



UN Global Compact

COMMUNICATION ON PROGRESS 2010





TABLE OF CONTENTS

| | |
|--|----|
| Message from the CEO..... | 3 |
| Highlights on sustainability at Santa Fe Relocation Services | 4 |
| UNGC progress matrix..... | 5 |
| People bottom line (UNGC principles 1-6)..... | 6 |
| Planet bottom line (UNGC principles 7-9)..... | 9 |
| Profit bottom line (UNGC principle 10)..... | 11 |

MESSAGE FROM THE CEO

Santa Fe Relocation Services is delighted to present its first Global Compact communication on progress to our stakeholders who ensure the continued success of our company.

Santa Fe Relocation Services is a global and multicultural group, offering global relocation services to more than 64,000 families annually to all parts of the world. We are fully aware of the responsibility we bear towards our customers, shareholders, employees and the communities in which we operate. Therefore, we have established a strict set of ethical values to guide us in our business operations based on the ten principles of the UN Global Compact regarding people, planet and profit. Moreover, our environmental sustainability efforts are externally audited by DNV on an annual basis. As our business stretches across 15 countries, we are using international minimum standards as a framework to bridge the local regulations that differ from country to country.

Our goal is not just to maintain and improve our position as the market leader in the relocation services industry, but we also aspire to be the industry leader in Corporate Social Responsibility (CSR) in Asia-Pacific. At Santa Fe, we see sustainability as everyone's responsibility; therefore, we need to ensure that our 1,950 employees fully embrace and support the company's initiative and constantly focus on continual improvement.

During 2009 and 2010, we made progress by bringing together our management team with professional CSR consultants and thus created a framework to implement consistent application of the UNGC principles across the entire organisation. In June 2010 our Corporate Headquarters and our Hong Kong operation completed its implementation. Our offices in Singapore, China and Indonesia are in the implementation phase and scheduled to be up and running regarding a systematic and comprehensive sustainability approach by the end of the first quarter of 2011. Our offices in India, Japan, Korea, Malaysia, Philippines, Taiwan, Thailand, UAE, Vietnam and Australia will start implementation in 2011.



A stylized, handwritten signature of Lars Lykke Iversen in red ink, positioned below the portrait.

Lars Lykke Iversen
CEO

Our Mission: We make it easy

Our Vision: Deliver sustainable value
through innovation

Our Values: Quality, efficiency and people

HIGHLIGHTS ON SUSTAINABILITY AT SANTA FE

RELOCATION SERVICES

Relocating more than 24,000 families in 2010 to all parts of the world, Santa Fe Relocation Services is a major globalisation player by facilitating a transfer of skills and competences to markets where they are most needed. Being a key player in the moving and relocation industry brings opportunities and challenges; opportunities to use our key competences in logistics to the benefit of the communities where we operate and challenges primarily regarding reduction of the environmental impact of our operations.

A major achievement in 2010 was the implementation of a whistle blower system and a grievance mechanism to further support the CSR roll-out and ongoing CSR compliance management. In 2010 Santa Fe also saw evidence that CSR is increasingly becoming a parameter of competition as a service provider to multinational corporations.

People: High standards for high quality

Our employees are key to our success. To maintain our high quality standards that result from employee satisfaction and low employee turnover we among others support a work environment conducive to good health and strive to be an exemplary employer.

One of our major interests is to help people in need by drawing upon our core areas of expertise, providing support to fund raising activities and donating to worthy causes in the regions in which we operate.

Santa Fe is active in a variety of community events and charitable organisations. This is done to create goodwill, motivate staff and improve the world in which we live. In all markets where Santa Fe is present, we sponsor chambers and other expatriate organisations that are dedicated to fostering international business and social relationships. Some of the community organisations supported by Santa Fe include women's groups, crisis help-lines, international schools, amateur arts organisations, non-profit organisations, sports leagues, Crossroads International, Goodwill, OXFAM and the Johns Hopkins Research Fund, which focuses on the research and treatment of breast cancer. Santa Fe contributes USD 10 per move to Johns Hopkins and is proud to have raised over USD 1.2 million for the Breast Cancer Fund.

Santa Fe and our employees also contribute to many local community-based projects throughout the region.

Planet: An industry challenge and priority

As a leader in logistics, we feel a particular obligation to help tackle the causes of climate change. That is why we became ISO14001 certified in 2002 and created specific objectives with continual improvement targets to reduce our carbon footprint.

