

# CSR Report 2017

UN Global Compact Communication on Progress



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## About this report

This report constitutes DFDS' Communication on Progress to the UN Global Compact. It covers the DFDS Group's CSR approach and activities for the financial year 1 January 2017 to 31 December 2017. The report is an integral part of the management review of DFDS' Annual Report 2017, and with this document we fulfil the requirements of Section 99a and 99b of the Danish Financial Statements Act.

[www.dfds.com](http://www.dfds.com)

## UN Global Compact – principles for responsible business conduct

### Human Rights

Principle 1-2: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

### Labour

Principle 3-6: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7-9: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The 10 principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption.



# Strengthening our positive impact

For more than 150 years, DFDS has been a part of Denmark's industrial and maritime history. Today, we are a leading company combining short-sea shipping and logistics in northern Europe.

We recognise that our history and position in society and the industry carry responsibilities. We take responsibility for our activities and seek to contribute to sustainability by focussing on areas where our influence and impact matter most. In my view, these are part of every company's Corporate Social Responsibility (CSR) towards the wider society.

## Year in review

We are signatories to the UN Global Compact and we continue to support the compact as part of our CSR approach. During 2017, we firmly embedded the principles in our Code of Business Conduct, which provides guidance to our employees on behaviour and actions.

DFDS performed well and our growth continued in 2017 with a 4% increase in revenue and more than 6% increase in profit before tax. At the same time, we saw an increase in the total consumption of bunker oil of 4% due to increased shipping activities and sailings. However, the average consumption of oil and emissions continued to drop per capacity unit per mile. Reductions in fuel consumption continue to be of importance from environmental, compliance and financial perspectives.

A strong safety culture and continuous improvement are part of THE DFDS WAY, and our goal is to ensure zero harm to our employees. Tragically, a work related accident on board Botnia Seaways in Tunisia caused the death of a

crew member. We have conducted a full investigation into the accident and will do everything in our power to avoid such accidents in the future. We must always ensure a safe environment for all employees and customers, ashore and at sea.

In 2017, a serious incident occurred when 12 migrants were stuck on board our ship Kaunas Seaways on the Black Sea for three months. Until a diplomatic solution was found by the countries involved, we cared for the migrants in cabins under guard on board the ship. For DFDS, it is untenable and unacceptable to keep people on board for such a long time, and I would like to express my sincere thanks to everyone who helped resolve the situation. I would also like to thank the crew and the management in Lithuania for their professional handling of this very difficult situation.

## We Move for All to Grow

Looking ahead, I want to take the best of who we are today and match this with the ambition we have for the future. In 2017, we articulated our purpose to answer the question 'Why DFDS?' for customers, investors, future colleagues, and for ourselves: We Move for All to Grow.

As part of our continued efforts to move forward, we will seek inspiration from our customers, industry leaders and the UN's 17 Sustainable Development Goals to set the course for the future. We aim to strengthen our positive impact on society, and I look forward to launching a strategy in 2018 for our continued contributions to sustainability in support of our purpose.

## Niels Smedegaard

President and CEO of DFDS





# The DFDS business model

## Our business

DFDS moves freight and passengers on ferry routes in Europe. We also provide logistics solutions for a broad range of manufacturers

DFDS operates one of the largest networks of ferry routes in Northern Europe providing both freight and passenger services. The routes are ideally located to service the freight volumes of forwarders and manufacturers of heavy industrial goods. All routes operate on fixed, reliable schedules adapted to customer requirements.

To further enhance the efficiency of customer services, own port terminals are operated in strategic locations, including warehousing services.

For Passengers, the route network offers both overnight and short crossings. Passenger cars are transported on all routes. The on board facilities are adapted to each route's particular mix of passengers and their requirements for enjoying maritime travel.

Flexible, cost efficient and on-time door-door transport solutions are provided to manufacturers of a wide variety of consumer and industrial goods. The main activity is full- and part-loads, both ambient and temperature-controlled.

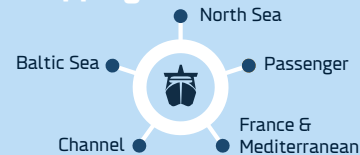
In close partnership with retailers and manufacturers, logistics solutions are developed and provided, including warehousing services and just-in-time concepts.

All solutions are supported by a European network of road, rail and container carriers and, not least, DFDS' network of ferry routes.

## Company structure

Our business is organised in two divisions: Shipping and Logistics, and in two corporate functions. DFDS is listed on Nasdaq Copenhagen.

### Shipping



### Logistics



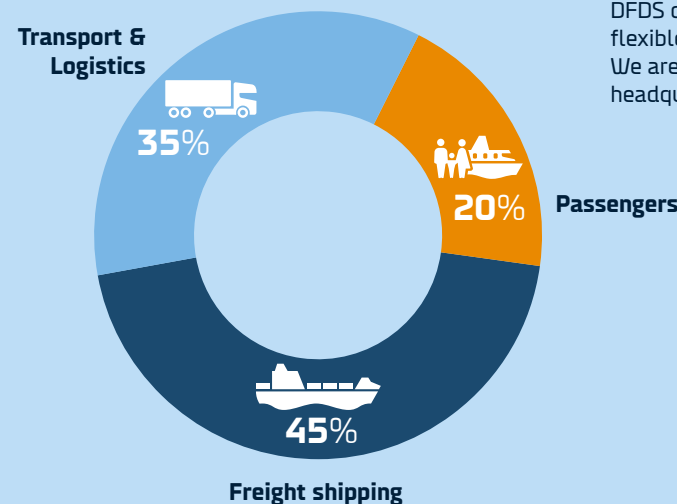
### People & Ships



### Finance



## Revenue split



## Our network strength

DFDS offers reliable shipping services and flexible transport solutions in Europe. We are present in 20 countries and headquartered in Copenhagen, Denmark.



## DFDS in numbers

**BILLION DKK** 14.3 Revenue

**5,300,000** Passengers

**38,000,000** Lane metres

**%** 19.0 ROIC

**7,235** Employees

**8,000** Freight customers

**148,000** Warehousing m<sup>2</sup>

# Our approach to CSR

**The UN Global Compact provides the frame for our work on CSR, and our approach is characterised by a culture of continuous improvement and transparency.**

Caring for the safety and security of employees and customers, as well as for the environment and local communities, has always been of importance, and an implicit part of our culture and history. DFDS' CSR approach was formalised when we joined the UN Global Compact in 2015, and we are implementing the 10 principles (see p. 2) across our business to ensure responsible business conduct and to meet stakeholder expectations.

Through our CSR approach, we address risks and opportunities related to our business model. As a result, our focus is on keeping people and goods safe, providing good working conditions, limiting the environmental impact of our activities, procuring responsibly and supporting local communities and initiatives where we operate. This also includes protecting DFDS against bribery and corruption, and respecting human rights. It is part of our culture and THE DFDS WAY to seek continuous improvement and transparency in our reporting and ongoing engagement with stakeholders.

## Updated Code of Conduct

DFDS' conduct comprises the behaviour and actions of our employees and management. In 2017, we updated our Code of Business Conduct to ensure better alignment with the UN Global Compact. A number of Group policies sets the framework for how we should behave and manage risks.

However, there are areas where laws and policies do not provide sufficient guidance. In these cases, our Code of Business Conduct helps employees respond to ethical issues in a responsible way.

The code of conduct, which is publicly available, cover areas such as respecting others, diversity and discrimination, harassment, health and safety, gifts and entertainment in the workplace, as well as competition and pricing, bribery and facilitation payments and company donations in the market place. Environmental protection, and a requirement to report any breaches of the code, are also covered.

In 2017, nine cases were reported through our whistle-blowing set-up, and by the end of the year, only one of these had not been concluded. The cases covered employee relations, substance abuse, health and safety and discrimination.

