SGL Group ApS
Jernholmen 49
DK 2650 Hvidovre
Denmark

CVR no. 43 63 99 51

1 January to
31 December 2024

ANNUAL REPORT 2024

SCAN GLOBAL LOGISTICS

UNCOMPLICATE YOUR WORLD »

CONTENTS

INTRODUCTION

The 2024 Annual Report marks our first fully integrated report and combines the Management Review, which includes highlights for 2024, our business model, strategy, risk management and Sustainability Statement with the Financial Statements. This change aims to enhance transparency and provide stakeholders with a detailed understanding of our performance and long-term value creation.

In line with the Corporate Sustainability Reporting Directive (CSRD), this report incorporates the European Sustainability Reporting Standards (ESRS), ensuring compliance with evolving EU regulations.

To clearly and effectively present these mandatory ESRS requirements, we have integrated them into the relevant sections of the report using the 'incorporation by reference' method. This means the ESRS requirements may not always be included directly in the Sustainability Statement. We have included specific ESRS disclosure references, such as "GOV-1" and "SBM-1," throughout the report to help guide readers to important data points.

The Sustainability Statement, now part of the Management Review, has been prepared following sections 99a, 99d, and 107d of the Danish Financial Statements Act.

PRO FORMA COMPARATIVE RESULTS PERTAINING TO SGL GROUP

On 23 May 2023, CVC Capital Partners Fund VIII (CVC) completed its acquisition of Scan Global Logistics Group. As a result, this annual report includes pro forma comparative results, where deemed relevant for the reader of the financial statements, to provide a full comparison for the entire year, 1 January 2023 to 31 December 2023, to show the development on a like-for-like basis.

Reported comparative results for the period from 1 January 2023 to 31 December 2023 include only the operational activities of the Scan Global Logistics companies as of 23 May 2023.

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VOLATILE MARKET ENVIRONMENT MITIGATED THROUGH RESILIENT AND DIVERSIFIED BUSINESS MODEL

LETTER FROM OUR CEO

A CONSTANTLY CHALLENGING MARKET ENVIRONMENT REQUIRING A CONSTANTLY AGILE APPROACH

Our purpose of making the world a little less complicated continues to resonate in a market environment that is historically challenging. Geopolitical unrest and, with that, changing trade-patterns is an ever-present factor for SGL and our customers. We believe our agile and people-empowered business model is perfectly suited to navigate this current market climate, where speed and on-the-ground decisions are vital.

This has also been the case in 2024, where we have delivered strong volume growth; 38% growth in ocean freight volumes, reaching over 550k TEU, and 33% growth in airfreight volumes, reaching over 200k tonnes. The growth is coming from further scaling of our SGL network through a mix of strong organic growth combined with onboarding of our recent acquisitions.

In 2024, we delivered an EBITDA before special items of EUR 195m, which is in line with our revised Outlook for 2024. Our performance is on par with the market, where volatility and capacity issues are the new normal and freight rates are continuing on the path of normalisation.

WELCOMING NEW PEOPLE

During 2024, we welcomed approx. 400 new people through the acquisition of platforms in Brazil, Italy, South Korea and Bangladesh, who are all delivering on the strategic ambitions. In 2025, we are also onboarding new people with our acquisition of ITN, which will strengthen our operations in Canada with additional scale, new locations and an increased market share.

Further, in 2024 we expanded our geographic presence by opening offices in Argentina, Colombia, Slovakia, Saudi Arabia, and Ireland, and are expanding into Tanzania in 2025.

As a result of the growth, following our 1-3-5 Strategy, we are now present in more than 55 countries, and for the next part of the journey, we are focusing on building further scale in key markets, such as the US, Brazil, Italy, Germany, Spain and the UK.

ESG EMBEDDED IN OUR BUSINESS

ESG continues to be embedded in how we do business. In 2024, we provided logistics services that reduced Scope 3 GHG emissions intensity by 9% per gram CO_2e/ tonne-kilometre.

We have made several ESG strategic improvements, which, in turn, have allowed us to achieve an EcoVadis 'Gold' medal rating, ranking us in the top 5% of all companies across all industries.

We also achieved an 'A' rating, the highest possible score from CDP for our environmental performance, steady climate action, and dedication to reducing our own and our customers' CO_2 emissions.

PEOPLE, LEADERSHIP & CULTURE

We believe listening to our employees is key to building a meaningful and purpose-driven organisation. Therefore, in 2024, we have completed another meaningfulness survey (MQ) and are proud to have achieved a record-breaking response rate of close to 90% out of almost 4,000 people. The 2024 MQ survey confirmed that SGL remains a top-tier employer, well ahead of industry peers in terms of providing a meaningful workplace. We complete this survey to continuously preserve our culture and inclusive working environment, while continuing to grow and welcome many new colleagues to our company. All this is rooted in the ambition of becoming the most purpose-driven and meaningful company in the logistics industry.

SECURING FINANCIAL FOUNDATION FOR GROWTH

In 2024, we successfully placed EUR 600m of new senior secured bonds, followed by an equivalent placement of EUR 375m at the beginning of 2025. These issuances were met by strong demand from institutional investors across the Nordics, Continental Europe, the UK and the US, and were significantly oversubscribed. It gives us great comfort that bondholders view SGL as a company that always aims to deliver as promised, acknowledging our financial track-record in recent years.

Proceeds from the bond issue will enable us to fully redeem outstanding senior secured bonds with a higher floating rate.

PROMISING FUTURE

Our resilient business model, along with our people, solidified a solid market position in 2024 and reinforced our expectation of above-average growth in the future. Regardless of geopolitics and macroeconomic changes, we will continue to leverage our resilient business model to continuously provide uncomplicated logistics with an entrepreneurial mindset, leveraging our most important asset: our people.

We remain committed to our 1-3-5 Strategy, and through our investments in sales, people and infrastructure, we are evolving to become a truly scalable global network operator.

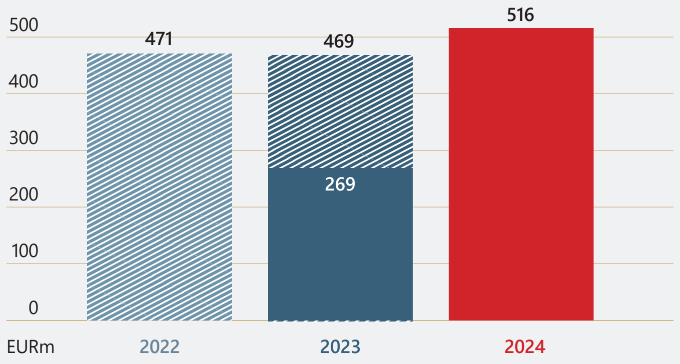
Therefore, I am looking forward to a promising future for SGL and remain confident we will reach our strategic goals in the years to come.

ALLAN MELGAARD

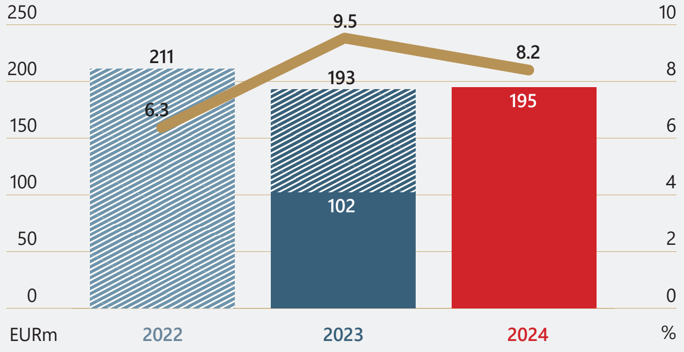
Global CEO,
Executive Management
SGL Group ApS

PERFORMANCE HIGHLIGHTS

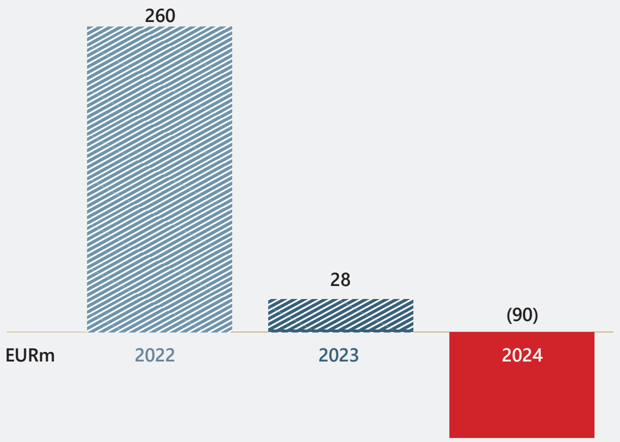
GROSS PROFIT In 2024, SGL reached a new milestone, with a gross profit exceeding EUR 500m for the first time and ended at EUR 516m compared to EUR 469m in 2023 pro forma, corresponding to a 10% increase. Solid organic growth and strategic acquisitions ensured the strong performance.



EBITDA In 2024, EBITDA before special items saw a slight increase compared to the 2023 pro forma and reached within our guidance of EUR 195m. SGL is preparing the organisation for future growth; this has included increasing the number of employees to accommodate the increasing volumes seen in 2024. These investments have fostered a slight decrease in EBITDA before special items margins.

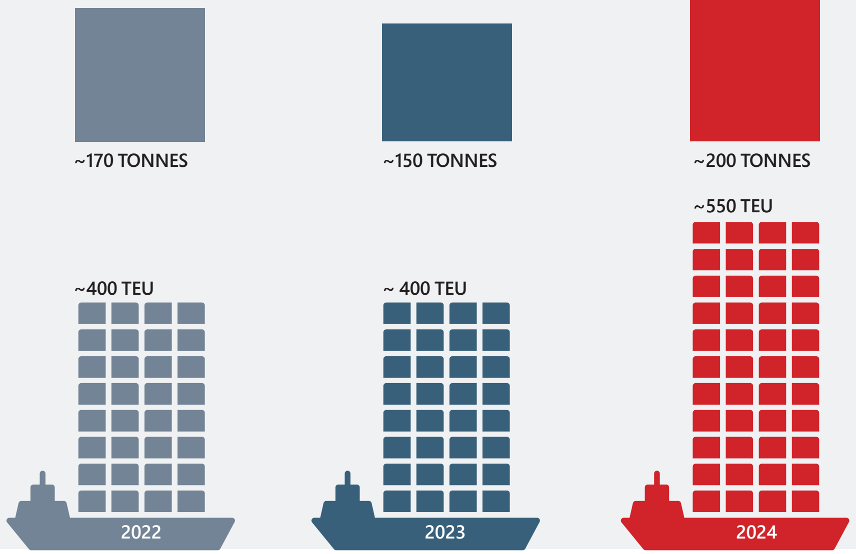


OPERATING CASH FLOW In 2024, the operating cash flow amounted to negative EUR 90m compared to positive EUR 28m in 2023 pro forma. The cash flow was negatively impacted by the build-up of net working capital caused by increasing freight rates.

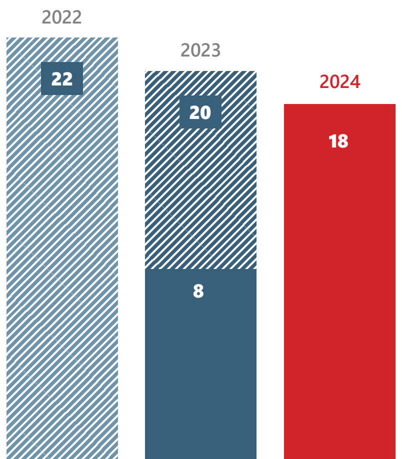


VOLUMES After stable volume counts in the 2022 and 2023 pro forma, SGL has experienced a surge in volumes in 2024. Airfreight volumes increased by approx. 33%, while Ocean freight volumes increased by approx. 38%, reaching over 550K TEU in 2024. Growth in volumes is especially strong in our APAC region, but we see increases in all geographical areas.

The development in TEU (Twenty-foot Equivalent Unit) and Tonnes shown here are all reflected in thousands.



REPORTED PRO FORMA EBITDA MARGIN BEFORE SPECIAL ITEMS, INCL. PRO FORMA %

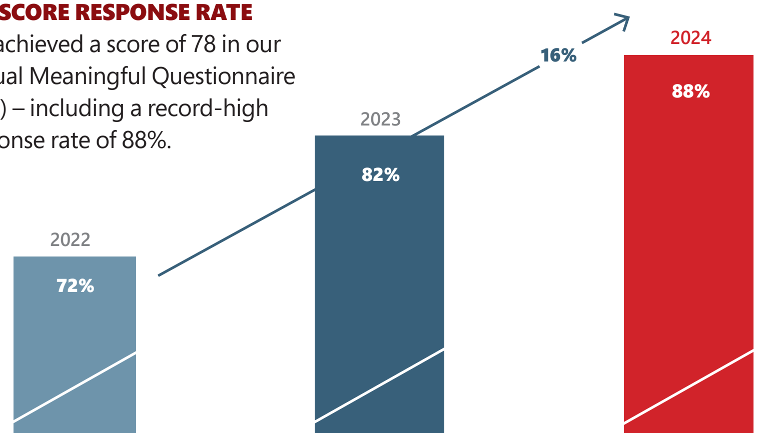


EMISSION INTENSITY
In 2024, we reduced our emission intensity (gram CO2e per tonne kilometre) across all transport modes by 9% compared to 2023, in line with our Science Based Target-approved Scope 3 target.

ECOVADIS
We received an EcoVadis ‘GOLD’ medal for our sustainability performance with a score of 74, ranking us in the top 5% across all companies in all industries.

CDP
We achieved an ‘A’ rating, the highest possible score from CDP in 2024, affirming our environmental performance, steady climate action, and dedication to reducing our own and customers’ CO2 emissions.

MQ SCORE RESPONSE RATE
We achieved a score of 78 in our annual Meaningful Questionnaire (MQ) – including a record-high response rate of 88%.



STRATEGIC HIGHLIGHTS

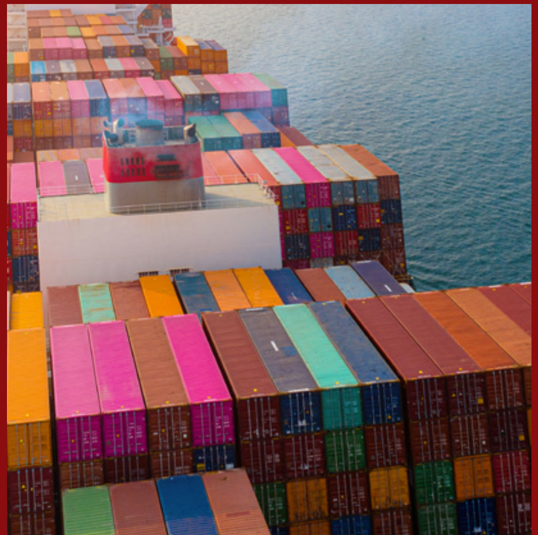
Q1

MAJOR OCEAN BIOFUEL AGREEMENT TO ENABLE LOW CARBON SOLUTIONS FOR CUSTOMERS

As sustainability is a key focus for both our and Hapag-Lloyd's strategy, we have initiated a forward-looking, joint initiative to integrate biofuels into their shipping operations. By utilising biofuel derived from renewable sources, we aim to support our customers in reducing carbon emissions and contribute to the global effort to combat climate change.

NEW BONDS

In March, we announced that we had issued and placed EUR 600m in new senior secured bonds. Furthermore, we announced the completion of a partial buy-back of EUR 391m previously issued bonds.



Q2

ACQUISITION OF FOPPIANI

In June, we completed the acquisition of Foppiani Shipping & Logistics Group in Italy. The acquisition provided us with an operational platform that allows us to establish a strategic presence in Italy. It enables us to scale our business and expand our global reach, ultimately benefitting our customers.

Q3

SCIENCE-BASED TARGETS APPROVED

We received approval for our own near- and long-term science-based net-zero targets from the Science Based Target Initiative as one of only a few companies within the logistics industry. Aligning our climate targets with our customers demonstrates our commitment to shared goals and our ability to support them effectively.

ACQUISITION OF BLU LOGISTICS

In September, we completed the acquisition of Blu Logistics Brasil Transportes Internacionais LTDA in Brazil. The acquisition provided us with a significant operational platform, enabling strategic presence, enhanced customer service capabilities and network with neighbouring countries. The acquisition supports our global expansion strategy to extend our presence in key regional markets.

Q4

SUSTAINABILITY AWARD

Achieved recognition for our sustainability efforts in Asia by winning the title of 'Supply Chain Innovator of the Year' at the Asia Supply Chain Awards 2024, held in Bangkok, Thailand, in October 2024. This award recognises our sustainability initiatives, such as the SGL Sustainability Forum ASIA, which introduced the region's first 100% electric cross-border truck, operating between Malaysia and Singapore, one of the region's busiest trade lanes.

ACTION ON RENEWABLE ENERGY STRATEGY

In 2024, we continued our collaboration with Energi Danmark to further expand our renewable energy sourcing. As part of this commitment, we have secured an additional Power Purchase Agreement (PPA), increasing our renewable energy offtake in Denmark by 1,000 MWh.

NEW ISO 27001 – INFORMATION SECURITY

In 2024, SGL's IT department and IT security division worked to certify SGL with ISO27001 standards to better align our business operations and information security approach with customer expectations.

FIVE-YEAR SUMMARY

FIVE-YEAR SUMMARY	2024	2023 PRO FORMA*	2023	2022 PRO FORMA*	2022	2021 PRO FORMA*	2020 PRO FORMA*
Key figures (in EURm)							
Revenue	2,383	2,022	1,162	3,332	-	1,924	1,061
Gross profit	516	469	269	471	-	282	178
EBITDA before special items	195	193	102	211	(0)	108	57
Operating profit (EBIT) before special items	112	129	60	155	(0)	72	25
Special items, net	(41)	(34)	(32)	(21)	-	(10)	(15)
Operating profit (EBIT)	71	95	28	134	(0)	62	10
Financial items, net	(108)	(98)	(65)	(45)	-	(31)	(31)
Result before tax	(37)	(3)	(37)	89	(0)	30	(21)
Result for the year	(54)	(33)	(51)	63	(0)	18	(24)
Cash flow							
Cash flows from operating activities	(90)	28	2	260	0	(125)	38
Cash flows from investing activities	(103)	(404)	(92)	(65)	-	(71)	(18)
Free cash flow	(193)	(376)	(90)	195	0	(196)	20
Cash flows from financing activities	131	220	233	48	0	214	6
Cash flow for the year	(62)	(156)	143	243	0	18	26
Financial position							
Total equity	832	875	875	220	0	164	111
Net working capital	229	94	94	81	-	227	18
Net interest-bearing debt (NIBD)	942	678	678	266	-	441	250
Investment in property, plant and equipment incl. RoU	34	15	11	30	-	24	31
Total Assets	2,305	2,023	2,023	1,225	0	1,004	565
Financial ratios %							
Gross margin	21.7	23.2	23.1	14.1	-	14.7	16.8
EBITDA margin before special items	8.2	9.5	8.8	6.3	-	5.6	5.4
EBIT margin before special items	4.7	6.4	5.2	4.7	-	3.7	2.3
EBIT margin	3.0	4.7	2.4	4.0	-	3.2	0.9
Equity ratio	36.1	43.3	43.3	18.0	0.0	16.3	19.6
Number of full-time employees at the end of the year	4,588	3,608	3,608	3,370	-	2,322	1,819

* SGL Group ApS was established on 11 November 2022, consequently pro forma comparative financial numbers are disclosed to show the development on a like-for-like basis. Pro forma financials for SGL Group ApS are unaudited.

OUR STORY AND BUSINESS MODEL

Reception , Sao Paulo, Brazil

FROM ENTREPRENEURIAL ROOTS TO A GLOBAL NETWORK FREIGHT FORWARDER

1975/89
Mahé Freight founded in 1975 and ScanAm Transport founded in 1989

2007
Scan Global Logistics was founded after Mahé was acquired by Odin Equity and merged with ScanAm

2008
3 countries (M&A)

2009
Entered into a strategic alliance partnership with TransGroup Worldwide Logistics

2 acquisitions

2016
SGL Group and TransGroup sold to U.S. private equity firm AEA Investors

2017
Allan Melgaard appointed Group CEO of Scan Global Logistics

2018
Defined our purpose and vision together with four key virtues in alignment with employees, suppliers, and customers

RESPECT

INTEGRITY

ENTRE PRENEUR SHIP

FUN

2 acquisitions

2019
Launched MQ Survey and 360° Cultural Fit Assessment

4 acquisitions

2020
SGL and TransGroup merged under one entity

Introduced our sustainability strategy and published our first standalone sustainability report

2 acquisitions
3 greenfields

2021
Established a global network growth platform to continue greenfield investments and M&A

4 acquisitions
4 greenfields

2022
The extreme growth strategy really took off solidifying our global footprint

11 acquisitions
3 greenfields

2023
CVC acquired a majority shareholding in SGL from current investor AEA, which remains a minority shareholder

7 acquisitions
2 greenfields

Former CEO at Maersk and Carlsberg, Nils Smedegaard Andersen, appointed Chairman of the Board

2024
4 acquisitions
5 greenfields

2025
1 acquisition
1 greenfield

Established activities in Tanzania and signed the acquisition of ITN Logistics Group in Canada

2027
The most purpose-driven & meaningful logistics company

Among the top third in logistics industry on earnings

EUR +5 billion in revenue

Revenue 2024: EUR 2,383m

BUSINESS MODEL & VALUE CHAIN

SBM-1 BUSINESS MODEL & VALUE CHAIN

Global freight forwarding expertise

As a leading freight forwarder, SGL Group facilitates the global movement of goods on behalf of exporters and importers. We coordinate transportation by securing capacity from ocean carriers, airlines, and road and rail transport operators. While these capacity providers own and operate the transportation assets, our asset-light business model provides us with agility and resilience. The key benefits are outlined below.

Our value chain

Our customers - the shippers who need to move goods - are positioned upstream in our value chain, while the carriers responsible for transporting the goods lie downstream. At the final stage, the goods reach their recipient, the consignee. As a freight forwarder, we sit at the centre of this process, acting as the vital link between shippers and carriers.

Our services

Our core operations focus on Air, Ocean, Road, and Rail Freight, complemented by a range of value-added services, including PO Management, Supply Chain consultancy, Consolidation services, Customs House Brokerage, PO Shipment Monitoring and Insurance.

Our footprint

SGL Group is present in +55 countries across all continents with +4,500 employees in +190 offices. SGL Group serves over 25,000 customers, of which the average tenure among the ten largest is approximately nine years. SGL Group's 2024 revenue was EUR 2,383m.

A diversified and global customer base

SGL Group serves a broad customer portfolio, ranging from global blue-chip companies to small and medium-sized enterprises (SMEs).

Our extensive international network spans all continents, allowing us to provide seamless logistics solutions across industries.
We maintain leading positions in key industries such as:

- **Aid & Relief:** We are a leading provider of complex humanitarian logistics solutions for UN agencies and NGOs.
- **Automotive Logistics:** We provide white glove services for exotic vehicle transport, vehicle testing and car delivery.
- **Government & Defence:** We provide vital logistics support and mission-critical contingency planning.
- **Fashion & Retail:** We facilitate cost-efficient global supply chains that minimise time-to-market.
- **Food & Additives:** We navigate the regulatory and temperature-sensitive requirements of global food trade.

Shaped by disruption, defined by opportunity

Freight forwarding is a business shaped by disruption but also defined by opportunity. Demand for freight forwarding services is closely tied to international trade activity, trade policies and tariffs, and supply chain disruptions.

The industry also faces increasing exposure to climate-related risks:

- **Physical risks** from extreme weather events, rising sea levels, and infrastructure damage.
- **Transition risks** are driven by investments required to decarbonise transport assets and comply with evolving environmental regulations.

Benefits of our asset-light business model

In response to these market dynamics, our asset-light business model has never been more valuable. It allows us to:

- Adapt effectively and efficiently to market volatility while leveraging economies of scale.
- Optimise resource allocation for strategic growth.
- Mitigate financial and operational risks tied to decarbonisation.
- Provide impactful Low Carbon Logistics solutions to our customers.

The asset-light business model allows us to navigate market fluctuations flexibly while ensuring resilience against evolving industry risks, including those related to the decarbonisation of the transport sector. This approach enables us to allocate resources efficiently, adapt responsively to shifting trade dynamics, and optimise growth opportunities.

A FLEXIBLE APPROACH TO A DYNAMIC WORLD

We strongly believe that no two customers nor supply chains are alike. As the current and future market environment remains increasingly disrupted by political unrest, climate change, and macroeconomic volatility, it is essential for customers to have providers who are skilled at navigating these ever-changing circumstances. Therefore, depending on each customer's specific situation, requirements, and challenges, we offer our customers two options: standard or complex logistics solutions.

Leveraging the flexibility and agility inherent in this approach, the unique business model allows us to cater to a diverse range of customers, including small and medium-sized enterprises (SMEs) as well as large global companies, across both correlated and uncorrelated industries. The flexible approach has proven highly resilient and has significantly contributed to the company's continued success.

STANDARD LOGISTICS

High-volume-driven, end-to-end solutions for shipping general cargo, e.g., fixed departures on established trade lanes.

Compared to the market's standardised approach to customer needs, we offer the same complete range of solutions available as our peers but delivered with a personalised service and unprecedented flexibility. In an ever-changing market, this customer-centric approach leads to increased share-of-wallet with customers and adjacent complex logistics opportunities. We cater to both SME and larger customers and offer general cargo, LCL, FCL, LTL, and charter solutions.

COMPLEX LOGISTICS

Custom-made, comprehensive logistics solutions for complex projects for a variety of industries.

Believing no two customers are alike, we build tailored solutions that fit their specific needs. Leveraging our extensive cross-industry expertise enables us to navigate the volatile market dynamics with care and agility, driving sustainable growth and value for our customers. This, in turn, fosters trust and commercial robustness, as evidenced by our customer loyalty score of 57 (compared to the industry average of 40)*, proving the effectiveness of our resilient business model. Our complex logistics solutions are often tied to long-term contracts and are mainly related to strategic accounts within uncorrelated industries.

The Net Promoter Score (NPS) is 57%, compared to the average score of 40% among peers.

Industries uncorrelated to macroeconomic environment

STANDARD LOGISTICS

COMPLEX LOGISTICS

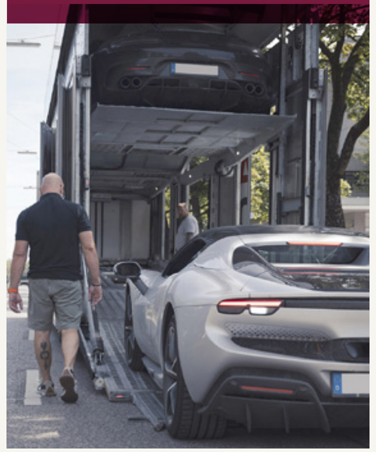
GENERAL MANUFACTURING

End-to-end transportation and distribution solutions of spare parts for global manufacturing companies. Material management and production planning ensure customers a smoothly running and competitive supply chain.

FASHION & RETAIL

All-in-one, scalable supply chain solution for textiles and apparel. On-time deliveries through worldwide fulfillment solutions and own consolidation for physical retail and e-commerce customers needing full visibility from production to the end-user.

AUTOMOTIVE



First-class, specially-designed transportation solutions for vintage, luxury and race cars to shipping new prototypes to our own testing facilities or displaying at fairs or events - carefully planned and safely and discretely executed.

AID & RELIEF

Preferred and leading provider of humanitarian aid logistics to the UN and NGOs for more than 45 years. Experienced and trained personnel ensure the delivery of supplies and equipment to secure the humanitarian supply chain in any location worldwide.

FOOD & ADDITIVES

Temperature-controlled shipping of perishables and food additives for global manufacturers and customers worldwide according to international food safety principles, HACCP, including safety buffer stocks to ensure constant on-time delivery.

PHARMA & HEALTHCARE

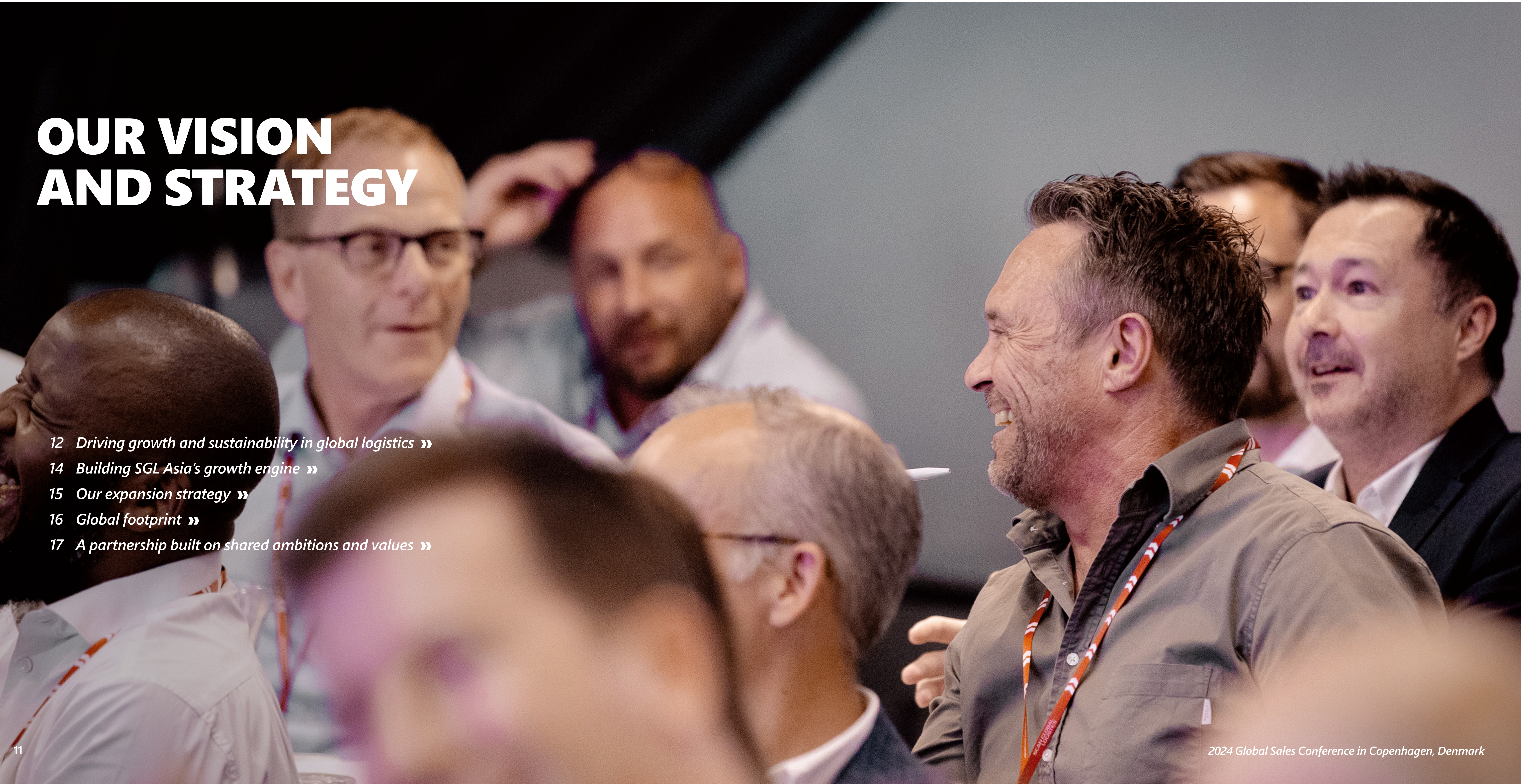
Best-in-class, uninterrupted and safe handling of pharmaceuticals and medical equipment. Temperature-controlled deliveries through strategically located GDP-certified warehouses, including cross-docking and transit handling worldwide.

GOVERNMENT & DEFENCE

Troops and military equipment transport for exercises and international missions for the UN, NATO, the United States Government, the Danish Defence and other countries' Ministry of Defence. Safe and timely delivery to some of the world's most remote and volatile regions.

RENEWABLE PROJECTS

Tailor-made multi-modal transportation solutions for out-of-gauge, wide-load, oversized or heavy cargo turnkey projects, especially in the renewable energy and oil and gas sectors. In-house specialists guarantee safe delivery to construction sites worldwide.



OUR VISION AND STRATEGY

2024 Global Sales Conference in Copenhagen, Denmark

DRIVING GROWTH AND SUSTAINABILITY IN GLOBAL LOGISTICS

Diversified growth strategy
At SGL Group, we are committed to a diversified business approach. We operate across complementary industries and serve all customer segments through an approach that covers both standardised and complex logistics solutions.

Our key success factors include agility, flexibility, geographic reach, sector expertise, and customer-centricity. These strengths allow us to compete effectively with both large global logistics providers and local freight forwarders, ensuring we deliver best-in-class solutions to our customers.

Through our 1-3-5 Strategy, we continue to execute an ambitious growth and acquisition plan, expanding our global footprint in strategically relevant markets and industries to fuel long-term scalability and operational strength.

Building scale in key markets
We are seeing strong network effects as our volumes increase, improving our ability to secure better rates and enhanced service capabilities. Our balanced mix of SME customers and strategic accounts enables us to leverage economies of scale while ensuring a diversified customer base.

By operating across both cyclical and non-cyclical segments, including Aid & Relief and Government & Defence logistics, we gain resilience in fluctuating market conditions.

As part of our expansion strategy, we are focusing on scaling operations in key markets, particularly in larger economies:

Asia: The region is evolving from primarily handling volumes secured elsewhere to becoming a key driver of business decisions. For instance, the growth of the China-Brazil trade underlines Asia's growing role in international logistics.

North America: In 2024, we shifted our focus from geographic expansion to scaling operations, adopting a transformative commercial strategy. We prioritise larger enterprise customers to accelerate growth and build scale.

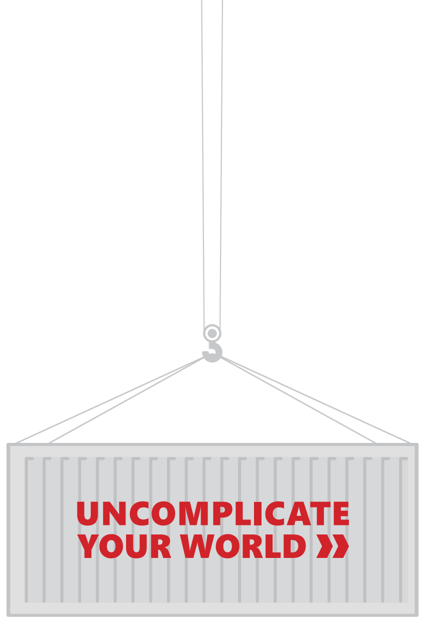
The logistics industry remains highly fragmented, presenting consolidation opportunities and access to talent that aligns with our long-term strategic vision.

Sustainability at the core of our business
Our key sustainability goals are embedded in SGL Group's strategy and include:

- Providing Low Carbon Logistics solutions to customers (see E1 Climate change)
- Reducing emissions in line with science-based targets (see E1 Climate change)
- Building a consistent understanding among employees of SGL Group's culture, operating procedures and compliance framework to support our growth strategy (see S1 Own workforce and G1 Business conduct)
- Providing a healthy and safe workplace (see S1 Own workforce)

Low Carbon Logistics solutions
SGL Group is well-positioned to meet the growing demand for low-carbon logistics solutions and help customers reduce their transport-related emissions. We have shifted from standalone sustainability initiatives to fully embedding decarbonisation solutions into our service offerings by providing our Low Carbon Logistics solutions on equal terms with traditional services.

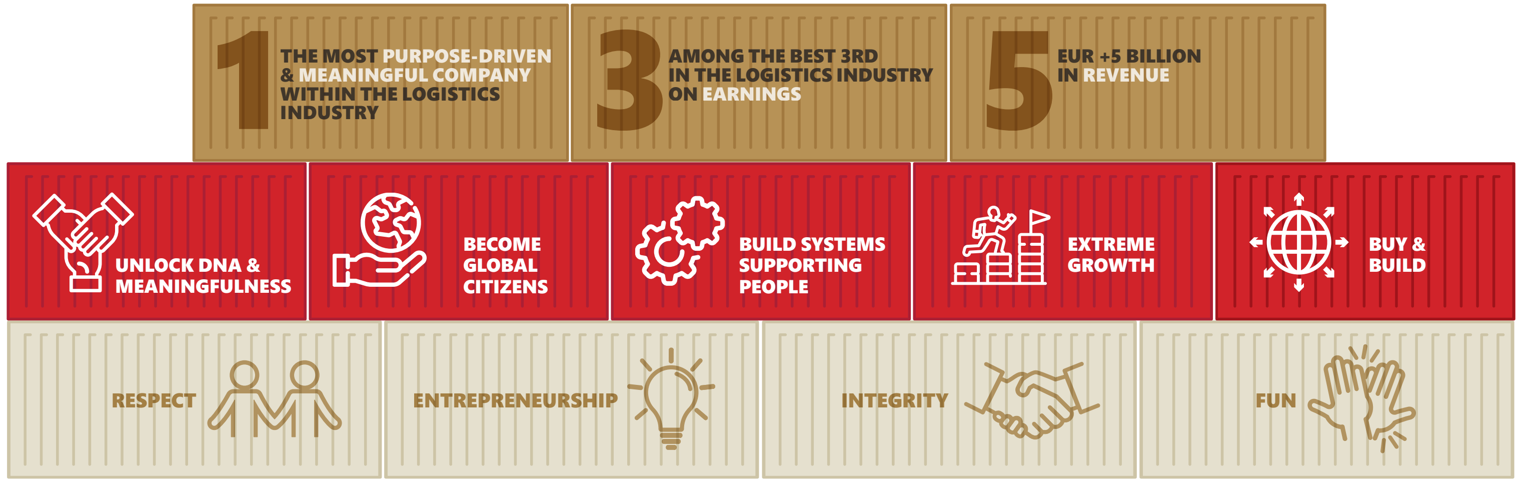
As an asset-light freight forwarder, 99% of our emissions fall under Scope 3 (indirect emissions), generated by the ocean carriers, airlines, and road and rail transport providers from which we purchase capacity. These emissions are also classified as our customers' Scope 3 transport emissions, highlighting the interdependence of our sustainability efforts. Our challenge is clear: we cannot reduce our Scope 3 emissions without supporting our customers in reducing theirs.



