

**DRIVING COLLECTIVE COURAGE  
FOR A LOW-CARBON FUTURE**

# Sustainability Report

# 2023

**UNCOMPLICATE YOUR WORLD »**

**SCAN GLOBAL  
LOGISTICS**

# HOW TO READ THIS REPORT

## PROFORMA SUSTAINABILITY INFORMATION PERTAINING TO SGL GROUP

Sustainability information for the period 1 January 2023 to 31 December 2023, including comparative period, 2022. These statements show the full year sustainability information of the Group.

After the acquisition was completed on 23 May 2023, the Scan Global Logistics Group is referred to as SGL Group, which is like for like to SGLT Holding referred to in the SGL International A/S Annual report 2022.

## ABOUT THIS REPORT

The Sustainability Report supplements the 2023 Annual Report and covers proforma information from 1 January 2023 to 31 December 2023.

Critical or material events occurring on or after 1 January 2024 and up until the publication date are also covered in this report.

For 2023, the report has been restructured to include a sustainability statement in preparation for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). A full description of the basis for preparation of the sustainability statement is provided on page 14.

Separate GRI and SASB index tables can be downloaded at: [www.scangl.com/investor/sustainability-report](http://www.scangl.com/investor/sustainability-report)

## NEW COMPANY STRUCTURE DUE TO ACQUISITION BY CVC

Skill BidCo ApS was established on 11 November 2022 to prepare for the potential acquisition. Until the acquisition, Skill BidCo ApS was dormant.

## ESTABLISHMENT OF SGL GROUP APS AND SGL GROUP

CVC's acquisition of SGL Group was signed and announced on 6 February 2023 and completed on 23 May 2023, making CVC the majority shareholder of SGL Group. Upon completion of the acquisition, Skill BidCo ApS changed its name to SGL Group ApS.

The differences between the denominations, SGL Group ApS and SGL Group, are as follows:

### SGL Group ApS

The parent company and acquirer of the SGL Group.

### SGL Group

The combined group of companies in the Scan Global Logistics Group formerly reported under the SGLT Holding parent company. In this report the terms "SGL Group" and "SGL" are applied interchangeably.



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# SUSTAINABILITY HIGHLIGHTS

## EMISSIONS REDUCTION REDUCED SCOPE 3 EMISSIONS INTENSITY

In 2023, we reduced our Scope 3 GHG emissions intensity by 5.32% per gram CO<sub>2</sub>e / tonne-kilometre.

## SCIENCE-BASED TARGET 1.5°C TARGET VALIDATED

Received validation of our near-term science-based target and submitted a long-term target for validation by the Science Based Targets initiative.

## CLIMATE ACTION CDP SCORE

Maintained the A- score in our second year of disclosing to CDP, confirming our position in the 'Leadership' category, which recognises companies for implementing best practices on climate action.

## ENVIRONMENTAL ADVOCACY AT COP28 IN DUBAI REDUCTION PARTNERSHIP

Presented the Transportation Action Guide with IKEA, Scania, and Exponential Roadmap Initiative at the COP28 meeting in Dubai.

## DECARBONISING WITH CUSTOMERS TANGIBLE SOLUTIONS

Partnership with MAN Energy Solutions involving 100% ocean biofuel. Project with Majid Al Futtaim Lifestyle using Sustainable Aviation Fuel (SAF). Co-launched Scania Electric truck for transportation with Alfa Laval.

## DECARBONISING OWN OPERATIONS RENEWABLE ENERGY

Power Purchase Agreement (PPA) solar park in Denmark

went live in July 2023. Newly signed PPA for a solar park in Sweden will future-proof our strategy on renewable energy.

## GENDER DIVERSITY WOMEN IN LOGISTICS

Launched an Empowering Women in Logistics development programme to provide a platform for female professionals in the logistics industry to connect, collaborate and share their experiences.

## SOCIAL RESPONSIBILITY HUMAN RIGHTS ASSESSMENT

Undertook a comprehensive human rights saliency assessment for our global footprint and value chain. Conclusions will guide our focus on securing human rights across own operations, partners, and customers.

## MEANINGFULNESS ANNUAL EMPLOYEE SURVEY

Achieved a score of 83% in our annual employee Meaningfulness Questionnaire (MQ) – achieving our 2025 target for the third year running.

## HEALTH AND SAFETY IMPROVED SAFETY METRICS

SGL Group's LTIF improved to 0.6 (2022: 1.19). The strong result was due to the ongoing rollout of the ISO 45001 Occupational Safety & Health Management System.

## ESG REPORTING CSRD & ESRS ALIGNMENT

Conducted a double materiality assessment and restructured our sustainability report in preparation for compliance with the EU's CSRD and the ESRS.



# LETTER TO OUR STAKEHOLDERS

## DEAR STAKEHOLDERS,

The COP28 meeting in Dubai confirmed that the world is not on track to limit the global temperature rise to 1.5°C in line with the goal of the Paris Agreement. The need for ambitious global climate action has never been more evident.

As an asset-light freight forwarder, our strategy is focussed on decarbonising the transport emissions in our customers' supply chains.

Together with IKEA, Scania Group and the Exponential Roadmap Initiative, we launched the Transportation Action Guide at COP28. The guide provides detail on how to decarbonise the supply chain through readily available and scalable solutions for all transport modes.

No two companies or supply chains are alike, so the right solutions will differ between companies and are subject to the types of goods, trade lanes, budgets and logistics requirements. Our solutions combine low-carbon modes, logistics setup optimisation, biofuels, and low-

emitting pre/post carriage transport solutions such as e-trucks.

## PROGRESS ON SCIENCE-BASED TARGETS

During the year, we received validation of our near-term science-based target and submitted a long-term target for validation in line with the SBTi's new Corporate Net-Zero Standard.

We continued to make progress against our near-term target by reducing Scope 3 GHG emissions intensity by 5.32% per gram Co2e/tonne-kilometre, mainly due to a decrease in Airfreight emissions by 14% in CO2e and 15% in Tonne-KM in 2023. The drop in Airfreight emissions was due to lower volumes in the first half of the year as post-pandemic supply chain pressures eased, thereby reducing demand for urgent and time-sensitive deliveries.

## NET-ZERO PARTNERSHIPS

Decarbonising the supply chain requires a joint effort. In 2023, we helped MAN

Energy Solutions shift to ocean biofuel on one of their highest traffic routes from Asia to Europe and launched a cross-border e-truck solution with Alfa Laval between Sweden and Denmark.

We also piloted a project with Majid Al Futtaim Lifestyle that uses sustainable aviation fuel (SAF) for airfreight shipments from Asia to the UAE. These partnerships demonstrate the feasibility of achieving substantial emission reductions through low-carbon solutions that are available today.

## CREATING A MEANINGFUL WORKPLACE

Over the last year, our workforce has grown 7.1% through organic growth and acquisitions. Developing our people and supporting a consistent understanding of SGL Group's culture, operating procedures and compliance framework are essential to realising our growth strategy.

We measure our progress by monitoring outcomes for our employees directly

through our annual employee survey, the Meaningfulness Questionnaire (MQ). In 2023, we recorded an MQ score of 83% (2022: 84%), once again surpassing our 2025 target of 80%.

We also continued to invest in the improvement of our gender diversity efforts. We initiated the Empowering Women in Logistics development programme, creating opportunities for women in the logistics sector to network, work together, and exchange insights.

## IMPROVED HEALTH & SAFETY PERFORMANCE

In 2023, SGL Group's Lost Time Incident Frequency improved to 0.6 (2022: 1.19). This strong performance was due mainly to the ongoing rollout of the ISO 45001 Occupational Safety & Health Management System certification and other actions, which have resulted in a stronger focus on health and safety processes and procedures across SGL Group.

### **PREPARING FOR COMPLIANCE WITH ESG REGULATIONS**

This year we have restructured our sustainability report to prepare for compliance with the CSRD and the ESRS that implement it. The report contains a sustainability statement which includes impacts, risks and opportunities that were identified during the double materiality assessment we conducted in 2023. We have also updated our climate-related scenario analysis using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines.

### **DRIVING VALUE THROUGH SUSTAINABILITY**

The progress we have made in 2023 demonstrates that sustainability is not just an operational imperative but a strategic driver of value for SGL Group.

By closing the implementation gap in the logistics industry, SGL Group is not just contributing to a more sustainable

world; we are shaping a future where economic growth and environmental stewardship go hand in hand.

Given the complex nature of the decarbonisation challenge, collaboration across industries and supply chains is essential to making progress. To that end, we invite our customers, suppliers and industry partners to join us. The window for meaningful change is closing, now is the time to drive collective courage for a low-carbon future.



**ALLAN MELGAARD**

Global CEO,  
Executive Management  
SGL Group ApS



**CLARA NYGAARD HOLST**

Global CFO,  
Executive Management  
SGL Group ApS

# OUR SUSTAINABILITY COMMITMENTS

SGL Group has been a signatory to the United Nations Global Compact since 2015 and supports the Compact's ten principles and the 17 Sustainable Development Goals (SDGs). In order to ensure that we are applying our efforts to where we can have the most impact, we focus on two SDGs: **SDG 13 Climate Action** and **SDG 17 Partnership for the Goals**.



**13. CLIMATE ACTION**  
Key ambition to reduce CO<sub>2</sub>e emissions for SGL and help our customers reduce their transport emissions, anchored in our science-based target and Low Carbon Logistics solutions catalogue.

**17. PARTNERSHIPS**  
Drive the zero-carbon journey together with like-minded companies. Support humanitarian agencies, along with governments to provide aid & relief logistics services and distribute vaccines globally.



# OUR SUSTAINABILITY MEMBERSHIPS & RATINGS

## MEMBERSHIPS



**United Nations Global Compact (UNGC)**



**World Economic Forum** – member of the Supply Chain and Transport community which works to chart pathways for resilient, sustainable and inclusive supply system solutions.



**The Exponential Roadmap Initiative (ERI)** brings together innovators, transformers and disruptors with a common mission to halve greenhouse gas emissions before 2030 through exponential climate action and solutions.



The sub-group **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 World Initiative (EWI)** - an industry standard for calculating emissions from transportation.



**Smart Freight Centre (SFC)** - 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.



**Science Based Targets initiative (SBTi)** - promotes best practices for emissions reductions and net-zero targets aligned with climate science, emphasising rapid and deep cuts in emissions through both short- and long-term science-based goals, anchored in 1.5°C pathways.

## ESG RATINGS



### ENVIRONMENTAL PERFORMANCE RATING FROM CDP

Maintained the A- score in our second year of disclosing to CDP, confirming our position in the 'Leadership' category which recognises companies for implementing best practices on climate action. CDP is the highest standard of environmental reporting with the world's largest, most comprehensive dataset on corporate and city environmental action.



### SUSTAINABILITY RATING FROM ECOVADIS

Achieved a score of 56 in our 2024 assessment by EcoVadis. The EcoVadis sustainability assessment is a rating system of companies within the areas of environment, labour & human rights, ethics and sustainable procurement impacts.

# 2023 PROGRESS OVERVIEW

ESG PRIORITY

**ENVIRONMENT**  
**CLIMATE CHANGE AND FOOTPRINT**  
**E1 CLIMATE CHANGE**  
**E2 POLLUTION**

MATERIAL ESG TOPICS AND SDGS

Climate change  
 Pollution



KEY AMBITIONS

- Decarbonise our logistics solutions through partnerships
- Take responsibility for our footprint

KEY TARGETS

- We have validated Science-based targets to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year
- We have validated Science-based targets to reduce Scope 3 GHG emissions by 51.6% per gram CO<sub>2</sub>e / tonne-kilometre by 2030 from a 2021 base year
- **Long term target submitted to SBTi (awaiting validation)**
- We commit to reach net-zero greenhouse gas emissions across the value chain by 2050
- We commit to reduce Scope 1 & 2 emissions 90% by 2050 from a 2021 base year
- We commit to reduce Scope 3 emissions 97% per tonne-km by 2050 from a 2021 base year
- Through the Exponential Roadmap Initiative, SGL Group commits to reducing GHG emissions across all Scopes 1, 2 and 3 by 50% before 2030 and every 10 years towards net-zero emissions in 2050

2023 PROGRESS

**Decarbonise our logistics solutions through partnerships**

- ✓ Presented the Transportation Action Guide with Ikea, Scania, and Exponential Roadmap initiative at the COP 28 meeting in Dubai
- ✓ Launched project to test and develop sustainable logistics solutions with MAN Energy Solutions (MAN ES)
- ✓ Announced a SAF partnership with Majid Al Futtaim Lifestyle, to reduce CO<sub>2</sub> emissions for airfreight shipments from Asia to the UAE
- ✓ Deepened work with Exponential Roadmap Initiative
- ✓ Supplemented new catalogue of Low Carbon Logistics solutions with training for sales and product employees

**Take responsibility for our footprint**

- ✓ Reduced Scope 3 emissions intensity by 5.32%, in line with our validated near-term science-based target.
- ✓ Maintained an A- in second year submission to CDP
- ✓ Solar park in Badsøkær, Northern Jutland went live in July 2023 following PPA signed by SGL and others in 2021
- ✓ Signed a PPA for operations in Sweden to receive renewable energy from 2025
- ✓ Near-term science-based target was validated by SBTi and submitted long-term emissions reduction target

# 2023 PROGRESS OVERVIEW

ESG PRIORITY

**PEOPLE**  
**OUR GREATEST SOURCE OF VALUE**  
**S1 OWN WORKFORCE**

**SAFETY**  
**PROTECTING WORKERS ALONG OUR VALUE CHAIN**  
**S2 WORKERS ALONG OUR VALUE CHAIN**

**MATERIAL ESG TOPICS AND SDGS**

**Working conditions and work-related rights**  
**Equal treatment & opportunities for all**

**Health & safety**

**Health & safety**

**KEY AMBITIONS**

- Be the most meaningful company within the logistics industry
- Become a more diverse and inclusive organisation

- Improve employee well-being and minimise safety hazards and injuries

- Ensure the safety of workers across our value chain

**KEY TARGETS**

- Meaningfulness (MQ) score of 80 by 2025
- Appoint one female board member in 2023
- Zero cases of severe injuries and fatalities

**2023 PROGRESS**

**Be the most meaningful company within the logistics industry**

- ✓ MQ score of 83, surpassing 2025 target for the third year running
- ✓ 2,994 employees participated in training
- ✓ Completed 66,523 training courses
- ✓ Conducted global human rights saliency assessment

**Become a more diverse and inclusive organisation**

- ✓ Launched talent development program – Empowering Women in Logistics
- ✓ Maintained the ratio of female employees at 47%
- ✓ 23% women in top management

**Improve well-being and minimise safety hazards and injuries**

- ✓ LTIF frequency improved to 0.6
- ✓ Zero severe injuries or fatalities
- ✓ 83% of our global organisation undertook health & safety training
- ✓ Continued expansion of the ISO 45001 certification
- ✓ Developed additional safety training materials to promote safe handling

- ✓ Conducted 15 onsite supplier audits and 84 supplier evaluations

# 2023 PROGRESS OVERVIEW

ESG PRIORITY

**SOCIETY**  
**SUPPORTING AID & RELIEF**  
**S3 AFFECTED COMMUNITIES**

MATERIAL ESG TOPICS  
AND SDGS

Aid & Relief



KEY AMBITIONS

- Increase our Aid & Relief support
- Enhance our capabilities and extend our footprint

KEY TARGETS

- Be a leading provider within humanitarian logistics services

2023 PROGRESS

**Increase our Aid & Relief support**

- ✓ Ongoing Aid & Relief logistics support to UN agencies and NGOs for humanitarian projects
- ✓ Focussed efforts to support humanitarian work

**Enhance our capabilities and extend our footprint**

- ✓ Strengthened pharmaceutical capabilities through roll-out of Validaide, GDP certification and M&A activity
- ✓ Extended Aid & Relief presence to the US, Dubai and Kenya
- ✓ Platform Partner and charter signatory to UN and NGOs

# 2023 PROGRESS OVERVIEW

ESG PRIORITY

**RESPONSIBLE BUSINESS**  
**INTEGRITY ACROSS OUR VALUE CHAIN**  
**G1 BUSINESS CONDUCT**

MATERIAL ESG TOPICS  
AND SDGS

**Anti-corruption and bribery**  
**Compliance and corporate culture**

**Political influence and lobbying**  
**Consumer privacy and cyber security**

KEY AMBITIONS

- Run a responsible business in line with our four virtues

KEY TARGETS

- Zero cases of bribery and corruption
- Zero customer privacy complaints and data protection incidents
- Zero compliance incidents
- Zero cases of labour and human rights issues
- Zero sustainable procurement issues

2023 PROGRESS

**Run a responsible business in line with our four virtues**

- ✓ 3,060 employees trained on our Code of Conduct Policy (85%)
- ✓ 3,002 employees trained on the Anti-Corruption Policy (83%)
- ✓ 2,808 employees trained on the Information Security Policy (78%)
- ✓ 2,934 employees trained on the GDPR Policy (81%)
- ✓ 2,950 employees trained on the Health & Safety Policy (82%)
- ✓ 2,940 employees trained on the Quality Policy (81%)
- ✓ 2,971 employees trained on the Environmental Policy (82%)
- ✓ 2,659 employees trained on Sustainable Procurement Policy (74%)
- ✓ 2,731 employees trained on Human Rights Policy (76%)

- ✓ New supplier qualification and management process
- ✓ Appointed a Group Compliance Officer
- ✓ Expanded compliance training
- ✓ Conducted multiple cyber security awareness campaigns
- ✓ Extended business continuity plan across operations
- ✓ Three whistle-blower concerns resolved
- ✓ No issues in relation to labour and human rights, fraud, bribery, breach of anti-trust, competition laws or sustainable procurement were reported in 2023

# SUSTAINABILITY STATEMENT



## ESRS 2 GENERAL DISCLOSURES

### **BASIS FOR PREPARATION**

#### **ESRS 2 BP-1** *General basis for preparation of the sustainability statement*

Our ambition has been to implement as much as possible of the standards in our 2023 sustainability report, separate to the management report.

Information in the sustainability statement includes SGL Group and all of its subsidiaries and has been prepared on the same consolidated basis as SGL Group's 2023 financial statements.

The double materiality assessment process described in IRO-1 includes impacts, risks and opportunities that extend to our upstream and downstream value chain. The extent to which SGL Group's policies, actions, targets and metrics extend to our value chain is

described in the sections relating to the topical standards.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement. Nor has SGL Group exempted from disclosure of any impending developments or matters that are currently in the course of negotiation.

#### **ESRS 2 BP-2** *Disclosures in relation to specific circumstances*

#### **Changes in the preparation or presentation of sustainability information**

For the 2023 reporting period, SGL Group has structured its sustainability disclosure to prepare for compliance with the CSRD, implemented by the ESRS.

These changes include:

- The inclusion of a sustainability statement within SGL Group's annual sustainability report that is structured in accordance with the requirements of the ESRS.
- A double materiality assessment that was conducted in accordance with the requirements of ESRS to identify material impacts, risks and opportunities across SGL Group's own operations, upstream and downstream value chain.
- New disclosures and metrics as required by the ESRS, including descriptions of material impacts, risks and opportunities, and policies, actions and metrics and targets to address them.
- The results of a human rights saliency assessment that began in 2023 and concluded in February 2024 have been included in the sustainability statement.
- The TCFD climate risk and opportunity assessment has been updated with new scenarios from the International Energy Agency and the Intergovernmental Panel on Climate Change.
- Greenhouse gas emissions have been recalculated in 2023 due to the inclusion of actual data from SGL Group's North American operations, as opposed to spend-based estimates used in 2021 and 2022. In addition, the model used to calculate GHG emissions was updated in 2023, which contributed to the recalculation. See E1 accounting policies for further detail.

**Disclosures stemming from other legislation or other sustainability reporting standards**

It also includes information presented in reference to the SASB standards and the Taskforce for Climate-related Financial Disclosures (TCFD). This information is clearly identified in the sustainability statement.

**Updating disclosures about events after the end of the reporting period**

Some critical or material events occurring on or after January 1, 2024, and up until the publication date have been included in the sustainability statement.

# SUSTAINABILITY GOVERNANCE

## SUSTAINABILITY GOVERNANCE

**GOV-1** *The role of the administrative, management and supervisory bodies*

**GOV-2** *Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies*

### Board of Directors

The Board of Directors has oversight of SGL Group's business strategy and risk management, including sustainability matters. The Board is briefed by the Executive Management on SGL Group's approach to sustainability, performance and material impacts, risks and opportunities during quarterly updates and reviews and approves the annual sustainability report.

The Board consists of six non-executive directors, of which six (100%) are independent. All of the directors are male (0% female directors). The Board has a diversity target which is described in S1-5.





Further information on the composition of the Board is described in SGL Group's [2023 annual report](#).

The Board has extensive experience within the global transport and logistics industry and knowledge of sustainability matters that are material to SGL Group, including the decarbonisation of global transport services, health & safety, diversity, and business conduct and governance.

**Audit Committee**

The Audit Committee oversees the Enterprise Risk Management (ERM) process and the handling of the overall ESG risks and strategies. Climate-related risks and other material sustainability risks are incorporated into SGL Group's annual ERM process as well as into the ERM system as a whole. The ERM Committee, which oversees the ERM process and performs the scoping and development of overall risk strategies, reports to the Audit Committee.

**Executive Management**

The Executive Management team holds the ultimate responsibility for setting the company's sustainability strategy. This involves setting sustainability objectives, monitoring progress towards these objectives, and the governing policies and procedures designed to address or mitigate SGL Group's material impacts, risks and opportunities. The Executive Management team comprises the Global CEO, Global CCO & COO and the Global CFO.

The Global CFO (a member of the Sustainability Board and the Executive Management) is responsible for ensuring the implementation of the ESG strategy.

**Sustainability Board**

The Sustainability Board, chaired by the Global CFO, steers the sustainability agenda and progress against SGL Group's sustainability targets and the management of material impacts, risks and opportunities. The Sustainability Board provides monthly updates to

Executive Management, ensuring regular monitoring and oversight.

SGL Group's sustainability work is led by the Global Head of Sustainability & ESG, who reports to the Global CFO. The Group Sustainability team manages day-to-day sustainability topics together with Human Resources, Legal/Quality, and Finance functions.

**Integration of sustainability in SGL Group's strategy**

Sustainability is a strategic enabler of SGL Group's growth – core elements of how we consider impacts, risks and opportunities are described in each of the main sections of this Sustainability Statement. In addition, we have an ambitious acquisition strategy, and we consider material sustainability matters such as health and safety in our due diligence process when making acquisitions.

**HOW SUSTAINABILITY IS INTEGRATED INTO INCENTIVE SCHEMES**

**ESRS 2 GOV-3 *Integration of sustainability-related performance in incentive schemes***

SGL Group includes sustainability-related performance in the incentive schemes for the Global CFO and the Global Head of Sustainability & ESG.

The Global CFO's remuneration includes a short-term incentive payment which rewards the achievement of annual progress towards SGL Group's science-based emissions reduction targets. This payment incentivises strategic decisions that enable progress towards reaching our near-term (2030) and long-term (2050) science-based targets.

The Global Head of Sustainability & ESG's remuneration includes a short-term incentive payment which rewards ESG progress and implementation of SGL Group's Low Carbon Logistics Solutions among customers. Given that 99% of SGL Group's emissions come from our

customers' transportation, this activity-based performance indicator supports progress towards reaching SGL Group's near-term (2030) and long-term (2050) science-based targets.

In 2024, SGL Group plans to expand the use of sustainability-related performance in its executive incentive schemes.

**STATEMENT ON DUE DILIGENCE**

**GOV-4 Statement on due diligence**

The following table provides a mapping of how SGL Group applies the core elements of due diligence for people and the environment and where they are presented in this Sustainability Statement.

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS OR PAGES IN THE SUSTAINABILITY STATEMENT	DOES THE DISCLOSURE RELATE TO PEOPLE AND/OR THE ENVIRONMENT?
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2, page 16	People and Environment
	ESRS 2 GOV-3, page 17	People and Environment
	ESRS 2 SBM-3, page 29	People and Environment
	ESRS 2 SBM-3-E1, page 40 ESRS 2 SBM-3-E2, page 69	Environment
	ESRS 2 SBM-3-S1, pages 72, 79, 85 ESRS 2 SBM-3-S2, page 89 ESRS 2 SBM-3-S3, page 91	People
b) Engaging with affected stakeholders	ESRS 2 GOV-2, page 16 ESRS 2 SBM-2, page 25 ESRS 2 IRO-1, page 26	People and Environment
	ESRS 2 MDR-P: E1-2, page 45 E2-1, page 69	Environment
	ESRS 2 MDR-P: S1-1, page 72 S2-1, page 89 S3-1, page 92	People
	S1-2, page 73 S2-2, page 90 S3-2, page 92	People

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS OR PAGES IN THE SUSTAINABILITY STATEMENT	DOES THE DISCLOSURE RELATE TO PEOPLE AND/OR THE ENVIRONMENT?
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1, page 26	People and Environment
	ESRS 2 SBM-3, page 29	People and Environment
	ESRS 2 SBM-3-E1, page 40 ESRS 2 SBM-3-E2, page 69	Environment
	ESRS 2 SBM-3-S1, pages 72, 79, 83 ESRS 2 SBM-3-S2, page 89 ESRS 2 SBM-3-S3, page 91	People
d) Taking actions to address those adverse impacts	E1-1, page 38	Environment
	ESRS 2 MDR-A: E1-3, page 45 E2-2, page 70	Environment
	ESRS 2 MDR-A: S1-4, page 74 S2-4, page 90 S3-4, page 93	People

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS OR PAGES IN THE SUSTAINABILITY STATEMENT	DOES THE DISCLOSURE RELATE TO PEOPLE AND/OR THE ENVIRONMENT?
e) Tracking effectiveness of these efforts and communicating	ESRS 2 MDR-T: E1-4, page 48 E2-3, page 70	Environment
	ESRS 2 MDR-T: S1-5, page 79 S2-5, page 90 S3-5, page 95	People
	ESRS 2 MDR-M: E1-5, page 52 E1-6, page 54 E1-7, page 59 E1-8, page 59 E1-9, page 59 E2-4, page 70 E2-6, page 70	Environment
	ESRS 2 MDR-M: S1-9, page 81 S1-10, page 74 S1-11, page 76 S1-13, page 78 S1-14, page 85 S1-15, page 76 S1-16, page 82 S1-17, page 76	People

## SUSTAINABILITY RISK MANAGEMENT

### **GOV-5** Risk management and internal controls over sustainability reporting

SGL Group's sustainability reporting is exposed to the risk of material misstatement due to human error or incomplete data. This risk is magnified by SGL Group's strong growth via acquisitions which results in acquired companies implementing SGL Group's systems and processes throughout the year. SGL Group has implemented a number of processes to manage this risk.

The Group Sustainability team, led by the Global Head of Sustainability & ESG, is accountable for maintaining

a single consolidated data model for the full group which is collected via a dedicated sustainability reporting software application. This process automates data collection, provides full transparency and traceability of the data and ensures the standardisation of terms, formulas, and key variables such as emissions factors in compliance with the GHG Protocol.

