







4	LETTER FROM OUR CEO
6	WHAT WE DO
8	GROUP STRUCTURE
10	2022/23 AT A GLANCE
12	BALANCING EXPECTATIONS
14	ESG STRATEGY
17	ENVIRONMENT
30	SOCIAL
44	GOVERNANCE
54	ESG PERFORMANCE
56	STATEMENT BY THE MANAGEMENT
58	ACCOUNTING PRINCIPLES

# KEEPING WHAT IS IMPORTANT IN FOCUS

Modernising and improving on the shipping and logistics industry is a daunting task – but nonetheless our responsibility. Even as cultural, economic, or simply force majeure circumstances can put barriers to the desired efforts and halt progression. We know that lowering emissions, ensuring comfortable conditions for our employees both in offices, at sea, in trucks, or working the docks and warehouses, and enforcing strong compliance with regulations is our key and license to operate, and we always strive to be best in class.

At SDK FREJA we acknowledge our responsibility to provide continuous improvement on the Environmental, Social, and the Governance agenda. Acting on this responsibility, however, in a global organisation, requires times, effort, and dedication.

Our progress this year has very much been focused on providing solid foundations for future innovations, including new constructions, new hires, and pilot projects exploring the future of cargo hauling. Laying the groundwork is crucial for reaching the goals we have set for CO<sub>2</sub>-reductions in 2040 and 2050.

On the environmental side we have among other things increased focus on building our logistics centres to the highest standards adding solar panels and smart heating systems, contributing to lowering our emissions footprint compared to our older and non-renovated facilities. Our latest construction in Jönköping, Sweden has quickly become a role model for all our future centres, more of which we are already planning construction of in Sweden.

For the long haul, we are also deeply invested in the transition to prepare for the electrification of the truck fleet. Something we are following closely. When building our new locations, we are investing in preparing infrastructure for electric trucks, and are working closely with consultancy firm COWI in mapping and scoping how our entire organisation can be prepared for perhaps the greatest disruption to trucking logistics since containers were introduced in the 1950's – electrification.

Part of this transformation requires not just technological insights and investments, but also a reframing of our

organisation to advisors instead of viewing ourselves as primarily service providers. With more than 3,000 trucks on the road and billion-euro investments in new trucks, infrastructure, and technologies on the line advising on what is ahead is becoming more important than ever.

It is SDK FREJA's firm belief, that we need to be able to advice and support our partners on the road ahead towards a lower emission future for cargo hauling. Whether it is electrification, HVO100, Hydrogen, or something else entirely, we need to find the right solutions to any job at hand.

More immediately, albeit on a smaller scale, employees with company cars are switching to electric vehicles while our port area guards, too, are switching to electric vehicles. As well as implementing waste management at our locations and running internal micro-campaigns for energy savings, we believe it all adds up and matters.

## CONTRIBUTING TO SOCIAL

Shipping and logistics have historically been male dominated industries, but as technologies advance we continuously promote that everyone holds equal opportunities with SDK FREJA. This is even more important, as general internal advancement within the organisation often starts on the ground floor as employees work their way into the positions that suit them – and overall benefits the future development of SDK FREJA.

Underlining the ambition of the organisation to increase gender diversity in work force has been meeting the requirements of an equally represented board of directors. We strongly believe, that having women in the board can inspire more of our female workforce to aspire for leadership positions.

To further ensure this awareness of job mobility and opportunities, townhalls, social events, and continued training have been a focal point this year.

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**Laying the  
groundwork is  
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reaching the goals  
we have set for  
CO2-reductions in  
2040 and 2050**

**Søren Gran Hansen**  
Group CEO  
SDK FREJA Group



Implementing new parental leave guidelines have been another strong effort this year, demanding for men to increase their parental leave, contributing to closing the gap between new mothers and fathers, as they take leave from the work force.

These new guidelines also support our goal of being a flexible workplace at every level when possible. Something we know is increasingly important in order to attract and retain the right talent.

### **GOVERNANCE MEANS BUSINESS**

Compliance with regulatory, reporting, and due diligence requirements is increasingly becoming a license to operate in our industries. To this end, we are looking at all solutions available to have strong frameworks and efficient ways of working in place.

Artificial intelligence is just one of the tools we are looking into, to increase efficiency when it comes to routine checks and setting up Know-Your-Customer (KYC) workflows. Our goal is to automate when possible, so our people can focus on bringing their competencies and human experience into play.

In setting up our digital compliance frameworks and building better processes we are fortunate to have the backing of being part of a larger conglomerate, and utilising the experiences of our sister companies to enable our own due diligence flows is a great example of how one plus one can equal three when part of a larger company group.

The road ahead for SDK FREJA is filled with challenges and new scenarios, some of which we can anticipate, others we can only guess at, but our strength will always be our agility and quick response to any change in the world we live in.

# WHAT WE DO

**SDK FREJA** is a full-service **shipping and logistics** company.

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

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

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

 <b>STEVEDORE</b>	 <b>PORT AGENCY</b>	 <b>ROAD FREIGHT</b>	 <b>AIR FREIGHT</b>
 <b>WAREHOUSE</b>	 <b>CRUISE</b>	 <b>SEA FREIGHT</b>	 <b>PROJECT FORWARDING</b>
 <b>CUSTOMS</b>	 <b>CHARTERING</b>	 <b>LOGISTICS SOLUTIONS</b>	 <b>HEALTHCARE SOLUTIONS</b>
 <b>PROJECT CARGO</b>	 <b>PASSAGE SERVICE</b>	 <b>CUSTOMS CLEARANCE SOLUTIONS</b>	 <b>REFRIGERATED SOLUTIONS</b>



SHIPMENT  
BOOKING, VESSEL  
CHARTERING  
AND SURVEILLANCE



PICK-UP AND HANDLING



WAREHOUSING,  
CROSS-DOCKING AND  
STEVEDORING



DISTRIBUTION  
AND LAST-MILE



LABELLING,  
PICKING & PACKING



CUSTOMS CLEARANCE,  
DOCUMENTATION,  
INSURANCE, PORT AGENCY  
AND CRUISE SERVICES



WAREHOUSING,  
CROSS-DOCKING AND  
STEVEDORING



TRANSPORT

# GROUP

## STRUCTURE



### SHIPPING





Group Structure as per signing date of Annual Report 2023/24





**+8**  
MILLION TONS  
HANDLED OVER QUAY



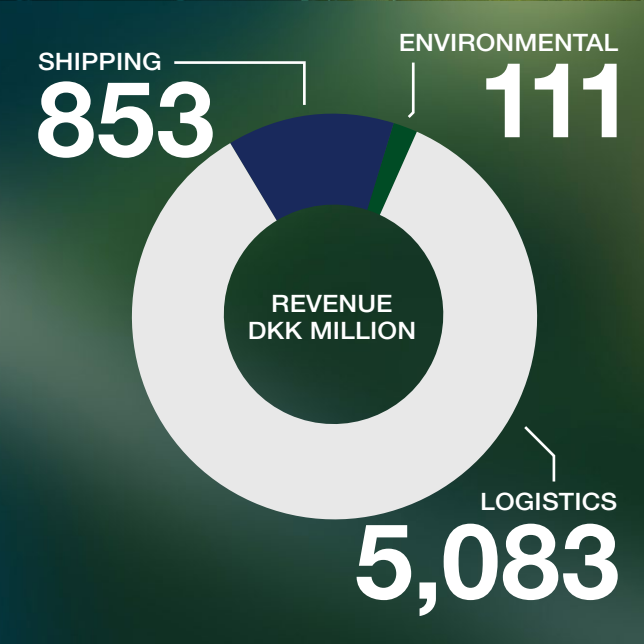
**+7,800**  
AGENCY  
CALLS HANDLED



**+240,000**  
SQ M  
MULTI-TERMINALS AND  
WAREHOUSE SPACE



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



# +1,400

DEDICATED EMPLOYEES



DECARBONISATION  
- ALL SCOPES

# -17%

SINCE 2021/22

# REFINING OUR REPORTING

Over the course of the past year, we have continued to advance our previously launched initiatives. On the environmental side, we continue to focus on energy savings across our locations. We are particularly proud of our new facility in Jönköping, which was built with sustainability in mind. By paying attention to every detail, from waste segregation to solar panels on the roof, this construction project reached the Swedish Miljöbyggnad environmental certification. We are looking forward to seeing this, along with other projects', influence on our emissions reductions and compare this year's financial data with the next.

We have invested considerable resources in exploring viable alternatives for our truck fleet, balancing commercial viability

with our dedication to the green transition. This coming financial year, we will pilot several electric trucks to enhance our understanding and prepare for broader implementation as financial and infrastructural conditions align.

Our collaborative and advisory efforts with customers on HVO diesel usage on distances that do not yet support other alternatives, are expanding. However, notably, we observe substantial national differences in the adoption of alternative fuels, with usage rates as high as 50 percent in Sweden and Norway, and 100 percent in Finland, underscoring the impact of distinct political initiatives aimed at advancing the green transition.

On the maritime side of business, the IMO's recent resolution to target zero industry emissions by around 2050 and to ensure that at least five percent of marine fuel consumption comprises green fuels by 2030, marks an important step towards a more sustainable direction and to reduce the maritime industries carbon emission.