1 Rooted in the core belief that we grow our business by growing our people, we are strongly committed to creating the most meaningful workplace within the logistics industry. Our virtues and DNA are at the heart of all we do.

3 For SGL to realise its potential, earnings equal financial oxygen to ensure strong and sustainable business growth in terms of bottom line.

5 Growing our business and building a global organisation and worldwide network will allow us to better impact the world of logistics and serve our customers. This will provide an enhanced platform for our employees to unlock new opportunities and business potential.



Commitment to science-based targets
We have set short- and long-term science-based emissions reduction targets, ensuring that our business remains aligned with global climate objectives. The details of these targets and the levers to achieve them are outlined in the E1-1 Transition plan.

Other key sustainability goals
Developing our people and supporting a consistent understanding of SGL Group's culture, operating procedures and compliance framework are essential to realising our expansion strategy. Our ambition is to become the most meaningful company within the logistics industry, backed by targets for employee engagement and compliance training.

Additionally, we maintain Health & Safety performance targets, particularly in Renewable Projects and Aid & Relief operations, where the risk of incidents is higher than in standard freight forwarding.

Our relationships with stakeholders and approach to engaging them to achieve these goals are described in SBM-2, (see page 35).

Key inputs and outputs
We rely on key inputs to create value, which we primarily secure through contractual relationships.

INPUTS	OUTPUTS & OUTCOMES
Human capital As an asset-light company, our people are the greatest source of energy and value. We also rely on workers across our value chain to deliver transport services.	**Customers** We provide standard and complex logistics solutions. We also provide low-carbon logistics solutions to reduce our customers' transport emissions (our Scope 3 emissions).
Capacity providers We secure capacity from ocean carriers, airlines, trucking companies, and rail providers.	**Employees** We provide meaningful work and opportunities, a diverse and inclusive culture and a healthy and safe workplace.
Financial capital We invest capital from our owners and use profit from our operations and proceeds from bond issuance to fund our growth.	**The environment** We generate Scope 3 GHG emissions representing 99% of SGL Group's emissions.
	Owners and bond investors We deliver return on investment.
	Communities We provide logistics support to aid and relief programmes that deliver life-saving relief and supplies to millions of people in need.

BUILDING SGL ASIA'S GROWTH ENGINE

EDITORIAL ***Asia, the world's largest logistics market by volume, holds vast growth potential. Seizing this opportunity requires more than just expansion—it demands an ambitious strategy, strong leadership, and an agile culture. Nicolas Moeller, COO of Asia, is leading the efforts to strengthen SGL's regional sales organisation and enhance its capabilities to support the company's global growth ambitions. Alongside him is Isabelle Lau, Vice President of Verticals for Asia, a key figure in this initiative. Leveraging her expertise in structuring and optimising sales processes, they collaborate closely to ensure the growth strategy is effectively executed.***

To capitalise on the potential, SGL Asia has established a specialised regional sales team dedicated to driving growth and strengthening customer relationships in close collaboration with the existing field sales organisation across Asia. Through mindset shifts and strategic investments in leadership and sales capabilities, SGL Asia is evolving its organisation to enhance customer value and its competitive edge.

Laying the foundation for growth

Expanding the commercial organisation has been a key focus in Asia in recent years, leveraging well-functioning teams to optimise customers' supply chains. To accelerate development, management reinforced the sales organisation in 2024 by hiring senior commercial leaders with industry expertise and strong, long-term relationships with key customers, supporting the company's ambitious regional expansion. Nicolas Moeller, COO of Asia, emphasises the importance of shaping the regional sales team around SGL's entrepreneurial and solution-driven customer approach:

'We value initiative and creativity; therefore, cultural fit is essential, as is the capability to work independently and collaboratively. Today, we have a cooperative environment where motivated people come together with a shared ambition to drive real growth for our customers.'

The impact has been significant: 2024 brought many success stories of local sales teams actively engaging with customers and leveraging cross-regional expertise and synergy to create tailored solutions and deliver even greater value to customers.

Turning strategy into results

Isabelle Lau, Vice President of Verticals for Asia, is key in turning strategy into tangible results and value for customers. By equipping teams with the proper tools, structured sales processes, industry training, and a solution-driven mindset, she assists the sales teams in driving growth and creating a strong foundation for long-term success. '*We have an initial roadmap in place,*' she explains, adding, '*We are establishing a structured, scalable and solution-oriented customer approach while streamlining the sales process to enhance efficiency across industries and regions'.*

Structured processes and frameworks are implemented to accelerate commercial development in selected industries, empowering the sales teams to effectively fulfil their roles and goals. In addition, SGL has implemented a centralised framework integrating industry insights, regulatory updates, and trade lane developments to strengthen commercial capabilities. This ensures sales teams remain informed and agile, delivering industry-specific solutions tailored to market conditions.

Collaboration fuels success

In 2024, SGL Asia experienced rapid expansion, adding 400 employees due to significant organic volume growth. The company's heightened focus on sales and its commercial growth ambitions put pressure on operational teams, stretching their capacity. Balancing these pressures was no easy task. However, strong collaboration across functions ensured success. The teams quickly adapted to the changes and addressed increased expectations directly. This agile approach to challenges has resulted in tangible business opportunities, especially bringing in multinational customers and expanding the company's capabilities and reach in Asia.

One notable example is winning the global Adidas account in 2024, which led to receiving the Best Key Account Management Award in Asia from the Adidas Logistics Team. SGL's structured approach to supply chain optimisation earned this recognition. *'Servicing global customers is not a one-person job'*, Nicolas remarks, acknowledging the network of product and solution experts from various regions collaborating to win the global customer.

Another standout success is in Pharma & Healthcare logistics, where SGL has rapidly scaled operations. '*In less than three months, we expanded our pharma and healthcare capabilities to over 12 countries in Asia-Pacific. Customers appreciate that we don't offer one-size-fits-all solutions, but tailored solutions fit to their needs,*' Isabelle explains.

These collaborative team efforts have strengthened SGL's market presence and customer relationships while staying flexible in a competitive market.

Empowering teams to drive change

A core element of SGL's success is strong leadership that fosters collaboration and initiative. Nicolas and Isabelle emphasise the importance of clear communication, leading by example, and empowering teams. *'Shifting mindsets takes time, but success hinges on everyone embracing the vision.'* Nicolas says. Leading by example has proven to be a highly effective strategy. *'If you want people to change how they do certain things, you must practice what you preach.'*

Isabelle reinforces this:

'We focus on breaking down silos and bringing teams together to work collaboratively. It's essential for driving growth.' She continues by describing the key differentiator to success in the SGL culture.

'The vibe in the company is unlike any I've experienced in the industry. The SGL management listens actively, and thanks to a mostly flat hierarchy, we can easily communicate and connect with the senior leadership team. This allows for quick decision-making and progress to benefit our customers.' She explains how SGL empowers its employees: *'Everybody's voice matters. Combining top-down guidance with bottom-up insights ensures that strategy alignment and practical progress go hand in hand. This approach allows teams to take ownership of their roles and goals, ultimately enabling us to serve our customers more efficiently.'*

This leadership model has been instrumental in cultivating the right mindset and driving progress.

On a positive trajectory for 2025

SGL Asia has gained significant momentum in recent years, driven by its dedicated sales teams and a clear, long-term strategy. The organisation is poised for growth, reinforcing SGL's position as a forward-thinking global logistics provider in a constantly changing market.

Isabelle Lau
Vice President Vertical Development Asia
Regional Sales Team Asia

OUR EXPANSION STRATEGY

Over the last decade, we have transitioned from a mid-sized regional freight forwarding company into a global logistics provider being able to serve customers at all levels. Our vision and expanded global reach are based on a strategic approach targeting extreme organic growth and utilising M&A as a tool to accelerate our global reach and financial trajectory.

EXTREME ORGANIC GROWTH

Aiming for double-digit year-on-year organic growth across our regions, transport modes, and industries is a key objective. Robust and ambitious organic growth is essential for achieving the necessary scale and realising our 1-3-5 Strategy.

As the company expands into new markets and industries, our growth strategy is driven by a commitment to business diversification and enhancing resilience and adaptability across varying market conditions. We aim to maintain a balanced portfolio between Air and Ocean Freight whilst diversifying across trade lanes and growing business sectors where we have a competitive advantage. To support the growth, we have made sustainable organisational investments in sales-enabling functions, including Tender Management, Procurement, and Supply Chain Management, alongside strategic infrastructure enhancements. The initiatives provide a strong foundation for achieving accelerated growth across all segments.

STRATEGIC APPROACH TO M&A

In addition to our organic growth, we will continue to enhance shareholder value and achieve long-term sustainable growth through mergers and acquisitions.

Our M&A strategy is closely tied to our long-term strategic goals and an inherent part of realising our 1-3-5 strategy. We seek opportunities that complement our core strengths, expand our market presence and enhance our service offering all to benefit our customers. Our approach is guided by careful assessment, strategic alignment and pursuit of operational synergies to ensure each company aligns with our existing business model, core competencies and virtues.

Over the past few years, we have successfully established a strong presence in strategically targeted geographies, laying a robust foundation for our next phase of growth. Going forward, our M&A strategy will focus on scaling operations within the regions and industries where we hold competitive advantages, allowing us to leverage our strengths to grow and increase market share.

The fragmented nature of our industry presents considerable opportunities for consolidation, and SGL is increasingly positioned as an acquirer of choice. As we near the completion of our targeted geographical expansion, we will shift to pursuing fewer but larger acquisitions, using M&A as a strategic lever to build key capabilities across our organisation. While our primary focus will be on enhancing scale in established markets, we will maintain an opportunistic outlook staying agile to explore and seize opportunities that align with our broader strategic goals and fit our core competencies. This balanced approach ensures that SGL remains well-positioned to create sustainable value in a dynamic market landscape.

INHERENT RISK

Mergers and acquisitions carry inherent risks, particularly regarding the integration of the acquired company. If integration challenges arise, anticipated synergies and strategic benefits may be delayed or not realised in full. Additionally, selecting and executing acquisitions that do not align with strategic goals could incur significant costs and divert valuable resources that might be better allocated to more promising opportunities.

Our approach to M&A is grounded in a track record of successfully integrating acquired companies. This success is supported by a meticulous due diligence process, ensuring that each acquisition aligns with our operational model. Equally important, we prioritise cultural alignment, selecting companies that share our core virtues, beliefs and business principles, which fosters a smooth integration and strengthens our organisational unity. The integration is anchored in a standardised process led by a steering committee consisting of group functions and local management but always anchored in local ownership to ensure activities are well integrated and deeply rooted in the region.

By maintaining a disciplined approach to acquisition selection and integration, we position ourselves to maximise value and reduce disruptions in our core operations, ultimately supporting sustainable long-term growth and value creation.

OUR EXPANSION APPROACHES

BOLT-ON ACQUISITIONS

Smaller strategic tuck-in acquisitions of companies within geographies or sectors where we already operate. Adding scale and specialised competencies to existing SGL offices.

These smaller acquisitions involve straightforward integration processes, enabling swift realisation of synergies and enhanced operational efficiency.

STRATEGIC ACQUISITIONS

Medium to larger acquisitions that facilitate accelerated growth across targeted geographies, industries, and market segments. Each acquisition strengthens our global market positioning and reach and enhances our existing offerings.

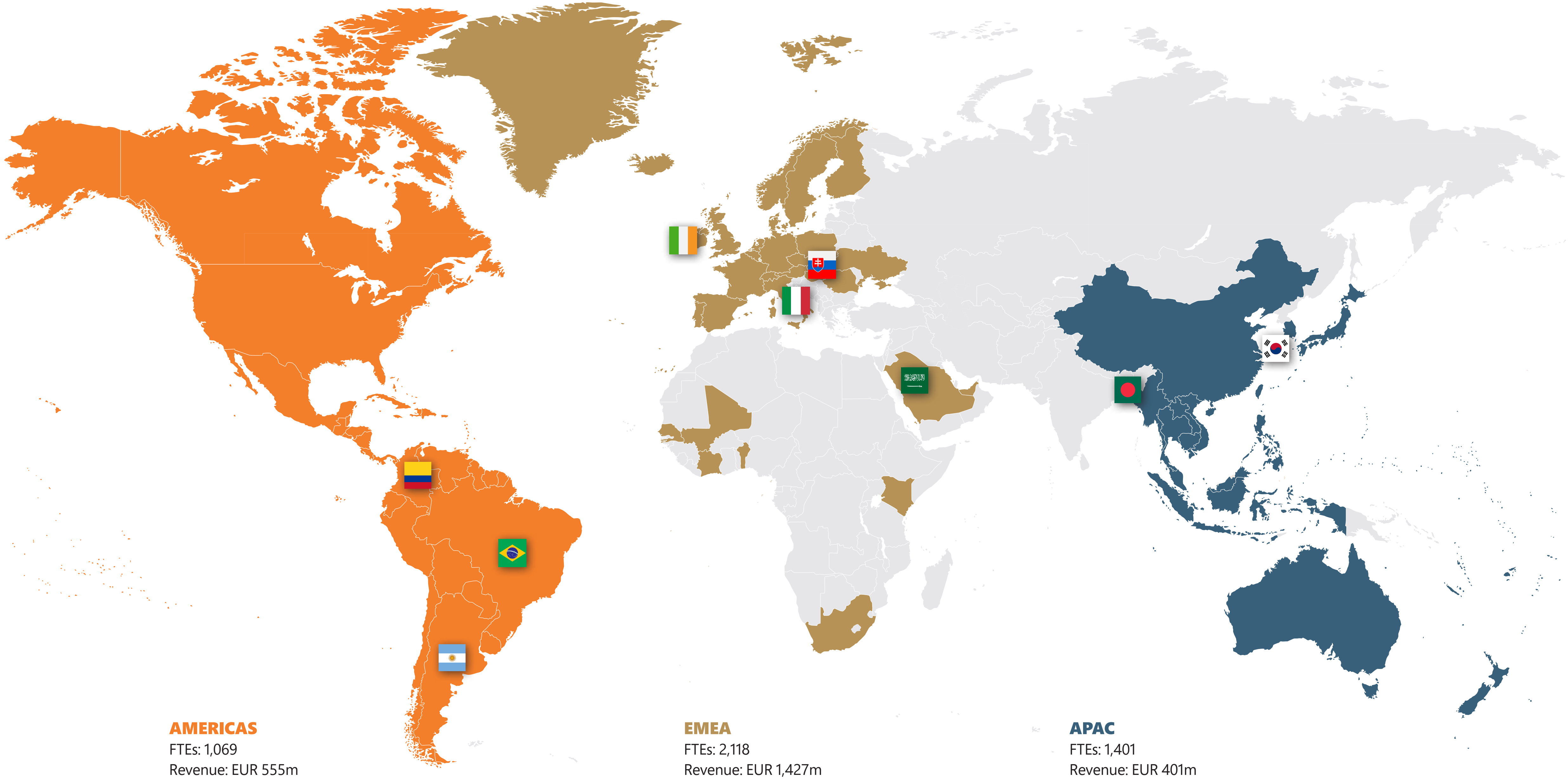
These acquisitions significantly expand the scale and capabilities of our SGL offices, with substantial synergy opportunities. Though complex, these transactions demand robust integration efforts, leading to meaningful financial contributions.

GREENFIELD EXPANSIONS

Our greenfield expansions involve establishing new operations in strategic locations where we have identified significant growth potential.

By building from the ground up, we gain full operational control and tailor our services to local market needs, achieving a strong market presence. These initiatives enable us to scale quickly and integrate seamlessly with existing networks, driving long-term value and operational synergy.

GLOBAL FOOTPRINT



AMERICAS
FTEs: 1,069
Revenue: EUR 555m
No. of countries: 8

EMEA
FTEs: 2,118
Revenue: EUR 1,427m
No. of countries: 33

APAC
FTEs: 1,401
Revenue: EUR 401m
No. of countries: 16

ACQUISITIONS AND GREENFIELDS 2024

BOLT-ON ACQUISITIONS

ENK South Korea
Air & Ocean activities

SGL Holding Bangladesh Limited
Air & Ocean activities

STRATEGIC ACQUISITIONS

Foppiani Shipping and Logistics
Air & Ocean activities

Blu Logistics Brasil Transportes Internacionais LTDA
Air & Ocean activities

GREENFIELD EXPANSION

Scan Global Logistics S.A.
Air & Ocean activities

Scan Global Logistics Services
Air & Ocean activities

Scan Global Logistics Colombia S.A.S.
Air & Ocean activities

Scan Global Logistics Limited
Air & Ocean activities

Scan Global Logistics s.r.o.
Air & Ocean activities

A PARTNERSHIP BUILT ON SHARED AMBITIONS AND VALUES

EDITORIAL ***In September 2024, Blu Logistics Brasil (Blu) joined SGL as part of its ambitious growth strategy and expansion into Latin America, strengthening its presence in the region's largest economy. Founded by CEO Gabriel Carvalho in 2013, Blu has grown into one of Brazil's leading freight forwarders and the second largest in ocean freight imports, boasting impressive growth rates of 27% and 47% in the last two years alone and employing over 200 people across eight offices. For Gabriel, finding the right partner wasn't just about expanding into new markets; it was about preserving the company's identity, keeping its people-centric approach and customers close while unlocking new opportunities as part of something bigger. In the following, he reflects on the journey from when it all began.***

'A cultural fit is pivotal to any acquisition,' Gabriel begins. *'We needed a company that matched our operational expertise and shared our customer-centric and solution-driven approach. We found that match with SGL.'*

To understand the depth of the DNA match, one must understand the journey of Gabriel and Blu.

A journey from salesman to industry leader

Gabriel's logistics journey began in 2008 as a young salesman in northeastern Brazil. This is where he met his future co-founder of the company. *'We thought, why not open our own company? I could handle the north, and he could care for the south and southeast. That way, we could cover more customers.'*

However, launching just another freight forwarder wouldn't suffice. *'If we were going to compete with the global companies, we needed something different.'* After meeting the business owner of Blu Logistics, which had operations in Colombia and Mexico but none in Brazil, governed by the entrepreneurial mindset and can-do-attitude shared by SGL, they decided to leap: *'Let's open in Brazil together.'* Blu Logistics Brasil launched in 2013 and quickly expanded to China, strengthening its supply chain and supplier relationships.

By 2019, Blu Logistics Brasil had emerged as the largest market within the group. However, Gabriel recognised the challenges of operating in a loosely connected network with differing company cultures and methodologies. He realised that to scale sustainably, a partnership with a global company sharing Blu's values of a local approach was the future.

Looking for the right partner

Gabriel had seen too many acquisitions where local businesses lost their identity and teams were left behind. *'We didn't want to be just another number, where big companies take over, and everything becomes robotic.'* He started looking for global companies that lacked a presence in Brazil. SGL was one of them. *'At first, I didn't know much about SGL, but I kept seeing Allan's name in industry news, acquisition announcements, and stories about its rapid growth'.* He continues: *'What stood out to me was that, despite expanding quickly, SGL kept its original partners involved. That was exactly what I was looking for.'*

He found Allan's LinkedIn profile and sent the message that would become the beginning of one of SGL's most significant acquisitions so far: *'Hi, I'm local - I want to be global. Can we talk?'*

Global growth without losing identity

Choosing the right partner goes beyond the numbers; it is about values, trust, the future of the team and ensuring customers feel secure during the transition. Gabriel would engage the latter early in the process, and their response was unequivocal: *'If this enhances your reach and competitiveness, go for it. We'll support you.'* On top of that, his team was worried that they would lose their jobs. Would everything they built disappear? 'I *told them, 'No. SGL is different.'*

From the beginning, the transparency reassured him. *'When I first spoke to Allan, I didn't even need to explain my concerns; he understood. He had seen companies like ours struggle to integrate.'* What set SGL apart was its people-centric approach, making it clear that a future with SGL would enable Gabriel and his team to grow even further in Brazil. *'That's when I knew this was the right match. It wasn't just a deal but an opportunity to build something bigger without leaving my people behind or losing our company identity.'*

Results are already showing a promising future

As the integration of the two companies is well underway, results have already shown.

Accessing SGL's extensive global network immediately unlocked new business opportunities, especially with inbound trade from Asia.

> *Hi, I'm local - I want to be global. Can we talk?*

By leveraging the cross-regional expertise of the China team, they secured a transport of 6000 vehicles for BYD, a leading automotive company. In addition, doors have opened for greater collaboration within Latin America and North America and expanded trade opportunities with Europe as they receive requests from global accounts to handle their goods.

For Gabriel, success is not just a seamless integration; it's merging growth ambitions with the personalised service and trust that have built the company thus far. 'I *want us to be a reference point in Brazil, not only for ocean freight but for all logistics services — and the only global company here that makes customers feel as if they are working with a local business.'*

He finishes on a confident note: *'I wanted to continue to build the business as a part of a larger company. Now, we are, but we can still do things our way. It's the best of both worlds.'* The future looks promising.

Gabriel Carvalho
CEO SGL Brazil

FINANCIAL PERFORMANCE AND OUTLOOK

Loading Lamborghinis in Munich, Germany

FINANCIAL PERFORMANCE

REVENUE	GROSS PROFIT	EBITDA BEFORE SPECIAL ITEMS
EUR 2,383m	EUR 516m	EUR 195m

RESULT FOR THE YEAR

In 2024, SGL performed in line with the market amidst the perpetual challenging and unpredictable conditions. We achieved double-digit organic growth in Air & Ocean volumes, which, combined with recent acquisitions in Italy and Brazil, resulted in gross profit growth of 10% compared to pro forma for 2023. However, the intense market dynamics and significant pressure on standard air and ocean logistics continue to negatively impact gross margins.

SGL has maintained its strong and solid market position locally and globally and gained market shares through strategic initiatives by successfully onboarding new customers, including larger accounts and accounts in the small- and medium-sized enterprise segments, during 2024. This achievement stems from our unwavering commitment to a highly focussed, customer-centric approach, delivering exceptional service to both new and existing customers.

The general pressure on margins challenged North America in 2024, resulting in performance lower than expectations. During Q4 2024, initiatives were commenced to change the trajectory in North America; however, the impact is expected to gradually materialise during 2025.

REVENUE

Revenue amounted to EUR 2,383m, an increase of 18% compared to EUR 2,022m for the full year 2023 pro forma (2023 Reported: EUR 1,162m).

Following a slow second half of 2023, several commercial and strategic initiatives were implemented, the effects of which we partly see, especially in the latter half of 2024. Geopolitical and macroeconomic events, continue to impact both local and global markets, leading to ongoing changes in transport modes between air and ocean freight. As a result, there have been shifts in activity between countries' and regions' main ports across borders, positively impacting our overall activity and revenue.

GROSS PROFIT

SGL Group achieved a 10% gross profit growth amounting to EUR 516m compared to EUR 469m for 2023 pro forma (2023 Reported: EUR 269m). The growth is particularly driven by Asia, which continues to demonstrate flexibility, entrepreneurship and agility to uncomplicate our customers' logistics, even in a challenging market. This trend is complemented by an organic increase in activity across EMEA. However, performance in North America remains unsatisfactory and below expectations, negatively impacting margins. Further, as expected, we are starting to see the network effect from our investments in Italy and Brazil impacting both activity and gross profit. However, integration is not yet fully materialised. Those of our industries, uncorrelated to the macro-economic environment, performed as planned, contributing positively to gross profit; however, to a lesser extent than the previous year, due to the postponement of specific complex projects to 2025.

EBITDA BEFORE SPECIAL ITEMS

EBITDA before special items increased 1% to EUR 195m compared to pro forma EUR 193 in 2023 (2023 Reported: EUR 102m).

In 2024, SGL made strategic investments in central functions to address the demand from compliance and investors, resulting in higher staff costs and other external expenses. SGL has made a deliberate decision to maintain current staff levels to remain agile and to manage the increased complexity of shipments deriving from geopolitical challenges. Moreover, to capitalise on the dynamic market and to deliver on the promising pipeline of complex projects, which have been postponed to 2025.

The conversion ratio, which describes the ratio of EBITDA before special items to SGL's gross profit, was improved to 37.8% during 2024, however, it decreased by 3.4%-points compared to 41.2% in 2023 pro forma (2023 Reported: 37.9%).

DEPRECIATION AND AMORTISATION

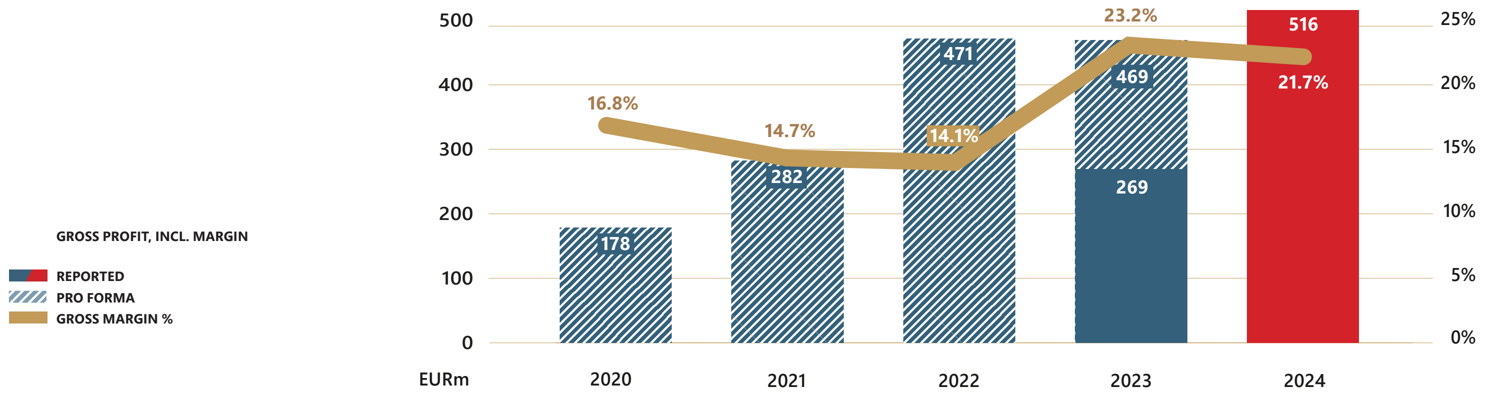
Depreciation and amortisation amounted to EUR 83m; an increase of EUR 29m compared to EUR 64m in 2023 pro forma (2023 Reported: EUR 42m). The increase is attributed to amortisations from acquisitions of businesses and investments in IT projects to secure the infrastructure necessary for continued long-term growth and scalability.

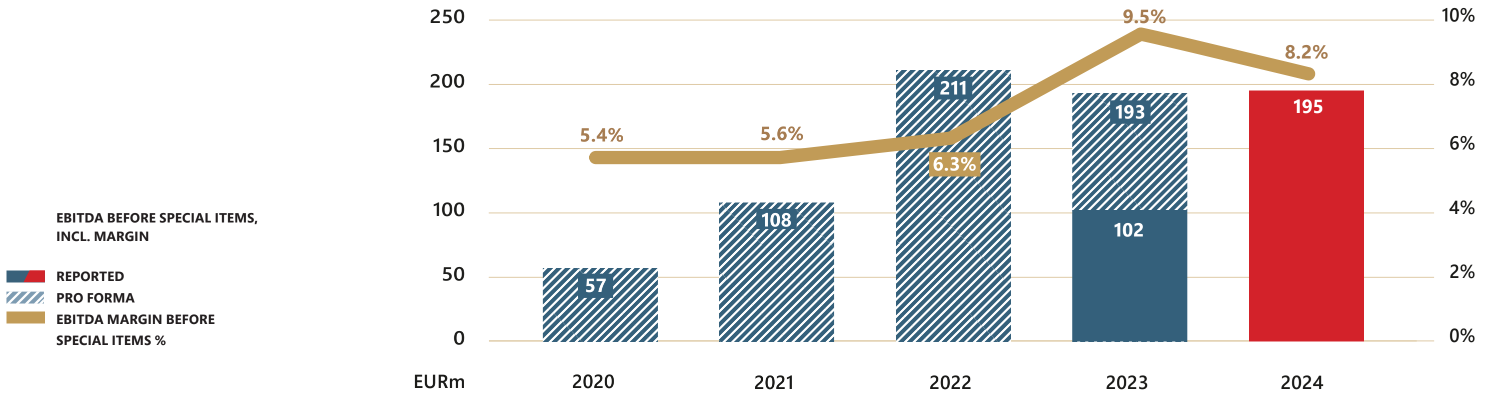
SPECIAL ITEMS

Special items, net, amounted to a cost of EUR 41m; an increase of EUR 9m compared to EUR 34m in 2023 pro forma (2023 Reported: EUR 32m). This was driven by restructuring activities in North America, M&A-related costs, of which EUR 9m is related to business combination accounting treatment, and Greenfield activities in EMEA and South America.

EBIT

Operating profit (EBIT) amounted to EUR 71m compared to EUR 95m in 2023 pro forma (2023 Reported: EUR 28m). The decrease was mainly due to the derived effect from the flat development on EBITDA before special items and increased amortisations from acquisitions and IT costs combined with special items restructuring costs.





FINANCIAL ITEMS

Financial items amounted to net expenses of EUR 108m compared to net expenses of EUR 98m (2023 Reported: Net expense of EUR 65m). The net expense was driven by the interest expense from the issued bond debt.

TAX

Tax expense amounted to EUR 17m, compared to 2023 pro forma EUR 30m (2023 Reported: EUR 14m). Non-deductible interest expenses mainly impact the development.

RESULT FOR THE YEAR

The year's result amounted to EUR (54)m compared to EUR (33)m in 2023 (2023 Reported: EUR (51)m). The operational performance was stable in 2024 compared to 2023, however, the negative result was significantly impacted by special items and higher financial expenses.

CASH FLOWS

The cash flow from operating activities was negative at EUR 90m. This decline was primarily due to an increase in net working capital, which was influenced by rising rates and volumes, along with pressure from customers regarding payment terms. However, cash flow from operating activities was positively impacted by a solid EBITDA delivered in a challenging market and a continuous focus on net working capital.

Negative cash flow from investing activities of EUR 103m is mainly driven by the acquisition of Blu (Brazil), Foppiani (Italy) and ENK (South Korea) as part of Investments in Group entities combined with continuing investments in IT projects enabling scalability.

Positive cash flow from financing activities of EUR 131m is mainly driven by the issuing of new bonds, which is partly offset by the buy-back of own existing bonds.

CAPITAL STRUCTURE

Equity attributable to the parent company was EUR 832m. The total equity ratio was 36.1% as of 31 December 2024. Compared to 31 December 2023, the equity ratio decreased by 7.2% points, driven by the period's result.

We actively and continuously manage our liquidity and indebtedness profile. Thus, on 22 April 2024, SGL Group issued and placed new senior secured bonds in the amount of EUR 600m.

The bonds are raised for acquisition purposes as part of our M&A strategy and general corporate purposes. Further, as announced in March and May 2024, SGL Group completed partial buy-backs of existing bonds, nominal amounts totalling EUR 471m, funded by the new bonds issued. Subsequently, SGL Group partially redeemed its own existing bonds of EUR 166m.

NET INTEREST-BEARING DEBT (NIBD)

Net interest-bearing debt (NIBD) was EUR 942m as of 31 December 2024 and mainly comprises bond debt and the company's net cash position of EUR 75m deriving from a negative development in the Group's net working capital position. The total liquidity reserve was EUR 149m end of December 2024 (December 2023: EUR 274m).

NET WORKING CAPITAL

The net working capital amounted to an asset of EUR 229m on 31 December 2024. This was an increase of EUR 135m compared to EUR 94m on 31 December 2023. Net working capital continued to be impacted by increases in rates and volumes and, to some extent, also impacted by pressure on payment terms from customers causing a slight increase in spread between payments made to suppliers and payments received from customers.

FINANCIAL PERFORMANCE – AIR & OCEAN

REVENUE	GROSS PROFIT	GROSS MARGIN
EUR 2,133m	EUR 458m	21.5%

KEY COMMENTS

- Air volume of more than 200,000 tonnes, achieving activity growth of approx. 33% compared to 2023 pro forma levels.
- Ocean volume of more than 550,000 TEU, showing strong growth in all regions.
- Air & Ocean segment gross profit increased by 16.2% compared to 2023 pro forma. A slight decrease in gross margin from 23.1% in 2023 pro forma to 21.5% for 2024, impacted by pressure on yields and increased average rates throughout the year.

FINANCIAL PERFORMANCE

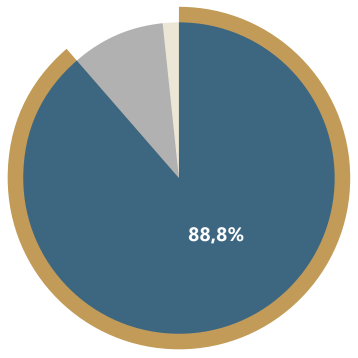
Air & Ocean revenue amounted to EUR 2,133m in 2024 compared to EUR 1,707m in 2023 pro forma (2023 Reported: EUR 967m). The increase of 25.0% (2023 Reported: 120.5%) is attributed to activity increase within both Air and Ocean freight combined with increasing Ocean freight rates compared to 2023 levels.

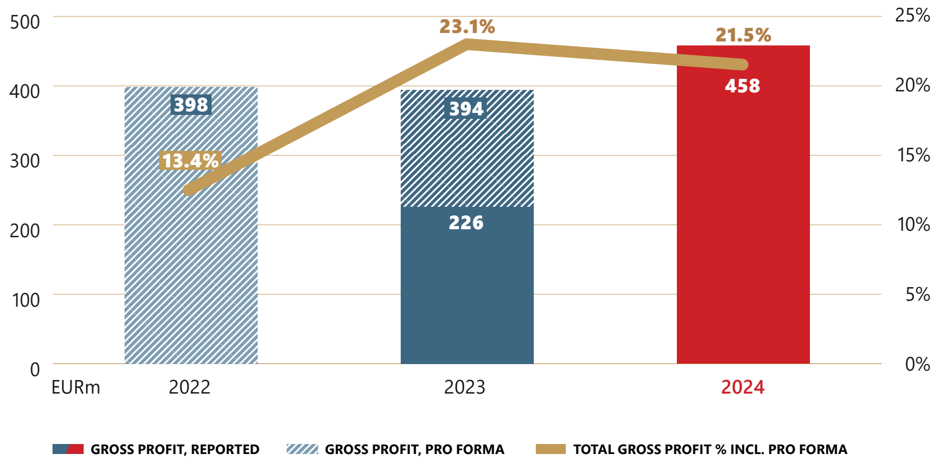
The Air & Ocean segment was positively impacted by solid organic growth that supported the volume increase alongside the acquisitions in Italy and Brazil.

In 2024, the gross profit for the segment grew by 16.2% compared to 2023 pro forma (2023 Reported: 102.7%), reaching EUR 458m for the full year 2024. The development was supported by solid growth in activity levels within both Air and Ocean freight. Both organic growth and additions from the acquisitions in Italy and Brazil contributed to the development in gross profit. Despite solid growth in activity levels, pressure on yields, particularly for Airfreight, partly offset the positive impact of the activity growth, which is still affected by the ongoing challenges in the market, such as the Red Sea situation and the derived supply chain disruptions.

The gross profit margin decreased from 23.1% for 2023 pro forma (2023 Reported: 23.4%) to 21.5% for the full year 2024.

SHARE OF GROSS PROFIT 2024





The decrease in margin is the derived effect of the pressure on margins in Airfreight combined with increasing Ocean freight rates, thereby impacting the total segment margin. The industries uncorrelated to the macroeconomic environment, continued to support the agile business model, with performance in line with expectations. However, due to the postponement of specific complex projects to 2025, some industries uncorrelated to the macroeconomic environment were impacted by lesser activity levels compared to previous years, but with overall steady performance for these industries.

EBITDA before special items amounted to EUR 195m for 2024, compared to EUR 176m for 2023 pro forma (EUR 93m for 2023 reported). Comparing EBITDA before special items to gross profit, the conversion ratio decreased to 41.7% in 2024 from 44.7% in 2023 pro forma (increased from 41.2% in 2023 reported). In the first half of 2024, the conversion ratio was impacted by onboarding M&As and continued investments and development of greenfields. SGL has further bolstered for the increases in activity levels, as well as the acquisitions made in Italy and Brazil in the second half of 2024. Additionally, for the acquisition in Canada, which is planned for on-boarding in 2025.