In addition, accounting principles based on ESRS requirements have been adopted for sustainability data presented in the Sustainability Statement. SGL Group's external auditor provides limited assurance on selected energy and emissions data. Please see the auditor's limited assurance statement for more information.



# FOCUS ON GLOBAL END-TO-END LOGISTICS SOLUTIONS ACROSS ALL TRANSPORT MODES

## OUR STRATEGY & BUSINESS MODEL

### SBM-1 Strategy, business model and value chain

Freight forwarding is a service industry specialised in the global movement of goods on behalf of exporters and importers. Freight forwarding in its purest form is an asset-light business.

Forwarders organise transportation for their customers by purchasing capacity from capacity providers (ocean

carriers, airlines, trucking companies). The transportation is performed by the capacity provider, who also owns the assets used in the transportation, with the freight forwarder taking an arbitrary fee to organise the shipment.

The freight forwarding market is affected by underlying market conditions within Air & Ocean, Rail, and Road transportation, i.e., capacity availability. SGL Group's activities focus on global freight-forwarding services, primarily Air & Ocean, Road,

and Rail freight. Additionally, SGL Group offers complementary and value-added services such as PO Management, Supply Chain consultancy, Consolidation services, Customs House Brokerage, PO Shipment Monitoring and Insurance.

SGL Group revenue is derived from a diverse portfolio of global blue-chip customers and customers within the SME segment. SGL Group provides services to its customers worldwide through its extensive network of regional offices

present on all continents. SGL Group holds world-leading positions in key industries such as Aid & Relief, Automotive Logistics, Government, Fashion & Retail, and Food & Additives.

SGL Group's primary focus is to have a diversified business approach within complementary industries and across all customer segments, be it standard high-volume solutions or tailor-made entrepreneurial transport solutions to solve complex logistic challenges globally.



BOOKINGS	PICK-UPS & HANDLING	CUSTOMS CLEARANCE	INSURANCE
DOCUMENTATION	CROSS-DOCK TERMINAL	TRANSPORT COST OPTIMISATION	QUALITY CONTROL
WAREHOUSE	CARGO CONSOLIDATION	PURCHASE ORDER MANAGEMENT	

PO SHIPMENT MONITORING

TRUCKING AND DISTRIBUTION	PICKING & PACKING	E-COMMERCE FULFILLMENT
WAREHOUSE	DECONSOLIDATION	DOCUMENTATION
CUSTOMS CLEARANCE	CROSS-DOCK TERMINAL	



FROM SHIPPER

OUR ORIGIN SERVICES

VIA CARRIER PARTNERS

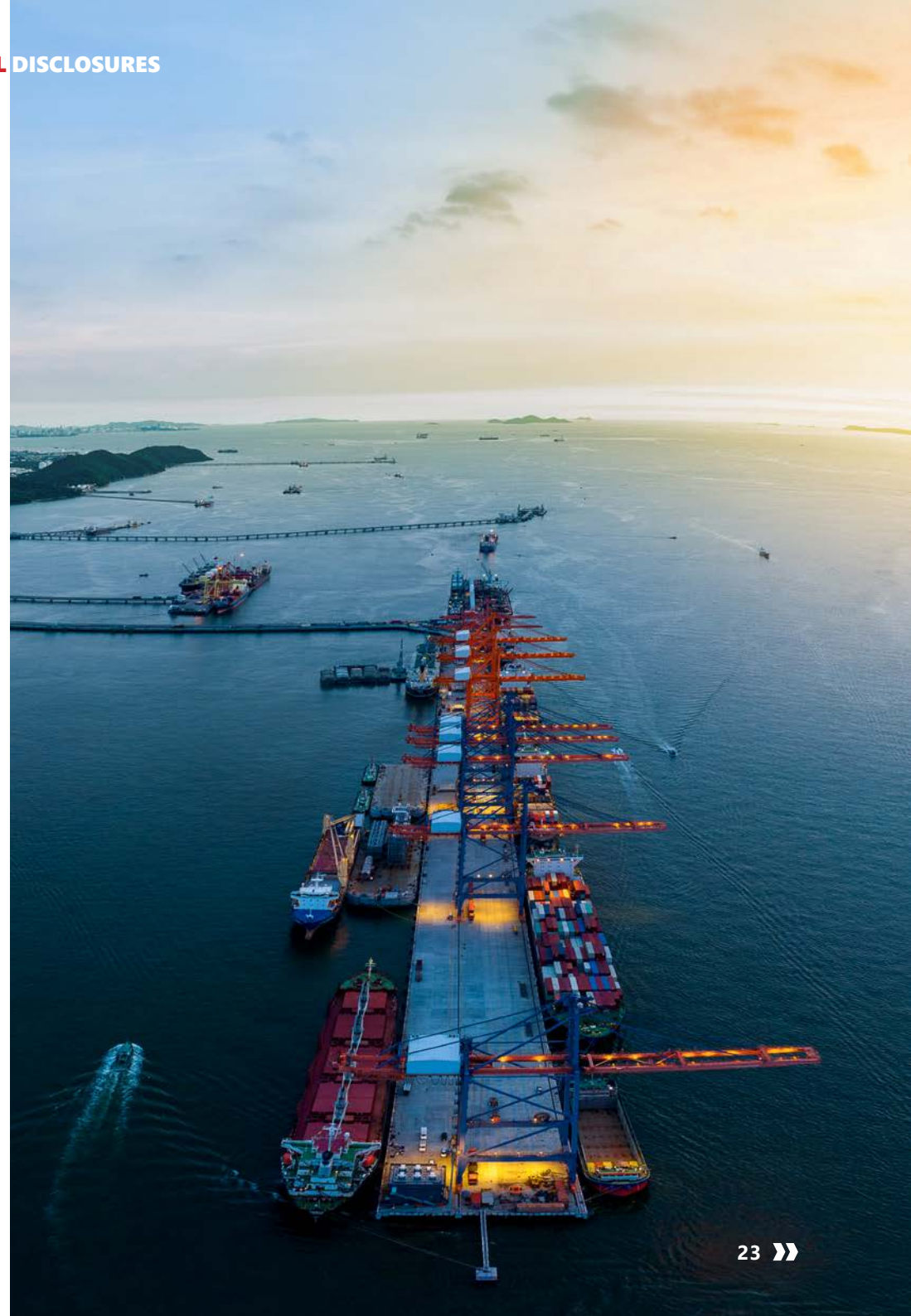
OUR DESTINATION SERVICES

TO CONSIGNEE

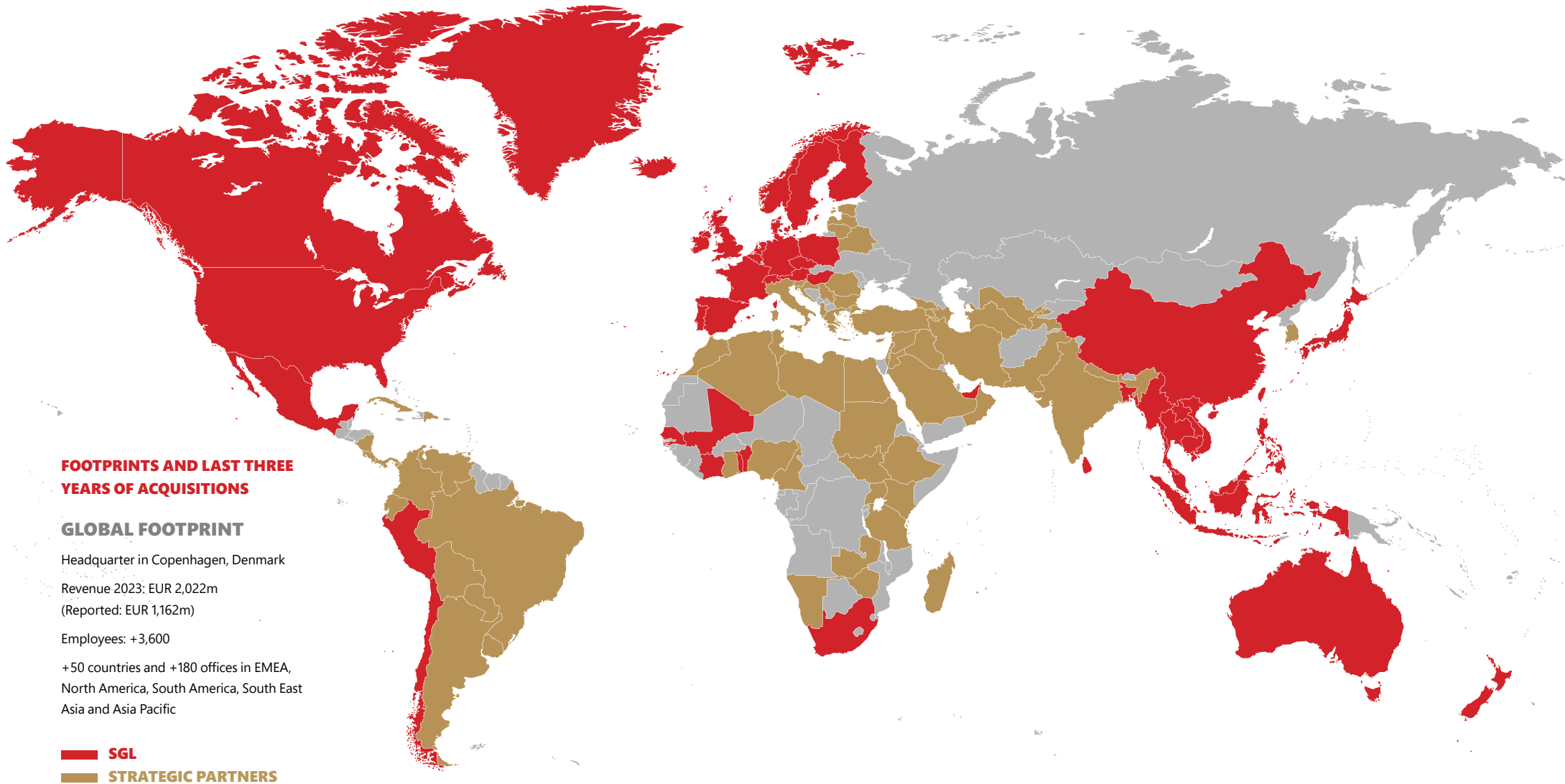
Agility, flexibility, geographic presence, sector expertise and customer-centricity are SGL Group's key success factors. SGL Group competes head-to-head with large global players as well as local forwarders. Through its 1-3-5 strategy, SGL Group is pursuing an ambitious growth and acquisition strategy to expand its global footprint in relevant markets and industries to fuel long-term growth ambitions.

SGL Group sees a growing opportunity to provide solutions that reduce our customers' transport-related emissions. Our asset-light business model allows us to work with capacity providers that are frontrunners in decarbonising their assets. In 2022, SGL Group launched a suite of Low Carbon Logistics solutions to capture this opportunity. More details are provided in the *E1 Climate change section*.

SGL Group is present in +50 countries across all continents with +3,600 employees in +180 offices. SGL Group serves over 25,000 customers, of which the average tenure among the ten largest is approximately nine years.



# OPERATIONS OVERVIEW





**OUR STAKEHOLDERS**

**SBM-2** *Interests and views of stakeholders*

Engaging with stakeholders is essential to SGL Group’s ability to create value and for our long-term success. Understanding their views and interests informs our strategy and business model in a variety of ways, whether developing Low Carbon Logistics solutions that reduce our customers’ supply chain emissions, creating a meaningful workplace that underpins our growth strategy or conducting business with integrity in the markets we operate in.

Engagement with stakeholders on material sustainability matters typically involves the Group Sustainability team, Human Resources, Finance and Legal/Quality functions, and Executive Management.

The following table discloses how we engage with our key stakeholders, the purpose of those engagements and their outcome. The views of stakeholders inform our due diligence process and the materiality assessment, which is described in more detail in IRO-1.

KEY STAKEHOLDERS	ENGAGEMENT AND PURPOSE	OUTCOME
Customers	We engage with our customers on a daily operational basis, through briefings on Low Carbon Logistics Solutions, through partnerships and through industry groups focussed on net-zero supply chains.	<ul style="list-style-type: none"> <li>Reduction of customers’ transport and supply chain related emissions</li> <li>Reduction of SGL Group’s Scope 3 emissions (which represent 99% of our emissions)</li> </ul>
Employees	We strive to foster a collaborative and meaningful workplace. We engage employees through leadership communication, training, performance and development reviews, the MQ annual employee survey and through our whistle-blowing system.	<ul style="list-style-type: none"> <li>Inclusion of views and perspectives of employees in actions taken by SGL Group to address material impacts, risks and opportunities</li> <li>Above-target MQ score</li> <li>Improved health and safety performance</li> <li>Culture of business integrity</li> </ul>
Investors, banks and bond holders	We engage with our financial stakeholders via presentations and briefings, investor roadshows and the annual and sustainability reports.	<ul style="list-style-type: none"> <li>ESG ratings</li> <li>Meeting the information needs of financial stakeholders for sustainability data</li> <li>Securing financing</li> </ul>
Suppliers	We engage with our suppliers on a daily operational basis, through partnerships, through industry groups focussed on net-zero supply chains and through the Code of Conduct for Suppliers and supplier audits.	<ul style="list-style-type: none"> <li>Provision of services for SGL Group’s Low Carbon Logistics Solutions</li> <li>Adherence to SGL Group’s business conduct standards</li> </ul>
Owners	We engage with our owners on a regular basis through briefings, board meetings, and the annual reporting process.	<ul style="list-style-type: none"> <li>Alignment on sustainability strategy, targets, and performance</li> </ul>
Regulators/ Authorities	We follow updates from regulators and other relevant public authorities.	<ul style="list-style-type: none"> <li>Ensuring that SGL Group acts in compliance with regulations in the markets in which we operate</li> </ul>
Beneficiaries of Aid & Relief logistics services	Our Aid & Relief group engages with humanitarian partner organisations and government entities to understand the needs of communities supported by our operations that are often situated in complex contexts with particular needs and vulnerabilities.	<ul style="list-style-type: none"> <li>Aid &amp; Relief services that better support these communities with effective humanitarian logistics</li> </ul>

# MATERIALITY ASSESSMENT PROCESS

## MATERIALITY ASSESSMENT

### **IRO-1** *Description of the processes to identify and assess material impacts, risks and opportunities*

In 2023, SGL Group conducted a materiality assessment in accordance with the requirements of the ESRs. This included identifying and objectively scoring impacts, risks, and opportunities (IROs), as a basis for the materiality decision of the sustainability matters, resulting in a double materiality assessment (DMA).

#### **Identifying sustainability matters**

First, we considered the context of SGL Group's activities and business relationships, value chain and affected stakeholders to identify relevant sustainability matters as outlined in ESRs 1, paragraph AR16.

The analysis included a review of SASB standards relevant to SGL Group's industry in order to provide a sector-specific

perspective and to allow for the possible inclusion of entity-specific topics.

Sustainability topics and sub-topics that were not relevant to our business model were omitted from the review. This included E3 Water and marine resources as SGL Group does not use any meaningful amount of water or marine resources in our daily operations. As a logistics provider, SGL Group serves business customers, not end-users or consumers (these are our customers' customers). Therefore, S4 Consumers and end-users was deemed not applicable for SGL Group and was omitted from the materiality assessment. Lastly, the sub-topic of animal welfare within G1 was excluded as it was deemed irrelevant.

#### **Stakeholder engagement**

Internal responsible area leads (RALs) who had deep knowledge of affected stakeholders and users of sustainability statements were designated as stakeholder representatives to provide insights on the sustainability matters and identify

and score the IROs. This was a key assumption of the process.

Each sustainability matter was reviewed through an interview with the designated stakeholder representative, with a focus on identifying IROs at a sub-topic level.

SGL Group's Aid & Relief operations were scrutinised more closely through additional interviews, due to their large potential impact.

The analysis also considered whether any risks and opportunities could derive from the financial effects of any of the identified impacts or dependencies.

## **CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES**

### **IRO-1** *Description of the processes to identify and assess material climate-related impacts, risks and opportunities*

Climate and pollution-related impacts, risks and opportunities were considered as part of the DMA. In 2023, SGL Group conducted a climate-related scenario

analysis using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The purpose of the analysis was to update the scenario analysis undertaken in 2021 and complete a thorough assessment of climate risks and opportunities using the most recent scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

We engaged a sustainability consultancy to undertake this analysis, which was based on the IEA's Net Zero Emissions (1.5°C), Announced Pledges (1.7°C) and Stated Policies (2.4°C) scenarios, along with the IPCC's SSP3-7.0 scenario (3.6°C) which was used to test how SGL Group's assets and business activities may be exposed to physical risks.

The scenarios also included insights from trade and transport industry research. The analysis considered SGL Group's full value chain, including upstream carriers, SGL Group's own operations and downstream customers.

Our process included workshops with

leaders across the company to identify climate-related risks and opportunities, as well as a top-down analysis and an outside-in analysis of risks and opportunities across the transport sector. Financial materiality was considered with the Global CFO, and the findings from the scenario analysis were used to improve SGL Group's strategy resilience.

The climate scenarios used are compatible with the critical climate-related assumptions made in the financial statements of this report.

**POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES**

***IRO-1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities***

RALs were used to identify and assess pollution-related impacts. Business activities (the pollution impacts of SGL Group's operations) were reviewed, but site-specific locations were not assessed.

**IMPACTS, RISKS AND OPPORTUNITIES RELATED TO BUSINESS CONDUCT MATTERS**

***IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities***

The identification of IROs in relation to business conduct matters involved a mapping of geographic areas with elevated potential impacts or risks associated with corruption and bribery risks, and human rights violations.

**Materiality scoring approach**

The materiality assessment's scoring methodology and criteria were undertaken in accordance with the requirements in ESRs 1, focussing on:

- Impact materiality: scale, scope, irremediability, and likelihood of impacts (based on whether an impact is positive/negative and actual/potential). The threshold for human rights-related impacts was lowered based on ESRs 1 (45) requirements.

- Financial materiality: financial magnitude of risk/opportunity, likelihood, and the nature of the financial effect.

The scoring of the identified IROs was performed by the RALs to the best of their ability. All IROs were scored at a gross level.

Where possible, the time horizons and quantitative and qualitative thresholds applied in the scoring of the IROs were based on those used in SGL Group's ERM system. This also ensured that the sustainability-related risks and opportunities were aligned with other enterprise risks and opportunities that SGL Group has identified.

The process was informed by SGL's due diligence processes through a review of internal policies and procedures, TCFD assessments conducted in 2021 and 2023 and the ERM system's inventory of risks. In total, 17 documents and six stakeholder representatives were used to identify and score the IROs.

A sustainability matter was deemed material if at least one IRO was above the threshold, indicating either impact materiality, financial materiality, or both. Non-material sustainability matters were those where no IRO was identified and/or all IROs were found to fall below these thresholds.

In order to validate and finalise decisions on material sustainability matters, a final workshop was convened with the RALs, followed by a validation session with the Global CFO.

**Decisions and internal control procedures**

Key decisions taken in the process involved the selection of stakeholder representatives, the scoring of each IRO by the stakeholder representative who identified the sustainability matter and the final evaluation of sustainability matters during the workshop.

Internal controls were applied throughout the process. To be considered for materiality, a sustainability matter must

have been identified by a stakeholder representative and have an IRO associated with it. The method used for scoring was in accordance with ESRs requirements, and the thresholds and time horizons used for scoring were based to the extent possible on SGL Group's ERM system. Every IRO was documented with a detailed description of the basis for its materiality.

**Future steps: Integration, monitoring, and review**

Currently, there is no process to integrate the DMA results into SGL Group's ERM or management systems, but this will be considered for implementation.

SGL Group commits to annually revisiting the DMA process for identifying, assessing, and prioritising IROs, taking into account evolving trends, underlying assumptions, context, and regulatory changes. A comprehensive review of the DMA will be conducted periodically to ensure its efficacy and relevance.

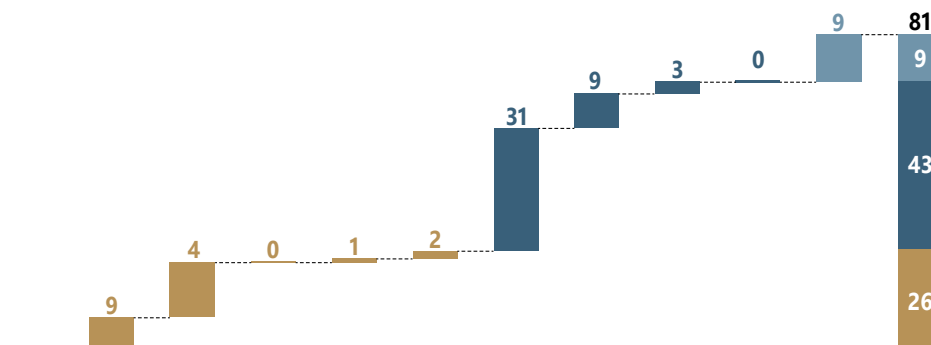
As this is the first reporting cycle that a DMA has been conducted in, there are no changes in the process to report.

**Output from the materiality assessment**

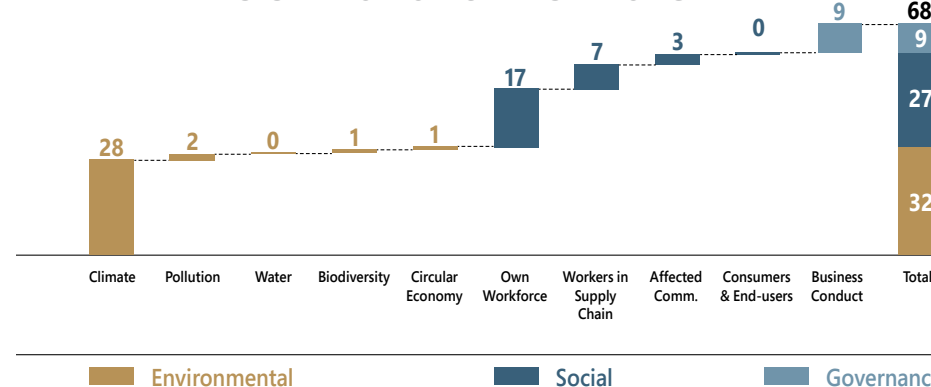
In total, 81 IROs were identified and evaluated during the DMA. Of those, 40 were deemed material. 68 risks and opportunities were identified, of which 14 were deemed material.

The IROs were consolidated and mapped to 15 material sustainability matters. The IRO-2 disclosures that include the index of ESRs disclosure requirements and the list of data points that derive from other EU legislation can be found in the Appendix.

**IDENTIFIED IMPACTS BY TOPIC**



**IDENTIFIED RISKS AND OPPORTUNITIES BY TOPIC**





**MATERIAL IMPACTS, RISKS AND OPPORTUNITIES**

**ESRS 2 SBM-3** *Material impacts, risks and opportunities and their interaction with strategy and business model*

The material impacts, risks and opportunities identified during the materiality assessment are described below and also presented alongside the topical ESRs E1 Climate change, E2 Pollution, S1 Own workforce, S2 Workers in the supply chain, S3 Affected communities and G1 Business conduct in this sustainability statement.

- Environment
- Social
- Governance

**E1 CLIMATE CHANGE**

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>CLIMATE CHANGE</b>							
<p><b>Value chain GHG emissions</b> Greenhouse gas emissions that contribute to climate change are generated by the ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity on our customers' behalf.</p>	Actual negative impact	●			●	●	●
<p><b>Value chain energy consumption</b> The ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity are intensive users of fossil fuel energy sources, which cause GHG emissions when combusted that contribute to climate change.</p>	Actual negative impact	●			●	●	●
<p><b>GHG emissions from own operations</b> SGL Group operates a small fleet of trucks and company cars and consumes electricity to heat and light its office and warehouse locations. These sources generate emissions through the burning of fossil fuels, contributing to climate change.</p>	Actual negative impact		●		●	●	
<p><b>Shift away from air to less carbon-intensive modes</b> Until airfreight decarbonises significantly, customers may switch to less carbon-intensive modes of transportation, which may impact SGL's profitability.</p>	Risk			●	●	●	
<p><b>Inability to meet emissions targets</b> Slower uptake of low-carbon logistics may put SGL at risk of not meeting its published emissions reduction targets for Scope 3 (99% of total emissions in 2022).</p>	Risk	●	●		●	●	●

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>CLIMATE CHANGE</b>							
<p><b>Insufficient supply of low-carbon fuels</b> SGL may not be able to procure a sufficient supply of low-carbon fuels to meet customer demand. Inability to meet customer demand may result in a loss of market share in low-carbon logistics services.</p>	Risk	●			●	●	
<p><b>Low-carbon services</b> SGL has an opportunity to expand and diversify its customer base to seize this growing customer demand for decarbonised transportation. Moreover, SGL has an opportunity to put forward its expertise to deal with increased complexity for its customers.</p>	Opportunity			●	●	●	●
<p><b>Increased frequency and intensity of climate-related humanitarian crises</b> Humanitarian consequences of climate change are expected to increase the demand for specialist services in aid and relief operations. SGL is well-positioned to cater for this with its critical support for UN agencies, NGOs, governments and other stakeholders.</p>	Opportunity			●	●	●	●
<p><b>Increased demand for recycling (reverse logistics)</b> Anticipated growth in shipping related to recycling, where the recycled goods are being returned to point of origin on the back-haul, presents a new opportunity for SGL in the form of increased demand and potentially offering specialised recycling services.</p>	Opportunity			●	●	●	





**E2 POLLUTION**

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>POLLUTION</b>							
<b>Value chain pollution of air</b>							
Non-GHG pollutants are emitted by our value chain, contributing to air quality degradation.	Actual negative impact	●			●	●	●

**S1 OWN WORKFORCE**

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>WORKING CONDITIONS</b>							
<p><b>Working conditions in higher-risk countries</b>                      Although office workplaces tend to be considered lower risk for human rights impacts, SGL Group has a presence in countries with a higher risk for human rights impacts. Recent expansion means SGL Group doesn't yet have a full overview of global working conditions.</p>	Actual negative impact		●		●		
<b>EQUAL TREATMENT &amp; OPPORTUNITIES FOR ALL</b>							
<p><b>Gender diversity above industry norms</b>                      SGL Group has a gender balance that is well above transport and logistics industry norms (48% women). This has a positive impact on the workforce by promoting stronger workforce cohesion and improved well-being, especially for female employees.</p>	Actual positive impact		●		●	●	●
<b>HEALTH &amp; SAFETY</b>							
<p><b>Incidents, injuries and fatalities (warehouse and aid &amp; relief operations)</b>                      Employees working in warehouses and on Aid &amp; Relief activities are at increased risk of physical harm from incidents. Incidents can lead to negative outcomes for those affected – including pain, reduced well-being, loss of income and life-altering disability or loss of life.</p>	Actual negative impact		●		●	●	●

**S2 WORKERS IN THE VALUE CHAIN**

		Location in value chain			Time horizon				
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term		
<b>HEALTH &amp; SAFETY</b>									
<b>Incidents, injuries &amp; fatalities (warehouse workers, aid &amp; relief workers and drivers)</b>									
<p>SGL Group’s warehouse and Aid &amp; Relief operations are serviced by supply chain workers who face increased risk of physical harm from incidents. Drivers and workers employed by our carrier partners to transport goods face increased safety risks from operating vehicles.</p>		Actual negative impact			●	●	●	●	●

**S3 AFFECTED COMMUNITIES**

		Location in value chain			Time horizon			
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term	
<b>COMMUNITY IMPACT</b>								
<b>Aid &amp; Relief operations supporting communities and saving lives</b>								
<p>By providing logistics solutions for UN agencies and NGOs, SGL supports humanitarian programmes. SGL Group therefore has a positive impact on communities affected by crises by enabling the transportation of vital resources and equipment.</p>		Actual positive impact			●	●	●	●

**G1 BUSINESS CONDUCT**

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

**GOVERNANCE & RISK MANAGEMENT**

**Risk of bribery & corruption in certain operations**

SGL Group operates in countries with higher risks for bribery and corruption and our Aid & Relief logistics departments are more exposed to the risk of bribery and corruption from government officials. A bribery or corruption incident could lead to fines and penalties and reputational damage.

