



## Customer Advisory: Novel Coronavirus – Update #9

**Dear Valued Customer,**

While countries around the world continue to make efforts to flatten the curve of COVID-19 infections, we are still keeping the logistics and transportation wheels turning. This week has so far not seen major changes compared to last week, however we wish to still give you an overview of the current situation enabling you to plan accordingly and stay updated.

Companies around the globe are increasingly starting to cancel orders due to increased uncertainty on when the general society will return to “normal” making it very difficult to project future demand. As a result of the near global lockdown we are also starting to see the first indications of congestion at both ports, warehouses and storage yards due to the simple fact that many customers are unable to take delivery of incoming shipments.

It is though very much still possible to move shipments via air, ocean, rail and road, however across all transport modes delays and schedule disruptions are to be expected as well as a volatile rate development, with supply and demand continuing to be very unstable.

Lockdown situation in Europe, Asia-Pacific, Sub-Continent and US remains very much the same, but with an increasing impact on total volume flows as a result of many factories and DC’s not being open for operation. Logistics and transportation is still considered critical infrastructure across all countries therefore ports, airports, rail stations etc. are officially open for business. However it is getting more difficult to arrange services as trucking, customs etc. in some countries due to many people are sent home as part of the local lockdown restrictions.

### **New solutions emerge during COVID-19**

Overall, all transport modes are as mentioned functioning and find ways of keeping shipments moving, however each transport mode has its own set of challenges.

Airfreight is still lacking capacity especially on Asia-Europe and Europe to US due to belly cargo capacity on commercial flights having been removed. For the same reason rates are still flying high and in addition emergency and medical supplies are prioritized ahead of general cargo. We do have solutions in place to caretake for existing general cargo demands and amongst other sea/air solutions as well as alternative routings are used frequently by our airfreight teams these days.

The biggest challenge on ocean freight remains blank sailings which is rapidly increasing day by day. Some projections show that more than 50 % of the total capacity has been removed on major trades such as Asia-Europe, Europe-Asia and Europe to US. Subsequently schedule reliability can be expected to deteriorate further even after reaching a low point in March with around 65 % on time reliability.

Additionally equipment shortage remains a major issue with normal container repositioning not functioning as intended due to the many blank sailings. There is no outlook that this will improve in

the months to come, and for the same reason we urge for even further focus on forecasting of both space and equipment well in advance of actual bookings being placed.

Rail freight remains a strong alternative to Europe from Asia, as well as it is also an option on export to Asia from Europe.

Road freight in Europe is overall operating in a stable mode. In southern Europe local challenges may occur, due to quarantine regulations and some border crossing experiencing congestion leading to significant waiting time.

All information in this advisory is offered to the best of our knowledge and is prone to change.

Yours sincerely,

**Scan Global Logistics**



## Overall Status for Each Transport Mode

### Airfreight

- More airlines to introduce cargo-only passenger flights in rotation resulting in increased capacity, however still not sufficient to match volume demand
- Asia to EU capacity is still under extreme pressure with unprecedented rate levels
- On EU to US the capacity has improved slightly, mainly due to reduction in volume, but the US market remains a challenge.
- Movement of cargo within EU continues to function well with only minor disruptions or little delays.

### Ocean freight

- All major ports remain open for business
- Blank sailings are still the biggest issue – just last week increased from 45 to 120 in Asia/US and Asia/Europe trade lanes.
- Schedule reliability can be expected to deteriorate further
- Lack of container equipment in many locations due to normal repositioning of containers not working properly
- We expect current level of disruption to continue throughout April and parts of May

### Rail freight

- Overall rail freight is still working smoothly both to and from Europe apart from Wuhan area where restrictions are still in place
- Capacity remains available

### Road freight

- Overall borders remain open for movement goods, however a few isolated challenges with restrictions for returning drivers, that should be in quarantine
- Trucks are running as usual albeit with some level of delays
- In Italy and Spain the government has closed all "non-essential" factories, which means that the cargo flow from and to Italy will be severely limited and all transport will take place on ad hoc basis as of 24<sup>th</sup> March 2020.
- Due to several closed ferry routes cost increases can be expected with reference to separate information shared

