emissions

** Comparative figures have been restated

	2019	2018	2017	2016	2015
Euro engine standards (%)					
Proportion of trucks of DSV Road satisfying Euro 2 standard or older (own and suppliers' trucks)	0.2	0.7	0.7	1.2	1.6
Proportion of trucks of DSV Road satisfying Euro 3 or 4 standards (own and suppliers' trucks)	16.5	19.3	20.8	24.1	29.8
Proportion of trucks of DSV Road satisfying Euro 5 or 6 standards (own and suppliers' trucks)	83.3	80.0	78.5	74.7	68.6
Recycling of paper, cardboard and plastic (%)					
Proportion of locations recycling paper, cardboard and/or plastic from offices, terminals and warehouses	74	79	74	70	88

Social data

	2019	2018	2017	2016	2015
Employees (Full-time employees)					
Total	61,216	47,394	45,636	44,779	22,783
Salaried employees	32,820	23,088	22,730	23,436	14,540
Hourly workers	28,396	24,306	22,906	21,343	8,243
Employee gender ratio (%)					
Proportion of female employees	39	38	39	38	38
Proportion of male employees	61	62	61	62	62
Management gender ratio (%)					
Proportion of female managers	33	28	31	31	26
Proportion of male managers	67	72	69	69	74
Age distribution of employees (%)					
Employees <25	9.5	8.0	8.3	7.9	8.0
Employees 25-34	29.3	30.0	30.7	31.8	28.6
Employees 35-44	30.6	29.8	29.6	28.7	28.0
Employees 45-54	19.5	20.5	20.5	20.2	22.6
Employees >54	11.1	11.7	10.9	11.4	12.8
Employee seniority (%)					
Seniority <1 year	17.7	19.4	19.1	19.5	16.8
Seniority 1-2 years	22.7	21.9	21.1	21.5	17.3
Seniority 3-5 years	19.8	17.2	16.2	16.1	15.8
Seniority 6-10 years	15.5	15.2	17.3	18.1	18.9
Seniority 11-25 years	20.0	21.4	20.5	19.0	24.1
Seniority >25 years	4.3	4.9	5.8	5.8	7.1
Employee turnover (%)					
Total	23.2	20.1	17.4	25.5	17.6
Salaried employees	21.0	20.7	17.4	26.0	16.8
Hourly workers	25.4	19.4	17.3	24.9	19.0

	2019	2018	2017	2016	2015
Rate of absence due to illness (%)					
Total	2.1	2.4	2.0	2.1	3.3
Salaried employees	2.0	2.7	2.0	2.0	2.9
Hourly workers	2.2	2.1	2.0	2.2	4.0
Rate of occupational accidents (per million working hours)					
Total	5.0	4.6	4.2	4.6	5.9
Salaried employees	0.9	0.5	0.8	1.3	1.2
Hourly workers	9.1	8.3	7.6	8.9	14.1
Rate of lost work days due to occupational injury (per million working hours)					
Total	97.5	98.0	81.2	64.1	112.0
Salaried employees	22.0	23.2	20.8	9.7	26.2
Hourly workers	173.8	164.5	142.5	133.5	263.7
Fatal accidents					
Fatal accidents in absolute numbers	1	0	0	0	0
Quality management standards (%)					
ISO 14001	52	33	24	23	31
ISO 9001	61	40	39	43	55
ISO 45001 (OHSAS 18001)	40	19	12	15	15
Distribution of DSV Panalpina's Supplier Code of Conduct (%)					
Proportion of companies having distributed DSV Panalpina's Supplier Code of Conduct to suppliers delivering goods and services for more than EUR 25,000 each year	100	95	93	79	80

ACCOUNTING POLICIES FOR NON-FINANCIAL HIGHLIGHTS

Environmental data

GENERAL DETAILS

The figures and charts of the 2019 Responsibility Report have been prepared in accordance with the policies applied last year.

EMISSIONS

Carbon dioxide equivalent emissions from transport activities are calculated based on average fuel consumption ratios from suppliers and trucks owned by DSV Panalpina, combined with data on freight volumes and routing from our own traffic management systems. The calculations include CO₂ emissions from air and sea carriers and road hauliers.

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

WATER

Total consumption of water at DSV Panalpina's locations.