While the upcoming implementation of CSRD standards require a structured documentation of our social initiatives, this will not be counter-intuitive to how as a family-owned company, our core values of decency and integrity, are embedded within our culture, and how we have always operated. What it means is, that in the coming financial year, we will start the transition from implicit behaviours to explicitly defined processes, procedures, and targets.

In terms of governance, our compliance principles such as Anti-Bribery, Anti-Corruption, KYC, and KYS remains robust. While our strong, shared culture of decency has historically guided our compliance efforts, we recognise the need for a more documented approach. Following our recent completion of the Double Materiality Assessment, we are committed to aligning our approach going forward with ESRS standards to further increase transparency in our ESG journey.

The coming financial year promises to be an exciting period for our ESG strategy, particularly as we integrate these new reporting structures into our financial statements for FY2025/2026. We are confident that the adjustments to our reporting practices will enrich our stakeholder engagement and strengthen our commitment to sustainability.



Eric Clausen, Head of ESG

# DOUBLE MATERIALITY ASSESSMENT

Our work with the double materiality assessment (DMA) consists of mapping all relevant topics on the ESG agenda and developing a framework used for our sustainability reporting and accounting, considering both the economic materiality of our organisation's activities and their impact on environmental and social factors.

It involves evaluating not only the traditional economic risks and opportunities, but also the broader environmental and social risks and opportunities that affect our organisation's ability to create long-term value. This approach recognises the link between financial performance and environmental and social performance and aims to provide a more holistic view of an organisation's overall impact and value creation.

At the end of the current financial year period, we conducted a DMA according to the CSRD guidelines. The DMA we have finalised this past year has shown that we hit the mark with our first materiality assessment two years ago, already then highlighting 12 material topics, of which 10 remain, following consolidation of overlapping topics.

Several of the previous topics have been modified, i.e. community engagement having been removed and some of our previous topics under G are included in Compliance and Corporate culture while another significant change is the addition of the inclusion of workers in our value chain and the management of relationships with suppliers.

**Our overall materiality themes for the coming period are:**

- E:**  
Climate impacts under our control  
Climate impact from our value chain  
Resource and waste management
- S:**  
Labour conditions own workforce  
Labour conditions in our value chain  
Diversity, equality and inclusion  
Attracting and retaining employees
- G:**  
Compliance with regulations  
Company culture  
Supplier relationship management



# PREPARING FOR CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD) IMPLEMENTATION

As we prepare for the coming financial reporting year at SDK FREJA, we are getting ready to make Corporate Sustainability Reporting Directive (CSRD) a key part of how we operate. As part of that preparation, it's important to understand both the good things and the challenges that come with it.

## EMBRACING THE POSITIVES

Adopting CSRD offers many opportunities for us to boost our reputation, build trust with stakeholders, and increase our knowledge through documented descriptions and metrics within ESG. By openly sharing our detailed ESG efforts, we can demonstrate our commitment to ethical practices and social causes. This can help us build stronger partnerships with our customers, suppliers, employees, and communities.

Moreover, CSRD helps us identify and tackle environmental, social, and governance (ESG) issues early on, reducing risks to our long-term success. This, in turn, gives us a competitive edge in the market as our customers increasingly value sustainability and ethical business practices.

To fully embrace CSRD, it is essential to view it as an opportunity to formalise existing sustainability efforts. This means reassessing and formalising areas not yet described and approaching familiar topics with fresh eyes for improvement.

## NAVIGATING THE CHALLENGES

While CSRD offers many benefits, implementing it will be challenging. We need to be aware of and address these challenges to make the most of our ESG efforts.

Collecting and managing these large amounts of data related to our ESG activities will be complicated and resource intensive. And we may even struggle to gather accurate and relevant data at every point, especially as we operate in eight different countries and have a complex supply chain.

Additionally, complying with regulations and reporting standards related to CSRD are still new to everyone and can be a complex matter to tackle. Supplier management implications are significant in this regard. We need to re-evaluate longstanding

ESRS

CSRD

MDR

AR

GOV

SEM

GHE

B





## While CSRD offers many benefits, implementing it will be challenging

**Eric Clausen**  
Head of ESG

partnerships worldwide to ensure alignment with our CSRD objectives.

Balancing the expectations of various stakeholders regarding ESG is another challenge. We must navigate the interests of our customers, suppliers, employees, and communities while pursuing sustainable practices. This is a challenge that will require careful planning and communication.

### THE ROAD AHEAD

To overcome the complexities of CSRD implementation, we need a strategic and proactive approach. The commitment of our leadership is key, with senior executives driving ESG efforts and aligning them with our strategic vision. Engaging in CSRD related discussions with customers on a regular basis will also help us understand their expectations and build trust and transparency.

Allocating adequate resources to CSRD activities, including personnel, technology, and finances, is crucial. Investing in

robust data systems and reporting tools will streamline the process and ensure accurate reporting.

We will strengthen our culture of continuous improvement by monitoring and evaluating our CSRD performance regularly. Setting clear goals and metrics, identifying areas for improvement, and adjusting strategies accordingly will drive positive outcomes over time.

In reaching this, we already have a good platform to start with, as we have a solid foundation in our certified Quality and Environmental Management System. A system we will continue to evolve on as we progress.

Working on our CSRD journey in the coming year, it is important to keep both the opportunities and challenges in mind, but by making CSRD a priority and navigating obstacles with determination, we believe we can drive this topic towards a more sustainable future and create value for all stakeholders involved.



# TENEMENT SUSTAINMENT

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**We are the obvious  
advisor to our clients on  
shipping, logistics, and  
how we best can  
implement sustainable  
solutions together**

**Ulrik Rasmussen**  
Group CEO  
Logistics



# SUPPORTING SUSTAINABLE SOLUTIONS

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

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

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

Our primary focus remains on updating our sites and reducing our Scope 2 emissions. We continue to make improvements to our buildings and facilities, collaborating closely with external consultants and facility managers to reduce our electricity and heating consumptions. Our newest establishment in Jönköping, Sweden, which is constructed with Swedish environmental certification, incorporates solar panels to further mitigate our greenhouse gas emissions. And in Malmö, we are in the process of mapping the need for the construction of new facilities. If we go ahead on these plans, we are dedicated to learning from Jönköping and build to the same high environmental standards. As we move forward, several more locations throughout Sweden are too, in the process of transitioning to more sustainable sites.

Driven by our continuous site improvements, we are setting interim targets, aiming for a 30 percent reduction in Scope 2 emissions by 2030. We are determined to continue making the necessary investments to lower the emissions stemming from our service operations and towards our commitment of reducing our Scope 1 and 2 emissions by 60 percent by 2040 compared to our baseline year of 2021/22.

## INCREASING FOCUS ON CARBON-REDUCING SOLUTIONS

In response to our clients' increasing focus on reducing CO2 emissions, we have taken proactive steps towards providing more carbon-reducing fuel solutions. We have undertaken a comprehensive assessment to facilitate the transition to electric trucks, primarily linehaul and distribution operations. We are running trials on electric trucks in Poland and increasing our use of HVO100, particularly in Sweden and Finland, as part of our efforts to achieve further emission reductions. While we are exploring alternative fuels like biogas and LNG, current pricing considerations mean our focus remains on maximising the effectiveness of our existing initiatives.

Our efforts to reduce emissions have shown tangible results, with a decrease of 153.087 metric tonnes in CO2e emissions, representing a 16.7 percent reduction compared to financial year 2021/22 against our revenue.

## COLLABORATION WITH STAKEHOLDERS IS KEY

While Scope 3 emissions continue to constitute a significant portion of our total CO2 emissions, we remain committed to addressing this challenge. We firmly believe that forging close collaborations with stakeholders — including customers, suppliers, and authorities — across the industry is key to achieving our sustainability goals.

Reducing our Scope 3 emissions necessitates concerted efforts with our customers and suppliers, involving innovations and EU-level policy advocacy. Specifically, together as an industry we need to advance towards more sustainable, fossil-free vehicles and establish the necessary infrastructure for alternative fuels.

By fostering open dialogue and sharing insights, we believe in the power of collective action towards sustainability. We actively seek partnerships with those who share our commitment, including customers, subcontractors, public authorities, and academic institutions, to drive meaningful change together.

In addition to strengthening partnerships, we are also committed to encouraging subcontractors to move towards a more sustainable direction. This includes initiatives such as building greener infrastructure at our sites, making charging trucks easier, and in the future, engaging in wholesale purchases of e-trucks which can be rented out to our hauliers. Our sites in Sweden are already leading the way in this regard, with charging stations being integrated into our construction plans.

We will continue to actively pursue opportunities to make tangible strides towards sustainability, by fostering partnerships, strengthening ties with suppliers and customers, and participating in networking groups dedicated to sustainability.

## PROMOTING CIRCULARITY

Efficient waste and resource management is a constant goal for us, as we continuously seek ways to optimise our resource usage. Our aim is to minimise waste production and increase recycling rates throughout our operations. Emphasising the principles of reduce, reuse, and recycle, we strive to conserve resources and lessen our environmental impact. Specifically, we are focused on increasing recycling and reducing general waste in our office premises.

We are actively encouraging all country managers, alongside our shipping locations, to implement waste separation practices instead of utilising single containers for all waste types at our owned locations. Our overarching ambition is to establish waste separation protocols at all European sites by FY2024/25.