OPERATIONAL HIGHLIGHTS AIR FREIGHT

In 2024, we saw a generally strong increase in airfreight activity compared to 2023. With an increase of approx. 33% compared to full-year pro forma activity for 2023, the total tonnage for 2024 reached ~200,000 tonnage. The increase continued throughout all four quarters, performing well above 2023 levels, but with particularly activity growth in the second half of 2024.

The activity increase was especially driven by strong organic growth within the APAC and EMEA regions and supported by the acquisitions in Italy and Brazil, which occurred in Q2 and Q3 respectively.

The continuing trend of Ocean freight being diverted to Airfreight positively impacted the APAC region, where we saw strong growth in Airfreight activity. The trend was driven by a mix of the ongoing surge of demand in the market within e-commerce as well as the prolonged ocean freight transit time. The longer transit times impacted certain industries, which are more volatile to longer transit times and consequently shifted cargo from ocean to airfreight. The performance in the APAC region was further impacted by some shifts in supply chains and cargo being moved cross-border within Southeast Asia, a trend that has been accelerated post-COVID-19.

In the EMEA region, several countries saw growth compared to 2023, with positive development in 2024. The continued supply chain disruptions in Ocean freight, made Airfreight, as well as the Sea-Air solution, a more reliable alternative to accommodate the increased demand. Consequently, the EMEA region also saw a volume shift between the two transport modes.

Despite the strong growth in activity levels, yields for Airfreight continued to be pressured throughout 2024. The yield pressure had an offsetting effect on the increased activity levels for all regions, consequently reducing the growth in gross profit compared to the growth in volumes.

Looking ahead, we expect the pressure on yields within Airfreight to continue, but with continued increased activity levels compared to 2024. An opening in the Red Sea could, however, impact activity levels as certain industries are expected to move some activity back from Air to Ocean freight.

FINANCIAL PERFORMANCE – AIR & OCEAN

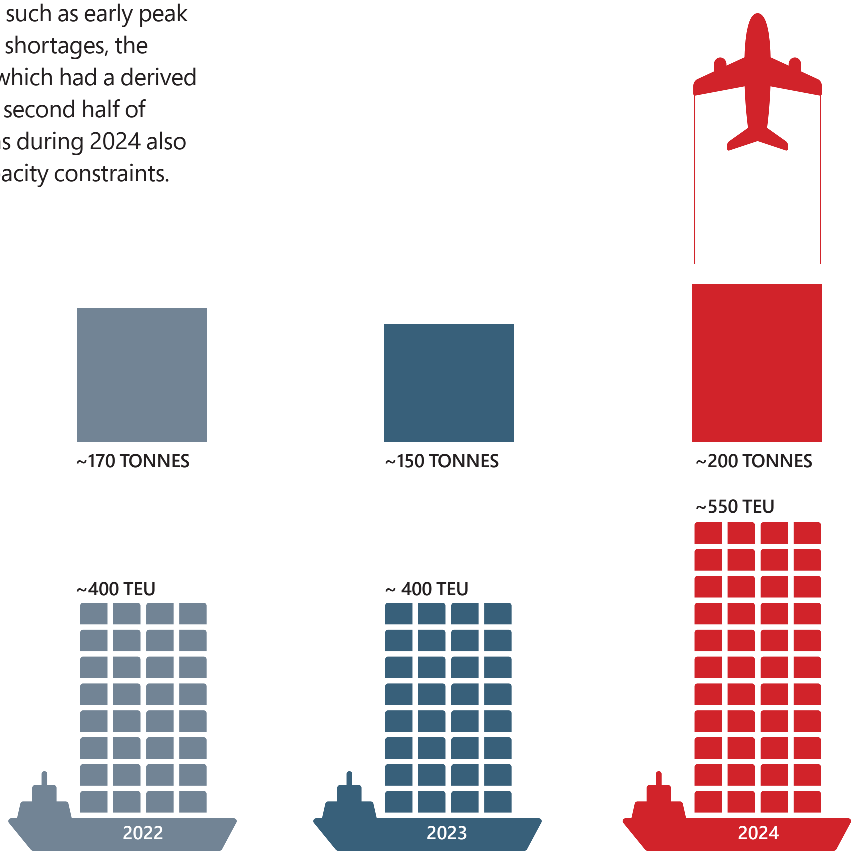
OPERATIONAL HIGHLIGHTS OCEAN FREIGHT
Ocean activity continued with strong growth into 2024, resulting in ~550,000 TEU for the full year 2024 compared to ~400,000 TEU for the full year pro forma 2023, an increase of approx. 38%. The growth in activity was seen especially during the second half of 2024, with a peak in Q4 2024.

The solid activity growth was seen across all regions but was mainly driven by the EMEA region and Asia within the APAC region. The Nordics and North America regions also contributed positively but not as much as Asia and EMEA, with growth in the high single-digit and early double-digit range. The growth was mainly organically driven but supported by the acquisitions in Italy and Brazil and the related network.

The Red Sea situation continued into and during 2024, which clearly impacted the ocean freight market with longer transit times. In combination with a demand increase for reasons such as early peak season and the anticipation of potential capacity shortages, the ocean rates increased significantly in mid-2024, which had a derived impact on the Ocean Freight revenue during the second half of 2024. Port congestion throughout several regions during 2024 also impacted this, supporting the rate surge and capacity constraints.

Similar to the high demand that was a key driver for the increase in Airfreight, the approx. 38% increase in Ocean Freight volumes was especially seen in exports from Asia and was a significant driver for the development in the Ocean Freight gross profit. The acquisitions in Italy and Brazil further supported the Ocean Freight activity, which was also, to a high degree, supported by positive development from organic growth.

Compared to Airfreight, we did not see the same high pressure on yields for Ocean Freight, resulting in a positive development in gross profit compared to 2023. Ocean Freight was the main driver of the development in gross profit for the Air & Ocean segment, with double-digit growth excluding the 2024 acquisitions – well above the general ocean freight market levels.



FINANCIAL PERFORMANCE – ROAD

REVENUE	GROSS PROFIT	GROSS MARGIN
EUR 230m	EUR 50m	21.7%

KEY COMMENTS

In 2024, the Road segment's gross profit decreased by 15.3% to EUR 50m from EUR 59m in 2023 pro forma. Despite the decrease, the gross margin remained stable and increased by 0.5%-points.

FINANCIAL PERFORMANCE

SGL's Road segment is present in EMEA and North America. In 2024, Road revenue amounted to EUR 230m compared to EUR 278m in 2023 (2023 Reported: EUR 175m). A slowdown of the road freight market in the first half of 2024 due to macroeconomic events led to lower demand for road freight, which resulted in lower freight rates, especially in the spot market, as capacity exceeded the demand, prices were pushed down. Extensive price comparisons from customers reinforced the downward trajectory.

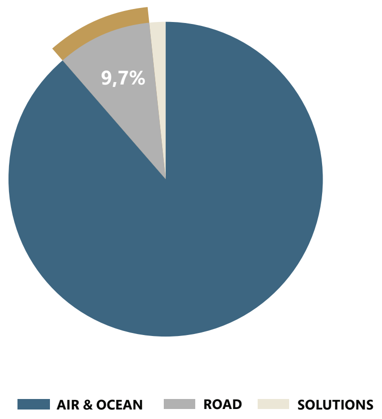
Globally, we have seen a positive development in freight rates towards the end of 2024, brought about by a rise in freight demand and a gradual recovery in freight rates.

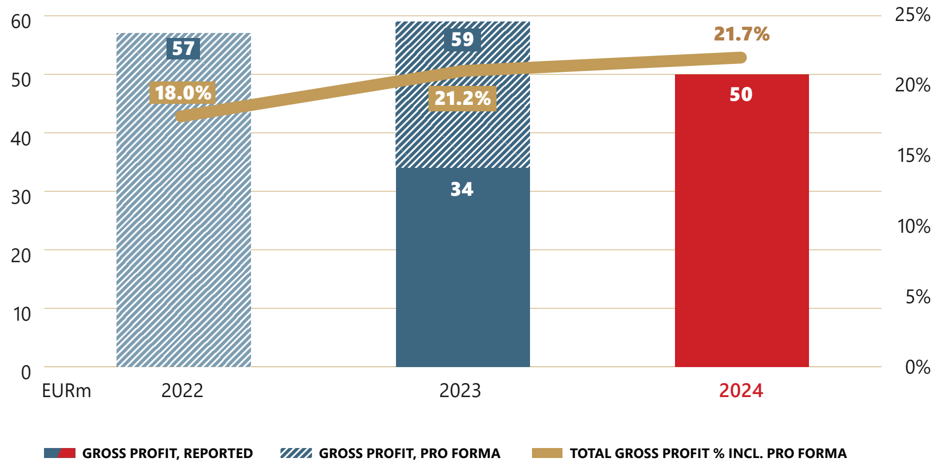
However, among other factors, capacity constraints, especially in the first half of 2024 in some geographical areas, have hindered a full market recovery.

Gross profit amounted to EUR 50m for 2024 compared to EUR 59m in 2023 (2023 Reported: EUR 34m). Activity in our Road division has been lower in 2024 compared to 2023, partly due to changes in capacity and demand but also because transports to Ukraine were a large part of the European road freight in 2023 but didn't continue in 2024.

Including especially the gradual recovery in freight rates, the 2024 gross margin was positively impacted, increasing to 21.7%, equivalent to an increase of 0.5% points compared to 2023 pro forma. EBITDA before special items amounted to EUR 3m for 2024, compared to EUR 13m last year (2023 Reported: EUR 7m).

SHARE OF GROSS PROFIT 2024





There has been a delay in managing the cost base to accommodate the slowdown in activity seen in 2024, resulting in a decreased EBITDA, also leaving the organisation capable of handling the activity surge in Q3 2024.

This has, in turn, negatively affected both operating margins, decreasing from 4.5% in 2023 (4.1% reported) to 1.5% in 2024, and the conversion ratio, which decreased from 21.1% in 2023 to 6% in 2024.

OPERATIONAL HIGHLIGHTS

2024 has been characterised by a market driven by diminishing demand, especially in Europe – thereby having surplus capacity and increased competition leading to a negative price pressure on freight rates. This is in stark contrast to previous years. On top of surplus capacity impacting freight rates, increased carrier costs also affected the market in 2024. All in all, these factors led to a decrease in profit in our Road division as well as the industry as a whole. Looking forward, the new US administration imposing tariffs on imports means that the North American road market is facing uncertainty as well as opportunities. The assumption is that increased tariffs will bring about an increased demand for road freight in the cross-border regions in North America. Leveraging our agile business model and our flexible and customer-centric approach along with our global presence, offers a possibility to specialise in cross-border solutions, including cost-efficient supply chain management, expertise in navigating tariff complexities, and access to diverse trade routes. The partnership between North and Latin America enables flexible logistic services, allowing customers to quickly adjust to changes in sourcing, transportation, and inventory management.

Looking ahead to 2025, SGL Road has seen positive market trends, with rates increasing from late 2024 and continuing into 2025. The expectation is that rates will normalise during the year. Nonetheless, there is room for continued growth going forward.

FINANCIAL PERFORMANCE – SOLUTIONS

REVENUE	GROSS PROFIT	GROSS MARGIN
EUR 20m	EUR 8m	40.0%

KEY COMMENTS

Solutions has a stable gross margin of 40%, which is a decrease of 3.2%-points from 2023, but an increase of 6.0%-points from 2022.

FINANCIAL PERFORMANCE

Solutions revenue amounted to EUR 20m in 2024 compared to EUR 37m in 2023 (2023 Reported: EUR 20m), consequently decreasing gross profit from EUR 16m (2023 Reported: EUR 9m) to EUR 8m in 2024. Despite the declining activity in the segment, SGL maintains a strong gross margin.

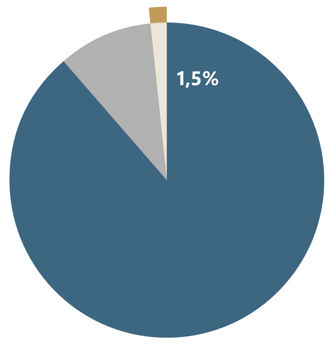
In 2024, EBITDA before special items amounted to EUR 2m, compared to EUR 4m in 2023 (2023 Reported: EUR 2m); thus, Solutions succeeded in maintaining a solid conversion ratio despite the lower activity.

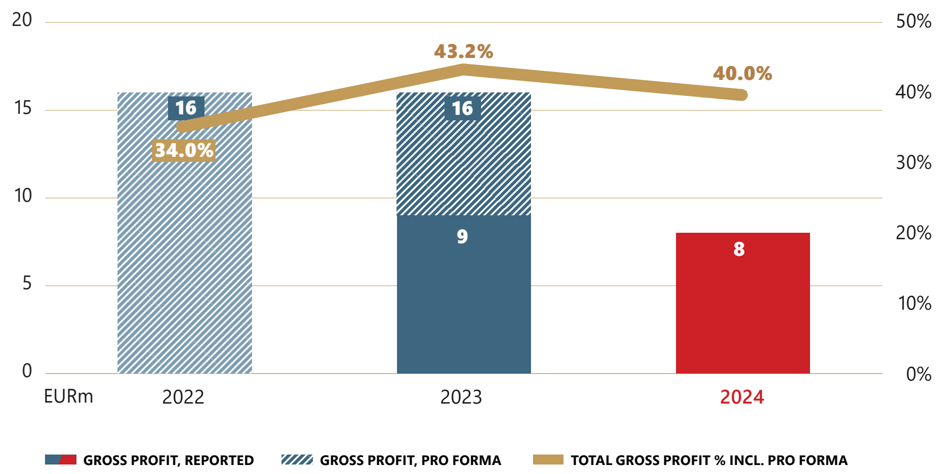
OPERATIONAL PERFORMANCE

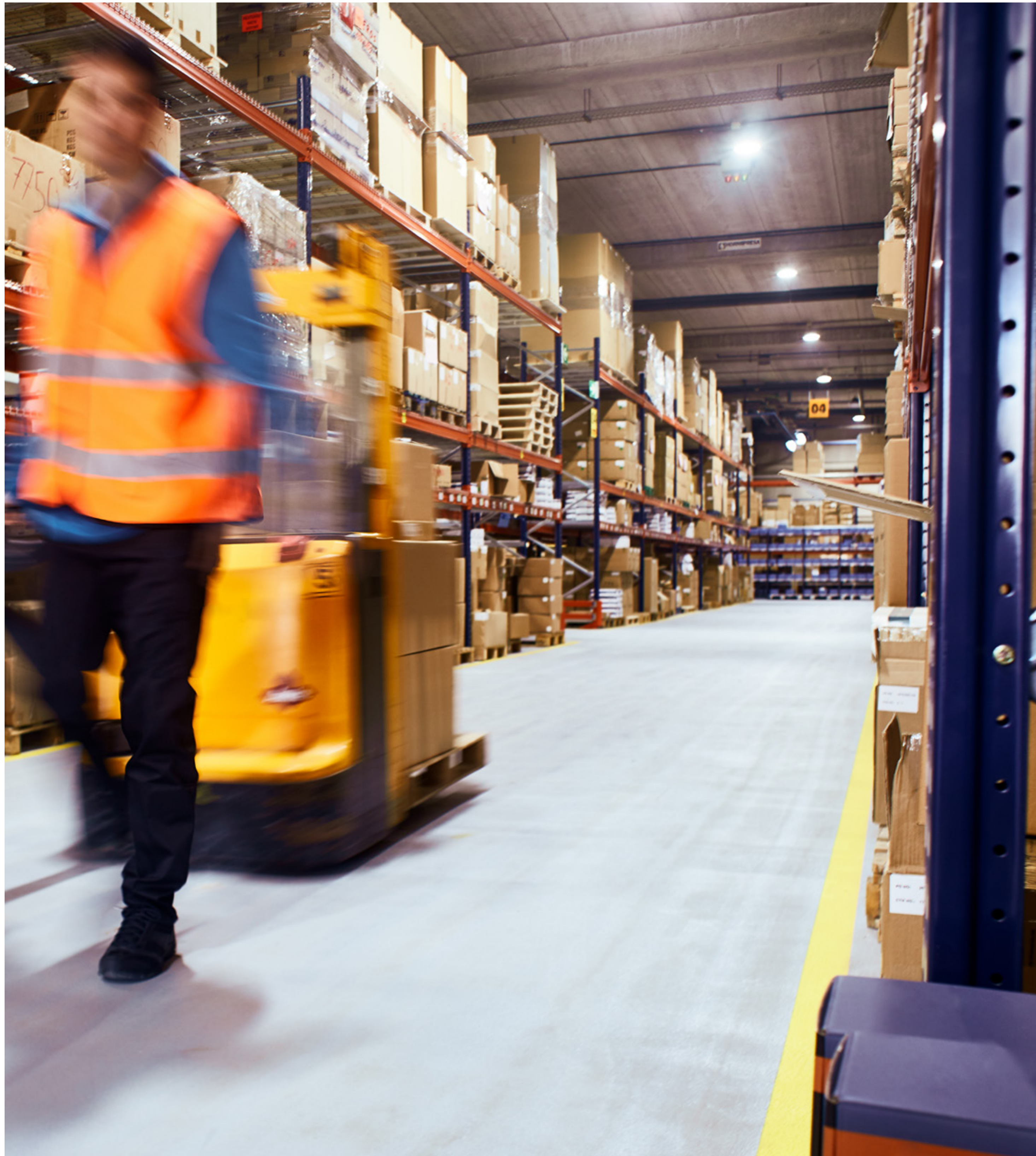
In 2024, Solutions focussed on consolidating warehouse activities by reducing to warehouses that are better technically equipped to handle specific customer needs. Contract Logistics and Warehousing are generally a competitive market, in which we differ by providing customised solutions.

Placing a strong emphasis on cost efficiency in 2024 enabled us to streamline our activities. In line with the general industry trends, securing optimal warehouse locations, managing capacity effectively, and investing in technology is crucial for minimising error, maintaining a cost-conscious approach, and establishing a strong market presence. Additionally, having global warehouse facilities will accommodate international companies looking for flexibility in their supply chains.

SHARE OF GROSS PROFIT 2024







2025 OUTLOOK

2025 OUTLOOK

Looking into 2025, we expect sustained high activity levels for the Air and Ocean freight, stemming from recent commercial investments gaining further traction and the full impact of recent acquisitions. However, changes in ocean freight dynamics can have a derived impact on air freight, as seen in 2024. The Red Sea situation is still expected to play a role in capacity and rates for both ocean and air freight in 2025. Moreover, the risk of potential increased tariffs remains uncertain and may impact the global freight market.

The pressure on yields is expected to continue into 2025, despite the expectation of continued good activity levels.

Our guidance includes the acquisition of ITN in Canada and the assumption of an expected closing in Q2 2025. The guided EBITDA before special items range is provided based on constant exchange rates.

2025	GUIDANCE
EBITDA before special items	EUR 215m – EUR 235m

LONG-TERM FINANCIAL TARGETS

In continuing our strategy, Vision 2027: 1-3-5, we remain firm on our long-term financial targets of organic growth and continuing our geographical expansion through Greenfields and M&A.

SGL Group remains focussed on delivering comprehensive logistics solutions to our worldwide customers, driven by our strong belief in our employees' ability to constantly design the required solution. SGL Group's long-term ambitions are:

OUTPERFORM MARKET GROWTH

- Achieving a total of EUR +5 billion in revenue
- Overall organic growth target being double-digit on major trade lanes and markets, powered by global growth initiatives driving growth across regions

TOP 3RD AMONGST THE GLOBAL PEERS IN PROFITABILITY

- High single–digit EBITDA margin before special items by 2027

OTHER FINANCIAL TARGETS

- Improving conversion ratio (gross profit to EBITDA before special items)
- Strong positive cash generation

The targets are based on stable global economic development assumptions and assume exchange rates are unchanged from current levels.

FOLLOW-UP ON GUIDANCE 2024

Following the postponement of certain activities and projects, and in combination with challenges in North America, our initial guidance was revised in Q2. For the full year of 2024, we achieved an EBITDA before special items in line with the revised guidance, which also comprised the acquisitions in Italy and Brazil.

Solid growth in activity across regions positively impacted the performance in 2024, but high pressure on margins negatively impacted it, affecting yields in both air and ocean freight.

2024	INITIAL GUIDANCE	REVISED GUIDANCE	REALISED
EBITDA before special items	EUR 195m – EUR 215m	EUR 190m – EUR 200m	EUR 195m

FORWARD-LOOKING STATEMENTS

The Annual Report contains forward-looking statements concerning SGL Group's financial position, results of operations, and potential exposure to risks, and statements expressing Management's expectations and assumptions.

Such statements are subject to risks and uncertainties as several factors, many of which are beyond SGL Group's control, may cause the actual development and results to differ materially from expectations contained in the Annual Report. Such factors comprise but are not limited to changes in market dynamics, economic and financial market conditions, uncertainty related to SGL Group's acquisitions and operational challenges.

Forward-looking statements do not relate to historical or current facts and are distinguished by using terms such as believe, expect, may, will, plan, strategy, estimate, target, and other words of similar meaning to describe the future performance.

GOVERNANCE AND RISK MANAGEMENT

Kastrup, Denmark

CORPORATE & SUSTAINABILITY GOVERNANCE

GOV-1
G1 GOV-1
SGL Group ApS is a privately held company directly owned by SGL Holding II ApS, with the ultimate ownership resting with Skill Luxemburg Holdings S.à.r.l.

GENERAL MEETING
SGL employs a two-tier management system, comprising the Board of Directors and the Executive Management. No individual is a member of both. Together, these bodies comprise SGL Group's 'administrative, management and supervisory bodies'.

Decisions made at the general meeting, including the election of the Board of Directors and the auditor comply with Danish regulations.

Annually, at the general meeting, shareholders elect three to seven board members. The Board of Directors comprises six members. Nominations are based on an evaluation of competencies, independence and performance.

BOARD OF DIRECTORS
The Board of Directors, as the primary governing body, shoulders a range of responsibilities vital to the effective function of SGL Group ApS. These include:

- Setting and overseeing the company's long-term success.
- Identifying, assessing, and managing business risks to preserve shareholder value.
- Overseeing financial performance, budget approval, and ensuring regulatory compliance.
- Appointing, evaluating, and potentially replacing key executives, including the CEO.
- Maintaining transparent communication and duly considering shareholder interests.
- Ensuring company operations align with the legal framework and comply with regulations.
- Overseeing the Audit Committee's work, especially in risk management, financial reporting and regulatory compliance.
- Overseeing SGL Group's sustainability matters.
- The Executive Management briefs the Board on SGL Group's approach to sustainability, performance and material impacts, risks and opportunities on a quarterly basis and reviews and approves the annual sustainability report.
- The Board consists of six non-executive directors, of whom six (100%) are independent. There are no employee or worker representatives on the Board. All of the directors are male (0% female directors), and the Board does not formally monitor other aspects of diversity.

AUDIT COMMITTEE
The Audit Committee oversees the company's risk management, financial reporting, regulatory compliance, internal controls and supervises external auditors. The committee's key responsibilities include:

- Monitoring the financial reporting process and compliance with existing legislation, standards and other regulations for public interest entities.
- Monitoring the company's internal control and risk management systems. Climate-related risks and other material sustainability risks are incorporated into SGL Group's annual ERM process as well as into the ERM system as a whole.
- Ensuring the integrity of the company's financial reports.
- Ensuring compliance with legislation, standards and regulations globally.
- Overseeing auditor independence, including non-audit services provision and reporting, and facilitating the audit process.
- Supervising the company's legal compliance programme, including the Code of Conduct, training and whistle-blower scheme.
- Monitoring cybersecurity measures.
- Overseeing ESG reporting.

REMUNERATION COMMITTEE
The Remuneration Committee oversees and recommends policies related to executive remuneration employee compensation, and incentive programmes.

EXECUTIVE MANAGEMENT
The Executive Management team, which comprises the Global CEO, Global CCO & COO and the Global CFO, oversee the main functions of the company. They are responsible for the day-to-day management of the company. In addition to steering the company's overall direction, the Executive Management team holds critical operational and strategic responsibilities, including maintaining sufficient and effective internal controls and risk management in connection with financial reporting.

The Executive Management team also holds the ultimate responsibility for setting the company's sustainability strategy. This involves setting sustainability objectives, monitoring progress towards these objectives, and approving targets and governing policies and procedures designed to address or mitigate SGL Group's material impacts, risks and opportunities.

Additionally, the Executive Management team oversees and is responsible for business conduct matters and receives reporting on whistle-blower cases and investigations, from the Global General Counsel, who acts in accordance with the decisions made by the Executive Management Team.

The Global CCO & COO is responsible for ensuring the implementation of the ESG strategy.

SUSTAINABILITY BOARD
The Sustainability Board steers the sustainability agenda and progress against SGL Group's sustainability targets and the management of material impacts, risks and opportunities. The Sustainability Board is chaired by the Global CCO & COO and consists of the Global Head of Sustainability & ESG, Global VP, People, Leadership & Culture and Global General Counsel.

The Sustainability Board provides monthly updates to the Executive Management on sustainability performance, progress towards targets and actions and initiatives undertaken to address material impacts, risks and opportunities. This ensures regular monitoring and oversight. Functional areas have day-to-day responsibility for managing material sustainability impacts and achieving targets.

BOARD OF DIRECTORS
The Board of Directors sets the vision for sustainability and approves the annual sustainability report.

CHAIR
Nils Smedegaard Andersen, Chairman of the Board

AUDIT COMMITTEE
The Audit Committee oversees the Enterprise Risk Management (ERM) process and the handling of overall ESG risks and strategies and reports to the Board of Directors.

CHAIR
Philip Bendorff Røpcke, Chairman

EXECUTIVE MANAGEMENT
Responsible for ESG performance.
Approves ESG objectives and approach.

GLOBAL CEO
Allan Dyrgaard Melgaard,
SGL Group ApS

GLOBAL CFO
Clara Nygaard Holst,
SGL Group ApS

GLOBAL COO & CCO
Mads Drejer,
SGL Group ApS

BUSINESS ORGANISATION AND CORPORATE FUNCTIONS
Ensure progress in sustainability development programmes and to live by the group policies. Conduct yearly GHG emission analysis.

SUSTAINABILITY BOARD
The Sustainability Board supervises the ESG performance and ensures that the ESG activities and responsibilities are in line with the decisions made by the Executive Management team.

CHAIR
Mads Drejer, Global COO & CCO

Governing documents
The roles, responsibilities and governing principles of these bodies, including in relation to sustainability governance and oversight, are set out in SGL Group´s Delegation of Authority.

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

The administrative, management and supervisory bodies also receive periodic sustainability training and leverage external consultants to ensure they have sufficient information to oversee material impacts, risks and opportunities.

HOW GOVERNANCE AND MANAGEMENT BODIES ARE INFORMED ABOUT SUSTAINABILITY

GOV-2

The Board, Audit Committee and Executive Management receive reporting on sustainability matters through the processes described in GOV-1 above. Executive Management receives monthly reports from the Sustainability Board on the efficacy of mechanisms to manage material impacts, risks and opportunities and reports to the Board and Audit Committee on sustainability matters quarterly.

Integration of sustainability in SGL Group's strategy
Sustainability is a strategic enabler of SGL Group's growth – core elements of how we consider impacts, risks and opportunities when making key decisions are described in each of the main sections of the Sustainability Statement (see pages 33-90). In addition, we have an active acquisition strategy, and we consider material sustainability matters such as health and safety in our due diligence process when making acquisitions. Material sustainability risks are integrated into our ERM systems and overseen by the ERM and Audit Committee (see GOV-1).

During the year, the Board and Audit Committee considered all material impacts, risks, and opportunities as part of the double materiality assessment review and approved the Sustainability Statement. The Executive Management team also received regular updates on impact, risk and opportunity management from the Sustainability Board.

HOW WE INTEGRATE SUSTAINABILITY PERFORMANCE IN OUR INCENTIVE SCHEMES

E1.GOV-3

SGL Group includes sustainability-related performance in the incentive schemes for the Global COO & CCO and the Global Head of Sustainability & ESG to incentivise strategic decision-making that supports our sustainability goals.

The Global COO & CCO remuneration includes a short-term incentive payment which rewards the achievement of annual progress towards SGL Group's near-term (2030) and long-term (2050) science-based emissions reduction targets. This amounts to 20% of variable remuneration dependent on sustainability targets and linked to climate-related considerations.

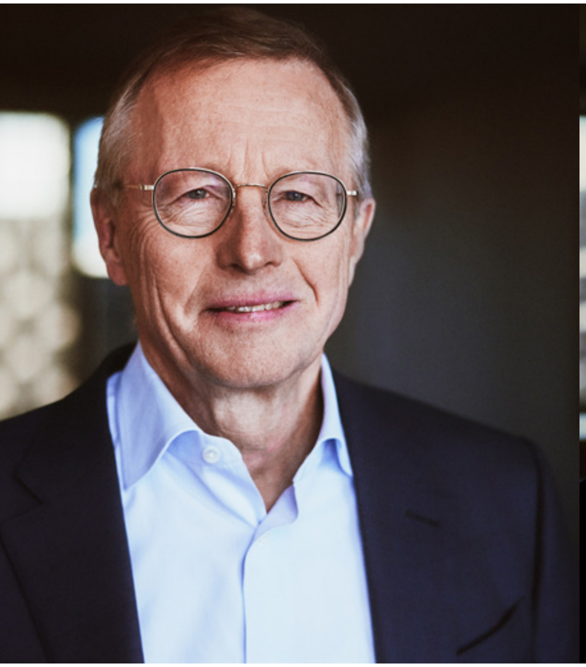
The Global Head of Sustainability & ESG's remuneration includes a short-term incentive payment which rewards ESG progress and implementation of SGL Group's Low Carbon Logistics Solutions among customers. Given that 99% of SGL Group's emissions come from our customers' transportation, this activity-based performance indicator supports progress towards SGL Group's science-based targets. This amounts to 20% of variable remuneration dependent on sustainability targets. All incentive schemes are approved by the Executive Management and the VP Global People, Leadership & Culture. In 2025, SGL Group plans to expand the use of sustainability-related performance in its executive incentive schemes.

DATA ETHICS

SGL Group places a high premium on data ethics. We refrain from extensive data collection from ourselves and our partners and our detailed security policy sets stringent data collection and usage standards.

Our Data Ethics Policy, prepared in accordance with section 99d of the Danish Financial Statements Act is available at: https://www.scangl.com/about/policies

BOARD OF DIRECTORS






NILS SMEDEGAARD ANDERSEN
Chair of the Board (Since 2023)
Nationality: Danish
Considered independent in relation to the company and its principal shareholder

EXPERIENCE
Chair of the Board of Directors at Teix Partners ApS, Censtellation Cold Logistics and ASML Holding. Member of the Board at Købmand Herman Sallings Fond. Former CEO of Carlsberg and A.P. Moller - Maersk.

SØREN VESTERGAARD-POULSEN
Member of the Board (Since 2023)
Nationality: Danish
Considered independent in relation to the company but not in relation to the principal shareholder

EXPERIENCE
Managing Partner of CVC Capital Partners. Deputy Chair of STARK Group A/S and Member of the Board at Ahlsell Group and Odevo.

CHRISTOFFER HELSENGREEN SJØQVIST
Member of the Board (Since 2023)
Nationality: Danish
Considered independent in relation to the company but not in relation to the principal shareholder

EXPERIENCE
Partner of CVC Capital Partners. Member of the Board at STARK Group A/S, Twoday Holding Denmark ApS, Hempel A/S, Synsam Group, Alvogen and Save the Children Denmark.

PHILIP BENDORFF RØPCKE
Member of the Board (Since 2023)
Nationality: Danish
Considered independent in relation to the company but not in relation to the principal shareholder

EXPERIENCE
Managing Director of CVC Capital Partners. Member of the Board at STARK Group A/S.

THOMAS NIESZNER
Member of the Board (Since 2023)
Nationality: Swiss
Considered independent in relation to the company and its principal shareholder

EXPERIENCE
Member of the Board at Planzer Holding AG. Former Global CEO of DHL Global Forwarding.

JOHN F. COZZI
Member of the Board (Since 2023)
Nationality: American
Considered independent in relation to the company and its principal shareholder

EXPERIENCE
Partner and Co-head of AEA's Small Business Private Equity team. Member of the Board at 50 Floor, American Expediting, Barnet Products, Connexus Resource Group, Montway, WorldWild Electric, Impetus Wellness Group and P&B Intermodal.

EXECUTIVE MANAGEMENT

ALLAN DYRGAARD MELGAARD
Global CEO

I drive SGL on the energy of our fantastic people because I believe that culture eats strategy for breakfast, and no system or formula can compensate for that.

CLARA NYGAARD HOLST
Global CFO

I believe in empowering teams and individuals through purpose-driven leadership and engaging in cross-functional collaboration as the best foundation for our company's future development.

MADS DREJER
Global COO & CCO

I firmly believe in achieving results by unleashing the potential of the people across countries, regions, and functions by being open, challenging, and encouraging.

RISK MANAGEMENT

As an international freight forwarding company, SGL is exposed to a broad range of risks in its operational and value-creation activities. Our risk management strategy is designed to proactively identify, assess, and address these risks to mitigate potential impacts on financial performance, corporate value, and compliance with financial covenants.

RISK MANAGEMENT PROCESS

SGL's risk management framework is grounded in a structured approach comprising risk identification, risk analysis, and risk assessment. This approach enables us to provide a comprehensive overview of the key risks affecting the company, ensuring that we take appropriate measures to address these risks or leverage opportunities.

Our risk management process is embedded across functions, with specific risk owners in operational areas and group-level functions designated to oversee risk identification, control, mitigation, and reporting of both current and emerging risks, in close collaboration with our central risk management function.

SGL's Leadership Team regularly reviews and assesses the identified risks and corresponding mitigation strategies. The Audit Committee further reviews the adequacy and effectiveness of the risk management system.

Ultimately, the Board of Directors holds responsibility for assessing the nature and extent of the risks and opportunities arising from SGL's strategic initiatives and operations, as well as for ensuring the implementation of effective risk identification, assessment, and mitigation measures.

KEY RISK ASSESSMENT 2024

In 2024, a comprehensive analysis and assessment of the Group's internal and external strategic risks was conducted. This analysis identified six primary risk categories that could materially affect the Group's earnings, financial position, and strategic objectives should they materialise. The outcomes of the risk analysis are illustrated in the key risk map and discussed in detail in the following sections. The indicated likelihood and impact levels reflect our best estimates, taking into account our mitigation strategies; however, it is important to acknowledge that the quantifications in the risk map involve an inherent level of uncertainty.

Acquisitions

In 2024, we expanded our operational platform through acquisitions in Italy and Brazil. SGL has a well-established history of seamlessly integrating new companies into its business framework. However, the acquisitions in two new countries will inherently add operational complexity, thereby introducing additional risk elements to our organisation.

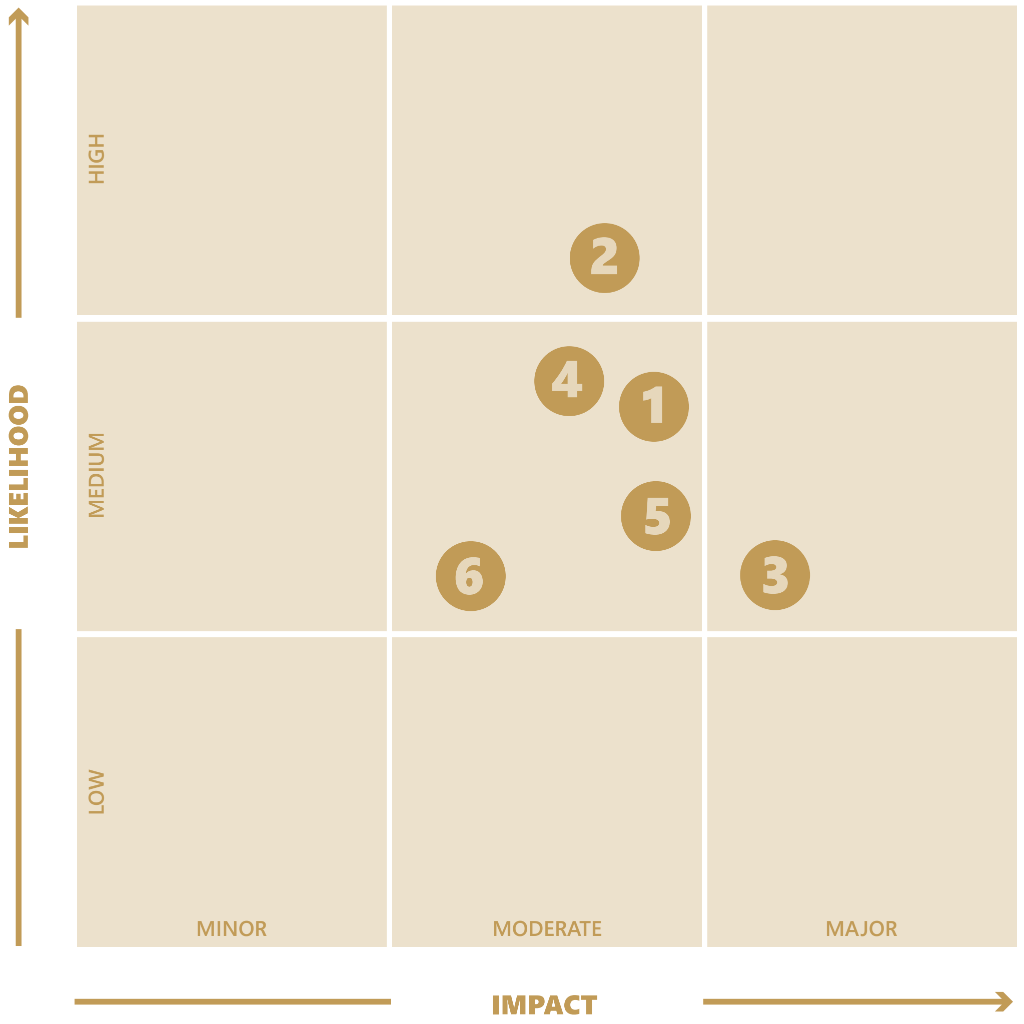
Financial risks

Although our daily operations entail exposure to various financial risks, these are not classified as key risks. Our Group Treasury department closely monitors these financial risks to maintain the effectiveness of our strategic approach. For further details on financial risks, please refer to the notes in the financial statements.

