

2017

COMMUNICATION PROGRESS





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STATEMENT FROM THE CEO

The Santa Fe Group is delighted to present its seventh Communication on Progress Report reaffirming our continued commitment and support for the Ten Principles of the UN Global Compact.



Martin Thaysen
Chief Executive Officer

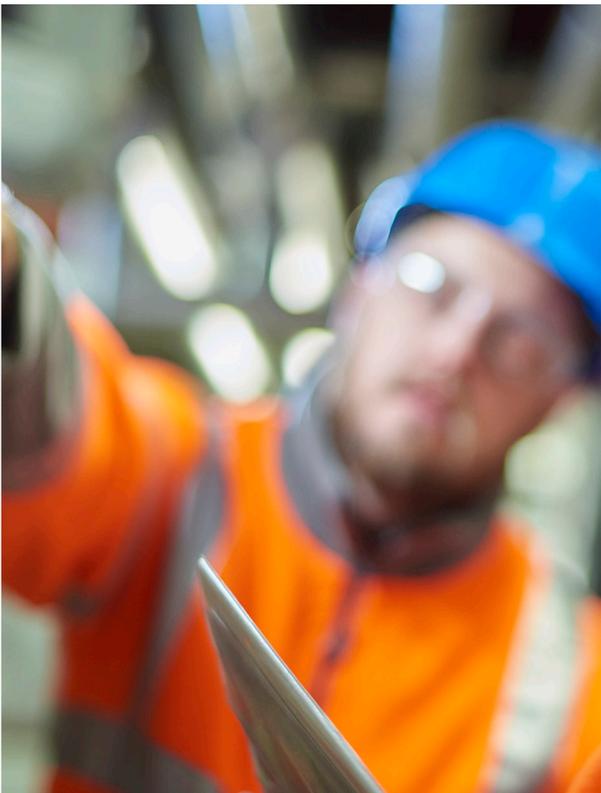
Sustainability is at the heart of all that we do and we continue to view corporate and social responsibility as our practices and policies that contribute to the wellbeing of the environment, economy and society.

In 2016, Santa Fe placed a significant emphasis on strengthening our Integrity infrastructure to more effectively support our operational programs, and in turn our respective customers, and also to position the organisation for future growth. As a result of several structural alignments and our strategic initiatives as part of the 2020 strategy, we feel that the implementation of our continued commitment to the principles of the Global Compact is stronger than ever.

We commit to operating using ethical business practices and expect the same from our suppliers and business partners globally. We stand strong in our resolve to minimising the environmental impacts of our services, having a zero tolerance approach to corruption in all its forms, providing jobs and making a profit. We believe in treating our employees fairly and with respect and being a good neighbour to those within our local communities around the world.

The UNGC principles will continue to act as a guide, an inspiration and an aspiration to help create a sustainable future. Santa Fe will continue to drive forward its commitment to the UNGC guided by our own long-standing values of Drive, People, Quality and Integrity.

01



SANTA FE OVERVIEW

The Santa Fe Group is a global leader in international mobility, handling around 50,000 international relocations and around 15,000 domestic relocations (predominantly in Australia) per year, based on own operations in 45 countries and a network of agents. Santa Fe's ambition is to make it easy for companies and people to live and work freely and flexibly around the world.



Santa Fe provide a full range of mobility services for multinational companies and other organisations having executives and professionals on overseas assignments. In addition to this, Santa Fe serve individual customers relocating without the support of an employer. The service offering covers the entire relocation journey – from Immigration Services to obtain work and resident permits through the physical packing- and moving of household goods to a comprehensive range of value-added relocation and destination services to ensure the relocating family settles in to their new home in the best possible way.

Santa Fe design and manage entire relocation programmes for large organisations with international operations. Our value proposition is to provide our corporate customers with optimum efficiency in their mobility management, full compliance with all relevant legal regimes, and a safe and easy transition and new start for the relocating individual and family.



GOVERNANCE PROCESS

We transparently report our performance annually in terms of financial results, social responsibility and the operational aspects of our business. Our objective is to ensure our business remains sustainable in every meaning of the word.

This means that we are able to provide our customers with a service that both offers value and continuity. It also means that through our continued commitment to aligning our operations and strategies with the ten UNGC principles, our Company contributes and benefits economies and societies globally. The governance structure is anchored with a sustainability team aiming at aligning sustainability objectives, implementing and sharing best practices. The team consists of members in each region with overall responsibility held by the Santa Fe Group's Chief Financial Officer.

03



ETHICS AND BEHAVIOUR

To truly make a difference in our organisation, CSR must be embedded into our culture, in addition to our processes, policies and practices. It must be aligned to our strategy and we must take a long-term view. To act in a globally responsible way, we continually review our initiatives, codes and schemes so that we can learn from them.

