



# **ENVIRONMENTAL POLICY**

*Version 11*

**SCAN GLOBAL LOGISTICS – ENVIRONMENTAL POLICY****» PURPOSE AND SCOPE**

Our Environmental policy defines and communicates how we work with our environmental principles, performance, and sustainability. The policy is binding for all employees in all countries within all business activities of SGL Group.

We acknowledge that we have a responsibility for the environmental and climate impacts, through our business activities within our value chain, and we are committed to improving our environmental track record through precautionary measures and environmentally friendly technologies to prevent and control potential risks to the environment.

SGL Group has been a signatory to the UN Global Compact and support the ten principles since 2015. Our environmental initiatives are based on internationally accepted frameworks including the Greenhouse Gas Protocol and we are committed to meet our science-based carbon targets approved by the SBTi. Furthermore, compliance with applicable local legislation where we operate is fundamental to our business.

We comply with environmental conditions are an integrated part of our management system and our overall work ethics.

Our global ISO 14001 multi-site certification covers all our strategic locations and countries. We continuously increase the number of certified locations and countries to ensure we keep a global coverage of certified locations and include new SGL countries and locations into the certification setup.

Our environmental policy and continuous work with the environmental issues are supported by our focus on the two UN Sustainable Development Goals:



**13: Key ambition to reduce our own CO<sub>2</sub> emissions and help our customers reduce their transportation emissions.**



**17: Drive the zero carbon journey together with like-minded companies.**

## » KEY ENVIRONMENTAL ISSUES

Our key environmental issues are grounded in our materiality assessment, defined by methodologies from Sustainability Accounting Standards Board, Global Reporting Initiative, and Corporate Sustainability Reporting Directive to initiative future mandatory reporting following European Sustainability Reporting Standards.

The materiality assessment is not only used to develop our Environmental Policy but is also the backbone of our Sustainability Statement which we publicly publish on our website for all stakeholders to read. Our environmental issues covered in this policy are, energy consumption & greenhouse gas emissions (GHG), pollution, waste, health, and safety as well as environmental services and advocacy.

## » ENERGY CONSUMPTION & GHG

We have determined ambitious climate targets, and we commit reduce our environmental footprint of greenhouse gasses (GHG) in close cooperation with customers and suppliers.

For this reason, we are proud to have obtained 'Approved Net-Zero Science Based Targets'. These targets conform with the SBTi Corporate Net-Zero Standard and are in line with a 1.5 degrees Celsius trajectory.

### **The official net-zero science-based target language:**

**Overall Net-Zero Target:** Scan Global Logistics commits to reach net-zero greenhouse gas emissions across the value chain by 2050.

**Near-Term Targets:** Scan Global Logistics commits to reduce absolute scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year\*. Scan Global Logistics also commits to reduce scope 3 GHG emissions from upstream transportation and distribution 51.6% per tonne km within the same timeframe. \*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

**Long-Term Targets:** Scan Global Logistics commits to reduce scope 1 and 2 GHG emissions 90% by 2050 from a 2021 base year.\* Scan Global Logistics also commits to reduce scope 3 GHG emissions from upstream transportation and distribution 97% per tonne km within the same timeframe. \*The target boundary includes land-related emissions and removals from bioenergy feedstocks.

As we are a global company we have a very diverse energy consumption, and we are operating in countries with varying energy mixes. Our energy consumption represents less than 1% of our combined GHG emissions but is still considered to be a strategic lever in our decarbonization strategy. We are committed to reduce

and make our energy consumption more efficient, as well as contributed positively to the expansion of renewable energy capacity globally.

We have set a target on energy consumption; we work to reduce our energy consumption measured as energy consumed per employee by 5% year on year until 2030.

Besides that we have a target to increase our renewable energy consumption by 5% year-on-year until 2030. Our first steps have been taken by signing renewable corporate power purchase agreements supporting the new solar park's in Denmark and Sweden.

An overview of our targets and progress updates can be found in our annual Sustainability Report and our all-company carbon emission are measures in all 3 scope according to the prescriptions from the Greenhouse Gas Protocol and Science Based Target Initiative.

## » POLLUTION

As an asset-light logistics provider, our main pollution-related impact stems from air pollution caused by the ocean carriers, airlines, and road and rail transport companies in our upstream value chain that we contract with on behalf of our customers.

Pollutants such as nitrogen oxides, sulphur oxides, non-methane volatile organic compounds and particulates are released into the atmosphere from the combustion of fossil fuels by the ocean carriers, airlines, and road and rail transport companies in our upstream value chain that we contract with on behalf of our customers. When released, these pollutants contribute to air quality degradation.