IT Infrastructure risks

While our operations depend heavily on information technology to support critical business processes, these risks are not classified as key risks. Our dedicated IT department actively monitors potential threats such as downtime, IT viruses, and disruptions, implementing robust measures to ensure the stability and security of systems for both internal and external stakeholders, including customers and suppliers.

A consolidated overview of our key risks along with the measures we employ to address and mitigate them, is presented below. It is important to note that additional risks—whether currently unidentified or considered less significant—may also impact our business. For information on climate-related risks, refer to page 38.



SGL Key operational risks

1. Commercial
2. Global economic conditions
3. IT Security
4. People
5. Compliance
6. M&A

RISK MANAGEMENT

ACCOUNTING POLICIES

	RISK	DESCRIPTION	POTENTIAL IMPACT	MITIGATION
1	**COMMERCIAL**	Recent acquisitions have strengthened SGL's revenue, workforce, network, and market position. However, this growth introduces new challenges, necessitating a sustained commercial focus. It is essential that we continue to meet customer needs, respond to market shifts, and develop our network and services to ensure that our value proposition remains distinct and compelling.	Failure to maintain focus in these areas could hinder our ability to execute our organic growth strategy, with potentially adverse effects on our long-term financial results. Additionally, navigating volatility in supply and demand, particularly on critical trade lanes such as Asia to Europe and Asia to North America, presents a significant short-term operating risk for SGL.	• Careful management of freight rate fluctuations, balancing carrier contracts with customer agreements to mitigate cost impacts. • Ongoing attention to clerical accuracy and management of liabilities beyond standard trading conditions.
2	**GLOBAL ECONOMIC CONDITIONS**	The cumulative impact of ongoing conflicts and rising unrest across various regions, along with increasing anti-globalisation sentiments, is reshaping global structures and international relationships, with potential repercussions for SGL.	Protectionist measures enacted by major economies could disrupt global trade, potentially diminishing demand for SGL's international freight forwarding services. However, this impact may be partially balanced by heightened regional or domestic activity and increased demand for other logistics services.	• A flexible business model enables optimisation of financial performance across all business areas and regions. • Continuous monitoring of operational performance, financial results, and cash flows allows for timely adjustments to capacity as needed. • An asset-light approach, utilising external transport partners (carriers, hauliers) and leased terminals, warehouses, and offices, provides adaptability and responsiveness to market changes.
3	**IT SECURITY**	The overall threat of IT security breaches continues to intensify as we advance and transition to assist our highly focussed, customer-centric approach.	A cyber-attack could significantly disrupt SGL's daily operations, resulting in customer delays and additional costs associated with restoring business functions.	• Implementation of IT Security Policy, annual employee training, multi-factor authentication, regular audits, antivirus and patch management, and behavioural analysis. • Comprehensive cybersecurity certification, contingency planning, adoption of cloud-based solutions, and oversight by the IT Security Committee.
4	**PEOPLE**	SGL's people are our most valuable asset and our success is directly tied to their engagement and well-being. We aim to foster a workplace where employees feel purpose, belonging, strong leadership, and overall meaningfulness, creating a better workplace for our growing workforce.	An inability to retain or attract talent could severely impact business performance, impeding the execution of strategic projects and the achievement of company goals.	• Vision 2027 1-3-5 focuses on a human-centred approach to engage and support employees across all locations. • The strategy is underpinned by four core virtues—respect, integrity, entrepreneurship, and fun—which serve as behavioural cornerstones to support the five tactics for achieving our strategic objectives.
5	**COMPLIANCE**	Due to SGL's global operations, the company is subject to a wide range of national and international regulatory requirements. These include regulations on tax, customs, VAT, sustainability, data privacy, and competition law, all of which continue to grow in scope and complexity. Additionally, changes in trade embargoes affecting international transportation and the increasing magnitude of these regulations pose additional challenges. Furthermore, SGL's expanding network has introduced operations in regions with heightened risks related to labour rights violations.	Non-compliance with regulatory requirements could significantly damage SGL's public reputation and brand, potentially straining relationships with customers and stakeholders. Furthermore, failure to comply may lead to substantial fines, legal claims, and other adverse consequences for the Group, as well as for its management and employees.	• SGL is committed to maintaining integrity and adhering to ethical business practices across all regions in which it operates, ensuring compliance with both international and local regulations. • SGL's policies, including the Code of Conduct, Anti-Corruption Policy, and Human Rights Policy, are enforced throughout all subsidiaries and are regularly monitored through internal controls and audits.
6	**M&A**	Strategic acquisitions are fundamental to SGL's corporate strategy. However, these acquisitions carry inherent integration risks that could delay the achievement of cost synergies, strategic advantages, or economies of scale.	If SGL fails to successfully integrate a major acquisition due to an inadequate integration approach, gaps in internal processes or capabilities, or cultural differences, this could lead to value erosion through unrealised synergies.	• SGL conducts thorough due diligence to assess the financial, operational, and strategic fit of potential acquisitions. • Cultural fit assessments are carried out to ensure alignment with SGL's values and organisational culture. • Comprehensive integration plans are developed to facilitate a smooth transition and realise anticipated synergies.

SUSTAINABILITY STATEMENT

The SGL Festival 2024 in Aarhus, Denmark

GENERAL DISCLOSURES

Our 2024 annual report includes an integrated sustainability statement. The statement has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), as transposed by the Danish Financial Statements Act.

In 2024, SGL Group performed a review of its Double Materiality Assessment ('DMA'), first conducted in 2023. We identified relevant disclosure requirements based on the outcomes of the DMA. The statement therefore details the policies, actions, targets and metrics that address our material impacts, risks and opportunities. The sustainability statement is structured in four sections, as required by the ESRS: 'General', 'Environment', 'Social', and 'Governance'. In addition, we have presented some disclosure requirements in the Management Report using incorporation by reference. These include tables, which are presented in context following the Governance section.

We have prepared our sustainability statement with regard for the ESRS Qualitative Characteristics of Information: faithful representation, relevance, comparability, verifiability and understandability. The statement has been given limited assurance by SGL Group's external auditors, as required by CSRD.

We remain committed to upholding the highest standards of transparency and integrity in our sustainability reporting. We welcome the standardisation of ESG disclosures and the opportunity to communicate our progress.

BASIS FOR PREPARATION

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

Information in the sustainability statement includes SGL Group and all of its subsidiaries and has been prepared on the same consolidated basis as SGL Group's 2024 financial statements, which cover the 12-month period for the year ended 31 December 2024.

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

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

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

Time horizons

SGL Group has adopted the time horizons defined in CSRD section 6.4, excluding the scenario and resilience assessments conducted as part of the Taskforce for Climate-related Financial Disclosures ('TCFD') assessment, described in E1 IRO-1 and SBM-3 respectively.

Time horizons used in the TCFD assessments were:

- Short term (0-2 years)
- Medium term (2-5 years)
- Long-term (beyond 5 years)

Key accounting estimations

The sustainability statement includes key data estimations and assumptions. While the methodologies and significant assumptions are disclosed within the accounting policies section of each respective ESRS, disclosures subject to estimation and therefore a higher level of measurement uncertainty are listed below.

In presenting the 2024 sustainability statement, estimates and assumptions have been applied as the basis for some of the quantitative disclosures made where direct measurable data is not available. These disclosures may be subject to a higher level of measurement uncertainty, and as such, they are based on reasonable assumptions that may evolve as more data becomes available or as estimation methods are refined over time. The application of estimates is a part of our reporting process, ensuring we can continue to provide relevant and meaningful information, even when exact figures cannot be directly obtained.

This estimation approach generally impacts quantitative disclosures related to energy consumption, Scope 1, 2 and 3 (not Scope 3 category 4) lack of precise activity data, especially for smaller office buildings or facilities where specific measurements are not available. Furthermore, social data with estimations includes collective bargaining and remuneration ratio refer to accounting policy page 79.

In such cases, extrapolations are made in line with internal SGL Group reporting guidelines. We remain committed to improving data accuracy and transparency as we refine our estimation methods and gather more comprehensive data in future reporting periods. No additional metrics beyond those disclosed above are subject to a high level of measurement uncertainty.

Use of judgements

Judgement has been exercised in a number of areas during the preparation of the sustainability statement. The most critical judgements were made in:

- The materiality assessment process described in IRO-1
- The climate scenario process described in IRO-1 that was used to identify the climate risks and opportunities described in E1 Climate change.

Changes in the preparation or presentation of sustainability information

For the 2024 reporting period, SGL Group has made the following changes in its preparation of the sustainability information:

- The inclusion of a sustainability statement within SGL Group's 2024 Annual Report and Accounts that has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).
- The preparation of the sustainability statement has been subject to limited assurance by SGL Group's external auditors (refer to Auditor's Statement on page 141)
- Additional disclosures and metrics as required by the ESRS, including descriptions of SGL Group's double materiality assessment process; the company's material impacts, risks and opportunities; and policies, actions and metrics and targets to address them.

Incorporation by reference

SGL Group has used incorporation by reference for the following disclosure requirements and datapoints see table below:

DISCLOSURE REQUIREMENT	DATAPOINT	LOCATION IN MANAGEMENT REPORT
ESRS 2 SBM-1	All datapoints	Content index page 85.
ESRS 2 GOV-1	All datapoints	Content index page 85.
ESRS 2 GOV-2	All datapoints	Content index page 85.
ESRS 2 GOV-3	All datapoints	Content index page 85.
ESRS 2 GOV-4	Mapping of information provided in sustainability statement about the due diligence process	General disclosures page 42.
ESRS 2 IRO-2	List of data points that derive from other EU legislation and information on their location in sustainability statement	Content index page 85.
ESRS 2 IRO-2	Disclosure of list of ESRS Disclosure Requirements complied with in preparing sustainability statement	Content index page 85.

Updating disclosures about events after the end of the reporting period
Critical or material events occurring on or after 1 January 2025, and up until the publication date are included in the sustainability statement.

GOVERNANCE

GOV-1 ***The role of the administrative, management and supervisory bodies***
GOV-2 ***Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies***
GOV-3 ***Integration of sustainability-related performance in incentive schemes***
These disclosure requirements are incorporated by reference in the Corporate & Sustainability Governance section of the Management Report, please refer to page 27.

GOV-4 ***Statement on due diligence***
This disclosure requirement is incorporated by reference of the Sustainability Statement, please refer to page 42.

RISK MANAGEMENT AND CONTROLS

GOV-5 ***Risk management and internal controls over sustainability reporting***
The Group Finance team, led by the Chief Financial Officer (referred to hereafter as the Global CFO), is accountable for maintaining a single consolidated data model for the full group which is collected via a dedicated sustainability reporting software application. This process automates data collection, provides full transparency and traceability of the data and ensures the standardisation of terms, formulas, and key variables such as emissions factors in compliance with the GHG Protocol.

The Board of Directors also reviews and approves the sustainability statement to ensure oversight and accountability; and, in accordance with the requirements of the CSRD and ESRS, all information disclosed in the sustainability statement has been subject to limited assurance by SGL Group's external auditor. Please see the auditor's limited assurance statement for more information. SGL will review this as part of ongoing work to develop our sustainability governance processes.

Nonetheless, SGL Group acknowledges that its sustainability reporting is exposed to the risk of material misstatement due to human error or incomplete data. This risk is magnified by SGL Group's strong growth via acquisitions which results in acquired companies implementing SGL Group's systems and processes throughout the year. SGL Group's consolidated approach to data collection across the Group mitigates risk.

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

SBM-1 ***Strategy, business model and value chain***
This disclosure requirement is incorporated by reference in the Strategy & Business Model section of the Management Report, please refer to page 8.

OUR STAKEHOLDERS

SBM-2 ***Interests and views of stakeholders***
S1 ***Disclosure requirement related to ESRS 2 SBM-2***
S2 ***Disclosure requirement related to ESRS 2 SBM-2***
S3 ***Disclosure requirement related to ESRS 2 SBM-2***
Engaging with stakeholders is essential to SGL Group's ability to create value and for our long-term success. Understanding their views and interests informs our strategy and business model in a variety of ways, from developing Low Carbon Logistics solutions that reduce our customers' supply chain emissions, creating a meaningful workplace that underpins our growth strategy or conducting business with integrity in the markets we operate in. Engagement with stakeholders on material sustainability matters typically involves the Group Sustainability team, Human Resources, People, Leadership & Culture, Finance and Legal/Quality functions, and Executive Management.

The following table discloses how we engage with our key stakeholders, the purpose of those engagements and their outcome. The views of stakeholders inform our due diligence process and the materiality assessment, which is described in more detail in ESRS 2 IRO-1. Stakeholder engagement was also conducted as part of the human rights saliency assessment, described in S1 Working Conditions, S1-4.

KEY STAKEHOLDERS	ENGAGEMENT AND PURPOSE	OUTCOME
Customers	We engage with our customers on a daily operational basis, through briefings on Low Carbon Logistics solutions, partnerships and industry groups focused on net-zero supply chains. This helps foster collaboration and innovation in achieving sustainable logistics solutions.	• Reduction of customers' transport and supply chain related emissions. • Reduction of SGL Group's Scope 3 emissions (which represent 99% of our emissions).
Employees	We strive to foster a collaborative and meaningful workplace. We engage employees through leadership communication, training, performance and development reviews, the MQ annual employee survey and through our whistle-blowing system.	• Inclusion of views and perspectives of employees in actions taken by SGL Group to address material impacts, risks and opportunities. • Above-target MQ score. • Improved health and safety performance. • Culture of business integrity. • Meaningfulness (MQ) score.
Investors, banks and bond holders	We engage with our financial stakeholders periodically via presentations and briefings, investor roadshows and the annual and sustainability reports. These interactions ensure transparency, build trust, and secure financial support for long-term objectives.	• ESG ratings. • Meeting the information needs of financial stakeholders for sustainability data. • Securing financing.
Suppliers	We engage with our suppliers on a daily operational basis, through partnerships, industry groups focused on net-zero supply chains and through our supplier management processes and supplier audits. This ensures long-term supplier relationships, alignment of expectations, and proactive risk management.	• Provision of services for SGL Group's Low Carbon Logistics Solutions. • Adherence to SGL Group's business conduct standards. • Securing through asset optimisation.
Owners	We engage with our owners regularly through briefings, board meetings, and the annual reporting process. This ensures alignment on strategic goals and upholds accountability.	• Alignment on sustainability strategy, targets, and performance.
Regulators and authorities	SGL Group does not engage directly with regulators, however we follow updates from regulators and other relevant public authorities. SGL Group may engage with policymakers indirectly through its membership with industry associations. Such engagement ensures compliance and contributes to shaping regulations through industry collaboration.	• Ensuring that SGL Group acts in compliance with regulations in the markets in which we operate.
Beneficiaries of Aid & Relief ('A&R') logistics services	Our A&R group engages with humanitarian partner organisations and government entities to understand the needs of communities supported by our operations that are often situated in complex contexts with particular needs and vulnerabilities. This enables us SGL Group to tailor its provisions to beneficiaries in all regions, supporting a more inclusive logistics system.	• A&R services that better support these communities with effective humanitarian logistics.
Value chain workers	SGL Group does not engage directly with value chain workers or their representatives. However, human and labour rights considerations form a key part of our supplier management and engagement processes (see 'Suppliers' above).	

The perspectives of stakeholders influence our strategy and business model in the following ways:

- Meeting customer expectations is central to our business model and strategy. We tailor our product and service offerings to meet our customers' needs, including those regarding sustainability.
- Our workforce is central to our operations and to realising our growth strategy. We recognise that warehouse operations pose health and safety risks, and the pace and scale with which we have grown means it is critical that we ensure consistent, high standards of working across our global workforce. Employee Meaningfulness Questionnaire results (see S1-2) inform our people strategy and support initiatives to address these impacts.
- Suppliers are central to our business and to achieving our sustainability goals. Our suppliers provide the transport, warehousing, and logistics services that enable us to deliver efficient and reliable solutions to our customers. By fostering responsible supplier relationships, we enhance the sustainability of our operations and contribute to a more resilient, environmentally conscious supply chain.

SGL Group ensures that the views and interests of affected stakeholders are regularly communicated to its executive management and supervisory bodies. Both the Global CEO and the Global COO and CCO hold operational roles that involve direct engagement with customers and carrier partners. Through these interactions, they secure alignment between stakeholder expectations and future business collaborations. Additionally, the Global VP of People, Leadership & Culture, as part of the Global Leadership Team, presents and discusses workforce perspectives, recognising that employee meaningfulness is a strategic growth enabler and a key driver of SGL's overall growth strategy.

At present, SGL does not anticipate major changes in its stakeholder engagement approach or the level of interaction across stakeholder groups. However, discussions are ongoing regarding the review and update of the DMA for 2025. A potential revision under consideration is whether to incorporate direct stakeholder perspectives rather than relying solely on input from responsible area leads within SGL.

DOUBLE MATERIALITY ASSESSMENT

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

SGL Group's materiality assessment process was first conducted in 2023. The process identified and assessed SGL Group's actual and potential, positive and negative, impacts, risks and opportunities ('IROs') on people and the environment to determine its material sustainability matters.

In 2024, SGL Group reviewed the materiality assessment previously conducted in 2023, to reflect changes over the last year. This included incorporating new implementation guidance from EFRAG, reviewing the scoring and descriptions of positive impacts and taking a broader view of SGL Group's value chain, beyond its immediate partners. The 2024 review is described in more detail on page 38.

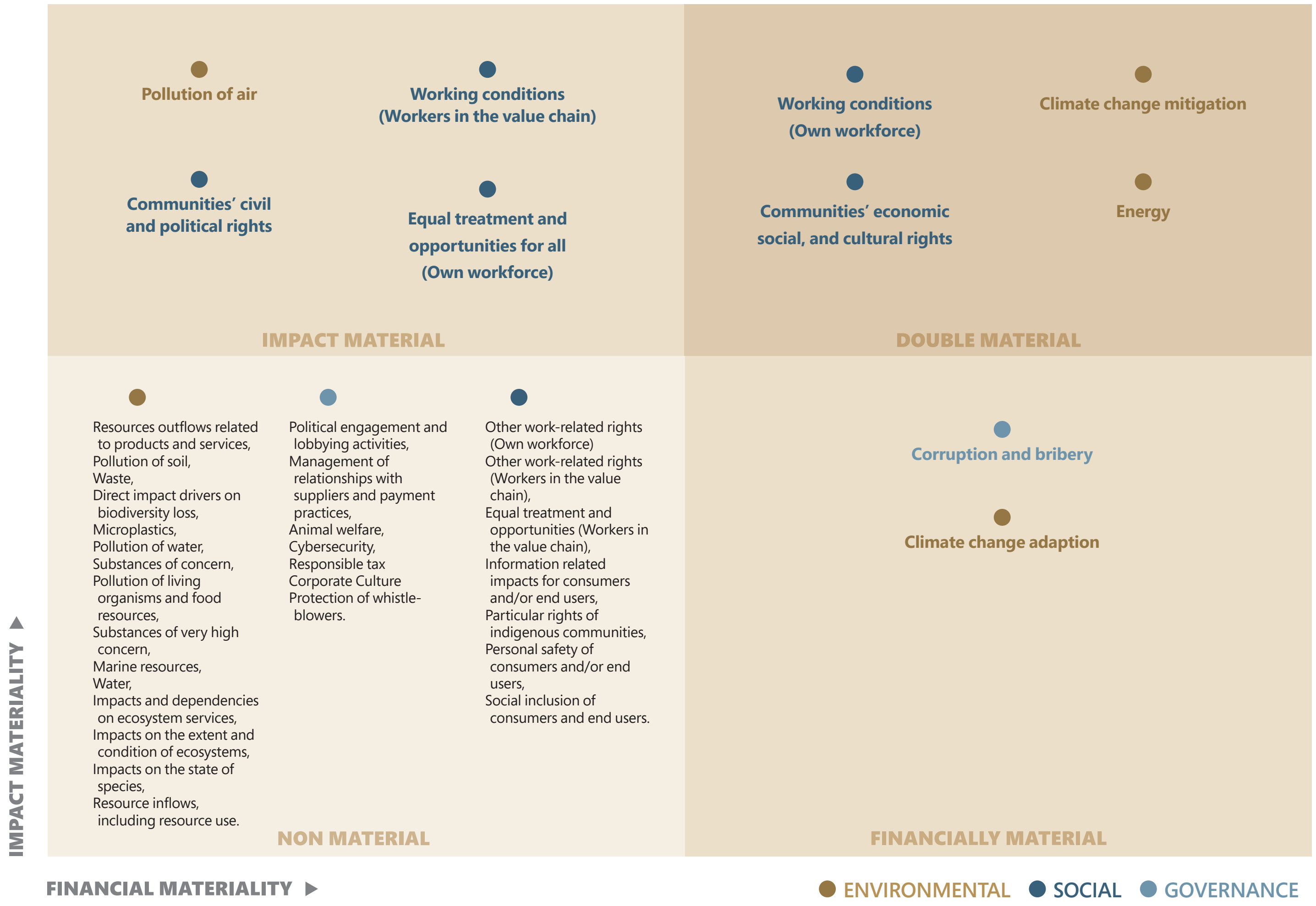
Identifying sustainability matters

First, we considered the context of SGL Group's activities and business relationships, value chain and affected stakeholders to identify relevant sustainability matters as outlined in ESRS 1, paragraph AR16. The analysis included a review of SASB standards relevant to SGL Group's industry in order to provide a sector-specific perspective and to allow for the possible inclusion of entity-specific topics. Sustainability topics and sub-topics that were not relevant to our business model were omitted from the review. This included E3 Water and marine resources as SGL Group does not use any meaningful amount of water or marine resources in our daily operations. As a logistics provider, SGL Group serves business customers, not end-users or consumers (these are our customers' customers).

Therefore, S4 Consumers and end-users were deemed not applicable for SGL Group and were omitted from the materiality assessment. Lastly, the sub-topic of animal welfare within G1 was excluded as it was deemed irrelevant.

Stakeholder engagement

Internal responsible area leads (RALs) who had deep knowledge of affected stakeholders and users of sustainability statements were designated as stakeholder representatives to provide insights on the sustainability matters and identify and score the IROs. Each sustainability matter was reviewed through interviews with the



designated stakeholder representative, with a focus on identifying IROs at a sub-topic level. SGL Group's Aid & Relief operations were scrutinised more closely through additional interviews, due to their large potential impact. The analysis also considered whether any risks and opportunities could derive from the financial effects of any of the identified impacts or dependencies.

Materiality scoring approach

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

- **Impact materiality:** scale, scope, irremediability, and likelihood of impacts (based on whether an impact is positive/negative and actual/potential). The threshold for human rights-related impacts was lowered based on ESRS 1 (45) requirements.
- **Financial materiality:** financial magnitude of risk/opportunity, likelihood, and the nature of the financial effect.

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

Where possible, the time horizons and quantitative and qualitative thresholds applied in the scoring of the IROs were based on those used in SGL Group's ERM system. This also ensured that the sustainability-related risks and opportunities were aligned with other enterprise risks and opportunities that SGL Group has identified. The process was informed by SGL's due diligence processes through a review of internal policies and procedures, TCFD assessments conducted in 2021 and 2023 and the ERM system's inventory of risks.

In total, 17 documents and six stakeholder representatives were used to identify and score the IROs. A sustainability matter was deemed material if at least one IRO was above the threshold, indicating either impact materiality, financial materiality, or both.

Non-material sustainability matters were those where no IRO was identified and/or all IROs were found to fall below these thresholds. In order to validate and finalise decisions on material sustainability matters, a final workshop was convened with the RALs, followed by a validation session with the Global CFO, COO, CCO and CEO as well as Global Legal and Compliance and Global People, Leadership & Culture.

Assumptions, decisions and internal control procedures

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

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

Key assumptions in the materiality assessment process were:

- **Responsible Area Leads (RALs) as proxies**. Internal experts (RALs) represented external stakeholders, including investors, suppliers, and employees, leveraging their knowledge of the business and its sustainability impacts. Whilst these individuals are considered to possess deep expertise on those affected, the indirect nature of this engagement means some impacts or stakeholder groups may still be overlooked. SASB benchmarking helped validate the identified IROs.
- **Best available knowledge:** The evaluation relied on industry experts' insights and the most reliable information available. However, research and understanding vary significantly across topics, affecting precision.
- **Point-in-time view:** Materiality is dynamic, and sustainability matters can change in significance and impact for a company. This assessment reflects a snapshot of material IROs at a specific time, acknowledging potential changes.
- **Anticipated financial effects**: The financial implications of sustainability matters were assessed qualitatively. Given the early understanding of sustainability impacts, quantifying these effects was considered premature.

- **Resource and maturity constraints:** The process faced internal limitations, such as varying maturity in systems, inconsistent understanding of topics, and resource constraints. These factors affected the assessment's depth, highlighting areas for improvement.

2024 DMA REVIEW

The 2024 DMA review consisted of a three-step process to re-evaluate the content and scope of impacts, risks and opportunities ('IROs') identified in 2023, and highlight if any changes to the business model warranted the incorporation of new IROs:

Review of 2023 DMA according to new ESRS guidelines. SGL Group reviewed each individual impact, risk and opportunity identified during the 2023 DMA under a new lens, applying new implementation guidance set forward by EFRAG and to identify any potentially missing IROs.

CLIMATE-RELATED SCENARIO ANALYSIS - KEY ASSUMPTIONS

SCENARIO	POLICY	MACROECONOMIC	TRANSPORT TECHNOLOGY (SELECTED HIGHLIGHTS)
IEA Net Zero Emissions (NZE)	Provides a pathway for the energy sector to achieve net zero CO2 emissions by 2050.	The global economy is assumed to increase at an average of 2.6% per year to 2050 in the three scenarios, while the global population expands from 8 billion in 2023 to 9.7 billion in 2050.	Aviation activity declines 20% by 2050. Biojet kerosene makes up 11% and 70% of aviation fuel in 2030 & 2050. The electrification of cars and trucks is the biggest contribution to reduced oil use. Share of electric cars account for two-thirds of total sales by 2030. The share of oil in energy demand in shipping falls to 80% by 2030.
IEA Announced Pledges Scenario (APS)	Assumes that all climate commitments made by governments and industries will be met in full and on time.		Biojet kerosene makes up 5% and 37% of aviation fuel in 2030 & 2050. Market share of electric trucks rises to 25% by 2030. 40% electrification of road transport by 2050. EVs account for more than 75% of passenger car and truck sales in 2050. Maritime oil use falls by 55% by 2050, but only 50% of the fuels used in ships by 2050 are low emissions fuels.
IEA Stated Policies Scenario (STEPS)	Reflects current policy settings, leading to less ambitious decarbonisation efforts.		Aviation doubles by 2030, shipping increases by 20%. Biojet kerosene makes up 2% and 6% of aviation fuel in 2030 & 2050. Market share of electric trucks rises to 20% by 2030. The global truck fleet increases by 10% by 2030.
SCENARIO	**POLICY**	**MACROECONOMIC**	**PHYSICAL IMPACT**
IPCC SSP3-7.0	Resurgent nationalism, concerns about competitiveness and security, and regional conflicts result in uneven coordination and cooperation on environmental issues.	De-globalisation, slow economic growth per capita and high population growth.	Analysis included temperature, precipitation, sea level rise on a regional basis

Review sessions with RALs. SGL Group engaged the RALs involved in the 2023 DMA to review the scoring and contents of the IROs from 2023. Based on the outcomes of these sessions, SGL Group consolidated these inputs and updated the impacts, risks and opportunities for 2024.

Output from the materiality assessment and DMA review
The review of the DMA concluded with the identification and evaluation of 118 IROs, 34 of which were deemed material.

- 51 impacts were identified, with 21 identified as material.
- 67 risks and opportunities were identified, of which 13 were deemed material.
- The IROs were consolidated and mapped to 10 (15 in 2023) material sustainability matters.

Future steps: Integration, monitoring, and review
Material sustainability risks identified by the DMA are integrated into SGL Group's ERM system, where they are subject to standard risk assessment and prioritisation processes. All material impacts, risks and opportunities related to sustainability matters are overseen by Executive Management and the Board of Directors as part of SGL Group's sustainability governance processes, described in GOV-1.

SGL Group commits to annually revisiting the DMA process for identifying, assessing, and prioritising IROs, taking into account evolving trends, underlying assumptions, context, and regulatory changes. As this is the first reporting cycle that a DMA has been conducted in, there are no changes in the process to report.

CLIMATE-RELATED SCENARIO ANALYSIS

E1 *Disclosure requirement related to ESRS 2 IRO-1*

Climate-related impacts, risks, and opportunities were considered part of the DMA via SGL Group's 2023 climate-related scenario analysis, which used the Task Force on Climate-related Financial Disclosures (TCFD) guidelines. The purpose of the analysis was to update the scenario analysis undertaken in 2021 and complete a thorough assessment of climate risks and opportunities using the most recent scenarios from the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). The IEA scenarios, drawn from the World Energy Outlook 2023, were used to assess transition risk. They were selected because of their diversity, including one aligned with the Paris Agreement targets, and because of the depth of qualitative and quantitative insights related to the transport and logistics industry. The IPCC scenario was used to assess physical risks under a high GHG emissions scenario. Climate-related hazards, such as temperature changes, coastal flooding, and water risk, were examined on a regional basis using a range of tools, including the IPCC WGI Interactive Atlas, the Aqueduct Water Risk Atlas and the WWF Water Risk Filter. In addition, a separate screening of climate and biodiversity-related risks and opportunities was conducted by AXA Climate on 159 SGL Group sites in December 2024. This analysis used the scenarios from the Network for Greening the Financial System (NGFS) under 2030 and 2040 timeframes, assessing all SGL Group sites using geospatial coordinates specific to SGL Group's locations.

Assessing climate-related risks and opportunities
The assessment identified climate-related risks and opportunities and assessed SGL Group's capacity to address these risks and opportunities using scenario analysis aligned with internationally recognised frameworks. The assessment evaluated the short (0-2 years), medium (2-5 years), and long-term (beyond 5 years) impacts of transition and physical risks on SGL Group under various climate scenarios and covered key sectors in SGL's value chain, including air, marine, and road transport, as well as internal and external operational dependencies. The scenario analysis included an assessment of SGL Group's enterprise risks, market outlooks for air and ocean freight, and financial exposure to climate-related risks and opportunities. Climate-related risks and opportunities were assessed for financial exposure across metrics such as revenue, margins, and costs, identifying material impacts on the business model and strategy. Financial materiality was considered with the Global CFO, and the findings from the scenario analysis were used to improve SGL Group's strategy resilience. The climate scenarios used are compatible with the climate-related assumptions made in the financial statements of this report. The results of the resilience analysis were integrated into SGL Group's governance model and strategy, informing decision-making and updates to TCFD disclosures and investor presentations.

Pollution impact assessment

E2 ***Disclosure requirement related to ESRS 2 IRO-1***

RALs were used to identify and assess pollution-related impacts. Business activities (the pollution impacts of SGL Group's operations) were reviewed, however, SGL Group did not assess site-specific locations or undertake consultations with communities.

Water impact assessment

E3 ***Disclosure requirement related to ESRS 2 IRO-1***

SGL Group omitted E3 Water and marine resources from the materiality assessment on the basis the topic is not relevant to SGL Group's business model. As a result, SGL Group did not screen assets and activities for impacts, risks and opportunities relating to water and marine use or undertake consultations with potentially affected communities.

Biodiversity impact assessment

E4 ***Disclosure requirement related to ESRS 2 IRO-1***

Interviews with RALs were used to identify impacts, dependencies, risks and opportunities relating to biodiversity and ecosystems during the DMA. These considered systemic risks and whether biodiversity impacts, risks or opportunities could affect communities due to shared biodiversity and ecosystems. IROs were assessed using the same assessment criteria as for the rest of the DMA (see ESRS 2 IRO-1 above). Due to SGL Group's asset-light business model, this sustainability matter was found to be immaterial.

SGL Group has not undertaken a detailed LEAP assessment to understand the extent of its dependency on biodiversity and ecosystems and has not identified physical and transition biodiversity risks.

A separate screening of biodiversity risks and opportunities was conducted by AXA Climate on 159 SGL Group sites in December 2024 which determined that SGL Group had no high risks related to biodiversity.

Resource use and circular economy impact assessment

E5 ***Disclosure requirement related to ESRS 2 IRO-1***

SGL Group used interviews with RALs to screen assets and activities for potential impacts, risks and opportunities relating to resource use and circular economy IROs. No consultations with communities were conducted beyond this.

Business conduct impact assessment

G1 ***Disclosure requirement related to ESRS 2 IRO-1***

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

INDEX OF DISCLOSURE REQUIREMENTS

IRO-2 ***Disclosure requirements in ESRS covered by the undertaking's sustainability statement***

The IRO-2 disclosures that include the index of ESRS disclosure requirements and the list of data points that derive from other EU legislation can be found in the content index following the Governance section on page 86 of the management report.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 SBM-3 ***Interaction with strategy and business model***

Material impacts, risks and opportunities identified during the materiality assessment and their effects on SGL Group's business model, value chain, strategy and decision-making, are described in full alongside the topical ESRS: E1 Climate change, E2 Pollution (of Air), S1 Own workforce, S2 Workers in the value chain, S3 Affected communities and G1 Business conduct. All impacts, risks and opportunities are covered in full by ESRS disclosure requirements, unless otherwise indicated. In 2024, none of the material risks or opportunities had a significant financial effect on SGL Group's financial position, financial performance or its cash flows. SGL Group has exercised the phase-in provision to omit the anticipated financial effects of risks and opportunities.

As detailed in IRO-1, there have been some changes to the material IROs since the last reporting period. In 2023, SGL Group found 15 material sustainability matters. Having conducted a review of the DMA, SGL now reports 10 sustainability matters.

The sustainability matters deemed below the threshold of materiality are: Management of relationships with suppliers and payment practices, Protection of whistle-blowers, Corporate Culture. The formulation, categorisation and scoring of impacts, risks and opportunities were reviewed during the 2024 DMA review. SGL Group's previous material IRO related to Management of relationships with suppliers and payment practices was found to be no longer material, due to a recalibration of what constitutes a material positive impact. The formulation of material impacts relating to the protection of whistle-blowers was reviewed, rescored and found to not be material. Finally, material impacts, risks and opportunities formerly identified as corporate culture were re-categorised under more suitable sub- and sub-sub-topics, rendering the sustainability matter non-material.

These changes have not altered the overall reporting Scope as E1, E2, S1, S2, S3 and G1 remain material.

Resilience of strategy and business model

As part of its TCFD assessment, SGL Group assessed the resilience of its strategy and business model to address material climate-related risks and take advantage of opportunities. The assessment and its outcomes are described in E1 IRO-1 above and E1 Climate change, E1 SBM-3. SGL Group has not assessed the resilience of its strategy and business model to address any material climate-related impacts, or material impacts, risks and opportunities related to other sustainability matters.

