

2022/23

SUSTAINABILITY REPORT







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AGILITY IN THE WAKE OF AMBIGUITY

The past year has been a challenging one for our industry as a result of the aftereffects of the COVID-19 pandemic and ongoing supply chain disruptions and instability. Global trade patterns and supply chains have changed as a result of geopolitical unrest caused by the tragic events of Russia's invasion of Ukraine, and our margins have been put under great pressure.

Despite these challenges, we have continued to provide the highest level of service to our customers, adapting our operations to meet the changing needs of the market. In addition, we have made progress on our decarbonisation journey. A journey made possible due to the many talented people in our organisation.

EMPOWERING OUR PEOPLE

We employ around 1,500 employees in eight countries who represent many different backgrounds, ethnicities, and cultures, as well as different views and experiences. Each employee brings value to SDK FREJA, which is why it is important that we provide all our people with a safe and inclusive place to work where they can thrive and grow their potential, and where they feel respected and recognised for their contributions.

I am proud of our culture, which is one where there is room for open and honest dialogues. In SDK FREJA, we encourage our employees to voice their opinions and to contribute with their ideas. These valuable conversations provide people with the opportunity to grow both personally and professionally. They also have an important impact on the continuous improvement of our business and on SDK FREJA as a safe, secure, and trustful place to work.

It is through these important conversations that we have managed to intensify our focus on improving the gender imbalance in our organisation in this past year. We are in the process of creating a more inclusive and flexible work environment and culture for our employees, taking an improved work-life balance into consideration.

We are a people company, and for our employees to thrive they need to have the right tools to succeed. Development opportunities are made available to everyone at SDK FREJA, and we encourage our employees to consult their immediate managers about short- and long-term goals, so that they

together can create individual employee development plans. Moreover, being part of the family-owned USTC Group also provides the opportunity for our people to make use of USTC's internal mobility programme. The programme supports employees ready to take their next career step within the Group, enabling them to further their careers in other entities within USTC's organisation.

To us, employee safety and well-being are top priorities, and we continue to provide our people with training on safety procedures and to promote a safety-first culture. In addition, we have made significant safety improvements to the facilities where we have our activities and established programmes to support the physical and psychological safety of our employees. I am especially proud that we have managed to significantly improve the physical safety at our facilities.

DECARBONISING OUR INDUSTRY

Throughout the past year, we have strengthened the dialogues with our business partners and our customers around the decarbonisation journey. There is consensus in the industries about the need for proactive engagement on all levels of the value chain. At the same time, there is an apprehensiveness due to the need for appropriate technology and infrastructure to cater to low-carbon shipping and transport.

In SDK FREJA, we are taking important steps to reduce our carbon footprint. We aim to reduce our Scope 1 and 2 emissions by 60% in 2040 compared to 2021/2022 emission numbers. I am especially proud of the progress we have made on lowering our Scope 2 emissions. We have taken concrete actions to reduce our footprint and invested in optimising the infrastructure and technology at our facilities, which has resulted in a significant decrease in our energy consumption.

Our Scope 3 emissions comprise 97% of our total carbon emissions, and it is our ambition to reduce these by 50% by 2040. During the past year, we have worked to develop an ambitious roadmap to ensure we reach our targets, and more importantly, we have transferred parts of our Scope 3 emission sources to Scope 1 with the very specific intention of taking responsibility and ownership. You can read more about our reasoning behind this decision in the Environment section of this report.



Søren Gran, CEO, SDK Freja

I firmly believe that by prioritising environmental sustainability we can create a positive legacy for future generations and a sustainable future for the transport and logistics industries. And although the road to decarbonising our industries is unclear, I know we cannot travel it alone. It will require us to strengthen our collaboration with our partners and customers in taking proactive steps to reduce our negative impact on the planet.

STRENGTHENING OUR GOVERNANCE

During the past year, we have further reinforced our governance, ensuring we have transparent, reliable, and clear processes governing our entire organisation. In this report, we will provide insights into our governance structure, practices, and initiatives that enable us to navigate the dynamic landscape of the industries we operate in while upholding our standards of integrity and ethics.

Governance not only forms the very bedrock upon which SDK FREJA's ESG framework is built. It also encompasses the principles, policies, and processes that guide our entire decision-making, ensure transparency, and foster accountability

at all levels in our organisation. By adhering to strong governance practices, we aim to create value for our partners, suppliers, customers, and our employees.

SDK FREJA's departments – down to every team – are all governed by the same guiding principles, rooted in our legacy as a family-owned business where leadership, decency, and business acumen are our core values. By continuing to uphold our strong principles and integrate them in our practices, I am confident we will create long-term value for our partners and customers.

SDK FREJA is a dynamic and growing company with the objective to continuously develop the core business to be at the forefront of the latest advancements that cater to our customers' wishes and expectations. We are excited about the opportunities that lie ahead. The industries we operate in continue to evolve at a swift pace, and we are well-positioned to take advantage of emerging trends and opportunities. We will continue to invest in our people, technology, and the green transition to meet our customers' needs and to ensure we remain at the forefront of our industry.

WHAT WE DO

SDK FREJA is a full-service shipping and logistics company as well as an environmental and recycling company.

SDK FREJA is a dynamic and growing company with the objective to continuously develop the core business to be at the forefront of the latest advancements that cater to our customers' wishes and expectations.

SDK FREJA is one of the few independent and privately owned local mid sized shipping, logistics, and environment companies. The main objective of the parent company, SDK FREJA A/S, is as a holding company to hold shares in the subsidiaries and contribute to their continued development.





The shipping and logistics activities of SDK FREJA include freight forwarding within Road, Air & Sea and Project Cargo, Contract Logistics as well as Stevedoring, Port Agency, Customs Clearing, Chartering, Liner and Cruise services. We offer specialist logistics solutions within Healthcare, Warehousing and Refrigeration.

Our Environment & Recycling business focuses on environmental sustainability by meeting our customers' demand for circular eco-friendly solutions, offering to receive and reprocess waste fractions and especially polluted soil with a view to recycling or recovering the waste for new products. The business subsegments comprises Land Recovery, Raw Materials Recovery, Environmental Innovation and Soil Treatment.