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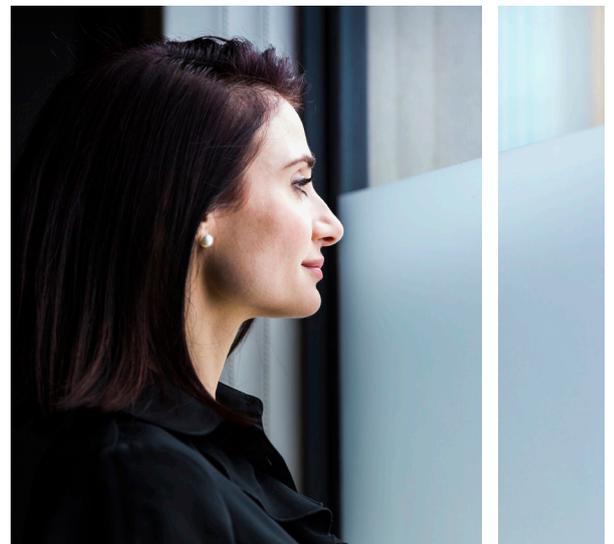
We pride ourselves on a fair, ethical and inclusive approach to our business, our people and our clients. Our Code of Business Conduct provides guidance to all employees on the conduct of our business according to the highest ethical standards which has allowed us to grow and prosper with a culture of honesty, integrity and accountability.

In 2016, a huge focal point for Santa Fe was the launch of Santa Fe's integrity programme, consisting of new and revised policies, discussion groups, face to face training and eLearning.

Underpinning our integrity programme is the Santa Fe Code of business Conduct, which was translated into 14 languages and launched and completed by all employees.

The Code contributes to our future success by helping to maintain a culture of honesty, integrity and accountability. The Code and our other ethics policies help to focus everyone on areas of ethical risk, offer guidance in recognising and dealing with ethical issues and provide mechanisms to report unethical conduct without fear of retaliation.

Parallel to this, a new independent confidential Integrity hotline was launched to employees and third parties replacing the whistle-blower hotline. The integrity hotline hosted by Navex Global allows reporting via telephone or the website in local languages 24 hours a day.



TEN UNGC PRINCIPLES

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses.

Labour Rights

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

The elimination of all forms of forced and compulsory labour;

Principle 5

The effective abolition of child labour; and

Principle 6

The elimination of discrimination in respect of employment and occupation.

We commit to:

- Continuous monitoring of our governance system to ensure compliance with basic human rights within our organisation and those with whom we interact
- Compliance with national legislation

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

We commit to:

- Reduce the negative impact of our business on the environment, meet or exceed regulatory requirements and continuously seek to improve our processes to achieve high standards.
- Monitor and Reduce carbon emissions.
- Reuse 100 % of packing material where quality is not compromised.

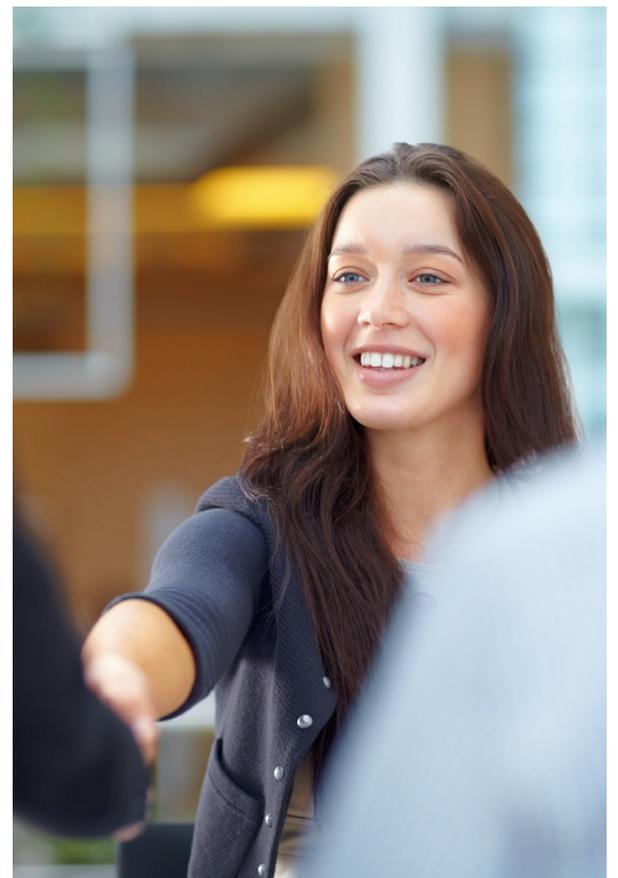
Anti-Corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

We commit to:

- Apply a zero tolerance approach with respect to corruption, extortion and bribery.
- Continuously identify ways of maximising the positive impact of our business operations where we have special skills, products or services to make a difference in the communities where we live and work.