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

# ENVIRONMENT TOPICS & TARGETS



SCOPE 1 & 2  
– EMISSION  
REDUCTION  
BY 2040  
**60%**

SCOPE 3  
– EMISSION  
REDUCTION  
BY 2040  
**50%**

EMPTY  
HAULAGE  
ROAD  
TRANSPORT  
BELOW  
**8%**

UTILITY LOAD  
ROAD  
TRANSPORT  
ABOVE  
**98%**

COMPANY  
CARS ON  
ALTERNATIVE  
FUELS  
BY 2035  
**100%**

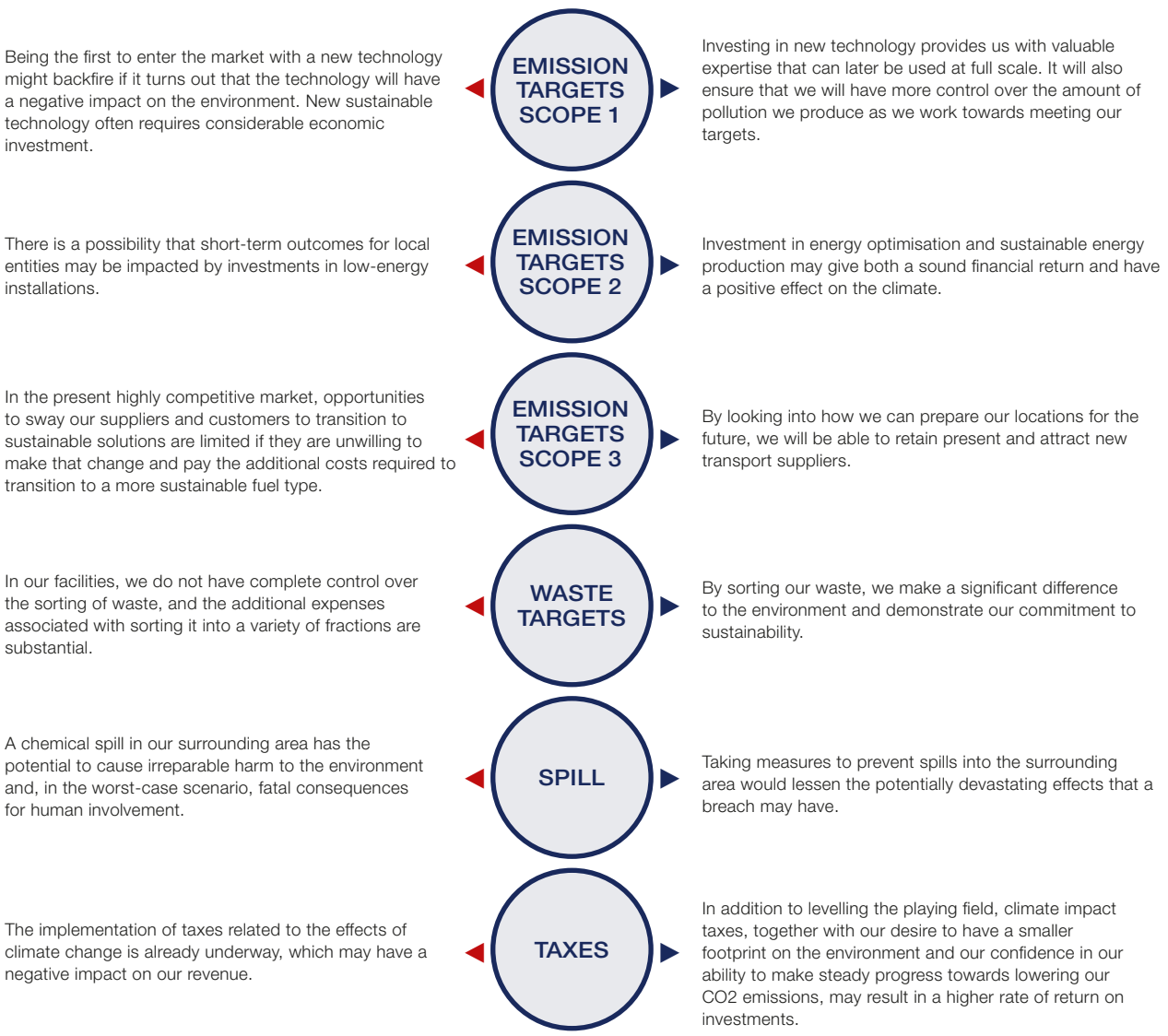
WASTE  
SORTED FOR  
RECYCLING  
BY 2025  
**65%**

# RISKS & OPPORTUNITIES

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

## ENVIRONMENT RELATED RISK

## ENVIRONMENT RELATED OPPORTUNITIES







**We are committed to continuously mitigate our environmental impact via improvements and target setting**

# CLIMATE IMPACT UNDER OUR CONTROL

In alignment with the objectives of the Paris Agreement, which seeks to limit global warming to well below two degrees Celsius compared to pre-industrial levels, we are committed to continuously mitigate our environmental impact.

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

In the financial year 2023/24, our Scope 1 emissions have been reduced to the same level as the base year, even though last year we included our chartered vessels in Scope 1. Overall, our Scope 1 emissions are reduced by 16.5 percent compared to the base year of 2021/2022 as well as our revenue.

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

Despite a slight increase in our Scope 2 emissions compared to last year, it is important to highlight that this is due to the expansion of the number of locations we now report on. Despite this, we continue to see a reduction measured against our base year and a notable 1.3 percent decrease relative to our revenue.

Building on the progress made last year, SDK FREJA's efforts to increase energy efficiency at our sites have continued with a strong focus on reducing Scope 2 emissions. We have further improved our buildings and facilities, in partnership with external consultants and facility managers, to decrease our electricity and heating consumption.

This year, we proudly highlight our new facility in Jönköping, which is certified under Swedish environmental standards and among other environment-related actions features solar panels, contributing to our goal to further mitigate our climate impact under our control.

Across all of Sweden we are in the process of reviewing our needs for upgrading or constructing new facilities. As we move forward with these plans they will be closely aligned with the positive results gained with higher energy efficiency standards from our project in Jököping.

Our dedication to continuous improvement has led us to establish an interim target, aiming for a 30 percent reduction in Scope 2 emissions by 2030. This milestone is integral to our long-term goal of achieving a 60 percent reduction in Scope 1 and Scope 2 emissions by 2040. We, at SDK FREJA, are committed to investing in technologies and practices that will help us meet these targets.

**OUR SCOPE 2 EMISSIONS HAVE BEEN REDUCED BY**

**1.3%**

**COMPARED TO FY 2021/2022**

**2030 MILESTONE:**

**WE EXPECT TO SEE A REDUCTION OF OUR SCOPE 2 BY**

**30%**

**BY 2030**

## CASE

# ELECTRIC TRUCKS ARE POSSIBLE

## NOW TO MAKE THEM FEASIBLE

Since November of 2023, FREJA has been engaged with mapping and scoping advantages, opportunities, stakeholders, clients, and suppliers, ahead of the necessary next generation of trucks added to the fleet. And more specifically for how to utilise heavy electronic trucks in the best way possible for logistics.

To assist FREJA with this work, Kristian Hegner Reinau, Ph.D. and Senior Project Manager for Urban Planning and Transport with consulting company COWI has been working closely with FREJA to develop the roadmap for future electric truck usage.

“What is happening now with electric trucks marks the third wave of disruption in cargo logistics over the past century. The first wave was the diesel engines, followed by the introduction of containers. Now, we stand at the cusp of a highly diverse future for fuel technologies. This is why it is vital for companies like FREJA to conduct an initial mapping of stakeholders and opportunities before diving into major acquisitions,” explains Kristian Hegner Reinau and adds:

“Much of this project revolves around fact-finding and mapping. However, the ultimate outcome depends on having a strong

organisation that is willing and committed to making the demanding changes necessary to implement new fuels.”

With FREJA, Eric Clausen, the Head of ESG & Quality and anchor point for the project is optimistic for the work being done towards the future of electric trucks.

“Right now, FREJA holds a very strong position in the market and with a clear ambition of being a fast follower when the technology and clients are ready. To that end, building on our position, and laying the groundwork for fuel transition, allows for FREJA to become the obvious advisor to hauliers and truckers on the future, adding the value to the supply chain we believe is required,” says Eric Clausen.

As electric trucks are already being implemented in the industry, FREJA is committed to expand on owned charging stations at FREJA locations as part of preparing for that transition, while keeping an eye on alternative fuels like HVO100, methanol, hydrogen, and anything else the future holds. At SDK FREJA, the firm belief is to add value by being a strong advisor, servicing clients with the right solutions for any assignment.

# CLIMATE IMPACT FROM OUR VALUE CHAIN



The climate impact of our value chain includes the greenhouse gas emissions (GHG) from all relevant activities in SDK FREJA's supply chain, which includes our suppliers, contractors, customers, and other stakeholders involved in our operations. Although our influence on our Scope 3 emissions is limited, as these emissions are generated by external actors outside of our direct control, we recognise our role in reducing the negative environmental impact of our value chain. We will achieve this through knowledge sharing, partnerships with relevant stakeholders, and by promoting innovative solutions to tackle climate change.

In the financial year 2023/24, our Scope 3 emissions account for 97 percent of our total CO<sub>2</sub> emissions. Although immediate reductions in emissions from outsourced transport activities are limited, we anticipate significant progress in the medium term. By 2027, we expect the industry to reach a financial equilibrium between the operating costs of electric and diesel trucks, which will facilitate a broader transition to more sustainable transport alternatives when it comes to international road and sea transport. By maintaining a fleet age of no more than five years, we believe that most of the trucks will meet new environmental standards by 2030.