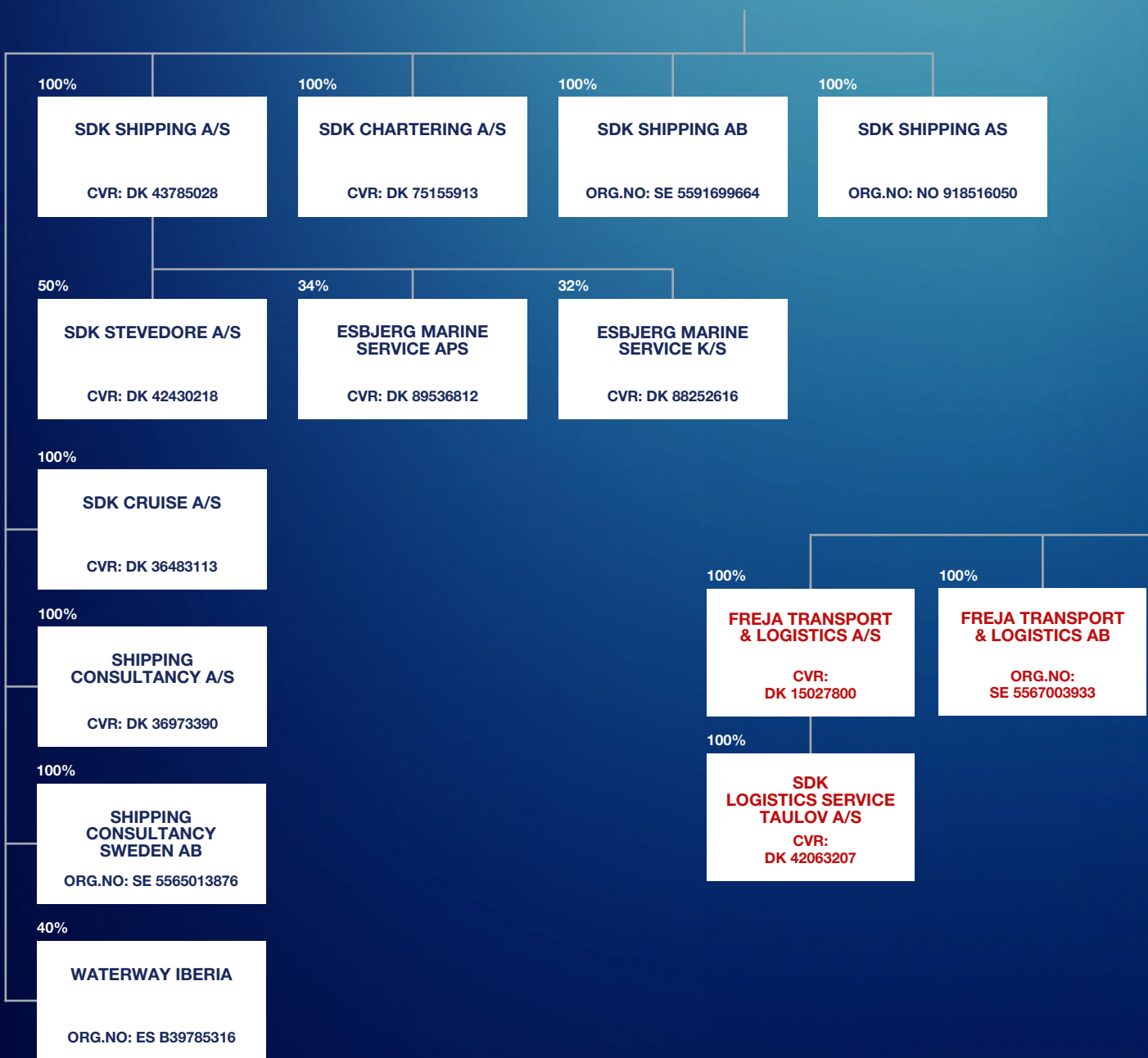


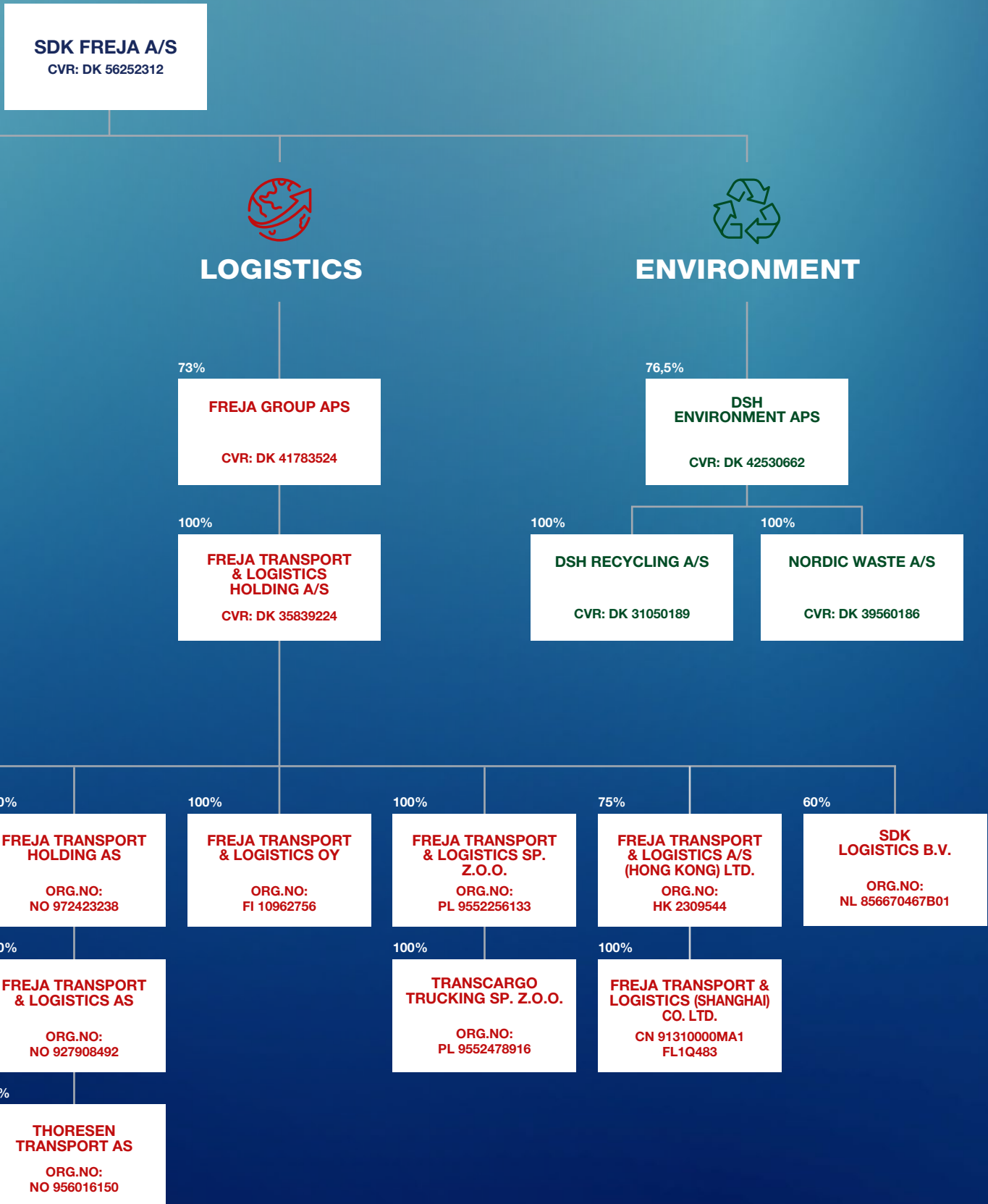
GROUP

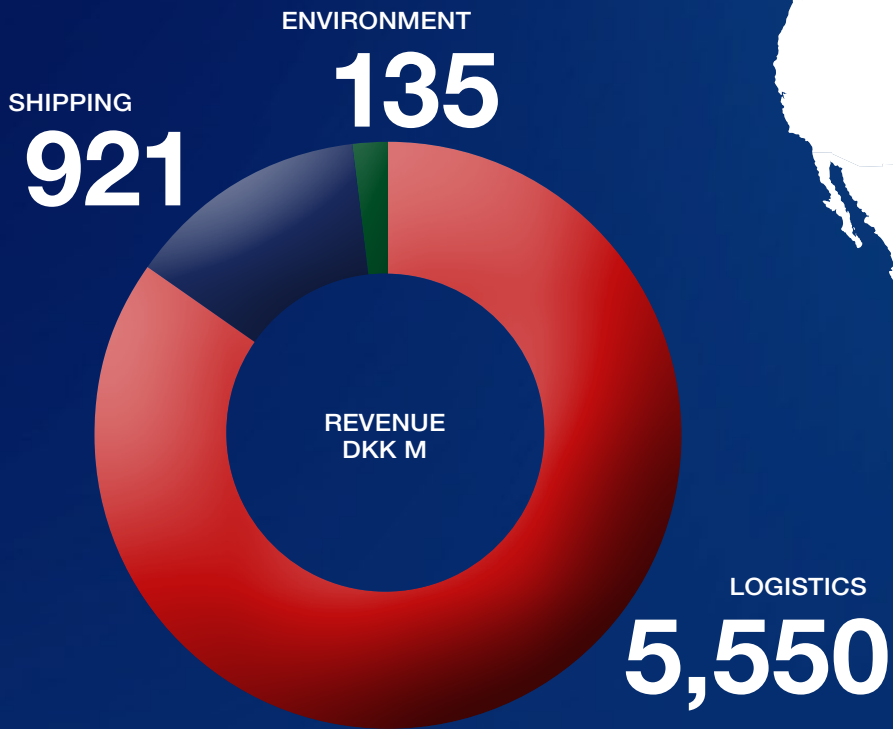
STRUCTURE



SHIPPING







2022/23

AT A GLANCE



We are locally based in Northern Europe with strategic positions in China and Spain, which makes it possible to quickly fulfil our customers' needs, also by drawing on our global network.

COVERING EUROPE WITH

+3,300

TRAILERS

AND

+210,000

SQ M
MULTI-TERMINALS AND
WAREHOUSE SPACE

+7,900

AGENCY
CALLS HANDLED

AND

+8 mill.

TONS
HANDLED OVER QUAY

BY

+1,500

DEDICATED
EMPLOYEES



Eric Clausen, Head of ESG

BALANCING

EXPECTATIONS

Last year, we reached a milestone with the development of SDK FREJA's first ESG framework and the publication of our first consolidated sustainability report. Since, we have been actively and diligently working on our ESG topics, and we have had a determined focus on reaching our targets.

We are especially proud of the significant improvements we have made to our Scope 2 emission numbers. We have invested in our own facilities and infrastructure solutions, which has resulted in a considerable reduction of our Scope 2 emission numbers.

Unfortunately, we have not managed to improve our indirect Scope 3 emissions, which encompass the emissions from our

value chain. Our Scope 3 emissions account for 97% of our carbon footprint, and although we have limited influence, as these emissions are generated by people and assets beyond our control, they remain a significant area of focus for us.

We will continue to work diligently towards mitigating our Scope 3 emissions, and we aim to collaborate with customers and subcontractors to find sustainable solutions. We realise that it will take several years before technology and international agreements define the sustainable solutions to focus on to provide opportunities for hauliers and shipping companies to invest in equipment that is both environmentally and economically sustainable.



We have invested in mitigating our Scope 2 emissions and seen a considerable reduction.

Eric Clausen
Head of ESG

FROM TWO TO THREE PILLARS

In SDK FREJA, we are very pleased to announce that we have welcomed a new addition to our family. SDK FREJA A/S has acquired the majority shares in Nordic Waste A/S and its sister company DSH Recycling A/S. SDK FREJA A/S now owns 70% of the share capital in both companies. DSH specialises in cleaning contaminated soil and recycling residue products from the cleaning process.

We extend a warm welcome to Nordic Waste and DSH Recycling as new members and contributors to our ongoing efforts for continuous improvement within our ESG framework. With these acquisitions, we now have three distinct pillars within our Group. Within SDK FREJA, these three pillars are referred to as Shipping, Logistics and Environment. In this report, our Environment segment will be referred to as DSH to avoid any misunderstandings in articles.

ESG STRATEGY

At SDK FREJA, we have a pragmatic approach to our work with ESG, and it is extremely important for us to live up to our word and uphold our values of decency and integrity.

ENVIRONMENTAL

Carbon footprint reduction: We are committed to reducing our carbon emissions by implementing measures such as fleet optimisation, route optimisation, and the use of alternative fuels. This includes investing in more fuel-efficient trucks and vessels, optimising routes to minimise emissions, and exploring renewable energy options to power our locations.

Resource and waste management: We have put policies and procedures in place to minimise the amount of waste we generate and prevent pollution. This includes ensuring proper waste disposal and complying with national environmental regulations. We view waste as a valuable resource, and through our environmental management system, we are continually working to improve our sorting practices for better recycling outcomes.

SOCIAL

Employee health and safety: At SDK FREJA, we prioritise the health and safety of our employees by providing training on safety procedures, promoting a culture of safety, and providing appropriate protective equipment. We have also established programmes to support the physical and mental well-being of our employees.

Labour practices: We uphold fair and decent labour practices, including paying fair wages, providing safe and decent working conditions, and respecting the rights of workers, including freedom of association and collective bargaining. By ensuring a work environment with equal opportunities and a diverse and inclusive atmosphere, we aim to retain our employees and make ourselves attractive to potential new hires.

Community engagement: We actively engage with local communities where we operate, including conducting social impact assessments, consulting with stakeholders, and supporting community development initiatives.

GOVERNANCE

Board diversity and independence: We promote diversity and independence in our Board of Directors, ensuring that members with diverse backgrounds and experiences are represented to provide effective oversight and decision making.

Ethical business practices: We adhere to high ethical standards in our business operations and conduct business transparently with a high level of accountability and integrity, following the SDK FREJA Code of Conduct. We have a Code of Conduct for employees and conduct regular workplace audits to ensure compliance. We have also implemented a whistleblower arrangement to enable anonymous reporting and ensure clarity regarding the limits for unethical behaviour, as well as knowledge of how to react and report violations.

Compliance: We have implemented robust risk management practices, including identifying and mitigating ESG-related risks, such as regulatory changes, reputational risks, and climate-related risks.

Corporate Governance: Despite SDK FREJA comprising different types of operations within the same organisation, we operate from a common strong foundation that ensures shared governance. One important enabler for our governance is our ISO certifications. Although not all SDK FREJA entities are certified to the same standards, the majority are certified to ISO 9001.



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We are more determined than ever to continue making the necessary investments to lower the emissions stemming from our service operations.

Ulrik Rasmussen
Group CEO
Logistics



ENVIRONMENT

Shipping and logistics play a vital role in connecting businesses, communities, and economies around the world. However, we acknowledge that our industries also have an environmental impact.

We realise that our industries impact the environment and climate particularly in terms of greenhouse gas emissions, energy consumption, waste generation, and natural resource depletion. We also realise that we have a responsibility to help mitigate these impacts and drive positive change through innovative and sustainable practices to the best of our ability. By transparently sharing our progress, achievements, and challenges, we aim to be accountable to our stakeholders and inspire others within the industry to join us on this challenging yet exciting journey.

One of our key focus areas is reducing greenhouse gas emissions. We understand that climate change poses significant risks to our planet and society, and in response we have implemented strategies to decrease our emissions through various means.

Among other initiatives, we have intensified our focus on mitigating our Scope 2 emissions. We have invested substantially in making improvements to our buildings and facilities with the purpose of lowering our consumption of electricity and heating. Furthermore, our infrastructure and technology have been upgraded, and we have implemented intelligent control systems at many of our sites. Our initiatives have shown excellent results, and at some of our sites we have seen a more than 50% reduction in energy consumption. We

are very pleased with these outcomes, and we are more determined than ever to continue making the necessary investments to lower the emissions stemming from our service operations and towards our commitment of reducing our Scope 1 and 2 emissions by 60% by 2040.

BALANCING GROWTH AND SUSTAINABILITY

The past year has been challenging in more than one way, and we have had to navigate through a complex and rapidly changing environment. At the same time, we have been fortunate to form new strategic partnerships with new customers, which have led to us scaling up our own operations to meet the demands for tailor-made logistics solutions. In turn, this has resulted in an increase in our own truck fleet emissions which fall under our Scope 1 emissions. These CO₂e emissions have increased by 4,026 metric tonnes, equivalent to 22% compared to financial year 2021/2022. In addition, we expect that our volume will grow in the coming year.

We recently made the decision to transfer our Time Chartered (TC) vessels as sources for our Scope 3 emissions to Scope 1. The decision to do so was not a difficult one as we can be more ambitious with our own emissions, thereby giving us the opportunity to influence these more directly.



By prioritising the principles of reduce, reuse, and recycle, we aim to conserve resources and minimise our environmental impact.

Lars Jespersen

Group CEO
Shipping

STRENGTHENING TIES TO OUR PARTNERS

Our Scope 3 emissions make up an overwhelming part of our total carbon emissions and they will inevitably remain a critical area of focus for us. We recognise that addressing this challenge requires closer collaboration with our customers, innovation, and policy decisions at an EU level. Particularly in terms of more sustainable and fossil-free vehicles and the necessary infrastructure for alternative fuels. We will not neglect our role, and we will continue to explore opportunities to gain influence in this area through network groups and partnerships, as well as strengthen our relationship to our suppliers and customers.

SDK FREJA is actively involved in various networks and collaborates with customers, subcontractors, and equipment manufacturers. Sustainable solutions are evolving rapidly, and new exciting ideas continue to emerge. To us, it is essential that new technologies become widely available within the EU, where we have the majority of our operational activities. For this reason, our strategy is to be "fast followers" rather than first movers on the green transition in the industries we have our operations. Hence, we closely monitor the developments and participate in collaborations where we can provide knowledge and value while gaining something in return.

PROMOTING CIRCULARITY

Additionally, we acknowledge the importance of managing waste and promoting circularity in our operations. We strive to minimise waste generation and increase recycling rates across our operations and facilities. By prioritising the principles of reduce, reuse, and recycle, we aim to conserve resources and minimise our environmental impact. It is our responsibility to mitigate these impacts and drive positive change through innovative and sustainable practices.

Specifically, we want to minimise and recycle as much general waste as possible at our office locations. We have managed to sort 62% of our waste for recycling and continue to work determined towards improving our goal of sorting at least 65% of our overall waste by 2025.

To support our efforts to achieve better utilisation of our waste and see it as a resource, our resource and waste policy, which is currently being published, will endorse sorting of waste for recycling and a circular economic mindset.

We invite you to explore the following section on SDK FREJA's Environment topic to gain a deeper understanding of our environmental initiatives and the progress we have made towards our goals and ambitions.

TOPICS & TARGETS



CLIMATE IMPACTS
UNDER OUR CONTROL

SCOPE 1 & 2
- EMISSION
REDUCTION
BY 2040
60%



CLIMATE IMPACTS
FROM OUR
VALUE CHAIN

SCOPE 3
- EMISSION
REDUCTION
BY 2040
50%



RESOURCE AND
WASTE MANAGEMENT

EMPTY
HAULAGE
ROAD
TRANSPORT
BELOW
8%

UTILITY LOAD
ROAD
TRANSPORT
ABOVE
98%

COMPANY
CARS ON
ALTERNATIVE
FUELS
BY 2035
100%

WASTE
SORTED FOR
RECYCLING
BY 2025
65%



RISKS & OPPORTUNITIES

At SDK FREJA, we consider risks and opportunities in our investment decisions, product development, and business strategies. For environmental-related risks we continue to look at the same risks and opportunities as last year. We will continue to prioritise ongoing monitoring of risks and opportunities, in relation to changes in legislation or new technologies.