## Governance and future strategy

The DFDS CSR Committee which reports to our Executive Management team, governs our work on CSR and is responsible for our annual CSR report. At the end of 2017, we initiated the development of a new sustainability strategy.

## DFDS' key policy documents on CSR

- Code of Business Conduct
- Diversity & Inclusion Policy
- Environmental Policy
- Health, Safety & Environmental Policy (Ship Management)
- HR policies and Employee Handbook
- Supplier Code of Conduct

As part of the process, we assess material sustainability issues related to our business with a view to identifying negative and positive impacts in our value chain, our level of influence and links to the UN's 17 Sustainable Development Goals to determine our future focus and strengthen our positive impact on society. We will launch the strategy in 2018.

Since 2014, DFDS has occupied a seat on the Danish Government's advisory committee for CSR (VFSA), where we share our experiences and help progress the CSR agenda among Danish businesses.

## Stakeholder expectations

### Key stakeholders

- Customers
- Employees and unions
- Financial stakeholders including our main shareholder, the Lauritzen Foundation
- Industry organisations
- Local communities
- Media and NGOs
- Public authorities
- Suppliers

### Expectations related to CSR

- Transparent, consistent and accurate reporting
- Responsible operations and conduct
- Continuously improve customer experiences
- Safety and security record
- Proactive risk management and loss prevention
- Continuously improve environmental management – air emissions, paints, scrapping of ships, waste etc.
- Continuously improve health and safety practices
- Provide employment opportunities and fair employment conditions
- Support diversity and career development
- Manage relations and impact in local communities
- Be accessible and accountable
- Meet – or exceed – regulatory compliance

# Keeping people safe

**We strive to sustain a strong safety culture and our goal is to keep people, cargo and ships safe at all times – ashore and at sea.**

## Commitment and practice

Whatever our cargo, we strive for a strong safety culture to keep our passengers, employees and customers' goods safe. Our safety culture is embedded in THE DFDS WAY and outlined in our Code of Business Conduct. Legislation also applies differently between land and sea, and we manage our safety work through an organisational focus on safety ashore and at sea.

## Ashore:

- Local management teams are responsible for safety management and maintaining flexibility and proportionality of response based on risk. Thus, more safety controls and formalised inspection regimes are in place for higher-risk activities such as port terminals, than lower-risk activities such as our offices.
- National and international safety legislation applicable across DFDS has a common basis in EU legislation and we operate according to a Group-wide internal safety management standard. We also have a management system for measuring and managing truck drivers' performance.
- In Immingham, UK, our iCare behavioural safety initiative has been certified according to the BSI OHSAS 18001 standard since 2016.

## At sea:

- As part of our Global Ship Management System we have a specific Health, Safety & Environment Policy. This was updated in 2017 to state clearly that we identify and establish safeguards against all risk to personnel, ships and the environment.
- In accordance with international, EU and national legislation, all DFDS ships are surveyed and certified. They are also subject to internal audits and inspections on safety, working conditions and security in accordance with statutory instruments and company procedures.

- In accordance with the International Safety Management (ISM) code, the International Ship and Port Facility Security code (ISPS) and the Maritime Labour Convention (MLC) we report all maritime safety measures and security factors for all ships on an ongoing basis, including any incidents on board.
- Our CEO, the Vice-Presidents of the People & Ships division and marine standards experts meet regularly to review the ships' safety performance. Central to this process is a review of all safety and operational data collected from ships in readiness for inspection by maritime authorities.

## Safety first

It is within our code of conduct to:

- Strive towards continuously improving our overall health, safety and environmental performance; with the goal of ensuring zero harm to our most important asset: our employees.
- Act with prudence, responsibility and effectiveness in order to set and monitor targets for improvement.
- Enhance and promote a strong health, safety and environment culture while continuously improving competencies and awareness among our employees.

- Promote and enhance a true 'no blame' culture.
- Develop, maintain and adopt procedures to implement best practice, conforming to or exceeding all applicable regulatory requirements.
- Nurture, implement and exchange best practice through our management systems.
- Ensure compliance with current applicable legislation and our standards and procedures through regular internal audits.

# Safety and security ashore

## Initiatives and results

### Accident frequency and injury severity

As a growing organisation, we measure our land-based safety performance by means of an Accident Frequency Rate (AFR), rather than by the number of accidents (Lost-Time Injury Accidents – LTAs) only. This is a comparable measure of our annual performance and it reflects the actual risk to individual employees. Our AFR improvement target is 5.14. Although we significantly improved our performance with fewer LTAs and an AFR of 5.53 compared to 2016, we did not reach the improvement target in 2017.

Injury severity, expressed by the average lost working days per LTA amounted to 12 days in 2017; in 2016, it was 25 days. The high number of days in 2016 arose from a long-term absence from injury. We are back to a more steady LTA level and we will continue to raise awareness on safety issues through training to improve our performance and meet our AFR target.

### Causal analysis

We carry out a causal analysis annually. In 2017, we registered 185 injuries covering LTAs and minor accidents. Compared to 2016, the total number has increased due to an increase in minor accidents from 95 to 139. We use the causal analysis to inform managers of trends and feed available data into their safety action plans to ensure proactive safety management.

### Accounting for our safety performance

The safety performance covers data from our operational sites. The reporting system is designed for reporting injury details and the generation of causal analysis, while not overburdening small, low-risk units.

### Safety training

As part of the development of DFDS' safety culture, we aim to increase individuals' personal awareness of safety. For this purpose, we have an e-learning safety system with a range of modules available in English, French and Dutch. The online training provides flexibility in the training and this has greatly improved the number of employees registered on the system and who are actively using it. In 2017, we had 3,605 staff and crew registered, including captains and officers. This is twice as many as last year's take-up.

The training modules cover areas such as slips, trips and falls, risk assessment, fire, manual handling, food safety, ISPS security and dangerous goods, as well as passenger rights and data protection. Each module takes approximately 30 minutes to complete. A module counts as complete when you achieve an 80% pass mark.

### Road safety

With regard to road safety, we offer training for truck drivers using e-learning modules as these are more flexible. During 2017, we also invested in new, safer equipment, including lane departure warnings and advance emergency braking systems to help keep our drivers safe.

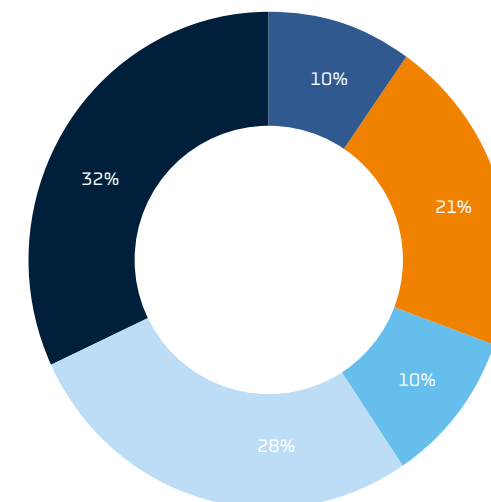
### Safety performance ashore

Lost-Time Injury Accident (LTA) and Accident Frequency Rate (AFR)			
	2017	2016	2015
<b>LTA</b>	46	61	40
<b>AFR</b>	5.53	8.38	5.07

### Injury severity (lost days)

	LTA YTD, 2017	Actual lost days YTD, 2017	Actual average lost days per LTA, YTD 2017	Average lost days per LTA comparison 2016
<b>Logistics</b>	15	97	6	19
<b>Seaways</b>	31	447	14	27
<b>Group</b>	46	544	12	25

### Causal analysis – all injury accidents, 2017



### Accounting for our safety performance

- Loading of vessels
- Manual handling
- Other
- Slip/trip/fall
- Struck/stuck by object

### Expectations for 2018

- Use causal analysis to inform the need for new safety initiatives.
- Continue to use e-learning tools, including surveys, to contribute to raising awareness and promoting safety throughout the organisation.
- Assess opportunities for BSI OHSAS 18001 certification in other locations.