Profit: Compliance with international anti-bribery standards

Economic responsibility has always been a part of Santa Fe's culture to conduct our business in a responsible and ethical manner. We are known for being trustworthy, transparent, a responsible business partner and having a zero-tolerance approach to corruption and bribery in all forms

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SANTA FE POLICY

UNGC PROGRESS MATRIX

| Principles | Commitment | Systems | Actions | Results |
|--|---|---|---|---|
| <p>People</p> <p>Principle 1: Support and respect the protection of internationally proclaimed human rights.</p> <p>Principle 2: Make sure that we are not complicit in human rights abuses.</p> <p>Principle 3: Support freedom of association and the right to collective bargaining.</p> <p>Principle 4: Support elimination of all forms of forced and compulsory labor.</p> <p>Principle 5: Support the effective abolition of child labor.</p> <p>Principle 6: Support elimination of discrimination in respect of employment and occupation.</p> | <p>To continuously monitor our governance system to ensure compliance with basic human rights standards within our organisation and with those whom we interact - UN Global Compact Principles 1-6.</p> <p>2011: Creating online training modules for key principles – discrimination, corruption, data protection and business ethics.</p> <p>Improving group data collection.</p> <p>Recruitment of a Group Talent Manager.</p> <p>Gap analysis – UNGC principles in remaining countries.</p> | <p>CSR standards incorporated into Occupational Health & Safety Work Instruction, Employee Manual and ISO 9001.</p> <p>ISO 27001 Customer and staff data protection.</p> <p>Grievance mechanism for staff.</p> <p>Supplier Code of Conduct.</p> | <p>Created and rolled out Supplier Code of Conduct to all suppliers of Hong Kong operations.</p> <p>Grievance mechanism created for staff.</p> <p>Revised and updated employee manual and ISO documents to incorporate UNGC principles; staff training.</p> <p>Gap analysis – UNGC principles (Hong Kong , Singapore, China and Indonesia).</p> <p>External audit by DNV – measure ISO standards.</p> | <p>Increased employee motivation, retention and positive customer feedback.</p> <p>High standards increase our reputation as responsible service provider; lead to differentiation.</p> |
| <p>Planet:</p> <p>Principle 7: Support a precautionary approach to environmental challenges.</p> <p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p> | <p>To reduce the negative impact of our business on the environment; to meet or exceed regulatory requirements; and to continuously seek to improve our processes to achieve higher standards – UN Global Compact Principles 7-9.</p> <p>2011: Improving group data collection.</p> | <p>ISO 14001 Environmental work instructions and specific objectives.</p> <p>External audits.</p> | <p>Revised and updated employee manual and ISO documents to incorporate UNGC principles; and staff training.</p> <p>Gap analysis – UNGC principles (Hong Kong , Singapore, China and Indonesia).</p> <p>External audit by DNV – measure ISO standards.</p> | <p>100 % of Hong Kong's packing materials are reused and / or recycled.</p> <p>Cost savings: Fuel consumption decrease of 9.5 % despite volume increase of 16.4 %.</p> |
| <p>Profit:</p> <p>Principle 10: Work against corruption in all its forms, including extortion and bribery.</p> | <p>Apply a zero tolerance approach with respect to corruption, extortion and bribery. 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 – UN Global Compact Principle 10.</p> <p>2011: Online training modules.</p> | <p>Whistle blowing system created for all staff.</p> <p>Supplier Code of Conduct.</p> <p>Employee manual and training.</p> | <p>Revised and updated employee manual and ISO documents to incorporate UNGC principles.</p> <p>Provided confidential whistle blower mechanism to all employees.</p> <p>Prohibited bribery and extortion in Supplier Code of Conduct.</p> | <p>Improved risk management within the organisation.</p> |

THE 10 PRINCIPLES: OUR PROGRESS

PEOPLE: UNGC PRINCIPLES 1-6

Human Rights

We respect human rights within our area of influence and operate our business in such a way as to make us an exemplary employer. In addition, as one of the largest employers in our industry we support a work environment conducive to good health. This helps us to maintain the high quality standards that result from employee satisfaction and low employee turnover.

The employee manual, which contains clear guidelines and rules for everyone working in any of our regions and business units, was reviewed and updated in 2010 to reflect our CSR commitments.