Risk

	Location in value chain			Time horizon		
	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
		●		●	●	●



**ENVIRONMENTAL INFORMATION  
ESRS E1 & E2**

# **CLIMATE CHANGE & FOOTPRINT**

# CLIMATE CHANGE

## STRATEGY AND APPROACH

At SGL Group, we recognise the urgent need for climate action and sustainability within the global logistics industry, which represents approximately 14% of global emissions.

We are committed to an ambitious 1.5°C climate target, and our near-term emissions reduction targets have been validated by the Science Based Targets initiative. This section outlines our transition plan, policy and the actions we have taken to achieve our targets.

## SGL GROUP'S CLIMATE TRANSITION PLAN

### E1-1 Transition plan for climate change mitigation

SGL Group's transition plan aligns its strategy and business model to limiting global warming to 1.5°C and achieving climate neutrality by 2050, in line with the Paris Agreement and the EU's climate goals.

As an asset-light freight forwarder, 99% of our emissions are Scope 3 (or indirect)

emissions that are generated in our upstream value chain by the ocean carriers, airlines, and road and rail transport companies from which we purchase capacity on our customers' behalf. These emissions are also our customers' Scope 3 transport emissions.

### Decarbonisation levers

Therefore, SGL Group's transition plan is focussed on decarbonising the transport emissions in our customers' supply chains. This is achieved through the following levers:

1. Providing Low Carbon Logistics solutions based on our flexibility to select carriers that are decarbonising their assets
2. Partnering with others in the value chain, such as producers of Sustainable Aviation Fuel (SAF)
3. Participating in industry groups focussed on net-zero supply chains, such as the 1.5°C Supply Chain Leaders

4. Setting near-term and long-term science-based targets for Scopes 1, 2 and 3
5. Reducing emissions in our own operations

Further details on SGL Group's decarbonisation levers and the climate change mitigation actions undertaken in 2023 are provided in E1-3.

These solutions and partnerships are core to our everyday business. As such, sustainability is a strategic enabler of our growth and success. Together, our ambition and approach align with our commitments to SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

### Science-based emissions targets

SGL Group's emissions reduction targets are anchored in science. In 2020, we became the first freight forwarder in Denmark to commit to the Science Based Target initiative's (SBTi) 1.5°C target. During 2023, our near-term science-based target was validated, and we submitted a long-term target for validation in line

with the SBTi's new Corporate Net-Zero Standard. More information on SGL Group's emissions reduction targets is provided in E1-4.

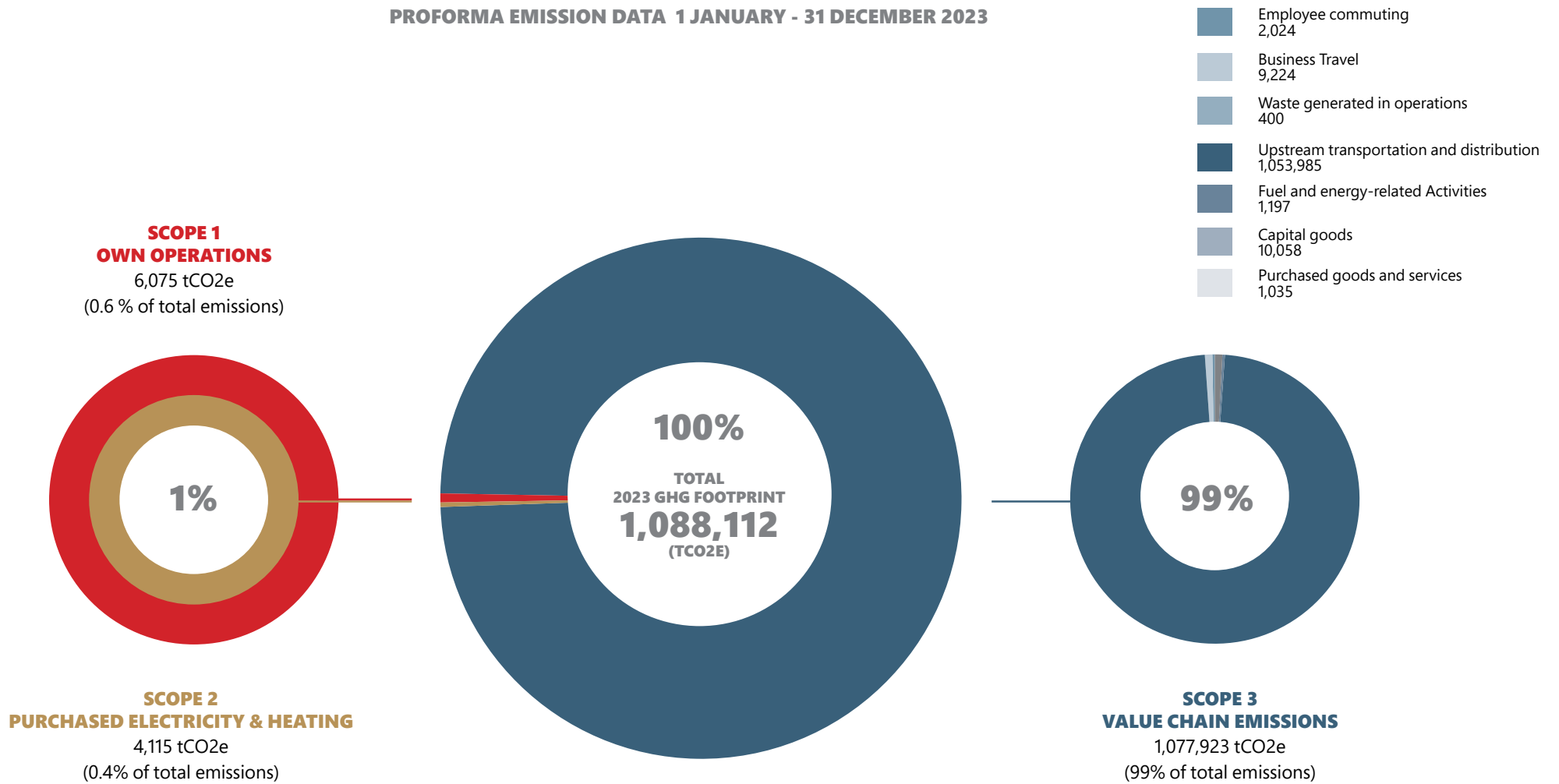
### Embedded in strategy

The transition plan is embedded in SGL Group's strategy and funded through our annual business and financial planning process, which is approved by the Executive Board and the Board of Directors. The Group CFO is responsible for ensuring the ESG strategy is implemented, including the transition plan.

Additionally, we integrate performance measures related to GHG emissions reductions in our management incentive schemes (see disclosure requirement ESRS 2 GOV-3 in the General disclosures section).

SGL Group is not excluded from Paris-aligned Benchmarks.

PROFORMA EMISSION DATA 1 JANUARY - 31 DECEMBER 2023



**SGL GROUP'S CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES**

*Disclosure Requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>CLIMATE CHANGE</b>							
Value chain GHG emissions	Actual negative impact	●			●	●	●
Value chain energy consumption	Actual negative impact	●			●	●	●
GHG emissions from own operations	Actual negative impact		●		●	●	
Shift away from air to less carbon-intensive modes	Risk			●	●	●	
Inability to meet emissions targets	Risk	●	●		●	●	●
Insufficient supply of low-carbon fuels	Risk	●			●	●	
Low-carbon services	Opportunity			●	●	●	●
Increased frequency and intensity of climate-related humanitarian crises	Opportunity			●	●	●	●
Increased demand for recycling (reverse logistics)	Opportunity			●	●	●	●



### CLIMATE CHANGE IMPACTS

The materiality assessment described in disclosure requirement IRO-2 identified the following material impacts.

#### Value chain GHG emissions

Greenhouse gas (GHG) emissions that contribute to climate change are generated by the ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity on our customers' behalf. This actual, negative impact occurs upstream in our value chain and is considered systemic to the transport sector and has short, medium and long-term effects on the environment. The consequences of this are felt locally and globally.

#### Value chain energy consumption

The ocean carriers, airlines, and road and rail transport companies from which SGL

Group purchases capacity are intensive users of fossil fuel energy sources, which cause GHG emissions when combusted that contribute to climate change. This actual, negative impact occurs upstream in our value chain, is considered systemic to the transport sector and has short-, medium- and long-term effects on the environment. The consequences of this are felt locally and globally.

#### GHG emissions from own operations

SGL Group operates a small fleet of trucks and company cars and consumes electricity to heat and light its office and warehouse locations. These sources generate emissions through the burning of fossil fuels, contributing to climate change. This negative impact occurs in SGL Group's own operations over the short and medium term.

### CLIMATE CHANGE RISKS AND OPPORTUNITIES

In 2023, SGL Group conducted a climate-related scenario analysis using the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The purpose of the analysis was to update the scenario analysis undertaken in 2021 and complete a thorough assessment of climate risks and opportunities using the most recent scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

The analysis determined that, due to SGL Group's asset-light business model, we do not face the higher costs or technology and investment risks that carriers face to decarbonise their assets. Nor does SGL Group have any material climate-related physical risks.

SGL GROUP IS NOT EXPOSED TO RISKS FACED BY CARRIERS

CARRIER CLIMATE-RELATED TRANSITION AND PHYSICAL RISKS			HOW SGL GROUP'S BUSINESS MODEL AND/OR STRATEGY MITIGATE RISK	
Medium-term (2-5 years)	Policy & legal	<p><b>Pricing of GHG emissions</b></p> <p>Carbon taxes will increase under the orderly and disorderly scenarios. Carriers will pass the costs of carbon taxes on to customers.</p>	✓	<p><b>SGL's revenue model</b></p> <ul style="list-style-type: none"> <li>SGL Group's revenue model is not exposed to carbon tax as it merely adds a fee for services to the cost of shipping</li> </ul>
	Technology	<p><b>Transition to lower emissions technology</b></p> <p>Carriers will face increased costs and investment and technology risks to decarbonise their assets under all scenarios (even under the IEA Stated Policies scenario STEPS, carriers will need to decarbonise their assets to meet EU and other developed nation emissions requirements).</p>	✓	<p><b>SGL's asset-light business model</b></p> <ul style="list-style-type: none"> <li>SGL Group's asset-light business model removes the cost and risk of having to decarbonise asset performance</li> </ul>
Long-term (5-10 years)	Physical risk	<p><b>Climate adaptation costs</b></p> <p>Carriers face increasing costs to adapt their assets and infrastructure to the rising impact of chronic physical risks and operational impact from acute weather events.</p>	✓	<p><b>SGL's asset-light business model and revenue model</b></p> <ul style="list-style-type: none"> <li>With few assets, SGL has no material exposure to physical climate risk</li> <li>Operational impacts on suppliers and delays for customers due to acute weather events have no impact on SGL's revenue</li> <li>Increases in the frequency of supply chain disruptions due to weather events increase the need for SGL's expertise in handling complexity</li> </ul>

**SGL GROUP'S MATERIAL CLIMATE-RELATED TRANSITION RISKS**

The scenario analysis identified the following financially material climate-related transition risks.

SGL Group does not have any material climate-related physical risks.

CLIMATE-RELATED RISKS		HOW SGL GROUP'S BUSINESS MODEL AND/OR STRATEGY MITIGATES THE RISK
Medium-term (2-5 years)	<p><b>Market</b></p> <p><b>Shift away from air to less carbon-intensive modes</b> Airfreight is the most carbon-intensive mode of transport and is not expected to decarbonise significantly until 2030 when new technologies become available. In the meantime, customers may switch to less carbon-intensive modes of transportation, which may impact SGL Group's profitability as airfreight has higher margins.</p>	<p>✓ <b>SGL Group's strategy to offer low-carbon services</b></p> <ul style="list-style-type: none"> <li>• SGL Group is purchasing Sustainable Aviation Fuel volumes to continue using airfreight as a low-carbon option for its customers</li> <li>• SGL Group is also mitigating this risk by being a leader in low-carbon products and services based on our flexibility to select carriers that are leaders in decarbonising their assets, and to join industry groups focussed on decarbonising supply chains in order to attract a larger customer base</li> </ul>
	<p><b>Reputation</b></p> <p><b>Inability to meet emission targets</b> Slower uptake of low-carbon logistics due to factors such as reluctance of customers to pay for low-carbon logistics and/or slower decarbonisation by suppliers may put SGL Group at risk of not meeting its published emissions reduction targets for Scope 3 (99% of total emissions in 2022). This, in turn, could have adverse reputational and market impacts.</p>	<p>✓ <b>SGL Group's full solution catalogue and customer decarbonisation engagements</b></p> <ul style="list-style-type: none"> <li>• SGL Group is mitigating this risk by providing low-carbon logistics solutions to customers and directly engaging with customers to design low-carbon journeys</li> <li>• SGL Group is also engaging, educating and advising customers to drive demand for lower-carbon options</li> </ul>
	<p><b>Technology</b></p> <p><b>Insufficient supply of low-carbon fuels</b> SGL Group may not be able to procure a sufficient supply of low-carbon fuels, such as SAF (sustainable aviation fuel), marine biofuel and biofuel for trucks, to meet customer demand. Supply of these fuels is limited, and SGL Group faces competition from large global players. Inability to meet customer demand may result in a loss of market share in low-carbon logistics services.</p>	<p>✓ <b>SGL's strategy to manage alternative fuels proactively</b></p> <ul style="list-style-type: none"> <li>• SGL Group is mitigating this risk by buying alternative fuels in advance</li> </ul>

**SGL GROUP'S MATERIAL CLIMATE-RELATED OPPORTUNITIES**

The scenario analysis identified the following financially material climate-related transition opportunities.

CLIMATE-RELATED OPPORTUNITIES			HOW SGL GROUP'S BUSINESS MODEL AND/OR STRATEGY CAPTURES THE OPPORTUNITY
<b>Short-term</b> (0-2 years)	<b>Products/ Services</b>	<p><b>Low-carbon services</b></p> <p>Customers are increasingly aware of minimising their emissions and willing to decarbonise their transportation. SGL Group has an opportunity to expand and diversify its customer base to seize this growing demand. Moreover, SGL Group has an opportunity to put forward its expertise to deal with increased complexity for its customers.</p>	<p>✔ <b>SGL's Group's strategy to offer low-carbon logistics services</b></p> <ul style="list-style-type: none"> <li>• SGL Group's strategy of offering low-carbon logistics services capitalises on this opportunity in the following ways:</li> <li>• Offering low-carbon logistics to a higher proportion of existing customers and approaching new (large) companies seeking low-carbon solutions</li> <li>• Being seen as a market leader/ positioning itself as a climate change leader</li> <li>• Identifying new markets in need of low-carbon solutions, and</li> <li>• Expanding existing our offering to meet the needs of existing and new customers</li> </ul>
<b>Medium-term</b> (2-5 years)	<b>Products/ Services</b>	<p><b>Increased frequency and intensity of climate-related humanitarian crises</b></p> <p>Humanitarian consequences of climate change are expected to increase the demand for specialist services in aid relief operations, such as the provision of emergency supplies, medical assistance, food distribution, and shelter for affected populations. With its expertise in logistics and transportation, SGL Group is well-positioned to cater to the need of specialist services with its critical support for UN agencies, NGOs, governments and other stakeholders.</p>	<p>✔ <b>SGL's asset-light business model</b></p> <ul style="list-style-type: none"> <li>• SGL Group is the market leader in providing logistics for humanitarian crises with long-standing expertise and key partnerships</li> <li>• SGL Group will cater for the specialist demand in aid and relief operations by continuing to stay a market leader, and providing logistics as climate-related crises increase in severity and frequency</li> </ul>
<b>Long-term</b> (5-10 years)	<b>Market</b>	<p><b>Increased demand for recycling (reverse logistics)</b></p> <p>A slight increase in logistics related to recycling has been observed, where the recycled goods are being returned to the point of origin on the back-haul. There is an expectation that this trend will continue and increase in volume and across different sectors. This presents a new opportunity for SGL Group in the form of increased demand as well as potentially offering specialised services related to recycling.</p>	<p>✔ <b>SGL Group capitalising on changing market demands from existing and new customers</b></p> <ul style="list-style-type: none"> <li>• As existing customers face pressures to recycle and ship goods back to their source, SGL Group is already positioned to provide reverse logistics</li> </ul>

The climate-related risks and opportunities identified in the scenario analysis are described in further detail in SGL Group's separate 2023 TCFD disclosure, available on our website [www.scangl.com](http://www.scangl.com)

SGL Group is taking action and investing to mitigate the climate-related transition risks and capture the opportunities identified. These actions are considered as part of SGL Group's strategy and annual business planning process and are outlined in E1-3 below. As a result of these actions, we expect SGL Group to continue to be able to decarbonise its products within its existing business model while continuing to secure access to finance at an affordable cost of capital and without the need to reskill its workforce.

SGL Group has opted to exercise the phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9.

**Impact, risk and opportunity management**

**E1-2 Policies related to climate change mitigation and adaptation**

SGL Group's Environmental Policy defines and communicates how we work with our environmental performance and sustainability. The policy is binding for all SGL Group employees. In our work to minimise our environmental impact, we consider air, water, biodiversity, land use, deforestation, animal welfare, soil pollution and noise emissions to comprehensively determine our field of action.

SGL Group's Environmental Policy is focussed on addressing climate change mitigation by including our commitment to reducing Scopes 1, 2 and 3 emissions in line with net zero emissions by 2050. By covering all emissions scopes, the policy applies to emissions from SGL Group's own operations, as well as our upstream and downstream value chain.

The policy is distributed via SGL Group's policy management system on the Group

intranet. Training in the Environmental Policy and other SGL Group policies is conducted for all new employees every two years in our global mandatory 'Academy' e-learning platform together with tests that all employees must pass to receive a diploma for the training. All training is registered and stored digitally in the system.

The Environmental Policy is also available to external stakeholders via SGL Group's website.

The Global Head of Sustainability & ESG has overall responsibility for the policy, while the regional managing directors are responsible for implementing it within their countries as heads of their respective legal entities. The policy is reviewed annually by the global leadership team and the Global Head of Sustainability & ESG.

**E1-3 Actions and resources in relation to climate change policies**

SGL Group is addressing emissions through the following levers and actions:

**1. Providing Low Carbon Logistics solutions**

With the vast majority of SGL Group's emissions being Scope 3, our decarbonisation strategy is focussed on helping our customers switch to our catalogue of Low Carbon Logistics solutions that was launched in 2022.

Our solutions combine low carbon modes, logistics setup optimisation, biofuels, and low-emitting pre/post carriage transport solutions such as e-trucks. No two companies or supply chains are alike, so the right solutions will differ between companies and be subject to types of goods, trade lanes, budgets and logistics requirements.

During the year, we introduced training for our sales and product people to increase the uptake of our full Low Carbon Logistics solution catalogue. In 2024, we will extend training on sustainability across SGL Group to build knowledge and capability throughout the entire organisation.

**2. Partnering with others in the value chain**

Decarbonising the supply chain is a joint effort. In December, SGL Group launched a project to test and develop sustainable logistics solutions with MAN Energy Solutions. The project is focussed on a particular corridor from Japan to Denmark that sees a high frequency of full-load containers. In late 2023, fifty 40-foot containers were shipped to Denmark using 100% ocean biofuel, while trucks fuelled by hydrotreated vegetable oil were used for the last-mile delivery to reduce emissions by approximately 85%.

In May, we announced a new partnership with Majid Al Futtaim Lifestyle, aiming to reduce CO2 emissions by using SAF for airfreight shipments from Asia to the UAE.

In September, we launched a Scania electric truck with Alfa Laval that will enable CO2 savings. The truck will operate a designated lane between Alfa Laval’s manufacturing sites in Sweden and SGL

Group in Denmark and will help Alfa Laval achieve its goal of becoming carbon neutral by 2030, with a target of net zero for Scopes 1 and 2 and a 50% reduction for Scope 3.

**3. Participating in industry groups focussed on net-zero supply chains**

Given the complex nature of the decarbonisation challenge, collaboration across industries and supply chains is essential to making progress. During 2023, we extended our partnership with the Exponential Roadmap Initiative (ERI) to cut GHG emissions from transportation among members by 50-100% within a decade by shifting modes of transport, change in logistics set-up, electrification and enabling high-quality biofuel solutions.

In November, SGL Group’s Global Head of Sustainability & ESG presented the Transportation Action Guide at the COP 28 meeting in Dubai, alongside ERI, IKEA,

and Scania Group. The guide provides practical actions companies can take to reduce greenhouse gas emissions from the transport of goods, align their logistics and fully integrate sustainability actions into their strategic business functions.

SGL Group is also a member of the ERI-cofounded 1.5°C Supply Chain Leaders and supports small and medium-sized enterprises (SMEs) in their efforts to reduce emissions through the SME Climate Hub. In addition, we are helping to scale best practices for cutting transport emissions through large international networks such as the UN Race to Zero campaign.

Through 2023, SGL Group continued to be an active partner of the World Economic Forum’s Supply Chain and Transport Industries community, which works on initiatives for resilient, sustainable, and inclusive supply chain solutions.

As SGL Group is guided by SDG 17, we see partnerships as an integral part of our net-zero journey. In line with this, we have

committed to becoming a member of the Smart Freight Centre. This will enable SGL Group to leverage the centre’s knowledge to support our decarbonisation strategy and our efforts to develop industry-leading carbon reporting for customers.

**4. Setting science-based emissions reduction targets**

During 2023, SGL Group’s near-term science-based target was validated, and we submitted a long-term target for validation in line with the SBTi’s new Corporate Net-Zero Standard. More information on SGL Group’s emissions reduction targets is provided in E1-4.

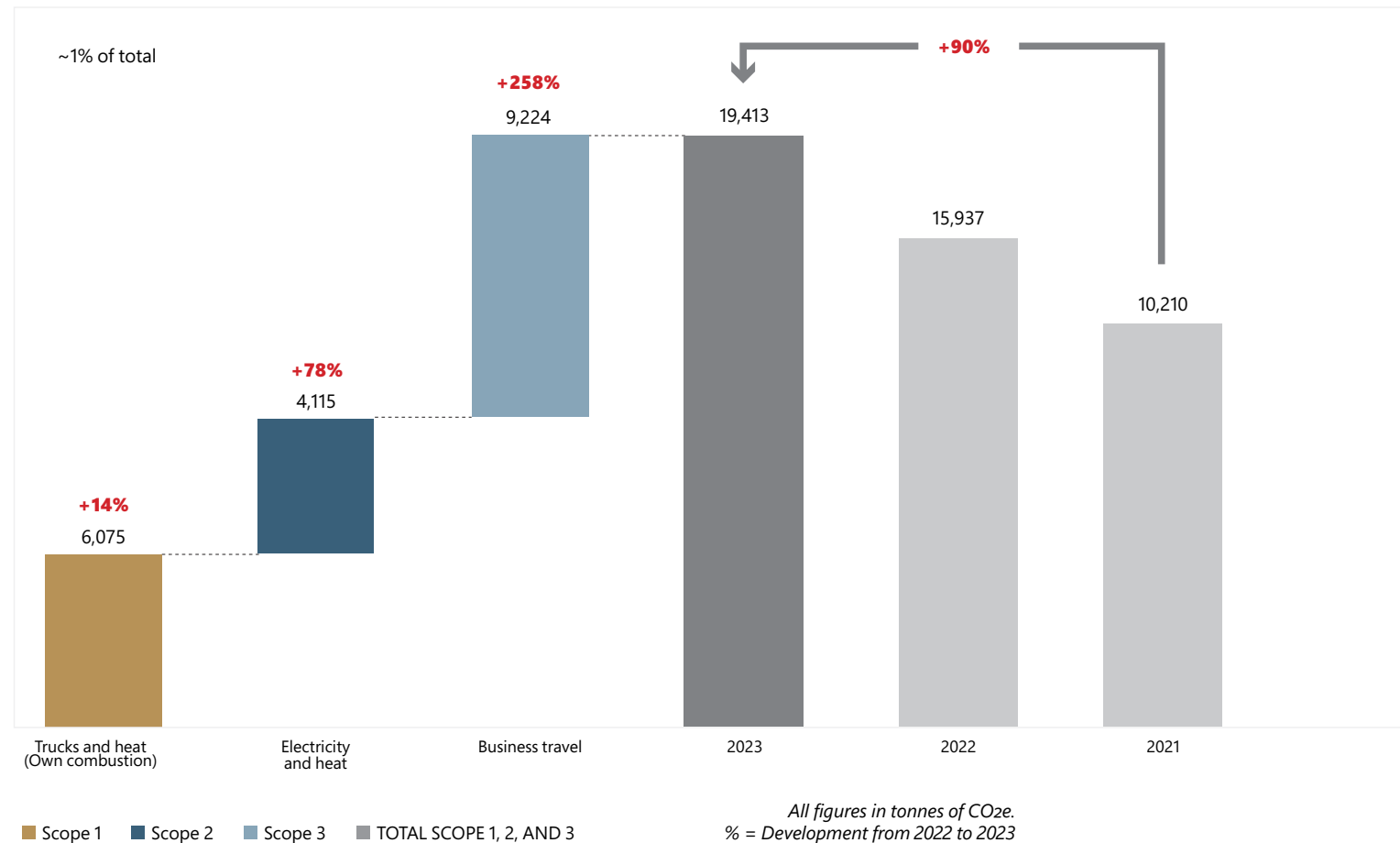
**5. Reducing emissions in our own operations**

SGL Group’s Scope 1 and 2 emissions represented under 1% of total emissions in 2023, but they are within our direct control to reduce.

In September, a 70,000 MWh solar park in Badskær, Northern Jutland, was completed and began supplying our Danish locations with renewable energy, marking a significant step towards reducing our Scope 2 emissions in line with our targets. The solar park was constructed as a result of a power purchasing agreement (PPA) that SGL Group signed with 12 other companies in 2021.