### Warehousing & E-Commerce

- CFS stations in China operating as normal
- CFS stations in South East Asia working close to normal with a few countries impacted by restrictions i.e. the Philippines, Thailand and Myanmar, but cargo is moving albeit with delays
- CFS stations in India closed until 14<sup>th</sup> April for general cargo due to lockdown
- CFS stations in Bangladesh and India operating with a skeleton staff, with in and outbound cargo movement being restricted due to general lockdown
- All our warehouse facilities in Denmark and Sweden are operating as normal basis COVID-19 contingency measures implemented
- We have seen a significant drop in B2B orders from our customers due to the closure of retail shops, while our B2C orders remain stable with e-commerce spending remaining high
- Outbound distribution and last-mile delivery are operating basis business as usual
- Safety for our employees remains a top priority to avoid an outbreak of COVID-19 at our facilities hence strict mitigation measures have been implemented accordingly

## General overview Asia, Pacific and Sub-continent

|  | CURRENT STATUS AT SGL OFFICES AND SUPPLY CHAIN ACTIVITIES IN RESPECTIVE CITIES/COUNTRIES   | Dalian | Tianjin | Beijing | Qingdao | Wuxi | Shanghai | Ningbo | Xiamen | Guangzhou | Shenzhen | Hong Kong | Taiwan | Hanoi | Ho Chi Minh City | Manila | Phnom Penh | Bangkok |
|--|--|--------|---------|---------|---------|------|----------|--------|--------|-----------|----------|-----------|--------|-------|------------------|--------|------------|---------|
| <b>SGL office</b> hours, staffing and open for business compared to normal circumstances   | Green - business as usual<br>Yellow - certain limitations<br>Red - major challenges  | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>SGL business continuity plan</b> (BCP) in place and adherence to local authorities, global recommendations and SGL HQ advices | Green - very well prepared<br>Yellow - well prepared<br>Red - somewhat prepared  | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Customer</b> disruptions to activities e.g. manufacturing and supply chain operations   | Green - minimal impact<br>Yellow - manageable<br>Red - severely impacted   | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Customs</b> authorities   | Green - 100% work as normal<br>Yellow - process delay occasionally<br>Red - serious delays   | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Trucking</b> , operations, drivers and equipment  | Green - normal<br>Yellow - restricted due to roadblocks, permits and shortage of drivers etc.<br>Red - service severely impacted               | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Air-, Ocean and Rail carrier offices</b> , open for business, response time etc.  | Green - business as usual<br>Yellow - certain limitations<br>Red - major challenges  | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Airfreight</b> capacities on major tradelanes   | Green - plus 70% supply<br>Yellow - around 50% supply<br>Red - less than 30% supply  | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Airfreight</b> terminals  | Green - running as normal schedule<br>Yellow - process delays occasionally<br>Red - serious delays   | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Oceanfreight</b> capacities on major tradelanes   | Green - no space issue & blank sailings<br>Yellow - space issue & blank sailings occasionally<br>Red - serious space issues and blank sailings | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Oceanfreight</b> feeder capacities and operations   | Green - operating as normal<br>Yellow - medium disruptions<br>Red - serious disruptions  | ●      | ●       | n/a     | ●       | n/a  | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Oceanfreight</b> terminals  | Green - running as normal schedule<br>Yellow - process delays occasionally<br>Red - serious delays   | ●      | ●       | n/a     | ●       | n/a  | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Oceanfreight</b> equipment availabilities   | Green - no problem<br>Yellow - medium problem<br>Red - major problem   | ●      | ●       | n/a     | ●       | n/a  | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>CFS and warehouse</b>   | Green - normal operations<br>Yellow - additional time required for cargo gate in and gate out due resources<br>Red - service not available     | ●      | ●       | n/a     | ●       | ●    | ●        | ●      | ●      | ●         | ●        | ●         | ●      | ●     | ●                | ●      | ●          | ●       |
| <b>Rail</b> service  | Green - schedules as normal<br>Yellow - partial schedules cancelled<br>Red - service not available   | ●      | ●       | ●       | ●       | ●    | ●        | ●      | ●      | ●         | ●        | n/a       | n/a    | ●     | n/a              | n/a    | n/a        | n/a     |