In the interim, we are actively reducing emissions across the Nordic regions by leveraging strong partnerships with our subcontractors and customers who are at the forefront of adopting more sustainable practices and technologies. These strategic partnerships have notably led to significant reductions in last-mile delivery emissions in Sweden and domestic transport-related emissions in Finland via an increased use of HVO100 as fuel source. Together with our subcontractors, we are establishing measures that assist in documenting and verifying our progress, ensuring these improvements are accurately integrated into our accounts.

We remain committed to our ambitious goal of reducing our Scope 3 emissions by 50 percent by 2040. While operating in a predominantly market-driven context, we recognise that we cannot force our suppliers to switch to alternative technologies without the necessary infrastructure, financial incentives, or a common EU approach to sustainability in international transport. Nationally, the incentives that national governments put in place to ensure a transition towards more sustainable transport vary greatly from country to country. Despite these challenges, we are not concerned about achieving this goal. We are confident that the continuous technological advancements will drive the necessary changes, allowing us to meet our targets effectively.

OUR REDUCTION TARGET FOR SCOPE 3 IS

**50%**

BY 2040  
COMPARED TO  
FY 2021/2022



## CASE

# SWEDEN AND FINLAND LEADING THE WAY

## TOWARDS CARBON REDUCTION THROUGH STRATEGIC PARTNERSHIPS



Both our FREJA Sweden and FREJA Finland locations serve as prime examples of the key role that close partnerships play in making progress towards achieving our sustainability goals. Through collaborative initiatives with clients and suppliers, these entities have achieved significant reductions in our carbon emissions in their respective countries.

Responding to growing client demand for CO<sub>2</sub>-reducing solutions, FREJA Sweden has proactively engaged in assisting customers in analysing their entire logistics processes to identify areas where measures to decrease their carbon footprint could be taken. Furthermore, by upholding subcontractors to the same high standards, we encourage them to explore ways to minimise our carbon footprint.

Søren Skive, Deputy Managing Director of FREJA Sweden, emphasises our dedication to continuous learning in sustainable practices through close collaborations.

"We continuously educate ourselves on biodiesel through our partnerships. Our aim is to be recognised as an innovative and environmentally conscious partner, prioritising sustainability over mere transportation," says Søren Skive.

FREJA Finland has also made significant strides in reducing our carbon footprint by adopting Kaukokiito BIO service, the HVO diesel solution provided by Kaukokiito, a long-term domestic partner. Through this partnership, effective August 1st, 2023, all our domestic transportation services in Finland have transitioned to HVO Diesel from conventional fuel. This transition has led to an 87 percent reduction in domestic transport-related emissions in Finland. We view this as a tangible step towards achieving 50 percent Scope 3 reduction by 2040 compared to FY2021/2022.

Along with Søren Skive, Krister Heinonen, Business Development Director of FREJA Finland, highlights the importance of availability and the needed infrastructure to achieve our sustainability goals.

"We continually explore opportunities, whether within existing partnerships or through new collaborations, to reduce our carbon footprint. While we are also investigating the potential of electric trucks and biogas, the feasibility depends on the availability of necessary infrastructure. This remains a challenge we collectively need to solve in order to keep achieving our sustainability targets."

# RESOURCE AND WASTE MANAGEMENT

At SDK FREJA, we are very conscious that waste should also be seen as a resource, and we want to create environmental awareness and promote a green agenda at our facilities and among all our employees.

For both the shipping and logistics divisions, the majority of our waste consists of relatively simple waste fractions resulting from our activities within storage and transport, as well as the destruction of waste on behalf of customers. We must ensure that our employees have easy access to proper sorting for recycling, and we continuously monitor our sorting efficiency.

Our operations span across eight countries, each with distinct national legislative requirements for waste sorting. Our resource and waste policy is designed to establish a robust baseline for waste sorting across all locations with at least a 65 percent minimum recycling rate. Many of our locations already achieve significantly higher rates due to tailored local practices, while others are still working to have routines in place to meet this goal. In Norway for instance, we have already achieved recycle rates of up to 85 percent, setting a high standard and providing a model for other locations within our organisation. To maintain and continuously build on these success cases, we conduct regular annual audits to ensure compliance with our policies at each site.

Furthermore, we actively promote recycling through targeted intranet campaigns and small local initiatives, aiming to engage and educate our employees on our resource and waste management objectives. Beyond the measurable success in sorted waste, our sites are becoming increasingly adept at reusing materials like pallets and cardboard boxes.

In the financial year 2023/24, we attained a recycling rate of 61 percent. Our aim to reaching a 65 percent recycling rate for our total waste by 2025 remains unchanged. As part of our continued efforts, we are refining our sorting requirements across all countries to uphold this commitment.

”  
**Our resource and waste policy is designed to establish a robust baseline for waste sorting across all locations with at least a 65 percent minimum recycling rate**

## GOAL

WE AIM TO RECYCLE

**65%**

OF OUR WASTE BY 2025.

IN THE LATEST FY 2023/24, WE ACHIEVED A RECYCLING RATE OF 61% FOR SORTING.

## CHALLENGES

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

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

## CASE

# OUR LAPTOPS GET NEW LIFE IN THE PHILIPPINES



We understand the negative impact that e-waste has on our planet, and we are always investigating how we can reduce the environmental footprint we leave behind. One of our initiatives is giving our old laptops new life by donating them to a school in the Philippines. This came to happen through the personal involvement of Strategic Account Manager, Ulrik Arend Sørensen and his previous classmate who were involved in a project providing a Philippine school with a new science room. They also needed laptops, so Ulrik contacted SDK FREJA's IT department to see if they could assist.

“Being able to give the laptops a new life, while spreading joy for the students, it was an easy decision. We handle many laptops in SDK FREJA, and normally, we hand over outdated IT hardware to disassembly and recycling. However, as part of this project we now refurbish them and donate them to the school instead. Around 200 students attend this school, so the need is going to be constantly there. Therefore, we continue to collect laptops to support this great initiative and hopefully help other schools as well in the future,” says Morten Søgaard, Group IT Director.

By either recycling or donating our laptops, we are actively trying to reduce our e-waste. And in donating the laptops to the students, we hope to give them a better school and learning experience.



The landslide of Nordic Waste was an unforeseen event, resulting in a significant impact to this year's financial results.

# NORDIC WASTE

In the summer of 2021, SDK FREJA acquired a minority stake in the Danish start-up company Nordic Waste, which was established to develop techniques relevant for circular development in the polluted soil clean-up industry. The core business of the company involved soil remediation and extraction of raw materials for the construction and building industry, where raw materials were – and still are – in short supply.

The secondary goal of Nordic Waste was to deposit either clean soil or soil with a contamination level equivalent to that of urban soil into a clay pit in accordance with permits issued by the municipality. Filling up the clay pit was agreed to in order to restore the scenery to its original state prior to the past 70 years of quarrying activities. As such, Nordic Waste served a dual purpose of soil cleanup and landscape restoration via soil deposits.

As part of SDK FREJA's initial minority acquisition of Nordic Waste in 2021, financial due diligence as well as environmental assessment surveys were conducted.

In October 2022 and May 2023, SDK FREJA acquired further stakes in Nordic Waste, as the business model and sustainable ambitions of the company continued to align with the ESG initiatives and aspirations of the SDK FREJA Group.

Unfortunately and due to unforeseen circumstances a landslide took place on Nordic Wastes facility in 2023. Nordic Waste made substantial efforts in slowing and mitigating the landslide.

The landslide could, however, not be stopped, and effectively toppled down offices and facilities on its way, spilling out onto public land. The Danish Environmental Protection Agency laid a heavy injunction of financial collateral far beyond Nordic Waste's financial ability, and the company was led to bankruptcy.

The landslide has also affected Nordic Waste's sister company DSH Recycling given that DSH Recycling's primary source of income was property rent from the land used by Nordic Waste. The bankruptcy of Nordic Waste has caused DSH Recycling to file for

reconstruction due to lack of rental income from the bankrupt company.

The bankruptcy of Nordic Waste has resulted in significant negative impact on the financial results for 2023/24. The extensive work to halt the landslide of Nordic Waste has led to unforeseen and significant extraordinary costs and write-downs totaling DKK 234 million.



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**To secure a diverse and inclusive talent pipeline in the future, we aim to increase visibility, highlight relevant casework, feature role models, and share impactful stories**

**Søren Gran Hansen**  
Group CEO  
SDK FREJA Group



# PLACING PRIORITY ON PEOPLE

As we navigate the industries we operate in, our efforts remain on five key areas under Social: Health & Safety, Diversity, Equality & Inclusion (DEI), Employee Attraction and Retention, Human and Labour Rights, and Community Engagement.

Diversity, Equality, and Inclusion (DEI) are embedded in our social initiatives. We embrace diversity in all its forms and are dedicated to fostering an inclusive culture where every employee feels valued and respected.

At the same time, it is essential to acknowledge the lasting influence of the historically male dominated structure within the logistics and shipping sectors, understanding that achieving gender balance will require more time to allow for an industry culture shift. Progress towards equality may be gradual, especially considering the conventional "starting at the bottom" career progression in our fields. While we understand that change will not happen overnight, we remain committed to proactively fostering a more equal and inclusive workplace.

