

2021/22

# SUSTAINABILITY REPORT





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# STEPPING UP OUR GAME

**Now a unified company, we are stepping up our game and advancing on our commitments to sustainability**

We are very proud to present SDK FREJA's first ever consolidated Sustainability Report. And with the merger of SDK and FREJA in 2021 to one unified organization, we are now ready to step up our sustainability game.

Our main areas of operation are within Shipping and Logistics, and with the increase in global trade, it is more important than ever to find more sustainable solutions to help reduce the industries' CO2 emissions impact. We realize we are a small player in the global industries we operate in, but our knowledge is vast and large, and we set our sights high. We are committed to going the extra mile to lower the negative impact on the climate and environment with the responsibility and accountability that this commitment entails.

Through combining vital experience and knowledge from both SDK's and FREJA's

previous work with sustainability and drawing on the expertise of our parent company USTC (United Shipping and Trading Company), SDK FREJA have now developed our joint sustainability strategy and established an ESG reporting framework. This will provide our organization with ambitions and concrete targets to work towards and in close alignment with those of USTC.

We acknowledge that the road ahead is going to be a bumpy one, and that we will run into obstacles along the way. But we will not let this deter us from ensuring we continue to live up to our commitments to our people, the environment, and society.

## **TOWARDS A FOSSIL-FREE FUTURE**

In the global effort to reduce the negative impact that shipping and logistics sectors have on the climate and the environment,

we expect that sustainable fuels will play a critical role over the coming years. At SDK FREJA, we will continue to work closely with our suppliers and customers to find greener and more innovative solutions while working towards our ambition of being the most flexible and reliable partner in the countries we operate in.

We acknowledge that we need to address our Scope 1 and 2 emissions, which stem from sources under our control. However, our Scope 3 emissions make up the largest part of our total carbon emissions. These emissions stem from our subcontracted logistics services we rely on to deliver our customers' cargo. A prioritized focus for us will therefore be to continue our close collaboration and dialogue with our customers on moving forward with advocating for more sustainable fueling solutions and testing new technologies.

## TOWARDS A MORE PEOPLE-CENTRIC ORGANIZATION

To reach our targets and ambitions, we rely heavily on our people, their commitment, and their motivation. Our people are diverse and represent many different nationalities, ethnicities, religious beliefs, and ages. And together, they bring with them a valuable wealth of experience and expertise.

We have always striven to ensure that we provide our people with a safe, inclusive, and fair workplace. We also acknowledge that we are not where we want to be. We have a gender imbalance in our organization and in the coming years, we will work hard towards achieving a more balanced gender composition. Attracting and maintaining the best talent means that we must be inclusive and provide equal opportunities for all our people. This will in turn foster innovation and creativity and ensure we continue to thrive as an organization.

## TOWARDS A BEST-IN-CLASS CORPORATE GOVERNANCE

Following our unification, our governance is strengthened, and we continue to put great effort into reinforcing our governance across the entire Group. We pride ourselves on conducting business in an honest, reliable, and trustworthy way, and we are guided by strong governance and clear processes and procedures for each business area to support our managers and employees.

Our business areas are numerous, and we are present in many countries. This entails a complex compliance setup, but we are very much on top of things. We have invested heavily in high-quality systems, and we adhere to the necessary standards and requirements in each of the industries and countries we have operations.

We are also very fortunate to be a part of the USTC Group, which entails utilizing cross-company synergies and a strong governance. We will continue our close cooperation with USTC and to draw on the strengths that lie in being a part of the USTC Group.

Søren Gran Hansen // Group CEO // SDK FREJA A/S



Ulrik Rasmussen // Group CEO // Logistics



Lars Jespersen // Group CEO // Shipping



# ABOUT THIS REPORT

In 2021, SDK FREJA began their journey as a joint entity. Once two separate companies, SDK and FREJA joined forces under the family owned USTC Group. USTC – also known as United Shipping and Trading Company – is owned and operated by the Group's founder Torben Østergaard-Nielsen and his two daughters Nina Østergaard Borris and Mia Østergaard Rehnitzer.

Although this is SDK FREJA Group's first sustainability report, it will be the first of many to come. With this and future reports, we wish to be more transparent around our sustainability ambitions, commitments, and also the challenges we face. We will cover the activities of SDK FREJA in this financial year 2021/2022 related to how we impact the environment, people, and society, as well as how we govern our companies. While this report is published in September 2022, future sustainability reports will follow the financial reporting year and will be published in June together with our annual reports.

The Sustainability Report is organized according to SDK FREJA's material topics, which we have identified in a materiality assessment process in Q2 2022, and which will be presented in more detail on page 14. The figures disclosed throughout the report have been chosen based on relevance to the topics and our business, as well as our ability to provide a high-level degree of quality in the data. Since this is the first sustainability report that SDK FREJA has ever produced as a unified company, it will serve as SDK FREJA's baseline report. Prior to the merger of SDK and FREJA, FREJA have published several annual CSR reports and are therefore in possession of data related to their CSR activities from previous years. However, not all of this data is relevant to the topics identified in our materiality assessment for SDK FREJA as a unified Group. Consequently, we do not disclose any figures prior to the current financial year.

The decision around which reporting principles and disclosures to use has been guided by previously established reporting standards and frameworks such as EN 16258 and the UN Global Compact. Our approach is motivated by the overall notion that we want this report to present an authentic and complete portrayal of our organization while conforming to recognized standards of practice. SDK FREJA's new reporting standard and guidelines are still in the early stages of development, but we have a solid framework in place for the future.

We are currently in the process of transitioning and unifying two different sets of policies within the Environment, Social, and Governance areas. This means that our primary objective for the short term is to establish unified policies covering the areas that fall under the ESG umbrella. However, this will not prevent us from reaching our first common targets, which are outlined in this report.

The information presented in this report does not cover all subsidiaries of SDK FREJA. The reason being that our shares of Waterway Iberia and DSH APS are below 50% for each company, and IRT Logistics have not been a part of SDK FREJA Group for the full financial year 2021/2022. In the event of major structural changes to our company such as acquisitions or divestments, we will perform an assessment of whether to recalculate baselines where relevant.

As of 2025, the Corporate Sustainability Reporting Directive (CSRD) requires all large companies with more than 250 employees and more than EUR 40 million in turnover and/or EUR 20 million in total assets to publish regular reports on their environmental and social impact activities. We are thus required to report according to a first set of mandatory Sustainability Reporting Standards for the financial year 2025/2026.



 <b>ROAD TRANSPORT</b>	 <b>SEA FREIGHT</b>
 <b>AIR FREIGHT</b>	 <b>PROJECT FORWARDING</b>
 <b>LOGISTICS SOLUTIONS</b>	 <b>HEALTHCARE SOLUTIONS</b>
 <b>WAREHOUSING SOLUTIONS</b>	 <b>REFRIGERATED SOLUTIONS</b>
 <b>STEVEDORE</b>	 <b>AGENCY</b>
 <b>CRUISE</b>	 <b>CHARTERING</b>
 <b>LAND RECOVERY</b>	 <b>RAW MATERIALS RECOVERY</b>
 <b>ENVIRONMENTAL INNOVATION</b>	 <b>SOIL TREATMENT CONSULTANCY</b>

# ABOUT SDK FREJA

SDK FREJA is one of a few independent and privately-owned local mid-sized full-service logistics and shipping companies. We are 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.

The logistics and shipping 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, and Liner and Cruise Services. In addition, we offer specialist solutions within Healthcare, Warehousing, and Refrigeration.

Our newly added Environment and Recycling business focuses on pollution and circular economy by meeting our customers' demands for circular eco-friendly solutions. We offer to receive and re-process waste fractions and especially polluted soil with a view to recycling or recovering the waste for new products. The business' subsegments comprise Land Recovery, Raw Materials Recovery, Environmental Innovation, and Soil Treatment Consultancy.

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.







**+3,300**

COVERING EUROPE WITH  
+3,300 TRAILERS

**+8 mill.**

+8 MILLION TONS  
HANDLED OVER QUAY

**1,350**

EMPLOYEES  
GLOBALLY

**+210,000**

+210,000 M<sup>2</sup> OF STRATEGICALLY  
LOCATED MULTI-TERMINALS AND  
WAREHOUSE SPACE

**7,600**

7,600 AGENCY  
CALLS HANDLED



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

WAREHOUSING,  
CROSS-DOCKING AND  
STEVEDORING

LABELLING,  
PICKING  
& PACKING

DISTRIBUTION  
AND LAST-MILE

WASTE MANAGEMENT  
AND RECYCLING

# GROUP STRUCTURE





# ESG FRAMEWORK & GOVERNANCE

SDK FREJA firmly believe that sustainability should play an integral part in our strategic work and always remain incorporated in our operations. That is why we have developed an ESG framework to guide us in our work with sustainability, ensuring we work strategically and determinedly towards reducing the negative impact of our operations on the environment, people, and society.

Furthermore, we believe our ESG framework will support us in uniting our diverse cultures and organizational structures into a

single unified entity. We are still in the early stages of our merger, and our ESG framework will encourage and drive the transition to a shared set of principles and values for SDK FREJA.

Integrating our ambitions and commitments into our existing policies and guidelines will guarantee that our ESG framework is firmly anchored in SDK FREJA's overall strategy. The process of aligning the present regulations and principles will involve the relevant internal stakeholders and Topic Owners, and it will require the approval of Executive Management.

<b>BOARD OF DIRECTORS</b>	Our Board of Directors sets and oversees the overall strategic direction for SDK FREJA's ESG commitments. Our Board consists of both individually selected independent directors and our owner-family, which ensures that we have a broad range of relevant knowledge, experiences, and long-term perspectives available to develop our business.
<b>EXECUTIVE MANAGEMENT</b>	SDK FREJA's Executive Management takes active leadership of SDK FREJA's ESG agenda, which includes setting strategic direction and overseeing sustainability activities and performance.
<b>USTC ESG STEERING COMMITTEE</b>	The USTC ESG Steering Committee (which comprises the Chief Governance Officer of USTC, the Senior ESG Lead of USTC, the Senior Communications Director of USTC, and the Chief HR Officer of USTC) and SDK FREJA Executive Management have identified the following four areas within ESG where they see clear synergies and opportunities, and where they will support and facilitate cooperation across the Group: Corporate Governance • Climate Impacts • Diversity, Equality, and Inclusion • Compliance
<b>SDK FREJA ESG COUNCIL</b>	As a new initiative in 2022, we have established an ESG Council in SDK FREJA to act as the formal steering body for ESG with the main purpose of aligning efforts and supporting Executive Management with monitoring and driving ESG progress. In addition to Executive Management, the ESG Council consists of individuals from our extended Management team with key responsibilities related to the ESG agenda.
<b>ESG TOPIC OWNERS</b>	Each material ESG topic has a designated owner within the ESG Council, who is responsible for monitoring and driving progress on their topics and in close dialogue with our business. In addition, we have established the new role of Head of ESG to drive and influence change together with the ESG Council and Topic Owners across the Group. The Head of ESG reports directly to the CFO.
<b>GROUP FUNCTIONS</b>	Management across SDK FREJA's Group functions are responsible for delivering input and implementing efforts and initiatives in dialogue with relevant Topic Owners in addition to collecting and reporting data. Most importantly, our organization and people work every day to deliver on our ESG targets and ambitions.



# MATERIALITY ASSESSMENT

In 2022, SDK FREJA conducted our first ESG materiality assessment to better understand ESG topics material to our business. We addressed the assessment with the utmost regard for the impact that our company has on the environment, people, and society, while also recognizing possible risks and opportunities arising from ESG matters that may have an influence on our operations. Within the scope of our assessment, we have taken into account how we may effectively manage both the beneficial and the detrimental consequences that our organization creates in the form of impact on the environment and society.