We also signed a PPA for our operations in Sweden to receive renewable energy from a solar park in Studsvik that will take effect from March 2025. The PPA supports the decarbonisation of our operations outside of Denmark and is in line with our strategy to switch to renewable energy sources.

**EMISSIONS WITHIN OUR DIRECT CONTROL**



**METRICS AND TARGETS**

**E1-4 Targets related to climate change mitigation and adaptation**

SGL’s emissions reduction targets are anchored in science. Since submitting our science-based target to the Science Based Targets initiative (SBTi) in 2021, we have undertaken significant acquisitions and made improvements to the accuracy of our emissions data. These events trigger the requirement under the SBTi’s Target Validation Protocol to retroactively recalculate our base-year emissions to ensure consistency.

As a result, we recalculated our emissions and, in early 2023, re-submitted the ten-year emissions reduction target to the SBTi, which was validated in March.

In December, we submitted a long-term target to reach net-zero emissions in 2050 for validation by the SBTi. We expect to conclude the SBTi validation process before Q3 in 2024.

**SGL’s near-term science-based target (validated in 2023):**

- 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 by 51.6% per tonne-km within the same timeframe.

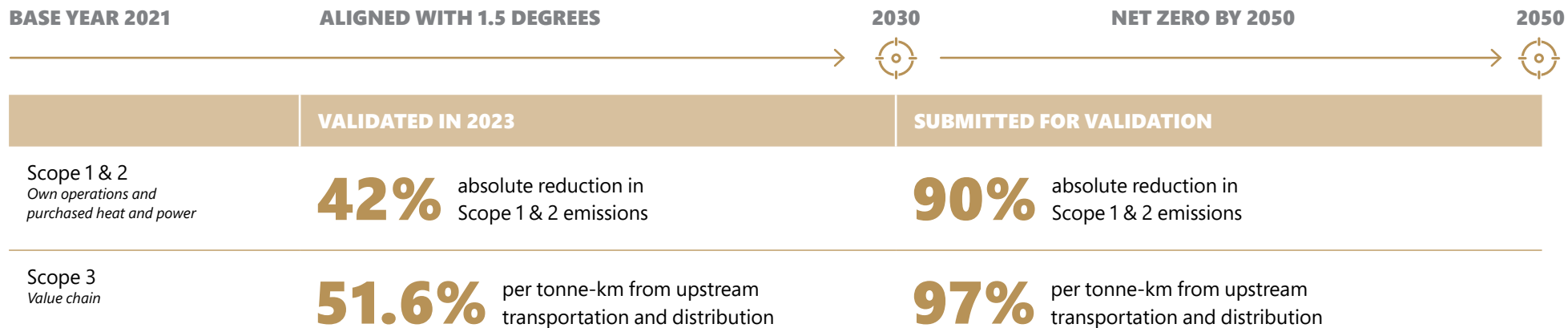
The Scope 3 target is a physical intensity target based on the amount of carbon dioxide equivalent (CO2e) emitted to transport one tonne for a distance of one kilometre – a standard unit of measurement in the transport industry. Reducing Scope 3 emissions intensity by 51.6% by 2030 requires us to make a 7% annual intensity reduction, even while we are growing our business.

**SGL’s long-term science-based target (submitted in 2023 for validation in 2024)**

- Scan Global Logistics commits to reach net-zero greenhouse gas emissions across the value chain by 2050.
- Scan Global Logistics commits to reduce Scope 1 & 2 emissions 90% by 2050 from a 2021 base year.
- Scan Global Logistics commits to reduce Scope 3 emissions 97% per tonne-km from a 2021 base year.

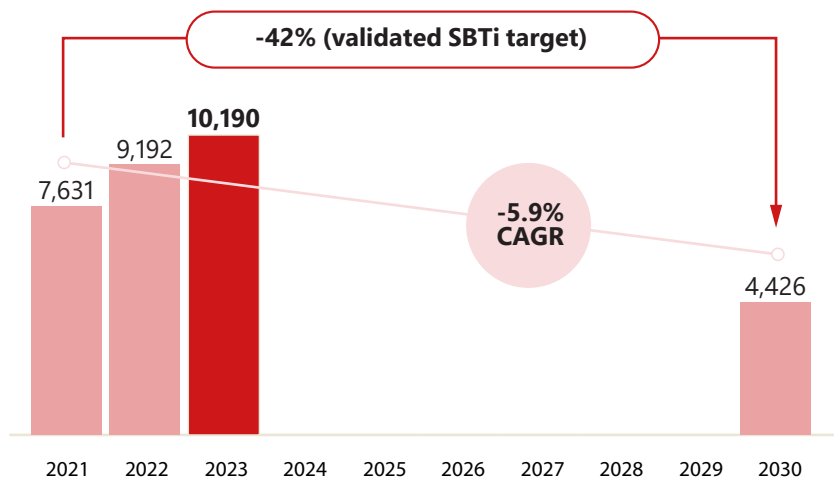






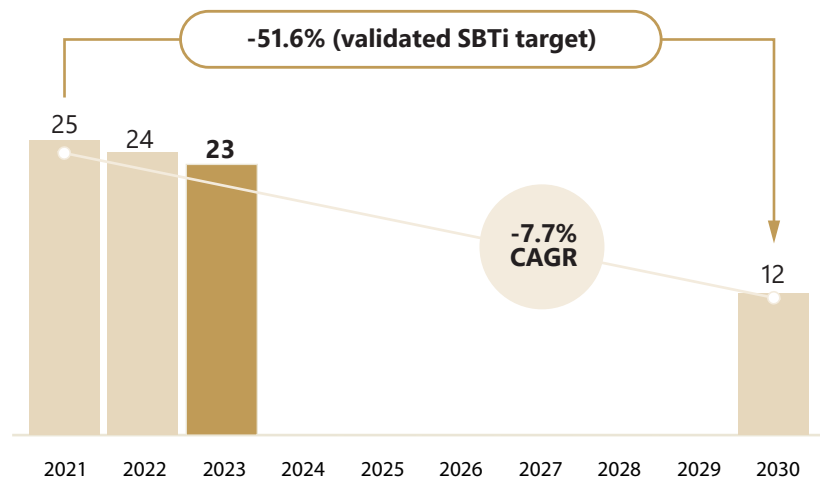
**ABSOLUTE REDUCTION TARGET BY 2030 (SCOPE 1 AND 2)**

tCO<sub>2e</sub>



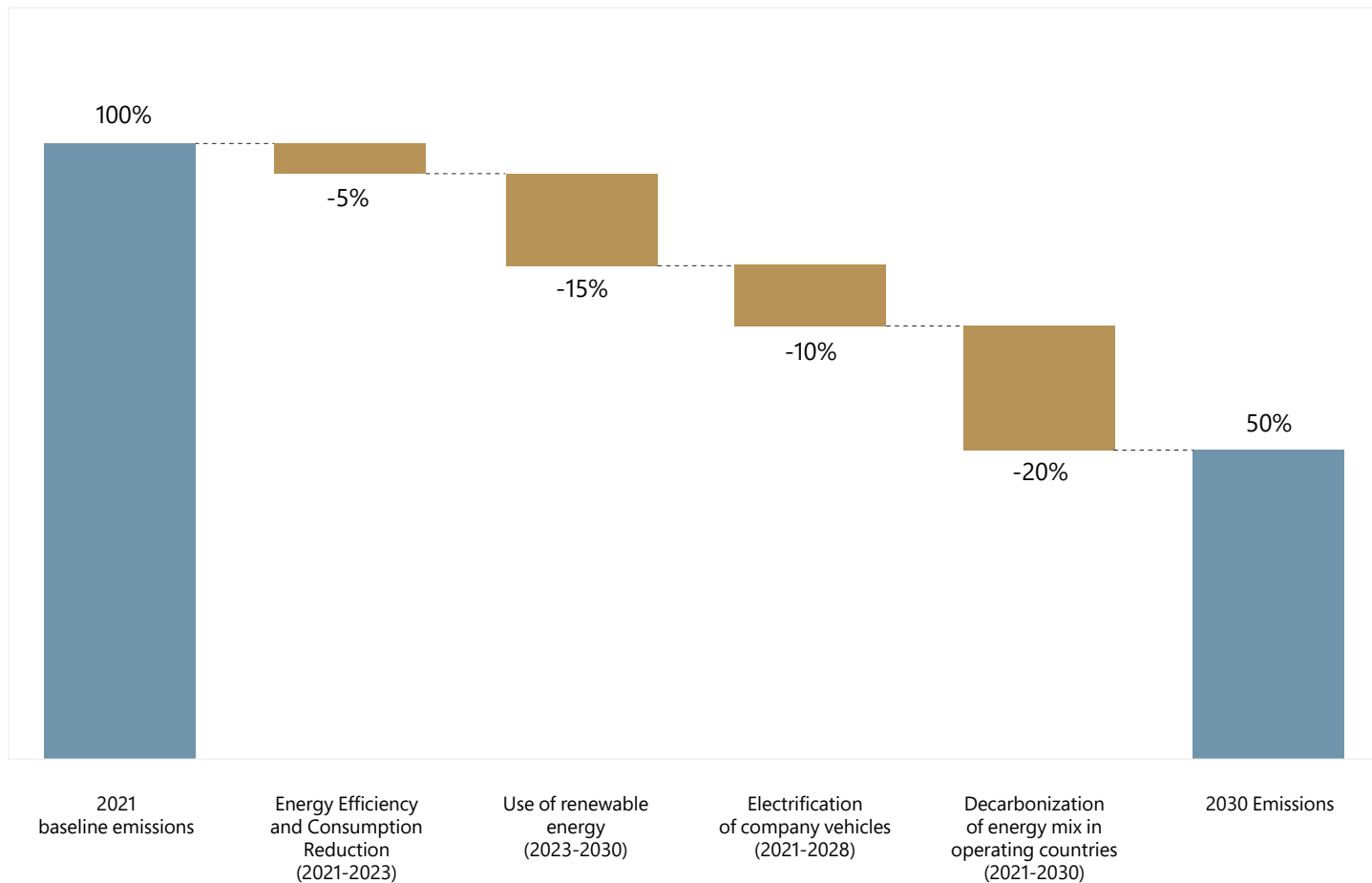
**PHYSICAL INTENSITY REDUCTION TARGET BY 2030 (SCOPE 3)**

gCO<sub>2e</sub>/tonne.km





**SGL GROUPS ROADMAP TO REDUCE EMISSIONS FOR SCOPE 1+2 IN LINE WITH ITS SCIENCE-BASED TARGET**



**EXPONENTIAL ROADMAP INITIATIVE TARGET**

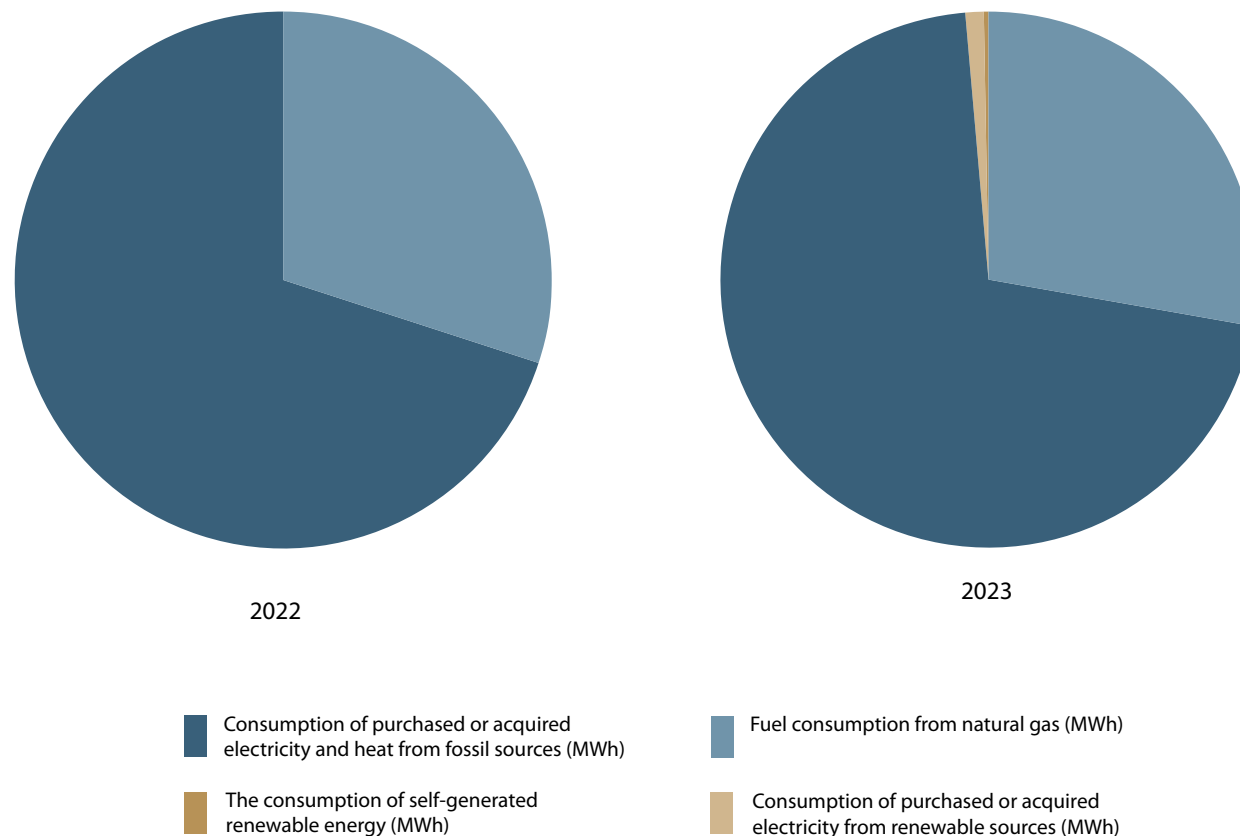
Through the Exponential Roadmap Initiative, we also commit to reducing GHG emissions across all Scopes 1, 2 and 3 by 50% before 2030 and every 10 years towards net-zero emissions in 2050.

**E1-5 Energy consumption and mix**

Our energy consumption mainly consists of district heating and electricity. As part of our science-based target, we are working towards lowering the mix from non-renewable energy and introducing renewable energy into the mix - such as committing to corporate power purchase agreements to secure renewable electricity for our own operations through principles of additionality.

In 2023 our energy consumption was 22,731 MWh. Our consumption stems from the usage of electricity and heating in own operations. In 2023 we received the first renewable electricity via a corporate power purchase agreement from our solar park in Denmark. We have already signed another corporate power purchase agreement which will increase our renewable share of the total energy consumption.

See *energy consumption and mix* on page 53.



**TABLE 1 – PROFORMA ENERGY AND CLIMATE DATA**

ENERGY CONSUMPTION AND MIX**	2021	2022	2023
1. Fuel consumption from coal and coal products (MWh)	-	-	-
2. Fuel consumption from crude oil and petroleum products (MWh)	-	-	-
3. Fuel consumption from natural gas (MWh)	-	5,857*	6,386
4. Fuel consumption from other fossil sources (MWh)	-	-	-
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	16,613*	13,514*	16,090
<b>6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)</b>	<b>16,613*</b>	<b>19,371*</b>	<b>22,476</b>
Share of fossil sources in total energy consumption (%)	100%	100%	99%
<b>7. Consumption from nuclear sources (MWh)</b>			
Share of consumption from nuclear sources in total energy consumption (MWh)	-	-	-
8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-	-
9. Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources (MWh)	-	-	242
10. The consumption of self-generated non-fuel renewable energy (MWh)	-	-	13
<b>11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)</b>	<b>-</b>	<b>-</b>	<b>255</b>
Share of renewable sources in total energy consumption (%)	0%	0%	1%
<b>Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)</b>	<b>16,613*</b>	<b>19,371*</b>	<b>22,731</b>

*Table 1 – Proforma energy and climate data; Energy Consumption and Mix, page 53*

\*Figures for 2021 and 2022 have been restated because of the new organisational structure and new methods of calculation. Specific explanations of restatements are described in accounting policy on page 60-61.

\*\*2023 figures in table 1 – energy and climate data are verified by our independent auditors.

Comment to the energy consumption: The energy consumption has seen an increased due to own growth which increases the number of offices and employees globally.

**PROFORMA GHG EMISSIONS  
1 JANUARY - 31 DECEMBER**

**E1-6 Gross Scopes 1, 2, 3 and  
Total GHG emissions**

The methodologies, significant assumptions and emissions factors used to calculate or measure GHG emissions are provided in the accounting policies section on page 60-61.

**Scope 1+2**

Our absolute scope 1 emission have increased by 10% from 2022 to 2023, and our scope 2 emission have increased with 13% during the same period. The increase is largely due to own growth which increases the number of offices and employees globally. That growth affects our absolute scope 1 and 2 emissions.

We are committed to reducing our absolute emissions from Scope 1 and 2, and will continue to invest in PPAs, energy management systems, decarbonising our vehicles and other CO2e-reducing initiatives in our offices and warehouses.

**TABLE 1 – PROFORMA ENERGY AND CLIMATE DATA**

1. ENERGY AND CLIMATE DATA**	2021	2022	2023	% N / N-1
<b>GHG EMISSIONS (tCO2e)</b>				
<b>SCOPE 1 GHG EMISSIONS</b>				
Gross Scope 1 GHG emission	5,315*	5,537*	6,075	10%
% of Scope 1 GHG emissions from regulated emissions trading schemes	0%	0%	0%	
<b>SCOPE 2 GHG EMISSIONS</b>				
Gross location-based Scope 2 GHG emission	1,586*	2,828*	3,001	6%
Gross market-based Scope 2 GHG emissions	2,316*	3,655*	4,115	13%
<b>SIGNIFICANT SCOPE 3 GHG EMISSIONS</b>				
Total Gross indirect (not subject to limited assurance)	1,325,806*	1,206,526*	1,077,923	-11%
Upstream GHG emissions (cat. 1-3 & 5,7) (not subject to limited assurance)	9,622*	12,224*	14,714	20%
4. Upstream transportation and distribution	1,313,605*	1,187,557*	1,053,985	-11%
Air - tCO2e	758,021*	724,410*	621,810	
Ocean - tCO2e	410,770*	310,744*	301,937	
Rail - tCO2e	15,143*	10,617*	6,629	
Road - tCO2e	128,426*	134,335*	118,591	
Courier - tCO2e	1,245	7,451*	5,018	
6. Business travel	2,580*	6,745*	9,224	37%
<b>TOTAL GHG EMISSIONS</b>				
Total GHG emissions (location-based) (not subject to limited assurance)	1,332,707*	1,214,891*	1,086,999	-11%
Total GHG emissions (market-based) (not subject to limited assurance)	1,333,437*	1,215,719*	1,088,112	-11%

Please refer to notes on 'Table 1 – Proforma energy and climate data; GHG emissions' on page 55.

**Scope 3**

Emissions intensity (gCO2e/TKM) declined by 5.32% due to a decrease in Airfreight emissions by 14% in CO2e and 15% in Tonne-KM in 2023. The drop in Airfreight emissions was due to lower volumes in the first half of the year as post-pandemic supply chain pressures eased, thereby reducing demand for urgent and time-sensitive deliveries.

Total CO2e decreased by 11% due to three factors:

1. The decline in Airfreight emissions.
2. A shift to activity-based emissions reporting for North America and Canada, which had previously been using revenue as the basis for emissions reporting.

3. A change in the emissions calculation methodology across SGL Group's global operations, which improved data quality and will ensure more accurate emissions reporting going forward.

**Total emissions**

As shown in the GHG table, our total emissions have decreased due to the decrease in our total scope 3 category 4 emissions. As those emissions represent 99% of the total emission, a large decrease will collectively result in an overall decrease in total emissions.

**Table 1 – Proforma energy and climate data; GHG emissions, page 54**

\*Restated figures for 2021 and 2022. See accounting policy on page 60-61.

\*\*2023 figures in table 1 – energy and climate data are verified by our independent auditors.

Overall comments to CO2e figures:

Scope 1: CO2e has increased 10% due to own growth which increases the number of offices and employees globally.

Scope 2: CO2e has increased 13% due to own growth which increases the number of offices and employees globally.

Scope 3 (C6): CO2e has increased due to post corona travel activity and business growth.

Scope 3 (C4): Total CO2e decreased by 11% due to three factors:

1. The decline in Airfreight emissions.
2. A shift to activity-based emissions reporting for North America and Canada, which had previously been using revenue as the basis for emissions reporting.
3. A change in the emissions calculation methodology across SGL Group's global operations, which improved data quality and will ensure more accurate emissions reporting going forward.

**TABLE 1 – PROFORMA ENERGY AND CLIMATE DATA**

1. ENERGY AND CLIMATE DATA**	2021	2022	2023
EMISSIONS INTENSITY			
MODES	gCO2e/TKM	gCO2e/TKM	gCO2e/TKM
Air	657*	666*	671
Ocean	9*	7*	7
Rail	29*	27*	27
Road	80*	82*	82
Courier	455***	24	23
Total	25	24	23

**Table 1 – Proforma energy and climate data; Emissions intensity, page 55**

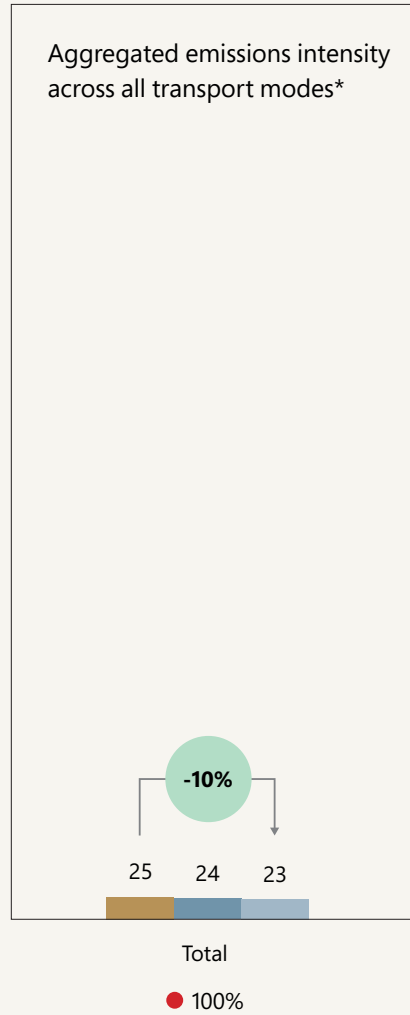
\*Restated figures for 2021-2022. See accounting policy on page 60-61.

\*\*2023 figures in table 1 – energy and climate data are verified by our independent auditors.

\*\*\*The reduction is due to change in calculation method why the 2021 numbers are incomparable.

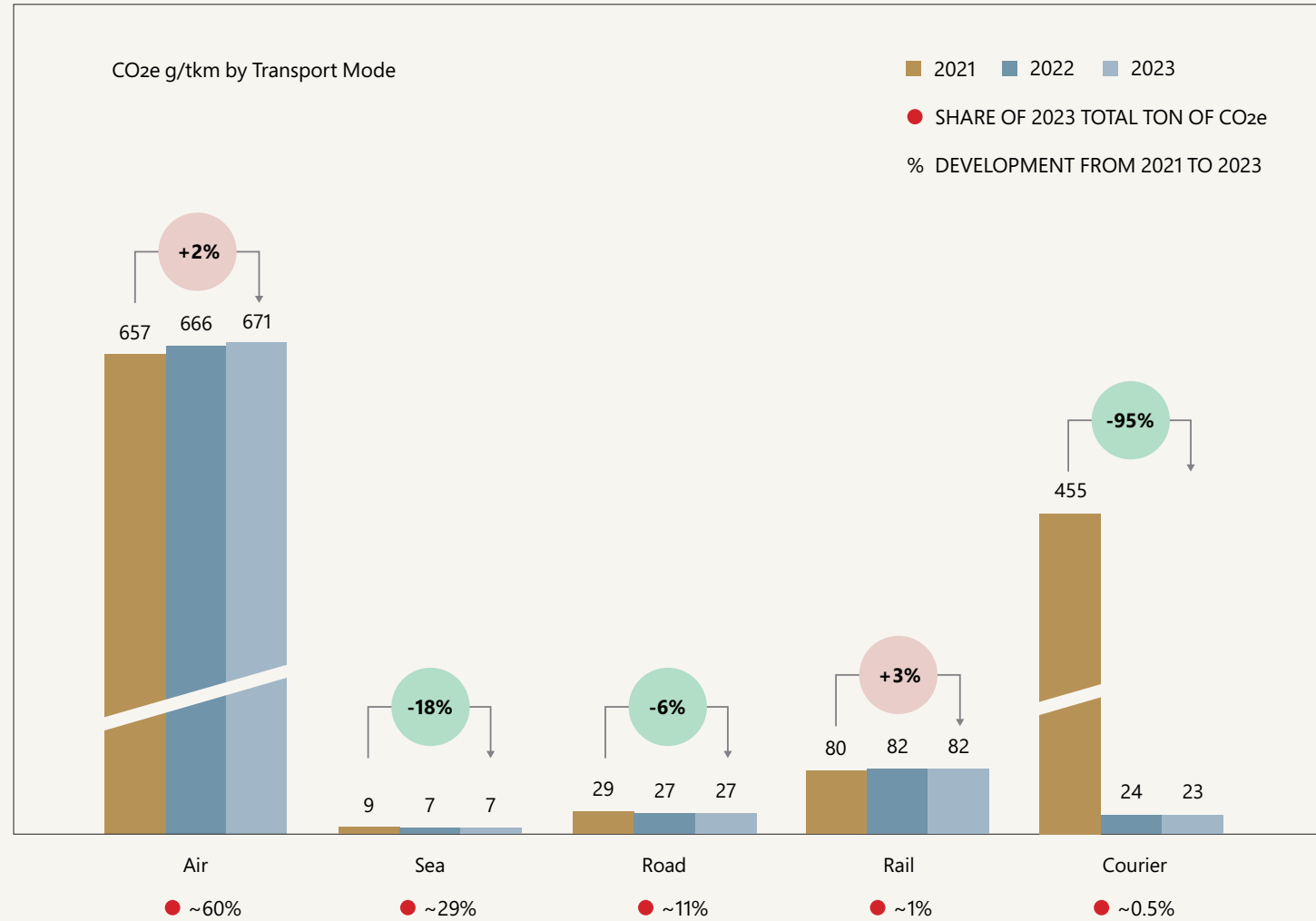
Emissions intensity (gCO2e/TKM) declined by 5.32% due to a decrease in Airfreight emissions by 14% in CO2e and 15% in Tonne-KM in 2023. The drop in Airfreight emissions was due to lower volumes in the first half of the year as post-pandemic supply chain pressures eased, thereby reducing demand for urgent and time-sensitive deliveries.

OVERALL INTENSITY



SCOPE 3 UPSTREAM TRANSPORT AND DISTRIBUTION – INTENSITY DEVELOPMENT 2023 VS 2021

(Our customers' transport-related Scope 3 emissions)



Overall emissions intensity decreased by 10.3% due to a shift from high emitting airfreight to less emitting Ocean freight.