# Safety at sea

## Initiatives and results

### *Training and drills save lives*

Training and drills on board our ships are important tools for achieving continuous improvements in our health and safety standards. Past incidents have clearly demonstrated that training standards and frequent drills are instrumental in the crew's ability to protect people, goods and the ship against the consequences of incidents such as fire on board, collisions and other major incidents.

In line with our strategy, DFDS participates in drills in cooperation with various rescue and emergency authorities. Such special safety and security drills include advanced training in crisis handling, cooperation and communication between DFDS and the authorities and between various emergency teams. In 2017, a number of safety and security crisis drills were carried out in Dover, UK, and Calais, France. Furthermore, our ships on the Copenhagen, Denmark – Oslo, Norway route, as well as our passenger ships in the Baltic and the North Sea, served as settings for the authorities' security crisis-management drills.

We regard these drills as extremely valuable. The drills help us improve the safety and security of our passengers and crews and ensure that our emergency processes are continually tested and verified.

### *Injury frequency and severity*

We provide an overview of the number of work-related injuries through a Lost-Time Injury Frequency (LTIF) rate. The development in 2017 showed a positive trend with a reduced LTIF on board our ships, going down from 7.16 in 2016 to 6.40 in 2017. However, we want to improve the LTIF and avoid large regional variations. The level is particularly affected by our vessels flying the French flag, which had an average LTIF of 15.99 in 2017.





This is a decrease compared to 2016, where the LTIF was 21.15, but it must be further improved.

Injury severity has not increased in 2017, and injuries reported were, with one exception, of minor severity. Most injuries were bruises, sore knees, back pain from lifting and other minor injuries.

#### Near miss reports

Near misses are hazardous occurrences that, under different circumstances, could lead to an incident if corrective actions are not taken. We encourage reporting on near miss incidents to develop best practice in avoiding and reacting efficiently to near misses. In 2017, we changed the scope towards encouraging quality rather than quantity in the reporting of near misses; 66.7 near misses were reported on average per ship. This is a slight decrease compared to 2016, mainly caused by the change of scope. We consider this to be a satisfactory level, which is well above our target of 48 near miss reports per ship annually.

#### Fatality

In 2017, a crewmember tragically lost his life due to a work-related accident on board Botnia Seaways, which serves the route between Marseille, France and Rades, Tunisia. The incident occurred in Tunisia on the weather deck when stevedores were offloading containers using a shore crane. The container was not lifted vertically and shifted when it was released from the twist locks.

#### Safety performance at sea

Shipping incidents reported			
	2017	2016	2015
<b>Lost-Time Injury Frequency (LTIF)</b>	6.40	7.16	8.2
<b>Near miss reports (average per ship)</b>	66.7	72.7	71.2
<b>Fatalities</b>	1	0	0

#### The migrant situation

The number of migrants from the African continent and the Middle East is increasing. Operating across Europe brings DFDS into contact with migrants and this affects our operations. In 2017, the migrant situation resulted in more stringent border controls and demand for stricter controls on passengers travelling to the UK.

Sometimes we have migrants trying to board our ships as stowaways in order to enter the UK. On the English Channel, there have been daily attempts to board the ferries by hiding in trailers. The situation improved when the French authorities closed a refugee and migrant camp outside Calais at the end of 2016. However, the challenge remains and affects drivers, terminal staff and our crews. The pressure has been growing on all our other routes to the UK; from France, Belgium, the Netherlands and Denmark.

DFDS' policy is to cooperate closely with the border authorities and local authorities to minimise the problem. We also inform the public about the issue and the safety risks associated with travelling as a stowaway hidden in a trailer and on board a ship at sea.

Consequently, it hit a nearby trailer and a crewmember was trapped between two trailers. He was immediately taken to hospital, but sadly his life could not be saved.

We have conducted a full investigation into the accident and will do everything in our power to avoid such accidents in the future. We must always ensure a safe environment for all our employees at sea.

#### Accounting for our safety performance

We measure LTIF in work-related incidents per million working hours that cause absence from work for more

In 2017, a serious incident occurred when 12 migrants from Algeria and Morocco were found on board Kaunas Seaways, which sails between Istanbul, Turkey, and Odessa, Ukraine, on the Black Sea. The migrants were planning to board a ship in Turkey bound for Europe, but by mistake they hid in a trailer destined for Odessa and no country was willing to take them. DFDS cared for the migrants for three months until a diplomatic solution was found by the countries involved and the migrants were flown to their home countries. It was necessary to keep the migrants in cabins under guard on board for their own safety, as well as with regard to passengers and crewmembers.

For DFDS, it is untenable and unacceptable to keep people on board for such a long time. DFDS is grateful to everyone who helped resolve the situation, and in particular the crew and management in Lithuania who handled this difficult situation professionally.

We use the experiences we gain from such incidents to improve security measures and surveillance and have invested in security measures in terminals to prevent migrants from boarding our ships illegally.

than 24 hours. The reported data on LTIF and near miss reports excludes the subsidiary AB DFDS SEAWAYS (Lithuania)

#### Expectations for 2018

- Reduce LTIF on board French-flagged ships and maintain progress towards zero lost-time accidents across the rest of the fleet.
- Promote safety culture through continuous training and improve safety-related performance.
- Work towards bringing the entire Group into the overall safety measurement and performance.

# Being a fair employer

**We want to treat all employees fairly and strive to foster a diverse and engaging workplace that attracts, develops and retains employees across all our countries of operation.**

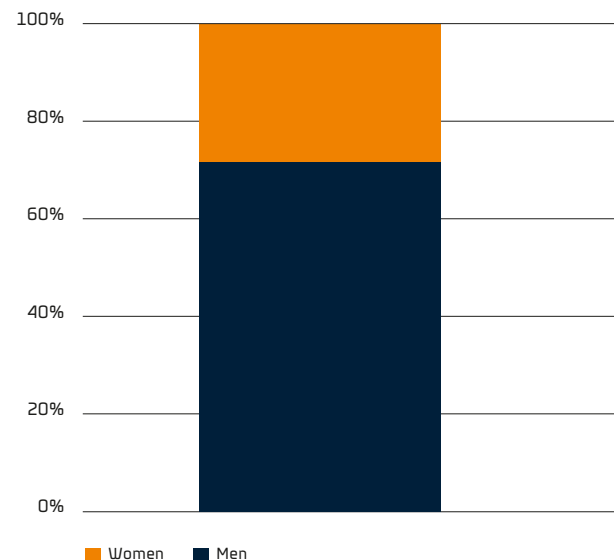
## Commitment and practice

DFDS has more than 7,000 employees in 20 countries and as such our workforce is multicultural and reflective of the communities where we live and work. The diverse capabilities and talents of our workforce enable DFDS to provide high quality services and fulfil the needs of our customers.

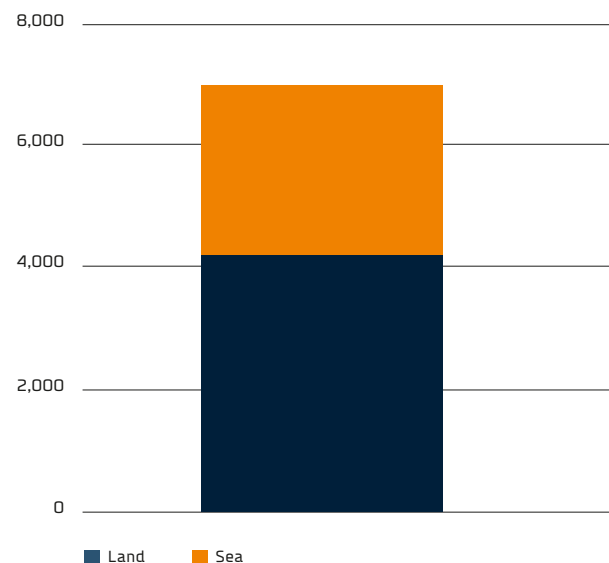
Women make up 26% of our workforce, a figure that is on a par with our industry, and more than half of our workforce is employed at sea. We recognise that our industry creates special challenges for women, particularly the time at sea; however, diversity among employees and managers matters to us and we want to employ more women.