Grievance mechanism

To ensure compliance with all our internal policies and regulatory requirements we established a grievance mechanism in 2010. Through this mechanism employees are encouraged to report their concerns regarding conditions of employment, unfair treatment by management, supervisors or other employees, health and safety issues, working conditions or any other work related problem / concern to their immediate supervisor / manager.

Supplier Code of Conduct

We expect all of our suppliers (companies and / or individuals who do business with any Santa Fe company) to adhere to the same ethical principles. For this purpose, Santa Fe has drawn up a Supplier Code of Conduct which sets the standards for doing business with our company. Our Supplier Code of Conduct helps us encourage suppliers to adhere to ethical and environmental standards. It covers areas such as child labor, forced labor, compensation, working hours, discrimination, health and safety, business continuity planning, improper payments / bribery and the environment.

The Supplier Code of Conduct roll out is underway in all offices following the CSR roll out plan and is scheduled to be achieved in 2011. The Supplier Code of Conduct will be included in new procurement contracts including renewals and existing long-term agreements.

Corporate health policy

We actively manage health and safety risks, providing employees with regular information about occupational health and safety, e.g., avoiding accidents and illnesses and maintaining a healthy lifestyle. Our ISO 9001 quality manual and employee manual include work instructions for Health & Safety.

In 2011 we will introduce group-wide definitions of key performance indicators (KPIs) such as accident and sickness figures. The KPIs facilitate more precise and systematic recording and analysis of all sickness-related absences and accident rates for all the countries in which we operate.



| Occupation health and safety (Hong Kong) | 2009 | 2010 |
|--|------|------|
| Work related injuries | 12 | 16 |
| Number of days off due to accidents | 137 | 380 |
| Number of work related fatalities | 0 | 0 |

The increase in work related injuries is due to three cases resulting from field work which caused sick days of 137, 92 and 30 days respectively. To improve these figures for 2011 they will be discussed during the annual supervisors, crew and drivers meetings where health and safety issues are reviewed and it will be assessed if more health and safety training is required to decrease work related injuries.

To prepare for pandemics we have established company-wide pandemic preparedness plans which we systematically refine and update. In these documents, we provide counsel as to how the risk of infection can be recognised and objectively evaluated as well as how to protect employees, customers and the general public from further infection in the event of an infectious outbreak.

Labor standards

We respect the basic principles of the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, in accordance with national laws and practices.

Skills, performance and ethical conduct shall be our only indicators for employee qualification. We will not tolerate discrimination with respect to gender, race, religion, age, disability, sexual orientation, national origin, social status or any other protected discrimination grounds.

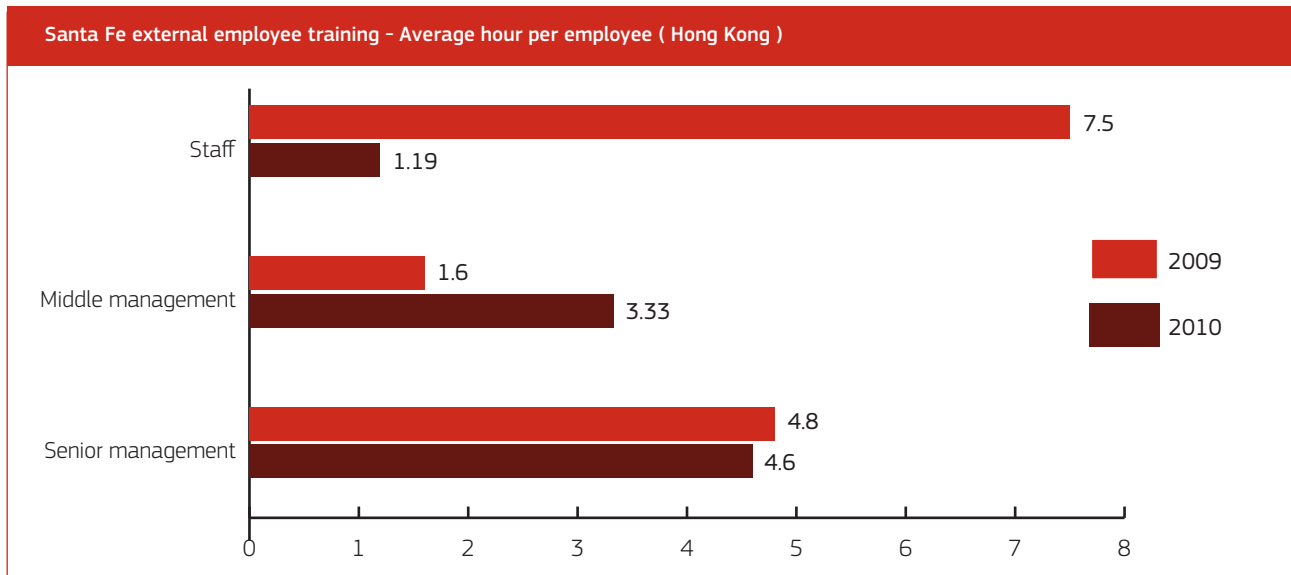
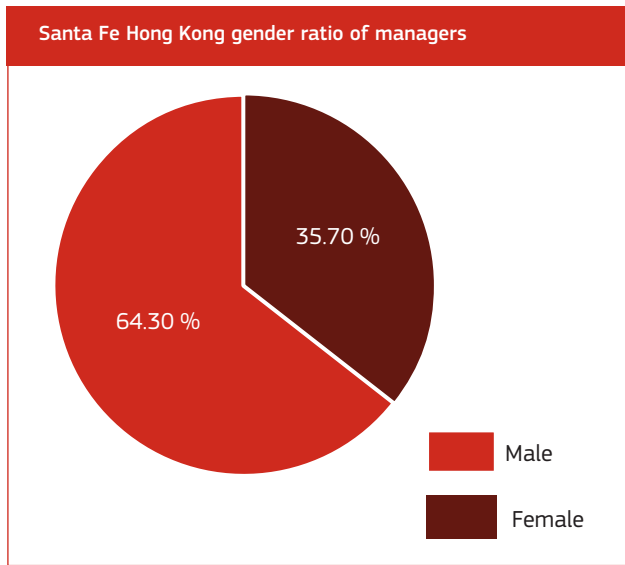
Santa Fe's Supplier Code of Conduct explicitly forbids child labor, forced labor and discrimination and stresses the importance of core labor principles.