ENVIRONMENT RELATED RISK

ENVIRONMENT RELATED OPPORTUNITIES

Being the first to enter the market with a new technology might backfire if it turns out that the technology will have a negative impact on the environment.
New sustainable technology often requires considerable economic investment.

EMISSION TARGETS SCOPE 1

Investing in new technology provides us with valuable expertise that can later be used at full scale. It will also ensure that we will have more control over the amount of pollution we produce as we work towards meeting our targets.

There is a possibility that short-term outcomes for local entities may be impacted by investments in low-energy installations.

EMISSION TARGETS SCOPE 2

Investment in energy optimisation and sustainable energy production may give both a sound financial return and have a positive effect on the climate.

In the present highly competitive market, opportunities to sway our suppliers and customers to transition to sustainable solutions are limited if they are unwilling to make that change and pay the additional costs required to transition to a more sustainable fuel type.

EMISSION TARGETS SCOPE 3

By looking into how we can prepare our locations for the future, we will be able to retain present and attract new transport suppliers.

In our facilities, we do not have complete control over the sorting of waste, and the additional expenses associated with sorting it into a variety of fractions are substantial.

WASTE TARGETS

By sorting our waste, we make a significant difference to the environment and demonstrate our commitment to sustainability.

A chemical spill in our surrounding area has the potential to cause irreparable harm to the environment and, in the worst-case scenario, fatal consequences for human involvement.

SPILL

Taking measures to prevent spills into the surrounding area would lessen the potentially devastating effects that a breach may have.

The implementation of taxes related to the effects of climate change is already underway, which may have a negative impact on our revenue.

TAXES

In addition to levelling the playing field, climate impact taxes, together with our desire to have a smaller footprint on the environment and our confidence in our ability to make steady progress towards lowering our CO2 emissions, may result in a higher rate of return on investments.



CLIMATE IMPACT UNDER OUR CONTROL

The majority of SDK FREJA's Scope 1 emissions are generated by the fuel combustion of our company-owned and -operated trucks and vehicles. In addition, our Scope 1 emissions are also related to our combustion of fuels through stationary equipment such as generators.

In the financial year 2022/2023, our Scope 1 emissions have increased by 22% compared to last financial year 2021/2022 from 18,597 to 22,623 metric tonnes CO₂e. The rise is mainly a result of the increase of our truck fleet in our Logistics Division and the transfer of our Shipping Division's TC-vessels from Scope 3 to Scope 1 source emissions.

SDK FREJA's consumption of electricity, heating and air conditioning at our offices, terminals, and warehouses are the main sources of our Scope 2 emissions.

The optimisations we have made to our facilities have given us a solid understanding of the opportunities available. However, to reach our overall target of a 60% reduction of our Scope 1 and Scope 2 emissions by 2040 requires us to expand our focus. We will continue to optimise our facilities, which includes investing in technologies such as solar power cells, either at SDK FREJA-owned buildings and offices or in the form of solar parks that can help balance our energy consumption.



At our three largest sites, we have reduced our carbon emissions by 25% compared to last FY 2021/2022

We have managed to reduce our Scope 2 emissions by 7.5% compared to last financial year 2021/2022 from 2,933 to 2,712 metric tonnes CO₂e. At some of our sites, we have managed to reduce our heating consumption by up to 50%.

During the past year, we have intensified our focus on improving our energy efficiency at our largest facilities. More specifically, we have focused our efforts on improving our electricity and heating with the aim of minimising our overall consumption. Our efforts have resulted in significant reductions of our CO₂ emissions, and we expect to further reduce our Scope 2 emissions by 10% by 2025. SDK FREJA's overall ambition is to reduce our Scope 1 and 2 emissions by 60% by 2040.

OUR SCOPE 2 EMISSIONS HAVE BEEN REDUCED BY

7.5%

COMPARED TO FY 2021/2022

2025 MILESTONE:

WE EXPECT TO SEE A REDUCTION OF OUR SCOPE 2 BY

10%

BY 2025

CASE

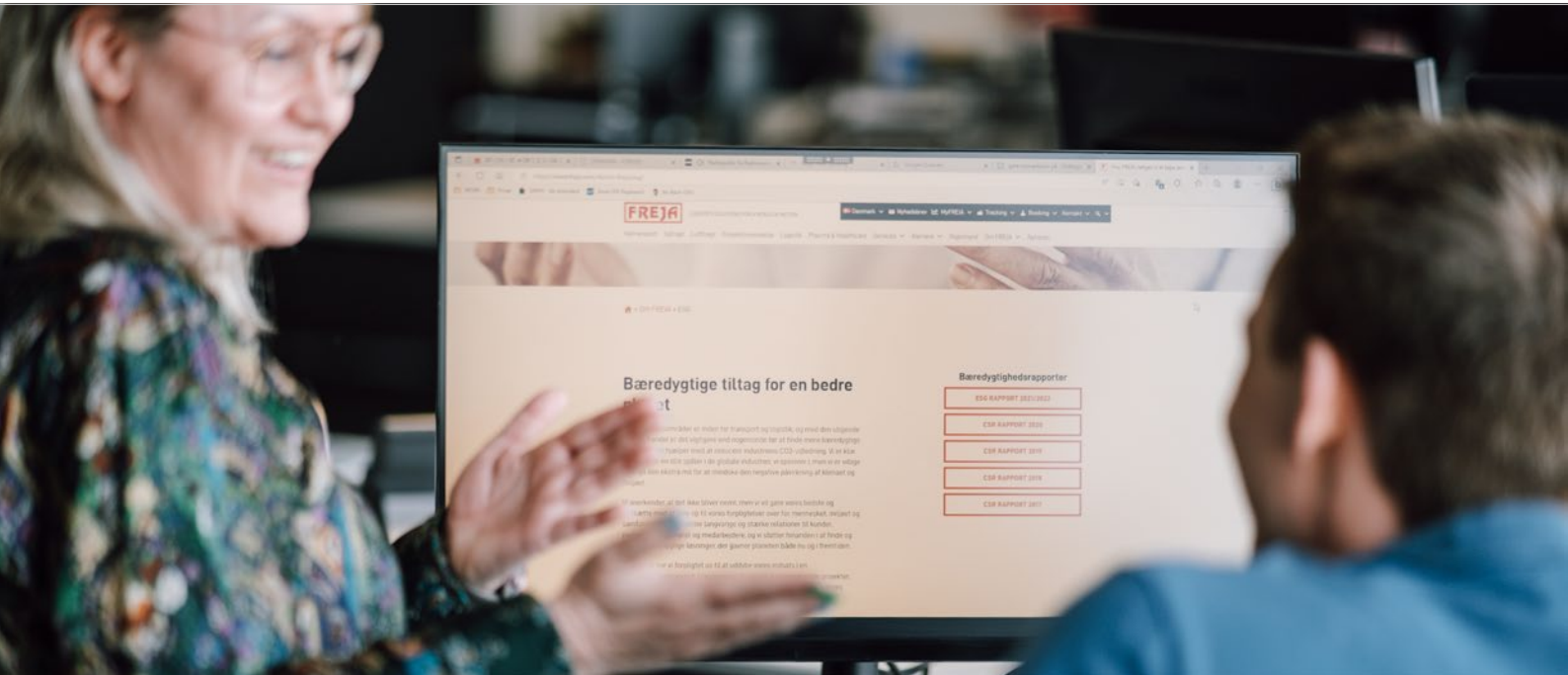
PARTNERSHIP DRIVES ENERGY EFFICIENCY

SDK Shipping's largest physical location spanning over 33,000 square meters is located in Lysekil in Sweden. The area and buildings are primarily owned by Lysekil Municipality and provide a collaborative opportunity for SDK FREJA to work closely with the local authorities to achieve common goals, including improving environmental sustainability.

In September 2022, two of our energy experts visited the location and conducted an assessment with the help of local SDK FREJA employees from our Shipping division. The assessment revealed several areas where energy consumption could be reduced, particularly for the consumption of lighting and heating.

Since Lysekil Municipality are responsible for maintenance of the building, including lighting, Business and Operational Managers Mattias Bernerstål and Peter Eriksson engaged in dialogue with the municipality to initiate improvements to energy sources in the building. Lysekil Municipality was receptive to the arguments and documentation presented by SDK FREJA, which led to the adoption of LED lighting and heat pumps at different locations. Although the work is not yet complete, the joint effort has already resulted in significant positive effects in terms of energy efficiency.





CLIMATE IMPACT FROM OUR VALUE CHAIN

The climate impact from our value chain encompasses the greenhouse gas (GHG) emissions from all relevant activities across SDK FREJA's entire value chain, including our suppliers, contractors, customers, and other stakeholders involved in our operations and supply chain. And although we have limited influence on our Scope 3, as these emissions are generated by people and assets beyond our control, we can contribute to reducing the negative impact that our value chain has on the environment through knowledge sharing, partnerships with relevant stakeholders, and assisting the industry with innovative solutions to combat climate change.

Our Scope 3 constitutes 97% of our total carbon emissions. We have not seen significant changes in emissions from our outsourced activities measured by the number of transports in the latest financial year 2022/2023, and we acknowledge that it will take an additional three to seven years before the technology, availability, and economic sustainability make our subcontractors switch from traditional diesel engines to sustainable alternatives. In the meantime, we will endeavour to form partnerships with subcontractors and customers to reduce our impact.

We aim to reduce our Scope 3 emissions by 50% by 2040. In a predominantly market-driven world, we cannot demand that our subcontractors switch to technologies where neither infrastructure, economy, nor a common EU approach can facilitate a sustainable transition to known alternatives. However, we also believe that alternative sustainable solutions for engines and fuels will emerge before 2030 to the benefit of various modes of transportation. We are confident that we will achieve our Scope 3 emissions reduction goal, but we do not expect significant changes until after 2030.

OUR REDUCTION TARGET FOR SCOPE 3 IS

50%
by 2040

COMPARED TO
FY 2021/2022

SDK FREJA AND FUCHS PARTNER UP FOR A MORE SUSTAINABLE SOLUTION

During the past year, FUCHS and SDK FREJA have made significant progress in their journey towards reducing their negative impact on the environment. The first serious step in this important journey has now been taken and involves the daily transports of FUCHS' products from Stockholm and Oslo to Denmark. The FREJA trucks travelling this distance now run on HVO (Hydrotreated Vegetable Oil) diesel.

Since 2021, SDK FREJA has been transporting lubricants for FUCHS Lubricants on the stretch between Stockholm in Sweden and Oslo in Norway – a distance of approximately 520 kilometres. Until recently, our FREJA trucks hauling FUCHS' products on this very stretch of road were running on traditional fossil fuel.

Today, the traditional fuel has been replaced with HVO diesel and the loads have been optimised. Products are stacked smarter into the trailers, essentially utilising the maximum capacity of the trailers. Both SDK FREJA and FUCHS agreed that to reduce the negative impact on the environment, they would have to look into improving load utility, which is an area where the two companies have a direct influence.

"By looking not only at which types of fuel our trucks consume but also combining this with how we best utilise the trailers' load capacity, we have successfully halved the number of trucks travelling the route from Stockholm to Oslo without lowering our service level towards our customers," explains Magnus Stolt, who is responsible for Warehouse and Distribution at FUCHS, and continues:

"No doubt that load optimisation combined with the trucks running on HVO100 biodiesel has created impressive results. According to preliminary calculations, FUCHS was hoping to reduce its CO₂e emissions by 200 metric tonnes, but as it looks now, the reduction will be closer to 250 metric tonnes."

On the daily linehaul to Norway, SDK FREJA and FUCHS have managed to lower the amount of CO₂e emitted by 90% due to the transition to HVO biodiesel and optimising the load capacity. The two companies are currently working on implementing the same setup for the transportation of FUCHS' products from Sweden to Denmark.

"Already early on in our partnership, it was clear that FUCHS and SDK FREJA were on the same page. We very quickly realised that we had the same ambitions with regard to reducing our negative impact on the environment. FUCHS' focus has never solely been on reducing costs tied to transportation of their products but rather on long-term investment," says Søren Skive, Executive Vice President of FREJA Transport & Logistics in Sweden.

At SDK FREJA, we are constantly trying to optimise our services while also making shipping, transport and logistics more sustainable. As such, we will continue to work closely with our suppliers and customers to find more sustainable and innovative solutions while working towards our ambition of being the most flexible and reliable partner in the countries we operate in.

RESOURCE AND WASTE MANAGEMENT

At SDK FREJA, we are very conscious that waste is also a resource, and we want to foster environmental consciousness and advance a green agenda at our facilities and among every employee.