We are committed to reduce our air pollutants impact, and with our science-based targets set to reduce Scope 3 emissions, we will achieve a corresponding reduction in pollution to air from its upstream value chain. Our Science Based target translate into a target to reduce key air pollutants by 42% in 2030 and 90% in 2050. We continue to prioritise and emphasise the importance of our environmental impact by reducing our emission to achieve the corresponding reduction in pollution.

## » WASTE

We are not a waste intensive company; however, we acknowledge that producing waste in any amount require our attention therefore we are committed as a global organization to reduce our waste and waste impact.

As part of our commitment to minimizing environmental impact, we are dedicated and committed to reducing waste and embracing a circular approach to waste and resource management. We have set a target on waste reduction; we work to reduce our waste measured as waste per employee by 5% year on year until 2030.

Waste reduction will be supported by a target on waste recovery and recycling, where we work to increase the amount of waste recovered and recycled per employee by 5% year on year until 2030. Furthermore we have set a target of zero waste to landfills from our global operational footprint.

We systematically monitor and report waste in various categories to track our progress towards minimizing landfill disposal. Our strategy includes optimizing operational processes and ensuring that our locations are equipped with comprehensive recycling facilities. We recognize that waste segregation practices differ around the world, so we tailor our efforts to align with local capabilities and regulations.

In addition to improving our internal waste management, we actively collaborate with suppliers and partners to promote sustainable practices across our supply chain. By fostering a culture of environmental responsibility, we aim to drive innovation and continuously improve our performance. Our goal is to achieve significant reductions in waste generation and support a more sustainable future for our planet.

In our annual sustainability reporting we will be publishing figures on hazardous waste, non-hazardous waste, waste recovered and waste to landfill in order to monitor our progress.

## **» HEALTH AND SAFETY**

Employees' health, safety and well-being are our top priority. We are committed to protecting everyone – from our own workforce, workforce in the value chain, business partners, subcontractors, customers as well as the public. Making safety a part of the day job, every day, 24/7.

Our Health and Safety Policy guides our approach, and responsibility for health and safety lies with the Global Vice President, People, Leadership & Culture, who is supported by the Group Head of Quality. We consider health and safety risks as part of our enterprise risk management approach and have incorporated them into our ERM system. We identify safety hazards for employees, whether they are working in offices or on project sites.

Further details as well as Health and Safety targets are specified in our Health & Safety Policy, which can be found on the Scan Global Logistics website under <https://scangl.com/about/policies>.

## » ENVIRONMENTAL SERVICES AND ADVOCACY

At Scan Global Logistics, we view environmental services and advocacy as interconnected components. In our daily engagements with customers, transport partners, NGOs, and collaborative initiatives, we actively promote our emission reduction services and reduction target partnership approach. We are committed to advocate for low carbon logistics services, presenting a tangible pathway for all stakeholders to reduce transportation emissions in line with our climate targets aligned with the Paris Agreement.

Recognizing the significance of internal engagement, we emphasize the importance of training and upskilling our colleagues within Scan Global Logistics. This internal focus ensures that our team is well-equipped to raise awareness about our environmental services, thereby becoming advocates in their interactions with external stakeholders.

Everyday we work to be the industries most trusted low carbon logistics service provider.

## » INTERNAL PROMOTION OF ENVIRONMENTAL SERVICES AND ADVOCACY

To foster internal integration and expertise in environmental services and advocacy, Scan Global Logistics has established an ambassador corps alongside the Global Sustainability & ESG department. These ambassadors work to embed environmental considerations across all divisions and global markets. Additionally, mandatory training programs on our Environmental Policy and Sustainable Procurement Policy have been implemented. Employees also receive comprehensive training covering general elements of ESG, greenhouse gas emissions, and our reduction solutions catalogue. Partnerships have been forged to deepen awareness of environmental services and Scan Global Logistics' commitment to reducing our environmental footprint.

We have a target of training 100% of employees in the Environmental Policy, Sustainable Procurement Policy, and a new ESG Masterclass by 2030. This will enable our entire organisation to incorporate and work with environmental issues and ESG topics as a holistic part of our daily work. Such ambition will support our strategic decarbonisation efforts and validated Science Based Target. We will report training figures and progress in our annual sustainability reporting.



**» EXTERNAL PROMOTION OF ENVIRONMENTAL SERVICES AND ADVOCACY**

Achieving our validated Science Based Target, as detailed on page 3, necessitates external collaboration with customers, transport partners, NGOs, and other stakeholders.

In 2022, we launched our catalogue of Low Carbon Logistics solutions to drive this forward. Backed by supplier and partner agreements, the catalogue consists of six solutions that offer CO<sub>2</sub>e reductions of 50-100% through changes to transport modes, switching to low emissions fuels and optimising customers' logistics setup. The Low Carbon Logistics solutions catalogue is a key component in our 360° assessment with customers to identify opportunities for emissions reductions and reduce future exposure to carbon taxes. Using our Low Carbon Logistics solutions, we co-create an execution model with the customer that delivers tangible reductions in their Scope 3 transport emissions, helping them to make progress towards their 2030 climate targets.