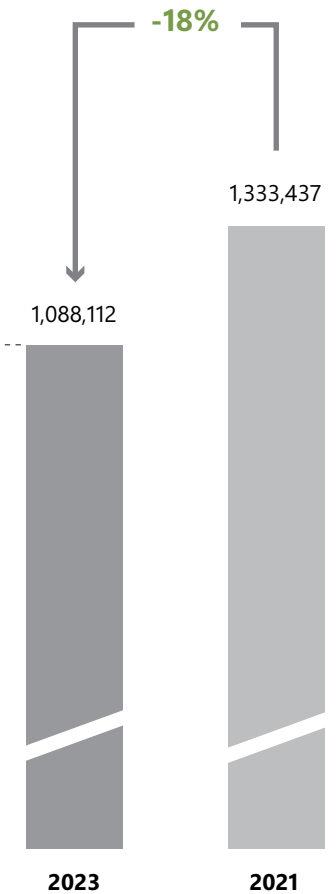
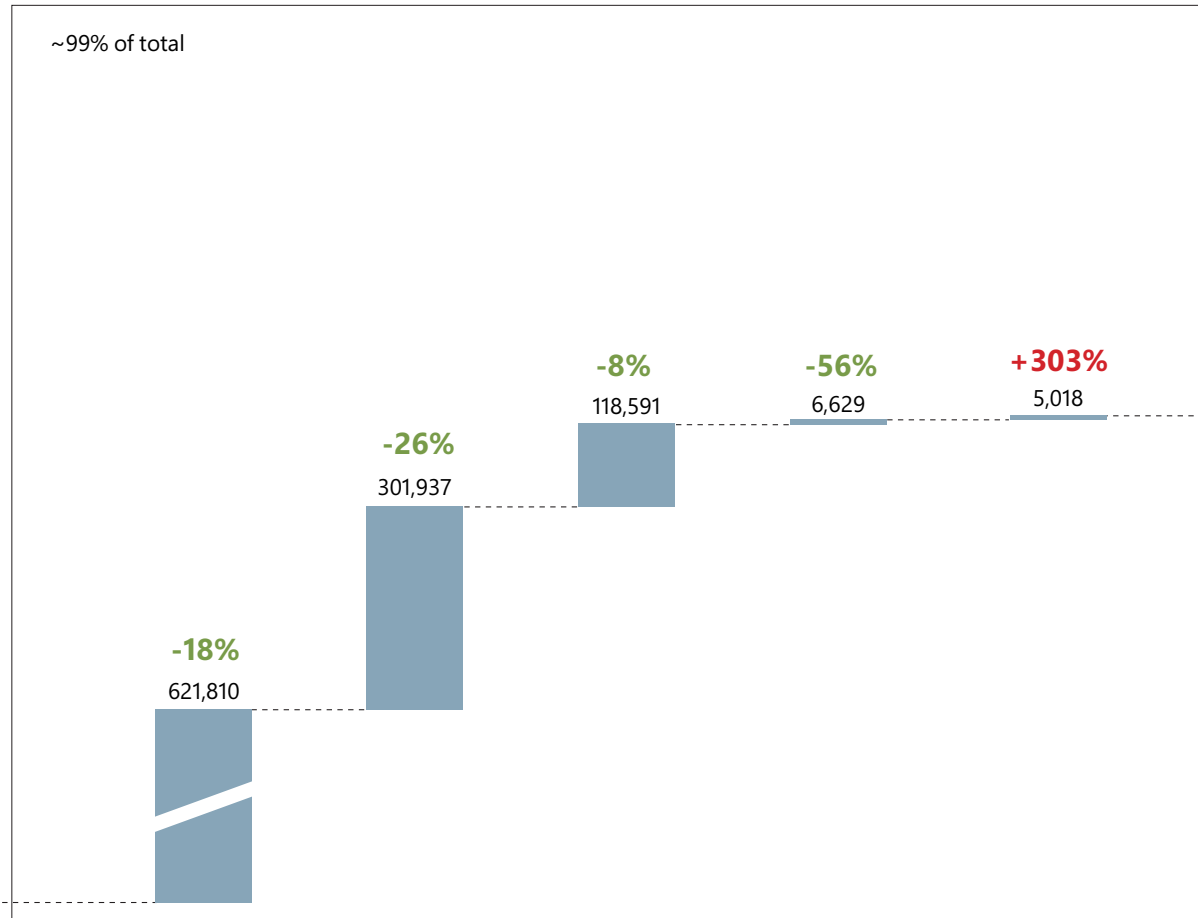


**EMISSIONS WITHIN OUR DIRECT CONTROL**



**SCOPE 3 CATEGORY 4: UPSTREAM TRANSPORTATION AND DISTRIBUTION**

(Our customers' transportation-related Scope 3 emissions)



All figures in tonnes of CO<sub>2</sub>e

■ SCOPE 1  
 ■ SCOPE 2  
 ■ SCOPE 3  
 ■ TOTAL SCOPE 1. 2. 3  
 ● 2023 GRAM OF CO<sub>2</sub>e/TKM  
 % DEVELOPMENT FROM 2021 TO 2023

**PROFORMA ADDITIONAL ENVIRONMENTAL DATA**

<b>WATER</b>	<b>UNIT</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Emissions to water	tonnes co2e	-	14	24
Total water consumption - buildings	m3	30,797	40,627	62,847
<b>FUEL CONSUMPTION</b>	<b>UNIT</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Total consumption of Diesel	L	-	-	1,518,856
Total consumption of Gasoline	L	-	-	379,082
Total consumption of LPG	L	-	-	63,260
<b>TOTAL WASTE GENERATED IN OPERATIONS</b>	<b>UNIT</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Hazardous waste	Tonnes	-	0.0	0.0
Non-hazardous waste	Tonnes	521	698	1,055
Waste recovered	Tonnes	-	-	205

<b>NON-HAZARDOUS WASTE DIVIDED</b>	<b>UNIT</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Residual Waste	Tonnes	-	123	578
Cardboard	Tonnes	-	308	241
Wood	Tonnes	-	236	143
Food Waste	Tonnes	-	0.3	4
Foil	Tonnes	-	0	9
Plastic	Tonnes	-	4	5
Iron	Tonnes	-	25	74
Electronic Waste	Tonnes	-	1	1
Glass	Tonnes	-	0.5	0.2

**GHG INTENSITY BASED ON NET REVENUE**

GHG INTENSITY PER NET REVENUE	2021	2022	2023 (N)	% N / N-1
Total GHG emissions (location-based) per net revenue (tCO2eq/Monetary unit)	693	365	538	47%
Total GHG emissions (market-based) per net revenue (tCO2eq/Monetary unit)	693	365	538	47%

**E1-7 GHG removals and GHG mitigation projects financed through carbon credits**

SGL Group does not have any GHG removals or GHG mitigation projects financed through carbon credits.

**E1-8 Internal carbon pricing**

SGL Group does not apply internal carbon pricing schemes in its business.

**E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities**

SGL has opted to exercise the phase-in allowance to omit the financial effects from material physical and transition risks and potential climate-related opportunities required in E1-9. risks and potential climate-related opportunities required in E1-9.

## ACCOUNTING POLICIES – ENVIRONMENT

### Proforma reporting period.

Our, proforma, reporting covers the period from 1 January 2023 to 31 December 2023

### Reporting scope

The report cover all entities under the operational control by SGL Group as referenced in the Annual Report 2023. Energy and Climate Data and the CO2e in Scope 1, 2 and 3 covers SGL Group except for the acquired entities, 3PL, Inc., FLS – Freight & Logistics Solutions, unipessoal, Lda. as well as Global Cargo Inc, where CO2e figures are not available. All entities are a part of Scope 3, category 4, where revenue extrapolation has been applied to estimate its CO2e emissions occurring in this category.

### Reporting framework

SGL Group reporting framework includes a sustainability statement in preparation for compliance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and the Sustainable Accounting Standards Board (SASB) framework as guidance to determine report content. For reporting on CO2e emissions, SGL Group abides by the Greenhouse Gas Protocol (GHGP).

### Energy consumption

Data regarding energy consumption are generated from a system-supported annual assessment of operational ESG factors.

### Restatement

We follow a restatement policy based on guidelines from the Science Based Targets initiative and the Greenhouse Gas Protocol. Recalculations are undertaken when significant changes occur to our data. Structural changes, changes in calculation methodology or improvements in the accuracy of emission factors or activity data as well as discovery of errors that are significant are defined as triggers

for recalculation. A significance threshold of 5% is applied. We have restated 2021 and 2022 numbers because of the new organisational structure and new methods of calculation. Specific explanations of restatements are described on the following pages. Recalculation of the total energy consumption in electricity and heating has in an increase of the total energy consumption in of 7185 MWh 2021 (+76%), and an increase of 7450 MWh in 2022 (+63%). Energy consumption figures can be found on page 53 in table.

### TABLE 1. ENERGY AND CLIMATE DATA

CO2e emission reporting in Table 1. ENERGY AND CLIMATE DATA, pages 53-55 is as defined by the Greenhouse Gas Protocol (GHGP) standard. The operational control approach is applied to all greenhouse gas emissions (CO2e).

#### SCOPE 1

Data from cars, trucks and forklifts are collected through a global digital ESG platform and converted to CO2e.

A CO2e/km emission factor from Sveriges Klimatrapportering (2021) is applied for all trucks based on estimated kilometers driven for each truck. The estimated kilometers driven per truck in 2023 is higher than in 2022. The estimate in 2023 is based on driving reports and is more precise than the estimate used in 2022.

CO2e/liter diesel and CO2e/liter petrol emission factors from DEFRA (2023) are applied for all cars. Average fuel consumption data per diesel and petrol/plug-in cars has been calculated using fuel consumption data from the Danish car leasing companies. The emission factors are calculated as ton CO2e per year per liter.

The emission factor for forklifts is based on hours in operation per forklift per year calculated from data from the Danish forklift leasing company. Fuel consumption per hour has been estimated and DEFRA's emission factor for CO2e/liter diesel (2023) has been applied.

The emission factor is calculated as ton CO2e per year per unit. Electricity consumed by electric forklifts is counted under Scope 2 electricity.

Data on heat for sites where heat combustion takes place at the site has been included in Scope 1. Data has been measured in MWh. Heat emission factors have been sourced from DEFRA (2023). Refrigerants are not included in the report as the consumption is estimated to be limited and therefore not material. In the case of missing activity data, gas consumption has been estimated using an updated 2023 average consumption of gas per m<sup>2</sup> office space for the offices/ warehouses where data was not obtainable.

#### Scope 1 restatement

For Scope 1 both 2021 and 2022, estimated data on heating have been updated in accordance updated methodology for 2023. In 2021 and 2022 the estimates were derived from actual consumption data from reporting units and applied to the rest of the organisation with missing consumption data. The estimates were largely derived from locations with low tons of CO2e relative to their size, hence why an update to the calculations was needed. The emission factor applied was also internally derived which has now been restated to be aligned with the method used in 2023. This resulted in a decrease of -1162 tCO2e in 2021 (-18%) and increase of 1885 tCO2e in 2022 (+52%).

#### SCOPE 2

Data is calculated following both the location-based and market-based approach. As our SBTi targets are based on the market-based approach, our described Scope 2 figures throughout the report are based on the market-based approach. Data from electricity consumption is measured in MWh and collected in a global digital ESG platform. In the case of missing activity data, electricity consumption has been estimated using an updated 2023 average consumption of electricity per m<sup>2</sup> office space for the offices/

warehouses where data was not obtainable. Our plug-in hybrid cars and fully electric cars are reported and calculated towards scope 2.

Data from purchased heat consumption is measured in MWh and collected in a global digital ESG data platform. In the case of missing activity data, the heat consumption has been estimated using an updated 2023 average consumption of heat per m<sup>2</sup> office space for the offices/warehouses where data was not obtainable.

**Location-based approach**

Emission factors for Scope 2 electricity are obtained from IEA (2023), Green-E (2022) and AIB (2023). Emission factors for countries with district heating have been sourced from national energy authorities. For some sites these national energy sources were not obtainable and therefore a heat and steam emission factor from DEFRA (2023) was applied.

**Market-based approach**

Emission factors for Scope 2 electricity are obtained from IEA (2023), Green-E (2022) and AIB (2023). Residual mix factors from AIB for European countries and from Green-E for the United States have been applied. Emission factors for countries with district heating have been sourced from national energy authorities. For some sites these national energy sources were not obtainable and therefore a heat and steam emission factor from DEFRA (2023) was applied.

**Scope 2 restatement**

For Scope 2, both 2021 and 2022, data on electricity and heat have been updated in accordance with the methodology for 2023. In 2021 and 2022, the estimates were derived from actual consumption data from reporting units and applied to the rest of the organization with missing consumption data. The estimates were largely derived from locations with low tons of CO<sub>2</sub>e relative to their size, hence why an update to the calculations was needed. The emission factor applied was also internally derived which has now been restated to be aligned with the method used in 2023. This resulted in an increase of

109 tCO<sub>2</sub>e in 2021 (+7%) and increase of 1093 tCO<sub>2</sub>e in 2022 (+63%) for location-based emissions. This resulted in an increase of 377 tCO<sub>2</sub>e in 2021 (+19%) and increase of 1081 tCO<sub>2</sub>e in 2022 (+42%) for market-based emissions.

**SCOPE 3**

**Upstream transportation and distribution (C4)**

All transportation data come from our ERP system and is automatically stored in our data warehouse. From here, the data is exchanged with our external provider of CO<sub>2</sub>e calculations, EcoTransIT, who performs the calculations automatically.

Subsequently, the CO<sub>2</sub>e calculations are automatically stored in the data warehouse, ready for BI and reporting. 89% of business activities are covered through this method. The remaining data is extrapolated based on existing and identified data to reach full coverage of emissions on our logistics business. 87% of total scope 3 category 4 emissions are based on this calculation.

For entities not part of SGL Group's ERP calculation system, CO<sub>2</sub>e is calculated based on these entities' revenue vis-à-vis the Group's. 13% of the total emissions in this category are based on this calculation.

The emission intensities for the products Air, Ocean, Rail and Road have been calculated line by line for each shipment, dividing the CO<sub>2</sub>e and tonne-km into the intensity measurement point gCO<sub>2</sub>e/tonne-km and subsequently summarised into a total emission intensity by product and as a grand total.

For the Courier product, the total emissions, and the emission intensity, calculated as gCO<sub>2</sub>e/tonne-km, are based on a revenue extrapolation due to the Courier product has been moved to a new system by 1 January 2022, which has not yet been integrated into the CO<sub>2</sub>e calculation platform. We will integrate the Courier system into the CO<sub>2</sub>e calculation platform during 2024.

**Business travel (C6)**

SGL Group's finance department collects spend data on 'Business

Travel' from all SGL Group entities. All country reporters have reported the spend on air travel, train travel and car/taxi travel. The spend for each category has been converted to CO<sub>2</sub>e by applying a spend-based emission factor from Quantis (2021).

**Scope 3 restatement**

For Scope 3, Upstream transportation and distribution (C4), we have restated the 2021 and 2022 figures due to improved data quality and optimization in data processes. We have further included data from acquired entities through revenue extrapolation. Recalculation of total category 4 resulted in an increase of 314,126 tCO<sub>2</sub>e in 2021 (+31%) and increase of 156,851 tCO<sub>2</sub>e in 2022 (+15%).

For emission intensities, we have restated the 2021 and 2022 figures due to improved data quality and optimization in data processes. Recalculation of emission intensity metrics on Air has resulted in a decrease of -645 gCO<sub>2</sub>e/TKM in 2021 (-50%) and decrease of -642 gCO<sub>2</sub>e/TKM in 2022 (-49%). Recalculation of emission intensity metrics on Ocean has resulted in a decrease of -9 gCO<sub>2</sub>e/TKM in 2021 (-53%) and decrease of -10 gCO<sub>2</sub>e/TKM in 2022 (-60%). Recalculation of emission intensity metrics on Rail has resulted in a decrease of -8 gCO<sub>2</sub>e/TKM in 2021 (-22%) and decrease of -6 gCO<sub>2</sub>e/TKM in 2022 (-19%). Recalculation of emission intensity metrics on Road has resulted in a decrease of -44 gCO<sub>2</sub>e/TKM in 2021 (-35%) and decrease of -44 gCO<sub>2</sub>e/TKM in 2022 (-35%). Recalculation of emission intensity metrics on Courier has resulted in a decrease of 0 gCO<sub>2</sub>e/TKM in 2021 (0%) and decrease of -7 gCO<sub>2</sub>e/TKM in 2022 (-21%).

For scope 3 category 6, business travel, the 2022 emission factor has been updated using an annual conversion rate USD/EUR instead of the otherwise used conversion rate that only reflected a single day in year 2022. The source Quantis (2021) uses USD, but business travel is reported in EUR hence why the conversion is needed. Recalculation of category 6 resulted in an increase of 999 tCO<sub>2</sub>e in 2021 (+63%) and increase of 1958 tCO<sub>2</sub>e in 2022 (+41%).

# EU TAXONOMY DISCLOSURE

The EU taxonomy serves as a crucial instrument in advancing the objectives of the European Green Deal, aiming to realize a climate-neutral and sustainable economy. Its primary objective is to establish a precise and uniform definition of 'sustainable' economic activities, rooted in scientific criteria and rigorous technical assessment.

## **PROFORMA EU TAXONOMY REPORTING IN RELATION TO SGL GROUP OPERATIONAL ACTIVITIES**

SGL Group has analysed its operations and identified specific sub-activities for inclusion in the taxonomy. Our assessment indicates that our turnover in 2023, primarily driven by our core economic activity, *NACE code H52 – Warehousing and support activities for transportation*, does not fall under the Climate- and Environmental Delegated Acts of the EU taxonomy. Consequently, our primary business activities and revenue are not deemed taxonomy-eligible.

SGL Group's asset-light business model within freight forwarding involves minimal expenditures on taxonomy-eligible costs and investments in transportation equipment and infrastructure. In this model, physical freight transports and transport equipment are owned and operated directly by independent subcontracted freight carriers. For further details on our business model and company operations, please see the General information section of this Report.

## **FUTURE REPORTING IN RELATION TO EU TAXONOMY**

SGL Group will continue to monitor the EU taxonomy regulation. Our reporting will be adjusted and expanded in accordance with regulatory and practical developments, potentially impacting previously reported taxonomy key figures.

## **ACCOUNTING POLICY FOR PROFORMA EU TAXONOMY REPORTING**

Taxonomy disclosures have been evaluated and formulated in compliance with Regulation (EU) 2020/852. Taxonomy reporting tables, as per Annex II of Regulation (EU) 2020/852, can be found on pages 63-65 of this report.

Revenue, OpEx, and CapEx utilized for assessing and reporting on eligibility and alignment with the taxonomy have been determined according to the definitions outlined in Article 1.1.1 (Revenue), 1.1.2 (CapEx), and 1.1.3 (OpEx) of Regulation (EU) 2020/852.

SGL Group relies on its financial systems, which secure detailed data on divisional, business unit, and account-level activities, as the basis for assessing taxonomy-related disclosures. These reporting systems are supplemented by activity assessments of the Group's various economic activities and investments to prevent any duplication.

**PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023**

ECONOMIC ACTIVITIES	Codes (2)	Absolute turnover (2) EURm	Proportion of turnover (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (‘Does Not Significantly Harm’)						Minimum safeguards (17) Ja/Nej	Taxonomy-aligned proportion of turnover, year 2022 (18) %	Taxonomy-aligned proportion of turnover, year 2021 (19) %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Ja/Nej	Climate change adaptation (12) Ja/Nej	Water and marine resources (13) Ja/Nej	Circular economy (14) Ja/Nej	Pollution (15) Ja/Nej	Biodiversity and ecosystems (16) Ja/Nej					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	0.0%	0.0%						-	-	-	-	-	-	-	-	-	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>				All turnover from taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) is excluded from the calculation of the proportion of turnover from taxonomy-aligned economic activities.																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%																	
<b>Total (A1 + A2)</b>		0	0.0%																	0.0%
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
Turnover of Taxonomy-non-eligible activities (B)	NACE code: H52.2.9	2,022	100.0%																	
<b>Total (A+B)</b>		2,022	100.0%																	

**PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023**

ECONOMIC ACTIVITIES	Codes (2)	Absolute CAPEX (2) EURm	Proportion of CAPEX (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (‘Does Not Significantly Harm’)						Minimum safeguards (17) Ja/Nej	Taxonomy-aligned proportion of CAPEX, Year 2022 (18) %	Taxonomy-aligned proportion of CAPEX, Year 2021 (19) %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Ja/Nej	Climate change adaptation (12) Ja/Nej	Water and marine resources (13) Ja/Nej	Circular economy (14) Ja/Nej	Pollution (15) Ja/Nej	Biodiversity and ecosystems (16) Ja/Nej					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
<b>CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		0	0.0%	0.0%	0.0%							-	-	-	-	-	-	-	-	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>				All CAPEX for taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) is zero.																
<b>CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		0	0.0%																	
<b>Total (A1 + A2)</b>		0	0.0%																	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>CAPEX of Taxonomy-non-eligible activities (B)</b>	NACE code: H52.2.9	21.5	100.0%																	
<b>Total (A+B)</b>		21.5	100.0%																	



**PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING YEAR 2023**

ECONOMIC ACTIVITIES	Codes (2)	Absolute turnover (2) EURm	Proportion of turnover (4) %	SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (‘Does Not Significantly Harm’)						Minimum safeguards (17) Ja/Nej	Taxonomy-aligned proportion of OPEX, Year 2022 (18) %	Taxonomy-aligned proportion of OPEX, Year 2021 (19) %	Category (enabling activity) (20) E	Category (transitional activity) (21) T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Ja/Nej	Climate change adaptation (12) Ja/Nej	Water and marine resources (13) Ja/Nej	Circular economy (14) Ja/Nej	Pollution (15) Ja/Nej	Biodiversity and ecosystems (16) Ja/Nej					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																				
<b>OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		0	0.0%	0.0%	0.0%						-	-	-	-	-	-	-	-	-	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)</b>																				
<b>OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		0	0.0%																	
<b>Total (A1 + A2)</b>		0	0.0%														0.0%	0.0%	-	-
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>OPEX of Taxonomy-non-eligible activities (B)</b>	NACE code: H52.2.9	1,829	100.0%																	
<b>Total (A+B)</b>		1,829	100.0%																	

The definition of OPEX in the Taxonomy is different from the one used at SGL Group. We have chosen not to calculate the OPEX following the definition in the Delegated Act since we do not have any eligible activities. As such, we only report our full OPEX and that the OPEX of Taxonomy-non-eligible activities are 100%.

# TRANSPORTATION ACTION GUIDE LAUNCHED AT COP28

Time is rapidly running out for companies that have committed to halving their emissions by 2030 in line with the Paris Agreement’s pathway to limit global temperature rise to 1.5°C. With each passing year, the target becomes more difficult to reach.

The Transportation Action Guide launched at COP28 by SGL Group, alongside IKEA, Scania Group, and the Exponential Roadmap Initiative, provides practical steps for companies to begin cutting emissions immediately.

The guide addresses Scope 3 supply chain emissions, which are among the most challenging to reduce because companies do not have direct control over them. It provides details on how to decarbonise the supply chain through concrete, readily available and scalable solutions for all transport modes.

‘We hear from many of our customers that translating emissions targets into action is a challenge,’ says Martin

Andersen, Global Head of Sustainability & ESG. ‘The Transportation Action Guide demonstrates that immediate, concerted action can achieve steady reductions year-on-year.’

### 50% REDUCTION STILL WITHIN REACH

By reducing Scope 3 transportation emissions by 10% per year starting from 2024, companies can achieve a 50% reduction by 2030. However, a delay of one or two years will put the target out of reach unless heavy investments are made. Instead, the guide recommends that companies should start reducing CO2 immediately to achieve their Scope 3 emissions target by 2030.

### EMISSIONS REDUCTION ROADMAP

The guide provides a roadmap with five steps for companies to reduce their transport emissions:

1	Assess your company's transport emissions
2	<b>Reduce</b> transport
3	<b>Replace</b> fossil fuels by implementing sustainable solutions
4	<b>Rethink</b> transportation
5	Continuously measure and evaluate the results

No two companies or supply chains are alike, so the right decarbonisation solutions will always differ. The reduction roadmap combines low carbon modes, biofuels, and low-emitting pre/post carriage transport solutions such as e-trucks.

The step-by-step process allows companies to factor in their specific needs, whether it’s achieving results fast, choosing cost-effective solutions, or improving their services.

‘Based on SGL Group’s CO2 Report, we start by establishing the customer’s transportation emissions across all modes

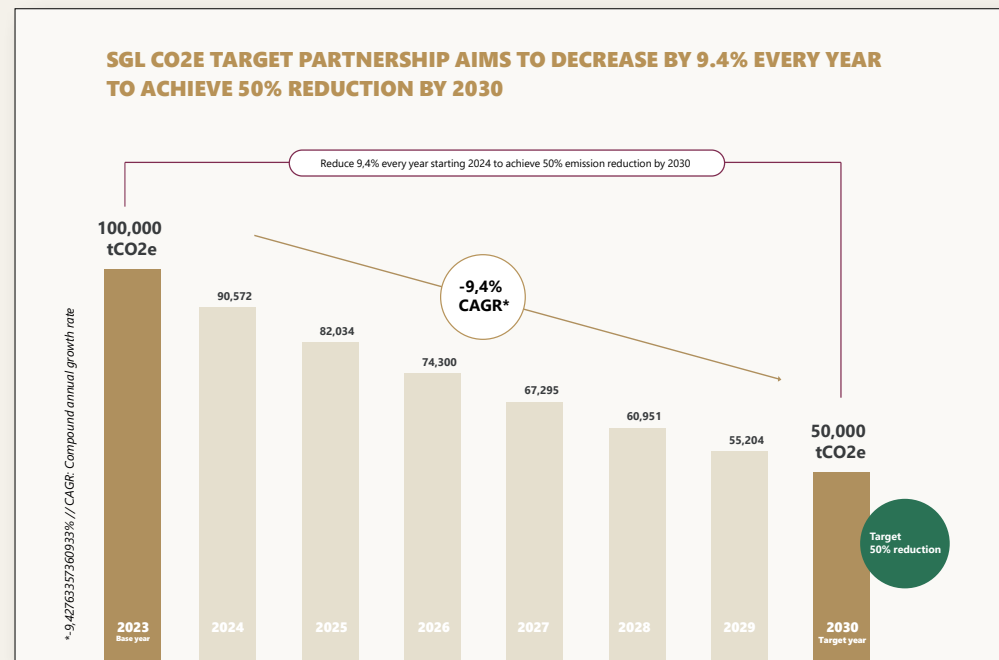
of transport. Knowing where their efforts will have the most impact, we use our reduction solution catalogue to decide on the most optimum plan,'v explains Martin.

SGL Group's recent customer collaborations include launching an electric truck with Alfa Laval, MAN Energy Solutions shifting to ocean biofuel on one of their highest traffic routes from Asia to Europe, and Majid Al Futtaim shifting to sustainable aviation fuel (SAF) on shipments from Asia to the UAE.