For both the Shipping and Logistics divisions, the majority of our waste consists of relatively simple waste fractions that originate from our activities in warehousing and transportation, as well as the destruction of waste on behalf of customers. We ensure that our employees have the opportunity for proper sorting to recycling, and we continuously monitor our sorting efficiency.

During the reporting period, we have had successful waste sorting campaigns in Denmark. We will continue the campaign across the sites and countries where we see we can push towards a better sorting for recycling.

We have offices and sites in eight countries and each country has different legislation and requirements regarding the sorting of waste. Our new Resource and Waste Policy will help ensure that

we create a minimum common denominator for waste sorting to recycling and raise awareness that most waste can also be considered a resource. Through regular annual audits, we will ensure that our individual sites comply with our policy.

In the financial year 2022/2023 we accomplished a recycling rate of 62% by sorting our waste, hereby increasing our recycling rate by 12 percentage points compared to the previous financial year 2021/2022. Our target is to recycle 65% of our overall waste by 2025.

While waste is an output of our Shipping and Logistics activities, it is a business for our environmental partner DSH Recycling/Nordic Waste who thrive on handling waste and turning it into a resource. You can read more about their exciting areas of work in the article about Nordic Waste on the following pages.

GOAL

WE AIM TO RECYCLE

65%

OF OUR WASTE BY 2025.

IN THE LATEST FY 2022/2023, WE ACHIEVED A RECYCLING RATE OF 62% FOR SORTING.

CHALLENGES

THE LARGEST PROPORTION OF WASTE COMES FROM OUR CUSTOMERS' GOODS, WHICH NEED TO BE DESTROYED DUE TO EXPIRATION, DAMAGE OR OTHER REASONS.

WE CONTINUE WITH INTERNAL SORTING CAMPAIGNS AND EXPECT TO REACH OUR GOAL.



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We recycled 62% of our waste, increasing our recycling rate by 12 percentage points.

NORDIC WASTE

A small company with big ambitions, Danish-based Nordic Waste's vision is to give the earth new life by treating contaminated soil, removing contamination and recovering raw materials from the soil, thereby enabling recycling of scarce resources.

FROM RECIPIENT OF SOIL TO CIRCULAR SUPPLIER OF RAW MATERIALS

In Denmark, several million tonnes of soil are moved each year, and the amount continues to rise. At the same time, the consumption of raw materials in Denmark has risen over the past many years.

Traditionally, soil is considered a waste product but at Nordic Waste, we consider soil a resource which can be reused. Typically, we receive the soil from construction projects, which we then proceed to wash. Afterwards, we recover clean raw materials in the form of sand and gravel from the soil, which we then sell back to the construction industry, thereby offering them an alternative to virgin raw materials.

Not only does our solution contribute to the reuse of the increasing amount of excavated soil and diminishing the consumption of virgin raw materials. At the same time, we are contributing to transitioning to a circular economy in the construction industry.

REDUCING EMPTY HAULAGE

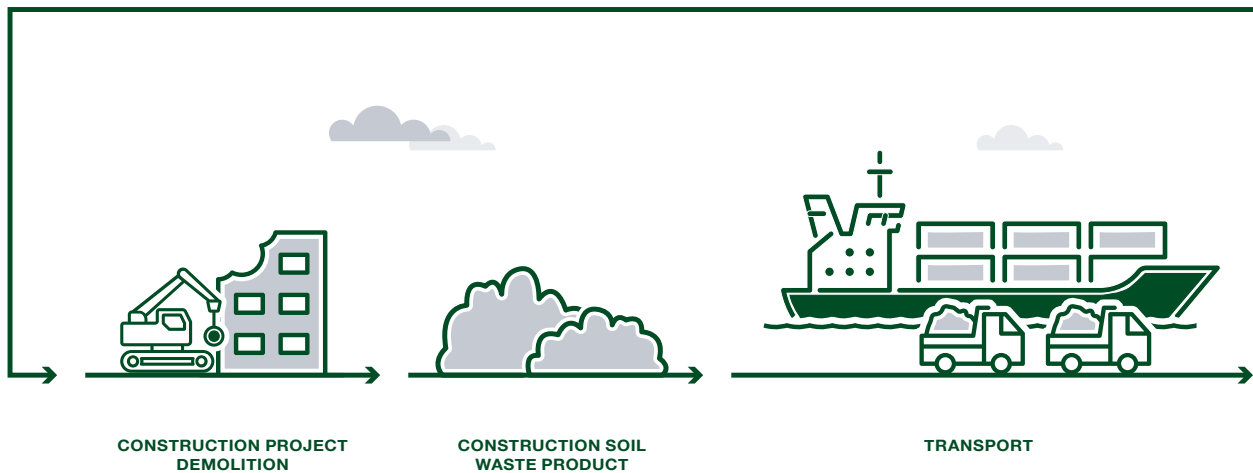
Besides playing a central role in managing the increasing amount of excavated soil and consumption of raw materials, Nordic Waste's solution can also positively contribute to construction projects in other ways.

In addition to helping our clients dispense with their excavated soil, we also provide them with the opportunity to attain raw materials. This one-stop-shop solution for handling soil and raw materials makes logistics easier and can also help reduce the amount of empty haulage. It is a challenge for many construction projects that transportation of soil and raw materials accounts for a significant share of total costs and their total CO2 footprint.



We are contributing to transitioning to a circular economy in the construction industry

Lene Lange
CEO
Nordic Waste



OUR CONTRIBUTION TO THE PLANET

Zooming out and looking at the impact that our solution has on the planet, one can see positive effects in three areas:

- First, we contribute to the removal of man-made pollution through the remediation of contaminated soil. Our soil washing plant is ideal for remediation of pollution components such as hydrocarbons and heavy metals.
- Second, we contribute to the reduction in extraction of scarce virgin raw materials from the planet by recovering raw materials from the soil we clean.
- Finally, we contribute to biodiversity and the local ecosystem by removing pollutants and reducing the need to extract new raw materials.

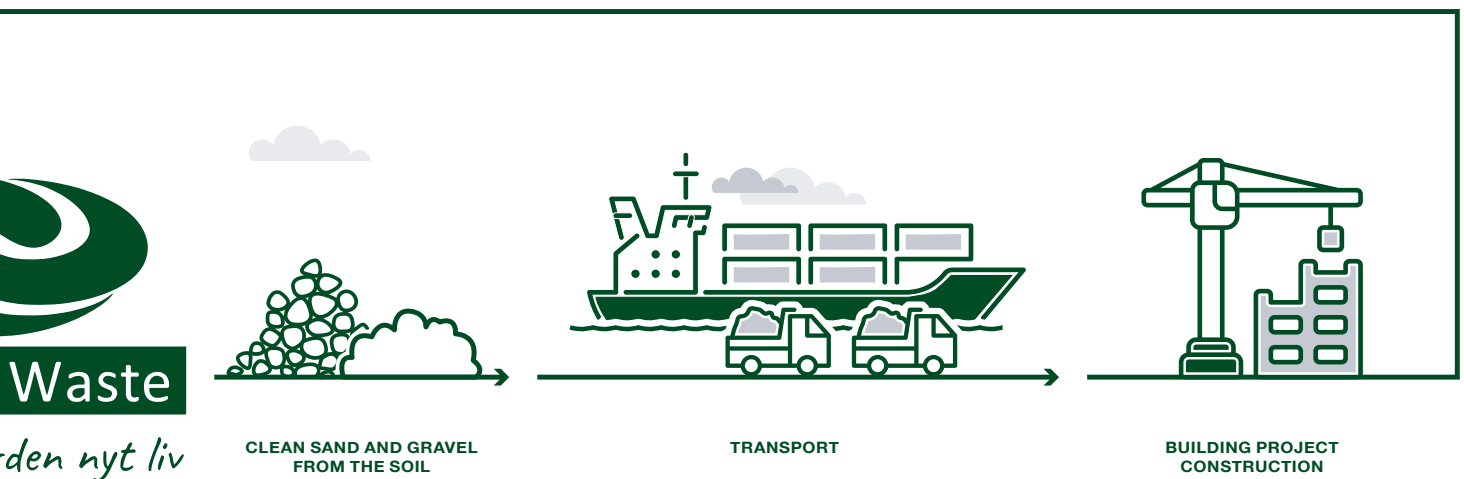
OUR EXPECTATIONS FOR THE FUTURE

It is our clear expectation that the green, circular and sustainability agendas will receive increasing focus over the coming years, both when it comes to soil management and raw material consumption. So far, there has been limited focus on the opportunities for obtaining points for sustainability certifications for sustainable soil and raw material management in construction, but the industry and certifications have reached a point where the natural next step is soil and raw materials. Likewise, it is to be expected that the new requirements for life cycle assessments and CO2 accounting in construction will ripple into the raw materials and soil receiving industries.

At Nordic Waste, we have launched a project to obtain an EPD (Environmental Product Declaration) for our recovered raw materials. An EPD will provide a solid data foundation for the societal impact of our work on recovering raw materials in relation to the environment, nature and the climate. The expectation is that our circular solution will perform better on these parameters compared to gravel extraction from gravel pits and quarries.

Simultaneously with the development of the circular economy, society's awareness of polluting substances is also developing at a fast pace. Especially PFAS contamination plays a central role. We are at the forefront of this development and are currently conducting a research project on remediation of PFAS-contaminated soil together with the Danish Technological Institute.

Looking closer at operations, during the coming year we will commence a large construction project at our site, which upon completion will allow us to further grow in the coming years. One of the two main parts of the project focuses on the further expansion of Nordic Waste by building a new concrete deck of 6.6 hectares with three halls. The other part of the project focuses on optimising the internal logistics at the site to streamline work processes and minimise fuel consumption.



SOCIAL

Our people are the heartbeat of our organisation. Their dedication, skills and passion drive our success, and we are proud to prioritise their well-being and growth.

In SDK FREJA, we have chosen to focus our efforts on four topics under Social. These are the topics on which we deem we have the biggest impact and thereby can make most progress.

Diversity, Equality and Inclusion are cornerstones of our social efforts, and we embrace diversity in all its forms and are dedicated to fostering an inclusive culture where every employee feels valued and respected.

Both the logistics and shipping industries have historically been male-dominated industries, but we firmly believe that an inclusive workforce, representative of diverse backgrounds, experiences and perspectives is vital for our continued growth and competitiveness. Our commitment to DEI goes beyond mere compliance; it is an ongoing journey of transformation that we will embrace at every level of our organisation. And we realise we have a long way to go as currently, women are underrepresented in management with the number unchanged since previous financial year 2021/2022. We will continue to prioritise working towards ensuring that the composition of management reflects the general organisation.

Although we are still at the very tentative beginning of our DEI-journey, we are making headway. We realise it requires a solid commitment to change an entire culture, but we are confident that we will see the fruits of our labour. Our systemic approach to promoting Diversity, Equality and Inclusion has already provided us with insights into specific areas where we can now set in and start making an impact. In the upcoming years, we will continue to prioritise achieving a more balanced gender composition.

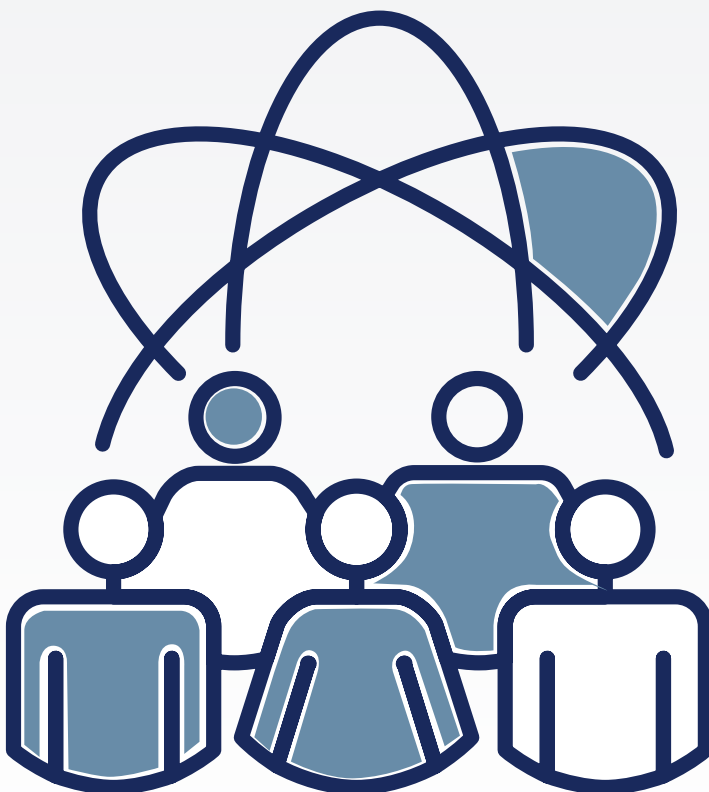
A SAFE AND RESPONSIBLE WORKPLACE

Every day we work towards providing a safe work environment, opportunities for professional development and a culture that encourages collaboration and innovation for all SDK FREJA colleagues. We believe that investing in our peoples' personal and professional development not only enhances their individual success but also strengthens our collective capabilities as a company. We have made considerable improvements to our facilities with a view to improving our safety and security measures, and we will continue to do our very best to keep every employee safe and secure while they perform their work duties. To support this, we have implemented protocols and procedures and set targets on leading indicators for safety capacity. In addition, we rely strongly on our dedicated HSE representatives and their expertise.