Reaching our validated Science Based Target is only possible by enabling environmental services, while having a strong advocacy focus. Therefore we have an ambitious target to have low carbon logistics services within all transport modes, and reach 100% of all customers with our low carbon logistics services by 2030. We track such efforts with current customers, potential customers, tenders and sales meetings.

Thus, Scan Global Logistics strives to be a trusted partner and supplier by offering comprehensive emission reduction solutions across all transport modes. These environmental services are communicated through various channels, including daily customer interactions, divisional initiatives within air, ocean, road and rail, and supplier engagements focused on CO<sub>2</sub> reduction initiatives. Moreover, Scan Global Logistics actively participates in collaborative endeavors such as the Exponential Roadmap and the 1.5 Supply Chain Leaders program, contributing to publications like the Transportation Action Guide released during COP28.

- [Transportation Action Guide - Exponential Roadmap Initiative](#)

In alignment with our Sustainable Development Goals, Scan Global Logistics advocates for climate action through partnerships for the goals. We are committed to promoting our environmental services throughout the entire value chain, underscoring our participation in various environmental partnerships for advocacy.

Scan Global Logistics is a part of several Environmental Partnerships for advocacy:

- **UN Global Compact**

- United Nations Global Compact signatory since 2015, and apart of the Danish CEO statement 2023 reaffirming our commitment.
- **World Economic Forum**
  - Member of the Supply Chain and Transport community which works to chart pathways for resilient, sustainable and inclusive supply system solutions.
- **Exponential Roadmap Initiative**
  - Brings together innovators, transformers and disruptors with a common mission to halve greenhouse gas emissions before 2030 through exponential climate action and solutions.
- **1.5C Supply Chain Leaders**
  - 1.5°C Supply Chain Leaders drives climate action throughout global supply chains and supports small and medium-sized enterprises (SMEs) in their efforts to reduce emissions through the SME Climate Hub.
- **EcoTransIT**
  - EcoTransIT World Initiative (EWI) - an industry standard for calculating emissions from transportation
- **Smart Freight Centre**
  - An international non-profit organisation driven by partnership to reach a zero-emission global logistics sector by 2050 or earlier, consistent with 1.5° pathways, which is in line with SGL's strategy

## » **RISK MANAGEMENT AND RISK ASSESSMENT OF THIS POLICY**

When planning, implementing, and executing strategic objectives and goals, we need to account for outcomes and circumstances, that can threaten the achievement of these ambitions. To accommodate this, our Policy is created using a risk-based approach, including a yearly updated risk assessment for the relevant risks related to the policy.

The risk assessment is done based on the internal Scan Global Logistics dedicated SOP "21414 Risk Management" and using the controlled template "21585 Template – Risk Analysis" maintained in the global company "Quality Management System".

## » **REPORTING AND PROGRESS**

In Scan Global Logistics we believe in transparency, why we have adopted international reporting standards to increase our environmental data management reporting and progress and furthermore to structure our approach to public transparency.



At Scan Global Logistics we perform materiality assessment to include the most necessary elements into our environmental reporting. We follow the reporting principles from Sustainability Accounting Standards Board, Global Reporting Initiative, Task Force on Climate Related Financial Disclosures, and lastly, we have adopted Corporate Sustainability Reporting Directive to initiative future mandatory reporting following European Sustainability Reporting Standards.

Our annual sustainability report will publicly disclose all the information regarding the environmental elements of Scan Global Logistics, and it is available to all interested parties on our website [Sustainability | Decarbonising supply chains | Scan Global Logistics](#).

## » MANDATORY TRAINING AND COMMUNICATION

Training in the Environmental policy and all other SGL Group policies are conducted for all new employees and every two years in the global mandatory e-learning platform 'Academy' together with tests which all employees must pass to finally receive a diploma for the training as documentation. All training is registered and stored digitally in the system and reported in the annual sustainability report. We have a target to train 100% of all employees by 2030.

Besides mandatory training the policy is published publicly on our website, and available for all employees via our Intranet.

## » REVIEW AND UPDATE OF POLICY

This Policy is reviewed and updated annually.

Review cycle: Annually Q2

It may be amended at any time with the approval of Global Head of Sustainability and ESG.

## » RESPONSIBLE AND CONTACT

Our Global Head of Sustainability and ESG is responsible for the environmental policy. Our Global Head of Sustainability and ESG approves the policy and is the policy owner. For more information, please contact the Sustainability and ESG department – [sustainability@scangl.com](mailto:sustainability@scangl.com).

Martin Andersen, Global Head of Sustainability & ESG

*Taking sustainable **actions now**, for the **generations to come**.*