## General overview Asia, Pacific and Sub-continent

|  | CURRENT STATUS AT SGL OFFICES AND SUPPLY CHAIN ACTIVITIES IN RESPECTIVE CITIES/COUNTRIES   | Yangon | Penang | Kuala Lumpur | Singapore | Jakarta | Surabaya | Dhaka  | Chittagong | Mumbai | New Dehli | Tokyo  | Osaka  | Sydney | Melbourne | Perth  | Auckland |
|--|--|--------|--------|--------------|-----------|---------|----------|--------|------------|--------|-----------|--------|--------|--------|-----------|--------|----------|
| <b>SGL office</b> hours, staffing and open for business compared to normal circumstances   | Green - business as usual<br>Yellow - certain limitations<br>Red - major challenges  | Red    | Yellow | Yellow       | Yellow    | Green   | Green    | Yellow | Green      | Green  | Green     | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>SGL business continuity plan (BCP)</b> in place and adherence to local authorities, global recommendations and SGL HQ advices | Green - very well prepared<br>Yellow - well prepared<br>Red - somewhat prepared  | Green  | Green  | Green        | Green     | Green   | Green    | Green  | Yellow     | Green  | Green     | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>Customer</b> disruptions to activities e.g. manufacturing and supply chain operations   | Green - minimal impact<br>Yellow - manageable<br>Red - severely impacted   | Red    | Yellow | Yellow       | Red       | Green   | Green    | Yellow | Green      | Yellow | Yellow    | Yellow | Yellow | Yellow | Yellow    | Yellow | Yellow   |
| <b>Customs</b> authorities   | Green - 100% work as normal<br>Yellow - process delay occasionally<br>Red - serious delays   | Red    | Yellow | Yellow       | Yellow    | Yellow  | Green    | Yellow | Green      | Yellow | Yellow    | Green  | Green  | Green  | Green     | Yellow | Yellow   |
| <b>Trucking</b> , operations, drivers and equipment  | Green - normal<br>Yellow - restricted due to roadblocks, permits and shortage of drivers etc.<br>Red - service severely impacted               | Yellow | Yellow | Yellow       | Yellow    | Green   | Yellow   | Green  | Green      | Yellow | Yellow    | Yellow | Yellow | Green  | Green     | Green  | Green    |
| <b>Air-, Ocean and Rail carrier offices</b> , open for business, response time etc.  | Green - business as usual<br>Yellow - certain limitations<br>Red - major challenges  | Yellow | Yellow | Yellow       | Yellow    | Yellow  | Yellow   | Yellow | Green      | Yellow | Yellow    | Yellow | Yellow | Green  | Green     | Yellow | Yellow   |
| <b>Airfreight</b> capacities on major tradelanes   | Green - plus 70% supply<br>Yellow - around 50% supply<br>Red - less than 30% supply  | Red    | Yellow | Yellow       | Red       | Red     | Red      | Red    | Yellow     | Yellow | Yellow    | Red    | Red    | Red    | Red       | Red    | Red      |
| <b>Airfreight</b> terminals  | Green - running as normal schedule<br>Yellow - process delays occasionally<br>Red - serious delays   | Yellow | Yellow | Yellow       | Yellow    | Green   | Yellow   | Red    | Green      | Yellow | Yellow    | Green  | Green  | Yellow | Yellow    | Green  | Green    |
| <b>Oceanfreight</b> capacities on major tradelanes   | Green - no space issue & blank sailings<br>Yellow - space issue & blank sailings occasionally<br>Red - serious space issues and blank sailings | Red    | Yellow | Yellow       | Yellow    | Yellow  | Green    | Yellow | Green      | Yellow | Yellow    | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>Oceanfreight</b> feeder capacities and operations   | Green - operating as normal<br>Yellow - medium disruptions<br>Red - serious disruptions  | Yellow | Yellow | Yellow       | Yellow    | Green   | Green    | Yellow | Green      | Yellow | Yellow    | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>Oceanfreight</b> terminals  | Green - running as normal schedule<br>Yellow - process delays occasionally<br>Red - serious delays   | Yellow | Yellow | Yellow       | Yellow    | Green   | Green    | Yellow | Green      | Yellow | Yellow    | Yellow | Yellow | Green  | Green     | Green  | Green    |
| <b>Oceanfreight</b> equipment availabilities   | Green - no problem<br>Yellow - medium problem<br>Red - major problem   | Yellow | Green  | Green        | Yellow    | Green   | Green    | Yellow | Green      | Yellow | Yellow    | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>CFS and warehouse</b>   | Green - normal operations<br>Yellow - additional time required for cargo gate in and gate out due resources<br>Red - service not available     | Green  | Yellow | Yellow       | Yellow    | Green   | Green    | Yellow | Red        | Yellow | Yellow    | Green  | Green  | Green  | Green     | Green  | Green    |
| <b>Rail</b> service  | Green - schedules as normal<br>Yellow - partial schedules cancelled<br>Red - service not available   | n/a    | n/a    | n/a          | n/a       | n/a     | n/a      | n/a    | n/a        | n/a    | n/a       | n/a    | n/a    | n/a    | n/a       | n/a    | n/a      |