We acknowledge that our operations have a direct impact on the communities where we have our presence. We strive to be a responsible corporate citizen, engaging in activities that contribute positively to society. Again this year, we have supported talents on their route to becoming professional athletes and organised internal fundraising events to support good causes.

We are excited for the future, and we will continue to focus on catering to our customers' needs and expectations while also doing all that we can to leave a positive impact on our people and on society.

TOPICS & TARGETS



HEALTH
& SAFETY

UNDER-REPRESENTED GENDER IN THE BOARD OF DIRECTORS BY 2023

33%



DIVERSITY, EQUALITY,
AND INCLUSION

MAINTAIN EMPLOYEE TURNOVER RATE BELOW

15%



EMPLOYEE
ATTRACTION AND
RETENTION

SICKNESS ABSENCE BELOW

2.5%



COMMUNITY
ENGAGEMENT

LOST TIME INJURY FREQUENCY PER 1,000,000 IN 2024 BELOW

8

FATALITIES

0

HEALTH & SAFETY

The safety and well-being of our employees are our top priority, particularly in high-risk environments, and we are incessantly focused on mitigating risks and equipping our people with the right knowledge and tools in order to carry out their tasks in a safe and responsible manner.

This financial year 2022/2023, our LTIFR decreased substantially to 3.9, compared to last year's 10.3, surpassing our initial expectations. To reach this significant milestone, we have implemented several effective measures. Our objective was to achieve a reduction in our LTIFR per 1,000,000 to below 8 in 2024.



Especially in our Shipping division, where we have the highest risks and the greatest focus on occupational safety, we need to maintain our efforts in the coming financial year.

Henrik Mortensen

Director, QHSE, Procurement & Insurance Shipping

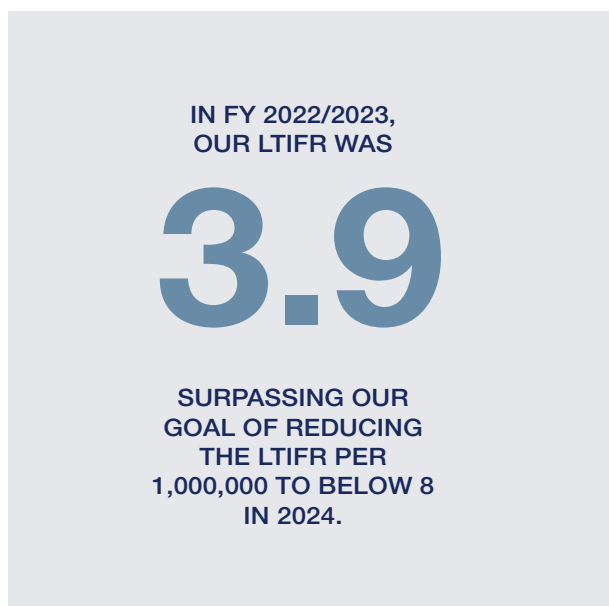
To take this quantum leap is more than we dared to hope for when we set a cautious goal of reducing our LTIFR to below 8. We owe the impressive progress to our dedicated employees and not least to the occupational health professionals and colleagues at the ports.

At every site, we conduct a comprehensive risk assessment of all work procedures, including the operation of cranes, staff training, safety equipment requirements and protocols for proper usage.

To ensure that our HSE initiatives are visible and impactful for our employees, we have placed an increased focus on safety incident registrations and e-learning modules. Moreover, we have created an HSE handbook to facilitate communication within SDK FREJA when the QHSE representative is not present on site. We remain committed to maintaining and building upon these approaches to ensure a secure working environment for all employees.

We acknowledge that our Shipping division poses the highest risks and requires additional focus and resources to improve our occupational safety measures. As stevedores at approximately 15 port sites across Denmark, we have Health & Safety representatives at each location, which includes the site manager. Additionally, our four appointed QHSE representatives visit a minimum of 10 sites per month to provide support to the Health & Safety representatives.

While we had initially considered creating an overall common occupational health and safety policy, we have decided that maintaining separate policies for each company is the best way to ensure local anchoring and a strong presence. By tailoring our policies to the specific needs of each of our divisions, we can better address the unique occupational health and safety conditions they face. This approach allows us to prioritise the safety of our employees and create a positive and secure work environment. We remain dedicated to increasing our efforts towards ensuring a safe working environment for our employees.





CASE

SDK FREJA AT ØRSTED

AT SDK FREJA, WE DO OUR UTMOST TO ENSURE THAT ALL OUR EMPLOYEES ARE ABLE TO RETURN HOME SAFELY AT THE END OF THEIR WORKDAY.

Our commitment to strict health and safety procedures can be seen in our sub-branch SDK Stevedore's work at the Ørsted bioenergy power plant that runs mainly on wood pellets. As a company responsible for the unloading of wood pellets, safety is our top priority especially when handling large machinery and potentially hazardous materials.

As part of our safety procedures, the wood pellet unloading process is carried out with strict adherence to safety protocols which prioritise the health and safety of our employees above all else.

Upon a vessel's arrival, SDK Stevedore boards the vessel to finalise the Ship Shore Safety Checklist, which must be completed before unloading commences. A comprehensive unloading plan is agreed upon, which includes Standard Operating Procedures (SOPs) and Risk Assessments for each task, as well as a Toolbox Talk at the start of operations. All of these steps have been implemented as

part of SDK FREJA's requirements. The wood pellets are unloaded using a high-speed crane capable of handling 400 tonnes per hour and are then transported directly to the power plant silo or long-term storage via a conveyer belt. Finally, a bobcat is deployed to unload the remaining cargo and clear the hold once the ship is almost empty.

In addition to the forementioned safety protocols, our safety procedures, including the use of personal protective equipment such as helmets, safety shoes, glasses, and high-visibility clothes, are also strictly enforced during the wood pellet unloading process. Furthermore, life jackets must be worn when working less than one meter from the edge of the port, and survival suits are required when the water temperature is below 10 degrees Celsius. The handling of wood pellets generates a significant amount of dust, which can be hazardous to our employees' health. To protect against this, all personnel are required to wear

airway dust covers with built-in fresh air flow.

Our QHSE representative Helle Thuesen arranges a monthly Safety Meeting with our working environment representatives, the SDK chairman, and Ørsted port representatives to review safety procedures and address any deviations. Regular safety walks are conducted at each Ørsted port, with an annual safety seminar held to train and build teamwork. In the event of an accident, Helle investigates, files a report, and informs Ørsted within 24 hours.

Our company leverages the important experiences we gain through our in-house work with Ørsted and to the benefit of the rest of the SDK FREJA team. Through the close collaboration between our QHSE employees in our Shipping and Logistics divisions, we are able to share best practices and optimise processes in other QHSE areas across our global organisation.

DIVERSITY, EQUALITY AND INCLUSION

At SDK FREJA, we strongly believe in fostering a welcoming and inclusive environment that values diversity and inclusivity, regardless of an individual's race, sexual orientation or gender identity. We recognise that certain areas of our industry, such as warehouse and harbour operations, have historically been male-dominated, and we are committed to promoting diversity and gender equality across all aspects of our operations.

Our gender distribution remains largely unchanged from last year, with male representation of 68% and female representation of 32% of the workforce. We are mindful of the historical gender disparity within our organisation, and we recognise that it is our responsibility to take action towards achieving a more balanced gender representation.

In alignment with our commitment to promote gender diversity, we have set a target to achieve 33% of the underrepresented gender on the SDK FREJA Board of Directors by the end of 2023. We are pleased to report that this target has been achieved, as the current SDK FREJA Board of Directors comprises eight members of which three are women, which is equivalent to 37.5%. We believe that having a balanced representation of genders on our Board of Directors is critical and we remain dedicated to promoting greater diversity and inclusivity within our organisation. However, we are also mindful that there is room for improvement, especially in relation to upper management levels.

The gender composition of our Executive Management is unchanged from last year, and it is characterised by a low female representation. The same is the case for our Management, and we will continue to work towards fostering a more balanced gender composition across the entire organisation. This will be a key focus point for us in the coming years.

To achieve this, we will be using the financial year 2023/2024 to develop a comprehensive plan that outlines specific steps we can take to promote greater gender diversity across all levels in our organisation. As part of this effort, we will be placing a strong emphasis on driving fair and inclusive hiring practices that enable us to attract and retain top talents. We are also working on removing barriers to ensure equal opportunities for advancement within the company for all employees. Last, we are investing in training and development programmes to enhance cultural competency, mitigate bias and promote equitable practices throughout our organisation.

At SDK FREJA, we have a workforce that represents 19 different nationalities, and we strongly believe that diversity is a key driver

of innovation, creativity and better decision-making across our business. With an inclusive mindset, we see the potential in every individual, and we are committed to working with local municipalities and organisations to help create a more inclusive workplace for people with reduced work capacity or special needs. We are dedicated to promoting a culture of respect and equal opportunity, and we reject all forms of prejudice. Our goal is to ensure that every member of our team feels valued and respected and has access to equal opportunities.

**THE GENDER COMPOSITION OF
OUR BOARD OF DIRECTORS IS**

37.5%

**WE HAVE ACHIEVED
OUR TARGET OF HAVING
AT LEAST 33% OF THE
UNDERREPRESENTED GENDER
MAKE UP THE SDK FREJA
BOARD OF DIRECTORS.**



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We are mindful of the historical gender disparity within our organisation, and we recognise that it is our responsibility to take action towards achieving a more balanced gender representation.

EMPLOYEE ATTRACTION AND RETENTION

Attracting and retaining top talent is crucial not only for our success but also for creating a positive work environment and driving sustainable growth. We firmly believe that investing in our employees' well-being and development will propel our organisation forward.

In today's labour market, attracting exceptional talent requires more than just competitive compensation packages. We understand that employees seek meaningful work experiences that align with their values and offer opportunities for personal and professional growth. Therefore, we have implemented comprehensive recruitment strategies focused on promoting our company culture, values and commitment to sustainability. By effectively communicating our vision, purpose and the positive impact we strive to make, we can attract individuals who share our passion for excellence and our dedication to creating a better future.

Through our dedication to investing in our employees' well-being, career advancement and overall job satisfaction, we fostered an environment that promoted long-term commitment and minimised turnover. For financial year 2022/2023, our objective was to maintain an employee turnover rate below 15%. We successfully accomplished this goal by effectively managing and maintaining an employee turnover rate of 13.4%.

We realise that retaining our talented employees requires our constant engagement and awareness. For this reason, we offer robust training and development programs, mentorship opportunities and clear pathways for career advancement. In addition, we have implemented a common system for employee satisfaction surveys, which will help SDK FREJA's Executive Management and HR department measure progress made on our targets for employee satisfaction and motivation.

IN FY 2022/2023,
OUR EMPLOYEE TURNOVER
RATE WAS

13.4%

COMPARED TO 12.5%
IN FY 2021/2022

IN FY 2022/2023,
OUR SICKNESS ABSENCE
WAS

2.5%

COMPARED TO 4.7%
IN FY 2021/2022



We will use the insights gained from the analysis to guide our efforts in creating a workplace culture that supports the wellbeing and success of all our employees.

LEAP

During financial year 2022/2023, we conducted our first joint employee satisfaction survey since our SDK and FREJA entities joined forces to become one unified organisation. The survey was conducted building on our ongoing monitoring of our employees' wellbeing. The analysis represented a new step for us as we benchmarked our results against the wider USTC Group and incorporated the Net Promoter Score (NPS) for the first time.

We have observed a generally positive response to the introduction of the new employee satisfaction survey this year. While recognising that it may take some time for individuals to adjust to the updated format, we remain content with the outcomes achieved thus far. These outcomes reflect our continued commitment to fostering a positive and engaging work environment for our employees. However, we recognise that there is always room for improvement, and our HR team, in collaboration with HR partners from USTC's other companies, will be analysing each area in detail to identify opportunities where we can develop and improve further.

The survey covered a range of key areas and was conducted using a score scale of 1 to 10. We will use the insights gained from the analysis to guide our efforts in creating a workplace culture that supports the wellbeing and success of all our employees.