E1 CLIMATE CHANGE
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Value chain GHG emissions Greenhouse gas emissions that contribute to climate change are generated by the ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity on our customers' behalf.	Actual negative impact Risk	●			●	●	●
Value chain energy consumption The ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity are intensive users of fossil fuel energy sources which cause GHG emissions when combusted that contribute to climate change.	Actual negative impact Risk	●			●	●	●
GHG emissions from own operations SGL Group operates a small fleet of trucks and company cars and consumes electricity to heat and light its office and warehouse locations. These sources generate emissions through the burning of fossil fuels, contributing to climate change.	Actual negative impact Risk		●		●	●	
Shift away from air to less carbon-intensive modes Until airfreight decarbonises significantly, customers may switch to less carbon-intensive modes of transportation, which may impact SGL's profitability.	Risk			●	●	●	
Inability to meet emission targets Slower uptake of low-carbon logistics due to factors such as reluctance of customers to pay for low-carbon logistics and/or slower decarbonisation by suppliers may put SGL Group at risk of not meeting its published emissions reduction targets for Scope 3.	Risk		●		●	●	●
Insufficient supply of low-carbon fuels SGL may not be able to procure a sufficient supply of low-carbon fuels to meet customer demand. Inability to meet customer demand may result in a loss of market share in low-carbon logistics services.	Risk	●			●	●	
Low-carbon services SGL has an opportunity to expand and diversify its customers base to seize this growing customer demand for decarbonised transportation. Moreover, SGL has an opportunity to put forward its expertise to deal with increased complexity for its customers.	Opportunity			●	●	●	●
Increased frequency and intensity of climate-related humanitarian crises Humanitarian consequences of climate change are expected to increase the demand for specialist services in aid and relief operations. SGL is well-positioned to cater for this with its critical support for UN agencies, NGOs, governments and other stakeholders.	Opportunity			●	●	●	●

E2 POLLUTION
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Value chain pollution of air Air pollution arises as a material negative impact in SGL Group's upstream value chain, primarily due to the combustion of fossil fuels by ocean carriers, airlines, and road and rail transport companies contracted on behalf of our customers. Pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx), non-methane volatile organic compounds (NMVOCs), and particulates are released into the atmosphere during these transport activities, contributing to local and global air quality degradation.	Actual negative impact	●			●	●	●

S1 OWN WORKFORCE
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
WORKING CONDITIONS							
Working conditions in higher-risk countries Although office workplaces tend to be considered lower risk for human rights impacts, SGL Group has a presence in countries with a higher risk for human rights impacts. Recent expansion means SGL Group doesn't yet have a full overview of global working conditions.	Potential negative impact		●		●		
	Risk		●		●		
EQUAL TREATMENT & OPPORTUNITIES FOR ALL							
Inconsistent approach to talent development Absence of a standardised approach to training and development across the company's operations means there is a risk that not all teams place an equal focus on development. This could result in uneven access to development opportunities, impacting employee motivation, career progression and SGL Group's ability to retain talent.	Potential negative impact		●		●	●	
Limited visibility of gender pay equity Absence of a standardised approach to training and development across the company's operations means there is a risk that not all teams place an equal focus on development This could result in uneven access to development opportunities, impacting employee motivation, career progression and SGL Group's ability to retain talent.	Potential negative impact		●		●		

S1 OWN WORKFORCE
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
EQUAL TREATMENT & OPPORTUNITIES FOR ALL							
Reported incidents of harassment While infrequent, cases of harassment involving members of SGL Group's workforce have been reported in previous years. Without ongoing vigilance and preventive measures, such incidents could reoccur causing outcomes including such as reduced well-being for those affected individuals.	Actual negative impact		●		●	●	●
HEALTH & SAFETY							
Incidents, injuries and fatalities (warehouse and aid & relief operations) Employees working in warehouses and on Aid & Relief activities are at increased risk of physical harm from incidents. Incidents can lead to negative outcomes for those affected – including pain, reduced well-being, loss of income and life-altering disability or loss of life.	Actual negative impact (injuries)		●		●	●	●
	Potential negative impact (incidents, fatalities)		●		●	●	●

S3 AFFECTED COMMUNITIES
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Aid & Relief operations supporting communities and saving lives By providing logistics solutions for UN agencies and NGOs, SGL supports humanitarian programmes. SGL Group therefore has a positive impact on communities affected by crises by enabling the transportation of vital resources and equipment.	Actual positive impact			●	●	●	●
Responding to a growing number of humanitarian crises By investing in and expanding our Aid & Relief activities, SGL Group can better service our partner organisations and agencies by delivering resources to more of those in need. This investment supports SGL Group's growth ambitions and strengthens our position as a leading provider of humanitarian logistics solutions.	Opportunity		●		●	●	●

S2 WORKERS IN THE VALUE CHAIN
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

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

G1 BUSINESS CONDUCT
MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Risk of bribery & corruption in certain operations SGL Group operates in countries with higher risks for bribery and corruption and our Aid & Relief and Government & Defence logistics departments are more exposed to the risk of bribery and corruption from government officials. A bribery or corruption incident could lead to fines and penalties and reputational damage.	Risk		●		●	●	●

ESRS 2 GOV-4 – STATEMENT ON DUE DILIGENCE

CORE ELEMENTS OF DUE DILIGENCE	LOCATION IN SUSTAINABILITY STATEMENT	DISCLOSURE RELATES TO
a) Embedding due diligence in governance, strategy and business model	Sustainability governance • ESRS 2 GOV-2, page 28. Sustainability linked remuneration • ESRS 2 GOV-3, page 28. Material impacts, risks and opportunities • ESRS 2 SBM-3, page 39. Material business-conduct related impacts, risks and opportunities • ESRS 2 SBM-3-G1, page 39.	People and Environment
	Material environment-related impacts, risks and opportunities • ESRS 2 SBM-3-E1, page 39. • ESRS 2 SBM-3-E2, page 39.	Environment
	Material people-related impacts, risks and opportunities • ESRS 2 SBM-3-S1, page 39. • ESRS 2 SBM-3-S2, page 39. • ESRS 2 SBM-3-S3, page 39.	People
b) Engaging with affected stakeholders in all key steps of the due diligence	Sustainability governance • ESRS 2 GOV-2, page 28. Interests and views of stakeholders • ESRS 2 SBM-2, page 35. Processes to identify and assess material impacts, risks and opportunities • ESRS 2 IRO-1, page 36.	People and Environment
	Environment-related policies • E1-2, page 49. • E2-1, page 61.	Environment
	Business conduct-related policies • G1-1, page 81.	People and Environment
	Social-related policies • S1-1, page 66. • S2-1, page 75. • S3-1, page 77. Processes to engage with affected stakeholders • S1-2, page 66. • S2-2, page 75. • S3-2, page 77.	People

ESRS 2 GOV-4 – STATEMENT ON DUE DILIGENCE

CORE ELEMENTS OF DUE DILIGENCE	LOCATION IN SUSTAINABILITY STATEMENT	DISCLOSURE RELATES TO
c) Identifying and assessing adverse impacts	Processes to identify and assess material impacts, risks and opportunities • ESRS 2 IRO-1, page 36. Material impacts, risks and opportunities • ESRS 2 SBM-3, page 39. Material business-conduct related impacts, risks and opportunities • ESRS 2 SBM-3-G1, page 81.	People and Environment
	Material environment-related impacts, risks and opportunities • ESRS 2 SBM-3-E1, page 46. • ESRS 2 SBM-3-E2, page 61.	Environment
	Material people-related impacts, risks and opportunities • ESRS 2 SBM-3-S1, page 66 + 70 + 73. • ESRS 2 SBM-3-S2, page 75. • ESRS 2 SBM-3-S3, page 77.	People
d) Taking actions to address those adverse impacts	Environment-related actions • E1-3, page 49. • E2-2, page 61.	Environment
	Social-related actions • S1-4, page 68. • S2-4, page 76. • S3-4, page 78.	People
	Climate transition plan • E1-1, page 45.	Environment
	Business conduct-related policies and actions • G1-1, page 81. • G1-2, page 82. • G1-3, page 82.	People and Environment

ESRS 2 GOV-4 – STATEMENT ON DUE DILIGENCE		
CORE ELEMENTS OF DUE DILIGENCE	**LOCATION IN SUSTAINABILITY STATEMENT**	**DISCLOSURE RELATES TO**
e) Tracking effectiveness of these efforts and communicating	Environment-related targets • E1-4, page 51. • E2-3, page 61. Environment-related metrics • E1-5, page 51. • E1-6, page 53.	Environment
	Social-related targets • S1-5, page 68. • S2-5, page 76. • S3-5, page 78. Social-related metrics • S1-6, page 69. • S1-7, page 69. (phased-in) • S1-8, page 68. • S1-9, page 72. • S1-10, page 68. • S1-11, page 69. • S1-13, page 72. • S1-14, page 74. • S1-15, page 69. • S1-16, page 71. • S1-17, page 69. • S2 Workers in the value chain entity-specific metrics, page 76.	People
	Business conduct-related metrics • G1-4, page 82.	People and Environment

ENVIRONMENT

CLIMATE CHANGE

This chapter has been prepared in accordance with the CSRD. References to each reporting requirement and signposted as sub-headings.

STRATEGY AND APPROACH

At SGL Group, we recognise the urgent need for climate action and sustainability within the global logistics industry, which represents approximately 14%* of global emissions. We are committed to an ambitious 1.5°C climate target, and our near-term, long-term, and net-zero emissions reduction targets have all been validated by the Science Based Targets initiative. This section outlines our transition plan, policy and the actions we have taken to achieve our targets.

SGL GROUP'S CLIMATE TRANSITION PLAN

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

SGL Group is committed to continuously enhancing its transition plan to ensure compliance and transparency in line with CSRD requirements. SGL Group's path to net-zero by 2050 depends on the pace of transition, regulatory decisions, and technological advancements. To ensure progress, we regularly review and adjust our transition plan in response to changes in regulations, data insights, emerging technologies, and industry developments. This approach keeps our decarbonisation strategy aligned with the latest best practices and innovations.

SGL Group's transition plan aligns its strategy and business model to limiting global warming to 1.5°C and achieving climate neutrality by 2050, in line with the Paris Agreement and the EU's climate goals. As an asset-light freight forwarder, more than 99% of our emissions are Scope 3 (or indirect) emissions that are generated in our upstream value chain by the ocean carriers, airlines, and road and rail transport companies from which we purchase capacity on our customers' behalf. These emissions are also our customers' Scope 3 transport emissions. While the current transition plan is not yet fully aligned with CSRD requirement, SGL Group is committed to enhancing our approach to ensure compliance and transparency.

Decarbonisation levers

Therefore, SGL Group's transition plan is focussed on decarbonising the transport emissions in our customers' supply chains.

This is achieved through the following levers:

1. Providing Low Carbon Logistics solutions through flexible carrier selection, leveraging emission reduction solutions to reduce transport emissions by 50-98% and prioritising more efficient, lower-emission carriers.
2. Partnering with others in the value chain. This includes partnering with truck manufacturers producing electric trucks and fuel producers and carriers to provide sustainable fuel solutions for air, ocean and road freight.
3. Participating in industry groups focussed on net-zero supply chains, such as the 1.5°C Supply Chain Leaders.
4. Reducing emissions in our own operations.

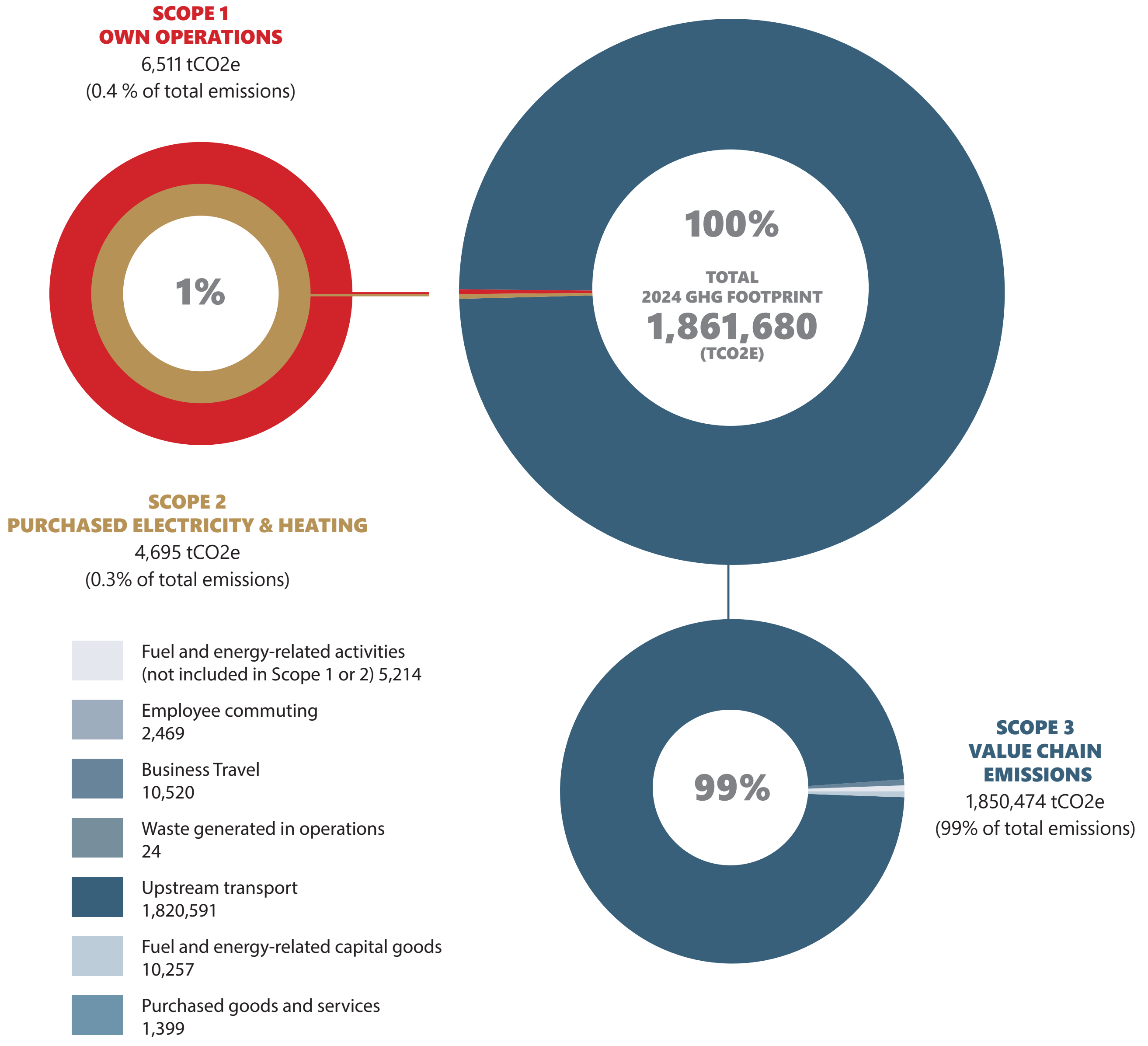
Further details on SGL Group's decarbonisation levers and the climate change mitigation actions undertaken in 2024 are provided in E1-3. These solutions and partnerships are core to our everyday business. As such, sustainability is a strategic enabler of our growth and success. Together, our ambition and approach align with our commitments to SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

Science-based emissions targets

SGL Group's emissions reduction targets are anchored in science. In 2020, we became the first freight forwarder in Denmark to commit to the Science Based Target initiative's (SBTi) 1.5°C target. During 2023, our near-term science-based target was validated, and in 2024, we received approval of our long-term target and our net-zero target in line with the SBTi's new Corporate Net Zero Standard.

- **Overall net-zero target:** SGL commits to reach net-zero GHG emissions across the value chain by 2050.
- **Near-term targets:** SGL commits to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2021 base year. SGL also commits to reduce Scope 3 GHG emissions from upstream transportation and distribution by 51.6% per tonne per km by 2030.

EMISSION DATA 1 JANUARY - 31 DECEMBER 2024



* Https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_full.pdf

- **Long-term targets:** SGL commits to reduce Scope 1 and 2 GHG emissions 90% by 2050 from a 2021 base year*. SGL also commits to reduce Scope 3 GHG emissions from upstream transportation and distribution 97% per tonne per km also by 2050.

In 2025, we will recalculate our baseline and reassess the targets to include up to date M&A´s CO2 emissions. More information on SGL Group's emissions reduction targets is provided in E1-4.

Assessment of Locked-in GHG emissions
As part of the SBTi approval process, SGL Group conducted both a qualitative and quantitative assessment of potential locked-in GHG emissions from its key assets and products. Given that 99% of SGL's total emissions fall under Scope 3, the direct emissions from its own assets and products are negligible in the context of its overall decarbonisation efforts. As a result, these emissions do not materially jeopardise SGL's ability to achieve its GHG reduction targets. Instead, SGL's primary focus remains on reducing Scope 3 emissions through supplier engagement, logistics optimisation, and collaboration with carriers committed to decarbonisation.

Embedded in strategy
The transition plan is embedded in SGL Group's strategy and funded through our annual business and financial planning process, which is approved by the Executive Board and the Board of Directors. The Group COO & CCO is responsible for ensuring the ESG strategy is implemented, including the transition plan.
SGL also integrates performance measures related to GHG emissions reductions into management incentive schemes (see ESRS 2 GOV-3 in the General disclosures section). SGL Group is not excluded from Paris-aligned Benchmarks.

Progress in implementing the transition plan
SGL Group is making strong progress in implementing its climate transition plan. Given that 99% of emissions stem from transport activities involving carriers and customers, we have developed a comprehensive Low-Carbon Solutions Catalogue covering all modes of transport. This catalogue, supported by our suppliers, provides customers with ready-to-implement solutions to reduce emissions in their logistics operations.

** The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

To embed a strong emissions reduction perspective across the customer journey, we have integrated carbon reduction considerations into every stage of engagement, from tendering processes to day-to-day customer operations. This ensures full transparency in the dialogue between SGL, customers, and carriers regarding the greenhouse gas emissions associated with their partnership.
Through our low-carbon logistics solutions, we are already enabling customers to reduce their GHG emissions today while also planning long-term reduction trajectories aligned with their own climate targets or those of SGL. As part of our commitment to decarbonising transport, we have signed a multimillion-dollar agreement for Ocean Biofuel in 2024, alongside agreements for Air Biofuel (SAF) and trucking biofuels. Additionally, we have facilitated solutions for electric trucking routes between Malaysia and Singapore and Sweden to Denmark. These initiatives reflect our continued investment in sustainable logistics and reinforce our role as a key partner in the industry's transition to lower-carbon transport solutions. None of the actions made in the reporting year required OPEX or CAPEX funding.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 SBM-3 ***Interaction with strategy and business model***
The materiality assessment described in ESRS 2 IRO-1 identified the following material impacts, risks and opportunities. There were no financial effects related to any of the risks or opportunities on SGL's financial position, financial performance or its cash flows.
SGL Group has omitted the disclosure related to 'anticipated financial effects' of its material risks and opportunities. In addition, there have not been any changes to the material impacts compared to the previous reporting period and all IROs are covered by ESRS disclosure requirements.

MATERIAL IMPACTS

Value chain GHG emissions
Greenhouse gas (GHG) emissions that contribute to climate change are generated by the ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity on our customers' behalf. This actual, negative impact occurs upstream in our value chain and is considered systemic to the transport sector, occurring first in the short-term time horizon.

The consequences of this are felt locally and globally as emissions contribute to negative climate change. This impact arises directly from SGL Group's business model of procuring and managing transport capacity for customers, and as a consequence of the transport sector's dependence on fossil fuels. SGL Group is involved in this impact through its business relationships with transport providers and intermediaries.
These emissions pose regulatory, reputational, and physical risks to SGL Group's business model and strategy. Anticipated effects include increased costs due to stricter regulations (e.g., carbon taxes) and shifts in customer demand toward lower-carbon logistics solutions. To address these effects, SGL Group provides low-carbon logistics solutions to customers and has set a science-based target for reduction of Scope 3 emissions.

Value chain energy consumption
The ocean carriers, airlines, and road and rail transport companies from which SGL Group purchases capacity are intensive users of fossil fuel energy sources, which cause GHG emissions when combusted that contribute to climate change. This actual, negative impact occurs upstream in our value chain, is considered systemic to the transport sector and first occurs in the short-term with global effects on the environment via global warming. This impact originates from the operational practices of SGL Group's value chain partners, which are embedded in the transport sector's systemic dependence on fossil fuels. SGL Group's role is primarily indirect, through its procurement relationships with transport providers.
The reliance on fossil fuel energy sources exposes SGL Group to risks, including potential disruption from global energy price volatility,

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

regulatory shifts to phase out fossil fuels, and reputational risks tied to energy inefficiency. SGL Group mitigates this impact by providing low-carbon solutions with our partners and customers.

GHG emissions from own operations
SGL Group operates a small fleet of trucks and company cars and consumes electricity to heat and light its office and warehouse locations. These sources generate emissions through the burning of fossil fuels, contributing to climate change. This negative impact occurs in SGL Group's own operations, first occurring in the short term. This impact originates from operational activities within SGL Group's direct control. To address it, SGL Group is integrating emissions reduction targets and energy efficiency improvements into its business strategy. Operational emissions expose SGL Group to increasing costs from energy price fluctuations and regulatory pressures, as well as potential reputational risks if emissions are not managed effectively. In response, SGL Group has, in 2024, signed another power purchase agreement which will supply our operations in Sweden with renewable energy.

MATERIAL RISKS AND OPPORTUNITIES
To assess and identify climate-related risks and opportunities, SGL Group conducts resilience analyses based on the recommendations of the TCFD. For a full explanation of the process and the climate scenarios used to undertake the assessment, see ESRS 2 IRO-1. The climate-related risks and opportunities identified in the scenario analysis are described in further detail in SGL Group's separate 2023 TCFD disclosure, available on our website www.scangl.com.

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

CLIMATE-RELATED PHYSICAL RISKS
The climate-related scenario analysis described in ESRS 2 IRO-1 determined that due to SGL Group's asset-light business model, SGL Group does not have any material climate-related physical risks in its own operations, upstream or downstream value chains.

SGL GROUP'S CLIMATE-RELATED TRANSITION RISKS

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

CLIMATE-RELATED TRANSITION RISKS			HOW SGL GROUP'S BUSINESS MODEL AND/OR STRATEGY MITIGATE RISK
Medium-term (2-5 years)	Market	**Shift away from air to less carbon-intensive modes** Airfreight is the most carbon-intensive mode of transport and is not expected to decarbonise significantly until 2030 when new technologies become available. In the meantime, customers may switch to less carbon-intensive modes of transportation, which may impact SGL Group's profitability as airfreight has higher margins.	**SGL Group's strategy to offer low-carbon services** • SGL Group is purchasing SAF volumes to continue using airfreight as a low-carbon option for its customers. • SGL Group is also mitigating this risk by being a leader in low-carbon products and services based on our flexibility to select carriers that are leaders in decarbonising their assets, and to join industry groups focussed on decarbonising supply chains in order to attract a larger customer base.
	Reputation	**Inability to meet emission targets** Slower uptake of low-carbon logistics due to factors such as reluctance of customers to pay for low-carbon logistics and/or slower decarbonisation by suppliers may put SGL Group at risk of not meeting its published emissions reduction targets for Scope 3 (99% of total emissions in 2024). This, in turn, could have adverse reputational and market impacts.	**SGL Group's full solution catalogue and customer decarbonisation engagements** • SGL Group is mitigating this risk by providing low-carbon logistics solutions to customers and directly engaging with customers to design low-carbon reduction plans. • SGL Group is also engaging, educating and advising customers to drive demand for lower-carbon options.
	Technology	**Insufficient supply of low-carbon fuels** SGL Group may not be able to procure a sufficient supply of low-carbon fuels, such as SAF, marine biofuel and biofuel for trucks, to meet customer demand. Supply of these fuels is limited, and SGL Group faces competition from large global players. Inability to meet customer demand may result in a loss of market share in low-carbon logistics services.	**SGL's strategy to manage alternative fuels proactively** • SGL Group is mitigating this risk by buying alternative fuels in advance.

SGL GROUP'S MATERIAL CLIMATE-RELATED OPPORTUNITIES

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

CLIMATE-RELATED OPPORTUNITIES			HOW SGL GROUP'S BUSINESS MODEL AND/OR STRATEGY CAN REALISE THE OPPORTUNITY
Short-term (0-2 years)	Products/ Services	**Low-carbon services** Customers are increasingly aware of minimising their emissions and are willing to decarbonise their transportation. SGL Group has an opportunity to expand and diversify its customer base to seize this growing demand. Moreover, SGL Group has an opportunity to put forward its expertise to deal with increased complexity for its customers.	**SGL's Group's strategy to offer low-carbon logistics services** • SGL Group's strategy of offering low-carbon logistics services capitalises on this opportunity in the following ways: • Offering low-carbon logistics to a higher proportion of existing customers and approaching new (large) companies seeking low-carbon solutions. • Being seen as a market leader/ positioning itself as a climate change leader. • Identifying new markets in need of low-carbon solutions. • Expanding our offering to meet the needs of existing and new customers. • targets. This would also allow SGL to strengthen its position as a leader in providing environmentally responsible logistics solutions, contributing to elevating its reputation.
Medium-term (2-5 years)	Products/ Services	**Increased frequency and intensity of climate-related humanitarian crises** The humanitarian consequences of climate change are expected to increase the demand for specialist services in aid and relief operations, such as the provision of emergency supplies, medical assistance, food distribution, and shelter for affected populations. With its expertise in logistics and transportation, SGL Group is well-positioned to cater for the need of specialist services with its critical support for UN agencies, NGOs, governments and other stakeholders.	**SGL Group's strategy to be a market leader in providing logistics in humanitarian crises** • SGL Group is the market leader in providing logistics for humanitarian crises with long-standing expertise and key partnerships. • SGL Group will cater for the specialist demand in aid and relief operations by continuing to stay a market leader and providing logistics as climate-related crises increase in severity and frequency.
Long-term (5-10 years)	Market	**Increased demand for recycling (reverse logistics)** Anticipated growth in shipping related to recycling, where recycled goods are transported back to their point of origin on the back-haul, presents a significant opportunity for SGL to align with its climate change strategy. By capitalising on this trend, SGL can optimise back-haul logistics to reduce the carbon intensity of transportation while offering specialised low-emission recycling logistics solutions. This approach not only enhances operational efficiency but also supports customers in achieving their Scope 3 emissions reduction targets, demonstrating SGL's role in enabling lower-carbon supply chains.	**SGL Group capitalising on changing market demands from existing and new customers** • As existing customers face pressures to recycle and ship goods back to their source, SGL Group is already positioned to provide reverse logistics.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

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

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

The policy sets out our responsibility for managing climate-related material impacts, risks and opportunities. Key material impacts referenced in the policy include GHG emissions and energy consumption, while the policy refers to SGL's environmental services and advocacy, which relates to and defines our work with climate-related risks and opportunities. The policy communicates how we promote environmental services and advocacy via internal training programmes and externally via collaboration with customers, transport partners, NGOs and other stakeholders.

The policy addresses climate change adaptation by promoting energy efficiency and renewable energy deployment as key elements of its decarbonisation strategy. It commits to reducing energy consumption by 5% per employee year-on-year until 2030 and increasing renewable energy usage by the same rate annually. Additionally, it supports global renewable energy capacity through initiatives like signing corporate power purchase agreements for solar parks in Denmark and Sweden. These measures reduce reliance on fossil fuels, enhance energy system resilience, and align with broader climate adaptation objectives.

Our commitment to improve work on mitigating material IROs is reinforced by our pledge to support the ten UN Global Compact principles, of which we have been a signatory since 2015. In addition, initiatives are based on internationally accepted frameworks such as the GHG Protocol and our GHG emissions reduction targets are approved by the SBTi.

SGL Group's Environmental Policy is focussed on addressing climate change mitigation by including our commitment to reducing Scopes 1, 2 and 3 emissions in line with net zero emissions by 2050.

By covering all emissions scopes, the policy applies to emissions from SGL Group's own operations, as well as our upstream and downstream value chain.

The policy is distributed via SGL Group's policy management system on the Group intranet. Training in the Environmental Policy and other SGL Group policies is conducted for all employees every two years in our 'Academy' e-learning platform together with tests that all employees must pass to receive a diploma for the training. All training is registered and stored digitally in the system. The Environmental Policy is also available to external stakeholders via SGL Group's website.

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

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

As mandated by our Environmental Policy, SGL Group addresses material IROs through targeted actions and decarbonisation levers. These measures ensure alignment with our objectives and science-based targets.

SGL Group's strategy for mitigating emissions and addressing IROs is carried out via ongoing and new initiatives, including training staff on our Environmental Policy and deploying innovative logistics solutions. Below, we detail our key actions and resources for 2024, along with their scope, expected outcomes, and contributions to achieving our climate objectives. None of the actions described below required significant Opex or Capex expenditures. For all the described actions, an assessment of their achieved GHG emission reductions is not yet available given that the actions were taken in the reporting year. See E1-6 for the full disclosure of our GHG emissions data.

DECARBONISATION LEVER

1. **Partnering to provide Low Carbon Logistics solutions across the value chain:** With the vast majority of SGL Group's emissions being Scope 3, our decarbonisation strategy is focused on helping our customers switch to our catalogue of Low Carbon Logistics solutions that was launched in 2022.

   Our solutions combine low-carbon modes, logistics setup optimisation, biofuels, and low-emitting pre/post carriage transport solutions such as e-trucks. No two companies or supply chains are alike, so the right solutions will differ between companies and be subject to types of goods, trade lanes, budgets and logistics requirements. As such, as the scope of this lever applies to all relevant customers, with specific attention given to those operating in high-emission corridors.
   Decarbonising the supply chain is a joint effort. Recognising the importance of collaboration, we have continued to actively engage with partners to decarbonise supply chains.

KEY ACTIONS IN 2024

1. **Biofuel Agreement:** In 2024, SGL Group entered agreements on Air Biofuel (SAF) and Trucking Biofuel and a major Ocean Biofuel agreement to accelerate the use of biofuels for ocean freight. This agreement enables the deployment of sustainable biofuels across all shipping lanes, reducing lifecycle CO2 emissions. This collaboration represents a scalable solution for decarbonising maritime transport and is part of SGL's effort to offer low-carbon logistics solutions to customers worldwide supporting SGLs commitment to reducing greenhouse gas emissions and achieving Net Zero by 2050.
2. **Electric Cross-Border Truck Service:** In July 2024, we launched the first electric trucking service between Malaysia and Singapore. This truck operates a designated lane between Singapore and Kuala Lumpur via Johor, offering cross-border full truckload (FTL) and less than truckload (LTL) services, and is expected to save nearly one ton of CO2 per shipment.
3. **Expansion of Electric Truck Fleet:** In October 2024, we introduced an electric truck dedicated to automotive logistics in Sweden. This e-truck serves the Gothenburg area, providing sustainable transport solutions to the car industry, with the capacity to perform multiple trips per day.

IMPACT

We expect this lever to contribute to our goal in reducing customer Scope 3 emissions putting us in line with our Scope 3 emission reduction targets.

Since the introduction of our Low Carbon Logistics solutions in 2022, we have observed a market uptake among customers, leading to reductions in emissions across various trade lanes. SGL has observed more companies are open to initiate dialogues regarding their emissions and how SGL would recommend reducing those emissions.

With the introduction of more tangible low-carbon logistics, this lever impacts emissions reductions in the present. Electric trucking and biofuels are just two of many low-carbon logistics solutions that we currently offer to our customers.

Our impact was recognised when SGL Group won the 2024 Supply Chain Innovator Award of the Year at the Supply Chain Awards in Asia. This recognition celebrates SGL Group's sustainability initiative, including the region's first electric trucking service for cross-border operations between Malaysia and Singapore.

DECARBONISATION LEVER

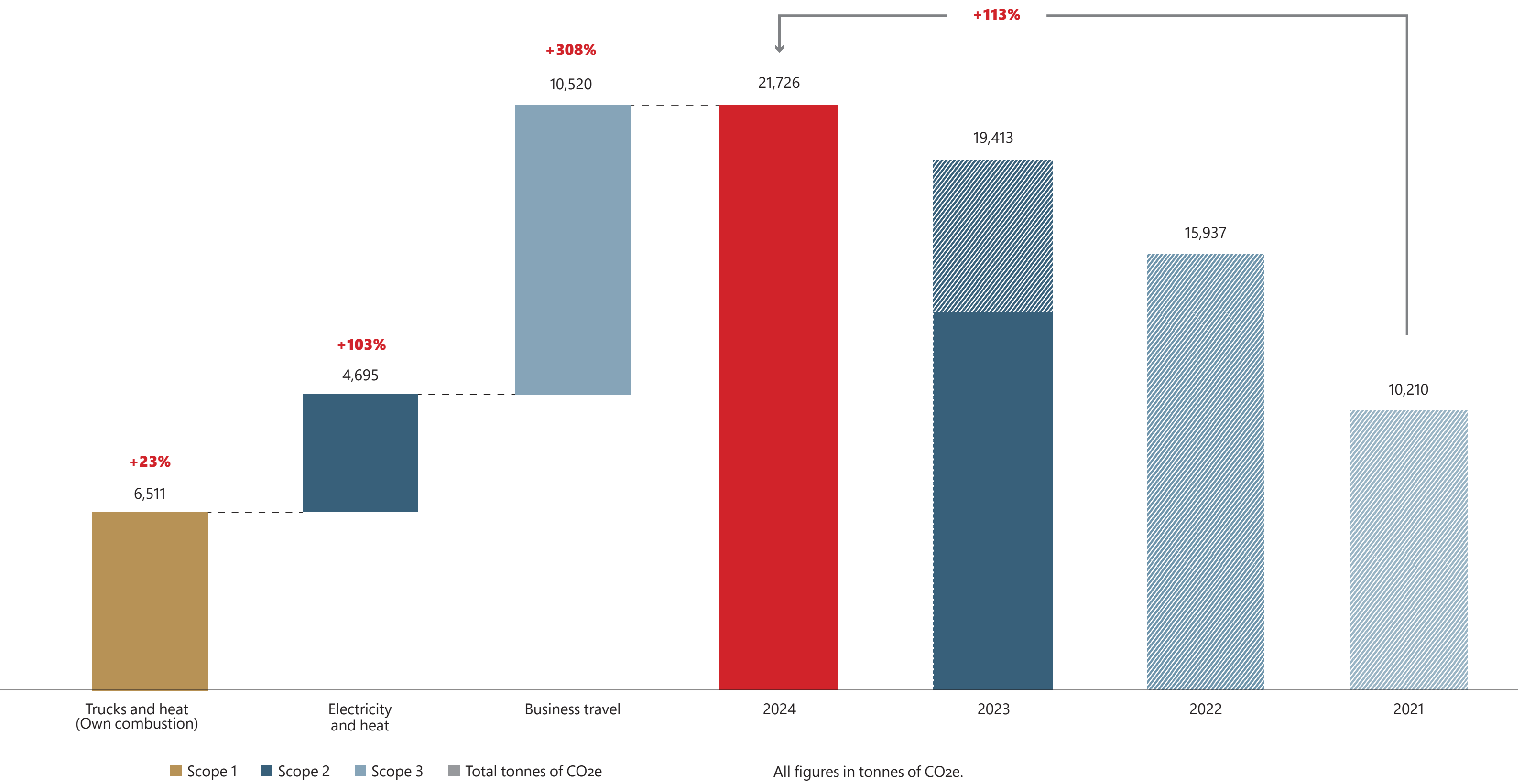
1. **Participating in industry groups focussed on net-zero supply chains:** Given the complex nature of the decarbonisation challenge, collaboration across industries and supply chains is essential to making progress.

KEY ACTIONS IN 2024

1. Race to Zero Forum in Asia: In November 2024, we hosted our Sustainability Forum titled "Race to Zero Emission" in Singapore. The event gathered over 100 industry leaders, government representatives, and sustainability experts to share innovative approaches toward a carbon-neutral future.

2. Membership to The Climate Pledge: During 2024, we entered 'The Climate Pledge' to work together on implementing decarbonisation strategies in line with the Paris Agreement through business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies.

EMISSIONS WITHIN OUR DIRECT CONTROL



All figures in tonnes of CO_2e.
% = Development from 2021 to 2024

IMPACT

By participating in key industry groups—including the Smart Freight Centre, World Economic Forum (WEF), and Exponential Roadmap Initiative—we are advancing best practices, fostering collaboration, and supporting smaller enterprises in reducing their emissions. Through our Smart Freight Centre membership, we strengthen our decarbonisation strategy and enhance industry-leading carbon reporting. Our partnership with WEF's Supply Chain and Transport Industries community supports resilient, sustainable logistics, including our commitment to the WEF Industry Charter for Humanitarian Supply Chain Resilience. As part of the 1.5°C Supply Chain Leaders under the Exponential Roadmap Initiative, we help scale emission reduction practices and empower SMEs via the SME Climate Hub. Beyond these partnerships, SGL Group is amplifying awareness and action by co-hosting the Race to Zero Forum in Asia and collaborating with major multinationals through 1.5 Supply Chain Leaders. These efforts drive tangible emission reductions in logistics today while building alignment with international standards to accelerate the transition to net-zero supply chains.

3. Approval of Net-Zero emission reduction targets

SGL Group's emissions reduction targets are aligned with the Paris Agreement and anchored in science.

KEY ACTIONS IN 2024

SBTi approval of long-term and net-zero targets

In 2024, our long-term and net-zero targets for 2050 were approved by the Science-Based Targets initiative (SBTi). The approval means that SBTi confirms our efforts to achieve our targets align with the 1.5°C trajectory from the Paris Agreement to reach net zero by 2050 or sooner. For new and existing customers with SBTi targets, the approval ensures a partnership with a leading sustainable logistics provider in decarbonise their supply chain.

IMPACT

We expect to achieve a 42% reduction in Scope 1 and 2 GHG emissions, as well as a 52% reduction of emission intensity per tonnes km, in Scope 3 emissions by 2030, scaling to net-zero by 2050. A full description of our emissions reduction targets and related progress is provided in E1-4.

4. Reducing emissions in our own operations

SGL Group's Scope 1 and 2 emissions represented under 1% of total emissions in 2024, but they are within our direct control to reduce. We prioritise reducing our emissions as part of our comprehensive strategy to mitigate climate change impacts.