ENERGY EFFICIENCY

Average emissions from shipment relative to freight volume and transportation distance.

EURO ENGINE STANDARDS

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

RECYCLING OF PAPER, CARDBOARD AND PLASTIC

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

Social data

GENERAL DETAILS

The figures and charts of the 2019 Responsibility Report have been prepared in accordance with the policies applied last year.

EMPLOYEES

Number of full-time employees at year-end.

EMPLOYEE GENDER RATIO

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

MANAGEMENT GENDER RATIO

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

AGE DISTRIBUTION OF EMPLOYEES

Number of employees by age group relative to total employees at year-end.

EMPLOYEE SENIORITY

Number of employees by seniority level relative to total employees at year-end.

EMPLOYEE TURNOVER

Number of employees leaving DSV Panalpina Group during the year relative to the average number of employees calculated on the basis of monthly surveys of the actual number of employees at the end of the month.

RATE OF ABSENCE DUE TO ILLNESS

Number of days of absence due to illness relative to the number of working days during the year adjusted for maternity/paternity leave, agreed holidays and national public holidays. Absence due to illness is measured on the basis of wage/salary system records.

RATE OF OCCUPATIONAL ACCIDENTS

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

RATE OF LOST WORK DAYS DUE TO OCCUPATIONAL INJURY

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

FATAL ACCIDENTS

Absolute number of fatal accidents.

QUALITY MANAGEMENT STANDARDS

Percentage of DSV Panalpina entities certified according to ISO 14001, ISO 9001 or ISO 45001 (OHSAS 18001). Number of entities certified relative to the total number of entities of the Group.

DISTRIBUTION OF DSV PANALPINA'S SUPPLIER CODE OF CONDUCT

Number of companies having distributed DSV Panalpina's Supplier Code of Conduct to suppliers relative to total number of companies of the Group.

GLOBAL REPORTING INITIATIVE (GRI) INDEX

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

DSV Panalpina follows the GRI standards for determining content and quality in terms of materiality but does not apply specific GRI-disclosures. To increase the transparency and comprehensibility of the detailed content table below, we indicate whether our level of disclosure covers the GRI requirements fully or partially. To simplify the table, we have included only indicators for which we provide either full or partial data.

In addition, every profile or performance indicator applied is linked to a specific section on our corporate website (www.dsv.com), the Annual Report (AR), the Responsibility Report (RR) or our latest report to the CDP (formerly the Carbon Disclosure Project).

General Disclosures		Location in Report	Level of Reporting
Organizational Profile			
102-1	Name of the organisation	RR 34	●
102-2	Activities, brands, products, and services	AR 6-7, 11, RR 5	●
102-3	Location of the headquarters	RR 34	●
102-4	Location of operations	AR 84-91	●
102-5	Ownership and legal form	AR 38-39	●
102-6	Markets served	AR 19-28	●
102-7	Scale of the organisation	AR 3-12	●
102-8	Information on employees and other workers	AR 19-28, RR 13-16, 30	●
102-9	Supply chain	AR 10-13, RR 23-25	●
102-10	Significant changes to the organisation and its supply chain	AR 4-9	●
102-11	Precautionary Principle approach	AR 29-33, RR 7-8	●
102-12	External initiatives	RR 2	●
102-13	Membership of Associations	www.dsv.com/csr	●

General Disclosures		Location in Report	Level of Reporting
Strategy			
102-14	Statement from senior decision-maker	RR 3	●
102-15	Key Impacts, Risks and Opportunities	AR 29-33, RR 7-8	●
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	RR 10-12	●
102-17	Advice Mechanisms and Unethical Behavior	RR 10-12	●
Governance			
102-18	Governance structure	RR 6, AR 34-37	●
102-19	Delegating Authority	RR 6, AR 34-37	●
102-20	Executive-level responsibility for economic, environmental, and social topics	RR 6	●
102-21	Consulting stakeholders on economic, environmental, and social topics	RR 6-9	●
102-22	Composition of the highest governance body and its committees	AR 37	●
102-23	Chair of the highest governance body	AR 34-37	●
102-24	Nominating and selecting the highest governance body	AR 34-37	●
102-25	Conflicts of Interest	AR 34-37	●
102-26	Role of highest governance body in setting purpose, values, and strategy	RR 6	●
102-27	Collective knowledge of highest governance body	AR 37	●
102-28	Evaluating the highest governance body's performance	AR 34-36	●
102-29	Identifying and managing economic, environmental, and social impacts	AR 34-36, RR 7-8	●
102-30	Effectiveness of risk management processes	RR 7-8	●
102-31	Review of economic, environmental, and social topics	RR 6-9	●
102-32	Highest governance body's role in sustainability reporting	RR 6	●
102-33	Communicating critical concerns	RR 6	●
102-34	Nature and total number of critical concerns	AR 29-33, RR 6	●
102-35	Remuneration policies	AR 36	●
102-36	Process for determining remuneration	See Remuneration Policy at investor.dsv.com	●