MONITORED GROUPS	NPS SCORE
ENGAGEMENT	7.6
COMMUNICATION	6.5
JOB CONTENT	7.6
EDUCATION AND DEVELOPMENT	6.3
RECOGNITION	7.4
COOPERATION	7.6
TRUST AND SUPPORT	7.9

OUR TARGET FOR FY 2023/2024 IS TO ATTAIN AN OVERALL NET PROMOTOR SCORE OF

8

OR ABOVE



CREATING A CULTURE OF BELONGING

HOW OUR POLISH OFFICE PROMOTES RETENTION AND DIVERSITY.

In our commitment to promote a positive workplace culture, we recognise the importance of hiring and retaining a diverse workforce. At our Szczecin office in Poland, not only is our employee turnover rate low, but we have also achieved a balanced gender representation with 44% of our employees being female. Our success can be ascribed to our dedication to create an inclusive work culture, where everyone feels they belong and can realise their potential. In addition, our focused efforts on prioritising workplace benefits and establishing a supportive work environment means we have been able to attract and retain both talented female and male employees.

At our Szczecin office, our employees come from diverse backgrounds and age groups, ranging from young professionals to seasoned veterans. All employees work full-time and are offered the option to work remotely for a specified number of days per month if their type of

employment allows, providing them with flexibility and a decent work-life balance. This flexibility is one factor that plays an important role in our ability to attract and retain a talented and diverse workforce.

Anna Jasiak, Managing Director of Poland, believes that the company environment also plays a significant role in attracting and retaining employees:

“Building trust and providing employees with independence and empathy are essential factors in creating a positive work environment. This shows that creating a welcoming and inclusive workplace culture can have a significant impact on attracting and retaining employees from diverse backgrounds and help them build meaningful careers.”

In addition to fostering a supportive work environment, SDK FREJA's office in Szczecin, Poland provides a range of employee benefits. Colleagues in the Szczecin office have access to private

health care, and the company also offers financial contributions towards recreational and leisure activities, and lunch during work hours.

Ultimately, our Szczecin office has created an inclusive and welcoming workplace culture that prioritises trust, independence and employee well-being. These values have helped the office achieve a well-balanced gender representation and establish a positive reputation as a sought-after place to work.

CONNECTING TOMORROW'S BRIGHT MINDS

USTC STUDENT NETWORK UNITES TRAINEES AND STUDENT ASSISTANTS ACROSS DENMARK.

As a socially responsible company, SDK FREJA recognises the value of providing young people with opportunities to develop and learn. As such, we are delighted to be a constant active participant in the USTC Student Network programme, an initiative launched in Q4 2022 by our parent company USTC.

The programme seeks to encourage collaboration among the more than 100 trainees and student assistants from various companies in the USTC Group in Denmark, providing them with an opportunity to network and gain insights into the Group's diverse range of activities.

In January 2023, SDK FREJA hosted a successful event for the USTC Student Network, which drew participation from 42 young individuals. The event featured a professional component, where attendees learned about the operations and functions of SDK FREJA, followed by a team building exercise and social activities.

Emilie Krogh, the co-organiser of the last event, emphasised the significance of having knowledge of each other's activities and the potential for exploiting synergies between companies in the long term.

"As a trainee co-organising an event for the USTC Student Network programme, I was thrilled to see the impact of our efforts first hand. Bringing together trainees and student assistants from different companies within the USTC Group created a dynamic atmosphere of collaboration and knowledge sharing.

Through our event, participants were able to not only connect with their peers but

also gain insights into the operations of different companies within the Group. The teamwork activity we organised was a great opportunity for students to put their skills to the test and learn from each other."

SDK FREJA is committed to supporting initiatives, such as the Student Network programme, that promote education and personal development which align with our ESG principles and contribute to the broader social life of our communities.

NURTURING THE NEXT GENERATION OF TALENT

At SDK FREJA, we invest in the next generation of young talent, as we believe that they have much to contribute with. We have ongoing targeted efforts in collaboration with educational institutions to showcase our many different areas of work.

Students and trainees receive a proper and thorough onboarding process once they start their employment with us. This is to ensure that they are familiar with our company culture, our requirements and expectations, and, most importantly, that they feel secure and supported when they carry out their tasks.

Moreover, our student assistants and trainees are quickly given responsibility within their area of work. It is our experience that these initiatives help our students and trainees to grow while also nurturing a positive talent maturity process that they will benefit from for the rest of their working lives. In 2022, all of our young talents chose to stay with us after completing their education and trainee programme.



HUMAN AND LABOUR RIGHTS IN OUR SUPPLY CHAIN

We remain dedicated to fostering a culture of inclusivity and respect among our diverse network of suppliers. Recognising the various cultures and societies they represent, we are committed to upholding our core values by treating our suppliers with utmost respect and decency. We will continue to enforce our Code of Conduct with determination, ensuring ethical standards are upheld and foster positive relationships with our valued suppliers.

At SDK FREJA, we place great importance on building and maintaining strong relationships with our suppliers, which also enables us to assess them thoroughly. To further enhance our evaluation process, we embarked on a comprehensive risk assessment of both our suppliers and the countries in which they operate. As part of this assessment, we conducted inspections on a selected group of suppliers to ensure compliance with human rights standards.

The hauliers and drivers form the majority of our suppliers, and they frequently stay at our facilities for cross-docking and mandatory rest periods. At SDK FREJA, we place a high priority on caring for all our drivers. We also encourage our customers to adopt the same approach when handling cargo during loading and unloading operations. We have made significant investments not only in sufficient resting facilities but also in additional amenities like showers and washing machines. These measures are aimed at ensuring that the drivers are provided with decent and proper working conditions.



We believe in promoting equality and inclusivity in the transportation industry and are committed to providing a welcoming environment for all drivers.

Pawel Slizowski
Director of Transcargo Trucking
Logistics



DRIVERS HOTEL SZCZECIN

IMPROVING THE WELL-BEING OF OUR TRUCK DRIVERS.

In the transportation industry, truck drivers are essential to ensure that goods are transported across the country and throughout Europe. However, the conditions for truck drivers during their downtime can be challenging, particularly if they are on long-haul journeys. With limited options for rest and recreation, truck drivers often struggle to find suitable accommodation and facilities to recharge and refresh before they return to the road.

To address these concerns, SDK FREJA's own haulier branch, TC Trucking, located in Szczecin in Poland decided to open a dedicated hotel for truck drivers that offers high-quality accommodation and facilities. The hotel has 17 rooms with a total of 30 beds and it is conveniently located near major

transport routes, providing easy access for truck drivers. Moreover, it offers a range of amenities, including comfortable beds, shower facilities, laundry services and cooking facilities.

Our truck driver hotel also offers a dedicated room and shower for female drivers, ensuring that all drivers have access to safe and comfortable accommodation during their downtime. We believe in promoting equality and inclusivity in the transportation industry and are committed to providing a welcoming environment for all drivers.

The feedback we have received show a significant improvement in the quality of life for truck drivers. The truck drivers who stayed at the hotel have been overwhelmingly positive. During the

weekends 25-30 drivers stay at the hotel with this number decreasing, a little during the week. The hotel has become a popular choice for drivers living far from home and looking for a comfortable and convenient place to rest during their downtime.

Our truck driver hotel not only improves the quality of life for our drivers, but it also enables us to use our trucks more efficiently. When a driver needs to rest, their truck can be handed over to a colleague, allowing us to keep our trucks on the road and reduce downtime. This means that our business can operate more effectively, delivering goods more quickly and reliably.

COMMUNITY ENGAGEMENT

At SDK FREJA, we are committed to using our resources and influence to benefit the wider community, and our local community engagement activities reflect this commitment. Our strategy is to support smaller communities and sports athletes who share our values and can benefit from our contributions to their development.

We have a strong presence in many smaller communities where our offices are located, and we believe it is essential that our presence has a positive impact. We engage with local businesses where possible, and support autonomously decided sponsorships that align with our values and support local associations or individuals.

For years, we have invested in local community engagement activities that benefit not only local communities but also our employees and their families. We support athletes, sports teams, organisations and other charitable causes that share our enthusiasm and motivation for making a positive impact.

At SDK FREJA, we recognise that our efforts can make a meaningful difference in the communities we serve and where we are present, and we will continue seeking out new opportunities to align with our values and goals. We believe that by engaging with local organisations and initiatives, we can make a lasting positive impact on the communities we are proud to call home.



We recognise that our efforts can make a meaningful difference in the communities we serve and where we are present.



BASKETBALL ACADEMY IN POLAND

Our SDK FREJA branch in Poland supports a local basketball academy near Szczecin.

Our Polish branch is proud to support the local basketball academy SPÓJNIA STARGARD. As part of our ongoing commitment to the community, we sponsor new sports clothing for the team each year. This support not only benefits the team and promotes healthy lifestyles, but also helps to enhance our brand's reputation and strengthen our relationships with local customers.



FOOTBALL JERSEY FRIDAY

The event took place in March, where our colleagues in Taastrup and Stilling in Denmark were encouraged to wear their favourite football jerseys. The event's main purpose was to raise awareness and support for The Danish Childhood Cancer Foundation. Employees contributed to this worthy cause through private donations, and SDK FREJA further supported this effort by matching the amount donated.



GOVERNANCE

At SDK FREJA, we strongly believe that sustainable and reliable governance is the foundation for a successful business. Strong governance is critical for maintaining our reputation and building trust and creating long-term value for our partners and customers.

As a family-owned business and one of the leading shipping and logistics companies in Europe, we take great pride in the fact that our governance model is based on a strong partnership between a professional Board and an active owner family. This approach enables us to leverage the strengths of both worlds - the expertise, knowledge and experience of independent directors, and the long-term perspective and commitment of our owner family.

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We understand that responsible governance extends beyond our internal operations.

Henrik Klausen

Group CFO


Our Board of Directors has been carefully selected to provide a broad range of relevant mindsets, knowledge and experiences. We believe that a diverse Board is essential for effective decision-making and for ensuring that we have the skills and expertise needed to navigate the complex and rapidly changing business environment in which we operate.

Our Executive Management team plays a crucial role in the day-to-day operations of our company. They set the direction of the organisation and ensure that our culture of decency, leadership and business acumen is reflected throughout the company. Our Executive Management team is accountable for translating our strategy and targets into actionable plans, and they work tirelessly to deliver results for our stakeholders.

In addition, our Executive Management team sets the ethical tone of the organisation and models the behaviours we expect from all our employees. We believe that ethical behaviour is critical for building trust with our stakeholders and delivering sustainable value, and we are committed to upholding these values in everything we do.

In this report, we will delve into our key governance practices, including our approach to risk management and compliance frameworks, data privacy and security, reporting and handling misconduct, and transparency and reporting. We understand that responsible governance extends beyond our internal operations. We actively seek partnerships and collaborations with suppliers, industry associations and regulatory bodies to drive sustainable practices across the entire value chain. By sharing knowledge, best practices and innovation, we aim to raise industry standards and contribute to the overall sustainability of the shipping and logistics sectors.

TOPICS & TARGETS



COMPLIANCE

DISTRIBUTION OF COC TO TRANSPORT AND HANDLING SUPPLIERS IN 2022/23

90%



CORPORATE GOVERNANCE

EMPLOYEE TRAINING COC, GDPR, AND IT SECURITY IN 2022/23

100%



DATA PRIVACY AND SECURITY

MANAGEMENT SYSTEM CERTIFICATIONS OBJECTIVES FOR 2025 BASED ON ENTITIES MAY 2022:

ISO 9001
90%

ISO 14001
80%



REPORTING AND HANDLING OF MISCONDUCT

ISO 45001
5%



TRANSPARENCY AND REPORTING

CORPORATE GOVERNANCE

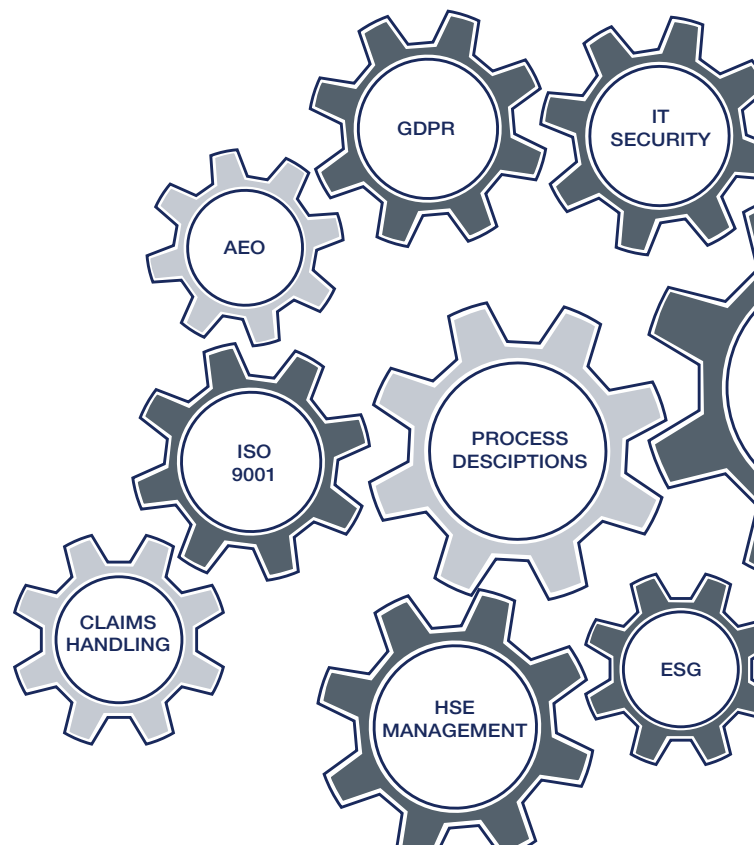
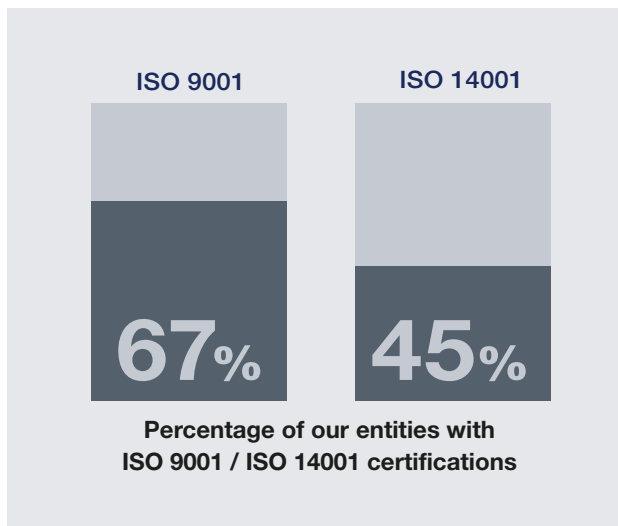
At SDK FREJA, we recognise our responsibility towards our stakeholders and understand that corporate governance is essential to our ability to operate effectively across diverse business sectors and countries. Having the right structures, rules, practices and processes in place is crucial for us to focus on what we do best - helping our customers solve their shipping and logistics challenges seamlessly and effectively.

As the governing organisation for a global group of subsidiaries operating in the shipping and logistics sectors, our Group is overseen by the SDK FREJA Board of Directors. The Board consists of independent directors and members of our owner-family, who are the sole shareholders of the Group. With each board member contributing relevant knowledge and experience, we have a long-term perspective towards our business and a very agile leadership model. Our Executive Management team takes active leadership of the SDK FREJA Group and the Group's sustainability agenda. SDK FREJA's Executive Management comprises the Group CEO and Group CFO of SDK FREJA, Group CEO and Group CFO of Logistics, and Group CEO and Group CFO of Shipping. For an overview of the general profiles and competences of our Board and Executive Management, please see our 2022/2023 Annual Report.

We have our global headquarters in Denmark, and our legal entities are located throughout Europe. We maintain a complex legal setup to ensure appropriate level of governance and oversight across our Group, as well as complying with all local requirements and regulations in the jurisdictions we operate in.

CERTIFICATION

Within our group of companies, despite their diverse nature, we are working towards establishing a unified and strong foundation that facilitates shared governance. As part of our commitment to governance, we employ ISO standards to drive our operations and ensure that our policies, processes and procedures are aligned with industry best practices. We previously maintained two different systems - one electronic and one manual - which we have now merged into one SDK FREJA Corporate Quality



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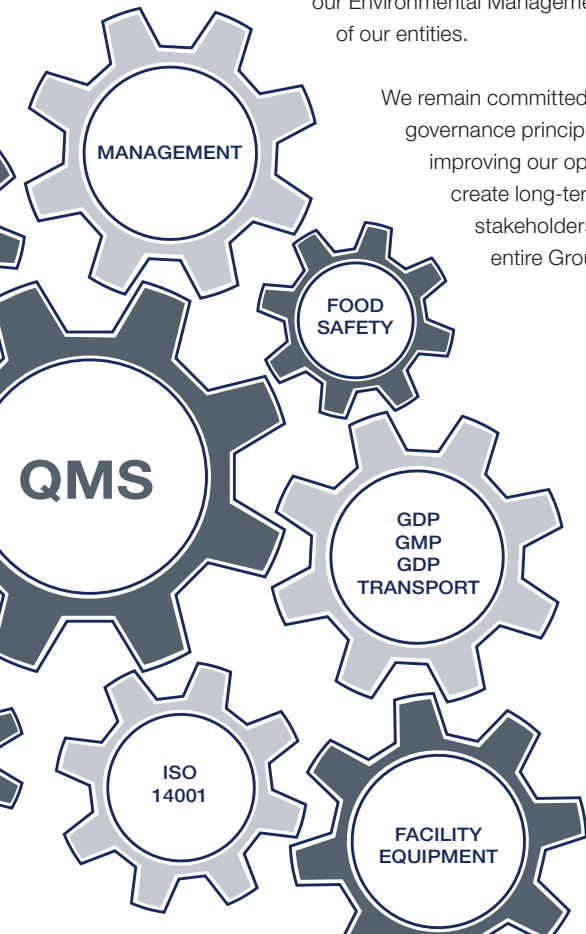
Having the right structures, rules, practices, and processes in place is crucial for us to focus on what we do best.

Henrik Klausen
Group CFO

Management System. This consolidation enables us to govern our operations more efficiently and effectively throughout the entire Group.

We have made significant strides this year towards our ISO Certifications. We have successfully obtained new ISO 9001 certification for our Quality Management Systems across 4 of our entities, and for the entities where it brings value to the Group, we have obtained ISO 14001 certification for our Environmental Management Systems across 2 of our entities.

We remain committed to upholding strong governance principles and continuously improving our operations to create long-term value for our stakeholders throughout the entire Group.



E-LEARNING AS A TRAINING AND KNOWLEDGE TOOL IN GOVERNANCE

In today's fast-paced and highly efficient world, where businesses are continuously striving for optimisation and efficiency, it can be challenging to provide sufficient opportunities for employee learning and development amidst the demands of the job.

While physical training is crucial in specific areas where teamwork is essential, it can be challenging to offer extensive learning opportunities through this medium alone. To address this challenge and ensure that our employees have access to up-to-date information and knowledge, we launched a comprehensive e-learning platform as part of our training program.

Our platform covers essential topics such as GDPR, Compliance, Code of Conduct, Diversity, and more, in addition to providing subject-specific training in areas such as Food, Feed, QMS, GxP, HSE, IT implementations, and other critical functions. In addition, we have carried out IT security training for all employees.

Our e-learning platform allows us to reach more employees with fewer resources, track who has completed training, and provide additional help where needed. It also enables us to document and ensure that knowledge has been shared effectively.

TRAINING SENT OUT TO ALL EMPLOYEES

IT SECURITY

GDPR TRAINING

CODE OF CONDUCT INCL. WHISTLE-BLOWER



COMPLIANCE

For a number of years, our Shipping and Logistics divisions have consistently maintained a high level of safety in relation to compliance with national and international laws, good accounting practices and preventing bribery and corruption. In connection with the merger of SDK and FREJA and conducting a Materiality assessment on ESG, we have identified several areas where we can enhance our efforts.

One significant area of progress has been our e-learning programme, which has been intensified over the past year. As of the publication of this report, all employees have completed our Code of Conduct training and had their knowledge of our whistleblower scheme refreshed. We believe that broad awareness of our values and principles is essential to ensure compliance internally and externally, and we will continue to invest in training and awareness-raising activities to maintain this focus.

WE HAVE INCREASED THE DURATION OF OUR E-LEARNING MODULES FROM 1,000 HOURS TO 3,400 HOURS ANNUALLY. OUR OBJECTIVE IS TO INCREASE THE DURATION FURTHER IN FY 2023-2024.

We recognise that compliance is a critical aspect of our operations, and we are committed to meeting the increasingly complex demands of the external environment. Therefore, we are continuing to intensify our compliance efforts, both internally and in relation to our partners. We require our most significant partners to sign our Code of Conduct, and we conduct deeper investigations in areas where our risk assessments indicate the greatest risks to ensure compliance with our partners.

AUDITS

At SDK FREJA, we use a management system developed in accordance with ISO High Level Structure standards, as one of the key components to ensure compliance. Audits are an important aspect of our compliance programme, and we incorporate relevant requirements and norms into our audit programs based on risk assessments. This enables us to take a comprehensive view of compliance by considering risks, deviations, inquiries and trends before creating our programme for each audit.



We believe that broad awareness of our values and principles is essential to ensure compliance internally and externally.

Henrik Klausen
Group CFO

Expanding into new business areas and pursuing special certifications necessitates an agile system that rapidly acquires knowledge and integrates it into our programmes. To ensure comprehensive coverage, we distinguish between internal and external audits. Internally, we have access to a wealth of data that we can analyse to inform our audit programme. However, when conducting supplier audits, we typically rely on contracts, codes of conduct and regulatory requirements as a basis for our assessment.

We believe that external audits are an important part of maintaining a robust compliance program. In addition to our own audits, we welcome regulatory visits, financial audits, IT audits and customer audits each year. These external audits provide valuable feedback and help us identify areas where we can improve our compliance programme.

All audit findings are documented and processed based on their level of priority and materiality. We believe that transparency is key, so we ensure that all relevant stakeholders receive copies of the audit reports. By doing so, we can collaborate with our stakeholders to develop and implement effective corrective actions that strengthen our compliance programme.

While we operate in areas with relatively low risks of sanctions violations, dual use and corruption, we remain vigilant and proactive in identifying and mitigating risks. We understand that compliance is an ongoing journey, and we are committed to staying abreast of the latest developments and trends in order to minimise risks and ensure sustainable growth.

IN THE FINANCIAL YEAR 2022/2023, WE HAD

30 INTERNAL AUDITS

**22 EXTERNAL OFFICIAL AUDITS
AND**

2 SUPPLIER AUDITS

**IN ADDITION, WE ARE ANNUALLY AUDITED FOR COMPLIANCE IN THE
CUSTOMS AREA THROUGH OUR AEO CERTIFICATIONS.**

DATA PRIVACY AND SECURITY

At SDK FREJA, we are dedicated to ensuring that our stakeholders' data is always safe and secure. We operate IT platforms that serve multiple countries and programs, including minor platforms, and continuously strive to embed more digital innovation and IT security into our operations. We prioritise data privacy and security by integrating them into our IT architecture, operational processes and management practices.

By the time this report is published, our Logistics and Shipping divisions have successfully migrated to a unified IT platform that includes Infrastructure, Identity & Access Management, Policies and Response Planning. This migration has enhanced our capabilities to safeguard our stakeholders' data and has allowed us to operate more efficiently and effectively.

We perform regular information security controls to protect our organisation's information assets against unacceptable risks to their confidentiality, integrity and availability. Our information security management system adheres to internationally recognised best practices outlined in standards such as ISO 27002.

At SDK FREJA, our dedication to data privacy and security is at the heart of our corporate governance, and it is closely linked to other areas such as IT management, risk management, legal and regulatory compliance and business continuity, which support our obligations to our employees, business partners, and the community at large.

We want our stakeholders to have confidence in our information security practices, and the Information Security function, led by the Group IT Director and IT Operations Manager, plays a critical role in achieving this goal. The function creates the Information Security Manual, which includes supplementary policies, standards, procedures and guidelines for information security. As an internal Center of Excellence, the function provides leadership and guidance on all matters related to information security, ensuring that our stakeholders' data is always safe and secure.

We are proud of our efforts to embed digital innovation and IT security throughout our operations and will continue to prioritise data privacy and security to fulfill our obligations to our stakeholders.



REPORTING AND HANDLING OF MISCONDUCT

At SDK FREJA, we hold ourselves and our stakeholders to the highest standards of integrity, honesty and compliance. We believe that the conduct of our employees and business partners is key to setting a good example and upholding our company's core values.

We strictly adhere to our purpose and internal compliance policies. We consider any form of fraudulent or unethical business conduct, including corruption and sanctions breaches, to be unacceptable. We take prompt and appropriate action to address any instances of misconduct that come to our attention.

We foster an open culture that emphasises the reporting and handling of misconduct in a safe and anonymous manner. We believe that every employee and stakeholder have a responsibility to speak up about unethical behaviour. We recognise that effective reporting and handling of misconduct is essential for promoting a compliant culture based on dialogue.

CODE OF CONDUCT

We have developed a common Code of Conduct for our companies under SDK FREJA, which is currently awaiting publication. The scheduled release date is set for end June 2023, followed by e-learning and a visible information campaign across our various locations. Ensuring our employees' comprehensive understanding of the Code of Conduct and its guidelines is an important element of our compliance efforts.