## Highlights of employee figures

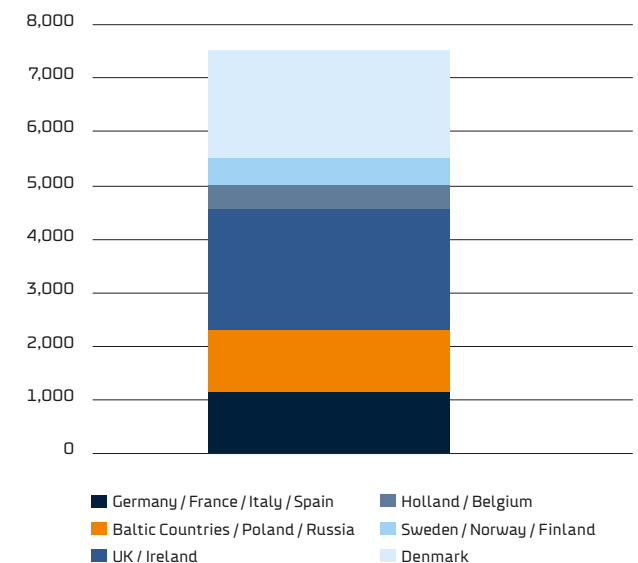
Gender distribution, 2017



Distribution of employees on land and at sea



Employees per country, 2017



## Respecting others

It is our goal to deal fairly and equitably with all employees. We respect everybody and our code of conduct requires us to:

- Treat our colleagues, customers, suppliers and other stakeholders with respect, dignity, fairness and courtesy.
- Take pride in the diversity of our workforce and view it as a competitive advantage to be nurtured.
- Commit to maintaining a work environment that is free from discrimination or harassment.
- Try to balance work and private life and help others to do the same.
- Invest in the ongoing enhancement of our skills and abilities.
- Provide a safe working environment for our employees.

This is addressed in our Diversity and Inclusion Policy, which supplements our Code of Business Conduct and HR policies.

With our policies and employee handbook, we support people and the business in mitigating risks and making the right decisions, for example in relation to recruitment, inclusion, employee and leadership development, talent spotting, working environment, performance management, remuneration and benefits, and organisational efficiency.

To ensure strong relations between the company and our employees, DFDS has taken steps in addition to our legal obligations. We aim to discuss and resolve issues, before they develop into disputes and we seek an open and trusting dialogue with unions and works councils. For example, we have established the European Dockers Trade Union Forum with representatives from our terminals where we discuss current and upcoming issues three times a year.

We also have an agreement with the Danish union Dansk Metal and its maritime division to support employees who are members of the union in the event of severe illness (see p. 22).

## Initiatives and results

### Attracting talent

In 2017, we increased our workforce by more than 150 employees. We participate in the 'battle' for talent, and we are confident that our strong purpose will enable us to attract employees who are even more talented in the future. During 2018, we will increase our focus on attracting talented employees to DFDS and put the emphasis on employer branding.

## Defining and activating our purpose

We believe that a company with a strong purpose is an attractive company to work for; hence, DFDS has articulated the purpose of our business and our activities to everyone working at DFDS.

Through an extensive and engaging process, we defined DFDS' purpose: We Move for All to Grow.

A working group of senior managers at DFDS led the development of the purpose based on the assumption that it is the people who make DFDS unique. Eighty colleagues representing various employee groups, countries, units and functions tested different statements and, based on their feedback, the working group decided on the final purpose statement.

We established a purpose team responsible for the 2017 launch and the ongoing implementation. The results of the purpose process will be integrated into the Employee Engagement Survey and our preliminary target is that 80% of our employees will have heard about the purpose by mid-2018.



### Improved onboarding process

Successful onboarding of new colleagues is key to retaining talented staff. We want to find the best way of getting everyone to embrace THE DFDS WAY and have identified improvement areas to our onboarding process. During 2017, we have worked on a unified onboarding package, which will be implemented in 2018.

### Employee satisfaction

We conduct a biannual Employee Engagement Survey among all employees. We were pleased to see an increase in the response rate since 2015 from 79% to 83%, and saw slight improvements in most areas. Responses on Satisfaction & Motivation as well as Loyalty show satisfactory results for both employees on land and at sea. Areas for improvement include Professional & Personal Development.

To follow up on the results, we have an online action plan tool for all DFDS managers and we focus on any potential managers who need assistance from HR in improving results.

### Training and development for all

In 2017, we have enhanced our training activities by adding new opportunities, resources and competencies. The portfolio now consists of 14 recurrent training programmes within three main categories: Leadership development, Personal development and Sales & Customer Service development.

As part of the digital transformation of DFDS, we will implement digital elements in all training initiatives and activities to ensure greater outreach and offer on-demand training. The objective is to ensure that a

minimum of 60% of all training provision in 2018 includes digital elements.

### Gender equality

In 2017, the DFDS' Board of Directors had 50% female representation, excluding employee-elected members. There are nine members of the board, of whom six are elected by the general assembly. This is above the requirement set by Danish law. However, when we look at representation at senior management level at DFDS, the representation of women is only 4%, despite our efforts and focus on gender equality.

We will maintain a strong focus on increasing the number of women in senior management positions during the next couple of years as outlined in our Diversity & Inclusion Policy. During 2018, we will initiate new actions to help meet our ambitions.

#### Leadership development

- 600+ managers have participated in our general leadership training programme, ZOOM, since it was initiated in 2009.
- Two new programmes for experienced leaders were introduced in 2017 focussing on coaching and situational leadership.
- Our Succession Programme has been redesigned to ensure continuous development of new managers at top level and will be launched in 2018.
- An introduction programme, The New Manager, has been developed and was implemented in 2017. All new managers must participate in the programme no later than three months after taking up their new role.

#### Personal development

- 80 employees participated in our training programme for personal development, FOCUS, in 2017.
- Our new programme, DFDS Negotiation Skills, was implemented in 2017 and offered to all employees who are frequently involved in negotiations.
- 22 new talents from different parts of the organisation enrolled on our 18-month HORIZON talent programme in 2017.

#### Sales & Customer Service development

- Our Customer Focus sales training continued.
- 330+ sales and customer service employees participated in the DFDS Way of Selling in 2017, during which all participants have undertaken a 6-9 months' certification process.
- 75 sales managers participated in the Sales Management Programme, which was developed and implemented in 2017.
- Our Contact Centre Programme was implemented in 2017 to ensure alignment of standards in our customer service, and to develop skills and competencies accordingly.

Examples of our existing initiatives include our HORIZON talent programme, where the proportion of women enrolled in 2017 was high. Furthermore, it is now part of our recruitment processes to include representatives of both genders when interviewing candidates to help address unconscious bias. During 2017, we have also developed a concept for an All for Inclusion network that we plan to launch in 2018.

### Expectations for 2018

- Activate our purpose: We Move for All to Grow.
- Increase focus on attracting talented employees through employer branding.
- Implement unified onboarding package.
- Use Employee Engagement Survey findings to improve employee satisfaction.
- Continue development of training programmes and implement digital elements in training.
- Make progress on diversity commitments and targets through launch of new initiatives.