## General update US

|   | Condition as of today   | Los Angeles | Seattle | Oakland | Chicago | Cleveland | Atlanta | New York | Charleston | Houston |
|---|---|-------------|---------|---------|---------|-----------|---------|----------|------------|---------|
| Customs   | <b>Green</b> - work as normal   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - process delay occasionally  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - serious delay  |             |         |         |         |           |         |          |            |         |
| Ocean Freight Terminals                             | <b>Green</b> - running as normal schedule   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - terminal congestion   | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - high to full yard density for empties & terminal congestion  |             |         |         |         |           |         |          |            |         |
| Ocean Carrier situation, Inbound                    | <b>Green</b> - no space issue & blank sailings  |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - space issue, equipment imbalance & blank sailings occasionally  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - space issue, equipment imbalance & blank sailings seriously  |             |         |         |         |           |         |          |            |         |
| Ocean Carrier situation, Outbound                   | <b>Green</b> - no space issue & blank sailings  |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - space issue, equipment imbalance & blank sailings occasionally  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - space issue, equipment imbalance & blank sailings seriously  |             |         |         |         |           |         |          |            |         |
| CFS and Warehouse                                   | <b>Green</b> - running as normal schedule   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - congestion and delays   | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - service not available  |             |         |         |         |           |         |          |            |         |
| Trucking/Rail – pickup and delivery for ocean cargo | <b>Green</b> - work as normal   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - delays  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - service not available  |             |         |         |         |           |         |          |            |         |
| Airlines - Capacity, Inbound                        | <b>Green</b> - 70% ~ 100% of normal capacity  |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - 30% ~ 69% of normal capacity  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - less than 30% of normal capacity   |             |         |         |         |           |         |          |            |         |
| Airlines - Capacity, Outbound                       | <b>Green</b> - 70% ~ 100% Supply  |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - 30% ~ 69% Supply  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - less than 30% supply   |             |         |         |         |           |         |          |            |         |
| Airline Terminal                                    | <b>Green</b> - running as normal schedule   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - process delay occasionally  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - process delay seriously  |             |         |         |         |           |         |          |            |         |
| Airfreight Warehouses                               | <b>Green</b> - operation hours as normal  |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - additional time required for cargo gate in and gate out due to full scale of operation not being in place | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - service not available  |             |         |         |         |           |         |          |            |         |
| Truck – pickup and delivery for Airfreight cargo    | <b>Green</b> - work as normal   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - delays  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - service not available  |             |         |         |         |           |         |          |            |         |
| Rail Service  | <b>Green</b> - schedule as normal   |             |         |         |         |           |         |          |            |         |
|   | <b>Yellow</b> - partial schedule cancelled  | ●           | ●       | ●       | ●       | ●         | ●       | ●        | ●          | ●       |
|   | <b>Red</b> - service not available  |             |         |         |         |           |         |          |            |         |