WHISTLEBLOWING

Since 2019, SDK FREJA have had a whistleblower scheme in place, managed by an external law firm to ensure anonymity. Our whistleblower service is available in several languages, both internally and externally, for easy access and provides our employees with the opportunity to anonymously and freely express concerns or grievances. For the financial period 2021/2022, the service was not used.

At SDK FREJA, we attribute the lack of activation of our whistleblower programme to our open and transparent work

culture, which allows employees to confidently raise concerns with their managers. We believe that this approach promotes an environment of trust and transparency, which encourages employees to speak up about any grievances without fear of retaliation.

However, we have identified a low awareness of the scheme and we have taken proactive steps to increase its visibility by incorporating it into our Code of Conduct. We have also extended this to our most important supplier groups. Our strong controller functions, QHSE teams, and QMS system provide multiple avenues for employees and stakeholders to report any suspicions of misuse or violations of requirements and rules, reinforcing our commitment to maintaining the highest standards of ethical conduct in all our operations.

In the event that we receive any complaints or concerns through our whistleblower service, we will treat each concern with total discretion and earnestness. To ensure fairness for the claimant, the grievance will be handled by a law firm. We are committed to protecting the identity of those who use our whistleblower service and providing a safe and secure platform for them to express their concerns.

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We hold ourselves and our stakeholders to the highest standards of integrity, honesty, and compliance.

TRANSPARENCY AND REPORTING

At SDK FREJA, we prioritise transparency and accuracy by delivering trustworthy and high-quality data for our operational KPIs, financial data, and ESG-related KPIs and data. We understand that this data is critical for decision-making, and therefore it must be clear and provide a good business understanding.

To access the relevant data we need to govern our entities, including ESG performance reporting, we utilise our Business Intelligence (BI) system. However, we are currently manually collecting ESG performance data for certain topics. Our objective is to achieve comprehensive coverage of all ESG areas within our BI system by 2024 and to enhance transparency for both SDK FREJA and our owner company, USTC, through the addition of an ESG reporting tool. To ensure the correctness of the data provided in our BI system, our Quality department performs monthly controls on our BI system's in- and output data.

At SDK FREJA, we understand that IT and technology are crucial for our business, and we are always looking for the most advanced systems to provide high-quality solutions for our customers and employees. We often collaborate with other companies to develop IT solutions and adapt them to our needs, but we also strive to develop IT solutions in-house.

Utilising IT technology enables us to establish transparency and traceability in data, which is essential for ensuring data compliance. Our dedicated controllers regularly perform random checks, focusing on financial data, receipts and other relevant areas. We diligently monitor claims and other complaints to address any instances of non-compliance, while our internal audit contributes to our overall compliance assessment.

CUSTOMER SATISFACTION SURVEY

At SDK FREJA, we conduct a global customer satisfaction survey every two years to gather feedback on delivery times, daily communication and collaboration, invoicing and digital solutions from our clients. We recognise the importance of this feedback in improving our services and increasing customer satisfaction. This year, we added a new section on environmental concerns

to better understand and address the evolving needs and expectations of our customers.

The results show that our customers generally find our services helpful, with a high score for customer service and communication with daily contact persons.

However, there is room for improvement in some areas. 7,6% of our customers report that they disagree with on-time pickups and deliveries, indicating a need to optimise our operations. Similarly, the lowest score in the communication category was for quickly providing information on deviations, which is an area we can work on improving.

In terms of invoicing, 10,8% of our customers disagree that our invoices are correct and transparent. We acknowledge the comments indicating confusion over add-ons and will work to improve the transparency of our billing processes.

Regarding complaints handling, approximately half of our customers agree that we handle complaints sufficiently with over 20% reporting no complaints and 7,69% disagreeing that we handle our complaints in a professional manner. We will use this feedback to further improve our complaints management processes.

We recognise that there is an opportunity to increase the adoption of our digital solutions, as 44% of our customers currently do not use them. We will focus on increasing awareness of our digital solutions, which have been positively received by customers who use them and aim to provide our customers with a seamless digital experience.

Finally, we note the increasing importance of sustainable transportation practices, with more than half of our customers expressing interest in HVO fuel transports and emissions calculations. We will continue to explore and invest in sustainable transportation solutions to meet the evolving needs and expectations of our customers.



ESG PERFORMANCE

ENVIRONMENT

MT CO ₂ e	2022-23	2021-22	CHANGE
All Scopes	871,094	949,743	-78,649
SCOPE 1	22,623	18,597	+4,026
Terminals & offices	1,721	218	+1,503
Company cars	677	850	-173
Owned trucks	16,830	17,530	-700
Leased assets	3,394	-	+3,394

This increase in MT CO₂e was expected, as we have moved our time-chartered vessels from Scope 3 to Scope 1. We have also increased our own fleet of trucks.

SCOPE 2	2,712	2,933	-221
Electricity, location-based	789	895	-106
Electricity, market-based	2,617	2,793	-176
Heating	95	140	-45

This decrease in MT CO₂e is the result of our efforts to optimise the energy efficiency in some of our main buildings.

SCOPE 3	845,749	928,213	-82,454
Purchased goods/services (cat. 1)	669	802	-133
Purchased capital goods (cat. 2)	8,511	10,678	-2,167
Fuel and energy-related (cat. 3)	4,549	4,394	+155
Subcontracted ROAD (cat. 4)	706,956	797,799	-90,843
Subcontracted AIR (cat. 4)	68,643	23,923	+44,720
Subcontracted SEA (cat. 4)	54,090	85,685	-31,595
Waste handling (cat. 5)	18	42	-24
Business travel (cat. 6)	1,300	684	+617
Employee commuting (cat. 7)	1,013	813	+200
Leased assets (cat. 8)		3,394	-3,394

This decrease was expected, as we have moved our time-chartered vessels from Scope 3 to Scope 1. We have also increased our own fleet, which has resulted in a reduction of subcontractors.

Waste recycled, tonne	1,900	429	+1,471
Other waste, tonne	1,156	430	+726
Recycled %	62%	50%	12%
Empty haulage	8.7%	8.9%	-0.2%
Utility load road transport	96.7%	95%	+1.7%

SOCIAL

	2022-23	2021-22	CHANGE
Employees, total	1,619	1,390	+229
Employees, female	458	385	+73
Employees, male	976	819	+157
Managers, female	35	35	0
Managers, male	150	151	-1
Employees, female %	32%	28%	+4%
Managers, female %	19%	19%	0
Employee turnover %	13.4%	12.5%	+0.9%
Sickness absence %	2.5%	4.7%	-2.2%
LTIFR* per 1,000,000 working hours	3.9	10.3	-6.4

* Lost Time Injuries Frequency Rate

We have included DSH/Nordic Waste in the calculated figures; we have not adjusted the baseline. We have moved our time-chartered vessels from Scope 3 to Scope 1, as this is more accurate in terms of responsibility for refuelling.

Errors have been found in some of the figures from the baseline year 2021/2022, e.g. Scope 1, Terminals and offices; they have been corrected. These corrections will naturally affect the overall figures to a lesser extent.

STATEMENT BY THE MANAGEMENT REGARDING THE GREENHOUSE GAS INVENTORY FY 2022/2023

Management has today considered and approved the Greenhouse Gas Inventory FY 2022/2023.

The Greenhouse Gas Inventory FY 2022/2023 has been prepared in accordance with The Greenhouse Gas Inventory – A Corporate Accounting and Reporting Standard (revised edition). The Greenhouse Gas Statement comprises the Scope 1-3 emissions inventory of SDK FREJA A/S and its subsidiaries, as defined in the Management's Accounting Principles for its Greenhouse Gas Inventory.

In my opinion, the Greenhouse Gas Inventory FY 2022/2023 is in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition) and Management's Accounting Principles for its Greenhouse Gas Inventory, and is free from material misstatement and omissions, whether due to fraud or error, including the accuracy and completeness of the data, sources and assumptions used.

Taastrup, 01 June 2023

On behalf of Management



Eric Clausen
Head of ESG and Quality



Henrik Klausen
Group CFO



ACCOUNTING PRINCIPLES

CARBON ACCOUNTS

STATIONARY COMBUSTION (SCOPE 1)

GHG emissions related to the combustion of natural gas, diesel, and burning used for the heating at warehouses and offices. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY COMPANY CARS (SCOPE 1)

GHG emissions related to the combustion of petrol and diesel used in company cars owned or controlled by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY OWNED TRUCKS (SCOPE 1)

GHG emissions related to the combustion of diesel and HVO used in owned trucks by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

PURCHASED ELECTRICITY (SCOPE 2)

Location-based approach

GHG emissions related to purchased electricity at all SDK FREJA offices, calculated using the location-based approach. The GHG emissions are calculated based on the annual electricity consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

Market-based approach

Several office locations do not have sub-metering for their electricity and heating consumption. The emissions related to this are therefore included in Scope 3, category 1

PURCHASED HEATING (SCOPE 2)

GHG emissions related to purchased district heating at SDK FREJA offices. The GHG emissions are calculated based on the annual heating consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA) or the supplier-specific emission factors.

PURCHASED GOODS AND SERVICES (SCOPE 3, CATEGORY 1)

The upstream GHG emissions related to purchased goods and services by all SDK FREJA entities, including purchased electricity and heating at offices where

its consumption is not sub-metered to SDK FREJA. The GHG emissions are calculated based on the spend data on different goods and services categories and product category emission factors published by the World Input-Output Database (WIOD). For the electricity and heating consumption specifically, the electricity and heating consumption are estimated based on the surface area of the offices and each country's average electricity and heating consumption per m² as published by Entranze. The GHG emissions are then calculated based on the estimated electricity and heating consumption, and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

PURCHASED CAPITAL GOODS (SCOPE 3, CATEGORY 2)

The upstream GHG emissions related to purchased capital goods by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different capital goods categories and product category emission factors published by the World Input-Output Database (WIOD).

FUEL AND ENERGY-RELATED ACTIVITIES (SCOPE 3, CATEGORY 3)

The upstream GHG emissions related to purchased fuels and energy by all applicable SDK FREJA entities. This includes all fuels covered in Scope 1 and all energy (electricity, heating and cooling) reported in Scope 2. The GHG

emissions are calculated based on the consumption data on the different types of fuel and energy and the respective upstream emission factors published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA) and the International Energy Agency (IEA).

UPSTREAM TRANSPORTATION AND DISTRIBUTION (SCOPE 3, CATEGORY 4)

The lifecycle GHG emissions related to subcontracted transport by road, air and sea. The GHG emissions are calculated based on each activity's corresponding activity data (consisting of distance travelled and tonnage transported) and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

WASTE GENERATED IN OPERATIONS (SCOPE 3, CATEGORY 5)

The lifecycle GHG emissions related to disposal and treatment of waste generated in SDK FREJA's owned and controlled operations, both for recycled and non-recycled waste. The GHG emissions are calculated based on the annual quantity of waste generated and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

BUSINESS TRAVEL (SCOPE 3, CATEGORY 6)

GHG emissions related to business travel by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different types of business travel

and product category emission factors published by the World Input Output Database (WIOD).

EMPLOYEE COMMUTING (SCOPE 3, CATEGORY 7)

GHG emissions related to the combustion of petrol and diesel in company lease cars when used for personal use. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

UPSTREAM LEASED ASSETS (SCOPE 3, CATEGORY 8)

GHG emissions related to the combustion of marine gas oil (MGO) used in time-chartered vessels as part of the SDK fleet. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by the International Maritime Organization (IMO).

EMPTY HAULAGE (FREJA)

Empty haulage is measured automatically in our ERP system last unloading place to first loading place.

LOAD UTILITY

Load utility are measured by payload and payload capacity on vehicle this is measured in our ERP system.

SOCIAL PERFORMANCE

GENDER COMPOSITION

The proportion of women in a given cohort calculated by headcount.

SICKNESS ABSENCE

Calculated on last period average number of employees and last period number and working days and number of sick leave registered in our absence system.

EMPLOYEE TURNOVER

The employee turnover in % is taken from voluntary exits and not covering exits where SDK FREJA for some reason has ended collaboration.

ACCIDENT RATE

LTIFR* per 1,000,000 working hours.

*Lost Time Injuries Frequency Rate

GOVERNANCE PERFORMANCE

WHISTLE-BLOWER

Number of reports reported in our whistle-blower arrangement monitored by law firm Dahl in the period May 2022 to April 2023.

GDPR VIOLATIONS

Numbers of reported violations of data privacy to SDK FREJA or authorities in the period May 2022 to April 2023.

ISO CERTIFICATIONS

Percentage of locations where we have obtained ISO 9001 or 14001 certification.



SDK FREJA A/S
Oceankajen 12 // DK-7000 Fredericia

+45 76 20 60 00
sdkgroup.com // FREJA.com

CVR No: 56 25 23 12

Financial year // 1 May - 30 April
Municipality of reg. office: Fredericia