Our current gender distribution remains mostly unchanged, with women continuing to be underrepresented across all levels of our organisation. This stagnation in progress is a clear indication that our efforts thus far have not been as effective as we had hoped. We must critically assess our strategies

and approach, recognising the need for more targeted and impactful interventions.

Therefore, we are focusing our efforts on formulating concrete goals for the coming year. These goals will be informed by an evaluation of our current practices and industry norms, with a commitment to driving tangible improvements in gender balance and inclusivity at all levels of our organisation.

We will be reassessing the way we attract talent, revising job ad language to be more inclusive, and reimagining how we promote our trainee programmes, thereby adjusting our talent and career management strategies. In 2024, we work towards implementing policies focused on supporting underrepresented groups within our workforce.

By ensuring equal opportunities for growth and advancement, we aim to build a culture where all individuals feel valued, supported, and able to reach their full potential.



**In our line of work, the safety and well-being of our employees are non-negotiable. It's not just about compliance; it's about creating a culture where safety is ingrained in everything we do**

**Lars Jespersen**  
Group CEO  
Shipping

At SDK FREJA, ensuring the health and safety of our employees takes precedence, especially as we act in high-risk environments. Recognising that our employees are the most valuable assets in our operation, prioritising their safety is a vital part of ensuring the success of our organisation.

Working in port environments and engaging in stevedoring activities, we acknowledge the inherent risks involved in our work. Therefore, it is imperative that we establish and uphold stringent safety measures to mitigate these risks and protect our employees.

Our proactive approach includes implementing comprehensive safety measures and diligently monitoring and documenting any incidents to gain valuable insights for continuous improvement.

Community engagement is deeply ingrained in our corporate values. We are committed to giving back to the communities we are a part of, recognising that our success is intertwined with their well-being. Through collaborative initiatives with local organisations, financial backing, and volunteer programmes, we strive to make a meaningful and lasting impact, recognising that our success is intertwined with the well-being of those around us.

Every day, we work towards providing a safe work environment, opportunities for professional development, and a culture that encourages collaboration and innovation for all SDK FREJA colleagues. We believe that investing in our people's personal and professional development not only heighten their individual success but also strengthens our collective capabilities as a company.



# SOCIAL TOPICS & TARGETS



MAINTAIN UNDER-REPRESENTED GENDER IN THE BOARD OF DIRECTORS  
**33%**

MAINTAIN EMPLOYEE TURNOVER RATE BELOW  
**15%**

SICKNESS ABSENCE BELOW  
**2.5%**

LOST TIME INJURY FREQUENCY PER 1,000,000 IN 2025 BELOW  
**4**

FATALITIES  
**0**

# HEALTH & SAFETY

The safety and well-being of our employees are our top priority, particularly as we operate in high-risk environments. Therefore, we continue to invest resources in risk mitigation and equipping our people with the right knowledge and tools to ensure they can carry out their tasks in a safe and responsible manner.

In the financial year 2023/24, our LTIFR experienced a slight increase to 4.6 from 3.9 last year. However, compared to the base year 2021/2022, when it was 10.3, we are pleased to continue a positive trend, proving the effectiveness of our initiatives. We aimed to reduce our LTIFR per 1,000,000 to below 8 by 2024 and have successfully met this target. Looking ahead, we are now focused on achieving an LTIFR of below 4.

The impressive progress compared to our base year is a direct result of our dedicated employees and the occupational health professionals and colleagues at our sites.

At every location, we conduct a comprehensive risk assessment of all work procedures, including the operation of cranes, staff training, safety equipment requirements and protocols for proper usage. To further support our risk assessments, we have implemented Standard Operating Procedures (SOPs) for the majority of our standard operations across our ports. Using pictures and step-by-step guides, SOPs outline specific methods, including the use of Personal Protective Equipment (PPE), to be followed when performing tasks to reinforce best practices in health and safety protocols.

To ensure that our Health, Safety, and Environment (HSE) initiatives are visible and impactful for our employees, we use our HSE handbook to facilitate communication within SDK FREJA, particularly when the QHSE representative is not present on site.

We recognise that our Shipping division presents high risks and demand increased focus and resources to improve our occupational safety measures. Operating as stevedores at approximately 15 port sites throughout Denmark, we ensure the presence of Health & Safety representatives at each location, including site managers. These representatives convene four times annually to address any necessary adjustments in relation to the work environment. They also play a vital role in reporting unsafe conditions through our registration system, known as Plan A, and collaborate on devising strategies for handling such conditions effectively. Additionally, our four appointed QHSE representatives visit a minimum of 10 sites per month to provide support to the Health & Safety representatives.

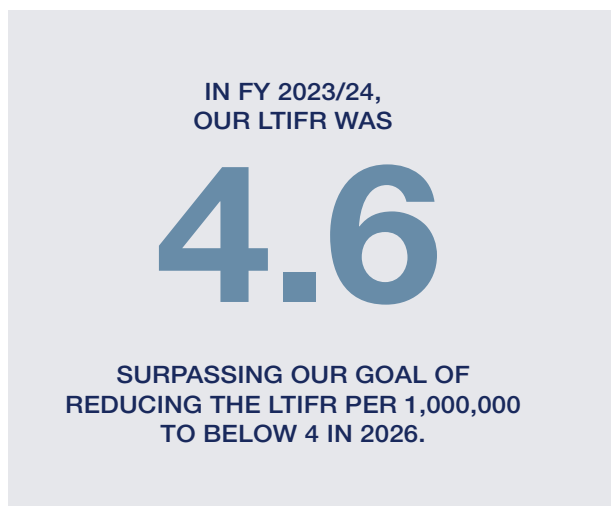
We have tailored health & safety policies in place for both divisions, ensuring local anchoring and a strong presence. By customising our policies to the specific needs of each of our divisions, we can better address the unique occupational health and safety challenges they encounter. This approach allows us to prioritise the safety of our employees and create a positive and secure work environment. We remain dedicated to increasing our efforts towards ensuring a safe working environment for our employees.



**At every location, we conduct a comprehensive risk assessment of all work procedures to ensure our colleagues can carry out their tasks in a safe and responsible manner**

**Henrik Mortensen**

Director, QHSE, Procurement & Insurance Shipping



## CASE

# THINK 5 CAMPAIGN

## CREATING SAFETY AND AWARENESS IN OUR SHIPPING DIVISION



In 2023, SDK Shipping implemented the Think 5 (Tænk 5) campaign, an initiative aimed at increasing safety awareness among our employees within our Shipping division.

Over a period of 10 working days, we employed a comprehensive approach to achieve this objective. Key components of the campaign included action cards featuring five critical statements for conducting a personal risk assessment.

Additionally, posters and magnetic cards with the five statements were strategically placed throughout our facilities to reinforce safety protocols.

A notable aspect of the campaign was the introduction of a dialogue game, designed to facilitate constructive discussions around safety practices among employees. This interactive tool encouraged active engagement and knowledge sharing within our workforce.

Recognising the importance of effective follow-up, we launched a SMS service to deliver timely safety reminders and updates directly to employees' mobile devices.

“By prioritising safety and fostering a culture of continuous improvement, we hope to protect our employees and ensure that they get home safely from work every day,” says Helle Thuesen, QHSE.



# DIVERSITY, EQUALITY, AND INCLUSION

At SDK FREJA, we strongly believe in fostering a welcoming and inclusive environment that values diversity and inclusivity, regardless of race, sexual orientation, or gender identity.

Our gender distribution has remained the same as the previous year, with males comprising 71.3 percent and females 28.3 percent of our workforce. While certain sectors of our industry, such as warehouse and harbour operations, have historically been male dominated, we are dedicated to advancing diversity and gender equality across all facets of our operations, acknowledging our responsibility to drive meaningful change towards achieving a more balanced gender representation.

Currently, our Board of Directors consists of eight members, including three women representing 37.5 percent of the board. While this reflects progress, there's still room for improvement, particularly in upper management levels. Both our Executive Management and overall Management team still exhibit low female representation, highlighting the need for ongoing efforts to create a more balanced gender composition throughout our organisation.

To address this opportunity for change, we are actively formulating targets to increase gender balance at both management level and among our employees.

Despite challenges posed by our decentralised HR structure in executing a comprehensive plan, we remain committed on promoting inclusivity. We are exploring ways to centralise coordination and resources to drive more effective diversity initiatives.

Looking ahead, our strategic focus revolves around re-evaluating talent acquisition methods, refining job advertisement language for inclusivity, and reworking the promotion of our trainee programmes. These adjustments to our talent and career management strategies are pivotal in creating an environment where individuals of all genders can thrive and contribute meaningfully.

At SDK FREJA, we have a workforce that represents 19 different nationalities, and we strongly believe that diversity is a key driver of innovation, creativity, and better decision-making across our business. We are committed to working with local municipalities and organisations to help create a more inclusive workplace for people with reduced work capacity or special needs. We are dedicated to promoting a culture of respect and equal opportunity, and we reject all forms of prejudice. Our goal is to ensure that every member of our team feels valued and respected and has access to equal opportunities.

THE NATIONALITY  
COMPOSITION OF  
OUR WORKPLACE IS

19

DIFFERENT  
NATIONALITIES

THE GENDER COMPOSITION OF  
OUR BOARD OF DIRECTORS IS

37.5%

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

# EMPLOYEE ATTRACTION AND RETENTION

Attracting and retaining top talent is crucial to our success, but also for cultivating a positive work environment and promoting sustainable growth. We believe that by investing in the well-being and development of our employees, we will continue to drive our organisation towards success.