**RETHINKING THE ROAD TO REDUCING EMISSIONS**

Mads Drejer, Global COO and CCO, emphasises that modifying supply chain and production strategies can simultaneously reduce CO2 emissions and costs.

'Companies, for instance, requiring a fast transit time between Asia and Europe often rely heavily on airfreight. It's environmentally and economically costly.



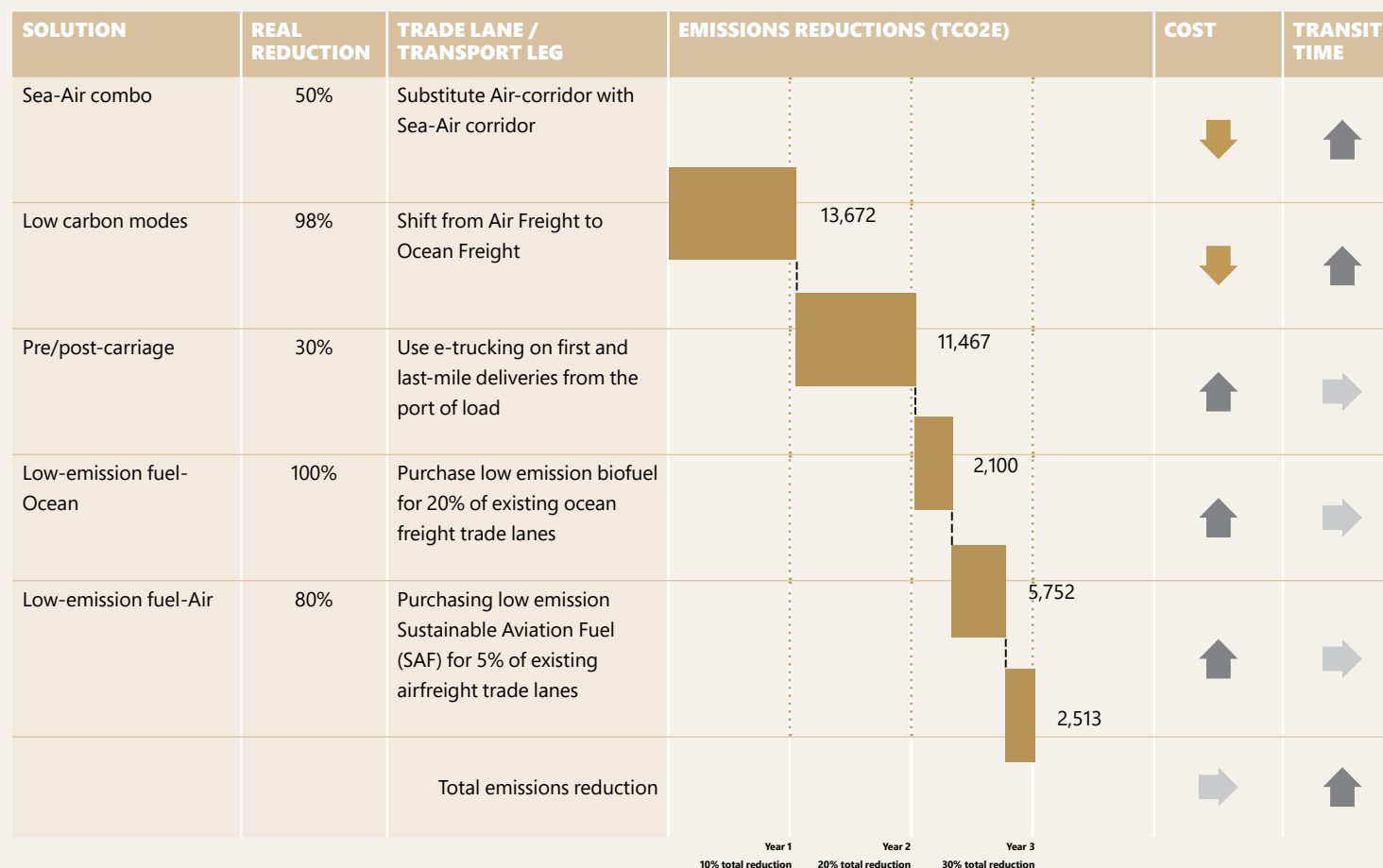
*In the illustrated example an approx. 10% yearly reduction from 2024 will result in a 50% CO2 reduction by 2030.*

Therefore, working with the customers on changing their logistics setup and combining alternative solutions can turn into a win-win-win by reducing CO2 emissions, cutting cost and keeping fast deliveries. Some of these solutions even make the supply chain more resilient to disruptions, which is a high priority,' he says.

He explains the win-win-win approach slowly gaining traction within the industry: 'Rethinking the supply chain for long-term benefits is something we expect to see more of in the future. We believe cost savings and sustainability can go hand in hand.'

*How to achieve a 30% emission reduction in three years and 50% in 2030. The choice of solution and the magnitude of its decarbonisation potential, relies on your company's logistic set-up*

**BUILDING A REDUCTION ROADMAP IS POSSIBLE AND ACHIEVABLE FOR ANY COMPANY**



# POLLUTION

As an asset-light logistics provider, SGL Group's 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.

By working closely with our customers to reduce their transport-related emissions, we also achieve a corresponding reduction in air pollution within our upstream value chain. This approach is anchored in policy and addressed in our climate mitigation plans.

## IMPACTS, RISKS AND OPPORTUNITIES

*Disclosure Requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*

The double materiality assessment described in IRO-1 determined the following pollution-related material impact.

### Value chain pollution of air

Pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx), non-methane volatile organic compounds (NMVOC) 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 SGL Group's upstream value chain that we contract with on behalf of our customers. When released, these pollutants contribute to air quality degradation. This actual, negative impact occurs

upstream in our value chain, is considered systemic to the transport sector, and has short, medium and long-term effects on the environment and people. The consequences of this are felt locally and globally.

### Impact, risk and opportunity management

#### OUR APPROACH

#### E2-1 Policies related to pollution

SGL Group's Environmental Policy defines and communicates how we work with our environmental performance. The policy commits SGL Group to complying with applicable laws, regulations, and legislation covering areas within air quality, water quality and consumption,

## E2 POLLUTION

### MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

#### POLLUTION

##### Value chain pollution of air

Non-GHG pollutants are emitted by our value chain, contributing to air quality degradation.

Actual negative impact

Location in value chain			Time horizon		
Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
●			●	●	●

responsible chemical handling, sustainable resource management and waste reduction.

It also commits SGL Group to informing our customers on environmental challenges, supporting them in reducing their CO2 footprints and influencing them and suppliers to choose solutions with low CO2 emissions whenever possible (these actions have a corresponding reduction on air pollution in our upstream supply chain).

The policy is binding for all employees in all countries we operate in. Furthermore, all employees have mandatory training in our Environmental Policy to familiarise with the policy content, company initiatives, targets and overall responsibilities as a global organisation.

Further information on the scope and implementation of the Environmental Policy is described in E1-2.

**E2-2 Actions and resources related to pollution**

Addressing value chain pollution of air SGL Group is addressing the air pollution caused by the ocean carriers, airlines, and road and rail transport companies in our upstream value chain through the climate mitigation actions described in the E1 Climate Change section.

By reducing Scope 3 emissions that derive from the combustion of fossil fuels in its upstream value chain, SGL Group will also achieve a corresponding reduction in pollutants such as NOx, SOx, NMVOC and particulates. More information on SGL Group's climate mitigation actions is provided in E1-3.

**Strengthening our environmental management system**

The majority of SGL Group's organisation is covered by our ISO 14001 multiple-site certification, which provides a framework for our environmental management system. During 2023, we extended our ISO14001 multi-site certification to a total

of 55 locations. SGL Group continue the efforts to include more locations during 2024 and in the coming years.

**METRICS AND TARGETS**

**E2-3 Targets related to pollution**

SGL Group's science-based targets to reduce Scope 3 emissions will achieve a corresponding reduction in pollution to air from its upstream value chain. A detailed explanation of SGL Group's science-based emissions reduction targets is provided in E1-4.

In addition to SGL Group's validated science-based targets, SGL Group has set a target of zero environmental issues or incidents across our operational reach. This target was accomplished in 2023 with zero environmental issues or incidents reported.

SGL Group continue to prioritise and emphasise the importance of our environmental impact by reducing our emission to achieve the corresponding reduction in pollution.

**POLLUTION OF AIR**

**E2-4 Pollution of air**

All non-GHG pollutants derive from SGL Group's upstream value chain. As such, SGL Group does not possess data on the amounts of these pollutants or the changes over time.

**FINANCIAL EFFECTS FROM CLIMATE-RELATED RISKS AND OPPORTUNITIES**

**E2-6 Anticipated financial effects from material pollution-related risks and opportunities**

SGL Group has opted to exercise the phase-in allowance to omit the financial effects arising from pollution-related impacts and dependencies and how these risks have (or could reasonably be expected to have) a material influence on our financial position.

A photograph of a man with a beard and a blue shirt smiling and talking to a woman with blonde hair in a meeting. The background is a blurred office setting.

**SOCIAL INFORMATION**  
**ESRS S1, S2 & S3**

# **PEOPLE: OUR GREATEST SOURCE OF VALUE**

# OWN WORKFORCE

Developing our people and supporting a consistent understanding of SGL Group’s culture, operating procedures and compliance framework are essential to realising our growth strategy.

Over the last year, our workforce has grown 7.1% through organic growth and acquisitions. To integrate newly acquired businesses and harness our full capabilities, we are building a unique culture within the transport and logistics industry and investing in our people, processes and systems.

Our ambition is to become the most meaningful company within the logistics industry.

We focus on providing our people with meaningful work and opportunities through employee engagement and development, building a diverse and inclusive culture where everyone can succeed, and ensuring their health, safety and well-being when they come to work. All materially affected members of SGL Group’s own workforce are included in the scope of this disclosure.

## WORKING CONDITIONS AND WORK-RELATED RIGHTS: IMPACTS, RISKS AND OPPORTUNITIES

### ESRS 2 – SBM-3

#### S1 *Material impacts, risks and opportunities and their interaction with strategy and business model*

SGL Group is committed to ensuring our employees feel valued for the work they do. This means providing favourable employment conditions for employees, including competitive compensation packages, flexible working for office employees, and secure employment.

Our materiality assessment identified the following potential impact on our workforce:

#### Working conditions in higher-risk countries

Although office workplaces tend to be considered lower risk for human rights impacts, SGL Group has a presence in countries with a higher risk for human rights impacts, including those with a minimum wage below living wage, restricted freedom of association rights and where discrimination is not prohibited by national laws. The pace and scale at

which SGL Group has grown globally, have meant more attention to higher-risk countries. This potential negative impact, identified in a human rights global saliency assessment conducted in 2023, is concentrated in our offices and warehouses in these countries and occurs in the short term.

## IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### S1-1 *Policies related to own workforce*

Our approach to working conditions is governed by our Code of Conduct.

### MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

#### WORKING CONDITIONS

Working conditions in higher-risk countries

Potential negative impact

			Location in value chain			Time horizon		
			Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Working conditions in higher-risk countries				●		●		



The objective of the Code of Conduct is to set clear ethical standards for the company which cover all aspects of its operations and daily work Code. This is complemented by our Human Rights Policy, which enshrines our commitment to respect human rights within our sphere of influence and eliminate all forms of modern slavery, forced or compulsory labour, human trafficking and child labour, in line with the ILO Declaration of Fundamental Principles and Rights at Work. SGL Group is a signatory to the UN Global Compact Guiding Principles on Business and Human Rights.

The Code sets out that as a responsible employer, SGL Group will respect employees' rights to favourable working conditions and comply with laws and regulations regarding working hours, wages and benefits. We will endeavour to pay employees a living wage where available or pay in line with industry standards. This is reinforced in our Remuneration Policy, which ensures pay and compensation are aligned with SGL Group's purpose, vision, virtues and

strategy. The Remuneration Policy applies to all employees.

All employees in all countries are required to adhere to the SGL Group Code of Conduct, and we ensure all employees are aware of and understand their ethical obligations through mandatory training on the Code of Conduct, Human Rights Policy and other SGL Group policies conducted every two years and as part of our onboarding processes.

The training is delivered via our global e-learning platform, SGL Academy. All training is registered digitally in the system and we ensure training is also conducted for all new employees following an acquisition or merger.

Expectations of our suppliers are detailed in a separate Supplier Code of Conduct, which includes provisions to address worker safety, precarious work, human trafficking, and forced labour and child labour, in line with international labour standards (see S2-1, p. 89).

The Global General Counsel is the most senior person accountable for the implementation of the Code of Conduct

and the Human Rights Policy, and the Global Vice President, People, Leadership & Culture monitors compliance with the Remuneration Policy to provide guidance for the managers and Executive Directors.

## CREATING A MEANINGFUL WORKPLACE

### *S1-2 Processes for engaging with own workforce and workers' representatives about impacts*

We measure our progress by monitoring outcomes for our employees directly through our annual employee survey, the Meaningfulness Questionnaire (MQ). The MQ gathers feedback on the extent to which our employees find it meaningful to work at SGL Group and spans a range of areas relevant to our employees, including satisfaction, wellbeing, pay and rewards, diversity and inclusion and learning & development.

The Global Vice President, People, Leadership & Culture is responsible for overseeing the MQ and feedback from the survey is shared and acted upon at

executive level and within teams. The survey delivers an MQ score on a 100-point scale which is used as a leading business indicator in addition to our financial KPIs.

In 2023, we recorded an MQ score of 83% (2022: 84%), once again surpassing our 2025 target score of 80%. The response rate increased significantly, with 82% of employees completing the survey in 2023, compared to 72% in 2022 and 64% in 2021.

In response to the MQ survey results in 2023, we continued our emphasis on fostering a psychologically safe work environment in which employees feel heard and recognised for their results. This was delivered through leadership training at workshops held around our global network that focussed on active listening and transformational feedback.

We also developed global organisational guidelines for handling offensive behaviour, and re-iterated how to report incidents or concerns through our whistleblower system.

Our action plan for 2024 will include a focus on the indicators from the 2023

MQ score which need attention from management to increase our collective score in 2024, while maintaining a high level of meaningfulness.

**S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns**

Employees are encouraged to report any concerns or complaints regarding harassment, alleged legal or financial impropriety or other concerns with their manager, with human resources or through SGL Group’s independent whistleblowing mechanism, which is described in detail in G1-1, Business Conduct and Corporate Culture.

Where these channels are unsuitable, all stakeholders - both internal and external alike – can also raise a complaint through our website, which goes to our global compliance department.

**PROGRESS IN 2023**

**S1-4 Taking action on material impacts on own workforce, and approaches to**

***managing risks and pursuing opportunities related to own workforce, and effectiveness of those actions.***

In 2023, SGL Group worked with a third-party consultancy to conduct a human rights global saliency assessment that was completed in early 2024. The assessment sought to identify potential human rights risks within SGL Group’s own operations and value chain which SGL Group should prioritise to minimise any impacts.

The assessment mapped SGL Group’s business and value chain and considered inherent country and industry risks within SGL Group’s own operations and that of our partners and customers to understand potential impacts on affected stakeholders. As part of this work, and to better understand employee awareness of human rights, we conducted a human rights survey in Q4 2023 with a representative group of our global workforce.

The assessment highlighted the need for SGL Group to be mindful of its presence in countries that have a higher risk of human rights issues. We are analysing the results in full and will adopt targeted actions to address its findings.

During the year we continued the roll-out of SGL Group’s new HR system to all newly acquired businesses. In each location, the system has been tailored to fit local needs and employment laws.

Mental health and wellbeing are an important area of focus for SGL Group. We recognise that efforts to improve pay, flexibility and job security will fall short if our people feel unsupported or stressed. We offer awareness programmes on stress management and mental health to all employees. These equip participants with valuable tools to cope with any personal or work-related challenges they are facing and contribute to a more resilient and engaged workforce.

**PERFORMANCE, METRICS, TARGETS**

**S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The MQ is the primary way SGL Group assesses and monitors its progress in all areas relating to employee experience and well-being. SGL Group set itself a target

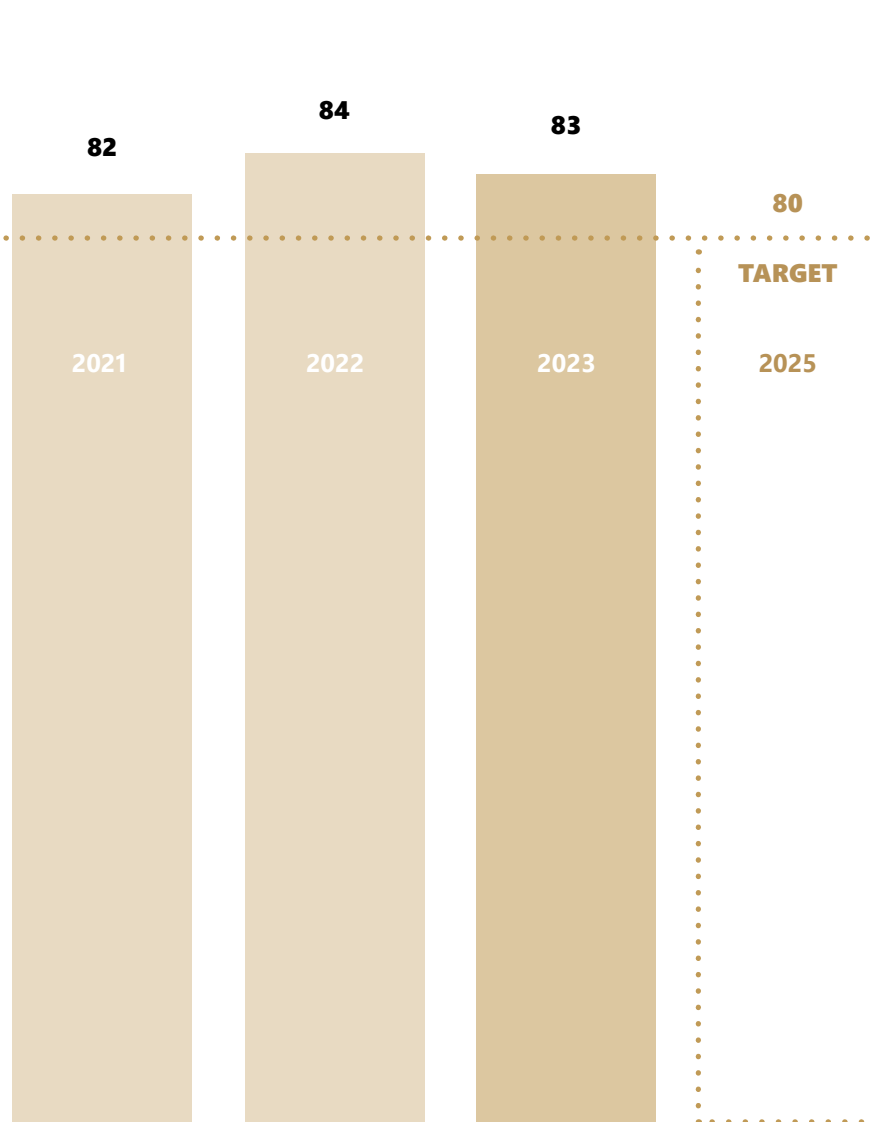
to achieve an MQ score of 80% by 2025 – which it met for the first time in 2022 and achieved again in 2023. The MQ is discussed in more detail in S1-2.

**S1-10 Adequate wages**

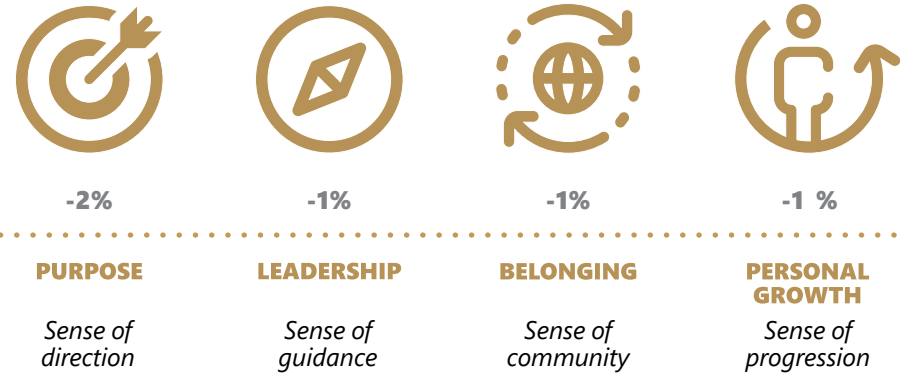
All our employees in European countries are paid an adequate wage in line with Directive (EU) 2022/2041, and 100% of our employees in non-European countries are paid an adequate wage in line with applicable national benchmarks. We incorporate national benchmarks when determining wages for all employees, to ensure they receive an adequate wage. However, SGL Group has a presence in countries with a higher risk for human rights impacts, including those with a minimum wage below living wage – as identified in the human rights saliency assessment.

In 2023, we initiated a Global Benefits Analysis project with external consultants to better understand wages and other benefits within social protection so we can ensure our employees are subject to fair pay and employment conditions. We will establish a roadmap based on the

MEANINGFULNESS QUESTIONNAIRE (MQ)\* SCORE



MEANINGFULNESS KEY DRIVERS COMPARED TO 2022



THE RESPONSE RATE OF EMPLOYEES COMPLETING THE SURVEY



\* An organisational survey which measures the level of meaningfulness that employees experience at work. The Meaningfulness Questionnaire (MQ) asks employees 24 questions centred around four drivers: Purpose, Leadership, Belonging, and Personal Growth.

MEANINGFULNESS QUESTIONNAIRE (MQ)\* SCORE

findings of the exercise, due in 2024, and address the issue identified in the saliency assessment.

**S1-11 Social protection**

At SGL Group, our employees' welfare is a top priority. We provide extensive social protection measures, such as healthcare, retirement plans, disability insurance, paid leave, and workplace safety, customised to local regulations and market needs so all our employees are protected following major life events.

**S1-15 Work-life balance metrics**

In 2023, 45% of employees (1634 employees in total) were entitled to family-related leave. In 2023, 2.4% of entitled employees took family-related leave (1.1% men, and 1.3% women).

**S1-17 Incidents, complaints and severe human rights impact**

In 2023, a total of 0 grievance cases were raised, a 0 percent increase from 2022. Of these cases, 0 were substantiated, leading to disciplinary actions and remediation

plans. Of 0 cases raised 0 related to discrimination and harassment (0%) and of these 0 cases, 0 were substantiated. Remediation plans and disciplinary action was taken to address these.

The number of cases raised through the whistleblowing system is detailed in G1-1.

No cases of severe human rights incidents (e.g., forced labour, human trafficking, or child labour) were identified during 2023.

**S1-6 Characteristics of SGL Group's employees**

Headquartered in Denmark, SGL Group is present in +50 countries across all continents with over 3,600 employees in more than +180 offices in EMEA, the Americas, China, South-East Asia and the Pacific.

In 2023, 528 employees left SGL Group and the employee turnover rate was 14,8%.

A full picture of our workforce is given in the tables on pages 76 and 77:

GENDER	NUMBER OF EMPLOYEES (HEADCOUNT)
Male	1922 (53%)
Female	1686 (47%)
Other	0
Not reported	0
Total employees	3608

\* Gender as specified by the employees themselves

LOCATION	NUMBER OF EMPLOYEES (HEADCOUNT)
EMEA	826
Nordics	919
Americas	989
Asia	786
Pacific	88

1/01/2023 – 31/12/2023

FEMALE	MALE	OTHER (*)	NOT DISCLOSED	TOTAL
Number of full-time employees at the end of the year (headcount)				
1,686	1,922	0	0	3,608
Number of non-guaranteed hours employees (headcount)				
0	0	0	0	0
Number of full-time employees (headcount)				
1,585	1,877	0	0	3,462
Number of part-time employees (headcount)				
102	44	0	0	146

1/01/2023 – 31/12/2023

EMEA	NORDICS	AMERICAS	ASIA	PACIFIC	TOTAL
Number of employees (headcount)					
826	919	976	786	88	3,608
Number of full-time employees (headcount)					
787	855	969	769	82	3,462
Number of part-time employees (headcount)					
39	64	20	17	6	146

\* Gender as specified by the employees themselves



**S1-13 Training and skills development metrics**

All employees (100%) receive a human development plan from HR. This captures their aspirations, ability, self-awareness and skills needed to achieve their goals. The plan guides one-to-one performance reviews (Meaningful Dialogue Meeting) every second month with their direct manager. 100% of employees participated in regular performance and development reviews in 2023 (100% male & 100% female employees).

During 2023, a total of 2,994 employees participated in training, successfully completing 66,523 courses. This amounted to 5 hours of training per employee (all employees) on average. Operational employees completed 9 hours of training per employee on average in 2023.

**EQUAL TREATMENT & OPPORTUNITIES FOR ALL – OWN WORKFORCE**

We are committed to equal opportunity & equal pay. We aspire to become a more diverse and inclusive organisation to reflect the world we are present in and the diversity of our customers.

**IMPACTS, RISKS AND OPPORTUNITIES**

**ESRS 2 – SBM-3**  
**S1 Material impacts, risks and opportunities and their interaction with strategy and business model**

The diversity of our workforce and their relationships with customers, suppliers, and other organisations worldwide plays an important part in SGL Group’s success.

The materiality assessment identified the following equal treatment & opportunities for all impact to be material for SGL Group:

**Gender diversity above industry norms**

The logistics and transport industry is typically male-dominated, and women accounting for less than 25% of the industry workforce in Denmark and its neighbouring countries. With a workforce comprising 47% women, SGL Group has a gender balance that is well above industry norms. Gender diversity has a positive impact on SGL Group’s working environment by promoting stronger workforce cohesion and improved wellbeing, especially for female employees who are at reduced risk of harassment and discrimination. This actual impact is

located in SGL Group’s own operations, benefits all employees and occurs in the short, medium and long term.