We partnered with Deloitte to impose a thorough materiality assessment in line with industry best practices. Throughout the assessment process, we gathered and evaluated input from a range of stakeholders, including SDK FREJA's ESG Council, our owners, Executive Management, and our employees. In addition, we benchmarked our findings against already established reporting standards and frameworks.

Following the initial assessment, we conducted several workshops with relevant internal stakeholders to discuss and align on how we define and understand each individual topic. We also surveyed all managers globally to gather input and ensure that the topics chosen were representative of our global presence and cultural diversity.

ESG is not entirely new to us. However, it has just been formalized, and this entails a more systematic method of working with improvements. At SDK FREJA, this implies that our effort to improve within the designated topic areas will be more apparent and that rather than having a number of smaller initiatives, we will govern those areas and ensure that there is no corporate ambiguity.



**Not only will our ESG framework lead and guide us in our work with our sustainability commitments, it will also gather our many types of businesses into one.**

# ESG TOPICS



## ENVIRONMENT

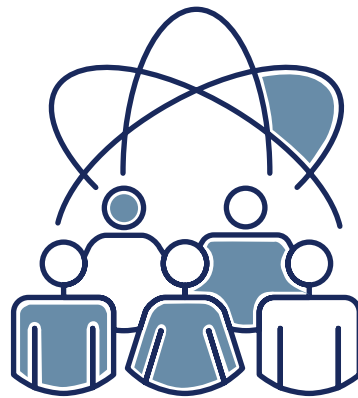
CLIMATE IMPACTS UNDER OUR CONTROL

CLIMATE IMPACTS FROM OUR VALUE CHAIN

RESOURCE AND WASTE MANAGEMENT

Sustainable Transport is in the heart of SDK FREJA.

We are dedicated to first-class services and a reduction of the environmental impact of our freight forwarding solutions and related activities.



## SOCIAL

HEALTH & SAFETY

DIVERSITY, EQUALITY, AND INCLUSION

EMPLOYEE ATTRACTION AND RETENTION

COMMUNITY ENGAGEMENT

Without dedicated and committed employees, we will not be able to achieve high customer satisfaction, engagement on environmental actions, nor a solid trustful and reliable staff.



## GOVERNANCE

COMPLIANCE

CORPORATE GOVERNANCE

DATA PRIVACY AND SECURITY

REPORTING AND HANDLING OF MISCONDUCT

TRANSPARENCY AND REPORTING

Responsible procurement, solid supplier qualification, and awareness of our Code of Conduct and our whistle-blower service shall mitigate anti-corruption, and embrace equality and human rights.

# ESG PERFORMANCE

## ENVIRONMENT

MT CO <sub>2</sub> e	Total
All Scopes	949,655
<b>Scope 1</b>	<b>18,371</b>
Terminals & offices	773
Company cars	69
Owned trucks	17,530
<b>Scope 2</b>	<b>2,942</b>
Electricity, location-based	895
Electricity, market-based	2,793
Heating	149
<b>Scope 3</b>	<b>928,342</b>
Purchased goods/services (cat. 1)	816
Purchased capital goods (cat. 2)	10,678
Fuel and energy-related (cat. 3)	4,333
Subcontracted ROAD (cat. 4)	797,799
Subcontracted AIR (cat. 4)	23,923
Subcontracted SEA (cat. 4)	85,685
Waste handling (cat. 5)	18
Business Travel (cat. 6)	684
Employee commuting (cat. 7)	1,013
Leased assets (cat. 8)	3,394
Waste recycled, tonne	428.92
Other waste, tonne	429.51
Recycled %	49.97%
Empty haulage	8.9%
Utility load road transport	95%

## SOCIAL

	Total
Employees, total	1,390
Employees, male	819
Employees, female	385
Managers, male	151
Managers, female	35
Managers, female %	19%
Employees, female %	28%
Employee turnover %	12.50%
Sickness absence %	4.7%
LTIFR* per 1,000,000 working hours	10.3

\* Lost Time Injuries Frequency Rate

## GOVERNANCE

	Total
Whistle-blower reports	0
GDPR violations	0
ISO 9001 certification	69%
ISO 14001 certification	48%



# TARGETS

In our work with these targets in the financial year 2022/2023, we will set milestones in our pursuit of achieving our targets and objectives.

ENVIRONMENT	SOCIAL	GOVERNANCE
<p>SCOPE 1 &amp; 2 – EMISSION REDUCTION BY 2040</p> <p><b>60%</b></p>	<p>UNDERREPRESENTED GENDER IN THE BOARD OF DIRECTORS BY 2023</p> <p><b>33%</b></p>	<p>DISTRIBUTION OF COC TO TRANSPORT AND HANDLING SUPPLIERS IN 2022/23</p> <p><b>90%</b></p>
<p>SCOPE 3 – EMISSION REDUCTION BY 2040</p> <p><b>50%</b></p>	<p>MAINTAIN EMPLOYEE TURNOVER RATE BELOW</p> <p><b>15%</b></p>	<p>EMPLOYEE TRAINING COC, GDPR, AND IT SECURITY IN 2022/23</p> <p><b>100%</b></p>
<p>EMPTY HAULAGE ROAD TRANSPORT BELOW</p> <p><b>8%</b></p>	<p>SICKNESS ABSENCE BELOW</p> <p><b>2.5%</b></p>	<p>MANAGEMENT SYSTEM CERTIFICATIONS OBJECTIVES FOR 2025 BASED ON ENTITIES MAY 2022:</p>
<p>UTILITY LOAD ROAD TRANSPORT ABOVE</p> <p><b>98%</b></p>	<p>LOST TIME INJURY FREQUENCY PER 1,000,000 IN 2024 BELOW</p> <p><b>8</b></p>	<p>ISO 9001</p> <p><b>90%</b></p>
<p>COMPANY CARS ON ALTERNATIVE FUELS BY 2035</p> <p><b>100%</b></p>	<p>FATALITIES</p> <p><b>0</b></p>	<p>ISO 14001</p> <p><b>80%</b></p>
<p>WASTE SORTED FOR RECYCLING BY 2025</p> <p><b>65%</b></p>		<p>ISO 45001</p> <p><b>5%</b></p>



# ENVIRONMENT





At SDK FREJA, we are aware that the environment is significantly impacted by the industries that we operate in. According to estimates by the International Energy Agency (IEA), the global transport sector accounts for 24% of total global CO<sub>2</sub> equivalents of which 30% comes from freight transport. For this same reason, it is of the highest importance to continue our focus on industry-wide innovations that will assist in the reduction of GHG (greenhouse gas) emissions.

We anticipate that the EU's and national sustainability targets, in conjunction with rising taxes on fossil fuels and an ongoing increase in the creation of an infrastructure for sustainable fuels, will make a compelling difference over the coming decade. We also predict a significant breakthrough in the research and development of renewable energy sources to replace fossil fuels. Consequently, we will see a gradual shift toward using a variety of alternative energy sources, including electricity for local distribution, pure battery-electric and hydrogen-based fuel cells for longer distances, as well as the heaviest load vehicles on HVO (Hydrotreated Vegetable Oil). These developments are already starting to become apparent with reference to several of our partners. Volvo has been working on an electricity program and together with Mercedes, the two companies are participating in the manufacture of hydrogen fuel cells with full scale scheduled for 2025.

A large part of our carbon footprint is generated by our value chain, and while we will work towards reducing the CO<sub>2</sub> emissions that stem from our own operations, we will also remain committed to working with our customers and stakeholders in meeting their environmental targets.

We are always looking into ways to optimize our transports and utilize our load capacity to almost 100%, which is why we advise our customers if they have any special requirements for loading or unloading times. We must recognize that we have the greatest influence on the transport industry's green transition by focusing on where we can make a direct impact such as utilizing load capacity and avoiding empty haulage.

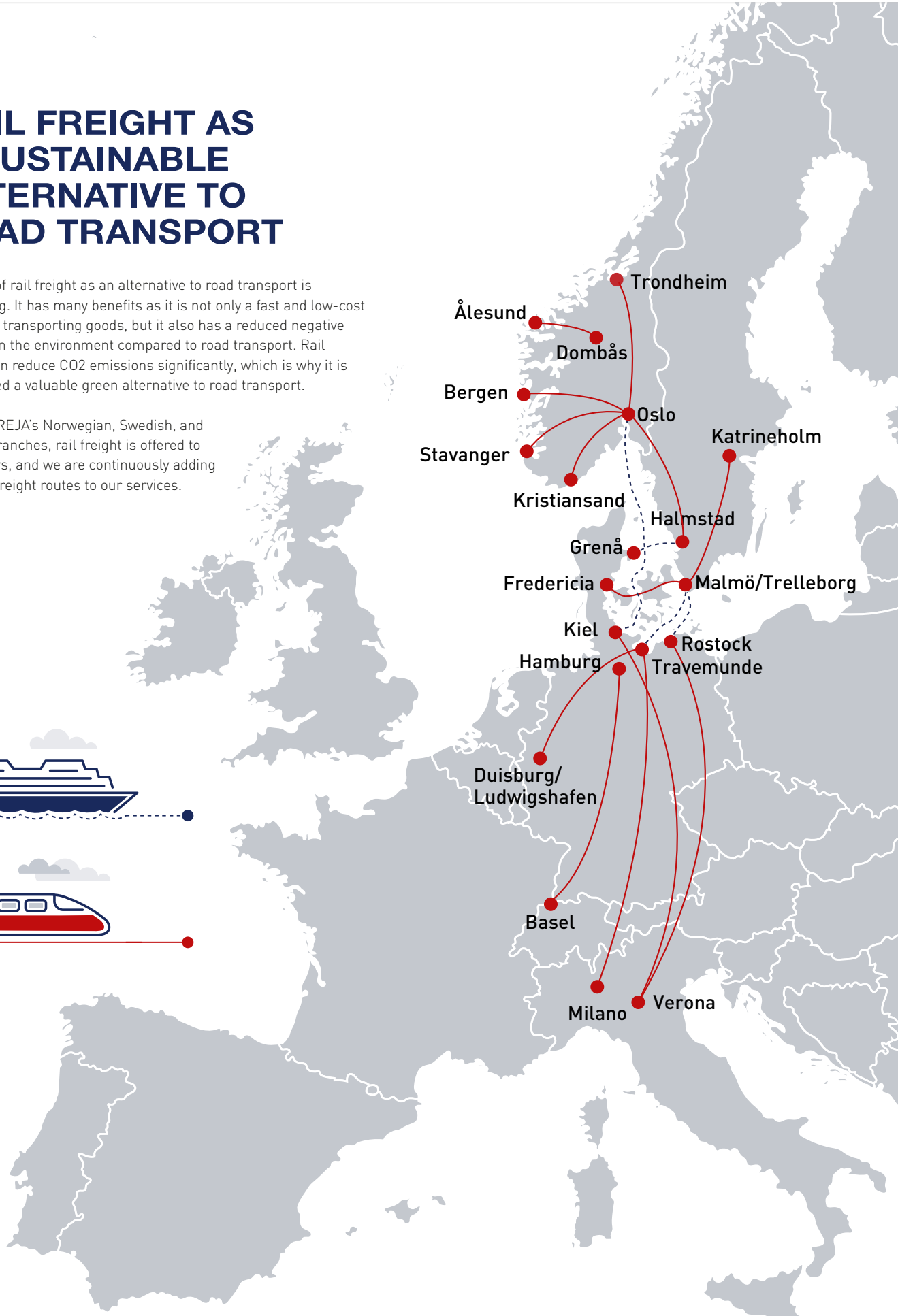
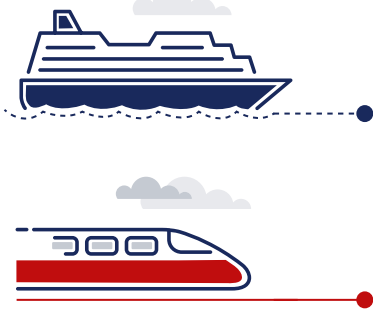
Even though there is a significant amount of effort that must be undertaken to improve the infrastructure across Europe, we have pinpointed several routes that can be serviced by lower CO<sub>2</sub>-emitting transportation methods such as electric ferries and rail transit. For example, we have already moved the majority of our road transportation between Dombås and Oslo in Norway onto railways, which will reduce our yearly CO<sub>2</sub>e emissions by 231.8 metric tonnes. We have also moved most of our transport between Oslo and the continent onto ferries. On full loads, we are able to make individualized agreements on driving with HVO diesel.