We do this by offering robust training and development programmes, mentoring schemes, opportunities for further education and career advancement, as well as safe working environment with a strong and inclusive culture.

We aim to have a better understanding of our employee's well-being and needed improvements through our annual employee satisfaction survey, in addition to employee conversations and workplace assessments.

To foster internal mobility and equal opportunities for advancement, we have launched awareness campaigns on our intranet platform, showcasing success stories and career progression possibilities within our organisation. Inspired by a successful implementation of training and development programmes in Norway, we are investigating ways to replicate and adapt these initiatives in other locations.

We believe our employees are our greatest assets, which is why we work on creating opportunities for internal job transfers if an employee is interested in trying something new. In 2023/24, we had eight internal job changes between departments in Denmark. Learning from this, we will work on creating awareness among employees across our other locations as well to ensure that we can keep our best employees with SDK FREJA.

## LEAP

During financial year 2023/24, we conducted our second joint employee satisfaction survey since our SDK and FREJA entities joined forces as one unified organisation. The survey was conducted building on our ongoing monitoring of our employees' wellbeing.

We are pleased to report substantial progress in our latest employee satisfaction survey, highlighting our commitment to continually fostering a positive and engaging workplace environment. This year we have observed significant improvements in all key areas compared to our initial survey. Notably, areas such as engagement, communication, job content, education and development, recognition, cooperation, trust, and support, have all seen improved scores. With this momentum, we are aiming even higher for the next survey, targeting an overall Net Promoter Score of 8.5 or above. Our HR team will leverage these insights to further refine and improve our workplace culture, ensuring that we continue to build on this positive progress.

DKK '000	2023/24	2022/23
<b>Monitored Groups</b>		
Engagement	8,2	7,6
Communication	7,6	6,5
Job Content	8,3	7,6
Education and development	7,5	6,3
Recognition	8,2	7,4
Cooperation	8,5	7,6
Trust and support	8,5	7,9

IN FY 2023/24 OUR OVERALL NET PROMOTOR SCORE WAS

31.9

OUR TARGET FOR FY 2024/25 IS TO ATTAIN AN OVERALL NET PROMOTOR SCORE OF

37

OR ABOVE

The Employee Net Promoter Score (eNPS) is a method used to measure employee loyalty and satisfaction. It involves asking employees how likely they are to recommend the company as a place to work to others, on a scale from 0 to 10. Based on their responses, employees are categorized as Detractors (0-6), Passives (7-8), or Promoters (9-10). The eNPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. This score provides a quick, quantitative measure of employee satisfaction and loyalty.

## CASE

# CULTIVATING EQUALITY AND PRIDE

## NORWAY'S INTERNAL DEVELOPMENT PROGRAMMES AND RESILIENT INTERNAL CULTURE



At SDK FREJA, we believe that the social and interpersonal aspects are fundamental for employee satisfaction and performance. Since 2017, we have been addressing how to motivate our employees to actively contribute to value creation at all levels through initiatives fostering collaboration, team cohesion, accountability, customer empathy, employee ownership, and reputation building.

FREJA Norway has also introduced internal development programmes like Speditør 2.0 and Logistikk 2.0. These programmes aim to enhance employee skills, work methods, and workplace well-being, with a focus on best practices and job satisfaction. Through workshops and kick-off events, every employee's voice is heard, ensuring inclusivity and a sense of pride in their contributions.

Additionally, recognising the increasing demands on leaders and employees to adapt to constant change, we prioritise nurturing a strong internal culture.

“Through engaging all employees in various events, including annual gatherings and departmental social evenings, we aim to foster an inclusive and enthusiastic work environment. We also use internal marketing to further

reinforce the idea of mutual support among employees,” says Mona Følstad, HR Director of FREJA Norway.

With a workforce of 200 team members, FREJA Norway ensures individual needs are met, emphasising the motto “EVERYBODY SHALL BE INVOLVED.”

### Empowering information sharing and learning at FREJA Norway

Addressing the challenge of sharing information to all employees, particularly those who are not working daily on computers, FREJA Norway has implemented innovative solutions. Large screens installed at logistics centres facilitate instant access to vital information with a simple click. Additionally, personalised access to the company's intranet and QMS has been made available to all employees, including those without corporate email. Utilising mobile technology, all FREJA employees now have access to updated internal news, handbooks, and safety guidelines. Moreover, the recent investment in Videocation, an online training platform, enables employees to enhance their skills across various domains, fostering competence, motivation, generosity, and openness, essential for a thriving culture at FREJA.



**The key factor for successfully achieving our ambitions is a leadership capable of fostering improved collaboration across FREJA Norway and supporting employees to utilise their full potential**

**Mona Følstad**  
HR Director at FREJA Norway

# HUMAN AND LABOUR RIGHTS IN OUR SUPPLY CHAIN

At SDK FREJA, we value our suppliers as integral members of our network, and we are dedicated to nurturing a culture of respect and appreciation. We are committed to treating our suppliers with the highest level of respect and integrity. Our steadfast enforcement of our Code of Conduct ensures that ethical standards are upheld, fostering positive and enduring relationships with our esteemed suppliers.

We place significant emphasis on cultivating and sustaining robust partnerships with our suppliers, allowing for transparent and trusting evaluation processes. To enhance our assessment procedures, we implement risk assessments for our suppliers and the regions in which they operate. As part of this diligence, we conduct inspections of a carefully chosen subset of suppliers to verify adherence to human rights standards.

Given that hauliers and drivers constitute most of our suppliers and often frequent our facilities for cross-docking and mandatory rest periods, at SDK FREJA we are investing in creating safe and pleasant hubs for relaxation and social interaction. We actively advocate for our customers and other business partners to adopt the same conscientious approach when handling goods during loading and unloading procedures.

## CASE



At SDK FREJA, the only thing more important than treating our cargo with the utmost care, is treating our employees with care and respect. And this comes back tenfold with our drivers, who are our strongest asset – for retaining clients as well as acting as lead on new hires, as we expand.

Nowhere is this truer than with SDK FREJA subsidiary Transcargo Trucking in Poland. Having quadrupled the workforce over the past years, of their 170 drivers, only forty of them are Polish. The rest is a diverse group of Ukrainians, Belarusians, Nigerians, and Filipinos who all come to Poland to work for SDK FREJA. And almost none are hires based on job posting, rather, SDK FREJA's strong reputation.



# CARE AND RESPECT CONNECTS A DIVERSE WORK FORCE



“The key to building and maintaining driver’s satisfaction is incredibly simple, albeit very hard to execute to everyone’s satisfaction: If they need something, we help them. If they need help with their consulate, we help them, or if they have an emergency, medical or otherwise, we help them,” says Pawel Slizowski, Director of Transcargo Trucking, adding:

“This mentality from the company trickles down and becomes a helpful culture where the drivers, too, help each other. Building this culture has taken a while but has also fostered an incredible loyalty towards not only SDK FREJA, but also each other, something we all thrive off.”

Part of what helps connect employees in Poland is the driver accommodation in Szczecin, a fully modernised rest and relax centre for drivers with room for 34 drivers, gender separated washrooms, and common kitchen areas. This allows for

drivers to have their downtime and socialising. This free space becomes very important when drivers come from all around the world and have left their homes and families behind.

“We employ many Filipino truck drivers, who since a work exchange agreement was made between Poland and the Philippines in 2019, have come to Poland for extended periods and work while supporting their families at home. And to our credit, many of them return to us in SDK FREJA again and again, due to the conditions we support. We believe this is a win-win.”

As professional truck drivers continue to be scarce resource in Europe, relying on foreign workers is necessary, but only in creating the best possible conditions for them, can we ensure we get the best possible drivers. That is why employee care is not only the right thing to do, but simply good business.

# COMMUNITY ENGAGEMENT

At SDK FREJA, our commitment to community support is a fundamental aspect of our corporate values. We recognise the importance of giving back to the communities where we live and work, whether it's by providing financial assistance for aspiring athletes and teams to pursue their dreams, offering complimentary services to local organisations, or supporting charitable initiatives.

Over the years, we have supported numerous sports teams and athletes, and at the same time contributing to reputable charitable organisations such as Red Cross, Børnecancerfonden, and Trafikkalenderen, among others. Our dedication to supporting smaller communities and athletes who resonate with our values remains steadfast.

We firmly believe that by investing in local initiatives, we not only uplift individuals but also foster a sense of community pride and belonging in the regions where we operate. Through our ongoing community engagement efforts, we aim to create lasting positive change and contribute to the betterment of society.

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**Our dedication to supporting smaller communities and athletes who resonate with our values remains steadfast**



## SUPPORTING OUR VOLUNTEERS

At SDK FREJA, we believe in supporting our employees to make a difference in causes they care about. Many of our employees actively participate in volunteer work for various charitable organisations. For instance, Helle Reilev Anthonson, our Team Manager Customer Service Domestic, volunteers her time for the "Stafet for Livet" event, which raises funds to combat cancer. In her role as a volunteer, she contributes significantly to the event's organisation. Upon her request, SDK FREJA proudly supported her efforts by providing merchandise and offering transport services for the event.