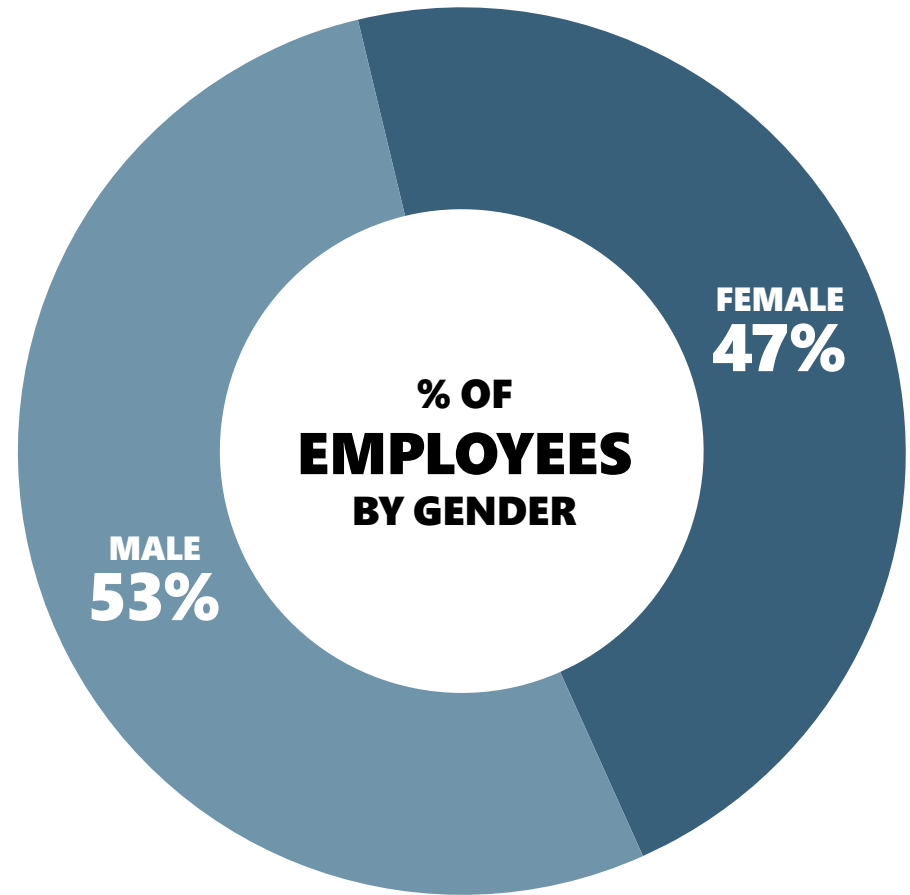
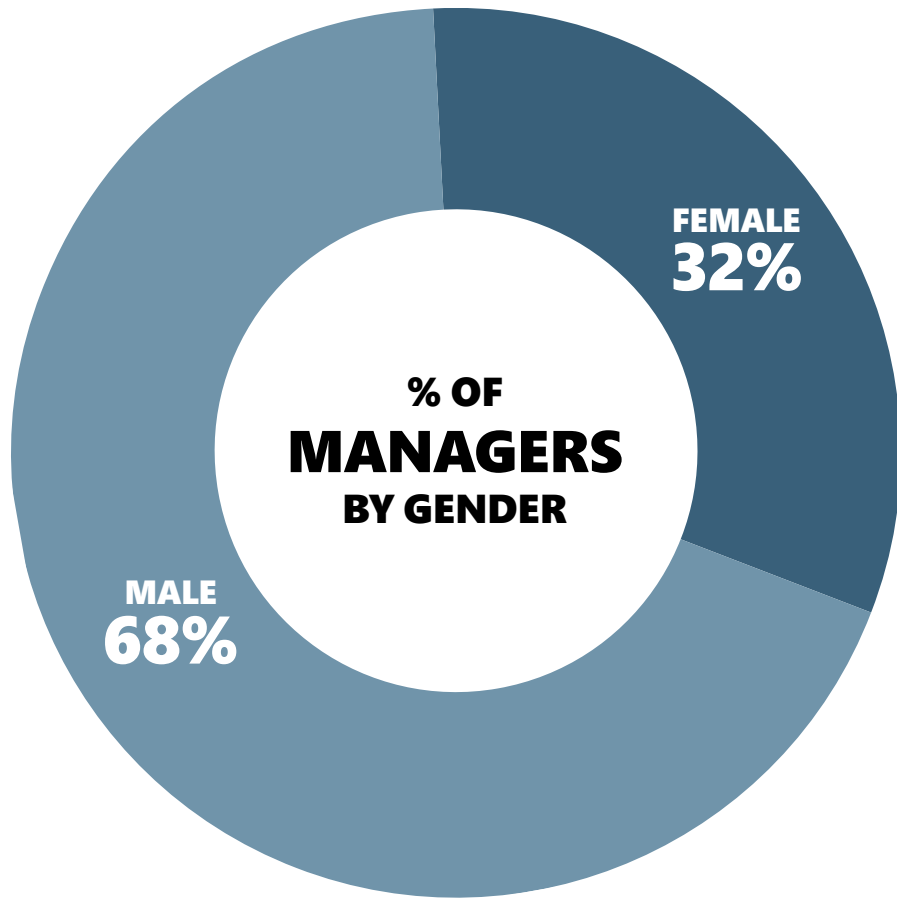
**IMPACT, RISK AND OPPORTUNITY MANAGEMENT**

**S1-1 Policies related to own workforce**  
 Our Diversity and Inclusion Policy embraces a comprehensive definition of diversity that encompasses differences in experiences, perspectives, and social identities such as gender, age, ethnicity, nationality, political and religious beliefs, sexual orientation, preference, and cultural backgrounds. The policy ensures systems and processes are developed to support our diversity and inclusion ambitions, with evident results and progression. Given the historical male dominance in our industry, the policy outlines SGL Group’s focus on the inclusion of female employees. All members of SGL Group’s workforce must adhere to the policy.

The Executive Management Group has overall responsibility for the policy, and the Global Vice President, People, Leadership

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

	Location in value chain			Time horizon		
	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>EQUAL TREATMENT &amp; OPPORTUNITIES FOR ALL</b>						
Gender diversity above industry norms		Actual positive impact		•	•	•



*Supporting strong gender diversity  
in a traditionally male industry*



& Culture is responsible for the processes and organisational development necessary to support and maintain diversity and inclusion in the workplace.

SGL Group's Code of Conduct, which is binding for all employees, also outlines SGL Group's zero-tolerance approach to bullying and harassment, including on the basis of personal characteristics. Our Remuneration Policy also pledges that SGL will uphold the principle of equal opportunity and equitable remuneration. These are described in more detail in S1-1, Working Conditions, p. 72.

All employees are made aware of our diversity and inclusion policy through mandatory training in our Code of Conduct via our online learning Academy, which also covers our approach to diversity and inclusion. This is described in detail in Working Conditions, S1-1.

## PROGRESS IN 2023

### **S1-4** *Taking action on material impacts on own workforce, and approaches to managing risks and pursuing*

### **opportunities related to own workforce, and effectiveness of those actions.**

The Diversity & Inclusion policy sets out the mechanisms that SGL Group uses to prevent discrimination in recruitment, hiring and selection activities.

Our recruitment process has been developed to ensure inclusion and equal opportunities. Hiring managers and People & Culture professionals are trained in cultural understanding and awareness of potential unconscious biases in recruitment to curtail potentially biased decisions. We apply gender-neutral and inclusive role descriptions, all job postings are made available on the internet for all, and we strive for balanced shortlists and interview panels.

Gender diversity must be supported by equal and fair treatment of our female employees. We are committed to equal opportunity and equal pay across all aspects of our human resources processes. In 2023 SGL Group launched an 'Empowering Women in Logistics' development programme to celebrate and promote diversity within our organisation.

Diversity is a cornerstone of innovation and success within any organisation, and we believe that by fostering a diverse and inclusive workplace, we can unlock the full potential of our talented workforce. The programme provides a platform for female professionals in the logistics industry to connect, collaborate, and thrive. The initiative will contribute to the creation of a supportive community where women's experiences, insights, and perspectives can be shared, empowering members to achieve their full potential.

## PERFORMANCE, METRICS AND TARGETS

### **S1-5** *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*

Gender diversity must be reflected at all levels of the organisation. Currently, the Board of Directors of SGL Group comprises six male directors – which is why we set ourselves a target to appoint one female board member. Unfortunately, we were

unable to achieve this in 2023, and will carry this target over into 2024. We track the success of our efforts to improve diversity and inclusion through our Meaningfulness Survey and through recruitment and employment data. Meaningfulness Survey targets and results are detailed in S1-5, Working Conditions.

### **S1-9** *Diversity metrics*

During the year, SGL Group maintained its commitment to a more gender-diverse workforce in a traditionally male industry, with a ratio of 53% male and 47% female employees across our global organization – the same as in 2022.

The ratio of women in managerial roles declined slightly to 32% in 2023 (2022: 34%), dropping below our target of 35%, due largely to growth through acquisitions.

Detailed diversity metrics (S1-9) are detailed in the table p.82. F

### **S1-16** *Remuneration metrics (pay gap and total remuneration)*

In 2023, we introduced systems processes

GENDER DIVERSITY		2023
<b>Number of employees</b>		<b>3608</b>
<b>Gender diversity</b>		
Women in top management		23% (32)
Women in middle management		29% (65)
Women in First-level management		38% (94)
Women managers at all levels		32% (191)
<b>Distribution of employees by age group (headcount %)</b>		
Under 30 years old		19%
Between 30-50 years old		58%
Over 50 years old		23%

to capture data on pay and remuneration at SGL Group, including the gender pay gap. This has been rolled out worldwide, however the data is not yet available for reporting. We aim to report this data in 2024.

**HEALTH & SAFETY – OWN WORKFORCE**

We prioritise health and safety and are less exposed to risk due to our asset-light model. At SGL Group, we recognise our responsibility to safeguard the health and safety of our employees, subcontractors, customers, and the public. Our goal is to ensure the well-being of all employees and protect them from any potential safety hazards or severe injuries in the workplace.

**IMPACTS, RISKS AND OPPORTUNITIES**

**ESRS 2 – SBM-3**  
*S1 Material impacts, risks and opportunities and their interaction with strategy and business model*

As an asset-light freight forwarder, SGL Group is less exposed to safety issues than our peers which operate fleets of trucks, vessels and aircrafts. Our main exposure lies within our Renewable Projects division and our Aid & Relief operations. The Renewable Projects industry employs 50 people and undertakes complex logistical projects such as delivering wind turbines into remote areas and transporting heavy cargo. Aid & Relief employs 87 people and supports our humanitarian logistics services.

Our materiality assessment identified two potential negative impacts to be material to SGL Group:

**Incidents, injuries and fatalities (warehouse and aid & relief operations)**

Warehouse operations have a potentially higher risk of physical harm from incidents. Similarly, SGL employees who work on Aid & Relief activities are at increased risk of physical harm as they operate in countries with hazardous conditions, such as armed conflict, natural disasters, and unstable political environments.

These incidents can lead to negative outcomes for those affected. Incidents can cause emotional trauma and loss of earning power for families and reduced well-being for co-workers of the affected persons. These negative impacts are concentrated in certain areas of SGL Group's own operations, occur in the short-, medium- and long-term and are considered individual incidents. SGL Group is addressing these impacts by implementing its health and safety management system across its operations.

**IMPACT, RISK AND OPPORTUNITY MANAGEMENT**

**S1-1 Policies related to own workforce**

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. In 2023, we continued to roll out ISO 45001 certification across our Industrial Projects division. Special risk assessments are conducted for every project, which also covers subcontracted services.

All safety incidents are reported in the Safety & Health Management System and are part of SGL Group's non-financial disclosures. We investigate all incidents and review them with customers and any other stakeholders involved. Additionally, we consider occupational health and

safety issues in our due diligence process when making acquisitions.

**PROGRESS IN 2023**

**S1-4 Taking action on material impacts on own workforce, and approaches to managing risks and pursuing opportunities related to own workforce, and effectiveness of those actions.**

**Health & safety training**

SGL Group runs employee health and safety training programmes, which are

**MATERIAL RISKS, IMPACTS AND OPPORTUNITIES**

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>HEALTH &amp; SAFETY</b>							
Incidents, injuries, and fatalities (warehouse and aid & relief operations)	Actual negative impact		●		●	●	●

tailored to our warehouse locations. This includes hazardous materials training, chemical workplace assessments and dedicated lifting techniques training across warehouse locations to prevent musculoskeletal injuries from unsafe lifting. This helps to upskill and educate employees to perform their tasks safely and protects SGL Group from potential disruptions due to work-related injuries.

In 2023, almost 3000 employees undertook health and safety training, comprising 82% of our global organisation.

**Developing our safety systems, processes and procedures**

During the year we implemented software that facilitates chemical workplace assessments in compliance with new national regulations in Denmark. We developed educational materials to promote practices for safe handling of dangerous goods and held 11 courses

worldwide to certify and re-certify more than 50 employees and strategic business partners. In 2023, the Industrial Projects division continued to roll out the ISO 45001 Occupational Safety & Health Management System and invested in its HSE Management system.

**PERFORMANCE, METRICS AND TARGETS**

**S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

SGL Group aims for zero severe injuries and fatalities consistently, year on year. In 2023, there were no severe injuries or fatalities (2022:0).

Lost Time Incidents are incidents that have caused at least one workday of absence after the day of the injury. Lost Time Incident Frequency (LTIF) represents

Lost Time Injuries reported in the internal system per million working hours. Our target is to achieve 0.00 LTIF consistently, year on year.

In 2023, SGL Group’s LTIF improved to 0.6 (2022: 1.19). The strong result was due mainly to the ongoing rollout of the ISO 45001 Occupational Safety & Health Management System certification and other actions described above which have resulted in a stronger focus on health and safety processes and procedures across SGL Group.

The Total Recordable Case Frequency (TRCF) also improved to 1.48 in 2023 (2022: 1.55), ahead of SGL Group’s target of 1.5. There were no cases of work-related ill health in 2023.

**Note on targets**

Safety figures are based on data registered in SGL Group’s health & safety management system.

	TARGET	2023	2022
Total Lost Time Incident Frequency (LTIF)	0.00	0.6	1.19
Total Recordable Case Frequency (TRCF)	1.50	1.45	1.55
Proportion of all employees covered by H&S management system	100%	100%	100%
<b>Incidents</b>			
Number of fatalities		0	0
Number of work-related accidents		10	12
Number of cases of work-related ill health		0	1
Number of days lost due to work-related injuries and fatalities		69	-

**SAFETY PERFORMANCE IN 2023**

**S1-14 Health & safety metrics**

**Note on health & safety metrics**

The proportion of the workforce is given as a percentage, in headcount terms, of SGL Group's own employees and is based on Danish legal requirements.

We do not have any data restrictions or limitations to data on work-related ill health and therefore we are reporting the number for the entire global organisation.

**ACCOUNTING POLICIES**

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
S1-10	68	Adequate wage	The disclosure on whether employees are paid an adequate wage is determined using the lowest wage for the lowest pay category, excluding interns and apprentices, and includes fixed additional payments that are guaranteed to all employees. The lowest wage has been considered separately for each country in which SGL Group has operations, except outside the EEA where the minimum wage is defined at a sub national level.
S1-11	74	Social protection	Social protection refers to all the measures that provide access to health care and income support in cases of challenging life events such as the loss of a job, being sick and in need of medical care, giving birth and raising a child, or retiring and in need of a pension.
S1-15	93	Family-related leave	Family-related leave includes maternity leave, paternity leave, parental leave, and carers' leave available to employees under SGL Group policies, national laws and/or collective agreements.
S1-17	103 a	Incidents of discrimination, including harassment	The number of discrimination-related complaints filed through SGL Group's complaints mechanism / recorded in the HR system. These are incidents or complaints of ill-treatment on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.
S1-17	103 b	Number of complaints	This is the total number of complaints filed through SGL Group's complaints mechanism. This mechanism is available to all stakeholders.
S1-17	104 a	Severe human rights incidents	Severe human rights incidents include instances of lawsuits, formal complaints through SGL Group's whistleblowing or complaint mechanisms and serious allegations in public reports or the media where these are connected to our own workforce. This only includes incidents where the facts of the incidents are not disputed by SGL Group, as well as any other severe impacts of which SGL Group is aware.

**ACCOUNTING POLICIES**

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
S1-6	50 a	Total number of employees	Employee data is recognised based on records from the Group's HR system. The total number of employees is expressed on a headcount basis, and the number of full-time / part-time / permanent / temporary employees are expressed on a headcount basis. The data represents status at year end (31.12.2023).
S1-6	50 c	Number and rate of employee turnover	The number of employees who left SGL Group in the year includes employees who left voluntarily, due to dismissal, retirement or death in service. The employee turnover rate is calculated as the number of employees who have left the company within the reporting year divided by the total number of employees in/on average in the year. All numbers are given on a headcount basis.
S1-6	52 a	Full-time employee	A full-time employee is an employee whose working hours per week, month, or year are defined according to national legislation and practice regarding working time (such as national legislation which defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).
S1-6	52b	Part-time employee	A part-time employee is an employee whose working hours per week, month, or year are less than 'full-time' as defined above.
S1-13	83 b	Average number of training hours per employee	Total training hours offered to and completed by employees divided by the total number of SGL Group employees, calculated on a headcount basis. This is also calculated separately for operational employees.
S1-13		Number of employees who participated in training, and number of courses completed	This is extracted from the SGL Group Academy database.
S1-9	66 a	Women in top management	Proportion of individuals in top management who are women. Top management is defined as one and two levels below SGL Group's board.

**ACCOUNTING POLICIES**

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
S1-9	66 b	Age distribution	Calculations include all employees (full-time and part-time employees), and data is given on a headcount basis.
S1-9		Diversity	Figures, targets and actions on gender diversity for employees, managers and the Board of Directors are valid for SGL Group (SGL International A/S and Scan Global Logistics A/S) and include full-time and part-time employees.
S1-14	88 b	Fatality	A high-consequence work-related injury; a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months. This number includes other workers working on SGL's sites.
S1-14	88 c	Number of work-related incidents	Total number of work-related incidents that resulted in injury or lost time recorded in the Health & Safety management system during the year.
S1-14	88 c	Lost Time Incident Frequency (LTIF)	Rate of work-related incidents, calculated as the number of lost-time injuries per million hours worked.
S1-14	88 d	Cases of work-related ill health	Cases of work-related ill health recorded in the H&S management system, including types of cases outlined in the ILO List of Occupational Diseases.
S1-14	88 e	Days lost to work-related injuries, accidents, fatalities and ill health	This includes the first full day and last day of absence and is calculated based on calendar days (including days the individual is not scheduled for work).
		Employee category (manager, director)	Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production) are derived from our HR system. Managers are defined as employees with personnel responsibilities.



# WORKERS IN THE VALUE CHAIN

## SAFETY – PROTECTING WORKERS ALONG OUR VALUE CHAIN

Ensuring the safety and wellbeing of workers across our supply chain.

### ESRS 2 – SBM-3

#### S2 Material impacts, risks and opportunities and their interaction with strategy and business model

As an asset-light freight forwarder, SGL Group relies upon business partners and suppliers across its value chain to manage and transport goods. This has implications

for the workers performing these tasks, given the dangers associated with working in warehouses, lifting heaving objects, operating machinery and driving large vehicles.

The materiality assessment identified SGL Group’s material impacts on workers in its value chain are therefore concentrated around the safety impacts for workers providing these services.

### Incidents, injuries & fatalities (warehouse workers, aid & relief workers and drivers)

Most of SGL Group’s warehouse and Aid & Relief operations are serviced by supply chain workers who face an increased risk of physical harm from incidents, in the same way that SGL Group employees do. Similarly, drivers and workers employed by our carrier partners to transport goods face increased safety risks from operating vehicles. Health and safety incidents can result in a range of negative consequences

for individuals, as detailed in ESRS 2 SBM3-S1, Health & Safety.

These negative impacts are considered individual incidents and occur in the short-, medium- and long-term.

They affect (i) contractors and sub-contractors working in warehouses (ii) drivers providing air, road, rail and sea delivery services for our carrier partners, and (iii) non-SGL workers supporting Aid & Relief operations.

To address these impacts and prevent harm to workers in our value chain, SGL Group conducts supplier training and has policies and procedures in place to ensure its business partners uphold high safety standards.

## MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>HEALTH &amp; SAFETY</b>							
Incidents, injuries & fatalities (warehouse workers, aid & relief workers and drivers)	Negative impact	●		●	●	●	●

## IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### S2-1 Policies related to value chain workers

Our Supplier Code of Conduct sets SGL Group’s standards for ensuring the safety of workers across our value chain. We expect suppliers to prioritise occupational

health and safety in line with applicable regulations and provide employees with safe working environments to prevent accidents, injuries and work-related illnesses. More detail on the Supplier Code of Conduct, including how it is overseen and implemented, is outlined in G1-1.

**S2-2 Processes for engaging with value chain workers about impacts**

SGL Group does not currently have a process in place for engaging with value chain workers about impacts.

**S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns**

All stakeholders, including value chain workers, can raise concerns regarding financial or legal impropriety through SGL Group's whistle-blowing system, detailed in G1-1.

Workers in the value chain can also submit complaints via SGL Group's website – this mechanism is discussed in more detail in Working Conditions, S1-3.

**S2-4 Taking action on material impacts on value chain workers, and approaches to managing risks and pursuing opportunities related to value chain workers, and effectiveness of those actions**

Health and safety are an important part of the supplier due diligence assessment. When selecting suppliers, we will consider many different factors, including the health and safety provisions they have for their workers. On-site audits may also include an assessment of the working conditions and safety practices, and are discussed in G1-2, and we will take action against suppliers who fail to uphold the necessary standards.

**S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

SGL Group has not yet set targets to manage health and safety impacts on workers in its value chain and will explore options for doing so in 2024.

# AFFECTED COMMUNITIES

## LEADING PROVIDER IN HUMANITARIAN LOGISTICS SERVICES

SGL Group is a leading provider of complex humanitarian logistics solutions for UN agencies and NGOs. Our solutions support humanitarian programmes that deliver life-saving relief and supplies to millions of people in need. They represent SGL Group's most significant form of positive impact on society.

Our goal is to continue to be the leading provider in humanitarian logistics services.

## IMPACTS, RISKS AND OPPORTUNITIES

### ESRS 2 – SBM-3

**S3** *Material impacts, risks and opportunities and their interaction with strategy and business model*

The materiality assessment identified the following impacts SGL has on affected communities as material:

### Aid & Relief operations supporting communities and saving lives

By providing logistics solutions for

UN agencies and NGOs, SGL supports humanitarian programmes that deliver life-saving and essential supplies to millions of people facing critical circumstances. SGL Group, therefore, has a positive impact on communities affected by conflict, natural disasters and other challenges by enabling the transportation of vital resources and equipment. This actual positive impact is located downstream in our value chain, affects the communities served by the UN agencies and NGOs that SGL Group supports, and occurs in the short-, medium- and long-

term. In 2023, these communities included those impacted by conflicts in Ukraine, Gaza and Sudan, by political instability in Haiti and by natural disasters in Turkey and Syria.

## CLIMATE CHANGE EXACERBATES HUMANITARIAN CRISES

The impact of climate change on humanitarian crises is a growing concern for our partners in UN agencies and NGOs. As weather-related disasters increase, climate change is displacing communities, pushing people into poverty and fuelling conflicts in vulnerable regions. The world's poorest countries are most susceptible to these effects, which are anticipated to cause an increased need for aid and relief operations.

### Responding to a growing number of humanitarian crises

SGL Group is committed to enhancing our capabilities to support the agencies, NGOs and governments that we partner with to meet this demand, aligning with our support for SDG 17. By investing in

## MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
<b>COMMUNITY IMPACT</b>							
Aid & Relief operations supporting communities and saving lives	Actual positive impact			●	●	●	●

and expanding our Aid & Relief activities, SGL Group can better support our partner organisations and agencies delivering resources to more of those in need. As a world-leading provider of humanitarian logistics with over 50 years of expertise in managing complexity, we are well-placed to do this.

This opportunity was identified as material during the materiality assessment process, is concentrated in our own activities, occurs in the short term and could have positive financial effects for SGL Group by enhancing its reputation and standing amongst customers and business partners.

**IMPACT, RISK AND OPPORTUNITY MANAGEMENT**

**S3-1 Policies related to affected communities**

SGL Group’s commitment to supporting communities is outlined in our Code of Conduct. SGL Group pledges to advocate for social standards throughout the world, prioritise community development and

continuously engage with stakeholders so their views are considered.

This means we work with non-profit organisations to support community development and expect employees to respect the local culture and understand the perspectives of the communities in which they work. We engage with our non-profit and NGO partners to understand the perspectives and needs of affected communities – this is discussed in greater detail in S3-2 Processes for engaging with affected communities about impacts. We will protect and respect the communities we engage with, and oppose the unlawful eviction and deprivation of land, forests and waters. Our employees must respect cultural, ritual and religious sites when performing their work.

The Code is aligned with SGL Group’s commitment to charters and initiatives including the Universal Declaration on Human Rights, the UN Global Compact and the OECD Guidelines for Multinational Enterprises. More detail on the Code of Conduct, including how it is communicated is provided in S1-1,

Working Conditions.

SGL Group has signed the World Economic Forum industry charter for Humanitarian Supply Chain Resilience. We work in collaboration with airlines, shipping lines and other logistics providers to create resilience and build capacity in humanitarian logistics, to better serve communities affected by humanitarian disasters.

**S3-2 Processes for engaging with affected communities about impacts**  
SGL Group’s Aid & Relief logistics teams engage with partner organisations and government entities to understand the needs of beneficiary communities and the complexities of providing humanitarian aid and government logistics support. By listening to their concerns, we can be aware of the vulnerabilities of communities and can incorporate their perspectives into the logistics planning.

This allows Aid & Relief to adapt its provisions to better reach beneficiaries in all regions of the world. By involving local stakeholders, we create a better, more

inclusive logistics system, especially in areas where communities suffer from lack of infrastructure and basic humanitarian needs.

The Executive Vice President of Aid & Relief and Government Logistics is the most senior role responsible for conducting this engagement.

Another way we engage with affected communities is by hiring individuals with local knowledge and expertise of key regions of focus. For example, we hired experienced Ukrainian logisticians to work on projects in Ukraine and develop new solutions. Leveraging these individuals’ expertise allowed us to effectively address the many logistical challenges inherent in providing aid and relief services in a conflict-affected area, in co-ordination with local authorities in Ukraine.

**S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns**

The communities materially affected by SGL Group’s operations are in regions that lack infrastructure by nature, and our

primary interface is with the agencies and organisations providing the relief. This makes it challenging to provide readily available mechanisms for communities to raise concerns directly. As such, SGL Group has not yet adopted such a channel, and instead, we rely on insights provided through our partnerships. In 2024 we will explore the feasibility of developing such channels.

**AID AND DEVELOPMENT PROJECTS**

**S3-4 Taking action on material impacts on affected communities, and approaches to managing risks and pursuing opportunities related to affected communities, and effectiveness of those actions**

SGL Group’s Aid & Relief team continued to support our partners with humanitarian projects around the world in 2023, including in Gaza, Sudan, Ukraine, Turkey, Syria, and Haiti. Each of the projects mentioned has had positive outcomes, such as the provision of vital supplies for local communities in the named regions.

The affected communities are all located downstream in SGL Group’s value chain. Due to the nature of humanitarian support, the actions described below are not time-bound. Our priority is always to respond to immediate needs first.

**Gaza**

Since the Israel-Hamas crisis began in October 2023, Gaza has been a major focus for the Aid & Relief team. SGL Group arranged one of the very first flights into Al Arish airport in Gaza to bring supplies. Operations to support UN entities in their provision of humanitarian aid and relief are ongoing and are considered critical given the limited availability of food, medicine and supplies in Gaza.

**Sudan**

In April 2023, war broke out in Sudan and has since displaced more than 6.3 million people. The Aid & Relief team has dedicated considerable resources to supporting the humanitarian response to the conflict. This includes working with UN entities to transport supplies into Sudan

via different channels, including relief flights into Port Sudan and neighbouring Chad and Egypt, and deliveries by road and ocean freight shipments from the UAE and Europe.