Although we acknowledge that the journey towards reaching our ambitions is long, our commitment is strong. We are continuously working on finding new solutions that improve our resource efficiency and prevent environmental degradation, and we are always looking to implement new initiatives to minimize our environmental impact.

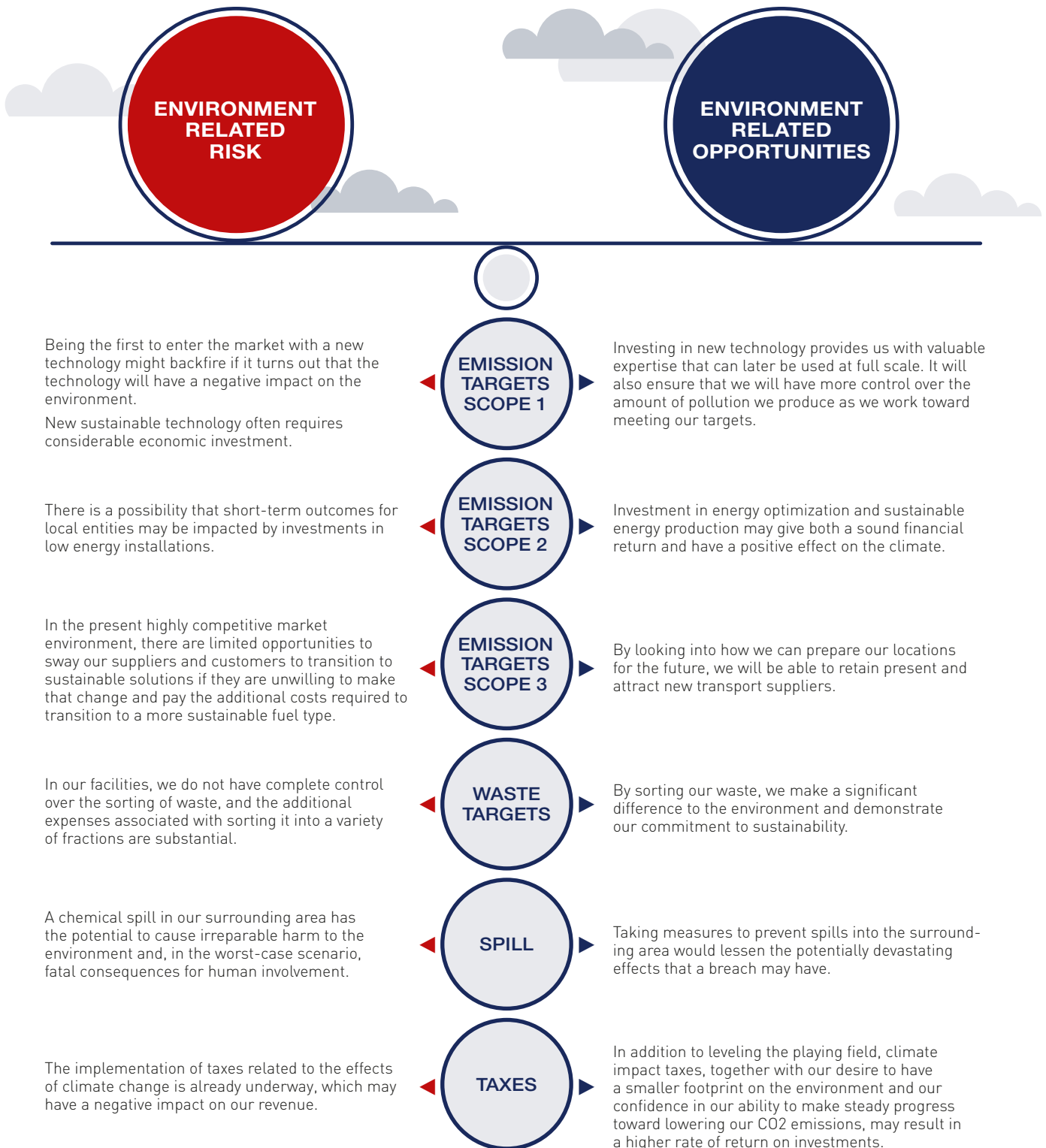
# RAIL FREIGHT AS A SUSTAINABLE ALTERNATIVE TO ROAD TRANSPORT

The use of rail freight as an alternative to road transport is increasing. It has many benefits as it is not only a fast and low-cost means of transporting goods, but it also has a reduced negative impact on the environment compared to road transport. Rail freight can reduce CO2 emissions significantly, which is why it is considered a valuable green alternative to road transport.

In SDK FREJA's Norwegian, Swedish, and Danish branches, rail freight is offered to customers, and we are continuously adding new rail freight routes to our services.



# RISKS & OPPORTUNITIES





# CARBON EMISSION ACCOUNTS

This year, we partnered with Deloitte to calculate SDK FREJA's first ever carbon accounts covering all material Scope 1, 2, and 3 emissions across our entire value chain. In calculating our carbon accounts, we follow the standards and guidance from the GHG Protocol.

We include all relevant business activities in our carbon accounts. Scope 1 and 2 include the emissions from all activities that we as a company have control over, whereas Scope 3 covers the emissions from our value chain.

In the financial year 2021/2022, our total carbon footprint was 949,655 metric tonnes CO<sub>2</sub>e, of which 97.3% are Scope 3 emissions relating to our value chain. Of these, more than 84% are related to upstream transportation and distribution of purchased products.

The combined 3% of our Scope 1 and 2 emissions is relatively small in comparison to our Scope 3 emissions. That, however, does not reduce the significance of these emissions that in actual terms warrant attention.

## SCOPE 1

A great majority of SDK FREJA's Scope 1 emissions are generated by fuel combustion of our company-owned and -controlled trucks and vehicles.

In addition, our Scope 1 emissions are also related to combustion of fuels through stationary equipment such as generators. This category includes both the heating of our storage facilities and offices with natural gas.

SCOPE 1 FY2021/2022	Metric tonnes CO <sub>2</sub> e
Terminal & offices	773
Company cars	69
Owned trucks	17,530

## SCOPE 2

The consumption of electricity, heating, and air conditioning at our offices, terminals, and warehouses are the main source of our Scope 2 emissions. As SDK FREJA has offices in 8 countries and over 20 storage facilities, the consumption of these elements varies greatly based on region. For instance, in Finland, the Netherlands, and China we only have small offices without any warehousing or cross docking facilities as opposed to other countries where we have temperature-controlled warehouses that entail a larger consumption of electricity, heating, and air conditioning.

SCOPE 2 FY2021/2022	Metric tonnes CO <sub>2</sub> e
Electricity, LB*	895
Electricity, MB**	2,793
Heating	149

\*Location-based (LB): emissions calculated using the average emissions intensity of the grid.

\*\*Market-based (MB): emissions calculated using emission factors from contractual instruments.



### SCOPE 3

Scope 3 includes emissions from all relevant activities across our value chain. The transportation and distribution of purchased products between our company’s tier-one suppliers and their own operations in vehicles not owned or managed by SDK FREJA generates more than 97% of the total emissions that fall within Scope 3. The majority of emissions from transportation and distribution originate from subcontracted trucks and cars (84%), subcontracted air transportation (2.5%), and subcontracted vessels (9%).

The remainder of our Scope 3 emissions comprise the following categories:

- Purchased goods and services account for 1.2% of Scope 3.
- Fuel and energy-related account for 0.5% of Scope 3, and they are the upstream part of our Scope 1 and 2 combustion engine-related activities.
- Leased assets, such as time-chartered vessels, account for 0.4% of Scope 3.
- The remaining categories business travel, employee commuting, and waste handling account for less than 0.2% of Scope 3.

SCOPE 3 FY2021/2022	Metric tonnes CO <sub>2</sub> e
Purchased goods/services (cat. 1)	802
Purchased capital goods (cat. 2)	10,678
Fuel and energy-related (cat. 3)	4,333
Subcontracted ROAD (cat. 4)	797,799
Subcontracted AIR (cat. 4)	23,923
Subcontracted SEA (cat. 4)	85,685
Waste handling (cat. 5)	18
Business travel (cat. 6)	684
Employee commuting (cat. 7)	1,013
Leased assets (cat. 8)	3,394



# CLIMATE IMPACT FROM OUR VALUE CHAIN

The majority (97.3%) of SDK FREJA's global carbon emissions stem from our value chain making this a critical focus area for us. And although we realize that we cannot directly influence our Scope 3 emissions, we can contribute to reducing the negative impact that our value chain has on the environment through assisting the industry with innovative solutions to combat climate change, knowledge sharing, and partnerships with relevant stakeholders.

Establishing partnerships and utilizing HVO biodiesel, gas, or hydrogen, whenever applicable, will be a prioritized undertaking for us, which will require us to educate internal and external stakeholders about alternatives to fossil fuel. Additionally, we will continuously develop the infrastructure at our relevant locations to make the transition to alternative fuels easier. We will also continue to build up our relevant locations' infrastructure in order to make the switch to alternative fuels as seamless as possible when the time is right for our suppliers.

SDK FREJA operates in two distinct sectors within the transportation industry: full-service Logistics and Shipping. The major operations of our full-service Logistics division include freight forwarding within road, air, and sea, as well as project cargo and contract logistics. Our Shipping division comprises stevedoring, port agency, customs clearing, commercial chartering, and liner and cruise services. Both operations are fully committed to taking the needed steps towards a greener future.

For emissions stemming from our value chain, we are committed to reducing GHG emissions by 50% by 2040. To achieve this target, we will use financial year 2022/2023 to set milestones for our reduction targets and develop a decarbonization roadmap. Some areas that we can directly influence are empty haulage and utility of loads.

Although empty haulage is an inevitable part of transportation, we consistently aim to minimize our number of empty trailers, which will result in fewer trucks on the road. With the help of our route management systems and overview of our fleet, we aim to keep our empty haulage below 8%. For the financial year 2021/2022, our empty haulage was 8.9%. Reducing 0.9% of our road transport will reduce our Scope 3 emissions by 1,693 metric tonnes CO<sub>2</sub>e.

Load utility is crucial for our business and at the same time, it is an area where we can directly minimize our climate impact. With the right Enterprise Resource Planning (ERP) system, good business acumen, and knowledge about our customers' goods and needs, we aim to utilize the maximum capacity of our trailers and vessels. This can be done by collecting utility data, which enables us to keep track of how and where we can optimize the capacity of our transports. For Scope 3, the ambition is to maintain above 98% in utility loads on road transport. For the financial year 2021/2022, our utility load was 95% for the Group, which is considered satisfactory.