## General overview Airfreight Europe

| Condition as of today         |   | DK | SE | NO | FI | DE | NL | BE | ES | FR | IT | CZ |
|-------------------------------|---|----|----|----|----|----|----|----|----|----|----|----|
| Customs                       | <b>Green</b> - 100% work as normal  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - process delay occasionally  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - serious delay  |    |    |    |    |    |    |    |    |    |    |    |
| Airlines - Capacity Eastbound | <b>Green</b> - 70% ~ 100% of normal capacity  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - 30% ~ 69% of normal capacity  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - less than 30% of normal capacity   |    |    |    |    |    |    |    |    |    |    |    |
| Airlines - Capacity Westbound | <b>Green</b> - 70% ~ 100% Supply  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - 30% ~ 69% Supply  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - less than 30% supply   |    |    |    |    |    |    |    |    |    |    |    |
| Airline Terminal              | <b>Green</b> - running as normal schedule   |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - process delay occasionally  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - process delay seriously  |    |    |    |    |    |    |    |    |    |    |    |
| airfreight Warehouses         | <b>Green</b> - operation hours as normal  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - additional time required for cargo gate in and gate out due to full scale of operation not being in place |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - service not available  |    |    |    |    |    |    |    |    |    |    |    |
| Trucking                      | <b>Green</b> - Normal   |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Yellow</b> - apply permit & road block inspection  |    |    |    |    |    |    |    |    |    |    |    |
|                               | <b>Red</b> - service not available  |    |    |    |    |    |    |    |    |    |    |    |

## General overview Ocean freight Europe

| Condition as of today                               |  | DENMARK | FINLAND | NORWAY | SWEDEN | BELGIUM | GERMANY | THE NETHERLANDS | SPAIN |
|---|--|---------|---------|--------|--------|---------|---------|-----------------|-------|
| Customs   | Green - work as normal   | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - process delay occasionally                                      |         |         |        |        |         |         |                 |       |
|   | Red - serious delay  |         |         |        |        |         |         |                 |       |
| Ocean Freight Terminals                             | Green - running as normal schedule                                       | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - terminal congestion   |         |         |        |        |         |         |                 |       |
|   | Red - high to full yard density for empties & terminal congestion        |         |         |        |        |         |         |                 |       |
| Ocean Carrier situation, Inbound                    | Green - no space issue & blank sailings                                  | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - space issue, equipment imbalance & blank sailings occasionally  |         |         |        |        |         |         |                 |       |
|   | Red - severe space issue, equipment imbalance & blank sailings seriously |         |         |        |        |         |         |                 |       |
| Ocean Carrier situation, Outbound                   | Green - work as normal   | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - space issue, equipment imbalance & blank sailings occasionally  |         |         |        |        |         |         |                 |       |
|   | Red - severe space issue, equipment imbalance & blank sailings seriously |         |         |        |        |         |         |                 |       |
| CFS and Warehouse                                   | Green - operation hours as normal  | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - CFS/Warehouse delays  |         |         |        |        |         |         |                 |       |
|   | Red - service not available  |         |         |        |        |         |         |                 |       |
| Trucking/Rail – pickup and delivery for ocean cargo | Green - Normal   | ●       | ●       | ●      | ●      | ●       | ●       | ●               | ●     |
|   | Yellow - delays  |         |         |        |        |         |         |                 |       |
|   | Red - service not available  |         |         |        |        |         |         |                 |       |