HUMAN RIGHTS

Policy

In accordance with principles 1 and 2 of the Global Compact Santa Fe supports and respects the protection of internationally proclaimed human rights and ensures that the group is not complicit in human rights abuses.

We endeavour to ensure:

- Health and safety in the workplace
- Fair wages
- Wellbeing of employees
- Good relations with local communities

Taking care of people in our operations globally and when working with partners and suppliers is essential for us. Santa Fe Group's Health and Safety Policy outlines our commitment to focus on continuous improvements through effective management systems. Our Occupational Health and Safety management systems are certified according to OHSAS 18001.

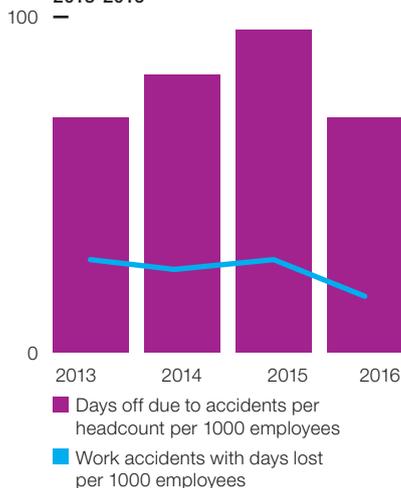
[View full Health and safety policy](#)

We recognise the importance of work-life balance, and appreciate the value that out-of-work activities bring back into the workplace. We also aim to foster a culture of well-being by providing a variety of tools, education and resources that reinforce healthy lifestyle choices.

Santa Fe continues to remain active in a variety of ways in support of community events and charitable organisations. We believe that, in supporting charities and community events, we not only improve the communities and world we live in, we also motivate staff and create goodwill.

We continue to make trucks available for disaster relief when tsunamis, earthquakes, typhoons or other natural disasters strike. In addition Santa Fe Group provides logistical services to charities and local communities for a variety of events. Santa Fe continues to promote a culture whereby we care about our communities not just as an organisation but also as individuals.

Graph 1:
Work Accidents with days lost
2013-2016



Action

In 2016, our Team in Australia led a Safety Campaign through 'Yammer' which consisted of the sharing of policies, procedures, training material and open discussion on ways of keeping employees and the workplace safe.

Our Health and Safety Policy acknowledges that employee wellbeing is an important factor to maintaining good health as such Santa Fe held a 'Healthy Selfie' competition where employees shared photographs of things that contribute towards their wellbeing. This ranged from healthy eating, fun runs, dance classes and spending time with family. Due to the success of the 'Healthy Selfie' competition Santa Fe arranged a Global 'Step it Up' competition whereby teams reported the number of steps they took for a six week period. A number of employees reported a change to their life style choices and are now exercising more. The competition was a great success with the teams clocking up enough steps to walk around the globe just short of two times.

Numerous events took place in our local communities from relief work, removing rubbish from local beaches and volunteering at food banks.

Santa Fe Asia contributed USD 5.00 per booked move to Johns Hopkins Medicine in Baltimore, Maryland. Johns Hopkins is one of the world's pre-eminent health care institutions, and its researchers have made a tremendous contribution in deciphering the mechanisms of cancer and discovering new treatments. A total of USD 48,500 was raised through booked move donations.

Santa Fe Australia are proud supporters of Red Kite, committing to A\$20,000 per year in corporate sponsorship. Red Kite helps to support the families of children living with cancer and is a well-known and highly respected charity within Australia. On top of our base level of commitment, we also fundraise and participate in additional events when the opportunity arises.

Risks

The main risk related to our activities include unintended work accidents especially for our operational staff, non-compliance with the Global Compact's principles and the requirements of OHSAS 18001.

Our business activities are subject to various local Health and Safety laws.

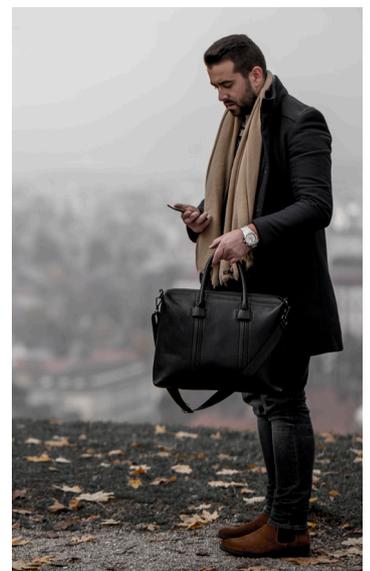
KPI

We measure and monitor the number of work-related accidents resulting in days off work. The KPI reflects developments in safety performance whilst our services are being performed.