During the current financial year 2022/2023, we will conduct a thorough evaluation of each Scope 3 category, which will entail developing distinct action plans and milestones for the period leading up to 2040.

SCOPE 3  
EMISSIONS  
FY2021/22  
**928,342**  
MT CO<sub>2</sub>E



**We will work closely with our suppliers and customers in driving a 50% reduction of our Scope 3 GHG emissions by 2040.**

# CLIMATE IMPACT UNDER OUR CONTROL

SDK FREJA acknowledges the influence of climate change and the negative impacts it causes towards people, society, and the planet. We are dedicated to minimizing our CO2 emissions to secure a sustainable future for the planet. We wish to set a positive precedent by reducing emissions effectively in accordance with internationally recognized frameworks such as the Paris Accord, IMO, EU, and national governance.

2.2% of our total carbon emissions are related to activities which we have some control over, and which can be influenced in a manner that will help us produce positive changes in the direction of a green transition. This section of our business emitted a total of 21,313 metric tonnes CO2e in the financial year 2021/2022.

For emissions stemming from our service operations, we commit to reducing both our Scope 1 and Scope 2 emissions by 60% by 2040. Although we have already initiated measures to decarbonize our service operations, we will spend financial year 2022/2023 developing and implementing a decarbonization roadmap outlining how we will achieve this objective.

We are committed to phasing out fossil fuels used by our company car fleet and changing to alternative fuels by 2035.

We will also map our stationary combustion, company cars, and own trucks to get an overview of our material's lifetime and develop plans for more sustainable replacements. This will be reflected in our new Corporate Procurement Policy.

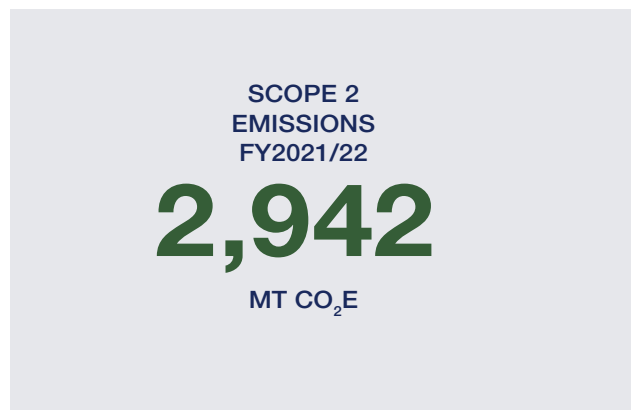
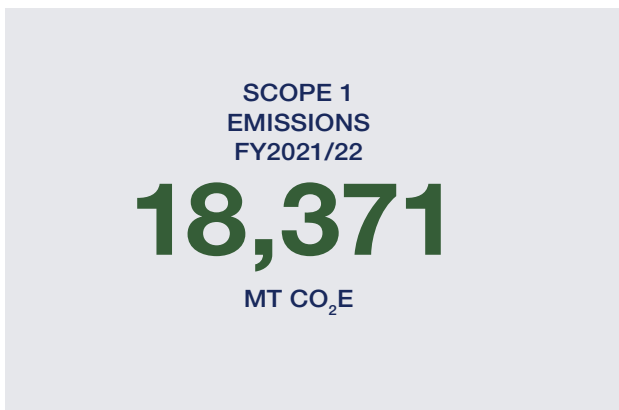
In addition, we will conduct a review of all our entities with the intention of mapping out facilities, such as offices, warehouses,

dock locations etc., and reduction opportunities as well as setting reduction strategies for:

- 1) new lease buildings
- 2) short-term lease facilities
- 3) long-term lease facilities (5-10 years).

During the next three-year period, we will continue to experiment with alternative fuels in our own fleet with the purpose of accumulating the necessary knowledge about future technologies and to help us determine how we can transition to alternative fuels at a larger scale. With regard to the emissions that stem from our consumption of electricity, heat, and cooling, we commit to reducing these by 60% by the year 2040.

In 2021, we performed experiments at our facility in Taastrup, Denmark, with the purpose of reducing our consumption of energy at the facility, which spans a total area of 15,000 m2. Following an optimization of the ventilation and heating systems, we achieved a considerable reduction in the consumption of electricity; In a single month, we saved 15,000 kWh for the 6,000 m2 warehouse section of the facility. In addition, the ventilation and heating systems have both been optimized, and temperature flow has been reviewed. The experiment and the process involved have both provided us with valuable knowledge, which we will use in the review of all our premises to attain a complete overview of how and where we can optimize our energy consumption.





## CASE

# NEW ROOFS AT OUR TAASTRUP FACILITY

In 2021, our Technical Manager Finn Nielsen spearheaded a project that entailed employing a product known as an air-purifying roofing membrane. This solution not only prevents moisture buildup in our buildings, but it also filters the air from toxin particles produced by motor vehicles. The installation of the new roofing material in Taastrup will reduce the amount of NOx in the air equivalent to fifty automobiles each traveling 30,000 km per year.

In addition, the new roof will be white in color rather than dark, which will prevent the building from becoming overheated, particularly during the warmer months of the year. Research has also revealed that white roofs help keep the outside air and temperature from rising.

Although the roof project is not yet complete, we can already measure a considerable reduction in electricity consumption. In a single month, we saved 15,000 kWh, and that is only for the 6,000 m<sup>2</sup> warehouse portion of the facility.

In addition to this project, Finn has also contributed to other environmental-focused projects, including enhancing the ventilation system throughout the entire structure, adjusting heating sources in the administrative building, and integrating light sensors in the warehouse. All these initiatives add up to a 50% reduction in heating and a 20% reduction in electricity.

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**I am really proud to be a part of an organization that has a holistic approach to reducing its environmental footprint.**



## CASE

## BESTSELLER EXPANDS THEIR PARTNERSHIP WITH SDK FREJA ON HVO BIODIESEL TRUCKS FROM POLAND TO BELGIUM AND THE NETHERLANDS

Since 14th October 2021, FREJA Logistics has been using HVO biodiesel on truck movements from Poland to Belgium and the Netherlands for the Danish family-owned clothing and accessories company, BESTSELLER.

The decision to implement more environmentally friendly routes is based on BESTSELLER's ambitious Fashion FWD strategy, which aims at making sustainability central to its way of doing business.

"In a market facing severe conditions like lack of drivers and high demand for external hauliers, it was a must-do to inhouse these transports to allow ourselves to drive with alternative fuels like biodiesel. We are very pleased about this sustainable solution with FREJA, who has been a trusted partner throughout the years. We are looking forward to further expanding the use of HVO with FREJA on daily departures to the Nordics from January 2022."

Anders Frost Nygård, E-Commerce Distribution/Carrier Manager, BESTSELLER.

### LONG-TERM AND TRUSTED PARTNERSHIP

At SDK FREJA, we are always looking for sustainable and environmentally friendly transport solutions, and we are very positive about expanding our collaboration with BESTSELLER. We want to develop together with our customers and try out new types of sustainable alternatives to diesel, but we cannot do it alone. A green transition comes with increased costs, so it is important with partners who are willing to invest in this type of fuel.

"Our partnership with BESTSELLER is unique, and this project has become a reality because they are willing to invest in sustainable fuel. For this specific collaboration with BESTSELLER, we have chosen to use our own trucks to gain valuable knowledge on HVO biodiesel. By using our own trucks, we can measure the consumption, service intervals, and if any other effects should be shown and we are certain that HVO is always used."

Torben Mortensen, Chairman of the Board Poland and Regional Director South Denmark, FREJA Logistics.

# RESOURCE AND WASTE MANAGEMENT

We live in a world where one of the most important environmental issues besides climate change is overconsumption and poor recycling of waste. Waste has a negative impact on ecosystems and species when it is not treated as a resource. Excessive extraction of natural resources will have a negative impact on future generations, so we must change how we use our resources and increase the reuse of what we earlier thought of as waste.

In SDK FREJA we want to foster environmental consciousness and advance a green agenda among each and every one of our people. To accomplish this, we have chosen resource and waste management as one of our three environmental priorities. Specifically, at our office locations, we want to minimize and recycle as much general waste as is feasible.

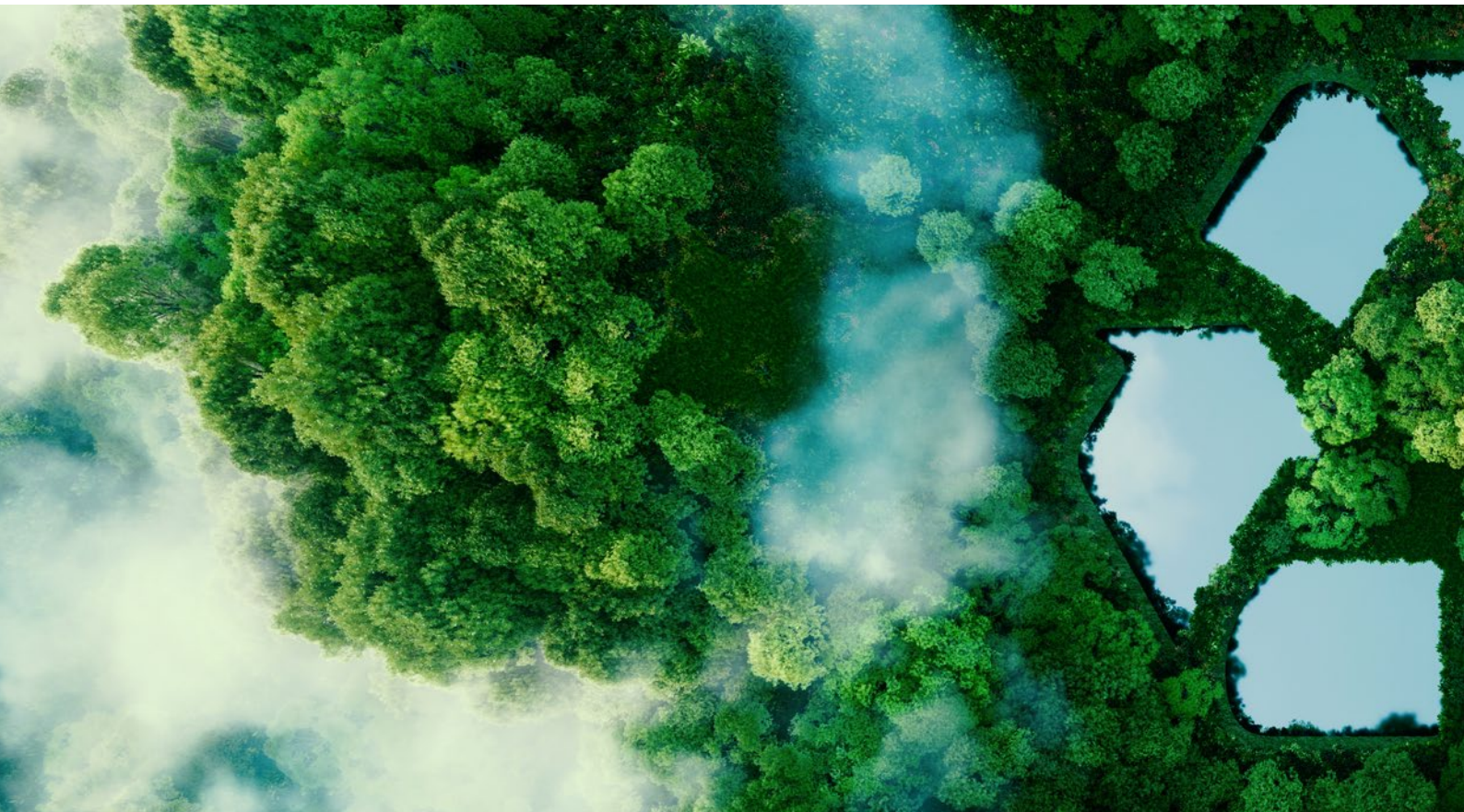
We are already in the process of developing a single, unified Waste Management Policy for the entire company. We believe that this is the best way to make an impact.