**Ukraine**

In 2023, we intensified our efforts to support humanitarian work in Ukraine, following its invasion by Russia. This year we focussed on enabling the rebuilding of critical infrastructure relating to energy and supply in Ukraine.

We had already established the foundations to expand operations in this way, by securing additional warehouse facilities in Poland and augmenting our trucking capacity. To date, we have successfully transported thousands of trailer loads of essential supplies, including medicine, kits, vehicles such as ambulances, food items, generators, and clothing, to various destinations within Ukraine. Our Aid & Relief team has developed comprehensive logistics solutions to meet the needs of the Ukrainian government and NGOs, utilising

all modes of transportation including air, ocean, road, and charter services.

**Turkey & Syria**

In response to a humanitarian crisis in Turkey and Syria caused by a devastating earthquake in February 2023, SGL Group provided logistics services on behalf of several major UN entities. This included arranging flights into Turkey (Istanbul and Adana) and Syria (Damascus) to deliver vital supplies.

**Haiti**

In Haiti, we implemented a warehousing solution on behalf of UN entities in Port-au-Prince, supporting ongoing aid logistics and transport since the earthquake in 2021 and subsequent health crises.

**Enhancing our capabilities**

In 2023, we expanded our Aid & Relief global footprint by establishing offices in the US, Dubai and Kenya to support our strategic focuses in the Americas, the Middle East and Western Africa.



### **Strategic partnerships in Aid & Relief**

In addition to our Aid & Relief operational expertise, SGL Group is providing strategic expertise to its partners on sustainability and the decarbonisation of humanitarian supply chains. As a member of the Supply Chain & Transport Industry Charter, we are participating in working groups that include supporting the market development of sustainable aviation fuel and global supply chain resilience.

### **Strengthening our pharmaceutical capabilities**

During the year we continued to strengthen our pharmaceutical capabilities by developing our quality department, continuing the roll-out of Validaide (a digital lane management system for healthcare and pharmaceutical shipments), and expanding our activities through M&A activity. This included acquiring Belglobe, an international freight forwarder specialised in pharmaceutical transportation, to strengthen SGL Group's presence in Switzerland and Mexico. Following our

COVAX successes, we continue to work with UN vaccine programmes in relation to local outbreaks such as yellow fever and measles.

We continued to roll out Good Distribution Practice ('GDP') certification globally. GDP is a set of standards for the sourcing, handling, storage, and transportation of medicines. To date, SGL Group has strategic GDP presences across the globe – including the UAE, ES, Japan, Denmark, Germany, China and Belgium, amongst others – and has adopted a rollout plan for 2024 to expand this further. Additionally, we continued establishing GDP-compliant competence centres – most recently in Dubai – and completed annual mandatory global GDP training across all applicable locations in 2023.

### **Continued investment in 2024**

In 2024, we will continue to extend our global strategic presence by investing in our capabilities and exploring new locations for Aid & Relief offices. Having a larger local footprint and more established presence across the globe will allow us to

work more closely with our aid and relief customers and partners.

### **S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

SGL Group has not yet set targets to manage impacts relating to affected communities. We will explore options for doing so in 2024.

# DELIVERING VITAL SUPPLIES TO UKRAINE TO SUPPORT RECONSTRUCTION EFFORTS

The devastating effects of the ongoing war in Ukraine need little introduction. Since the escalation of violence in February 2022, the estimated number of people in humanitarian need in Ukraine jumped from approximately 2 million prior to 2022, to nearly 11 million in 2023. This number is expected to rise again to 14.6 million in need of aid in 2024.

In response to the war, SGL Group swiftly expanded facilities in Poland and increased trucking capacity to meet the surging demand for aid deliveries. Throughout the conflict, we've successfully transported essential supplies, including medicine, ambulances, food, generators, and clothing, employing various transportation modes such as air, ocean, road, and charter services across both air and ocean. SGL Group's Aid & Relief logistics team has developed comprehensive logistics solutions that align with the needs of the UN affiliates, government and non-governmental organisations.

## DELIVERING SUPPLIES FOR RECONSTRUCTION

The war has severely disrupted and destroyed essential services in east and south Ukraine, particularly in relation to health care, water, gas, electricity and heating supplies, and education. Addressing the collapse of essential services is one of the priority areas for 2024 in UNHCR's Ukraine Humanitarian Needs Response Plan.

To support the reconstruction efforts, the Japan International Cooperation Agency (JICA) made several generous contributions, including donating two excavators and five-wheel loaders to Irpin City in Kyiv, which were seamlessly delivered by SGL Group through collaborative efforts with our local teams.

The delivery, which constituted a specialised operation, required special trucks to transport the heavy shipment – one of the units alone weighed 34 tonnes. The donation was made to expedite debris handling in the city, clearing the way for reconstructive efforts in Ukraine.

The equipment will play a pivotal role in a regional demolition and debris management project being piloted.

SGL Group also completed the delivery of 25 powerful generators from JICA. These generators will support Ukraine through the challenges of a cold winter, ensuring access to essential heating and water resources.

Scan Global Logistics teams across various countries worked together to secure the shipment – highlighting the power of our collaborative efforts. The final leg of the journey, involving five trucks, was made possible by the unwavering support of various stakeholders, demonstrating swift handling in times of need.

We remain committed to delivering positive change and impact for the Ukrainian people and have since supported further projects in support of this. The Embassy of Ukraine in Japan expressed their appreciation for the safe deliveries, and in recognition of our efforts, Scan Global Logistics was awarded a

certificate at the recent Rebuild Ukraine conference.

## DEDICATED EXPERTS WITH PRECISE COORDINATION

With 45+ years of experience partnering with UN agencies, our Aid & Relief team excels in precisely co-ordinating complex logistics for the swift delivery of critical emergency supplies worldwide. We remain steadfast in our commitment to making a positive impact on the lives of those in need through ongoing support and meaningful contributions.





GOVERNANCE INFORMATION  
ESRS G1

# INTEGRITY ACROSS OUR VALUE CHAIN

# BUSINESS CONDUCT

At SGL Group, we are committed to conducting business with integrity in all aspects of our operations and to complying with the laws and regulations in every country where we operate.

The transport and logistics sector engages with government officials at almost every link in the logistics chain and is, therefore, vulnerable to corrupt business practices, particularly in high-risk countries.

As an asset-light, global organisation within the sector, we are continually enhancing our compliance programme and rely on building and maintaining a common understanding of how we expect business to be conducted with our people, suppliers and other third parties.

## BUSINESS CONDUCT IMPACTS, RISKS AND OPPORTUNITIES

*Disclosure Requirement related to ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*

The materiality assessment described in disclosure requirement IRO-2 identified the following risk:

### Risk of bribery and corruption in certain operations

Certain areas of our organisation are at higher risk of corruption and bribery. SGL Group operates in countries in Sub-Saharan Africa, Asia and Latin America, which have higher risks for bribery and corruption, including the use of facilitation payments for cargo clearance. In addition,

our Aid & Relief logistics departments are more exposed to the risk of bribery and corruption from government officials. A bribery or corruption incident could lead to fines and penalties for SGL Group, as well as reputational damage that could undermine our business relationships with customers and suppliers. This risk exists in our own operations and is considered systemic to the industry and the countries referred to. It occurs in the short-, medium- and long-term.

### Impacts, risks and opportunity management

## OUR APPROACH TO BUSINESS CONDUCT

### G1-1 Business conduct policies and corporate culture

SGL Group's compliance framework is anchored in SGL Group's virtues, Code of Conduct and Supplier Code of Conduct, alongside specific policies addressing anti-corruption, data protection, IT security,

## MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

## GOVERNANCE & RISK MANAGEMENT

Risk of bribery & corruption in certain operations

Risk

Location in value chain			Time horizon		
Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
		●	●	●	●

and insider trading. These policies support our employees and suppliers in making decisions aligned with ethical standards.

The Board of Directors is ultimately responsible for oversight of SGL's corporate culture and business conduct, and the Executive Management Group is responsible for leading by example and driving a culture of business integrity.

Risks related to business integrity and compliance are considered as part of SGL Group's Enterprise Risk Management (ERM) process and are registered in the ERM system.

Through this approach, we strive to ensure that all business conducted is done in a manner that is honest, ethical, and socially responsible across our entire value chain.

### Code of Conduct

SGL Group's Code of Conduct sets clear ethical standards for the company and covers all aspects of its operations and daily work. It includes guidelines for proper conduct, such

as adherence to human rights, and details the company's commitments to business practices such as diversity, fair competition, and anti-bribery and anti-corruption measures.

The Code of Conduct also covers business integrity, including anti-money laundering regulations and data protection, as well as the company's social responsibilities towards environmental protection and socio-economic development.

The Global General Counsel is responsible for the Supplier Code of Conduct, which is reviewed annually and updated in line with relevant legislation, with the most recent update occurring in December 2023.

### Training and awareness

To ensure understanding and adherence to the Code of Conduct, SGL Group provides ongoing training and communication to employees worldwide.

Mandatory training is included as part of the induction process for new hires. Aside

from the Code of Conduct, mandatory training for new employees includes the following policies: Anti-corruption, Environment, Quality, Health and Safety, GDPR and Information Security. Policies related to business conduct are available to all employees via the SGL Group intranet.

During 2023, we continued to refine our policies and sought ways to improve compliance awareness. A Group Compliance Officer was appointed to oversee all policies and procedures and focus on strengthening efforts around data protection.

We expanded our compliance training through our online learning centre, the SGL Group Academy, to include a new course on sanctions and export control and a new e-learning course on Everyday Life with ISO, the latter being mandatory for all employees. Additional mandatory courses included in the Academy provide training and competence development on human rights and sustainable procurement.

### Whistle-blower system

SGL Group provides a whistle-blower system that allows individuals such as employees, directors, customers, suppliers, and business associates to report any allegations of financial or legal impropriety. The system can be accessed through SGL Group's website, and all reported concerns are reviewed and evaluated by an external, independent law firm to assess if the reported concern is applicable under the scope of the whistle-blower policy.

Training on the whistle-blowing system, as well as the whistle-blower privacy policy, is mandatory for all employees and whistle-blowers are protected from any kind of retaliation or discriminatory or disciplinary action as a result of submitting a report.

In 2023, four concerns raised through the whistle-blower system were investigated, three of which have been closed to the satisfaction of all concerned. One concern remains in process.

## RELATIONSHIP WITH SUPPLIERS

### G1-2 Management of relationships with suppliers

#### Supplier Code of Conduct

The success of SGL Group's asset-light model relies on strong relationships with suppliers who adhere to the same ethical principles as the company. We set out our expectations of our suppliers in our Supplier Code of Conduct.

The Supplier Code of Conduct addresses potential risks related to labour practices, human rights, health and safety, the environment, and bribery and corruption in the supply chain.

Suppliers must comply with international human rights standards and national laws regarding child and forced labour, working hours, wages and benefits, and non-discrimination.

We expect suppliers to prioritise occupational health and safety and environmental compliance, and to support SGL Group's goal of reducing Scope 3 emissions and reaching net-zero emissions

by 2050. This includes providing data on GHG emissions and setting emissions reduction targets for their operations, which must be aligned with the reduction targets and trajectory from the Paris Agreement.

We require our primary suppliers to sign our Supplier Code of Conduct and to share this code with their sub-contractors and other business associates who are involved in providing the goods and services outlined in the main contract.

Suppliers are subject to a system of checklists to evaluate risks and conduct audits. SGL Group may terminate a contract with a supplier who violates the Code of Conduct for Suppliers or refuses, if asked, to take part in a remediation plan.

In 2023, SGL Group conducted 15 onsite supplier audits and 84 additional evaluations that were conducted through virtual interaction or surveys.

SGL Group also recognises its own responsibilities to suppliers and has standard payment terms of net 30 days to prevent late payments, particularly SMEs.

The introduction of Validaide, a

digital system for managing healthcare and pharmaceutical shipments, has significantly improved our ability to assess and choose airlines and ocean carriers.

In January 2023, we implemented a new supplier qualification and management process that leverages Validaide effectively and allows us to perform audits based on a risk assessment. This enhances our adherence to supplier management regulations, specifically the GDP Guideline, and improves the management of suppliers in our key customer segments.

The Global General Counsel is accountable for the Supplier Code of Conduct, which is reviewed annually and updated in line with relevant legislation, with the most recent update in December 2023.

## ANTI-CORRUPTION AND BRIBERY

### G1-3 Prevention and detection of corruption and bribery

We have a zero-tolerance approach to bribery and corruption and are committed to conducting ourselves ethically and with

integrity in all our business dealings and relationships worldwide.

We comply with all laws related to anti-bribery and corruption in all jurisdictions where we operate, including the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. We do not engage in or tolerate any form of facilitation payment.

SGL Group's approach to bribery, fraud and corruption is made clear to employees through the Code of Conduct and Anti-Corruption Policy which also carry mandatory training to all employees, and to all suppliers is stated and made clear through our Supplier Code of Conduct (see G1-2 Management of relationships with suppliers).

Certain areas of our organisation are at higher risk for corruption and bribery. SGL Group operates in countries in Sub-Saharan Africa, Asia and Latin America, which have higher risks for bribery and corruption, including the use of facilitation payments for cargo clearance. In addition, our Aid & Relief and Government logistics departments are more exposed to the risk of bribery and corruption from

government officials. Employees operating in these areas are subject to additional targeted compliance training and compliance support visits.

SGL Group encourages employees, suppliers, customers and other stakeholders to report allegations concerning corruption, bribery, fraud and all other matters of legal or financial wrongdoing through our whistle-blowing mechanism (see G1-1 Business conduct policies and corporate culture) or by contacting the Group Compliance Officer.

Concerns submitted through the whistle-blower system are reviewed and assessed by a third-party company to determine whether they come under the scope of the whistle-blower policy. Once the assessment is complete, the Global General Counsel and the VP of People, Leadership & Culture together initiate an investigation of the incident.

Concerns submitted directly to the Group Compliance Officer are reviewed and assessed by the Group Compliance Officer and the Global General Counsel. Following this assessment, an investigation

into the incident is launched. Executive management will be included in the process if deemed relevant. Executive Management will always be notified at the end of each case.

**Training & awareness**

SGL Group provides mandatory anti-corruption and bribery training for employees through our online Academy courses.

During 2023, 85% of employees were trained on our Code of Conduct, 83% were trained on the Anti-Corruption Policy and 78% were trained on the Information Security Policy.

**INCIDENTS OF CORRUPTION AND BRIBERY**

**G1-4 Incidents of corruption or bribery**

There were no reported breaches of the Code of Conduct in 2023.

No incidents relating to human rights, fraud, corruption, bribery or breach of anti-trust or competition laws were reported in 2023.

**MANDATORY TRAINING IN 2023**



**ANTI-CORRUPTION: 3,002 EMPLOYEES TRAINED**



**CODE OF CONDUCT: 3,060 EMPLOYEES TRAINED**



**ENVIRONMENTAL POLICY: 2,971 EMPLOYEES TRAINED**



**QUALITY POLICY: 2,940 EMPLOYEES TRAINED**



**HEALTH AND SAFETY POLICY: 2,950 EMPLOYEES TRAINED**



**GDPR POLICY: 2,934 EMPLOYEES TRAINED**



**INFORMATION SECURITY POLICIES: 2,808 EMPLOYEES TRAINED**



**SUSTAINABLE PROCUREMENT POLICY: 2,659 EMPLOYEES TRAINED**



**HUMAN RIGHTS POLICY: 2,731 EMPLOYEES TRAINED**

SGL Group did not receive any convictions or fines for violation of anti-corruption or anti-bribery laws, nor has it been the subject of any legal actions relating to corruption or bribery in 2023.

**POLITICAL INFLUENCE & LOBBYING ACTIVITIES**

**G1-5 Political influence and lobbying activities**

SGL Group does not provide funding to political parties. We only make charitable contributions that comply with local laws and ethical standards. All donations must be approved by the Global General Counsel before they are made.

SGL Group is a member of a number of trade and business associations in Denmark and other countries where we operate. The total annual contribution for these memberships is DKK 1,132,500.

No members of the Board of Directors, Executive Management Group or management team of SGL Group have

held roles in public administration or regulatory bodies in the two years prior to the 2023 reporting period.

**DATA PROTECTION AND SECURITY**

Data is a crucial asset for our group, and we maintain high ethical standards in its handling. We do not engage in data trading and have robust processes to protect against unauthorised disclosure. Our data processing agreements outline clear requirements for third-party compliance with data protection and ethics.

**Data ethics**

At SGL Group, data ethics is a priority that goes beyond meeting legal requirements for data privacy. As data is a valuable asset for our business, our daily operations are guided by a detailed security policy rooted in the principles of respect and integrity. We have strict standards for data collection and usage:

- We hold ourselves to high standards for collecting data from our assets and other sources.
- We have strict requirements for our partners from whom we receive data.
- We avoid extensive data collection that could be perceived as data-driven surveillance.

The Chief Information Officer is the most senior person accountable for the policy. The policy is available at [www.scangl.com/about/policies/](http://www.scangl.com/about/policies/)

**Information Security, Controls and Awareness Campaigns**

SGL Group has a comprehensive group policy covering Information Security. This Information Security Policy sets a common standard for information security throughout SGL Group and provides a frame of reference and consistency on SGL information security. The Information Security Policy applies to all systems, employees, and external vendors with

access to SGL information systems, infrastructure, and data in the following companies.

In 2023, we continued to enhance our cyber security programme, which is designed to protect and improve the confidentiality, integrity and availability of all systems and data within the SGL Group.

The cyber security programme and our IT security policies are aligned with the ISO27002 and CIS standards and include policies, processes, training, tools and technology. The programme is overseen by our Chief Information Officer together with the Head of IT Security and supported by the Executive Management Team.

Over the last 12 months, SGL has also conducted cyber security awareness campaigns for employees with the aim of improving their ability to identify and report security incidents. Each campaign has included multiple training modules such as simulated phishing campaigns and hints and tips, that are mandatory for all users to participate in. The training has

improved the ability of our employees to identify phishing emails and automatically report these to our security team.

During 2023, SGL Group extended its business continuity plan across its operations to better prepare for emergencies such as a cyberattack.

The SGL Information Security Policy is reviewed once a year to ensure that the policy is adequate in relation to the evolution of the profile of risks to SGL and to new practices, technologies or standards implemented. Group IT management and the Head of IT Security are responsible for the maintenance of this document, and for the coordination with other requirements.

#### **GDPR and Personal Data Protection**

SGL Group has a group policy covering Personal Data Protection. This group policy of personal data protection serves the purpose of ensuring the efficient and reliable administration of processing personal data to ensure compliance with

the EU General Data Protection Regulation (GDPR) within the SGL Group.

Additionally, the objective of the policy is to contribute to prevention of breaches of personal data security, to ensure mitigation of damages suffered and the rapid reestablishment of adequate protection.

The Executive Management oversee personal data protection in the SGL Group. The GDPR management ensures operational implementation and maintenance. They develop policies, manuals, and instructions, provide awareness tools for employee education, and offer advice and support on data protection.

There were no incidents of breaches of customer privacy data during the year. SGL Group had one internal data breach incident, which was handled in accordance with our data incident process and appropriate measures have been implemented.

The personal data protection policies, handbooks and instructions will be revised

regularly and at least once a year by the GDPR management. Any changes of the Personal Data Protection Group Policy shall be approved by the Group of Executive Directors.

#### **E-learning and Performance Data**

As all employees must adhere and follow all elements in relation to data ethics, protection and security, SGL Group provides extensive annual training via our e-learning platform academy. All employees must take courses in Personal Data Protection (GDPR) and Information Security, besides the multiple awareness campaigns.

During 2023 78% of all SGL Group employees globally completed the e-learning pertaining Information Security practices and processes. Also, 81% of all SGL Group employees globally completed the e-learning pertaining Personal Data Protection practices and processes.

#### **RESPONSIBLE TAX**

At SGL Group, we recognise the significance of tax practices in society and in responsible corporate citizenship. Our Responsible Tax Policy, established in 2021, commits us to being a responsible taxpayer and to avoiding aggressive tax planning. We have a clear and transparent corporate structure driven by commercial considerations with no contrived entities or structures.

We support international tax reform efforts by organisations such as the OECD and do not take on tax positions that cannot be justified under full disclosure.

**ACCOUNTING POLICIES**

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
G1-1	10 c	How SGL Group protects whistle-blowers	All reports are handled following the approved guidelines for managing whistle-blower reports by the Audit Committee, which holds ultimate responsibility for the whistle-blower programme. Only cases that are concluded within the fiscal year and have been acknowledged as fully or partially substantiated by the Audit Committee are disclosed.
G1-4	24 a	Legal action (ESRS wording= Number of convictions for violation of anti-corruption and anti-bribery laws)	The number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.
G1-4	24 a	Amount of monetary losses	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations.
G1-4	25 a	Number of confirmed incidents of corruption or bribery	Determined by number within the reporting year.
G1-4	25 b	Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Determined by number within the reporting year.
G1-4	25 c	Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Determined by number within the reporting year.





# INDICES

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E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Page 54
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S1-17 Incidents, complaints and severe human rights impacts	Page 76
<b>S2- Workers in the value chain</b>	
ESRS 2 SBM-2-S2 Interests and views of stakeholders	Page 25
ESRS 2 SBM-3-S2 Material impacts, risks and opportunities and their interaction with strategy and business model	Page 89
S2-1 Policies related to value chain workers	Page 89
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<b>G1 - Business Conduct</b>	
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	Page 16
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**LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION**

*Disclosure requirement ESRS 2 IRO-2 paragraph 56 & ESRS 2 Appendix B*

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 16
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 16
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Page 18
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Page 38
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Page 48
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Page 52
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Page 52

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	Page 52
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Page 54
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Page 54
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	



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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m <sup>3</sup> per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	Page 72
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 72
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	Page 83
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	Page 74
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 85

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	Page 85
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 81
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material	
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	Page 76
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	
ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	Page 89
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	Page 89

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	Page 89
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Material	Page 90
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material	Page 92
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	

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DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	Page 98
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	Page 99
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	Page 101



# MANAGEMENT STATEMENT

The Board of Directors and the Executive Management of SGL Group ApS (hereafter SGL Group), have considered and adopted the Sustainability Report of SGL Group for the period 1 January to 31 December 2023.

The Sustainability Report 2023 has been prepared in accordance with the principles set out in the reporting approach described on pages 60-61.

In our opinion, the accounting principles are appropriate, and the Sustainability Report provides a true and fair view of SGL Group's impact on society and environment for the period 1 January to 31 December 2023. Further, in our opinion, the information given in the Sustainability Report is consistent with the accounting policies applied.

Copenhagen, 27 March 2024  
SGL Group ApS  
CVR no. 43 63 99 51

## Executive Management

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Allan Dyrgaard Melgaard  
Global CEO

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Mads Drejer  
Global COO & CCO

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Clara Nygaard Holst  
Global CFO

## Board of Directors

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Nils Smedegaard Andersen  
Chairman

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Søren Vestergaard-Poulsen

---

Christoffer Helsengreen  
Sjøqvist

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Philip Bendorff Røpcke

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Thomas Nieszner

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John Francis Cozzi

# INDEPENDENT AUDITOR'S ASSURANCE REPORT ON SELECTED PROFORMA ENERGY AND CLIMATE DATA

## TO THE STAKEHOLDERS OF SGL GROUP APS

As agreed, we have performed an examination with a limited assurance, as defined by the International Standards on Assurance Engagements, on SGL Group ApS's ('SGL Group') selected proforma energy and climate data in the table 1 – Proforma energy and climate data on pages 53-55 in the proforma period from 1 January to 31 December 2023.

In preparing the selected proforma energy and climate data, SGL Group applied the accounting policies described on pages 60-61. The selected proforma energy and climate data needs to be read and understood together with the accounting policies, which Management is solely responsible for selecting and applying. The absence of an established policies on which to derive, evaluate, and measure the selected proforma energy and climate data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Other than as described in the preceding paragraph, which sets out the scope of

our engagement, we did not perform assurance procedures on the remaining information included in the Sustainability Report 2023, and accordingly, we do not express an opinion on this information.

### MANAGEMENT'S RESPONSIBILITIES

SGL Group's Management is responsible for selecting the accounting policies, and for presenting the selected proforma energy and climate data in accordance with the accounting policies, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the selected proforma energy and climate data, such that it is free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITIES

Our responsibility is to express a conclusion based on our examinations on the presentation of the selected proforma energy and climate data in accordance

with the scope defined above.

We conducted our examinations in accordance with *ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and additional requirements under Danish audit regulation to obtain limited assurance for the purposes of our conclusion.

EY Godkendt Revisionspartnerselskab is subject to the International Standard on Quality Control (ISQC) 1 and thus uses a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards, applicable requirements in Danish law and other regulations.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity,

professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

### DESCRIPTION OF PROCEDURES PERFORMED

In obtaining limited assurance over the selected proforma energy and climate data in the Table 1 – Proforma energy and climate data on pages 53-55, our objective was to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion with limited assurance.

The procedures performed in connection with our examination are less than those performed in connection with a reasonable assurance engagement. Consequently, the degree of assurance for our conclusion is substantially less than the assurance which would be obtained had we performed a reasonable assurance engagement.



As part of our examinations, we performed the below procedures:

- Interviewed those in charge of the selected proforma energy and climate data to develop an understanding of the process for the preparation of the Sustainability Report 2023 and for carrying out internal control procedures.
- Performed analytical review of the data and trends to identify areas of the selected proforma energy and climate data with a higher risk of misleading or unbalanced information or material misstatements and obtained an understanding of any explanations provided for significant variances.
- Based on inquiries we evaluated the appropriateness of accounting policies used, their consistent application and related disclosures in the Sustainability Report 2023. This includes the reasonableness of estimates made by management.

- Designed and performed further procedures responsive to those risks and obtained evidence that is sufficient and appropriate to provide a basis for our conclusion.
- In connection with our procedures, we read the other sustainability information in the Sustainability Report 2023 of SGL Group's and, in doing so, considered whether the other sustainability information is materially inconsistent with the selected proforma energy and climate data or our knowledge obtained in the review or otherwise appear to be materially misstated.

In our opinion, the examinations performed provide a sufficient basis for our conclusion.

### CONCLUSION

Based on our examinations and the evidence obtained, nothing has come to our attention that causes us to believe that the selected data in Table 1 – Proforma energy and climate data on pages 53-55 in SGL Group's Sustainability Report for the proforma period from 1 January to 31 December 2023 has not been prepared, in all material respects, in accordance with accounting policies described on pages 60-61.

Copenhagen, 27 March 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

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Søren Skov Larsen  
State Authorised Public Accountant  
mne26797

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Lars Fermann  
State Authorised Public Accountant  
mne45879

## HEADQUARTERS

SGL Group ApS

Address Jernholmen 49  
DK 2650 Hvidovre  
Denmark

CVR no. 43 63 99 51

Telephone +45 32 48 00 00  
Email [investor@scangl.com](mailto:investor@scangl.com)  
Website [scangl.com](http://scangl.com)





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