"I'm proud to be part of a company that wants to help others and make meaningful contributions. It resonates deeply with my own values as a volunteer," says Helle Reilev Anthonson, reflecting on her experience working for a company that supports local initiatives and good causes.

## SUPPORTING CAMPAIGNS WITH SHARED VALUES

At SDK FREJA, our commitment is to back initiatives and partners that resonate with our core values and share common objectives with us. A good example of such synergy is our endorsement of the Flexbert campaign in Sweden, dedicated to increasing traffic safety for children. Flexbert has successfully distributed over 500,000 traffic safety products, including vests and reflectors. Their mission to annually reach one million children and thereby increase road safety for our youngest commuters aligns closely with our safety focus.

"We have chosen to support the Flexbert campaign because our values are clearly aligned. As a transport and logistics company with a significant presence on the roads, prioritising road safety is paramount for us. Contributing to initiatives like Flexbert is a natural extension of our commitment," says Janni Leveau, HR Manager at FREJA Sweden.



## SUPPORTING INSPIRING TALENTS

In our ongoing pursuit of meaningful partnerships, we are thrilled to spotlight our sponsorship of the Danish freeride skier, Stine Berg Henriksen. Stine is an upcoming and ambitious athlete with a determination to reach great heights in her career while also serving as an inspiration for aspiring young girls in extreme sports. Her initiative in establishing a freeride camp in Norway in 2022, aimed at creating a safe and supportive environment for girls in the sport, highlights her dedication to paving the way for the next generation of female athletes and creating more inclusive sports.

"It's been incredibly rewarding to found and spearhead the freeride camp, connecting with other motivated young girls and women eager to excel in this sport. Before returning to the camp, however, I have also set some personal goals for my sports career, as I want to climb into the top 10 European rank. To this end, I am deeply appreciative to have the support of a company like FREJA," shares Stine.

With FREJA, the collaboration makes perfect sense, as the values of the freeride camp and FREJA align very closely.

"When Stine approached us, we were immediately drawn to the opportunity to collaborate with her. She is an inspiration for young women, and we want to support that. Just as she is actively trying to get more girls interested in extreme sports, we at FREJA are equally committed to increasing female representation within our industry, making our partnership a perfect match," says Sarah Maibøll, Marketing Manager at FREJA Denmark.





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

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



## We understand that responsible governance extends beyond our internal operations

**Henrik Klausen**  
Group CFO

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

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

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

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

# GOVERNANCE TOPICS & TARGETS



DISTRIBUTION  
OF COC TO  
TRANSPORT  
AND HANDLING  
SUPPLIERS  
IN 2023/24

**98%**

EMPLOYEE  
TRAINING COC,  
GDPR, AND  
IT SECURITY  
IN 2023/24

**100%**

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

ISO  
9001

**90%**

ISO  
14001

**80%**

# CORPORATE GOVERNANCE

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

As the governing organisation for a global group of subsidiaries operating in the shipping and logistics sectors, our Group is overseen by the SDK FREJA Board of Directors. The Board consists of independent directors and members of our owner family, who are the sole shareholders of the Group. With each board member contributing relevant knowledge and experience, we have a long-term perspective towards our business and a very agile leadership model. Our Executive Management team takes active leadership of the SDK FREJA Group and the Group's sustainability agenda. SDK FREJA's Executive Management comprises the Group CEO and Group CFO of SDK FREJA, Group CEO and Group CFO of Logistics, and Group CEO and Group CFO of Shipping. For an overview of the general profiles and competences of our Board and Executive Management, please see our 2023/24 Annual Report.

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

## CERTIFICATION

Within our group of companies, despite their diverse nature, we are working towards establishing a unified and strong foundation that facilitates shared governance. As part of our commitment to governance, we employ ISO standards to drive our operations and ensure that our policies, processes, and procedures are aligned with industry best practices.

In the coming year, the system will undergo a common audit to become unified under a single framework as we consolidate our two existing ISO 9001 certifications and our logistics operation will continue with their own 14001. 2025 will also be a milestone year to mark an expansion of the number of offices included in our certifications. This step is part of our ongoing commitment to strengthening our management system and continuously implementing improvements, ensuring that we uphold strong governance principles for the benefit of all stakeholders.



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**By sharing knowledge, best practices, and innovation, we aim to raise industry standards and contribute to the overall sustainability of the shipping and logistics industries**

Henrik Klausen  
Group CFO



# COMPLIANCE

At SDK FREJA, we are committed to continuously updating and improving our systems and training programmes to align with the latest ESG and IT compliance requirements, ensuring adherence to both national and international regulations, good accounting practices, and the prevention of bribery and corruption.

We acknowledge that compliance is pivotal for our operations, and we are dedicated to navigating the increasingly complex demands to our operations. To this end, we are intensifying our compliance efforts internally and with our partners. Through our Code of Conduct and comprehensive internal training and e-learning modules, we ensure that every employee have a deep understanding of our key rules, values, and principles. Similarly, we ensure our Supplier Code of Conduct is well recognised by our suppliers.

Supplier Management and Customer Management are integral to our compliance programme. In the coming period, we will streamline the processes related to our key stakeholders by introducing an expanded KYC/KYS approach.

Furthermore, through regular audits, we continuously verify and improve our compliance with the requisite standards.

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**We are committed to expanding the scope of our audits to meet the diverse requirements of our business**

**Henrik Klausen**  
Group CFO



## AUDITS

At SDK FREJA, internal as well as external audits play an important role in the learning and development process of our compliance. Through the audits, we identify opportunities for optimisation and improvement, while ensuring compliance with regulatory standards. We are committed to expanding the scope of our audits to meet the diverse requirements of our business.

Expanding into new business areas and pursuing specific certifications requires a flexible system that can quickly gain knowledge and incorporate it into our systems. To ensure comprehensive control, we distinguish between internal and external audit processes. Internally, we have access to a wide range of data that we analyse to guide our audit programme. When conducting supplier





audits, we typically rely on contracts, codes of conduct and regulatory requirements as our basis for assessment.

We use our quality system to document and process all audits and findings based on materiality. There is full transparency for everyone in SDK FREJA to see the documentation and handling of any audit findings.

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

**IN THE FINANCIAL YEAR 2023/24,  
WE HAD**

**34 INTERNAL AUDITS**

**23 EXTERNAL OFFICIAL AUDITS  
AND**

**8 SUPPLIER AUDITS**

# DATA PRIVACY AND SECURITY

At SDK FREJA, the integrity and confidentiality of our stakeholders' data are paramount. We strive to maintain robust data privacy and security standards throughout our extensive IT infrastructure, supporting operations across multiple countries and programmes. Our commitment involves integrating advanced digital security practices and innovative solutions to continuously strengthen and improve the resilience of our systems.

Moreover, our commitment to data privacy and security is deeply ingrained in our corporate governance framework. It intertwines with critical functions including IT management, risk assessment, legal and regulatory compliance, and business continuity planning. By fostering a culture of vigilance and responsibility, we uphold our obligations to employees, business partners, and the broader community.

We conduct comprehensive annual audits both internally, with customers, and in collaboration with regulatory authorities. These audits serve as essential checkpoints to validate the effectiveness of our security measures and ensure ongoing compliance with industry standards and regulations. Our information security management system adheres to internationally recognised best practices outlined in standards such as ISO 27001.

To underline our strategic focus on cyber security and compliance, we have established a dedicated IT cyber security department. This initiative aims to ensure a dedicated structure equipped to proactively identify, assess, and mitigate cyber risks.

As part of our proactive stance on cyber security, we have chosen to embrace the NIS2 Directive, despite not being explicitly mandated to do so yet. This proactive approach ensures that we stay ahead of emerging threats and regulatory requirements. It is our genuine belief that it will be a natural and important part of our overall focus on cyber security and compliance. Furthermore, we need to be a professional partner for our customers, as we are a key player in their own supply chain of cyber security and compliance.

We place a significant focus on knowledge exchange through internal and external networking forums. Participation in our internal NIS2 USTC Group network allows us to leverage collective expertise and resources to deepen our understanding of the Directive and enhance our capabilities.

We, at SDK FREJA, will continue to prioritise data privacy and security to fulfil our obligations to our stakeholders as we continue to evolve and adapt to emerging cybersecurity challenges.

## STRENGTHENING COMPLIANCE THROUGH KNOWLEDGE SHARING NETWORKS

At SDK FREJA, we are committed to actively participating in a variety of knowledge-sharing networks to ensure ongoing alignment with industry standards and regulatory mandates. This commitment includes engaging in internal USTC Group networks, technical knowledge groups, and external forums.

Our operations are overseen by the regulatory entity of the Danish Civil Aviation and Railway Authority (Trafikstyrelsen), who will also oversee and audit compliance with NIS2 based on the Danish interpretation of the EU directive. To uphold our status as a compliant company, it is key for us to maintain alignment with their interpretations of the regulatory requirements.

Consequently, we are proud to be founding members of a forum dedicated to cyber security and compliance, particularly focusing on NIS2, within the port and logistics sector.

"Engaging in discussions on regulatory elements, approaches, and activities alongside other key industry players and relevant authorities provides invaluable insights for us," says Morten Sogaard, Group IT Directo, adding:

"This ensures that SDK FREJA remains fully aligned with industry baselines and regulatory requirements."