KEY ACTIONS IN 2024

- **Swedish Power Purchase Agreement (PPA):** In May 2024, we signed a new renewable energy PPA to supply our operations in Sweden. This agreement supports our strategy to increase renewable energy usage globally and will begin delivering energy in March 2025.

- **Expanded PPA with RE Strategy:** In 2024, we continued our collaboration with Energi Danmark to further expand our renewable energy sourcing. As part of this commitment, we have secured an additional PPA, increasing our renewable energy offtake in Denmark by 1,000 MWh.

IMPACT

Reducing emissions in our own operations is key to SGL Group's decarbonisation strategy. By increasing the use of renewable electricity, we not only lower our Scope 2 emissions but also contribute to a low-carbon logistics ecosystem. Given our global footprint across +55 countries, a single renewable energy solution is not feasible. Instead, in 2025, we will develop a comprehensive plan, including power purchase agreements and other renewable energy products, to support local offices in securing renewable energy sources, helping drive SGL Group's overall emissions reduction trajectory.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

1.5°C SUPPLY CHAIN LEADERS

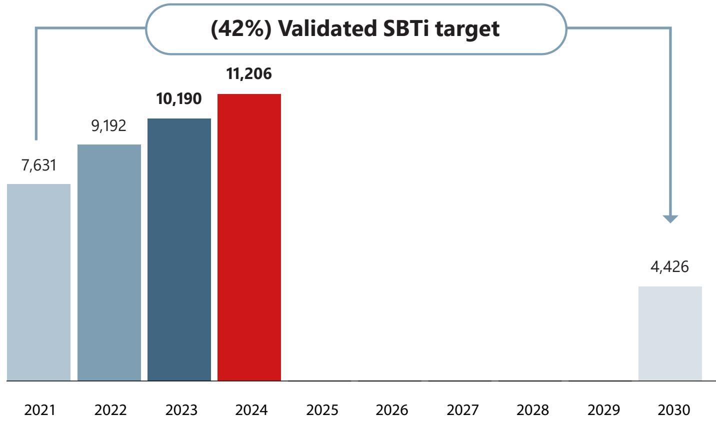
United Nations Global Compact

Smart Freight Centre

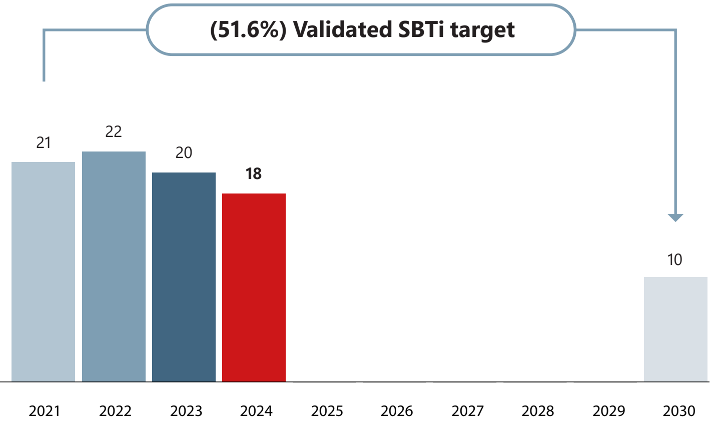
BASE YEAR 2021 ALIGNED WITH 1.5 DEGREES 2030 NET ZERO BY 2050 2050

	NEAR-TERM TARGET VALIDATED IN 2023	LONG-TERM TARGET VALIDATED IN 2024
Scope 1 & 2 *Own operations and purchased heat and power*	**42%** absolute reduction in Scope 1 & 2 emissions	**90%** absolute reduction in Scope 1 & 2 emissions
Scope 3 *Value chain*	**51.6%** per tonne-km from upstream transportation and distribution	**97%** per tonne-km from upstream transportation and distribution

ABSOLUTE REDUCTION TARGET BY 2030 (SCOPE 1 AND 2)
tCO2e



PHYSICAL INTENSITY REDUCTION TARGET BY 2030 (SCOPE 3)
gCO2e/tonne.km



METRICS AND TARGETS

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

In line with our Environmental policy and focus on mitigating climate-related material impacts and risks, as well as taking advantage of our material opportunities, we have set ambitious targets related to climate change mitigation and adaptation.
The following targets track the effectiveness of our policies and our actions to manage climate-related IROs. In 2024, SGL's long-term and net-zero targets were approved by the Science-Based Targets initiative (SBTi), confirming our targets are compatible with limiting global warming to 1.5°C in line with the Paris Agreement. Having based our GHG emission reduction targets on the SBTi methodology, Scope 1 and 2 (market-based) targets are combined. Although we do not have a target for 2030 that captures the entirety of our Scope 3 emissions, SBTi has approved our Scope 3 target for 2050 which is based exclusively on Category 4 'Upstream transportation and distribution'. As SGL Group has grown significantly since the base year, it has recalculated its GHG emissions and target figures. See E1 accounting policies for the full description of methodologies and significant assumptions for all metrics found in E1.

- **Overall net-zero target:** SGL commits to reach net-zero GHG emissions across the value chain by 2050.
- **Near-term targets:** SGL commits to reduce absolute Scope 1 and 2 GHG emissions both by 42% by 2030 from a 2021 base year*. In absolute values, we are committed to reducing the 2021 baseline value of 7,631 tCO2e to 4,426 tCO2e by 2030. SGL also commits to reduce Scope 3 GHG emissions from upstream transportation and distribution by 51.6% per tonne per km by 2030.
- **Long-term targets:** SGL commits to reduce Scope 1 and 2 GHG emissions 90% by 2050 from a 2021 base year*. SGL also commits to reduce Scope 3 GHG emissions from upstream transportation and distribution 97% per tonne per km also by 2050.

All climate-related targets have been developed internally by the Group Sustainability & ESG team in collaboration with Executive Management. Monitoring and progress tracked toward the above targets are essential to the success of our climate change-related goals. We track GHG emissions, as well as energy consumption metrics via an online ESG dashboard.

This dashboard tracks Scope 1, 2 and all Scope 3 categories aside from category 4. Category 4 data is integrated within EcoTransIt which allows tracking of transport-related emissions at the SGL Group level or customer level.
We conduct annual reviews of performance and communicate progress to all relevant stakeholders, internally and externally.

EXPONENTIAL ROADMAP INITIATIVE TARGET

Through the Exponential Roadmap Initiative, we also commit to reducing GHG emissions across all Scopes 1, 2 and 3 by 50% before 2030 and every 10 years towards net-zero emissions in 2050. Given SGL Group is a global company operating in countries with varying energy mixes, our energy consumption and mix are diverse. Despite energy consumption representing less than 1% of our combined GHG emissions, we continue to focus on this issue.
We have committed to reducing our energy consumption, as well as improving energy efficiency while contributing positively to the expansion of renewable energy capacity. We have, therefore, set a target to reduce our energy consumption (measured as energy consumed per employee) by 5% year on year until 2030.

Progress toward this target is measured from a 2023 baseline value. In addition, we target to increase our renewable energy consumption by 5% year on year until 2030.

E1-5 *Energy consumption and mix*

Our energy consumption mainly consists of district heating and electricity. As part of our science-based target, we are working towards lowering the mix from non-renewable energy and introducing renewable energy into the mix - such as committing to corporate power purchase agreements to secure renewable electricity for our own operations through principles of additionality.
In 2024, our energy consumption was 42,727 MWh, a 6% increase since 2023. Our consumption stems from the usage of electricity and heating in own operations. In 2023, we received the first renewable electricity via a corporate power purchase agreement from our solar park in Denmark, while this year, we signed a 10-year PPA with Better Energy to establish a new solar park near Studsvik, in Sweden.

** The target boundary includes land-related emissions and removals from bioenergy feedstocks.*

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

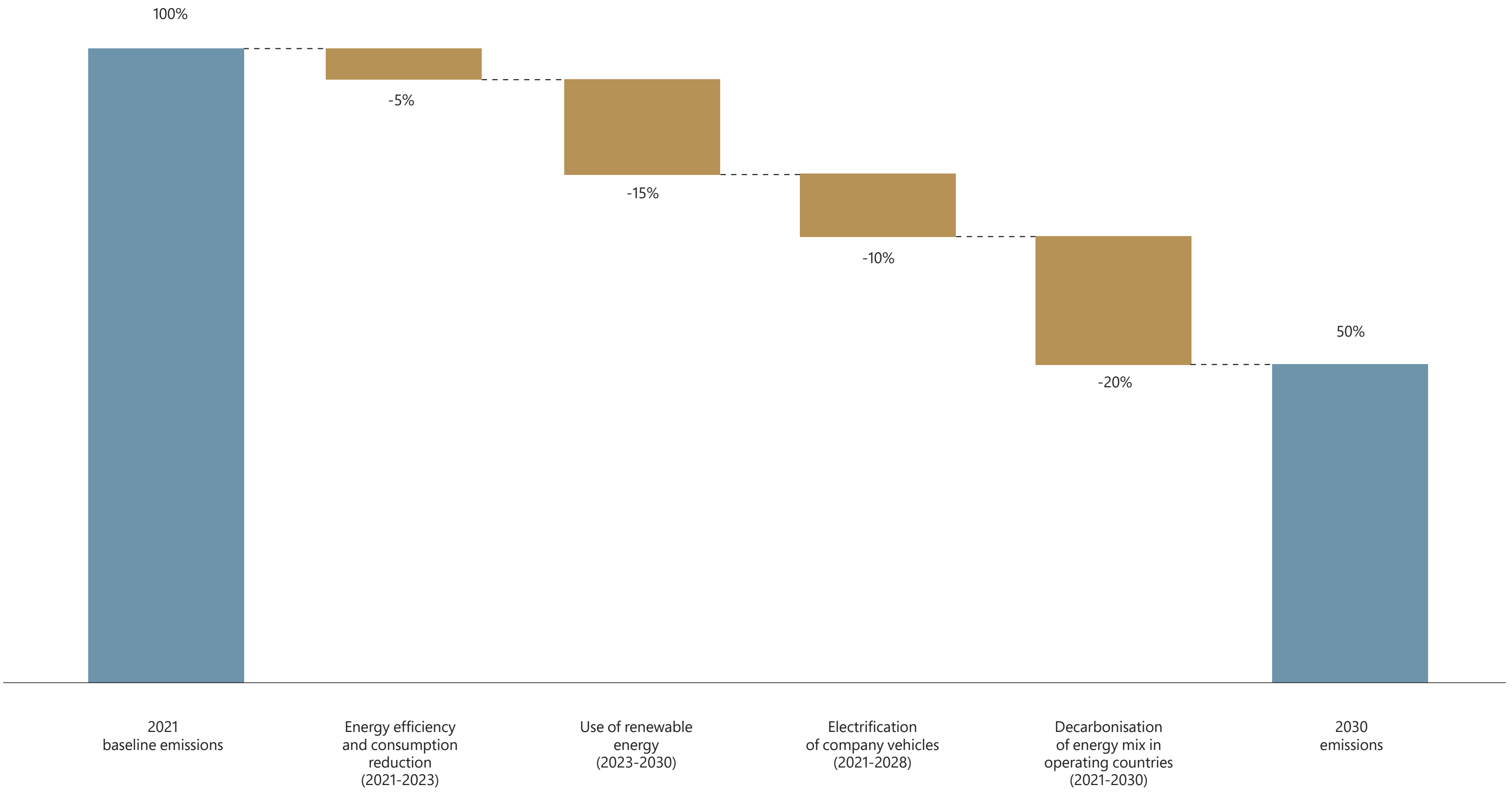


TABLE 1 – ENERGY AND CLIMATE DATA

ENERGY CONSUMPTION AND MIX	2024	2023	2023 PRO FORMA*	2022 PRO FORMA*	2021 PRO FORMA*
1. Fuel consumption from coal and coal products (MWh)	-	-	-	-	
2. Fuel consumption from crude oil and petroleum products (MWh)	22,129	10,823	17,714	21,125	16,633
3. Fuel consumption from natural gas (MWh)	4,842	3,902	6,386	5,857	5,745
4. Fuel consumption from other fossil sources (MWh)	-	-	-	-	-
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	15,249	9,830	16,090	13,514	16,613
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**42,220**	**24,554**	**40,190**	**40,522**	**38,991**
Share of fossil sources in total energy consumption (%)	99%	99%	99%	100%	100%
7. Consumption from nuclear sources (MWh)					
Share of consumption from nuclear sources in total energy consumption (MWh)		-	-	-	-
8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-	-	-	-
9. Consumption of purchased or acquired electricity, heat steam and cooling from renewable sources (MWh)	480	148	242	-	-
10. The consumption of self-generated non-fuel renewable energy (MWh)	27	8	13	-	-
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**507**	**156**	**255**	**-**	**-**
Share of renewable sources in total energy consumption (%)	1%	1%	1%	0%	0%
Total energy consumption (MWh) (calculated as the sum of lines 6 and 11)	**42,727**	**24,710**	**40,445**	**40,522**	**38,991**
12. Energy Intensity (MWh/EURm)**	**17.9**	**20.0**	**50.0**	**12.2**	**20.3**

** Pro forma numbers for SGL Group ApS are unaudited.*
*** 99% of SGLs revenue are associated with high climate impact sectors as defined by EU 2022/1288. Total net revenue is reconciled to financial statements on page 101.*

PRO FORMA GHG EMISSIONS 1 JANUARY - 31 DECEMBER

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

Scope 1+2

Our absolute Scope 1 GHG emissions amounted to 6,511 tCo2e, an increase of 7% compared to the absolute Scope 1 GHG emissions 6,075 tCo2e for the full year 2023 pro forma (2023 reported: 3,712 tCo2e). Our absolute location-based Scope 2 GHG emissions amounted to 3,092 tCo2e, an increase of 3% compared to the absolute location-based Scope 2 GHG emissions of 3,001 tCo2e for the full year 2023 pro forma (2023 reported: 1,834 tCo2e).

Our absolute market-based Scope 2 GHG emissions amounted to 4,695 tCo2e, an increase of 14% compared to the absolute market-based Scope 2 GHG emissions of 4,115 tCo2e for the full year 2023 pro forma (2023 reported: 2,514 tCo2e).

The increase in absolute GHG emissions for Scope 1 and Scope 2 is due to own growth through M&A activity which increases the total number of administrative offices and employees globally for SGL Group. That growth affects our absolute Scope 1 and 2 GHG emissions.

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

Scope 3

Between 2023 and 2024, emission intensity (gCO2e/TKM) declined by 9% due to key improvements and external factors. SGL Group has significantly enhanced its emissions calculations by fully integrating M&A companies into our CO_2 platform using improved activity-based data, reducing data extrapolation to just 0.7% of total revenue. This shift means more accurate reporting based on direct operational data rather than assumptions.

Absolute emissions have risen due to a number of acquisitions in the reporting year. Geopolitical factors have played a major role in the decline of emissions intensity. The total tonne-kilometres (TKM) and for Air and Ocean transport have experienced double-digit growth. This is largely driven by the avoidance of Russian airspace and the Suez Canal, which has forced longer alternative routes between the EU and Asia.

These extended routes have increased the total distance travelled per shipment, leading to a surge in TKM. Futhermore, transport activity has also experienced double-digit growth.

Since emissions intensity is measured as gCO2e per TKM, the sharp rise in TKM has effectively diluted the emissions per unit of transport work, even though total emissions have grown. As a result, emissions intensity has decreased despite an overall increase in CO_2 output.

Total emissions

As shown in the GHG emissions table on page 54, our total emissions have increased by 26%. Given that 99% of our emissions derive from Scope 3 category 4 upstream transport and distribution, this drives the increase described.

As the vast majority of our Scope 3 GHG emissions derive from category 4, Upstream transportation and distribution, we have further disaggregated this, on page 55, to reflect differences in mode of transport. This helps understand and track the effectiveness of our Scope 3 material impacts, risks and opportunities.

In addition, SGL Groups also monitors the emissions intensity of each mode of transport it operates with, including air, ocean, rail, road, and courier services. This detailed tracking provides a more granular understanding of Scope 3 emissions and supports the evaluation of the effectiveness of mitigation actions targeting material value chain IROs.

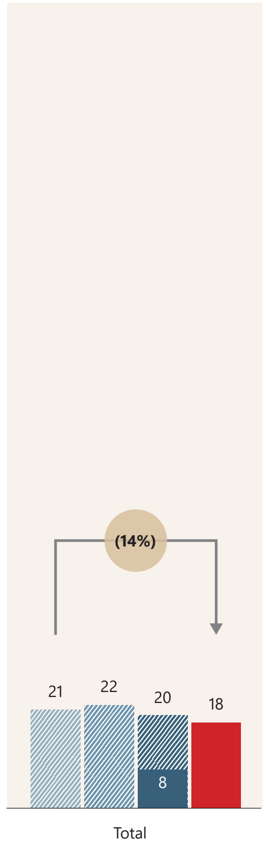
Emissions intensity provides a comprehensive and normalised measure of SGL's performance in reducing emissions-related impacts. By monitoring emissions intensity, SGL can evaluate the efficiency of its value chain's activities, assess the effectiveness of decarbonisation efforts, and identify opportunities for further reductions in Scope 3 emissions. This metric also enables benchmarking against industry standards, ensuring alignment with our science-based targets and climate commitments.

As shown in the adjacent table the annual percentage change in SGL Group's emissions intensity by transport mode. The 9% reduction is primarily due to a significant increase in tonne-kilometers (TKM). While total GHG emissions rose due to acquisitions and double-digit growth in Air and Ocean transport, the growth in TKM outpaced the rise in emissions, leading to a lower emissions intensity.

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

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

OVERALL INTENSITY



SCOPE 3 UPSTREAM TRANSPORT AND DISTRIBUTION – INTENSITY DEVELOPMENT 2024 VS 2021

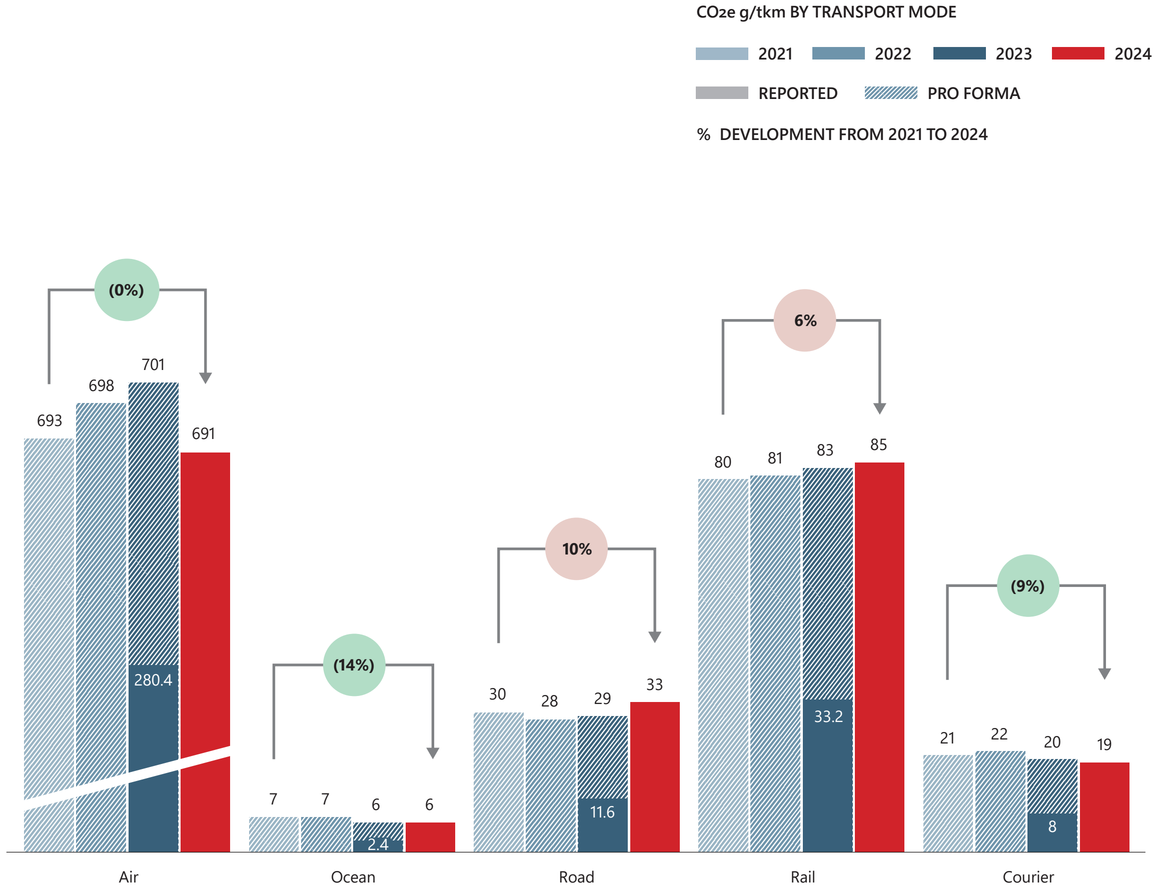


TABLE 2 – GROSS SCOPES 1, 2 & 3 AND TOTAL GHG EMISSIONS

1. ENERGY AND CLIMATE DATA	2024	2023 REPORTED	2023 PRO FORMA*	2022 PRO FORMA*	2021 PRO FORMA*	% 2024 /2023 PRO FORMA
GHG EMISSIONS (tCO2e)						
SCOPE 1 GHG EMISSIONS						
Gross Scope 1 GHG emission	6,511	3,712	6,075	5,537	5,315	7%
% of Scope 1 GHG emissions from regulated emissions trading schemes	0%	0%	0%	0%	0%	
SCOPE 2 GHG EMISSIONS **						
Gross location-based Scope 2 GHG emission	3,092	1,833	3,001	2,828	1,586	3%
Gross market-based Scope 2 GHG emissions***	4,695	2,514	4,115	3,655	2,316	14%
SIGNIFICANT SCOPE 3 GHG EMISSIONS						
Total Gross indirect	1,850,474	896,005	1,466,556	1,388,225	1,504,371	26%
1. Purchased goods and services	1,399	632	1,035	1,143	1,984	35%
2. Capital goods	10,257	6,145	10,058	7,661	5,428	2%
3. Fuel and energy-related Activities (not included in Scope 1 or2)	5,214	732	1,197	1,264	287	335%
4. Upstream transportation and distribution**	1,820,591	881,330	1,442,618	1,369,256	1,492,169	26%
5. Waste generated in operations	24	244	400	276	210	(94)%
6. Business travel	10,520	5,635	9,224	6,745	2,580	14%
7. Employee commuting	2,469	1,236	2,024	1,881	1,712	22%
TOTAL GHG EMISSIONS						
Total GHG emissions (location-based)	1,860,077	901,550	1,475,632	1,396,590	1,511,272	26%
Total GHG emissions (market-based)	1,861,680	902,231	1,476,746	1,397,418	1,512,002	26%

** Pro forma numbers for SGL Group ApS are unaudited.*
*** In 2024, the Scope 2 Biogenic CO2 emissions amounted to 1,528tCO2 location-based and 1526tCO2 market-based. The scope 3 Biogenic CO2 emissions amounted to 3,082tCO2.*
**** Corporate power purchase agreement for Scope 2 market-based amounts to 3.2%*

Scope 1: CO2e has increased 7% due to own growth, which increases the number of offices and employees globally.

Scope 2: CO2e has increased on location-based with 3% and increased on market-based with 14 % due to own growth, which increases the number of offices and employees globally.

Scope 3 (C6): CO2e has increased due to business growth in more areas of the world and, thereby, more international presence.

Scope 3 (C4):): Total CO2e decreased by 26%. SGL Group has significantly enhanced its emissions calculations by fully integrating M&A companies into our CO_2 platform using improved activity-based primary data (>99%), reducing data extrapolation to just <1% of total revenue. Absolute emissions have risen due to several acquisitions in the reporting year. The total tonne-kilometres (TKM) for Air and Ocean transport have experienced double-digit growth. This is largely driven by the avoidance of Russian airspace and the Suez Canal, which has forced longer alternative routes between the EU and Asia. These extended routes have increased the total distance travelled per shipment, leading to a surge in TKM.

GHG INTENSITY BASED ON NET REVENUE

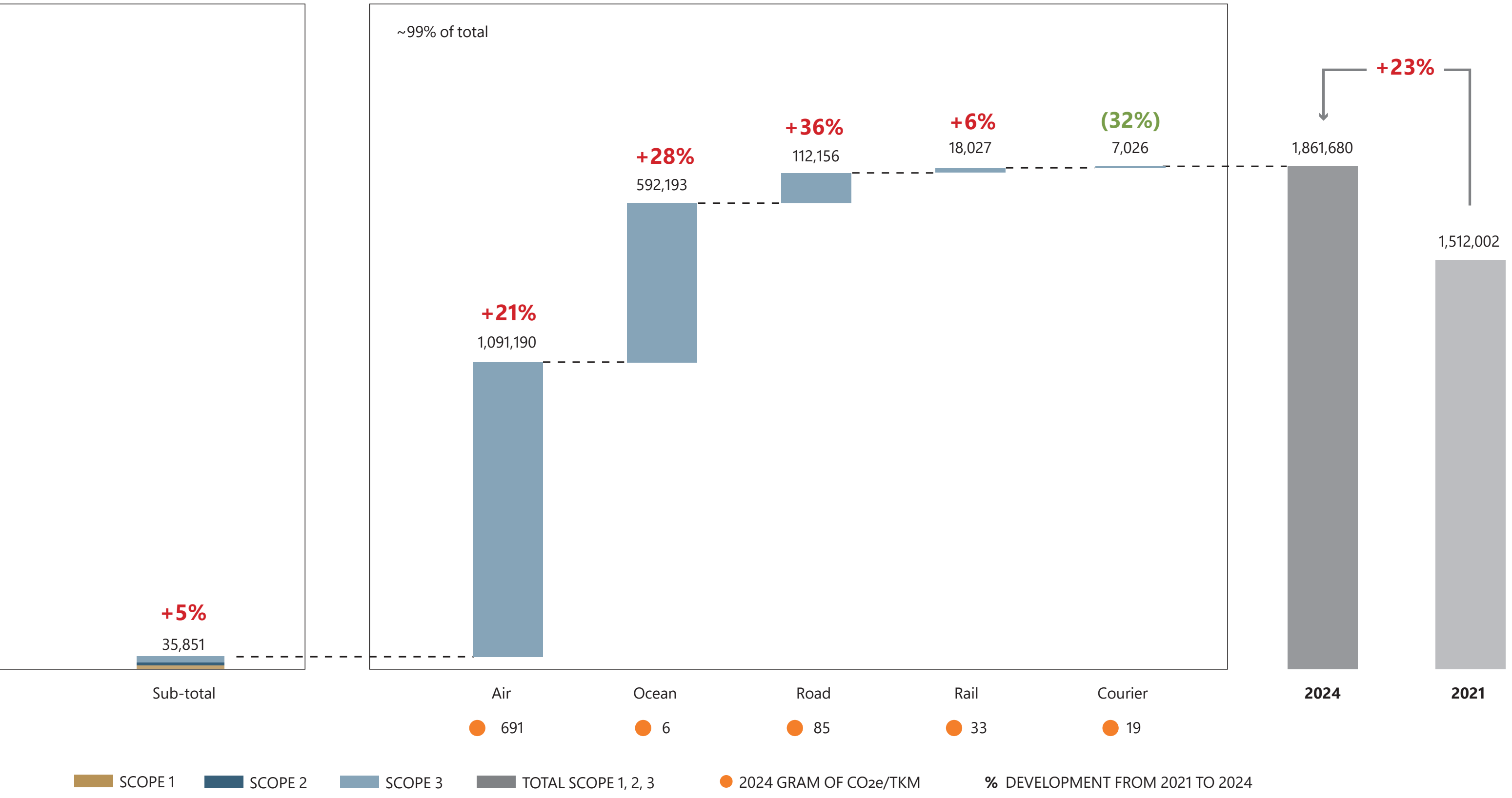
GHG INTENSITY PER NET REVENUE	2024	2023 REPORTED	2023 PRO FORMA*	2022 PRO FORMA*	2021 PRO FORMA*	% 2024 /2023 PRO FORMA
Total GHG emissions (location-based) per net revenue (tCO2e/EURm)	781	323	730	419	786	7%
Total GHG emissions (market-based) per net revenue (tCO2e/EURm)	781	323	730	419	786	7%

** Pro forma numbers for SGL Group ApS are unaudited.*

EMISSIONS WITHIN OUR DIRECT CONTROL

SCOPE 3 CATEGORY 4: UPSTREAM TRANSPORTATION AND DISTRIBUTION

(Our customers' transportation-related Scope 3 emissions)



ADDITIONAL ENVIRONMENTAL DATA

WATER*	UNIT	2024
Emissions to water	tCo2e	25
Total water consumption - buildings	m3	74,296
FUEL CONSUMPTION	**UNIT**	**2024**
Total consumption of Diesel	liter	1,866,604
Total consumption of Gasoline	liter	357,891
Total consumption of LPG	liter	70,037
TOTAL WASTE GENERATED IN OPERATIONS*	**UNIT**	**2024**
Hazardous waste	tonnes	0.0
Non-hazardous waste	tonnes	622
Waste recovered	tonnes	-
NON-HAZARDOUS WASTE DIVIDED*	**UNIT**	**2024**
Residual Waste	tonnes	220
Cardboard	tonnes	122
Wood	tonnes	184
Food Waste	tonnes	1
Foil	tonnes	0
Plastic	tonnes	40
Iron	tonnes	0
Electronic Waste	tonnes	1
Glass	tonnes	0
Other	tonnes	54

** Pro forma numbers for SGL Group ApS are unaudited.*

EU TAXONOMY

The EU Taxonomy is a classification system that defines which economic activities can be considered environmentally sustainable. It serves as a key component of the EU's sustainable finance framework, enhancing market transparency by establishing criteria for activities aligned with a net-zero GHG emissions trajectory by 2050, as well as broader environmental objectives.

TAXONOMY ELIGIBILITY

Since 2021, SGL Group has reported on and closely monitored the development of the EU Taxonomy to ensure alignment with evolving regulatory requirements. In 2023, the EU Taxonomy disclosure was fully integrated into our CSRD-aligned Sustainability Statement, reinforcing our commitment to transparency and sustainable business practices.

Under the EU Taxonomy framework, an economic activity qualifies as taxonomy-eligible if it corresponds to one of the defined activities linked to any of the six environmental objectives. This eligibility is determined solely by the nature of the activity, irrespective of the company's size or market presence. By identifying and assessing eligible activities within our operations, SGL Group continues to strengthen its role in supporting a low-carbon and sustainable economy while enhancing transparency for stakeholders and investors.

SGL GROUP ELIGIBILITY ANALYSIS

SGL Group has conducted a thorough analysis of its operations and, as a transport and logistics company, we engage in activities classified under the EU Taxonomy based on their substantial contribution, enabling role, or transitional nature.

A significant share of our revenue qualifies as taxonomy-eligible within the transportation and logistics sector, and all activities are included in Annex I and II of the Climate Delegated Act. SGL Group has conducted a climate risk assessment with Taskforce on Climate-related Financial Disclosures (TCFD) on asset level concluding that we do not have any material physical risks.

Therefore, our most relevant environmental objective is Climate Change Mitigation. Finally, SGL Group will not include the accompanying tables as SGL Group's most relevant environmental objective is Climate Change Mitigation as shown in the EU Taxonomy tables on revenue, CAPEX and OPEX on the following pages. Therefore, our most relevant environmental objective is Climate Change Mitigation. Thus, we will not include the accompanying tables.

Revenue from transportation services is recognised for the entire activity, regardless of whether the services are performed in-house or outsourced. Even when transportation is carried out by third-party providers, it remains part of the overall taxonomy-defined activity, even if SGL Group does not directly own, lease, or operate the vehicles. This reflects the essential role logistics providers play in facilitating sustainable transport solutions across the value chain.*

TAXONOMY ALIGNMENT

For an eligible economic activity to be considered aligned with the EU Taxonomy, it must meet the Technical Screening Criteria outlined in Annex 1 and 2 of the Climate Delegated Act. This requires fulfilling both the Substantial Contribution and Do No Significant Harm criteria, while also adhering to the Minimum Safeguards, which ensure compliance with social and governance standards. SGL Group expects that when aligned assets from our suppliers within especially air and ocean transport are deployed for global transport and logistics services, we anticipate a gradual increase in taxonomy-aligned revenue.

NUCLEAR AND FOSSIL GAS-RELATED ACTIVITIES FOR REVENUE, OPEX AND CAPEX

NUCLEAR ENERGY-RELATED ACTIVITIES	YES/NO
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No
FOSSIL GAS-RELATED ACTIVITIES	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

** Our assessment is based on the FAQs from the Commission notice C/2023/305.*

EU TAXONOMY - REVENUE (TURNOVER)

PROPORTION OF REVENUE (TURNOVER) FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 1 JANUARY - 31 DECEMBER 2024

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES	Codes	Absolute revenue	Proportion of revenue	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned of total revenue, year 2023	Category (enabling activity)	Category (transitional activity)
		EURm	%	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Revenue of environmentally sustainable activities (Taxonomy-aligned)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Freight transport services by road	6.6	230	9%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								15%		
Sea and coastal freight water transport	6.10	1,448	61%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								52%		
Passenger and freight air transport	6.19	685	29%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								31%		
Revenue of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**2,363**	**99%**	**99%**	**0%**	-	-	-	-								**98%**		
Total (A.1 + A.2)		**2,363**	**99%**	**99%**	**0%**	-	-	-	-								**98%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activities		**20**	**1%**																
Total (A+B)		**2,383**	**100%**																

EU TAXONOMY - CAPITAL EXPENDITURES ("CAPEX")

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 1 JANUARY - 31 DECEMBER 2024

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES	Codes	CAPEX	Proportion of CAPEX	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned of total CAPEX, year 2023	Category (enabling activity)	Category (transitional activity)
		EURm	%	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
CAPEX of environmentally sustainable activities (Taxonomy-aligned)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	2	3%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								1%		
Freight transport services by road	6.6	0	0%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	7.7	23	31%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								21%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**25**	**34%**	**34%**	**0%**	-	-	-	-								**22%**		
Total (A.1 + A.2)		**25**	**34%**	**34%**	**0%**	-	-	-	-								**22%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities		**48**	**66%**																
Total (A+B)		**73**	**100%**																

EU TAXONOMY - OPERATING EXPENDITURES ("OPEX")

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURE COVERING 1 JANUARY - 31 DECEMBER 2024

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('Does Not Significantly Harm')									
ECONOMIC ACTIVITIES	Codes	OPEX	Proportion of OPEX	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Taxonomy aligned of total OPEX, year 2023	Category (enabling activity)	Category (transitional activity)
		EURm	%	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	(Y; N; N/EL)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OPEX of environmentally sustainable activities (Taxonomy-aligned)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	3	14%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								7%		
Acquisition and ownership of buildings	7.7	13	62%	**EL**	EL	N/EL	N/EL	N/EL	N/EL								71%		
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		**16**	**76%**	**76%**	**0%**	-	-	-	-								**78%**		
Total (A.1 + A.2)		**16**	**76%**	**76%**	**0%**	-	-	-	-								**78%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		**5**	**24%**																
Total (A+B)		**21**	**100%**																

EU TAXONOMY

ACCOUNTING POLICIES

SGL Group have in accordance with the EU taxonomy regulation, presented economic activities related to our revenue, capital expenditures ("CAPEX") and operating expenses ("OPEX"). The presentation of economic activities is carried out through the definitions of our economic activities included in the technical annexes of the Climate Delegated Act for climate change mitigation (CCM).

As our main activity comprises freight forwarding, the transportation of goods and services is mainly carried out by third-party suppliers. The transportation suppliers are contracted on behalf of our customers and are part of SGL Group's upstream value chain. For the purpose of the EU Taxonomy, we have therefore assessed that our main activities form part of the eligible activities in accordance with the taxonomy.

As a consequence, our taxonomy KPIs previously reported in 2023 have been restated to reflect the change in our assessment.
The accounting policy for the KPIs are described in the following sections.

Policy for revenue recognition

SGL Group recognises revenue in accordance with IFRS 15, which is split into the three segments Air & Ocean, Road and Solutions. Our segments are presented and described in the financial statements section in note 2.1.

The Air & Ocean segment comprise freight logistics facilitating transportation of goods globally and include services rendered at origin, freight services from origin to destination port and destination services. Services related to the main transport being air or ocean, have been reported as part of this activity. The allocation of the activities in the Air & Ocean segment is reported on the CCM codes 6.6 – Passenger and freight air transport and 6.10 – Sea and coastal freight water transport.

The Road segment comprise freight logistics through facilitating transportation of goods by road networks. All services related to the road segment is considered to be eligible in accordance with the CCM code 6.19 – freight transport services by road and therefore reported eligible as part of this activity.

The solutions segment mainly comprise contracts with customers for warehouse and distribution activities. Such services are not considered eligible in accordance with the taxonomy and therefore reported as a non-eligible activity.
As a large part of revenue recognised is related to services carried out by third-party suppliers, alignment of eligible activities is highly dependent on available data from our suppliers. For 2024, none of our economic activities have been reported as aligned with the EU Taxonomy.