FY2021/2022

Waste recycled, tonne	428.92
Other waste, tonne	429.51
Recycled %	49.97%

Many of SDK FREJA's entities are ISO 14001 certified, which is the international standard for environmental management systems (EMS). As part of the standard, we have set the objective to recycle at least 65% of our waste by 2025. In the financial year 2021/22, we recycled 49.97% of our waste.

During the same period, we sorted 54.75% of our waste. We are committed to improving our waste management by sorting 65% of our overall waste by 2025. We aim to achieve this target by introducing further initiatives to raise awareness of waste



management and implement innovations that make waste sorting easier for our employees across SDK FREJA.

As part of our efforts to minimize the volume of waste we produce, we have launched a waste awareness campaign in Denmark. This initiative was designed to encourage our employees to separate their garbage more consciously at work, as well as solicit ideas for how we may improve our waste sorting. The data gathered will be used later this year to introduce additional waste sorting innovations.

Another initiative aimed at reducing the consumption of plastic cups has been launched in Finland this year. As part of the initiative, plastic cups have been totally phased out, and in their place are cups made from virgin fibers, which are not only more sanitary but also safer for the environment. The cups may be recycled together with other common waste materials such as paper and cardboard.

Every single waste fraction that we are able to sort contributes to reducing our carbon footprint, and the more that we recycle, the more we contribute to the fight against global warming and environmental pollution.

In addition to the reduction of general waste, we also aim to minimize e-waste across our business. By purchasing refurbished and used laptops and desktop computers, we are able to reduce our discharge of CO<sub>2</sub>e and limit the release of harmful toxins into the environment.

Recycling waste is a positive development but preventing waste from being produced in the first place is an even better alternative. We have made investments in various information technology solutions in order to facilitate our transition toward a paperless workplace. We have already implemented OCR scanning of all invoices in Denmark, Norway, Sweden, and Poland to reduce the need for printing. It is expected to be implemented in Finland by 2023.

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**We are already in the process of developing a single, unified Waste Management Policy for the entire company.**





# SOCIAL





Attracting the right employees to the shipping and logistics business is an industrywide challenge but at SDK FREJA, we firmly believe that the solution lies in our approach to social and environmental sustainability; Diversity, Equality, and Inclusion, a good and decent work environment, climate focus, and proper governance are key to ensuring our ability to be competitive in attracting and retaining the many talented and reliable people we need in order to stay ahead of the curve of the industry.

Focusing on the challenges of Diversity, Equality, and Inclusion have become apparently important especially when it comes to gaining the edge in becoming attractive for potential female employees in a male-dominated industry. That is why we are committing resources to establish internships and create programs aimed at giving everyone an equal opportunity to join our industry.

We acknowledge that promoting Diversity, Equality, and Inclusion is complex and as such, it requires a systemic approach at all levels. This involves working from the bottom up via recruitment and talent management, horizontally by facilitating cooperation, dialogue, and mobility across the Group, and top down from senior stakeholders through clear communication. Additionally, we aim to increase the presence and visibility of the appropriate role models and ambassadors who can educate and raise awareness of women's presence in the logistics and shipping industry.

Creating a welcoming environment for applicants and employees is one thing, but at SDK FREJA both mental and physical health play a big role in being the best workplace for everyone.

Adhering to any given ISO standard when it comes to the physical safety of our workers, be it hauliers, warehouse- and dock workers, or our office employees, is a must, and we will continue to focus on proactive behavior going forward, including reporting on near-miss incidents in order to improve our health and safety protocols and prevent injuries in the future. This is key to promoting the 'Safety First' culture that is pivotal to SDK FREJA.

On par with the importance of physical health, our managers are vigilant in observing any pre-empting signs of stress or other mental discomforts. Our objective for the current financial period 2022/2023 is to develop a cohesive Health and Safety Policy for SDK FREJA that will apply to both the Logistics and Shipping divisions of the company. Through this, we seek to improve the transparency and approachability of how we deal with issues pertaining to both mental and physical health in the workplace.

In attracting employees and giving them a workplace to be proud of, SDK FREJA has for a number of years been using sponsorships and charitable work to show how we care; Be it supporting athletes or donating to cancer research, SDK FREJA is determined to be a company our employees can be proud of.

At the heart of SDK FREJA, we wish to be a well-reputed and decent company, and we believe that by doing right by our people, we are able to perform our best towards our customers.

# HEALTH & SAFETY

At SDK FREJA, our first and foremost priority is to ensure the health and safety of our people. We have a responsibility to guarantee that everyone's working conditions are safe and that we safeguard both their physical and mental health.

We value our employees' mental health. In the event that our employees show indications of stress or other difficulties that are affecting their well-being, our managers are equipped with the necessary resources to aid them. Additionally, professional assistance and advice may be obtained from our Human Resources department.

It is crucial that our warehouses, terminals, and offices provide a safe and secure working environment for all employees. At all our locations, we have a visible detailed fire escape plan that all employees must follow in case of an emergency. Once a year, we offer a free voluntary first aid course to our employees, and we have first aid kits at all our offices, terminals, and warehouses.

As the handling and freighting of cargo and operation of heavy machinery entail certain critical safety risks, we are very vigilant that our employees follow the strict safety procedures that we have implemented. In addition to focusing on preventive actions for each operation, our safety procedures also include the use of personal protection equipment.

To maintain the safety of our employees on a local level, we rely on a team that includes both professionally trained HSE employees, HSE representatives chosen by their coworkers, and HSE managers. We are already reporting on near-miss incidents, and we will continue to focus on proactive behavior going forward, such as promoting a 'Safety First' culture, in order to improve our health and safety protocols and prevent injuries in the future. We register any incidents that occur and have follow-up procedures and reporting processes in place to ensure incident reporting to the relevant authorities.

There are also strict procedures to follow when visiting our locations or entering our warehouses or terminals. All guests must register in our reception upon arrival and be accompanied by an SDK FREJA employee. In the warehouses and terminals, it is required to wear safety shoes and reflective vests.

To ensure all safety regulations are kept and live up to the minimum standards and requirements, we regularly conduct safety inspections.

We believe that having a safe, healthy, and joyful work environment has a positive effect on our mental health and well-being which is why we monitor our employees' job satisfaction

OUR LOST TIME  
INJURY FREQUENCY  
PER 1,000,000  
WORKING HOURS  
FOR FY2021/22

10.3

TARGET FOR 2024  
BELOW

8

on a regular basis. For the financial year 2022/2023 and going forward, we will monitor employee job satisfaction using a groupwide system to ensure uniform monitoring.

Most of our offices are located in Nordic countries which have established laws to provide a minimum standard of health, safety, and environmental governance; Nevertheless, at SDK FREJA, we strive to go above and beyond this baseline level.

Our objective for the financial period 2022/2023 is to develop a cohesive Health and Safety Policy for SDK FREJA that will apply to both the Logistics and Shipping divisions of the company. By taking this step, we seek to improve the transparency and approachability of how we deal with issues pertaining to both mental and physical health in the workplace. The working environment in each of our locations will be addressed by the policy, along with more precise guidelines towards health and safety in our physical operations.

Having access to reliable data and insights into our health and safety performance is crucial to accomplish our objectives. SDK FREJA have been conducting workplace evaluations on a regular basis for a number of years, and the Logistics division has been conducting employee satisfaction and motivation surveys every two years. The data obtained from the surveys has been used to

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**I love being active, and I try to take part in the activities and social events that SDK FREJA offer. It is a good way to spend time with my colleagues outside of work and to bond over something that is not work-related. I think it is great to be a part of a company that supports employees in becoming healthier and increasing their well-being.**

Frank Oscar Andersen  
Road Freight Manager South Norway  
Kristiansand, Norway.

implement continuous changes toward a safer and more secure workplace. Following each survey, the HSE committee and HR department create a formalized action plans for improvement before involving the relevant stakeholders for implementation. As part of our effort to unify our company's data and acquire more comparable statistics, we will carry out a unified survey on employee satisfaction and motivation across all of our locations in the coming months.

### EXERCISE AND SOCIAL ACTIVITIES

We have gym facilities available at several of our locations, and we encourage our staff members to take part in the sporting events that are organized by SDK FREJA, such as bowling, badminton, and football.

In Sweden, SDK FREJA support workers to maintain a healthy lifestyle by offering to cover a portion of the costs associated with participating in sports and other physical activities.

We believe that participating in social events is beneficial to the overall well-being of our employees and plays an important role in their success within our organization. For this reason, we not only organize sporting events but also a wide range of other yearly entertaining social gatherings.

In several of our regional offices, our staff members compete against each other in a variety of fitness challenges in order to keep themselves active throughout the workday. Norway and Poland have both completed the plank challenge while Denmark, on the other hand, has mastered the push-up challenge.



## CASE

## REDUCING THE RISKS OF ACCIDENTS ON OUR TERMINAL TRACTORS AT THE PORT OF AARHUS

At the port of Aarhus, a terminal tractor of the brand SISU is used. As the terminal tractor needed to have the back door replaced, the team at the port of Aarhus took the chance to discuss if there were any risks associated with the use of the terminal tractor, that could be solved.

When applying the brake and air hoses, it is necessary to step out on the stool. The employees assessed that there was a risk of stepping into the space between the cabin and the stool and getting your foot stuck. As a result of the risk assessment, they decided to weld a stepping board into the space between the cabin and the stool to eliminate the risk.



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**It is great to be included in decisions that can contribute to making the workplace safer for us all. We feel heard and appreciated when suggestions like this are acted on.**

Bent Svit  
Department Manager  
Aarhus, Denmark

# DIVERSITY, EQUALITY, AND INCLUSION

At SDK FREJA, we encourage an open mindset that is free from prejudice towards individuals regardless of their race, sexual orientation, and gender identity. At the same time, we are aware that we are operating in a historically male-dominated industry, notably in relation to operations involving warehouses and harbor activities.

Over the last ten years, we have been successful in achieving a shift in the gender ratio within our Logistics division. However, this reform has not gained a foothold within our Shipping division. At our Logistics division, we have a diversity ratio of 63% male to 37% female among employees, while our Shipping division now has an 86% male to 14% female representation. We are conscious of the fact that the historical gender disparity must be addressed, as well as the fact that it is up to us to drive change toward a better gender balance.