Results

In the field of occupational health and safety, both the number of accidents with time loss and the number of lost workdays per accident has decreased as depicted in Graph 1, Work accidents with days lost. A major factor in this positive development is the integration of health and safety considerations in decision-making processes, along with more cooperation and improved coordination across the organisation. In 2017 we aim to continue to reduce the number of accidents with time loss.

All OHSAS 18001 certificates were successfully renewed



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LABOUR RIGHTS

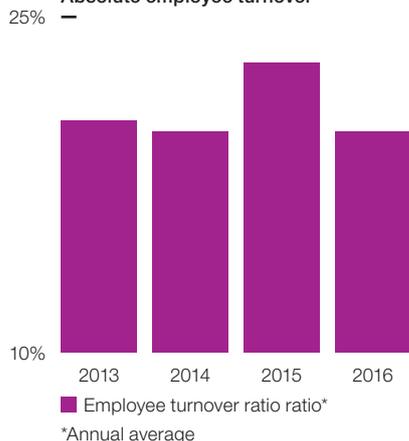
Policy

Santa Fe Group recognises that we work in a richly diverse community and understand the strategic importance of achieving a diverse workforce, which reflects that community. We undertake to recruit, develop and retain the most talented people by valuing the varied skills and experiences they bring to Santa Fe Group; by investing in their training and development; by treating employees fairly and equitably; by combating harassment and discrimination at work, and by encouraging an honest and open culture which values the differences between us. We have identified key focus areas to ensure that we are equipping our people with the capabilities they need to achieve their career aspirations and help us meet our goals.

Pursuant to Danish legislation on gender equality, Santa Fe also has an objective for the proportion of the underrepresented gender on the Board of Directors. It is Santa Fe's ambition that 25% of the members of the Board of Directors are women. Consequently Santa Fe will ensure that qualified candidates are considered before the Board of Directors proposes candidates to the Annual General Meeting. However, the Board of Directors' final submission of candidates will always be based on their actual competencies and experiences relative to Santa Fe's needs to ensure that the candidate deemed best qualified is proposed. This may mean that the ambition of a 25% female representation on the Board of Directors will not be met at all times, but it will continue to be a general ambition.

Retaining employees remains an important aspect of our business, our goal is to remain an attractive employer respecting, supporting and adhering to internationally proclaimed human rights including the basic principles of the International Labour organisation's Declaration of Fundamental Principles and Rights at Work.

Graph 2:
Absolute employee turnover



In accordance with principles 3, 4, 5 and 6 of the Global Compact Santa Fe:

- Recognises the right of employees to be members of a trade union and negotiate pay and working conditions.
- Supports elimination of all forms of forced labour
- Applies preventative procedures and practices to ensure that persons below the minimum age are not employed
- Endeavours to prevent discriminatory practices and secure equal opportunities by means of the application of procedures and practices to prevent discrimination in connection with recruitment or dismissal, career development, training and education or the granting of staff benefits.

Action

In 2016 Santa Fe implemented a new Anti-Modern Slavery and human trafficking Policy to ensure that all employees are aware of Santa Fe's zero tolerance approach to forced labour and human trafficking in accordance with the UK Modern Slavery Act 2015.

[View full Anti-Modern Slavery policy](#)

Santa Fe took a globally consistent approach to Performance Management by introducing consistent metrics for our senior leaders, supported the roll-out of the process through an online performance management system which ties seamlessly into our existing HR Information System and Learning Management System, creating a compelling overall 'online bundle' for our employees. In order to ensure performance management has a positive impact, only the top two levels of the organisation were required to complete this year's process. The process has been designed with constant feedback in mind, e.g. monthly one-on-one meetings between managers and employees to update one another on performance against objectives. This will reduce the potential ambiguity and stresses often caused by formal mid-year and year-end review cycles as employees will have received on-going feedback throughout the year.

Santa Fe conducted its second global employee engagement survey. We are partnering with the Great Place to Work © institute on this strategic people project and are already embracing the feedback from our employees by running local focus groups and getting a better understanding of the working environment we need to create to foster a culture of trust at all levels. 86% of all employees took part in the survey and while in some markets there is work to do, we have a number of markets with outstanding results.