## General overview Road Europe

|                       |  | Status | European road traffic   |
|-----------------------|--|--------|---|
| General status        | Green - 100% work as normal  | ●      | Trucks are running and we can run business as usual with a delays at border in Denmark-Germany, Germany-Poland and Sweden-Norway.<br>Our Italian traffic will be severely limited in the coming weeks, adn we are able to offer service on ad hoc basis only - see more below under government regulation.<br>In Spain many consignees are closed and we often need to store cargo in terminals, waiting for consignees to re-open. However there is also a pressure on warehouse in Spain, and it is currently a challenge to find warehouse space.  |
|                       | Yellow - Minor impacts   |        |   |
|                       | Red - Serious impact   |        |   |
| Ferry situation       | Green - running as normal schedule   | ●      | Fjord Line cancelled line Hirtshals-Stavanger-Bergen<br>Stena Line closed the route Oslo-Frederikshavn.<br>Stena Line closed the route Trelleborg-Sassnitz.<br>DFDS closed Copenhagen-Oslo.<br>Color Line Kiel-Oslo has closed down.<br>Zeebrugge - Gothenburg ferries are sailing on day to day schedule where departure times are updated on a daily basis.   |
|                       | Yellow - slight delays   |        |   |
|                       | Red - No service / serious delay   |        |   |
| Capacity              | Green - 70% ~ 100% of normal capacity  | ●      | No capacity constraints so far. We have the trucks we need to operate.<br>However incoming flow of trucks has been reduced in particular Sweden, meaning it may be difficult to find one way trucks in a short notice.<br>We start to see worrying signs that truckdrivers might be restricted in where they are allowed to go.   |
|                       | Yellow - 30% ~ 69% of normal capacity  |        |   |
|                       | Red - less than 30% of normal capacity                                       |        |   |
| Leadtimes             | Green - 100% work as normal  | ●      | Expect longer leadtimes as there are queues on all european borders. Time definite deliveries may not be possible   |
|                       | Yellow - Minor delay occasionally  |        |   |
|                       | Red - Serious delay  |        |   |
| Cost-effects          | Green - Normal   | ●      | At this point we dont have the full overview, but it is clear that due to the closed ferry routes, cost will increase in certain routes.<br>Queues may also have an effect on the cost and thereby prices we are able to provide. We aim to deliver normal service all over, but warn that extra cost may occur with short or no notice. The SEK & NOK is falling against EUR and we are monitoring the impact of this.<br>All customers are encouraged to make sure that the consignee of their cargo is open and can receive cargo. If we arrive at a closed office or factory, SGL will need to unload the truck and store the cargo for later delivery - on the expense of the customer.<br>On Italy export and import, we will not be able to operate at the normal prices quoted, but will offer ad hoc pricing per booking<br>In Spain when customers can not received cargo, we will put the cargo on interim storage for account of the cargo. Pls. check that cargo can be received before booking. |
|                       | Yellow – Risk of increased cost on ad hoc basis                              |        |   |
|                       | Red – Force majeure - all quotes are invalid. We only work on ad hoc pricing |        |   |
| Government regulation | Green – Normal   | ●      | All borders in Europe remain open for cargo passage. In France we have been informed that certain regions have banned distribution of everything but foodstuff. We are following the situation and will inform when we have more detailed news.<br>Certain countries have made restrictions on non croatian drivers are allowed to enter Croatia if they have transitted certain specific countries. Turkey only allows native Turkish drivers into the country.<br>In Italy the government has closed down all "non-essential" factories, which means that the cargo flow from and to Italy will be severely limited and all transport will take place on ad hoc basis as of 24.03.2020.<br>Russia has officially announced that starting 27.03.2020, all Russia is having one week official holiday and all factories will be closed, we are therefore not offering service to Russia next week.  |
|                       | Yellow – Minor disruption – can still deliver                                |        |   |
|                       | Red – Full block of one or more geographic areas – no delivery possible      |        |   |