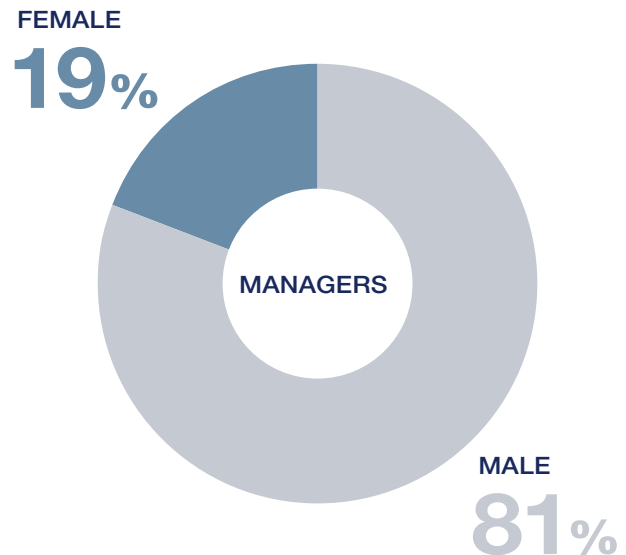
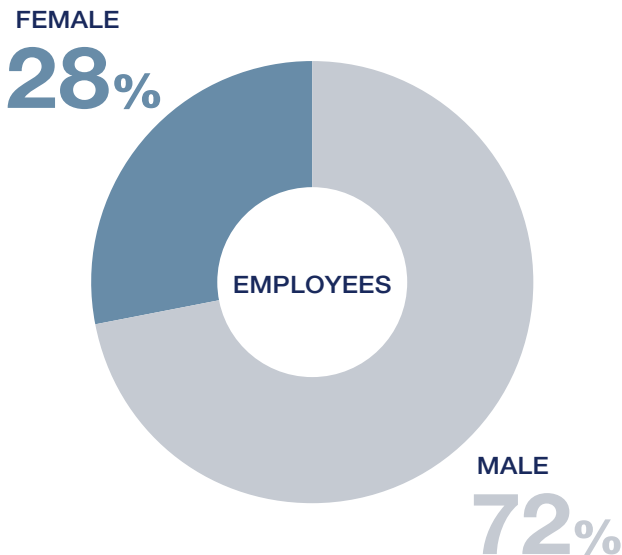
In the upcoming years, we will make it a priority to work towards ensuring that the composition of management reflects the general organization. Currently, women are underrepresented in management compared to the whole organization.

Our ambition is to have 33% of the underrepresented gender on the SDK FREJA Board of Directors by 2023, but we are also mindful of the reality that the two divisions are distinct from one another.

We acknowledge that promoting Diversity, Equality, and Inclusion is a complex issue that needs a systemic approach at all levels. This involves working from the bottom up via recruitment and talent management, horizontally by facilitating cooperation, dialogue, and mobility across the Group, and top down from senior stakeholders through clear communication. Additionally, we aim to increase the presence and visibility of the appropriate role models and ambassadors who can educate and raise awareness of women's presence in the logistics and shipping industries.

In the upcoming years, we will prioritize a more balanced gender composition in SDK FREJA but in respect of our good and dedicated staff, we will use financial year 2022/2023 to develop a plan outlining how we can achieve a better gender balance across all levels, and we will focus on driving fair and diverse hiring practices.

SDK FREJA's employees represent 19 nationalities, and we believe that diversity among our employees will contribute to innovation, creativity and better decision-making across our business. That is why we work with an inclusive mindset, and we see the possibilities in people. We have worked together with local municipalities and organizations to help better accommodate people with reduced work capacity and special needs in the labor market. We repudiate prejudice, and we strive to ensure that our people feel valued and respected and have access to equal opportunities.



## EMPLOYEE ATTRACTION AND RETENTION

We want to be an attractive employer that provides our people with continuous opportunities to develop and succeed. At the same time, it is crucial that our people feel engaged in our joint vision and ambition for the Group for us to remain successful.

At SDK FREJA we have a diverse representation of talent. Many of our employees come with vast experience within their field of expertise, but we also focus on recruiting talent that are seeking to pursue a career within shipping and logistics.

### Recruiting talent

We believe that it is essential to make a contribution to the education of young people and to assist them in developing their skills. Our Human Resources staff are therefore putting a focused effort into recruiting young talent by attending job fairs and being present in educational institutions for higher education.

It is a clear priority of ours to set up various programs to educate and attract the next generation of talent. As part of that movement, we have not only purposefully recruited interns and student workers, but we have also developed a two-year trainee program for freight forwarders, founded the FREJA Trainee Academy, and constructed a better online system that is referred to as the SDK FREJA Academy to educate our employees.

### SDK FREJA's trainee program

SDK FREJA's trainee program for freight forwarders is offered at several of our SDK FREJA locations, and each year we invite new talents to join our teams and start their careers with us. The trainee program has a duration of two years during which the students primarily have their daily routine at SDK FREJA learning from their colleagues. The remaining nine weeks are dedicated to vocational school. Once the students graduate, they can call themselves freight forwarders, and we are extremely proud that most of them choose to continue to build their careers with SDK FREJA.

"As a trainee in SDK FREJA, you face new challenges every day, and you have to learn quickly, but you are never left alone. You are pushed to think and act independently, but you will always have the support of your colleagues and team. The learning curve is steep, and you learn something new every day, which contributes to your development both professionally and personally."  
Alexander Engholm, freight forwarding trainee, Helsingborg, Sweden.

### Onboarding and staying onboard

Our Logistics division has been using an e-learning platform for IT security and GDPR training for the last three years, and for the last year and a half, we have also employed it for onboarding and retention training for our managers. We have gained some valuable knowledge that will serve as the foundation for our future e-learning program, which will be implemented using a unified platform with our Shipping division by the end of this year. Our e-learning includes both major off-the-shelf produced

e-learning courses like GDPR, IT Security, and anti-corruption, as well as a lot of self-made trainings for our ERP-system, food safety, GDP transit, hygiene, and smaller 'how to' guides for various information technology systems.

In SDK FREJA, we intend to embrace each other's knowledge and create an even better experience for our employees through knowledge sharing. Through our internal tutors we are able to quickly set up specialized training in areas where it is needed, including but not limited to our ERP-system, claims handling, insurance, the handling of dangerous goods, load securing, and good practice. In the financial year 2022/2023, we have the ambition to expand our specialized trainings to a broader level, including our e-learning academy.

## HUMAN AND LABOR RIGHTS IN OUR SUPPLY CHAIN

We are aware that our suppliers come from many different cultures and societies and in respect of their differences, we will share our core values as a must by treating our suppliers with respect and decency. We can with a clear conscience require compliance to our Code of Conduct.

We have local representatives for all our suppliers. Therefore, we maintain close relations with our suppliers, which provides us with a solid foundation to assess our suppliers. We are going to conduct a more in-depth risk assessment of our suppliers and the nations in which they are based in. Our method of evaluation will consist of selecting a subset of our suppliers for inspection to check for violations of human rights.

Our largest group of suppliers comprises hauliers and their drivers, who often stay at our locations for cross docking and to complete their required rest period. At SDK FREJA, we make it a priority to look after all our drivers, regardless of their country of origin, and we encourage our customers to do the same when they are loading and unloading their cargo. We have made investments in not only adequate resting facilities but also additional equipment, such as showers and washing machines, to ensure that they are provided with decent working conditions.



**By treating our drivers with decency and respect, we open up for an equal dialogue that fosters respect and motivation.**

## COMMUNITY ENGAGEMENT

Our strategy is to support smaller communities and sports athletes that hold the same values as SDK FREJA, and to whom our contribution can make a meaningful difference to their development.

Many of our offices are located in smaller communities, and we believe that it is essential that our presence in these communities provides a positive impact. Many of our employees also have a connection to the communities we are present in. For a number of years, we have invested in local community engagement activities, as we believe it will benefit not only local communities but also our employees and their families.

We engage with local businesses where it is possible, and we support autonomously decided sponsorships that support local associations or individuals where we have common values. We have been supporting individuals who are enthusiastic and motivated by their passion – just like we are – since we became an organization large enough to give back to local communities. We support athletes and sports teams, as well as organizations and other charitable causes.

## SPONSORSHIPS AND SUPPORTING GOOD CAUSES

We want to not only express our support and encouragement towards talents on their route to becoming professional athletes, but also promote health and well-being throughout our communities and among our employees. Therefore, we have worked with some of the athletes we sponsor to organize internal sporting events involving our employees. We also organize internal fundraisers to make it easier for our employees to donate if they wish to do so.



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To have FREJA as my sponsor for almost seven years has made a big difference to me. Having a large Danish company behind me means a lot. FREJA contributes to my career both financially and with great support. It is good to know that there is someone who believes as much in my dream as a badminton player as I do myself.

Victor Svendsen,  
Professional badminton player





### UNGE PÅ TOPPEN

'Unge på Toppen' is a program that was developed in cooperation with Jobcenter Aabenraa and a number of different businesses. The project's primary objective is to encourage young people to find employment or continue their education. Over the course of the last few years, we have welcomed a number of interns to our Padborg location, where they have gained experience in a variety of areas, giving them a better understanding of what it is like to work at SDK FREJA. We are committed to provide the support they need to develop their professional and personal skills and competencies and leave better equipped to pursue their dream career.

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**We aim to support initiatives where we can make a difference and contribute to a positive impact on our local communities.**



### THE DANISH CANCER SOCIETY FOR KNÆK CANCER

For several years, SDK FREJA has been a supporter of the initiative 'Knæk Cancer' which is run by The Danish Cancer Society in the fight against cancer. In supporting the initiative, individuals and organizations can make monetary donations to the Society's cause and work. The Society also runs a focused campaign for one week each year, where individuals and organizations are encouraged to recreate the 'Knæk Cancer' logo, which resembles a flower as shown in the picture above. For each picture uploaded to Instagram, certain organizations will donate a sum of money to 'Knæk Cancer'.



# GOVERNANCE





As a family-owned business and one of the leading shipping and logistics companies in Europe, we take pride in having both a professional Board, where all directors have been individually selected to bring a broad range of relevant mindsets, knowledge, and experiences to the table, as well as an active owner family adding their ability to keep a long-term perspective towards our business. This is our strength in the industry.

In the day-to-day it is our Executive Management who set the direction of the company, and are responsible for implementing our culture of decency, leadership, and business acumen throughout the organization. They are also directly responsible for setting the ethical tone of the organization, while we count on our leaders to support and ensure that our strategy and targets are brought into action.

As a point of pride, this is not a one-way street, and we are proud to say that we have a sound culture where everyone can voice their opinions and have direct access to our Executive Management. We believe this creates a strong link to taking responsibility and accountability for the company when everyone can express their opinion and thus contribute to making a change.

Optimization is in our genes and as such, we have opted for a continued divide between our organizations. SDK FREJA is the parent company: SDK and FREJA each have their own structure because we see it beneficial for agile decision making. SDK and FREJA both have sound and strong corporate governance with the Board of Directors, Executive Management, and Management teams in every country. We believe this will provide us with the best systems on our journey towards sustainability and compliance in all parts of our ESG framework.

Supporting our Management is a solid group of staff functions advising Management in different areas. Regardless of the matter being related to Legal, Environmental, HR, Sustainability, IT, or our Customers, our Group and combined back office have many years of experience providing a highly valued service in an increasingly compliance-contingent industry.

# CORPORATE GOVERNANCE

Despite SDK and FREJA coming from two distinct backgrounds and cultures, we have carried with us two guiding principles that are remarkably similar: decency and leadership. These shared principles bind us together as one unified group, set the direction for our colleagues, and enable us to provide consistent standards to all of our governing authorities.