# Reducing our environmental impact

**We strive to reduce our energy consumption and the environmental impact of our operations and constantly seek innovative and intelligent ways to develop DFDS in a greener direction.**

## **Commitment and practice**

DFDS provides customers with a wide range of transport services through our European shipping and logistics network. DFDS fully recognises the impact these services and activities have on the environment. As stated in our Environmental Policy and Code of Business Conduct, we consider the environmental impact of everything we do and strive to ensure continuous improvements. We also have a specific Health, Safety & Environmental Policy as part of our Global Ship Management System.

DFDS' impact on the environment is mainly associated with the operation of our marine vessels and road transport. Hence, we focus on reducing emissions from ships and trucks, as well as developing and implementing new environmental technology. We also focus on our warehouses, office buildings and terminal operations to reduce our impact on the environment.

We are affected by new climate and environmental legislation, be it national, regional or international. Through trade organisations, such as Danish Shipping and Interferry, and direct participation in fora such as the International Maritime Organization (IMO) and EU, DFDS aims to take timely action to ensure compliance.



At the international level, we consider it likely that the IMO and the EU will promote new and/or stricter legislation. At a regional level, ports served by DFDS may have stricter environmental regulations imposed than national/-international legislation prescribes. DFDS anticipates that the consequences will be in the form of either penalties or discounts on port fees.

### Environmental practices

Local initiatives and employees are the primary driving forces behind our environmental efforts and practices, which include:

- Collecting, monitoring and measuring environmental data from all of our activities.
- Minimising our waste and optimising our waste handling at all facilities and on all vessels.
- Ensuring disposal of assets for recycling in a sustainable manner.
- Cooperating with wider society to reduce emissions from our vessels to limits below the legal requirements.
- Adopting a partnership approach and continuously coming up with innovative ways of solving logistical challenges in an environmentally sound way.
- Implementing good neighbour policies, respecting local environments and populations.
- Communicating openly about our environmental footprint and ongoing plans to reduce impact.

### Initiatives and results

#### Monitoring CO<sub>2</sub> emissions

In 2017, DFDS' total CO<sub>2</sub> emissions amounted to 1,597,000 tonnes. The ships represent 96% of DFDS' total CO<sub>2</sub> emissions and therefore warrant extra attention. Compared to 2016, this is an increase of 3.9%.

The increase is due to increased shipping activities as the total distance sailed increased by 6%, and the number of vessel days increased by 10% in 2017. However, this does not alter the fact that our ships are reducing their emissions, as the average consumption per unit per mile sailed keeps falling, as can be seen in the figure below. Continued reductions in fuel consumption and CO<sub>2</sub> emissions are a target that continues to be of importance to us from environmental, compliance and financial perspectives.

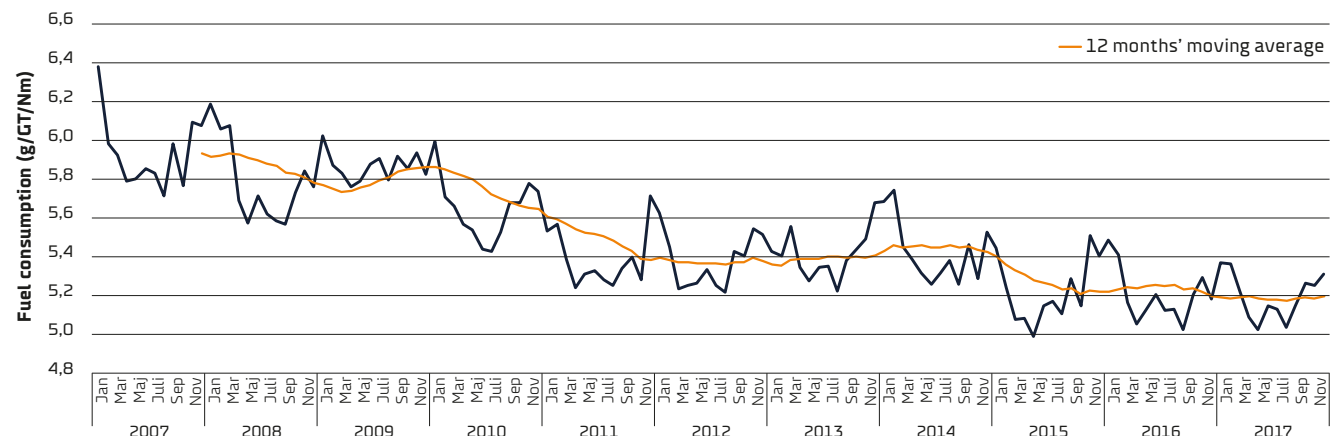
On 1 January 2018, the EU Monitoring, Reporting and Verification (MRV) system on CO<sub>2</sub> emissions commenced. We prepared for this during 2017 and have all systems and procedures in place. The IMO has agreed to a similar CO<sub>2</sub> data collection system to take effect on 1 January 2019. Compared to the EU system, there are significant variances, and we plan to run the two systems in parallel.

### Accounting for our CO<sub>2</sub> emissions

DFDS records CO<sub>2</sub>e emissions covering scope 1 and 2 as defined in the Greenhouse Gas (GHG) Protocol. We include all DFDS sites, vessels and trucks and record fuel consumption using an ISO 14064-certified software tool to calculate the CO<sub>2</sub>e emissions.

In 2017, the EU agreed not to include shipping in the EU Emissions Trading System (ETS) and to leave the GHG reduction efforts to the IMO's Marine Environment Protection Committee (MEPC). This is a decision we welcome.

Average fuel consumption of the DFDS fleet



We have measured the CO<sub>2</sub> emissions based on our vessels' fuel consumption over the past 10 years. As seen, we are continuing to decrease the average fuel consumption of the DFDS fleet.

Risk to DFDS	DFDS' mitigating actions
<b>CO<sub>2</sub> levy, global</b> (rating 8) Globally impose levy on CO <sub>2</sub> to motivate companies to reduce GHG emissions.	Through trade, organisations argue for a fair system that ensures a level playing field and can be effectively controlled. In due course, communicate with stakeholders about changes so they also can prepare for new scenarios.
<b>Mandatory slow steaming, global/national</b> (rating 8) Impose mandatory speed restrictions on vessels.	Follow discussion at national and supranational level. Should the matter be tabled engage in discussions on the potential consequences of the imposed restrictions and ensure level playing field.
<b>Legislation on retrofitting, global/EU</b> (rating 7) New environmental legislation requiring retrofitting to ships or rolling stock.	Follow political developments in the EU and at MEPC through direct participation or through trade organisations such as shipowners' associations and Interferry to ensure early detection of political trends.
<b>CO<sub>2</sub> levy, EU/national</b> (rating 7) EU/national implementation of levy on CO <sub>2</sub> to motivate companies to reduce GHG.	Follow discussions in EU and national fora and lobby for any decision on a CO <sub>2</sub> levy to be global to ensure it is implemented practically and effectively. Join forces with other like-minded bodies in the lobbying efforts.
<b>Compulsory shore power, national</b> (rating 7) Compulsory use of shore power connections in one or more key ports.	Engage in dialogue with ports, other stakeholders and trade conferences to continue to table alternatives to shore power that have the same – or better – effects on the underlying problem that shore power is intended to solve.
<b>Increase in weather severity</b> (rating 7) More violent and frequent storms and flooding affect ship scheduling and terminals' workability.	Ensure that flood protection plans are updated for all key terminals – both those operated by DFDS and where DFDS has major business and engage with business partners to ensure they are well prepared for severe weather events.a
<b>Ban on diesel cars/trucks in cities, national</b> (rating 7) Temporary ban on diesel vehicles in one or more major cities effecting haulage deliveries.	Follow local developments and adapt truck fleet as required.
<b>CO<sub>2</sub> limits per vessel, EU</b> (rating 7) Use of ships' performance data (EU MRV) as benchmark to set individual vessels' emissions limits.	Keep up pressure on MEPC to ensure action at global level. Should this fail, execute a communication strategy to highlight the unbalanced impact such a measure would have on shipping.
<b>Autonomous trucks</b> (rating 7) Feasibility and environmental performance of autonomous trucks compared to short-sea transport.	Follow development and engage in dialogue with major truck manufacturers.