Acquisitions of activities are included in the taxonomy reporting as of the date of the acquisition, in alignment with IFRS 3 Business combinations.

The revenue KPI is determined by dividing taxonomy eligible revenue as the numerator by total revenue as presented in the consolidated financial statements as the denominator.

Policy for CAPEX recognition

Additions to fixed assets in accordance with IAS 16 include lease assets as defined in accordance with IFRS 16 Leases and are presented within the financial statements in note 3.2. Additions to capital expenditures further comprise intangible assets in accordance with IAS 38 and as presented within the financial statements in note 3.1.

Additions to both tangible assets, lease assets and intangible assets include any acquired additions as part of business combinations in accordance with IFRS 3. Any goodwill recognised as part of business combinations are, however, excluded from the activities covered by the taxonomy as goodwill is not considered an intangible asset under IAS 38.

The KPI for CAPEX includes all CAPEX additions of the assets described in the sections above as part of the denominator. As no addtions to CAPEX are considered aligned with the taxonomy, only eligible additions related to leased buildings and car fleet are included in the numerator.

Policy for OPEX recognition

The OPEX definition in accordance with the EU Taxonomy comprise non-capitalised expenses which relate to investments in assets and processes. These non-capitalised expenses are considered to be complementary to the investments reported as CAPEX and include building renovation measures, short-term lease, maintenance and repair and any other direct expenditures related to servicing and operation of assets.

The OPEX KPI is defined as Taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator). As EU Taxonomy's definition of OPEX has a different definition than what has been applied in the Financial statements, the OPEX reported in the taxonomy schedule cannot be derived from the Financial Statements.

Double counting

Determination of the denominator for revenue, CAPEX, and OPEX KPIs, is done through our financial data ensuring each KPI is counted once. For CAPEX, we identified relevant figures and allocated them to the primary economic activity in the Climate Delegated Act, ensuring no CAPEX is counted more than once. All identified economic activities contribute solely to climate change mitigation, with no overlaps in income or costs across the revenue, CAPEX and OPEX KPIs.

POLLUTION

As an asset-light logistics provider, SGL Group's main pollution-related impact stems from air pollution caused by the ocean carriers, airlines, road and rail transport companies in our upstream value chain that we contract with on behalf of our customers. By working closely with our customers to reduce their transport-related emissions, we also achieve a corresponding reduction in air pollution within our upstream value chain. This approach is anchored in policy and addressed in our climate mitigation plans.

IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 SBM-3 *Interaction with strategy and business model*

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

Value chain pollution of air

Air pollution arises as a material negative impact in SGL Group's upstream value chain, primarily due to the combustion of fossil fuels by ocean carriers, airlines, and road and rail transport companies contracted on behalf of our customers. Pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx), non-methane volatile organic compounds (NMVOCs), and particulates are released into the atmosphere during these transport activities, contributing to local and global air quality degradation.

This short-term impact is concentrated within our upstream value chain activities, as SGL Group relies on third-party transport providers to deliver logistics solutions. While our own operations (Scope 1 and 2 emissions) account for less than 1% of our total emissions, the emissions and pollutants released by upstream transport partners represent a significant portion of our environmental footprint. The nature of this involvement stems from the contractual relationships that underpin our logistics operations, where emissions and pollutant outputs are determined by the activities of third-party providers.

The impact is intrinsic to the transportation sector and is exacerbated by the reliance on fossil fuels as the primary energy source for most modes of transport. Consequently, the effects of this pollution are felt by affected communities and the environment at both local levels-reducing air quality in port cities, industrial zones, and along major trade corridors-and globally, through contributions to climate change and air quality.

This material impact directly influences SGL Group's business model and strategy, as the transition toward decarbonised logistics solutions is critical to mitigating these negative effects. Our decarbonisation strategy prioritises reducing fossil fuel combustion. By targeting GHG emission reductions, we simultaneously lower non-GHG pollutants such as NOx, SOx, and NMVOCs.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

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

This approach effectively addresses both climate change and air pollution in a single strategy. The reliance on fossil fuel-powered transportation providers presents both a challenge and an opportunity for SGL Group to take a leadership role in advancing low-emission logistics solutions. SGL continues to respond to these effects by expanding our Low Carbon Logistics solutions catalogue, developing partnerships with transport providers and focusing on advocacy through the Exponential Roadmap Initiative. During 2024, we entered ´The Climate Pledge` to work together on implementing decarbonisation strategies in line with the Paris Agreement through business change and innovations, including efficiency improvements, renewable energy, materials reductions, and other carbon emission elimination strategies.

IMPACT, RISK AND OPPORTUNITY APPROACH

OUR APPROACH

E2-1 *Pollution policies*

SGL Group's Environmental Policy, see E1-2 for the full description, defines and communicates how we work with our environmental performance.

The policy commits SGL Group to addressing air pollution by actively promoting initiatives aimed at reducing Scope 3 GHG emissions, which in turn mitigates air pollutant impacts within our upstream supply chain. By focusing on SGL's material impacts on air pollution, the policy outlines the strategies and measures taken to address these challenges. However, as this is a value chain impact, SGL has limited direct control or prevention capabilities and instead relies on collaboration and innovative solutions to drive meaningful reductions. The Environmental policy covers specific pollutants; NOx, SOx, NMVOCs and particulates released by ocean carriers, airlines and road and rail transport companies in SGL's upstream value chain.

We comply with the guidelines for avoiding incidents and managing emergency situations through various policies. The Environmental policy follows the environmental management system requirements of ISO14001 which sets strict guidelines to control and limit impacts on both people and the environment. See also our disclosure controlling and limiting impacts on people in the Health and Safety section of S1 Own Workforce page 66.

E2-2 *Pollution actions and resources*

SGL Group is addressing air pollution caused by the ocean carriers, airlines, and road and rail transport companies in our upstream value chain through the climate mitigation actions described in the E1 Climate Change section. These actions, detailed in E1-3, focus on reducing Scope 3 emissions and encompass initiatives such as the deployment of low-carbon logistics solutions, the adoption of zero-emission transport technologies, and partnerships to scale the use of biofuels. The specific actions aimed at mitigating this E2-related impact are detailed under decarbonisation levers 1 and 2: "Partnering to provide low-carbon solutions across the value chain" and "Participating in industry groups focused on net-zero supply chains." By reducing Scope 3 emissions from the combustion of fossil fuels in our upstream supply chain, SGL Group anticipates corresponding reductions in air pollutants, including NOx, SOx, NMVOCs, and particulates.

Strengthening our environmental management system

To demonstrate our commitment to reducing air pollutants throughout the value chain, SGL Group collaborates with customers and prioritises improving its own operations. A significant portion of SGL Group's organisation is certified under the ISO 14001 multi-site standard, providing a robust framework for implementing and maintaining an effective environmental management system.

In 2024, SGL Group increased coverage of ISO14001 by 20% from last year. More than 83 locations (amounting to almost 40% of our global locations) are now covered across our global operations, with new countries including the United Arab Emirates, Saudi Arabia, Kenya and South Africa.

METRICS AND TARGETS

E2-3 *Targets related to pollution*

While SGL Group does not currently have a specific target for air pollutants such as NOx, SOx, NMVOCs, or particulates, the company recognises that these pollutants are intrinsically linked to GHG emissions. Wherever GHG emissions are present, air pollution is a concurrent outcome. SGL Group tracks the effectiveness of its policies and actions in relation to pollution impacts via the tracking of Scopes 1, 2 and 3 GHG emissions.

As a result, SGL Group uses its science-based targets for reducing Scope 1, 2 and 3 GHG emissions as a proxy for addressing air pollution. These targets, which are aligned with the SBTi, focus on reducing upstream emissions across the value chain and inherently contribute to the mitigation of air pollution. A detailed explanation of these targets is provided in E1-4.

It is important to note that this proxy target does not directly address the prevention or control of specific air pollutants or quantify their reduction in terms of specific metrics. Due to the systemic nature of air pollution and the lack of direct information and metrics from our upstream value chain, SGL Group has chosen to focus on voluntary targets that are achievable and impactful within the broader context of its decarbonisation strategy.

By targeting GHG emissions reductions, SGL Group anticipates a corresponding decrease in air pollutants across its value chain, contributing to improved air quality and environmental outcomes. While this approach does not provide pollutant-specific metrics, it demonstrates SGL Group's commitment to addressing the interconnected challenges of climate change and air pollution.

E2-4 *Pollution of air*

Since 2019 SGL has collaborated with EcoTransIT and integrated the carbon emissions calculator with the operational IT system at SGL in order to calculate all transport-related carbon emissions. Emissions are calculated through SGL partner 'EcoTransIT World' using a calculation methodology that complies with ISO14083. This is the highest international standard for calculating CO2e. The calculation method meets the requirements of the Global Logistics Emissions Council (GLEC) Framework and the Greenhouse Gas Protocol (GHG), which create the needed confidence in measuring emissions by using this industry standard.

TABLE 1 - POLLUTANT	2024 (METRIC TONNES (T) /YEAR)
Nitrogen Oxide (NOx)	4,675
Sulphur Oxide (SOx)	714
Particulates (PM 10)	103

This early step has made it possible for SGL to annually calculate, track and publish carbon emissions from the global logistics operation and supply chain. This integration has made it possible for SGL to fully automate the information process of upstream carbon emissions, and, indirectly, the associated pollutants.
SGL will maintain its strategic focus on carbon emissions reporting. As our global footprint expands, we will continue integrating new entities into our existing carbon emissions framework to maximise primary data input, ensuring high-quality data for both our reporting and that of our customers.

The vast majority of pollutants originate in SGL Group's upstream value chain, where we access data only regarding GHG emissions, not non-GHG pollutant volumes. For metrics tracking upstream air pollution, see SGL's disclosures under value chain GHG emissions in E1-6.

In line with ESRS E2-4 reporting, SGL Group has assessed the pollutants it emits through its own operations. This assessment concluded that our own operations do not emit any pollutants to the air that exceed the threshold set by Annex II of Regulation 166/206. 99% of our emissions derive from Scope 3 category 4 upstream transport and distribution emissions.

Table 1 below, discloses our entity-specific metric on the pollution of air. This contains the estimated pollutants to air that have contributed to the material impact identified by our DMA, deriving from upstream transport and distribution emissions. Refer to E2 accounting policies for a full description of the methodology and assumptions associated with this metric.

ACCOUNTING POLICIES - ENVIRONMENT

Reporting period
Our reporting covers the period from 1 January 2024 to 31 December 2024.

Reporting scope
The report covers all entities under the operational control of SGL Group. Energy and Climate Data and the CO2e in Scope 1, 2 and 3 covers SGL Group. All entities are a part of Scope 3, category 4, where revenue extrapolation has been applied to estimate their CO2e emissions occurring in this category.

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

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

Restatement
We follow a restatement policy based on guidelines from the Science Based Targets initiative and the Greenhouse Gas Protocol. Recalculations are undertaken when significant changes occur to our data. Structural changes, changes in calculation methodology or improvements in the accuracy of emission factors or activity data, as well as discovery of errors that are significant, are defined as triggers for recalculation. A significance threshold of 5% is applied.

TABLE 1.
ENERGY AND CLIMATE DATA
CO2e emission reporting in Table 1. ENERGY AND CLIMATE DATA, pages 52-55, is as defined by the Greenhouse Gas Protocol (GHGP) standard. The operational control approach is applied to all greenhouse gas emissions (CO2e).

Scope 1
Data from cars, trucks and forklifts are collected through a global digital ESG platform and converted to CO2e.
CO2e/liter diesel and CO2e/liter petrol emission factors from DEFRA (2024) are applied for Cars, trucks and lift trucks. The emission factors are calculated as ton CO2e per year per liter.
Data on heat for sites where heat combustion takes place at the site has been included in Scope 1. Data has been measured in MWh. Heat emission factors have been sourced from DEFRA (2024). Refrigerants are not included in the report as the consumption is estimated to be limited and therefore not material. In the case of missing activity data, gas consumption has been estimated using an updated 2024 average consumption of gas per m² office space for the offices/ warehouses where data was not obtainable.

Scope 2
Data is calculated following both the location-based and market-based approaches. As our SBTi targets are based on the market-based approach, our described Scope 2 figures throughout the report are based on the market-based approach. Data from electricity consumption is measured in MWh and collected in a global digital ESG platform. In the case of missing activity data, electricity consumption has been estimated using an updated 2024 average consumption of electricity per m² office space for the offices/warehouses where data was not obtainable. Our plug-in hybrid cars and fully electric cars are reported and calculated towards Scope 2. Data from purchased heat consumption is measured in MWh and collected in a global digital ESG data platform. In the case of missing activity data, the heat consumption has been estimated using an updated 2024 average consumption of heat per m² office space for the offices/warehouses where data was not obtainable.

Location-based approach
Emission factors for Scope 2 electricity are obtained from IEA (2024), Green-E (2024) and AIB (2024). Emission factors for countries with district heating have been sourced from national energy authorities. For some sites these national energy sources were not obtainable and therefore a heat and steam emission factor from DEFRA (2024) was applied.

Market-based approach
Emission factors for Scope 2 electricity are obtained from IEA (2024), Green-E (2024) and AIB (2024). Residual mix factors from AIB for European countries and from Green-E for the United States have been applied. Emission factors for countries with district heating have been sourced from national energy authorities. For some sites, these national energy sources were not obtainable and, therefore, a heat and steam emission factor from DEFRA (2024) was applied. Corporate power purchase agreement for Scope 2 market-based amounts to 3.2% (Percentage is calculated as the amount of energy consumption in category 9 relative to the energy consumption in category 5 in the Energy Consumption and Mix table).

Scope 2 Biogenic Emissions
The Biogenic emissions from electricity within Scope are calculated using UK electricity generation data, adjusted for the proportion of biofuels used in the relevant regions. These emissions are derived from DEFRA. Biogenic emissions from district heating in Scope 2 are determined based on the biomass content in district heating, applying the biomass proportions of Denmark to all our locations since Denmark makes up the majority of our district heating emissions. Biogenic emissions from biomass sources (wood and straw) derived from DEFRA.

Scope 3
Upstream transportation and distribution (C4)
All transportation data come from our ERP system and is automatically stored in our data warehouse. From here, the data is exchanged with our external provider of CO2e calculations, EcoTransIT, who performs the calculations automatically. Subsequently, the CO2e calculations are automatically stored in the data warehouse, ready for BI and reporting. >99% of business activities are covered through this method. The remaining data is extrapolated based on existing and identified data to reach full coverage of emissions in our logistics business. >99% of total Scope 3 category 4 emissions are based on this calculation. For entities not part of SGL Group's ERP calculation system, CO2e is calculated based on these entities' revenue vis-à-vis the Group's. <1% of the total emissions in this category are based on this calculation. The emission intensities for the products Air, Ocean, Rail and Road have been calculated line by line for each shipment, dividing the CO2e and tonne-km into the intensity measurement point gCO2e/tonne-km and subsequently summarised into a total emission intensity by product and as a grand total. For the Courier product, the total emissions, and the emission intensity, calculated as gCO2e/tonne-km, are based on a revenue extrapolation due to the Courier product has been moved to a new system by 1 January 2022, which has not yet been integrated into the CO2e calculation platform. We have integrated the Courier system into the CO2e calculation platform during 2024.

Business travel (C6)
SGL Group's finance department collects spending data on 'Business Travel' from all SGL Group entities. All country reporters have reported the spend on air travel, train travel and car/taxi travel. The spend for each category has been converted to CO2e by applying a spend-based emission factor from Quantis (2021).

Scope 3 Biogenic Emissions
Biogenic emissions in SGL operations arise from Scope 3, Category 4: Upstream Transportation and Distribution. These emissions are reported using data from fuel suppliers and carrier partners.
For Ocean Biofuel, emissions are calculated using Hapag-Lloyd's emission factor of 2,834 tCO2 per ton of B100 biofuel, per EU regulations. SGL aggregates total biofuel use in 2024 to determine emissions. For Sustainable Aviation Fuel (SAF), SGL follows IATA's methodology, using a standard fuel conversion value of 3.84 tCO2e per ton, aligned with CORSIA and ISO 14083.

Scope 3 restatement
For Scope 3, Upstream transportation, and distribution (C4), we have restated the 2021, 2022, and 2023 figures due to significantly enhanced emissions calculations by fully integrating M&A companies into our CO_2 platform using improved activity-based primary data (>99%), reducing data extrapolation to just <1% of total revenue. This shift means more accurate reporting based on direct operational data rather than assumptions.

Recalculation of total category 4 resulted in an increase of 178,564 tCO2e in 2021 (14%), an increase of 181,699 tCO2e in 2022 (15%) and an increase of 388,633 tCO2e in 2023 (37%).
For emission intensities, we have restated the 2021, 2022, and 2023 figures due to significantly enhanced emission intensity (gCO2e/TKM) calculations by fully integrating M&A companies into our CO_2 platform using improved activity-based data, reducing data extrapolation to just 0.7% of total revenue. This shift means more accurate reporting based on direct operational data rather than assumptions.

Recalculation of emission intensity metrics on Air has resulted in an increase of 36 gCO2e/TKM in 2021 (5%), an increase of 32 gCO2e/TKM in 2022 (5%) and an increase of 30 gCO2e/TKM in 2023 (4%)

Recalculation of emission intensity metrics on Ocean has resulted in a decrease of -2 gCO2e/TKM in 2021 (-22%), a decrease of -0.4 gCO2e/TKM in 2022 (-5%) and a decrease of -1 gCO2e/TKM in 2023 (-10%).

Recalculation of emission intensity metrics on Rail has resulted in an increase of 1 gCO2e/TKM in 2021 (3%), an increase of 1 gCO2e/TKM in 2022 (5%) and an increase of 2 gCO2e/TKM in 2023 (6%).

Recalculation of emission intensity metrics on Road has resulted in a decrease of -0.3 gCO2e/TKM in 2021 (-0.4%), a decrease of -1 gCO2e/TKM in 2022 (-1%) and an increase of 1 gCO2e/TKM in 2023 (1%).

Recalculation of emission intensity metrics on Courier has resulted in a decrease of -434 gCO2e/TKM in 2021 (-95%), a decrease of -2 gCO2e/TKM in 2022 (-9%) and a decrease of -3 gCO2e/TKM in 2023 (-12%).

Recalculation of total emission intensity metrics has resulted in a decrease of -4 gCO2e/TKM in 2021 (-16%), a decrease of -2 gCO2e/TKM in 2022 (-10%) and a decrease of -3 gCO2e/TKM in 2023 (-13%).

SOCIAL

OWN WORKFORCE

Developing our people and supporting a consistent understanding of SGL Group's culture, operating procedures and compliance framework are essential to realising our growth strategy. During 2024, our workforce has grown 28.46% through organic growth and acquisitions. To integrate newly acquired businesses and harness our full capabilities, we are building a unique culture within the transport and logistics industry and investing in our people, processes and systems.

Our ambition is to become the most meaningful company within the logistics industry. We focus on providing our people with meaningful work and opportunities through employee engagement and development, building a diverse and inclusive culture where everyone can succeed, and ensuring their health, safety and well-being when they come to work.

IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 – SBM-3

S1 *Material impacts, risks and opportunities*

SGL Group is committed to ensuring our employees feel valued for the work they do. This means providing favourable employment conditions for employees, including competitive compensation packages, flexible working for office employees, and secure employment. The materiality assessment identified the below potential impact and risk relating to working conditions for our workforce as material. Members of SGL Group's own workforce who could be impacted by our operations are included in the scope of this disclosure. This includes employees and self-employed people or people provided by third parties engaged in employment activities ('non-employees'). When identifying and assessing impacts, risks and opportunities, SGL Group used stakeholder interviews to understand how certain types of people may be at greater risk of harm; this is described in ESRS 2 IRO-1 (refer to page 36).

Working conditions in higher-risk countries

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

The pace and scale at which SGL Group has grown globally has necessitated more attention to these higher-risk countries. Without adequate oversight, there is a risk that M&A activities could lead to divergent standards across SGL Group offices resulting in possible impacts relating to unfair pay, longer working hours, discrimination or other labour rights issues. We consider Working conditions in higher-risk countries as part of our enterprise risk management approach and have incorporated them into our ERM system.

This could have financial implications for SGL Group. Failure to implement consistent standards and working conditions could lead to higher employee turnover and impact SGL Group's reputation as an employer. This, in turn, could make it more difficult to attract and retain talent, resulting in higher costs.

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES		Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term
WORKING CONDITIONS							
Working conditions in higher-risk countries	Potential negative impact		●		●		
	Risk		●		●		

This is particularly acute in SGL Group's Renewable Projects division, where adherence to local regulations carries additional risks for non-compliance. This potential negative impact was identified in a human rights global saliency assessment conducted in 2023, and would be considered individual incidents. Both the impact and its associated risks are, areas concentrated in our offices and warehouses in these countries and within our division, and could occur in the short-term. SGL Group has mitigated this by introducing measures to standardise working standards for all new acquisitions.

The 2023 human rights saliency assessment considered inherent country risks for a range of human rights issues, focussing on issues that are relevant to SGL Group's own operations. Whilst Malaysia, Laos and the UAE were identified as high-risk countries of operation for forced labour, this is not considered a significant human rights risk for SGL Group due to the nature of its operations. The assessment also determined that child labour is not a material risk to SGL Group, so it was not included in the evaluation detailed in S1-4. SGL Group intends to review the assessment in 2025.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 *Working conditions policies*

Our approach to working conditions is governed by our Code of Conduct. The objective of the Code of Conduct is to set clear ethical standards for the company which cover all aspects of its operations and daily work. This is complemented by our Human Rights Policy, which enshrines our commitment to respect human rights within our sphere of influence and eliminate all forms of modern slavery, forced or compulsory labour, human trafficking and child labour, in line with the ILO Declaration of Fundamental Principles and Rights at Work. The Human Rights Policy also details our commitment to respecting the rights of workers, including their right to freedom of association and social dialogue and to promoting just and favourable working conditions.

All employees in all countries are required to adhere to the Code of Conduct and the Human Rights Policy applies across all SGL Group's operations and activities. Both policies, therefore, cover all members of the workforce. SGL Group is a signatory to the UN Global Compact Guiding Principles on Business and Human Rights.

The Code of Conduct sets out that as a responsible employer, SGL Group will respect employees' rights to favourable working conditions and comply with laws and regulations regarding working hours, wages and benefits. We will endeavour to pay employees a living wage where available or pay in line with industry standards. This is reinforced in our Remuneration Policy, which ensures pay and compensation are aligned with SGL Group's purpose, vision, virtues and strategy. The Remuneration Policy applies to all employees. To support these policies and ensure we uphold our human and labour rights commitments, SGL Group has implemented the following mechanisms:

- **Human rights saliency assessment:** We have conducted an assessment to identify and prioritise salient human rights risks in our operations and across our value chain, which we intend to review in 2025. This is described in S1-4.
- **Stakeholder engagement:** We regularly engage with affected stakeholders including our employees, worker representatives, and suppliers. We conducted interviews with internal stakeholders as part of our human rights saliency assessment and during the DMA process, and we participate in industry partnerships.
- **Grievance mechanisms:** We investigate and will take steps to address reports of ethical misconduct, including in relation to human and labour rights, raised through our Whistleblowing mechanism. This may include taking remedial action where appropriate and is described in S1-3.
- **Policy governance:** All SGL Group policies are reviewed and approved annually.

We ensure all employees are aware of these policies through mandatory training every two years, described in S1-4. Expectations of our suppliers are detailed in a separate Third Party Code of Conduct, described in S2-1, (page 75).

The Global General Counsel is the most senior person accountable for the implementation of the Code of Conduct and the Human Rights Policy, and the Global Vice President, People, Leadership & Culture monitors compliance with the Remuneration Policy to provide guidance for the managers and Executive Directors.

CREATING A MEANINGFUL WORKPLACE

S1-2 *Employee engagement*

We measure our progress by monitoring outcomes for our employees directly through our annual employee survey, the Meaningfulness Questionnaire (MQ). The MQ gathers feedback on the extent to which our employees find it meaningful to work at SGL Group and spans a range of areas relevant to our employees, including wellbeing, diversity and inclusion and learning and development. Key findings from the MQ are used to inform key initiatives that contribute to managing material impacts. In 2024, we introduced a number of initiatives to support diversity, equality and inclusion and promote psychological safety, which are described in S1-4, Equal Treatment and Opportunities for all.

The Global Vice President, People, Leadership & Culture is responsible for overseeing the MQ, which is co-ordinated by the Global People, Leadership & Culture department. Feedback from the survey is shared and acted upon at executive level and within teams. The survey delivers an MQ score on a 100-point scale which is used as both a leading business indicator in addition to our financial KPIs and as a measure of how effective our engagement with our workforce is. SGL Group has set a target MQ score of 80 by 2025. In 2024, SGL Group achieved a record response rate of 88% of employees completing the survey in 2023, compared to 82% in 2023 and 72% in 2022. However, our 2024 MQ score dropped slightly to 78 - below our target level. The MQ target is detailed in S1-5. The MQ highlighted several important areas for focus in 2025. This includes strengthening leadership training to support our core virtues, continuing to develop DE&I initiatives, and focussing on succession planning.

Mental health and wellbeing

Mental health and wellbeing continue to be a key focus area for SGL Group. We recognise that efforts to improve pay, flexibility and job security will fall short if our people feel unsupported or stressed. During 2024, SGL Group continued to run programmes on stress management and mental health for all employees. These equip participants with valuable tools to cope with any personal or work-related challenges they are facing and contribute to a more resilient and engaged workforce. These courses will continue in 2025.

SGL Group also conducted a human rights survey with a representative group of our global workforce to identify and understand potential human rights hotspots as part of its 2023 human rights saliency assessment. In 2025, we intend to undertake the survey again to identify further action.

SGL Group respects its employees' rights to freedom of association and all employees can freely choose to participate in a union. In some countries, national and local regulation defines how SGL Group collaborates with its employees and their representatives. SGL Group also actively engages with Works Councils in relevant regions. More information on collective bargaining and social dialogue is detailed in S1-8.

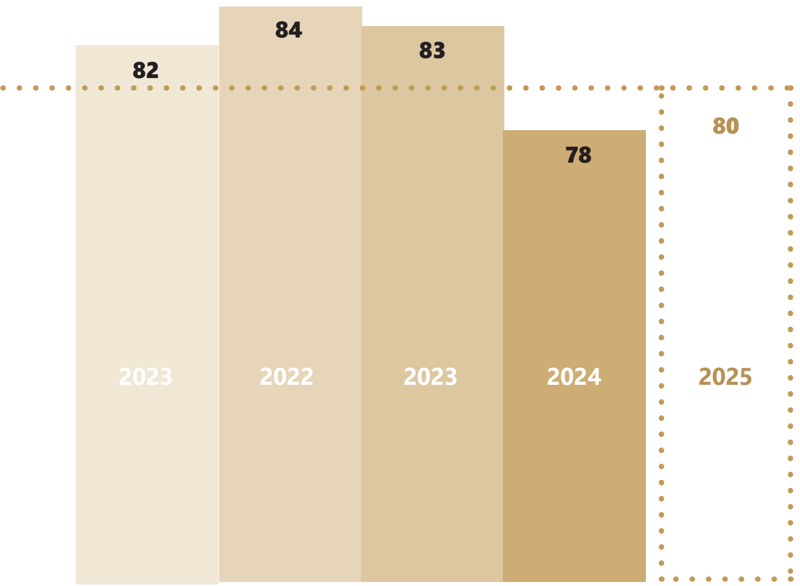
S1-3 *Channels for employees to raise concerns*

Employees are encouraged to report any concerns or complaints regarding harassment, alleged legal or financial impropriety or other employment-related concerns with their manager, with human resources or through SGL Group's independent whistle-blowing mechanism. Whistle-blowing reports are handled by a third-party law firm and all employees are required to complete a mandatory e-learning course on the Whistle-blowing Policy and reporting process. Together, these ensure reporting mechanisms are effective and widely publicised. More detail on the whistle-blowing system, including whistle-blower protection and how reports are tracked and monitored, is presented in G1-1, Business Conduct.

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

SGL Group investigates all concerns raised and will address them in a manner appropriate to the nature of the complaint or impact. This may involve taking disciplinary action, implementing preventative

MEANINGFULNESS QUESTIONNAIRE (MQ) SCORE



MEANINGFULNESS KEY DRIVERS COMPARED TO 2023

THE RESPONSE RATE OF EMPLOYEES COMPLETING THE SURVEY

measures and/or providing support to those affected.
The number of whistle-blower cases is reported to the Audit Committee, and SGL Group assesses whether employees feel safe voicing concerns and reporting inappropriate behaviour through a dedicated question in the MQ survey (see S1-2 above). These mechanisms enable SGL Group to ensure reporting channels remain effective.

PROGRESS IN 2024

S1-4 *Actions*

1. Human Rights Saliency Assessment
In 2023, SGL Group initiated a human rights global saliency assessment to identify potential human rights impacts across our value chain, which concluded in 2024. The assessment mapped SGL Group's business and value chain, was informed by the results of a human rights survey conducted by a representative group of employees and considered inherent country and industry risks within our own operations and that of our partners and customers.

The assessment did not identify any current actual negative human rights impacts. However, it did identify the following salient potential human rights issues:

- **Working conditions:** SGL Group has office locations in countries at higher risk of human rights impacts. This is discussed in this chapter (S1 Working Conditions).
- **Warehouses:** SGL Group is responsible for the welfare of individuals working in its own and leased warehouses. Some warehouses are located in higher-risk countries, creating a risk of potential impacts relating to working hours, working protections and health and safety. This is addressed in this chapter and S1 Health & Safety.
- **Partner oversight:** SGL Group could be involved with indirect negative impacts through its relationships with partners and capacity providers. This is described in S2 Workers in the Value Chain.
- **Conflict zones:** SGL Group's employees and its partners' employees working on aid and relief operations face particular safety risks when working in conflict zones. This is addressed in S1 Health & Safety and S2 Workers in the Value Chain.
- **Renewable projects:** SGL Group's Renewable Projects division was identified as a potential human rights hot spot due to the proximity of its projects to possible impacts by its business partners. Although identified during the saliency assessment, this was considered during the DMA and found to not be material. The assessment made several recommendations to strengthen and implement human rights due diligence and investigate and address these risks. SGL Group has accepted these recommendations and during the year, took the following actions in response to the assessment's findings:

- Updated the Global Risk Compliance Framework to reflect salient human rights risks and enable continued monitoring. The framework covers all SGL operations globally
- Continued to roll out the workforce human rights survey (see S1-2, Working Conditions), which will be undertaken again in 2025
- Continued to implement ISO standards across relevant locations (refer to S1-4 Health & Safety, page 74)
- Continued to conduct physical and virtual supplier audits (refer S2-4, page 76)

SGL Group intends to review the Human Rights Saliency Assessment in 2025.

2. Ensuring consistent working standards across locations
During the year, we continued the roll-out of SGL Group's HR system to all newly acquired businesses. In each location, the system has been tailored to fit local needs and employment laws. This ongoing action supports consistent working standards as far as possible (notwithstanding jurisdictional differences) and mitigates potential labour rights impacts and financial risks rising from inconsistent practices.

In 2024, we concluded a Global Benefits Analysis project with external consultants to better understand wages and other benefits within social protection to ensure our employees are subject to fair pay and employment conditions. The project covered 29 individual countries and considered retirement, healthcare and risk benefits to identify compliance and market alignment gaps. During the year, SGL Group addressed a number of areas identified by the analysis and enhanced paternity leave and healthcare benefits in the US. Work to address the remaining areas highlighted by the project will be carried over into 2025.

Ensuring consistent working conditions requires all employees understand their ethical obligations and responsibilities. We support this through mandatory training on the Code of Conduct, Human Rights Policy and other SGL Group policies conducted every two years and as part of our onboarding processes. The training is delivered via our global e-learning platform, SGL Academy.
All training is registered digitally, and we ensure training is also conducted for all new employees following an acquisition or merger.

To support the alignment of workplace culture, in 2024, SGL Group launched 'Virtue Week'. The global initiative sought to raise awareness of the company's virtues and ensure they are prioritised across teams and regions. Sessions included webinars and talks from internal and external speakers on themes relevant to SGL Group's four virtues and a dedicated session launching the 2024 MQ (described in S1-2). All members of the global workforce were invited to participate in the talks and SGL Group plans to hold a second Virtue Week in 2025.

SGL Group's Global People, Leadership & Culture department is responsible for identifying and implementing actions and initiatives to improve working conditions for the company's own workforce. SGL Group ensures initiatives are effective by tracking MQ scores (see S1-2) and through Sustainability Board oversight (see ESRS 2 GOV-1). None of the above-disclosed actions require significant CAPEX or OPEX.

PERFORMANCE, METRICS, TARGETS

S1-5 *Targets*

1. MQ score of 80 by 2025
The MQ is the primary way SGL Group assesses and monitors its progress in all areas relating to employee experience and well-being. SGL Group set itself an absolute target to achieve an MQ score of 80 by 2025. SGL Group has not defined a baseline year or value for this target, which applies to SGL Group's own employees. During the year, we recorded an MQ score of 78 (2023: 83) - this reflects a slight decline on last year's score that falls beneath SGL Group's target. The results of the survey highlight areas for improvement in SGL Group's culture, processes and work environment and reflect the impacts of SGL Group's significant growth over the past year. Despite this, SGL Group remains on track to achieve the target by 2025. The MQ is described in S1-2 Working Conditions and actions taken in response to its findings are outlined in S1-4 Equal Treatment and Opportunities for All.

2.0 Human and labour rights incidents by 2027
SGL Group has set an absolute target to achieve 0 human and labour rights issues or negative impacts recorded across our operations by 2027. This is against a baseline of 0 incidents in 2023 and reflects human and labour rights incidents involving members of our workforce across our global operations. In 2024, 0 (2023: 0) human or labour rights issues were reported within our operations. More information on our performance against this target is detailed in S1-17 below.

Members of our workforce were not directly engaged when setting these targets, nor were they engaged in tracking performance against the targets. However, employees do participate in identifying lessons and improvements though participation in the survey.

S1-8 *Collective bargaining and social dialogue*
In the EEA region, 38% of SGL Group employees are covered by collective bargaining agreements, with significant variations due to differences in labour market traditions and regulations across the countries where we operate. For 2024, our reporting has been based on the most significant countries impacting the combined ratio for the EEA region, comprising Denmark, Sweden, Germany, the UK, Spain, Italy, and Hungary. For 2025, we expect to include non-EEA countries as required by the CSRD disclosures.

S1-10 *Adequate wages*
Scan Global Logistics (SGL) is committed to fair wages, ensuring salaries meet at least the minimum set by national law or applicable collective bargaining agreements (CBA). For employees not covered by a CBA, we monitor market developments and adjust salaries accordingly. However, the absence of a unified global HR system limits our ability to collect comprehensive adequate wage data, impacting quality and availability. As a result, no data is reported for 2024, as assumptions or approximations would not provide a reliable basis for disclosure. Despite this, minimum wages in our European

operations comply with Directive (EU) 2022/2041. We are committed to establishing a structured reporting framework to enable adequate wage disclosure from 2025.

S1-11 *Social protection*
At SGL Group, our employees' welfare is a top priority. We provide extensive social protection measures, such as healthcare, retirement plans, disability insurance, paid leave, and workplace safety, customised to local regulations and market needs so all our employees are protected following major life events. All employees are therefore covered against ensures protection against loss of income due to sickness, unemployment, injury and disability, parental leave and retirement, either as a result of these benefits or through public programmes.

S1-15 *Work-life balance metrics*
In 2024, 62%, 2,879 (2023: 45%) of all employees (4,635), (2023: 1,634) were entitled to family-related leave. In 2024, 1.84% (2023: 2.4%) of entitled employees took family-related leave 0.90% men (2023: 1.1%), and 0.94% women (2023: 1.3%).

S1-17 *Incidents, complaints and severe human rights impacts*
In 2024, 0 (2023: 0) human and labour rights incidents were reported, in line with SGL Group's target of 0 incidents by 2027. This is discussed in detail in S1-5 above. No cases of severe human rights incidents (e.g., forced labour, human trafficking, or child labour) were reported via SGL Group's internal reporting mechanisms during the year (2023: 0); therefore, SGL Group did not pay any fines, penalties or compensation as a result (2023: 0). 20 (2023: 4) concerns were raised through the whistleblowing mechanism, of which 0 (2023: 0) related to discrimination and/or harassment. SGL did not pay any fines, penalties or compensation for damages as a result of these complaints. The increase in the number of reported cases is partly due to employees becoming more informed about the whistle-blower mechanism.

S1-6 *Characteristics of SGL Group's employees*
Headquartered in Denmark, SGL Group is present in +55 countries across all continents with over 4,500 employees in more than +190 offices in EMEA, the Americas, China, South-East Asia and the Pacific. In 2024, 605 (2023: 528) employees left SGL Group, and the employee turnover rate was 13.05% (2023: 14.8%).
The majority of SGL Group's own workforce comprises full-time workers, in both hourly and salaried employment. SGL Group's office-based workforce consists of primarily salaried employees who perform duties relating to freight forwarding, sales, business development or administration. Hourly employees largely work in warehouses or are employed as drivers. A full picture of our workforce is shown in the adjacent table.