Risks

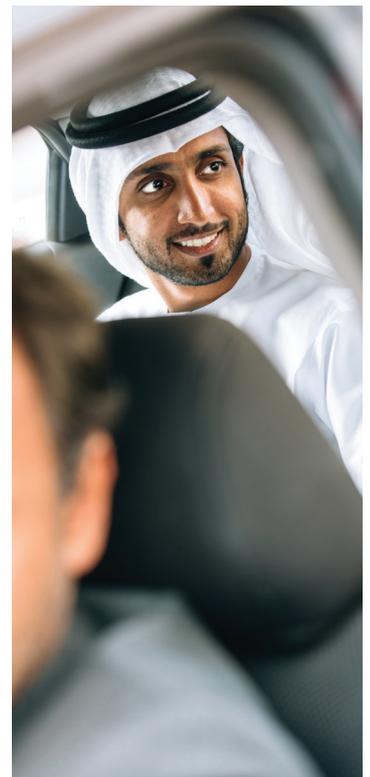
The main risk related to our activities include non-adherence to Santa Fe's principle of preventing discriminatory practices and securing equal opportunities and potential legal, financial and HR-related consequences hereof.

Our business activities are subject to various national laws and regulations.

KPI

Santa Fe measures and monitors:

- Gender ratio by seniority
- Employee absolute turnover



Results

In March 2016, the Annual General Meeting elected Jakob Holmen Kraglund as new member of the Board of Directors. Jakob Holmen Kraglund brings to Santa Fe significant experience in driving large technology-driven transformation programmes, which is highly relevant to Santa Fe and the execution of our 2020 strategy. Jakob Holmen Kraglund replaces Connie Astrup-Larsen on the Board of Directors, which means that currently Santa Fe does not meet its target of having 25% female representation on the Board of Directors. Santa Fe aims to ensure that there is female representation on the Board of Directors within the next two years.

Graph 3 Gender ratio by seniority shows that the overall female gender ratio increased by 2.54%, with an increase observed in female senior and middle managers as well as operational staff. The absolute turnover was 20%, as shown in Graph 3, Absolute employee turnover, this was a 3% a reduction from 2015. This can be attributed to Santa Fe responding to the feedback received from employees in the 2015 Great Place to Work Survey. In 2017 we shall continue to respond to the feedback received in the 2016 employee engagement survey and performance management will be cascaded to the entire organisation.

100% —
Graph 3:
Gender ratio by seniority
 ■ 2013
 ■ 2014
 ■ 2015
 ■ 2016



ENVIRONMENT

Policy

Santa Fe supports a precautionary approach to environmental and climate challenges, undertake initiatives to promote greater responsibility and climate friendly technologies in accordance with principles 7, 8 and 9 of the Global Compact.

We systematically and proactively protect, respect and safeguard the environment and climate in daily business activities by development of production methods and products, training of employees and influencing suppliers and stakeholders.

Santa Fe's Environmental policy is intended to be sustainable and is being integrated into our day-to-day business practices. As such, this policy is communicated to all staff members and is also available to the public. Santa Fe applies recognised Environmental Management Systems such as ISO 14001 (or its local equivalent) based on the principle of continuous performance improvement. These systems are the basis for the deployment of key elements which include risk analysis, monitoring of environmental performance and compliance to regulations and permits, follow-up of the corresponding corrective actions, review of performance and improvement plans by the management.

[View full Environmental policy](#)

Our business has environmental impacts from the packing material we purchase and their disposal. With a fleet of over 550 vehicles we acknowledge this as being a huge environmental consideration for Santa Fe. Our vision and goals focus on reducing our impacts at each stage of our value chain and making a positive difference to the world in which we live.

Our objectives are to reduce our impact on the environment year-on-year by:

- Becoming more energy efficient, thereby reducing our greenhouse gas emissions.
- Minimising our waste by applying a reduce-reuse-recycle philosophy.



Action

As we grow and increase sales and delivery of our household goods services, we continue to look for ways to increase the efficiency and reduce emissions levels of our fleet. Many of these initiatives have required no additional investment; by promoting the choice of lower-emission models for our fleets, continuously improve the way in which they are maintained and how their routes and volumes are scheduled.

Santa Fe has continued to monitor its GHG emissions. We continue to work with our offices globally to improve the data quality to allow better and more in depth reporting of our Scope 1, 2 and 3 GHG emissions according to the Greenhouse Gas Protocol. In 2016 we updated our GHG emissions reporting factors and the predominant source of the emission factors we have used is DEFRA 2015.

In 2016, 16 offices in Europe implemented ISO 50001, energy management system.

Santa Fe's Household goods services continues to be heavily reliant on natural resources in particular materials such as paper, cardboard, plastic etc. We continued our efforts in reducing waste by the application of our reduce-reuse-recycle philosophy.

Risks

The main environmental risk related to our activities include excessive emission of CO2 and waste.