# REPORTING AND HANDLING OF MISCONDUCT

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

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

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

## CODE OF CONDUCT

Our unified SDK FREJA Code of Conduct has been published and will be followed by E-learning and an extensive information campaign across our various locations, ensuring that our employees have a thorough understanding of our Code of Conduct, and that its guidelines remain an important part of our compliance efforts.

## WHISTLEBLOWING

Since 2019, SDK FREJA have had a whistleblower programme in place, managed by an external third-party law firm to ensure anonymity and fair and objective evaluation. Our whistleblower service is available in several languages, both internally and externally, for easy access and provides our employees with the opportunity to anonymously and freely express concerns or grievances. During the 2023/24 financial period, the service was used on two occasions. Both instances underwent investigation and were subsequently declined in accordance with the established process.

In our ongoing efforts to increase awareness of our whistleblowing scheme, we have incorporated it more prominently into our Code of Conduct and extended its application to our most important supplier groups. This past year has seen the introduction of targeted internal campaigns and the integration of it into our e-learning programmes, reaffirming our commitment to uphold the highest standards of ethical conduct across all operations. Our robust controller functions, QHSE teams, and QMS system continue to provide multiple venues for employees and stakeholders to report any suspicions of misuse or violations of requirements and rules, reinforcing our strong ethical conduct.

In the event that we receive any complaints or concerns through our whistleblower service, we will treat each concern with total discretion and earnestness. By use of third-party review of any claims to our whistleblower programme, we are committed to protecting the identity of those who use our whistleblower service and providing a safe and secure platform for them to express their concerns.

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**We take prompt and appropriate action to address any instances of misconduct that come to our attention**



# TRANSPARENCY AND REPORTING

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

To access the relevant data required to govern our entities, including ESG performance reporting, we continue to utilise our Business Intelligence (BI) system. Despite our goal to achieve comprehensive coverage of all ESG areas within our BI system by 2024, we have encountered setbacks due to delays with our supplier, stalling the development of the ESG reporting tool. This has necessitated continued manual collection of ESG performance data for certain topics. Furthermore, the diversity of data supplied by various suppliers has led us to conclude that full automation of the ESG BI system will not be feasible in the foreseeable future. However, we remain committed to increase transparency for SDK FREJA. To ensure the correctness of the

data provided in our BI system, our Quality department performs monthly controls on our BI system's in- and output data.

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

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



# ESG PERFORMANCE

## ENVIRONMENT

MT CO2E	2023/24	2022/23	2021/22	INDEX I %
All Scopes	799,243	815,370	949,745	
Financial revenue DKK'000	6,047,866	6,585,012	6,003,410	
All Scopes/Revenue	0.13215	0.12382	0.15820	-16.5

Overall, the emissions figures are very satisfactory, but if we delve deeper into the figures, they show where we can improve and the importance of focusing further on climate impact under our own control.

<b>SCOPE 1</b>	<b>21,524</b>	<b>22,622</b>	<b>21,992</b>	
<b>Scope 1 / Revenue</b>	<b>0.00356</b>	<b>0.00344</b>	<b>0.00366</b>	<b>-2.8</b>
Terminals & Offices	421	1,721	218	
Company cars	567	677	850	
Owned trucks	18,012	16,830	17,530	
Leased Assets	2,524	3,394	3,394	
<b>SCOPE 2</b>	<b>2,915</b>	<b>2,712</b>	<b>2,933</b>	
<b>Scope 2 / Revenue</b>	<b>0.00048</b>	<b>0.00041</b>	<b>0.00049</b>	<b>-1.3</b>
Electricity (Location-based)	602	789	895	
Electricity (Market-based)	2,575	2,617	2,793	
Heating	340	95	140	

**ENVIRONMENT (CONTINUED)**

<b>MT CO2E</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>	<b>INDEX I %</b>
<b>SCOPE 3</b>	<b>774,804</b>	<b>790,036</b>	<b>924,820</b>	
<b>Scope 3 / Revenue</b>	<b>0.12811</b>	<b>0.11997</b>	<b>0.15405</b>	<b>-16.8</b>
Purchased goods/services (Cat. 1)	241	669	802	
Purchased capital goods (Cat. 2)	2,278	8,511	10,678	
Fuel and energy-related (Cat. 3)	4,367	4,549	4,394	
Subcontracted ROAD (Cat.4)	725,199	706,956	797,799	
Subcontracted AIR (Cat. 4)	16,700	12,930	23,923	
Subcontracted SEA (Cat. 4)	24,125	54,090	85,685	
Waste handling (Cat. 5)	6	18	42	
Business travel (Cat. 6)	1,385	1,300	684	
Employee commuting (Cat. 7)	503	1,013	813	

<b>OTHER ENVIRONMENTAL MEASURES</b>	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>
Empty haulage road transport	7.7%	8.7%	8.9%
Utility load road transport	94.3%	96.7%	95.0%
Waste for recycling, tonne	544	910	429
Other waste, tonne	346	436	430
Send for recycling %	61.0%	68.0%	50.0%

**SOCIAL**

	<b>2023/24</b>	<b>2022/23</b>	<b>2021/22</b>
Employees, total*	1,430	1,492	1,424
Employees, female	363	389	402
Employees, male	873	923	836
Managers, female	42	34	35
Managers, male	152	146	151
Employees, females %	28.3%	28.4%	30.7%
Managers, females %	21.6%	18.9%	18.8%
Employee turnover %	12.0%	12.9%	12.5%
Sickness absence %	2.2%	2.6%	4.7%
LTIFR* per 1,000,000 working hours	4.6	3.9	10.3

We have omitted the Nordic Waste figures as we do not have access to them, which means we have also adjusted the figures for 2022/23.

\* Employees counted end of April.

# STATEMENT BY THE MANAGEMENT REGARDING THE GREENHOUSE GAS INVENTORY FY 2023/24

Management has today considered and approved the Greenhouse Gas Inventory FY 2023/24.

The Greenhouse Gas Inventory FY 2023/24 has been prepared in accordance with The Greenhouse Gas Inventory – A Corporate Accounting and Reporting Standard (revised edition). The Greenhouse Gas Statement comprises the Scope 1-3 emissions inventory of SDK FREJA A/S and its subsidiaries, as defined in the Management’s Accounting Principles for its Greenhouse Gas Inventory.

In my opinion, the Greenhouse Gas Inventory FY 2023/24 is in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition) and Management’s Accounting Principles for its Greenhouse Gas Inventory, and is free from material misstatement and omissions, whether due to fraud or error, including the accuracy and completeness of the data, sources and assumptions used.

Taastrup, 13 June 2024

On behalf of Management



Eric Clausen  
Head of ESG and Quality



Henrik Klausen  
Group CFO



# ACCOUNTING PRINCIPLES

## CARBON ACCOUNTS

### STATIONARY COMBUSTION (SCOPE 1)

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

### FUEL COMBUSTION BY COMPANY CARS (SCOPE 1)

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

### FUEL COMBUSTION BY OWNED TRUCKS (SCOPE 1)

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

### PURCHASED ELECTRICITY (SCOPE 2)

#### Location-based approach

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

#### Market-based approach

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

### PURCHASED HEATING (SCOPE 2)

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

### PURCHASED GOODS AND SERVICES (SCOPE 3, CATEGORY 1)

The upstream GHG emissions related to purchased goods and services by all SDK FREJA entities, including purchased electricity and heating at offices where its consumption is not sub-metered to SDK FREJA. The GHG emissions are

calculated based on the spend data on different goods and services categories and product category emission factors published by the World Input-Output Database (WIOD). For the electricity and heating consumption specifically, the electricity and heating consumption are estimated based on the surface area of the offices and each country's average electricity and heating consumption per m<sup>2</sup> as published by Entranze. The GHG emissions are then calculated based on the estimated electricity and heating consumption, and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

### PURCHASED CAPITAL GOODS (SCOPE 3, CATEGORY 2)

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

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

The upstream GHG emissions related to purchased fuels and energy by all applicable SDK FREJA entities. This includes all fuels covered in Scope 1 and all energy (electricity, heating and cooling) reported in Scope 2. The GHG emissions are calculated based on the consumption data on the different types of fuel and energy and the respective upstream emission factors published by

the UK Government Department for Environment, Food & Rural Affairs (DEFRA) and the International Energy Agency (IEA).

**UPSTREAM TRANSPORTATION AND DISTRIBUTION (SCOPE 3, CATEGORY 4)**

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

**WASTE GENERATED IN OPERATIONS (SCOPE 3, CATEGORY 5)**

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

**BUSINESS TRAVEL (SCOPE 3, CATEGORY 6)**

GHG emissions related to business travel by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different types of business travel and product category emission actors published by the World Input Output Database (WIOD).

**EMPLOYEE COMMUTING (SCOPE 3, CATEGORY 7)**

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

**UPSTREAM LEASED ASSETS (SCOPE 3, CATEGORY 8)**

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

**EMPTY HAULAGE (FREJA)**

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

**LOAD UTILITY**

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

**SOCIAL PERFORMANCE**

**GENDER COMPOSITION**

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

**SICKNESS ABSENCE**

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

**EMPLOYEE TURNOVER**

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

**ACCIDENT RATE**

LTIFR\* per 1,000,000 working hours.

\*Lost Time Injuries Frequency Rate

**GOVERNANCE PERFORMANCE**

**WHISTLE-BLOWER**

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

**GDPR VIOLATIONS**

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

**ISO CERTIFICATIONS**

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





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CVR No: 56 25 23 12

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