Training

Santa Fe is committed to on-going training of all employees and consistent delivery of 'world class' service. This quality can be achieved only through a proactive, managed training and development programme, reviewed and supported by our head office in Hong Kong. Our induction programme for all staff regardless of grade covers the following key areas:

- Health and Safety training and procedures
- The quality programmes ISO 9001/14001/ISO27001 and their policies
- HR Issues – including discrimination, corruption and data security
- Company profile / policies
- Customer service, sales, service delivery, insurance, etc.

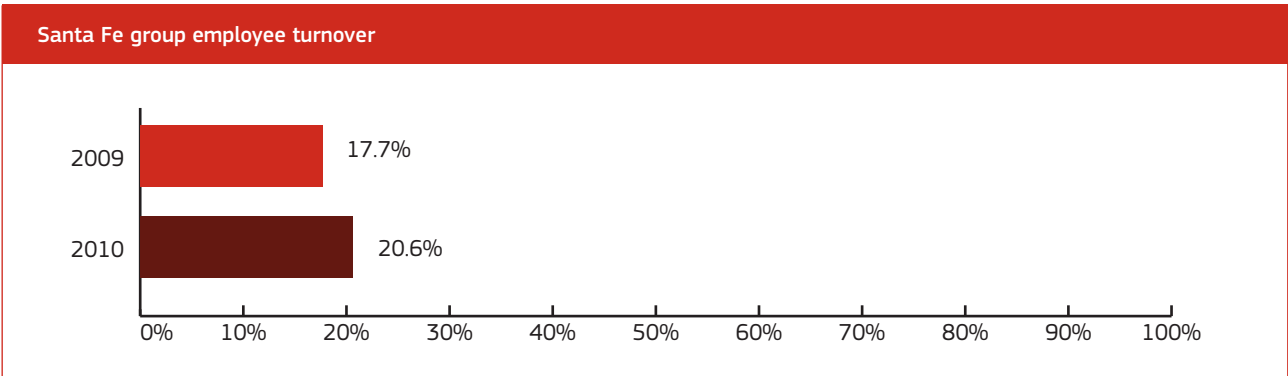
All employees are encouraged to further their careers and development through recognised qualifications. For example, we currently have employees studying for examinations in areas as diverse as finance, business management, sales management, customer service, English and real estate. Santa Fe has for many years run an exchange programme allowing team members from across the region to experience working in another country.



The decrease in 2010 in employee training for staff compared to 2009 is mainly due to the postponement of a planned customer service training programme to the first quarter of 2011, and due to a relatively high number of English classes in 2009.