## Environment and climate risks

We maintain an environment and climate risk matrix, where we assess and rate issues against the likelihood of occurrence and the economic and reputational impact on DFDS. Below are the biggest risks identified in 2017, rated 7-9 on a scale from 1 to 9.

### Ship-shore initiatives

During 2017, we implemented a ship-shore initiative, which aims to optimise the time our ships stay in port. This results in more time at sea, which has both financial and environmental benefits. Employees at sea and in the ports have been able to reduce the ships' port time, which enables the ships to sail to their destination at a slower speed and save fuel. One example is from DFDS in Felixstowe, UK, which handles three departures a day. Despite increases in shipping volumes, they managed to gain nine minutes per cargo operation when loading and unloading the ships.

### Ballast water management

The MEPC, which addresses environmental issues under the IMO's remit, has decided to relax the implementation schedule for mandatory fitting of ballast water cleaning systems for ships over 400 GT. Globally, this applies to around 60,000 ships. Four of our ships have been retrofitted and we have taken note of this revised timetable in our fleet's upgrading.

### Ship recycling policy

Both the EU and IMO have dedicated ship recycling policies. Since 2013, DFDS has had a bespoke ship recycling policy, which we will align with the EU and IMO legislation. Part of the initial work will be to complete the documentation of the required Inventory of Hazardous Materials (IHM). The work must be completed by the end of 2020. No DFDS ships were recycled in 2017.

### Waste management

Over the past couple of years DFDS has increased its focus on waste management at our headquarters, DFDS House, and at our terminals in Copenhagen, Denmark. This has resulted in significant cost reductions as we have reduced waste through increased reuse and recycling.

### Piloting biofuels in trucks

DFDS strives to provide environmentally friendly multimodal transport solutions and, during 2017, DFDS decided to transition to the use of biofuels for the Swedish truck fleet, which consists of 100 trucks. In 2017, more than 80% of the Swedish fleet was using 100% biofuel on a frequent basis and the rest were using a blend variant.

### Haulage drive improvements

Through a major initiative involving all our logistics offices, we have worked to reduce empty kilometres for DFDS trucks as well as our sub-contractors. In 2017, we managed to reduce the percentage of empty kilometres driven by more than 5%. On top of this, we have launched a new truck management system for DFDS trucks, which

among other things, will monitor driver behaviour related to safety as well as fuel savings.

In 2017, DFDS has also invested in more than 1,000 new trailers as well as 150 new low-emission trucks to ensure reliable customer services and reduce the environmental impact.

### Expectations for 2018

- Prepare EU MRV data collection for the first year of reporting in 2018.
- Prepare for IMO system on fuel oil data collection for reporting coming into effect in 2019.
- Prepare IHS documentation for relevant ships.
- Decrease the percentage of empty kilometres driven by DFDS trucks by a further 5%.
- Invest in new SMART data tools to provide DFDS' planners with information to make better choices and thereby reduce both empty running and excessive equipment.
- Implement new truck management systems across the entire DFDS fleet of trucks.





# Creating **value** for our **customers**

**We constantly work to improve the customer experience for our freight customers and passengers and our focus is driven by the principles of DFDS' Guiding Star for each customer segment.**

## **Commitment and practice**

We service over 8,000 freight customers by providing efficient shipping and port terminal services, as well as transport and logistics services, and we provide safe overnight and short-sea ferry services for more than six million passengers annually.

THE DFDS WAY and our Code of Business Conduct (see p. 4) make up our overall behavioural guidance in our engagement with customers across our divisions and corporate service functions. To enable customers and other stakeholders to feel confident about our way of operating, we have made our Code of Business Conduct publicly available.

For each of our two customer segments we have a DFDS Guiding Star with principles outlining our customer focus to help us improve our customer practice and achieve high customer satisfaction. We constantly work to develop our customer focus concepts to understand even better the future needs of our customers, and we tailor our initiatives to the customer segments as outlined below.



# Freight customers

## Initiatives and results

### Customer satisfaction and feedback

Our aim is to be recognised as the preferred supplier in our dealings with freight customers and customer surveys are important measurement tools for us. We generally have high customer satisfaction and in 2017, we aimed to improve our scores in net promoter customer satisfaction as well as increase the number of responses in our survey compared to 2016. We managed to gain the same high number of responses in 2017 and we performed well, although not to the same high level as in 2016.

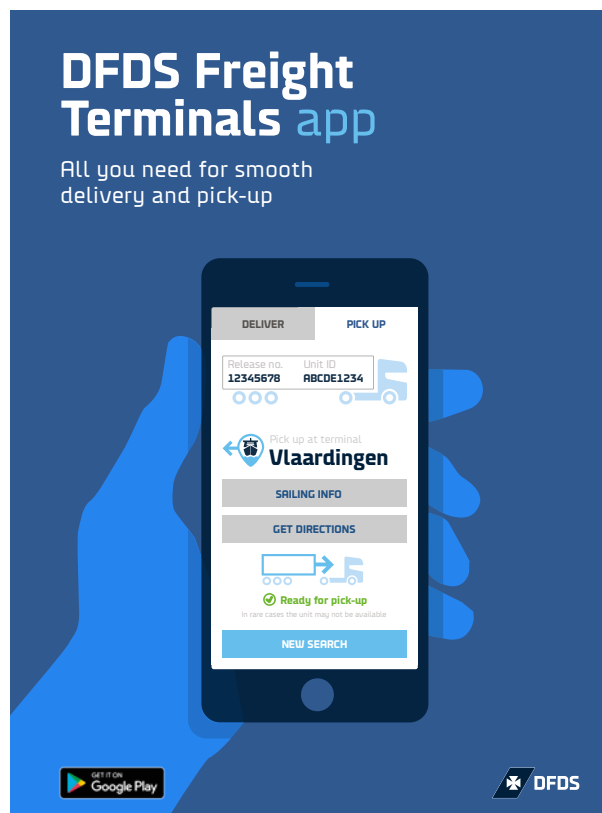
In 2017, DFDS set a target to become even better at meeting customer demands in order to support and continue the positive trend seen in our surveys over the past years. As a result, DFDS invested in more time face to face with customers. The feedback showed that the customers want us to focus on being an active business partner and to deliver new and optimised digital solutions.

### Improved digital customer journeys

In 2017, we continued the digital transformation of DFDS across our shipping freight and logistics services. We use

## Digital advances within shipping freight and logistics

- Developed and launched My DFDS Freight app(s) – Ferry Alerts and Terminals.
- Improved digital connectivity with our customers.
- Launched new versions of My Freight Portal and My Logistics Portal (booking portals) with new features, such as live track-and-trace.
- Developed new enhanced added-value products and services portfolio as a new business service.
- Identified and realised digital opportunities at DFDS' terminals.



computer robots to remove manual and trivial tasks from our operations and we continue to develop new online tools for our customers and support customer awareness regarding digital impact and opportunities within the shipping and logistics sector.

During the year, we provided our customers with Electronic Data Interchange (EDI) solutions to ensure that vital shipping information is securely transferred from the customer's systems to DFDS' operating systems. Furthermore, our customers can now receive live GPS updates on the position of our trucks. This provides a transparent overview of their supply chain, which can be used for further optimisation.