Our activities are subject to environmental laws and regulations governing, among other things, waste disposal and emissions. Risks are monitored locally and from the head office to prevent, remedy or minimise any adverse effect on the external environment.

KPI

Santa Fe measure and monitors:

- Waste distribution
- Fleet fuel consumption per tonnage [MJ/M3] kWh electricity consumed per employee GHG Impacts by scope.

Fleet fuel consumption per tonnage [MJ/M3] kWh electricity consumed per employee GHG Impacts by scope.

Results

Graph 4 Waste distribution, shows that 2016 saw a 2% increase in the amount of waste recycled to 75%, a 14% reduction of waste incinerated to 6% and a 12% increase in the waste sent to landfill to 19%. An analysis of the data shows that there was an increase in the amount of wood, carton and paper packaging recycled. The positive reduction in waste incinerated was mainly attributed to a decrease in wood, household goods/ personal effects being incinerated. However, there was an increase in the amount of records management boxes and general waste being sent to landfill. Opportunities for improvement have been identified in Hong Kong where the disposal of household goods/personal effects and wood contributed to over half the Group's total waste sent to landfill. Improvements can be achieved by placing an even greater emphasis on the importance of reusing waste where possible as well as recycling, providing awareness training for employees as well as the resources and systems in place to maximise our recycling potential.

There was a 13.8% increase in the energy consumed per cubic meter transported on our fleet by road in 2016 (Graph 5, fleet fuel per tonnage) Areas for improvement were identified in Australia which saw the highest increase in fuel per tonnage moved. An analysis of the results has shown that in this region the opportunity to consolidate shipments was not always possible and therefore reduced the efficiency of the fuel being used.

Electricity consumption per employee reduced by 5.49% to 2,013 kWh of electricity consumed per 2,919 employees (Graph 7, kWh electricity consumed per employee) . This result was influenced by a number of locations running electricity saving schemes involving initiatives such as turning off the lights when not in use, and auto shut down of computers after working hours.



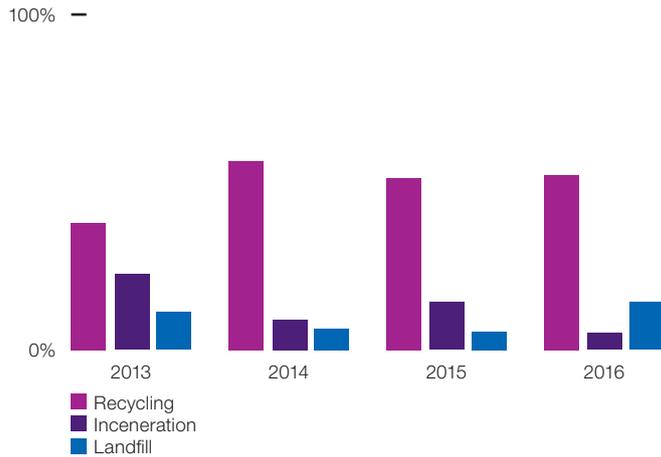
In 2016, there was an overall decrease in Santa Fe's GHG emissions (see Graph 6: GHG impacts by scope). There was an increase in Scope 1 GHG emissions due to the increase in the amount of fuel consumed by our fleet. The Scope 2 GHG emissions saw a reduction due to a decrease in the electricity consumption. Reductions in Scope 3 GHG emissions were seen across all modes of transport (air, sea and road) for goods that were transported by third parties including airlines, shipping lines and hauliers. The reduction appears to be due to an overall reduction in the weight of shipments being moved as well as slight reductions in the distances being travelled, across all modes of transport.

All ISO 14001 certificates were renewed.

16 European offices were formally certified to ISO 50001.

In 2017 we aim to recycle 77% of all available waste produced from cardboard and paper and reduce the amount of plastic and household goods waste being sent to landfill and incineration by 2%. This can be achieved by understanding the reasons why some waste is not being recycled and work on solutions to ensure as much waste as possible is being recycled. In addition we shall continue to look at ways in which we can reduce the amount of fuel being consumed.