Workplace quality

Santa Fe strives to be the employer of choice for its more than 1,950 employees. Our employees are our greatest asset, and they differentiate our services from those of our competitors. We strive to retain the best and the brightest employees in the industry. Our goal is to increase the average number of years the employee stays with our company (currently 5.3 years) while reducing employee turnover.



The reasons for the increase in employee turnover are primarily due to the closing down of a general cargo function and high turnover rates in China, Malaysia and Dubai where employees with English-speaking abilities are in high demand. To deal with these challenges and to further develop our staff, we have committed to hiring a Talent Manager in 2011.

Educational support in India

Santa Fe India made the decision to educate children of employees who are from economically weak backgrounds, or earning less than INR 15,000 (USD 350) per month. They cover educational expenses for up to three children per employee to an amount of INR 15,000 per annum per child and are currently educating 23 children.

In addition to our other donations, we have organised a 5 kilometer Fun Run at the annual International Association of Movers conference for the past seven years. This year we raised over USD 18,000 at the San Diego conference. This is an event that continues to grow year-on-year and is one of the highlights of the conference.



PLANET: UNGC PRINCIPLES 7-9

Seeking to conserve the environment is at the heart of our sustainability work. Responding to climate change is our number one environmental priority - we want to help preserve the environment for future generations.

Reducing emissions and resource consumption

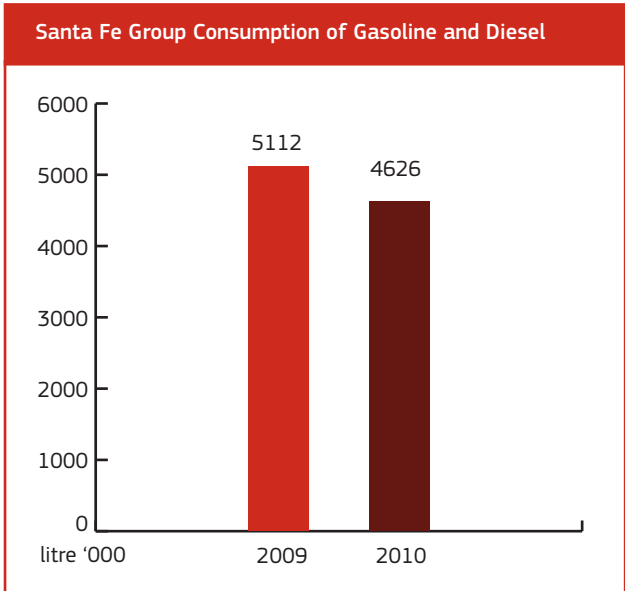
A logistics organisation emits CO2 and consumes resources. At Santa Fe our ISO14001 is a key strategic priority for our business to reduce our impact on the environment. It brings together all of our efforts to manage our impact on climate change across all divisions, regions and countries. It also helps us improve the way we manage environmental impacts under local regulations. Currently, 85% of our offices are ISO14001 certified. Our goal is to have the remaining offices certified by 2012. To help us track our progress towards achieving better performance, we have set several environmental objectives for all of our own operations. All of the targets are measured, reviewed and audited by a third party, DNV, on an annual basis.

In 2010 we have used less fuel while moving larger volumes. In fact, there has been a 9.5% decrease in use of gasoline and diesel despite an increase of 16.4% in volumes moved.

Moreover, we started to evaluate our global CO2 efficiency in 2010, covering CO2 emissions from our own operations and from our sub-contracted transportation services. In the future, we will continue to choose more environmentally friendly trucks and products. Together with carbon offset solutions we aim to run a carbon neutral business in future.

As a logistics provider with a large fleet of trucks on the road, vehicle emission control has been a primary priority. Our company policy requires that our entire fleet consist of EURO II trucks or above. In addition, although regulations in Hong Kong require trucks to maintain an emission level of 50 HSU or below, we set our goal at 30 HSU, or 40% below the legal requirement. 83% of our trucks emit less than 20 HSU. The procurement of new passenger vehicles will focus on environmentally friendly automobiles.

Our industry is also heavily reliant on natural resources, particularly materials such as paper, cardboard, plastic, tape, etc. for office use and packing materials. We reached our goals in 2010 of recycling or reusing 100% of packing material and office paper in Hong Kong. Both objectives are measured on an annual basis and audited by an external auditor, DNV.