## Expectations for 2018

- Increase live connectivity for customers through portals as well as EDI connections etc.
- Invest in communication tools to ensure fast and accurate communication with customers.
- Continue to realise digital opportunities at DFDS' terminals.

# Passengers

## Initiatives and results

### Training and surveys

We want to offer our passengers an experience that meets or exceeds their expectations. To this end, we train our crew to engage with customers through our internal service level agreement programme and help them to keep customers satisfied and solve problems as they occur. We monitor customer satisfaction through surveys where we annually ask approximately 80,000 passengers for their opinions to gain a deeper understanding of their needs. Our customer satisfaction is high, and we use their insights to serve as a basis for continuous improvement in our day-to-day operations and services on board. Based on customer feedback, we have increased our efforts to reduce food waste in our restaurants in the past two years with good results.

### Digital transformation

It is part of our strategy to attract more passengers and grow our passenger business. Our digital sales and services are key to this. Today, more than 80% book and purchase their journeys online, and the increasing demand for easy and reliable online services is expected to continue. DFDS is in the midst of a digital transformation to meet our customers' demands and a new step is to replace our passenger websites with a unified website, DFDS.com. This follows our organisational change in 2017, where we moved our passenger business from a country-based structure to a centralised and more functional structure.

During 2017, we further developed our passenger apps to cover more cruise ferry routes, and developed and launched our new passenger booking system Seabook on two of our cruise ferry routes. We have also developed and implemented LS Retail, a new sales system for shops, restaurants and bars on all passenger ships. It allows us to serve customers in any of our sales outlets, with the ability to order and pay on the spot. The systems will help us deliver highly connected, value-enhancing customer experiences.

#### Data protection

As part of our ongoing customer improvement initiatives, we address customers' needs through analyses of customer information with due consideration to data protection. DFDS respects data privacy and complies with the European Data Protection Directive as well as with the national data protection acts in the countries in which we operate. DFDS further follows the mandates of the proposed European General Data Protection Regulation to ensure compliance with new regulations.

#### Passenger rights

DFDS complies with the European Maritime Passenger Rights Regulations. In accordance with the regulations, we ensure that assistance is offered to disabled passengers and to those with reduced mobility. We support passengers with special needs from booking to port facilities and, ultimately, their voyages on board our ships. As also required, DFDS provides transparency in pricing across

countries and the entitlement of passengers to certain rights in the event of delays or cancellations.

#### Keeping passengers informed

We place high priority on keeping passengers informed throughout their journey. Much of this communication takes place directly at check-in and on board the ships, but increasingly we communicate before and after the journey via email, internet and social media. We have guidelines to ensure consistency across the communication channels. In case of complaints, we seek to handle them on board if possible. In case of major disruption to services, we inform passengers directly via texts, email or telephone.

#### Expectations for 2018

- Implement new marketing tools that allow us to tailor our offers based on survey information the customer has allowed us to retain.
- Continue development and implementation of our passenger booking system Seabook and our point of sales system LS Retail on our passenger routes.
- Replace our 17 passenger websites with a unified website, DFDS.com.



#### Recognition

- DFDS' customer focus has been recognised with several awards. In 2017, these included:
- World Travel Awards Winner: 'World's Leading Ferry Operator'. This was the seventh consecutive year we won this award.
- World Travel Awards Winner: 'Europe's Leading Ferry Operator'. This was the eleventh consecutive year we won this award.

# Responsible procurement

**We expect our suppliers to follow our Supplier Code of Conduct and we continue to work with IMPA ACT self-assessment as part of our responsible procurement practice.**

## Commitment and practice

DFDS' annual sourcing of goods and services amounts to more than DKK 9 billion from more than 15,000 suppliers. For our ships alone, we issue around 5,000 purchase orders per month. Via our purchasing practices, DFDS may cause or contribute to adverse impacts on human rights including labour rights, environmental and anti-corruption principles in the supply chain. To minimise the risk of adverse impact we primarily source from European suppliers using the DFDS Supplier Code of Conduct, which is publicly available.

We aim to include our Supplier Code of Conduct in all our contracts. The DFDS Supplier Code of Conduct incorporates the code developed in cooperation with IMPA. Here, our suppliers agree to conform to the code and adhere to all applicable laws, rules and regulations where they operate. The supplier is requested to have policies and procedures in place to:

- Respect internationally recognised human rights, including labour rights.
- Address significant impacts on the environment.
- Counter corrupt practices.

The requirements are similar to those that we impose on ourselves through DFDS' Code of Business Conduct (see p. 5). As stated in the code, DFDS considers the offer of bribes, whether directly or through third parties,

unacceptable and we are committed to working towards the elimination of facilitation payments.

DFDS Group Procurement leads all major tenders and negotiations and concludes procurement contracts related to goods and services covering the entire DFDS Group. In accordance with our Supplier Code of Conduct, all procurement of goods and services is done on an objective basis. This means that selecting suppliers and products most suited for the purpose is evaluated objectively using factors such as price and quality, including delivery and payment terms.

## Initiatives and results

### *Increased transparency through e-sourcing and e-auctions*

As an objective and transparent way of choosing a supplier, while still getting the best conditions for DFDS, we started to embrace procurement tools such as e-sourcing and e-auctions in 2013. E-sourcing is now a standard for our tendering and we have continued the roll-out of the approach to a few new categories in 2017.

In a CSR context, the tools are helpful in managing grey zones and avoiding bribery.

### *IMPA ACT suppliers and self-assessments*

IMPA ACT allows members to access a common database containing information about suppliers who have been through a vetting process and are therefore deemed to comply with the Supplier Code of Conduct. Our spending in 2017 from the list of 26 IMPA ACT suppliers was around DKK 170 million, which represents about 17% of our supplier spending required for the operation of our ships.

In 2016, DFDS introduced the IMPA ACT Supplier Self-Assessment Survey with the first of our strategic suppliers. In 2017, we continued this work with the second of our strategic suppliers. Through self-assessment, we gain a clearer understanding of whether the supplier is on the right track in ensuring compliance with our Supplier Code of Conduct, or whether we need to engage more thoroughly with the supplier. Fewer than 10 of our suppliers are categorised as strategic.

## IMPA ACT - improving CSR in the shipping and marine industry

IMPA ACT is an independent initiative of the International Marine Purchasing Association (IMPA) that seeks to improve the economic, social and environmental compliance of its ship purchaser and supplier members through a responsible supply chain management programme. DFDS joined IMPA ACT in 2015.

At the core of the programme is the IMPA ACT Supplier Code of Conduct. The code represents current best practice by incorporating both the UN Global Compact principles on core labour rights, the environment and anti-corruption, and the UN Guiding Principles on Business and Human Rights.

Many shipping companies share the same suppliers and a standardised common system helps to ensure compliance throughout the industry. It also decreases bureaucracy and is cost-effective. For example, shipping companies benefit from their peers' assessment of joint suppliers and the suppliers only have to focus on one code of conduct.





#### *Makers management and owner benefits*

During 2016, DFDS signed a contract with Jinling shipyard in China to build a minimum of two ro-ro vessels (roll-on/roll-off ships used to carry wheeled cargo such as cars, trucks etc.). In close cooperation with our Technical Organisation, we also developed a new procedure for selecting manufacturers for critical categories and agreed on a governance mechanism for manufacturer selection with the shipyard. In practice, this ensures that DFDS has a high degree of influence and can control the manufacturer selection for key equipment, which helps us minimise the risk of adverse impact in our supply chain.

We initiated the programme in 2016 and continued in 2017, to include negotiating owner benefits from key manufacturers selected for our newbuilding programme. The owner benefits range from commission fees, credit vouchers and extended warranties to free training, spare parts and services. The owner benefits are a direct value addition to DFDS from the competitive supplier market for being part of a newbuilding project.