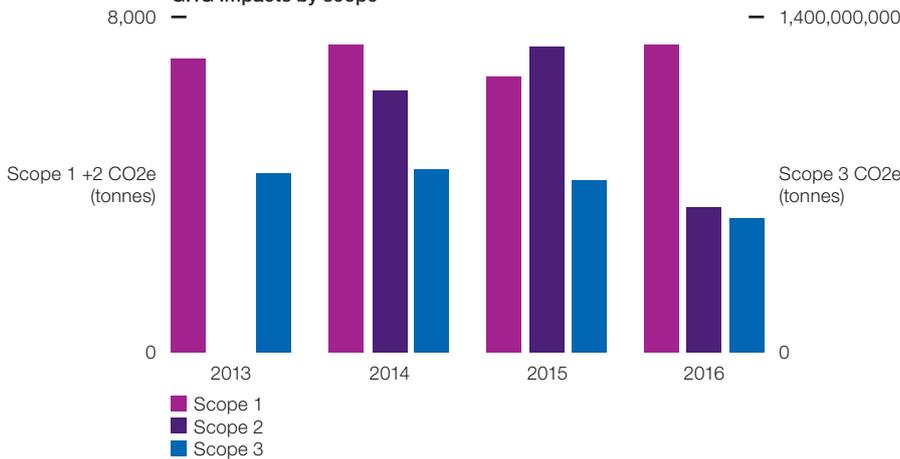
Graph 4:
Waste distribution



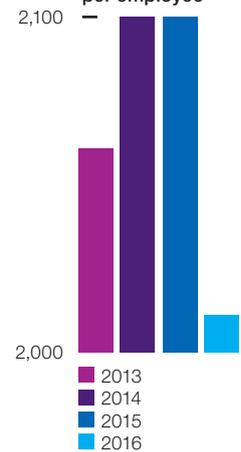
Graph 5:
Fleet fuel consumption per tonnage [MJ/M3]



Graph 6:
GHG Impacts by scope



Graph 7:
kWh electricity consumed per employee



09

Policy

Santa Fe has a zero tolerance approach towards corruption in all its forms. All Santa Fe employees are expected to promote a culture based on ethics and compliance.

We enter into open dialogue with relevant business partners, and we have set up guidelines both internally and externally specifying how to avoid bribery and corruption in accordance with principle 10 of the global compact.

Santa Fe demonstrates an ability to efficiently handle data through robustly managed processes. Achieving and maintaining ISO 27001 data security management certification has allowed us to strengthen the levels of trust between ourselves and our customers, improving our ability to securely manage their data and at the same time providing assurances that we are following ISO 27001 information security best practice.

Santa Fe's Service Level Agreement and Suppliers Code of Conduct detail the minimum performance requirements expected of anyone who does business with us, in accordance with the 10 Principles of the UNGC.



Action

In 2016, as part of the Integrity program Santa Fe established a wider policy framework including new and revised anti-money laundering, black list and high risk countries, dangerous goods and weapons, integrity reporting and compliance Policies.

[View full integrity reporting policy](#)

To complement the Integrity program and further educate and empower employees' eLearning training was provided to all employees in the areas of Anti Bribery and Corruption, Competition Law and Data Protection. The training was made available in four languages.

Santa Fe also reintroduced and expanded the role of the Compliance Committee function into the organisation, Chaired by the Group General Counsel and attended by the Group Chief Executive Officer, Group Chief Financial Officer, Group Chief Operating Officer and the Group Risk Manager. The Compliance Committee's function is to consider all matters of non-financial compliance, including the Company's overall compliance programs, policies and procedures; significant legal or regulatory compliance exposure; and material reports or inquiries from government or regulatory agencies.

Santa Fe continued to follow the requirements of ISO 27001 Data Security Management to ensure that all data and information that interacts within our Company is secure. Santa Fe undergoes regular audits via certification bodies, internal audits and also audits by our corporate customers.

Santa Fe redesigned its supplier due diligence on boarding process which included revising the Partner Agreements, enhanced due diligence questionnaires including submission of key documents including but not limited to: Company registration certificates, VAT/ Tax registration certificates, anti-bribery and corruption policy, ethics policy, data protection policy, environmental policy, necessary insurances and licences, credit checks to ensure the financial stability of our suppliers and a robust verification process via 'World Check' to identify any connections to pending or convicted criminal activities as well as any associations with politically exposed persons.

This allows Santa Fe to build a risk profile and any high risk scores or non-conforming responses are then reviewed by the General Counsel or Compliance Committee for a final decision about whether Santa Fe can do business with that supplier

Risks

The main risks related to our activities include employees and suppliers' violation of Santa Fe's Compliance Policies and potential legal and financial consequences hereof.

Our business activities are subject to various national laws and regulations as well as legislation with an international reach.

KPI

We monitor results of internal anti-corruption training and supplier audits on an ongoing basis and adapt our policies and processes if necessary.

Results

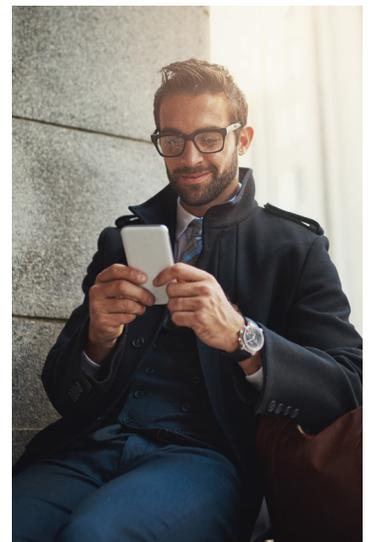
100% of employees completed the Code of Business Conduct

The results for the eLearning completion is not yet available as the deadline for completion spans into 2017.