¹⁾ AR = Annual Report, RR = Responsibility Report, CDP = Reporting to CDP 2019 ²⁾ ● = Full reporting, ● = Partial reporting, ○ = No reporting

General Disclosures		Location in Report	Level of Reporting
102-37	Stakeholders' involvement in remuneration	See Remuneration Policy at investor.dsv.com	●
102-38	Annual total compensation ratio	See Remuneration Report at investor.dsv.com	●
102-39	Percentage increase in annual total compensation ratio	See Remuneration Report at investor.dsv.com	●
Stakeholder Engagement			
102-40	List of stakeholder groups	RR 4-9	●
102-41	Collective bargaining agreements	RR 10-12	○
102-42	Identifying and selecting stakeholders	RR 4-9	●
102-43	Approach to stakeholder engagement	RR 4-9	●
102-44	Key topics and concerns raised	RR 10-25	●
Reporting Practice			
102-45	Entities included in the consolidated financial statements	AR 84-91	●
102-46	Defining report content and topic boundaries	RR 6-9	●
102-47	List of material topics	RR 7-8	●
102-48	Restatements of information	N/A	●
102-49	Changes in reporting	N/A	●
102-50	Reporting period	RR 34	●
102-51	Date of most recent report	Responsibility Report 2018, published on 7 February 2019	●
102-52	Reporting cycle	Annually	●
102-53	Contact point for questions regarding the report	RR 34	●
102-54	Claims of reporting in accordance with the GRI Standards	Core option	●
102-55	GRI content index	RR 32-33	●
102-56	External assurance	Part of Management's review AR	●
GRI Reference	Information Available	Level of Reporting	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	AR 3-28 ●	
201-2	Financial Implications of Climate Change	CDP ●	

GRI Reference	Information Available	Level of Reporting
GRI 203: Indirect Economic Impacts		
203-2	Significant Indirect Economic Impacts	RR 7-25 ●
GRI 205: Anti-Corruption		
205-1	Operations assessed for risks related to corruption	RR 10-12 ●
205-2	Communication and training about anti-corruption policies and procedures	RR 10-12 ●
GRI 302: Energy		
302-1	Energy consumption within the organisation	RR 29 ●
302-2	Energy consumption outside of the organisation	RR 29 ●
302-3	Energy intensity	RR 29 ●
302-4	Reduction of energy consumption	RR 17-22 ●
302-5	Reduction in energy requirements of products and services	RR 17-22 ●
GRI 303: Water		
303-1	Water withdrawal by source	RR 17-22, 29 ●
GRI 305: Emissions		
305-1	Direct (Scope 1) GHG emissions	RR 17-22, 29 ●
305-2	Energy indirect (Scope 2) emissions	RR 17-22, 29 ●
305-3	Other indirect (Scope 3) GHG emissions	RR 17-22, 29 ●
305-4	GHG emissions intensity	RR 17-22, 29 ●
305-5	Reduction of GHG emissions	RR 17-22, 29 ●
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	N/A ●
GRI 308: Supplier Environmental Assessment		
308-2	Negative environmental impacts in the supply chains and actions taken	RR 17-22 ●
GRI 401: Employment		
401-1	New employee hires and employee turnover	RR 1-16, 30 ●
GRI 405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	RR 30, AR 41 ●
GRI 414: Supplier Social Assessment		
414-2	Negative social impacts in the supply chain and actions taken	RR 17-22, 30 ●

¹⁾ AR = Annual Report, RR = Responsibility Report, CDP = Reporting to CDP 2019 ²⁾ ● = Full reporting, ● = Partial reporting, ○ = No reporting

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