#### **Expectations for 2018**

- Formally include CSR as a fixed agenda item in strategic supplier meetings.
- Continue to embrace technology and digitisation in the development of efficient procurement tools, including the use of e-sourcing and e-auctions where these are suitable methods.
- Continue to roll out the IMPACT self-assessments among our strategic suppliers.
- Continue the manufacturer management and owner benefits programme.



# Supporting local communities and initiatives

**We support people in need and take an active interest in community issues through targeted programmes and initiatives in the communities in which we operate.**

## Commitment and practice

Each year, we transport about 2.5 million trucks and trailers through communities close to port terminals and other facilities operated by DFDS in and around the Baltic Sea, the North Sea and the English Channel. We also serve about six million passengers who pass through such communities, many of them in their cars.

In many of these communities, we are part of the local life and we take an active interest in community issues, including job creation and supporting community initiatives. As outlined in our Code of Business Conduct, we accept community support and donations, be these in-kind services, knowledge, services or direct financial contributions. We are careful to ensure that any donation or sponsorship is not used as a disguise for bribery.

It is part of our conduct that donations and sponsorships are reported to the line manager and that amounts in excess of a specific level must be approved by our CEO or CFO.

## Initiatives and results

### DFDS' pink initiatives against breast cancer

In 2016, DFDS started to activate its network to

contribute to the fight against breast cancer. We introduced a pink trailer, which carries goods throughout most of Europe. For each 10 km driven, DFDS donates EUR 1 to the charity Breast Cancer Now in the UK. By the end of 2017, the trailer had covered more than 26,000 km.

Our passengers can also support the cause by donating money when they book a journey with us. We have different local initiatives such as the Pink Lunch for passengers in the Netherlands, while in Denmark, we have pink balloons. Customers can write a message on the balloon to someone they hold dear who has fought or is fighting breast cancer. We donate the money to breast cancer organisations in the countries where the money is raised.

*"For many years, we have enjoyed a great deal of cooperation with DFDS, which has provided important opportunities for our young people. Many of the young people who ask High:five for help to move on in life need to get away from their normal environment, and at DFDS they get the clear structure and supportive environment they need,"*

**Ole Hessel, Director of High:five**

### Helping young people leave a life of crime

DFDS works closely with High:five in Denmark. High:five is a programme that finds jobs in private companies for young people with criminal records and offers them a way back to a crime-free life. Since DFDS joined the programme



in 2009, we have employed 47 former criminals, mainly on our ships on the route from Oslo, Norway, to Copenhagen, Denmark.

In 2017, DFDS opened the doors to four young people from High:five. At the end of 2017, two of the young people were working for us, one in a permanent job and the other close to permanent employment. One candidate stopped after 11 months in a job on our ship Pearl Seaways after some problems, but we are looking into opportunities for a day-to-day job on board our ship Crown Seaways. The final candidate stopped after six months of work due to collaboration problems.

DFDS has a leading role in the programme as Henrik Holck, EVP of DFDS' People & Ships Division, is Chairman of High:five. About 80% of the participants in the programme permanently give up a life of crime.

### Improving employees' health and well-being

In partnership with the Danish union Dansk Metal and its maritime division (Metal Maritime), DFDS established the foundation Den Sociale Arbejdsmarkedsfond to provide financial support to those of our employees covered by DFDS' agreements with Metal Maritime. Through the scheme, employees can apply to work part-time if, for health reasons, they are unable to work full-time. The agreement is unique to the Danish labour market.

In 2017, 18 employees benefitted from the scheme. This includes employees who were offered a place in an extensive loss-weight programme to help them improve their health and well-being. The scheme also benefitted employees who needed time off to take care of seriously ill relatives as well as colleagues who needed to reduce their workload for health reasons.

#### *Opportunities for young people*

DFDS has taken a leading role in a UK apprenticeship programme that has been running since 2012. Apprenticeships are offered in partnership with the UK's Merchant Navy Training Board (MNTB), the shipping industry's central body for promoting and developing sector-specific education and training skills.

In 2012, DFDS was the first UK ferry operator to offer an apprenticeship scheme with the first cohort of apprentices and in 2017, we were the first to offer a new maritime caterer apprenticeship programme. The new programme is aimed at 17-24 year olds with a minimum of C grade in Maths and English at General Certificate of Secondary Education level. Unions and communities in the South East of the UK have welcomed the programme as it offers opportunities to the younger generation in a region with few opportunities. It also supports the maritime industry where, in the UK, 70% of all ratings employed are over the age of 40.

DFDS is also in partnership with a Kent-based college in the UK to engage with people and businesses where we operate. We also engage with the local schools to help children get work experience on the ships and on land so they have a better platform for making educational and career choices.

#### *Christmas lunch for homeless people*

For eight consecutive years, DFDS has offered a free Christmas lunch to homeless people on board our passenger ships in Copenhagen, Denmark and in Oslo, Norway. We issue invitations in collaboration with the charities WeShelter in Denmark, the Church City Mission

and the Salvation Army in Norway. The lunch is partly organised on a voluntary basis by DFDS employees. In 2017, about 600 homeless people accepted the invitation, and leftover food from the event was donated to the local shelters.

#### *Engaging in environmental protection*

An example of a new engagement is DFDS' sponsorship of the Boskalis Beach Clean-up Tour 2017 van Stichting De Noordzee in Holland. In addition to sponsorship of EUR 10,000, DFDS employees were among the 142 volunteers who participated in the clean-up of the 12 km stretch of coast. Some 947 kg of waste was collected from the beach.

We hosted the day together with the environmental organisation ORCA. ORCA is also a partner with DFDS in a programme capturing data on marine wildlife and monitoring of marine mammals and the health of the sea from our passenger ships sailing between IJmuiden, Holland, and Newcastle, UK. We give ORCA free travel for one of their employees who is permanently on board the ferries.

In 2017, our combined freight and passenger ship Victoria Seaways also hosted equipment from the German research organisation Fraunhofer Institute for Wind Energy and Energy System Technology. For several months, the equipment measured wind to create data for a European wind atlas showing potential hotspots for wind turbines on the ships sailing the route between Kiel, Germany, and Klaipėda, Lithuania.

DFDS also supported a scientific programme run by the German polar and marine research organisation, the Alfred Wegener Institute, by donating sea transport on Princess Seaways for researchers on the highSEA programme to examine marine algae species.

#### **Expectations for 2018**

- Continue our pink initiatives against breast cancer.
- Engage with High:five to look into opportunities for recruitment of a ship assistant.

- Continue to offer apprenticeships in partnership with MNTB.
- Engage with local charities to offer a free Christmas lunch to homeless people.

#### **Employees engaged in donations and raising funds**

DFDS appreciates and encourages the many initiatives taken by our employees to raise funds for charity or supporting local communities in need. Here are a few examples from 2017:

- Employees in Newcastle, UK, donated essential items to the local BAY Foodbank, which provides emergency food provision to individuals or families experiencing a financial crisis.
- Employees in Poznan, Poland, participated in the global charity event Wings for Life World Run. The event supports spinal cord research projects and clinical trials. Employees also entered other runs for charity in Dieppe and Paris, France and in IJmuiden, Holland.
- Employees supported the European campaign for the fight against breast cancer by donating EUR 1 per 100 steps walked during the annual ITB travel fair in Berlin, Germany.
- Further funding for charities was raised through employees engaged in charity football, golf and other sports events in Dieppe and Paris, France; Grimsby, Immingham and Newhaven, UK; Klaipėda, Lithuania; Ghent, Belgium and in Vlaardingen and IJmuiden, Holland, to support the fight against breast cancer, pancreatic cancer and other diseases.

Together with DFDS' main shareholder, the Lauritzen Foundation, DFDS also supported surgery on a little girl, the daughter of a crewmember in the Philippines, who was suffering from a life-threatening heart disease.

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