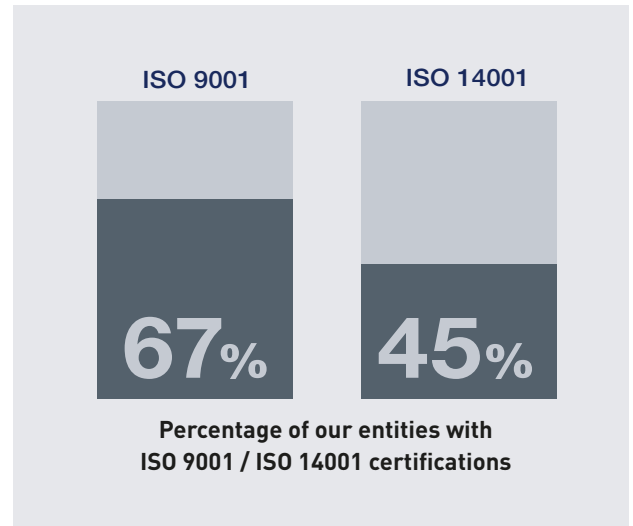
We have a responsibility towards our stakeholders. Corporate governance is essential for our ability to function as a business operating in diverse business sectors. We are dependent on having the right structures, rules, practices, and processes in place for us to be able to focus on what we do best, which is helping to solve our customers' shipping and logistics challenges seamlessly and effectively.

SDK FREJA is the governing organization for a global group of subsidiaries operating in the shipping and logistics sectors. Our Group is overseen by the SDK FREJA Board of Directors, which consists of independent directors and members of our owner-family, which are the sole shareholders of the Group. Our board members comprise of members each contributing with relevant knowledge and experience. The presence of our owner-family means that we take a long-term perspective towards our business and have a very agile leadership model. Our Executive Management team consists of our Group CEO and Group CFO of SDK FREJA, Group CEO and Group CFO of Logistics, and Group CEO of Shipping. For an overview of our Board and Executive Management's general profiles and competences, please see our 2021/2022 Annual Report.

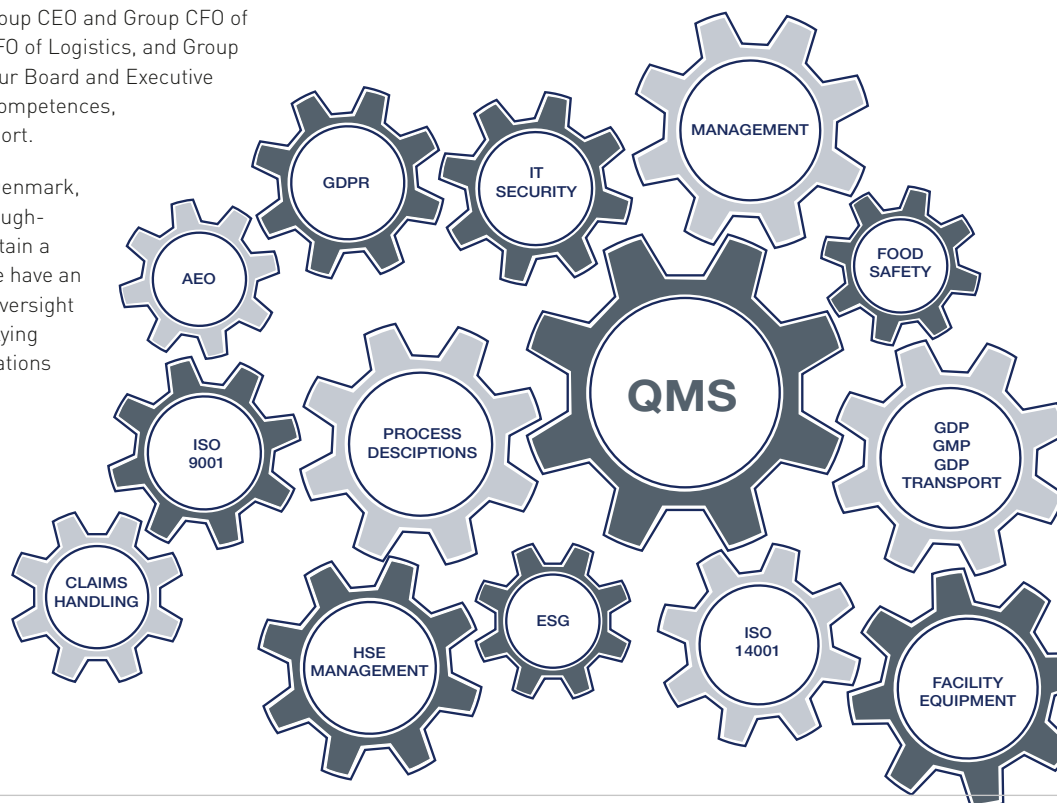
We have our global headquarters in Denmark, and our legal entities are located throughout Europe. This means that we maintain a complex legal setup to ensure that we have an appropriate level of governance and oversight across our Group in addition to complying with all local requirements and regulations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

## CERTIFICATION

Our ISO Certifications are an important part of our governance, we aim to have ISO 9001 certification of our Quality Management Systems for all our entities by 2024 and ISO 14001 certification for our



Environmental Management Systems for the entities where it brings value to the Group. Our upcoming environmental mapping in 2022 will show how many entities will benefit from an ISO 14001 certification. Governing through ISO standards provides value to us, and today, these standards form the backbone of our governance. At the moment, we have two different systems – one electronic and one manual system – and we plan to merge the two systems by the turn of the year 2022/2023. This will enable us to govern them in one SDK FREJA Corporate Quality Management System and will ensure that our policies, processes and procedures are aligned throughout the entire Group.



# COMPLIANCE

The areas we conduct business in are many, and we are located in several countries. For this reason, we must have strict compliance measures in place to ensure we abide by all applicable rules and regulations in the countries in which we are present and have operations.

Because we operate within many different business areas and in different countries, the way we govern our compliance is not through one single central entity. Instead, our compliance is governed by each department and overseen by controllers and audits. The overall responsibility for SDK FREJA's compliance rests with our CFO and the area is covered by our Quality Management Systems in both our Shipping and Logistics divisions.

For operations at harbors, cross docking terminals, and warehouses, compliance to Health and Safety regulations and requirements are supervised by QHSE.

Road transport is a mix of EU and national regulations within different requirements for hours of resting, cabotage, minimum wages, the return of vehicles to their countries of origin, and customs requirements in and out of the EU. In addition, we must also comply with requirements to standards where we have certifications, GDPR, and customer requirements. Our Quality department is the controlling part in collaboration with our Claims department.

Although our compliance setup is solid, and we currently have the right systems implemented, we will conduct risk assessments, a re-mapping of our systems and a prioritization of our compliance areas in the financial year 2022/2023. We will also implement policies for employee purchases, gifts, meals, and business travel.

Through e-learning, we will make training in GDPR awareness, whistle-blower, anti-corruption, and human and labor rights.

We will for the financial year 2022/2023 have measurements on Code of Conduct adoption among transport suppliers and employee training on our Code of Conduct, GDPR, IT security, anti-corruption.

## COMPLIANCE AS A PART OF QUALITY MANAGEMENT

We have been working with compliance as long as we have been ISO certified within 9001 Quality and 14001 Environment. Along the way we have increased our Quality Management System to include Pharma requirements on GDP and GMP with regulatory requirements, AEO (Authorised Economic Operator) with customs authorities' requirements and IFS (International Food Standard) with requirements for handling and transporting perishable foods.

We have always managed our Health and Safety requirements in our QMS systems. We aim to merge our two systems in SDK and FREJA into the same platform during the second half of 2022, so we have one joint system in Q1 2023.

As a part of managing quality, we have monitoring of legal requirements, such as EU regulations and directives, Scandinavian laws and regulations, and environmental municipal regulations.

## AEO CERTIFICATION

FREJA is AEO (Authorized Economic Operator) certified in Denmark, Sweden, and Finland. AEO helps simplify our work in connection with customs, security, and protection. With this certification, we demonstrate compliance with customs legislation and taxation rules and absences of criminal offences related to economic activity.

## INTERNAL AUDITS

Our internal audits are an important tool to ensure compliance. We therefore aim to increase the frequency of our internal audits and ensure better synergies between finance controllers and quality auditors to cover our compliance areas. Despite compliance being vital to ensuring we safeguard our Group, our audits have not previously included compliance as an independent audit topic.



# DATA PRIVACY AND SECURITY

Our IT platforms serve several countries and many different programs, as well as minor platforms, and we continuously strive to ensure we embed more digital innovation and IT security. We do so, because we are acutely aware of the rise in cyber threats and that we must always have a proactive stance towards safeguarding our stakeholders' data. That is why data privacy and security are inherent parts of our IT architecture and our operational and management processes.

Our Logistics and Shipping divisions use independent IT platforms; However, we are in the process of migrating to one common IT platform. which will include Infrastructure, Identity & Access Management, Policies, and Response Planning.

We perform regular information security controls, which are necessary to protect the organizations' information assets against unacceptable risks to their confidentiality, integrity, and availability. Our information security management system conforms to internationally accepted best practice as defined in relevant standards such as ISO 27002.

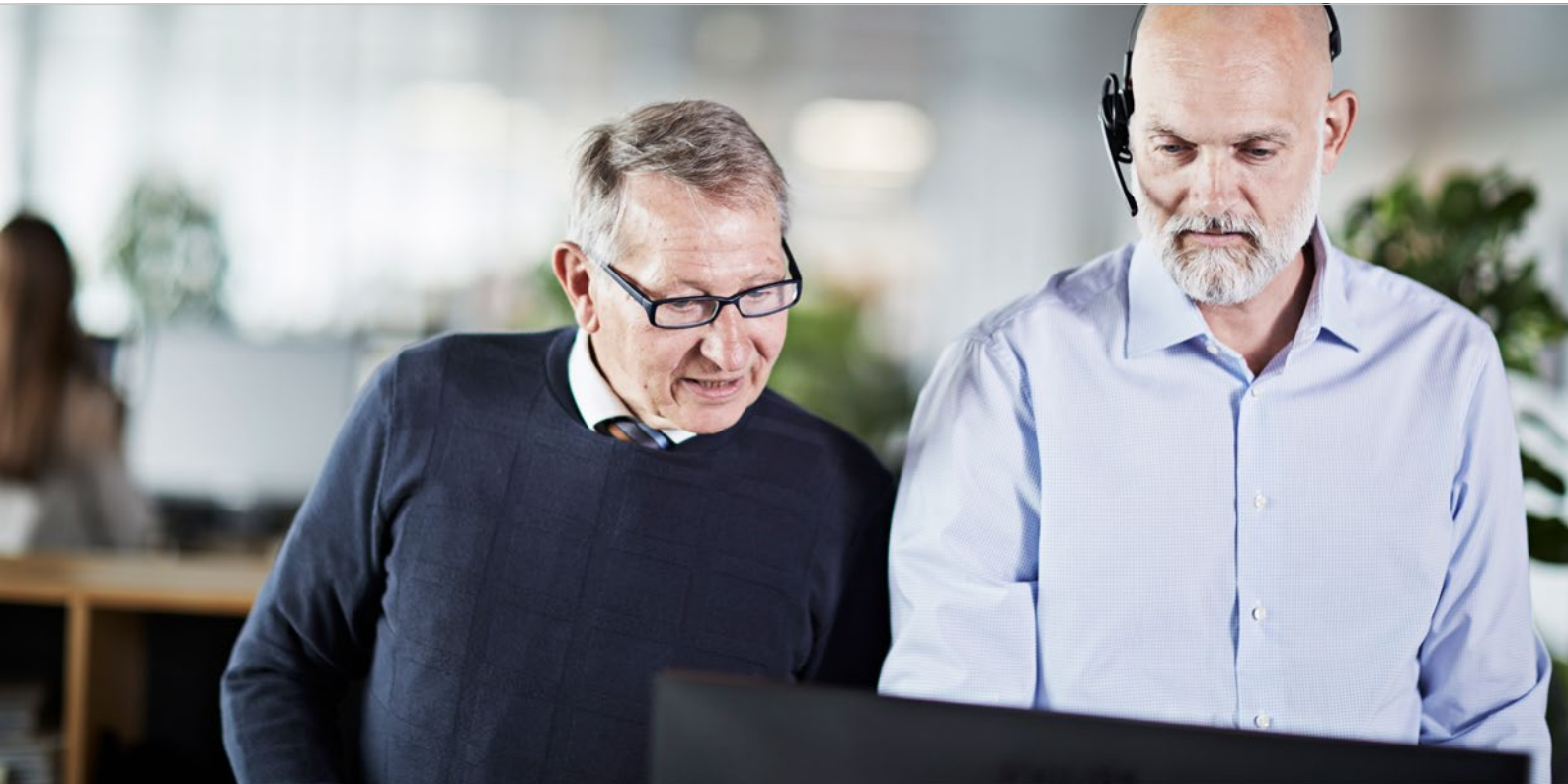
Our data privacy and security are core elements of SDK FREJA's corporate governance and closely related to areas such as IT management, risk management, legal and regulatory compliance, and business continuity thus supporting our obligations to our employees, business partners, and the community at large.