In 2017, Santa Fe shall maintain eLearning training for employees on topics to combat corruption

In addition Santa Fe shall collect annual declaration statements from employees for the Code of Business Conduct.

Santa Fe will continue to work with its supply chain in 2017 to provide support and guidance via educational means to ensure the Santa Fe Group is working with responsible businesses which will be supported by the implementation of the supplier due diligence on boarding process.



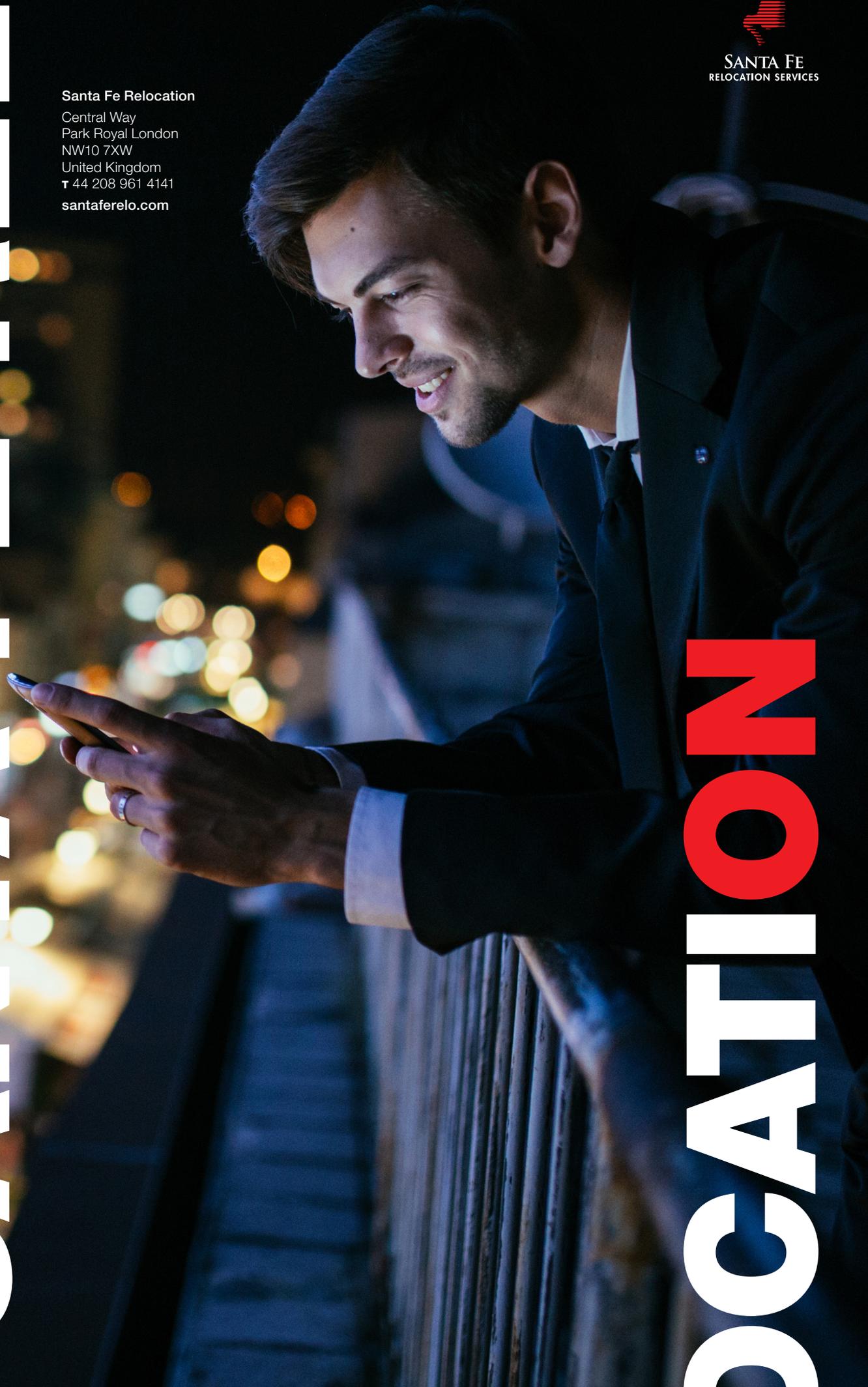
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