Tree planting in Indonesia

In Indonesia, Santa Fe supports the One Million Trees initiative in cooperation with the NGO Yayasan Tanam Pohon Indonesia. Santa Fe Indonesia plants a tree for every outbound sea shipment as of 1 July 2010. This amounts to approximately 500 trees per year. Through the project Santa Fe aims to raise awareness of deforestation and climate change issues in Indonesia. This way, we also seek to inspire employees, customers and communities to promote environmental conservation.

The environmental footprint of our suppliers

We cannot meet our environmental targets alone. That is why we have specified environmental guidelines in our Supplier Code of Conduct which states that suppliers must comply with all applicable environmental laws, regulations and standards as well as implement an effective system to identify and eliminate potential hazards to the environment. As stated in our ISO 14001, all suppliers will be reviewed annually to ensure compliance.

Examples of environmental objectives in Hong Kong

- To ensure all motor vehicles pass annual vehicle examinations we arrange each truck to have an emission test on an annual basis - for trucks with an emission over 30HSU we take the necessary steps to decrease to 30 HSU
- To maintain same amount of A4 paper consumption (in ream) as compared with last year
- To reduce the consumption of electricity (in units) by 3% as compared with last year
- To re-use 100% of paper cartons brought back from inbound jobs or unpacking jobs
- To provide 100% used packing material to external recycling company

PROFIT: UNGC PRINCIPLE 10

We are committed to compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws.

Code of conduct

Our employee manual clearly states that we will deal with all our customers, suppliers and others in a straightforward manner and in compliance with international anti-bribery standards as stated in the Global Compact and local anti-corruption and bribery laws.

Supplier Code of Conduct

Our Supplier Code of Conduct states that the supplier may not offer services, gifts or benefits to employees in order to influence employee conduct in representing Santa Fe.

Whistle blower system

In parallel to the revision of our employee manual, we established a Whistle Blower System with the purpose of managing the CSR roll-out and ongoing compliance management. Employees can report incidents relating to accounting and financial irregularities and violations of laws and regulations via the dedicated hotline and / or via a confidential e-mail address, which was launched in the summer of 2010. An ethics and compliance committee was established within the organisation to support the whistle blower system.

The ethics and compliance committee will investigate all reported allegations of misconduct and initiate corrective action where appropriate. Every incident will be evaluated in an independent manner. We will implement appropriate action to address inappropriate conduct and deter future violations. Disciplinary action may include retraining, dismissal or other appropriate discipline of the individual involved as well as discipline of the supervisor.

Santa Fe provides support for all domestic economies in which we operate through the taxes we pay and other tax revenues that are made possible by our economic success.





CHALLENGES

Integration of Wridgways

Santa Fe has acquired the Australian business Wridgways, and the integration process will include securing compliance to Santa Fe's CSR standards. The challenge is to implement systems and procedures for people, planet and profit for 31 new Wridgways offices and their third party providers. Santa Fe will start assessing levels of compliance and work to bring Wridgways' systems up to Santa Fe standards. Wridgways has already achieved ISO 9001 and ISO 14001 certification and is currently working on ISO 27001.

Overtime

The moving and relocation industry is troubled by high seasonality and limited availability of qualified temporary workers, which negatively affects the working conditions of our employees. However, Santa Fe is addressing this issue by hiring temporary work force and outsourcing to third party providers, while at the same time complying with local legislation and paying overtime compensation.

Regional roll-out

Santa Fe's business is widespread across Asia-Pacific, operating under different national legislation and cultures. We address this issue by complying with internationally recognised principles and standards which provide a uniform basis for compliance.

To support the roll out of our CSR programme in a company with 1,950 employees in numerous stations across 15 countries including the newly acquired Wridgways, we will roll out a voluntary e-learning programme which will be launched in the first half of 2011.

Furthermore, in 2011 we will focus on introducing group-wide key performance indicators and enhanced data collection to help us monitor and evaluate our progress and identify areas where we need to improve.

SUMMARY

The result of Santa Fe's CSR efforts is a more productive and competitive company due to increased employee satisfaction and productivity, improved processes, better relations with key stakeholders, and greater customer satisfaction and loyalty. CSR is increasingly becoming a parameter of competition for the company as a service provider to major international corporations. CSR provides Santa Fe the ability to help our customers achieve their CSR requirements.

For more information regarding the sustainability efforts of Santa Fe please contact Managing Director for Hong Kong, Lance Allen at Lance.Allen@santafe.com.hk or go to www.santafe.com