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Stepping into a more sustainable future with MAN **Energy Solutions**

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Jan Toftelund Abel, Head of Transport Management, MAN Energy Solutions and Steen Søgaard, Regional CEO, Nordics

Decarbonising the supply chain is a joint effort. As a result of our long-standing partnership with MAN Energy Solutions (MAN ES) in Denmark, we have initiated a project to test and develop sustainable logistics solutions. The full project scope involves 100% ocean biofuel and trucks running on renewable diesel, HVO (Hydrotreated Vegetable Oil), ensuring approx. 85% reduction on the last-mile delivery. The business case will inform future co-led carbon-reducing initiatives.

MAN Energy Solutions, a world-leading provider of large-bore diesel and gas engines and turbomachinery, is highly invested in transitioning towards a global carbon-neutral supply chain and taking concrete action to decarbonise shipping. The project entails 50 40' ocean containers from Japan to Denmark and marks only the beginning of our joint net-zero journey.

Ongoing discussions about CO2-reducing solutions have been part of our long-term strategic logistics partnership with MAN ES leading up to the project launch.

Jan Toftelund Abel, Head of Transport Management, MAN Energy Solutions, Denmark, expands:



We were looking for more concrete learnings to inform our future CO2-reducing initiatives. SGL is a highly valued partner who provided us with the solution we needed, involving data, access to biofuels, supply chain expertise and a willingness to engage with us on the decarbonisation journey. We wanted to see what results can be obtained if we go all in and SGL was ready.

A dual-focused business case

As a significant contributor to global trade and subsequent carbon emissions, MAN ES' business case focuses on reducing its supply chain emissions by 50% by 2030.

Jan Toftelund Abel explains why taking action now is essential:

'Creating a sustainable future is of high priority with MAN Energy Solutions. This project provides essential learnings on carbon-reducing solutions to decrease our CO2 supply chain emissions, insights which we can then include in our future decision-making to optimise our decarbonisation efforts.'

Adding to the urgency is the EU-driven CO2 taxation on ocean freight coming into effect on 1 January 2024, gradually making fossil-fueled transport more costly in the future. Jan expands:

'For every ton of CO2 we can reduce from our ocean freight, we can decrease our overall costs by a given factor. With the help of SGL, this project allows us to learn precisely the value of that KPI, which will become a deciding factor when prioritising which routes to decarbonise in the future.'

Concrete data, concrete results

A detailed set of data on the specific route's CO2 emissions compiled by MAN ES over five years forms the project basis. Apart from providing the KPI for future decarbonisation efforts, the project will provide MAN ES valuable knowledge about the biofuel and HVO procurement process managed, supervised and completed by us and verified by independent auditors, including issuing a CO2 certificate for MAN ES's sustainability accounting and ESG reporting.

The project results will help MAN ES in Denmark identify the most carbon-reducing potential in its global supply chain.

Steen Søgaard, Regional CEO, Nordics: 'As a long-term partner, it's a natural part of our cooperation with MAN ES to challenge the status quo and turn strategy into practical solutions, enabling us to achieve our mutual climate targets.'



The project is focused on a particular corridor from Japan to Denmark that sees a high frequency of fullload containers. Specifically, during the 2nd half of 2023, 50 40-foot containers will be transported using 100% ocean biofuel and HVO-fueled trucks for the last-mile delivery to minimise end-to-end emissions as much as possible.

Jan Toftelund Abel on MAN ES' future expectations: 'We expect that offering sustainable, proven solutions will become an increasingly pivotal tender benchmark and central to future quote requests across the industry. We are certain SGL will be able to provide that and thus support MAN ES in achieving our Scope 3 CO2 reductions. 50 containers are only the beginning'.

We are proud to support our customers in taking concrete initiatives to decarbonise the supply chain and are ready to repeat at any port on any continent.

Facts on our sustainable fuels

- · Reduce your ocean freight emissions by up to 100% depending on specific lifecycle analysis of the fuel
- Reduce your road freight emissions by 60-80% depending on the types of raw materials Sustainable fuels are available globally no matter where your transportation needs are

About MAN Energy Solutions

MAN Energy Solutions enables its customers to achieve sustainable value creation in the transition towards a carbon neutral future. Addressing tomorrow's challenges within the marine, energy and industrial sectors, we improve efficiency and performance at a systemic level. Leading the way in advanced engineering for more than 250 years, we provide a unique portfolio of technologies. Headquartered in Germany, MAN Energy Solutions employs some 14,000 people at over 120 sites globally. Our after-sales brand, MAN PrimeServ, offers a vast network of service centres to our customers all over the world.



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