The Information Security function, led by the Group IT Director and IT Operations Manager, is responsible for the Information Security Manual comprising supplementary policies, standards, procedures and guidelines for information security. The function acts as an internal Center of Excellence providing leadership and guidance on all matters relating to information security.



**To secure IT systems and data privacy is a 24/7/365 job, and we are proud to have this important priority role.**





# REPORTING AND HANDLING OF MISCONDUCT

We hold ourselves to the highest standards of integrity, honesty, and compliance, and we expect the same from our stakeholders. The conduct of our employees and business partners is key to setting a good example.

Corruption, sanctions breach, and other fraudulent or unethical business conduct are in direct violation of our company's core values, as well as our purpose and internal compliance.

As a Group, we promote an open culture and encourage reporting and handling of misconduct in a safe and anonymous manner. SDK FREJA wishes to join and promote a compliant culture based on dialogue under the slogan: We move responsibly, together!

## CODE OF CONDUCT

We currently have two separate Codes of Conduct – one for our employees and one for the suppliers of our Logistics division. In Q3 2022, a unified Code of Conduct for SDK FREJA will replace our current Codes of Conduct, and it will, like the existing ones, be built on the UN's 10 Principles on Human Rights. We will initiate internal training and awareness, and our Supplier Code of Conduct will be signed by our operational suppliers.

## WHISTLE-BLOWING

SDK FREJA's whistle-blower service is managed by a third-party and available in several languages for easy access. Our whistle-blower service provides our employees with the opportunity to anonymously and freely express concerns or grievances in confidence through our website and our intranet. For the financial period 2021/2022, the service was not used. In the instance that we receive any complaints or concerns through our whistle-blower service, the grievance will at first be handled by a law firm to ensure fairness for the claimant. We will treat each and every concern with total discretion and earnestness, and we will ensure fairness and protection of all that use our whistle-blower service.

# TRANSPARENCY AND REPORTING

AT SDK FREJA we aim to be transparent by communicating in a transparent and accurate manner. This entails always delivering trustworthy quality data for our operational KPI's, financial data, and ESG-related KPI's and data. Our data is used for decision-making and therefore, it must be clear and provide good business understanding.

Prior to the merger of our two divisions, SDK and FREJA both had a long history of providing accurate and high-quality financial reporting. Today, SDK FREJA continues to uphold the same quality, and has ensured that the Group's financial reporting has an appropriate degree of traceability and insights to our auditors.

Our non-financial data as disclosed in this report are derived from and using multiple systems. We utilize our Business Intelligence (BI) system to access the relevant data we need to govern our entities, which includes ESG performance reporting. However, we are currently manually collecting ESG performance data for certain topics. The target is to have all ESG areas fully covered by our BI system in 2024. To ensure that the data provided in our BI system is correct, our Quality department performs monthly controls on our BI system's in- and output data.

In addition, we aim to be compliant with the Corporate Sustainability Reporting Directive (CSRD) before entry into force in 2025/2026. We will use financial year 2022/2023 to conduct a compliance assessment.

Technology, IT, and innovation are of high priority in SDK FREJA. IT and technology are crucial for our business, and we are always looking for the most advanced systems, so we have the best prerequisites for delivering 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 do our utmost to develop IT solutions in-house.

## BUSINESS INTELLIGENCE

Business Intelligence provides SDK FREJA and our business partners with value in the form of better and faster decision-making. With the large amount of data available, we have the ideal prerequisites for optimizing our workflows and gaining a better understanding of our business and where we can improve.

In 2018, we developed and launched a Business Intelligence platform for our customers called MyFREJA. The BI platform can deliver data and insights into our customers' transport activities with the Group. MyFREJA has an intuitive user interface that enhances supply chain dimensions and improves the flow-of-goods analysis making it easy for our customers to use these valuable insights to optimize their business. We are continuously improving the platform to ensure it always supports our customers' needs.



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**Business intelligence and automation are important for future development and growth. It helps us to better understand our business and to optimize processes that benefit our colleagues and customers.**

Alexander Skaarup Kristensen  
Group Finance Business Partner  
Stilling, Denmark



# SYNERGIES AND OPPORTUNITIES

Once a small local shipbroking company, SDK's journey can be traced all the way back to parent company USTC's tentative beginnings in 1876. Over time, SDK experienced tremendous growth through acquiring smaller companies; a growth journey only made possible by the active engagement and involvement of the family-owned parent company USTC – or United Shipping and Trading Company. In the latest of its endeavors, SDK merged with logistics and transport company FREJA in 2021. A perfect match which gave rise to the perfect opportunity to compile and launch the Group's first unified Sustainability Report.

Coincidentally, Mia Østergaard Rechnitzer, co-owner of parent company USTC, recently took on the role as Chief Governance Officer of USTC. Like many members of her generation, Mia grew up with a keen awareness of environmental and social issues, and the urge for society to set a more responsible and sustainable course forward.

"With the joining of forces, SDK FREJA are now ready to accelerate their work with sustainability, and we in the owner family fully support their great initiatives. We are confident that SDK FREJA will progress towards driving positive environmental and societal change," says Mia Østergaard Rechnitzer.

Open conversations between the owners and USTC entities around aligning efforts and ambitions for sustainability have of late been high on the agenda.

"At USTC we have identified four areas, where we see clear synergies and opportunities, and where we wish to support and facilitate cooperation across the Group. These include our Group's Corporate Governance, Climate Impacts, Diversity, Equality, and Inclusion, and Compliance," says Mia Østergaard Rechnitzer.

By setting direction and ambitions for sustainability, parent company USTC is creating value for the entire group of companies and ensuring their long-term prosperity.

"Supporting this move towards a more formal ESG guideline, ensuring we are tracking the progress we are making, and remaining accountable to our partners and ourselves, will be critical in shaping and guiding future decision-making – something we as an owner family fully and completely support. We look forward to continuing close dialogue, ensuring we move responsibly with a shared direction as a group," says Mia Østergaard Rechnitzer.

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**We in the owner family fully support SDK FREJA's initiatives in driving positive environmental and societal change.**

# ACCOUNTING PRINCIPLES

The following accounting practice lays the foundation for the figures presented in this report. The report covers SDK FREJA's financial year from 1st May 2021 to 30th April 2022. The performance figures include consolidated data from the parent company SDK FREJA A/S and subsidiaries controlled by SDK and FREJA Transport & Logistics Holding A/S. The choice of reporting principles and disclosures have been informed by established reporting standards and frameworks, but this report is not fully aligned with any specific framework. The overall reasoning is to ensure that this report provides as full a picture of our business as possible, while still following good practice. The reporting standards and guidance for SDK FREJA's industry is still evolving, so future reporting is expected to be more fully aligned with standards going forward.

## ENVIRONMENTAL PERFORMANCE

### GREENHOUSE GAS PROTOCOL

The carbon accounts from SDK FREJA have been set up based on the standards as set out by the Greenhouse Gas Protocol (GHG Protocol).

The GHG Protocol (<http://ghgprotocol.org/>) is an internationally recognized standard used to account for greenhouse gas emissions and is used by the majority of organizations reporting on their greenhouse gas emissions. The GHG Protocol covers the accounting and reporting of seven greenhouse gases that are covered by the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

The GHG Protocol adheres to five main principles, which form the backbone of the accounting principles applied to the carbon accounts of SDK FREJA:

#### 1. Relevance

Ensure the GHG inventory appropriately reflects the GHG emissions of the company and serves the decision making needs of users – both internal and external to the company.

#### 2. Completeness

Account for and report on all GHG emission sources and activities within the chosen inventory boundary. Disclose and justify any specific exclusions.

#### 3. Consistency

Use consistent methodologies to allow for meaningful comparisons of emissions over time. Transparently document any changes to the data, inventory boundary, methods, or any other relevant factors in the time series.

#### 4. Transparency

Address all relevant issues in a factual and coherent manner, based on a clear audit trail. Disclose any relevant assumptions and make appropriate references to the accounting and calculation methodologies and data sources used.

#### 5. Accuracy

Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions, as far as can be judged, and that uncertainties are reduced as far as practicable. Achieve sufficient accuracy to enable users to make decisions with reasonable assurance as to the integrity of the reported information.

The following section describes the applied accounting principles for each of the categories within SDK FREJA's 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 submetering 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 submetered 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 up-stream 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 leased 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 the 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 is measured by payload and payload capacity on vehicle. This is measured in our ERP system.

## **SOCIAL PERFORMANCE**

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### **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**

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### **WHISTLE-BLOWER**

Number of reports reported in our whistle-blower arrangement monitored by law firm Dahl in the period May 2021 to April 2022.

### **ISO CERTIFICATIONS**

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

### **GDPR VIOLATIONS**

Numbers of reported violations of data privacy to SDK FREJA or authorities in the period May 2021 to April 2022.





# STATEMENT BY THE MANAGEMENT REGARDING THE GREENHOUSE GAS INVENTORY FY 2021/2022

Management has today considered and approved the Greenhouse Gas Inventory FY 2021/2022.

The Greenhouse Gas Inventory FY 2021/2022 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 2021/2022 is in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition) and Management’s Accounting Principles for its Greenhouse Gas Inventory, and is free from material misstatement and omissions, whether due to fraud or error, including the accuracy and completeness of the data, sources and assumptions used.

Taastrup, 01 September 2022

On behalf of Management



Eric Clausen  
Head of ESG and Quality



Henrik Klausen  
Group CFO

# INDEPENDENT AUDITOR'S COMPILATION STATEMENT

## TO MANAGEMENT OF SDK FREJA A/S

We have compiled the Greenhouse Gas Inventory of SDK FREJA A/S for FY 2021/2022, based on the information we have received from Management.

The Greenhouse Gas Inventory 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. The Accounting Principles and summary of results are found in the Appendix of this Compilation Statement.

We performed this work in accordance with ISRS 4410 Compilation Engagements.

We have applied our professional expertise to assist Management in the preparation and presentation of the Greenhouse Gas Inventory in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition).

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

The Greenhouse Gas Inventory and the accuracy and completeness of the assumptions used to prepare the statement are the sole responsibility of Management.

Since a Compilation Engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the disclosures Management provided to us to compile this Greenhouse Gas Inventory. Accordingly, we do not express an audit opinion or a review conclusion about the Greenhouse Gas Statement.

Copenhagen, 01 September 2022

Deloitte Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56



Thomas Rosquist Andersen  
State-Authorised Public Accountant  
Identification No (MNE) mne31482



Helena Barton  
Partner



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CVR No: 56 25 23 12



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