S1-7 *Characteristics of non-employees*
SGL Group is exercising the phase-in provision to omit S1-7 Characteristics of non-employees for its first year of reporting. A full picture of our workforce is shown in the adjacent table.

OWN WORKFORCE**	2024	2023
Total employees	**4,635**	**3,608**
Employees by gender		
Male	2,412 (52%)	1,922 (53%)
Female	2,223 (48%)	1,686 (47%)
Other*	-	-
Not reported	-	-
Employees by region		
EMEA	1,108	826
Nordics	955	919
Americas	740	989
Asia	1,361	786
Pacific	123	88
Latin	348	-
Employees by country (>10% of global headcount)		
United States of America	572	779
Denmark	698	670
China	548	310
Employee turnover (number)	605	528
Employee turnover (rate)	13.05%	14.8%

OWN WORKFORCE**	2024	2023
Contract type		
Permanent (Male)	2,255	-
Permanent (Female)	2,116	-
Total	**4,371**	**-**
Temporary (Male)	157	-
Temporary (Female)	107	-
Total	**264**	**-**
Full-time (Male)	2,362	1,585
Full-time (Female)	2,074	1,877
Total	**4,436**	**3,462**
Part-time (Male)	50	102
Part-time (Female)	149	44
Total	**199**	**146**

**Gender as specified by the employees themselves.*
*** Financial statement note 2.4 Staff Cost (average number of FTE 4.097).*

EQUAL TREATMENT & OPPORTUNITIES FOR ALL – OWN WORKFORCE

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

IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 – SBM-3

S1 ***Material impacts, risks and opportunities***

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

The materiality assessment identified the below material impact relating to equal treatment and opportunities for all for SGL Group's own workforce. All members of SGL Group's workforce who could be materially impacted are included in the scope of this disclosure.

Inconsistent approach to talent development

SGL Group has not adopted a standardised approach to training and development across the company's global operations. Managers have the flexibility to allocate resources and design initiatives that best suit their teams. However, without a unified framework, there is a risk that the focus on development may vary by team and location. This could result in uneven access to development opportunities, impacting employee motivation, career progression and SGL Group's ability to retain talent.

This potential negative impact is concentrated within SGL Group's own operations, could affect members of the entire workforce, is therefore considered systemic and could occur in the short- and medium-term. SGL Group has not yet taken action to address this at a systemic level, however, in 2024, the company expanded initiatives aimed at unlocking potential across the workforce. This is described in S1-4 (refer to page 71).

Limited visibility of gender pay equity

SGL Group does not yet have a comprehensive overview of pay levels between genders and therefore cannot determine whether gender pay gaps exist. Without this visibility, there is a risk that disparities may go unaddressed, leading to unintended inequalities.

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
EQUAL TREATMENT & OPPORTUNITIES FOR ALL							
Inconsistent approach to talent development	Potential negative impact		●		●	●	
Limited visibility of gender pay equity	Potential negative impact		●		●		
Reported incidents of harassment	Actual negative impact		●		●	●	●

Reported incidents of harassment
SGL Group is committed to fostering a safe and respectful workplace. While infrequent, cases of harassment involving members of SGL Group's workforce have been reported in previous years. Without ongoing vigilance and preventive measures, such incidents could reoccur, impacting the well-being of those affected individuals. Moreover, if such cases were to become more frequent, this could undermine SGL Group's inclusive culture and damage employees' perception of the company.

This actual negative impact is concentrated in SGL Group's own operations, is considered individual incidents, and could happen in the short-, medium- and long-term. SGL Group ensures that incidents are reported and addressed through its internal reporting channels (see S1-3, Working Conditions). In the past year, the company launched campaigns to raise awareness of respectful behaviour and psychological safety, as described in S1-4 of this chapter.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 *Diversity and inclusion policies*
SGL Group aspires to be a diverse and inclusive organisation. Our Diversity and Inclusion Policy embraces a comprehensive definition of diversity that encompasses differences in experiences, perspectives, and social identities such as gender, age, ethnicity, nationality, political and religious beliefs, sexual orientation, preference, and cultural backgrounds. The policy ensures systems and processes are developed to support our diversity and inclusion ambitions, with evident results and progression.

Given the historical male dominance in our industry, the policy outlines SGL Group's focus on the inclusion of female employees. All members of SGL Group's workforce must adhere to the policy.

The Executive Management Group has overall responsibility for the policy, and the Global Vice President, People, Leadership & Culture is responsible for the processes and organisational development necessary to support and maintain diversity and inclusion in the workplace.
SGL Group's Code of Conduct, which is binding for all employees, also outlines SGL Group's zero-tolerance approach to bullying and harassment, including discrimination on the basis of gender, race, religion, age, disability, sexual orientation, national origin, or any other characteristic protected under law. The Diversity and Inclusion Policy and Code of Conduct therefore support all material impacts relating to equal treatment and opportunities for all.

Our Remuneration Policy also pledges that SGL will uphold the principle of equal opportunity and equitable remuneration and supports SGL Group's material gender pay impact. The Code of Conduct and Remuneration Policy are described in more detail in S1-1, Working Conditions, page 66. SGL Group has not adopted a formal policy relating to training and skills development.

All employees are made aware of our diversity and inclusion policy through mandatory training, which covers our approach to diversity and inclusion (see Working Conditions, S1-4). Specific training for key teams (e.g., recruitment) ensures the policy's objectives are integrated into SGL Group's internal functions and practices.

PROGRESS IN 2024

S1-4 *Actions*

1. Training and skills development
SGL Group has taken steps towards simplifying development across the organisation. In 2024, we developed our F.I.R.E. academy, a structured performance and development programme aligned to SGL's overarching corporate strategy. The programme includes webinars, 360-degree assessments and self-evaluation requirements and will be piloted globally for senior management level employees in 2025.

2. Diversity and inclusion
The Diversity & Inclusion policy covers equal treatment and opportunities for all and sets out the ongoing mechanisms that SGL Group uses to prevent discrimination in recruitment, hiring and selection activities. To support our diversity and inclusion aspirations, SGL Group strives to ensure fair treatment across all aspects of employment, from recruitment to career progression and workplace culture. Our recruitment process has been developed to ensure inclusion and equal opportunities. Hiring managers and People & Culture professionals are trained in cultural understanding and awareness of potential unconscious biases in recruitment to curtail potentially biased decisions. We apply gender-neutral and inclusive role descriptions, all job postings are made available on the internet for all, and we strive for balanced shortlists and interview panels. Gender diversity must be supported by equal and fair treatment of our female employees. We are committed to equal opportunity and equal pay across all aspects of our human resources processes. In 2024, SGL Group undertook a Global Benefits Analysis to better understand wages and other benefits across its global operations (see S1-4, Working Conditions) and plans to address data availability with respect to gender pay in future.

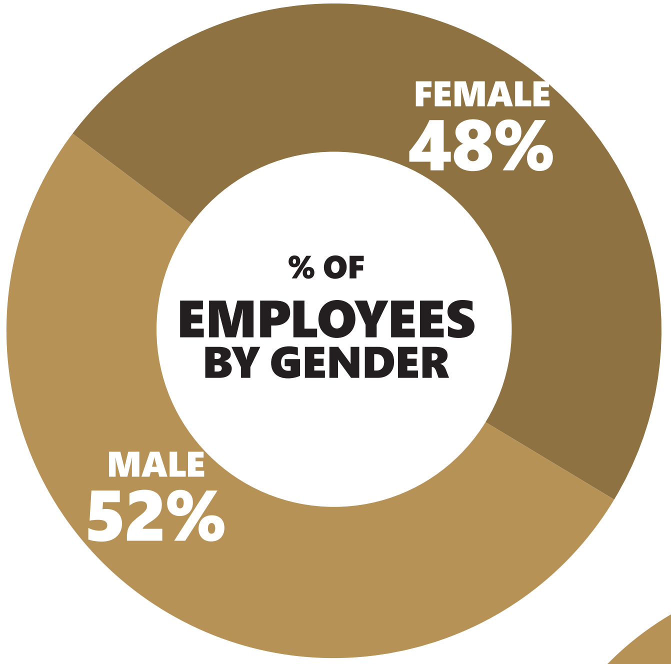
3. Empowering People: Unlocking Potential
Diversity is a cornerstone of innovation and success within any organisation, and we believe that by fostering a diverse and inclusive workplace, we can unlock the full potential of our talented workforce. In 2024, SGL Group launched an expanded global diversity and inclusion programme: 'Empowering People: Unlocking Potential'. The programme brings together regional diversity, equality and inclusion initiatives with different focuses, aimed at supporting equitable opportunities for individuals across genders, roles and backgrounds. During the year, SGL Group launched its Empowering Women in Asia initiative as part of the programme. The initiative sought to promote diversity by supporting and empowering women professionals. Women employees from across the Asia region were selected to participate in a personal development programme involving mentoring, individual and team development, sparring and a two-day event in Hong Kong, which was attended and sponsored by members of the Senior Leadership Team. Half of the programme's participants have since taken on new roles with increased responsibilities within SGL Group.

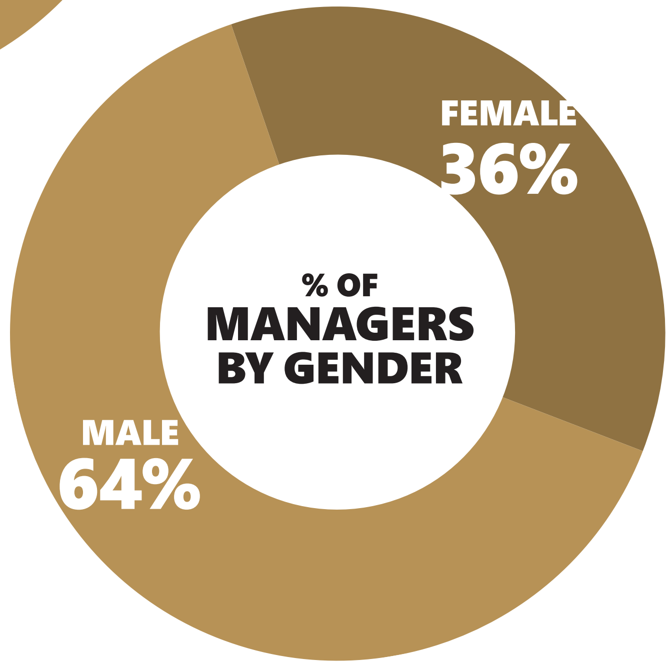
Psychological safety
SGL Group aims to foster an environment where employees feel safe speaking up and reporting incidents or behaviour they do not feel comfortable with. To support this SGL Group held a series of psychological safety webinars throughout 2024. The webinars sought to improve understanding of psychological safety and offer practical advice for fostering a psychologically safe environment for teams and between coworkers. All SGL Group employees were invited to participate.

Respectful behaviour
SGL Group also launched a respectful behaviour awareness campaign during the year, to address concerns highlighted by the MQ survey results. The campaign focused on reinforcing SGL Group's virtues and DNA, fostering appropriate behaviour and publicised SGL Group's internal reporting mechanisms. SGL Group's Global People, Leadership & Culture Department identifies and implements diversity and inclusion actions and initiatives. SGL Group's MQ (see Working Conditions, S1-2) tracks indicators relating to belonging and we ensure actions to address IROs are effective through Sustainability Board oversight (see ESRS 2 GOV-1). None of the above disclosed actions require significant CAPEX or OPEX.

S1-5 *Targets*
Reaching our diversity aspirations means ensuring diversity is reflected at all levels of the organisation. Currently, the Board of Directors of SGL Group comprises six male directors – which is why SGL Group has set a target to appoint one female board member. Unfortunately, we were unable to achieve this in 2024 and will carry this target over into 2025. SGL Group has also set a target to achieve 35% women in managerial roles. SGL Group has not defined a timeframe for this target, nor have we set a baseline target or value. In 2024, we are pleased to report we achieved this target and 36% of people in managerial roles were women. Diversity metrics are detailed in S1-9 below and in the tables on page 68. Meaningfulness Survey targets and results are detailed in S1-5, Working Conditions. Members of our workforce were not engaged directly when setting gender diversity targets, nor are they engaged in tracking performance against the targets. However, employees do participate in identifying lessons and improvements though participation in the survey.

S1-16 *Gender pay gap & Remuneration differences*
SGL Group is committed to ensuring fair and equitable compensation for all employees. However, the absence of a unified global HR system presents challenges in collecting comprehensive gender pay gap data, affecting both data quality and availability. As a result, SGL has not reported gender pay gap data for 2024. Additionally, given the current limitations, any assumptions or approximations would not provide a reliable basis for disclosure.





Supporting strong gender diversity in a traditionally male industry

Our goal is to implement a robust framework that allows us to report on the gender pay gap starting in 2025.

In 2024, SGL Group's company-wide annual total remuneration ratio, compared to the median salary of an SGL Group employee was 12.6. SGL Group will continue to refine our approach on gender pay gap and remuneration which may impact the outcome of the KPIs.

S1-13 *Training and skills development metrics*
To align expectations effectively, we have introduced a global performance and development process, backed by our Global People, Leadership & Culture department. This process fosters open communication between employees and managers, ensuring employees actively contribute to shared departmental goals. It is also integrated into our ongoing MQ survey efforts, including an annual survey, webinars to present results, and yearly action plans based on those results.

SGL Group thus supports individuals in their growth, helping them progress in line with their current roles, future goals, and personal aspirations. 85% (male 2,049 and 1,890 female) of employees participated in regular performance and development reviews (Meaningful Dialogue Meeting) in 2024. During 2024, a total of 4,448 (2023: 2,994) employees participated in the training, successfully completing 90,465 (2023: 66,523) courses. This amounted to 5 (2023: 5) hours of training per employee (all employees) on average, 5 (2023:0) for females and 5 (2023:0) for male employees.

S1-9 *Diversity metrics*
During the year, SGL Group maintained its commitment to a more gender-diverse workforce in a traditionally male industry, with a ratio of 52% (2023: 53%) male and 48% (2023: 47%) female employees across our global organisation – an improvement since 2023. The ratio of women in managerial roles improved to 36% in 2024, meeting our target of 35%, due largely to growth through acquisitions. Detailed diversity metrics (S1-9) are presented in the table Gender Diversity.

GENDER DIVERSITY	2024
Number of employees	**4,635**
Gender diversity	
Women in top management*	33% (2)
Women in middle management	21% (11)
Women in first-level management	37% (239)
Women managers at all levels	36% (252)
Distribution of employees by age group (headcount %)	
Under 30 years old	18%
Between 30-50 years old	60%
Over 50 years old	22%

** SGL's Group Leadership Team ("GLT") is defined in the note 2.4 within the Financial Statement section.*

HEALTH & SAFETY

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

IMPACTS, RISKS AND OPPORTUNITIES

ESRS 2 – SBM-3

S1 ***Material impacts, risks and opportunities***

As an asset-light freight forwarder, SGL Group is less exposed to safety issues than our peers, which operate fleets of trucks, vessels and aircraft. Our main exposure lies within our Renewable Projects division and our Aid & Relief operations. The Renewable Projects industry employs 65 people and undertakes complex logistical projects such as delivering wind turbines into remote areas and transporting heavy cargo. Aid & Relief employs 105 people and supports our humanitarian logistics services.

Our materiality assessment identified the below material impacts relating to health and safety for SGL Group's own workforce. All members of SGL Group's workforce who could be materially impacted are included in the scope of this disclosure.

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

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

Incidents can lead to negative physical, psychological and economic outcomes for those affected of varying severity. This could include time off and pain for minor injuries, or disability, loss of earning power and loss of life. A high instance of injury can damage employees' satisfaction with SGL Group as an employer. These actual (injuries) and potential (incidents and fatalities) negative impacts are concentrated in certain areas of SGL Group's own operations, could occur in the short-, medium- and long-term, and would be considered individual incidents.

SGL Group is addressing these impacts by implementing its health and safety management system across its operations.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S1-1 ***Health and safety policies***

Our Health and Safety Policy guides our approach and supports the prevention of these impacts by detailing our collective and individual safety obligations. Responsibility for health and safety lies

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

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

with the Group Head of Health, Safety and Quality. All employees across SGL Group entities worldwide must comply with the Health and Safety Policy and are made aware of the policy through mandatory health and safety training (see S1-4 in this chapter). The Renewable Projects division locations and other selected countries of operation comply with SGL Group's ISO 45001 certification. Our aim to increase the number of countries and operations covered by the certification is described in S1-4.

We consider health and safety risks as part of our enterprise risk management approach and have incorporated them into our ERM system. We identify safety hazards for employees, whether they are working in offices or on project sites.

In 2024, SGL Group continued the roll out of ISO 45001 certification across our Renewable Projects division. As of this year, all (100%) in-scope locations are covered by the certification. Special risk assessments are conducted for every project, which also covers subcontracted services. All safety incidents are reported in the Health & Safety Management System and are part of SGL Group's non-financial disclosures. We investigate all incidents and review them with customers and any other stakeholders involved. Additionally, we consider occupational health and safety issues in our due diligence process when making acquisitions.

PROGRESS IN 2024

S1-4 *Actions*

1. Health & safety training

All SGL Group employees are required to participate in mandatory health and safety training. In addition to this, individual teams and operational units may also participate in extended health and safety training programmes which are tailored to workplace assessments to address specific contexts, such as lifting techniques training across warehouse locations. This ensures employees perform their tasks safely and protects SGL Group from potential disruptions due to work-related injuries. In 2024, 3,835 employees undertook health and safety training, comprising 83% of our global organisation. In the second half of 2025, SGL Group will launch two global campaigns to strengthen the health and safety culture across the organisation. These campaigns will include dedicated intranet resources, online sessions for local stakeholders, targeted management communications, and academy-supported courses on each topic.

2. Developing our safety systems, processes and procedures

In 2024, SGL Group developed a global framework for risk assessments, informed by ISO 45001 requirements. The framework can be used in accordance with ISO 45001 and several other certifications (including ISO 9001, ISO 14001 and GDP) and was developed with consideration of internal and external perspectives for use both within SGL Group's own operations, and with customers and suppliers and partners as necessary. The framework will support SGL Group to roll out ISO 45001 certifications to more countries and locations globally. In 2025, SGL Group intends to further expand the scope of its ISO 45001 certification and will undertake an ISO 45001 promotion campaign for all countries globally.

SGL Group's Health, Safety and Quality department identifies and implements health and safety actions and initiatives. SGL Group ensures safety initiatives are effective by setting safety targets (see S1-5) and monitoring safety metrics (see S1-14), which are overseen by the Sustainability Board (see ESRS 2 GOV-1). None of the actions disclosed in this chapter require significant CAPEX or OPEX.

PERFORMANCE, METRICS AND TARGETS

S1-5 *Targets*

SGL Group's ambitious safety targets support our overarching health and safety goals. The below targets apply to all SGL Group employees across all our countries of operation.

We have set an absolute target to achieve zero severe injuries and fatalities consistently, year on year. In 2024, there were 0 severe injuries or fatalities.

Lost Time Incidents are incidents that have caused at least one workday of absence after the day of the injury. Lost Time Incident Frequency (LTIF) represents Lost Time Injuries reported in the internal system per million working hours and constitutes a relative target. Our aim is to achieve 0.00 LTIF consistently, year on year. In 2024, SGL Group's LTIF was 0.82.

The Total Recordable Case Frequency (TRCF) is a relative target which measures the number of injuries per one million working hours over the course of the year. TRCF was 3.63 in 2024, SGL Group's target is 3.5 by 2030.

These targets support SGL Group's health and safety ambitions by enabling standardised performance reporting over time. We are confident in our progress and are committed to achieving our targets on health and safety across our global operation.

Note on targets

Safety figures are based on data registered in SGL Group's health and safety management system. Members of our workforce were not engaged directly when setting safety targets, nor are they engaged in tracking performance against the targets. However, employees do participate in identifying lessons and improvements though participation in safety training programmes and through the MQ (refer to page 67).

SAFETY PERFORMANCE IN 2024

S1-14 *Health & safety metrics*

Note on health & safety metrics

The proportion of the workforce is given as a percentage, in headcount terms, of SGL Group's own employees and is based on Danish legal requirements. We do not have any data restrictions or limitations to data on work-related ill health and, therefore, we are reporting the number for the entire global organisation.

	TARGET	2024
Total Lost Time Incident Frequency (LTIF)	0.00	0.82
Total Recordable Case Frequency (TRCF)	3.50	3.63
Proportion of all employees covered by the H&S management system	100%	100%
Incidents		
Number of fatalities		0
Number of fatalities, Own workforce		0
Number of fatalities, Other workers on SGL sites		0
Number of work-related accidents		31
Number of cases of work-related ill health		3
Number of days lost due to work-related injuries and fatalities		152*

**The number of lost days is counted for the Danish entities only.*

WORKERS IN THE VALUE CHAIN

SAFETY – PROTECTING WORKERS ALONG OUR VALUE CHAIN

Ensuring the safety and well-being of workers across our supply chain.

ESRS 2 – SBM-3

S2 *Material impacts, risks and opportunities*

As an asset-light freight forwarder, SGL Group relies upon business partners and suppliers across its value chain to manage and transport goods. This has implications for the workers performing these tasks, given the dangers associated with working in warehouses, lifting heaving objects, operating machinery and driving large vehicles. The materiality assessment identified SGL Group's material impacts relating to the safety of workers providing these services. Workers who could be impacted by SGL Group's activities include third party workers working on SGL Group's sites who are not part of our own workforce, as well as workers working for partners and entities in our upstream and downstream value chain. SGL Group is not engaged with any joint venture or special purpose vehicles. When identifying and assessing impacts, risks and opportunities, SGL Group used stakeholder interviews to understand how certain types of people may be at greater risk of harm, this is visualised in ESRS 2 IRO scheme below.

SGL Group has not identified any value chain workers as particularly vulnerable to impacts due to their inherent characteristics and all value chain workers who can be materially impacted by SGL Group are included in the scope of this disclosure.

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

Most of SGL Group's warehouse and Aid & Relief operations are serviced by supply chain workers who face similar risks of physical harm from incidents to SGL Group's employees who work in these areas. Similarly, drivers and workers employed by our carrier partners to transport goods face increased safety risks from operating vehicles. Health and safety incidents can result in a range of negative consequences for individuals and impact SGL's reputation, as detailed in ESRS 2 SBM3-S1, Health & Safety. SGL Group is connected to these potential negative impacts through its direct business relationships, which are considered systemic to the nature of these operations and could occur in the short-, medium- and long-term.

They affect (i) contractors and sub-contractors working in warehouses (ii) drivers providing air, road, rail and ocean delivery services for our carrier partners, and (iii) non-SGL workers supporting Aid & Relief operations, and are concentrated in both SGL Group's upstream and downstream value chain.

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

In 2024, SGL Group concluded a human rights saliency assessment which assessed potential human rights hotspots in our operations and across our value chain (refer to Working Conditions, S1-4 page 68). The assessment identified salient issues by assessing inherent human rights risks by geography and industry.

SGL Group has a global reach with agents, partners and customers in most countries around the world, including countries that are high risk for forced and/or child labour. However, as an asset-light freight forwarder, SGL Group has limited control and insight into the goods it transports and our links to these geographical risks are considered limited in most cases. The centrality of partners and capacity providers to our business model means SGL Group can be indirectly connected to negative impacts associated with our partners. The transport sector faces inherent human rights risks with respect to working conditions (including indicators of forced labour), safety and human trafficking. Partner oversight was therefore identified as a salient human rights focus area.

The assessment also identified SGL Group's Renewable Projects division as a potential human rights hotspot. Whilst the division represents a small proportion of SGL Group's workforce, the nature of the divisions' operations results in greater proximity to impacts by customers' projects.

Both these potential impacts were assessed and found to be immaterial during the double materiality assessment.

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES		Location in value chain			Time horizon		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
HEALTH & SAFETY							
Incidents, injuries & fatalities (warehouse workers, aid & relief workers and drivers)	Potential negative impact	●		●	●	●	●

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S2-1 *Policies related to value chain workers*

SGL Group is committed to supporting proper business conduct and adherence to human rights throughout its supply chain. SGL Group's overarching human rights commitments are set out in our Human Rights Policy, which contains provisions relating to fundamental rights such as discrimination and harassment, health and safety, freedom of association and modern slavery. The policy covers value chain workers directly impacted by SGL Group's operations and business activities and is described in S1-1 Working Conditions.

SGL Group's Third Party Code of Conduct ('the Third Party Code') sets ethical standards for third parties engaged in business with any SGL Group company, including all customers, suppliers, business partners and agents. The Third Party Code requirements extend to suppliers' subcontractors and other business partners, ensuring the policy covers all value chain workers.

Both policies are aligned with international human and labour rights standards, including the UN Global Compact, UN Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, the ILO Fundamental Principles and the International Bill of Rights.

All third parties must comply with all relevant laws and adhere to these standards. We expect suppliers to prioritise occupational health and safety in line with applicable regulations and provide employees with safe working environments to prevent accidents, injuries and work-related illnesses. The Third Party Code also contains specific provisions prohibiting child and forced labour.

We ensure ethical principles are upheld through supplier audits, evaluations and assessments. The Third Party Code and how SGL Group manages relationships with suppliers is detailed in G1-2, Business Conduct. Other mechanisms to support our human rights commitments are described in S1-1 Working Conditions. SGL Group has not established dedicated mechanisms for engaging with value chain workers.

S2-2 *Value chain worker engagement*

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

S2-3 *Remediation mechanisms*

All stakeholders, including value chain workers, can raise concerns regarding financial or legal impropriety through SGL Group's whistle-blowing system, or submit complaints via SGL Group's website (refer to Working Conditions, S1-3 page 67). More detail on the whistle-blowing system, including whistle-blower protections and how reports are tracked and monitored, is detailed in G1-1, Business Conduct.

SGL Group does not support the availability of these channels in the workplaces of value chain workers, nor do we assess whether value chain workers are aware of and trust these channels. Both mechanisms can, however, be accessed freely through the SGL Group website. SGL Group tracks the number of complaints raised through these channels (refer to Working Conditions, S1-17 page 69) and will take action to address any human rights or business conduct violations by its business partners and suppliers, including where the rights of workers have been affected, for example in relation to working conditions and/or health & safety. This may involve engaging with suppliers to cease certain practices, establishing remediation plans, or terminating the business relationship.

S2-4 *Actions*
When selecting suppliers, we consider many different factors, and when feasible, conduct or perform physical and/or virtual due diligence. This may include consideration of potential suppliers' health and safety provisions for their workers.

SGL Group regularly conducts assessments of select Tier 1 suppliers following a risk-based approach. This may involve on-site audits including an assessment of the working conditions and safety practices. Primary suppliers are also required to sign and share our Third Party Code of Conduct with their subcontractors, which outlines our expectations in relation to occupational health and safety. SGL Group will take action where suppliers fail to uphold the necessary standards.

SGL Group has also implemented standard payment terms to prevent late payments to all suppliers and to avoid inadvertently contributing to impacts on value chain workers.

In 2024, SGL Group developed its supplier management tool. The tool forms part of SGL Group's validated digital Quality Management System ('QMS') and enhances supplier oversight across SGL Group's operations by enabling comprehensive categorisation of suppliers. This ensures compliance with internal processes and global standards, including SGL Group's Good Distribution Practice ('GDP') certification. The tool is governed by the Group Quality department.

More detail about how SGL Group manages supplier relationships is provided in G1-2.

Global Legal and Compliance identifies actions and manages supplier relationships. We track the number of supplier assessments undertaken (see S2 metrics) and key health and safety metrics (refer to Health and Safety S1-14, page 74) capture incidents involving value chain workers on SGL Group sites. Oversight by the Sustainability Board ensures actions to address material impacts, risks and opportunities are effective (see ESRS 2 GOV-1). None of the actions disclosed in this chapter require significant CAPEX or OPEX.

SGL Group is not aware of any severe human rights issues or incidents (e.g., forced labour, human trafficking or child labour) involving workers in its upstream and downstream value chain.

No such incidents have been reported in the year through SGL Group's independent Whistle-blower System or other internal reporting channels.

S2-5 *Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*
SGL Group has not set targets to manage health and safety impacts on workers in the value chain. As a freight forwarder, we depend on a large number of suppliers of different sizes. To have the biggest impact, we would need to focus on our biggest suppliers, however, our influence over these suppliers is limited due to our size and the nature of our operations. As a result, we have not identified targets that would meaningfully address our material impacts.

We nevertheless continue to engage with key suppliers on key topics, including occupational health and safety. We also track the number of supplier assessments undertaken in the year using a supplier management tool. SGL Group has not set a particular level of ambition to be achieved, nor have we defined a base period from which progress is measured.

S2 *Entity-specific metrics*

	2024
Supplier assessment	150

AFFECTED COMMUNITIES

LEADING PROVIDER IN HUMANITARIAN LOGISTICS SERVICES

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

IMPACTS, RISKS AND OPPORTUNITIES ESRS 2 – SBM-3

S3 *Material impacts, risks and opportunities*

The materiality assessment identified the following impact and opportunity in SGL Group relating to affected communities as material. Materially affected communities are understood to be the communities served by the UN agencies and NGO customers SGL Group supports, located downstream in our value chain. In 2024, these communities included those impacted by conflicts in Gaza, Sudan and Ukraine, among others.

All affected communities who could be materially impacted by SGL Group are included in the scope of this disclosure.

Aid & Relief operations supporting communities and saving lives

By providing logistics solutions for UN agencies and NGOs, SGL Group supports humanitarian programmes that deliver life-saving and essential supplies to millions of people facing critical circumstances. SGL Group, therefore, has a positive impact on communities affected by conflict, natural disasters and other challenges by enabling the transportation of vital resources and equipment. As a leading provider of humanitarian logistics solutions, these services also constitute a key differentiator for SGL Group's service offering.

This actual positive impact is located downstream in our value chain and occurs over the short-, medium-, and long-term.

CLIMATE CHANGE EXACERBATES HUMANITARIAN CRISES

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

Responding to a growing number of humanitarian crises

SGL Group is committed to enhancing our capabilities to support the agencies, NGOs and governments that we partner with to meet this demand, aligning with our support for SDG 17. By investing in and expanding our Aid & Relief activities, SGL Group can better service our partner organisations and agencies by delivering resources to more of those in need. With more than 45 years of expertise in managing complexity, SGL Group is well-placed to provide this. This investment also supports SGL Group's growth ambitions and strengthens our position as a leading provider of humanitarian logistics solutions.

This opportunity, which depends on the beneficiaries of our aid and relief solutions, is located in our own operations, could materialise in the short-, medium- and long-term.

In 2024, SGL Group was awarded a new Long-Term Agreement (LTA) with UNICEF. This agreement, which is valid for up to seven years, is a testament to SGL Group's expertise and capabilities in the field of humanitarian logistics.

Continued investment in 2025

To support these positive impacts and to capture this opportunity, in 2025 SGL Group will continue to extend our global strategic presence by investing in our capabilities and exploring new locations for Aid & Relief offices. Having a larger local footprint and more established presence across the globe will allow us to work more closely with our aid and relief customers and partners.

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES

		Location in value chain: Upstream	Own operations	Downstream	Time horizon: Short-term	Medium-term	Long-term
COMMUNITY IMPACT							
Aid & Relief operations supporting communities and saving lives	Actual positive impact			●	●	●	●
Responding to a growing number of humanitarian crises	Opportunity			●	●	●	●

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

S3-1 *Policies*

SGL Group's commitment to supporting communities is outlined in our Code of Conduct. SGL Group pledges to advocate for social standards throughout the world, prioritise community development and continuously engage with stakeholders so their views are considered. The Code of Conduct, therefore, guides all activities that impact communities as SGL Group has not adopted a stand-alone policy with regard to affected communities.

This means we work with non-profit organisations to support community development and expect employees to respect the local culture and understand the perspectives of the communities in which they work. We engage with our non-profit and NGO partners to understand the perspectives and needs of affected communities – this is discussed in greater detail in S3-2 below – and will investigate and address any concerns or adverse impacts we are made aware of. We will protect and respect the communities we engage with, and oppose the unlawful eviction and deprivation of land, forests and waters. Our employees must respect cultural, ritual and religious sites when performing their work. The Code of Conduct is aligned with SGL Group's commitment to charters and initiatives including the Universal Declaration on Human Rights, the UN Global Compact and the OECD Guidelines for Multinational Enterprises and SGL Group has signed the World Economic Forum industry charter for Humanitarian Supply Chain Resilience. We work in collaboration with airlines, shipping lines and other logistics providers to create resilience and build capacity in humanitarian logistics, to better serve communities affected by humanitarian disasters. More detail on the Code of Conduct, including how it is communicated is provided in S1-1 Working Condition. No cases of non-respect of the UNGPs, ILO Fundamental Principles and Rights at Work, or OECD Guidelines involving affected communities have been reported in SGL Group's own operations or value chain.

S3-2 *Engaging with partners and communities*

SGL Group's Aid, Relief and Government Logistics ('ARG') teams engage with partner organisations and government entities to understand the needs of beneficiary communities and the complexities of providing humanitarian aid and government logistics support. This enables Aid & Relief to adapt its provisions to better reach beneficiaries in all regions of the world.

Collaboration is at the core of SGL Group's Aid & Relief activities. The ARG teams interact with UN agencies and humanitarian NGO customers on a daily basis, and engage regularly with local officials, transportation partners and others who make such transportation possible. Engagement, therefore, takes place at every stage of the transportation process. Whilst we have not taken specific steps in relation to groups with particular characteristics, incorporating stakeholder perspectives enables SGL Group to address community vulnerabilities in our logistics planning. This supports us in creating a better, more inclusive logistics system, especially in areas where communities suffer from lack of infrastructure and basic humanitarian needs. The Executive Vice President of Aid & Relief and Government Logistics is the most senior person responsible for this engagement.

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

SGL Group has not defined formal processes for assessing the effectiveness of its engagement with communities.

S3-3 *Remediation mechanisms*

The communities materially affected by SGL Group's operations are often in regions that lack infrastructure by nature, and our primary interface is with the agencies and organisations providing the relief. This makes it challenging to provide readily available mechanisms for communities to raise concerns directly, although all external stakeholders can raise whistleblowing reports or complaints through our website (refer to Business Conduct, G1-1 and Working Conditions, S1-3).

As such, SGL Group has not yet adopted a dedicated channel for these communities, and instead, we rely on insights provided through our partnerships.

AID AND DEVELOPMENT PROJECTS

S3-4 *Actions*

SGL Group's Aid & Relief team continued to support our partners with humanitarian projects around the world in 2024, including in Gaza, Sudan, Ukraine, Turkey, Syria and Haiti. Each of the projects mentioned has had positive outcomes, such as the provision of vital supplies for local communities. None of the disclosed actions meet SGL Group's threshold for significant operational or capital expenditure. The affected communities are all located downstream in SGL Group's value chain. Due to the nature of humanitarian support, the actions described below are not time-bound. Our priority is always to respond to immediate needs first.

Sudan

Following the outbreak of war in 2023 that has since displaced more than 11 million people, there has been a substantial humanitarian response in Sudan and the surrounding region*. In 2024, SGL Group intensified operations to support NGOs and government agencies to address the worsening crisis. This includes working with UN entities to transport supplies into Sudan via different channels, including relief flights into Port Sudan and neighbouring Chad and Egypt, and deliveries by road and ocean freight shipments from the UAE and Europe to Port Sudan.

Gaza

Since the Israel-Hamas crisis began in October 2023, Gaza has continued to be a significant focus for the Aid & Relief team. SGL Group arranged one of the very first flights into Al Arish Airport in Gaza to bring supplies and we have worked with the Japanese Red Cross to successfully deliver an airfreight shipment to Jordan for onward forwarding to Gaza. Operations to support UN entities in their provision of humanitarian aid and relief are ongoing and are considered critical given the limited availability of food, medicine and supplies in Gaza.

Ukraine

Providing solutions to support humanitarian work in Ukraine remains a priority. In 2024, we intensified efforts to support the rebuilding of critical infrastructure relating to energy and essential supplies in Ukraine. We had already established the foundations to expand operations in this way, by securing additional warehouse facilities in Poland and augmenting our trucking capacity. To date, we have successfully transported thousands of trailer loads of essential supplies, including medicine, kits, vehicles such as ambulances, food items, generators and clothing, to various destinations within Ukraine.

Our Aid & Relief team has developed comprehensive logistics solutions to meet the needs of the Ukrainian government and NGOs, utilising all modes of transportation including air, ocean, road and charter services.

World Food Programme

In 2024, SGL Group secured a contract in the US with the World Food Programme ('WFP'), the largest global individual food assistance programme. This contract is expected to play a key role in supporting our aid and relief expansion efforts by enabling SGL Group to develop solutions for other global NGOs, enhancing our global presence and capabilities, and by providing access to a greater portfolio of customers.

This supplements existing work being undertaken with the WFP locally in France, which continued throughout the year.

Enhancing our capabilities

In 2024, we focussed on developing local expertise and capabilities across the US, Dubai and Kenya following the recent establishment of these offices to support our strategic focuses in the Americas, the Middle East and Western Africa. To effectively capture the opportunities presented by expansion, SGL Group must continue to build strength and depth into the organisation. During the year, we introduced vertical leads in all regions and strengthened both Key Account Manager capabilities and customer support, to ensure we are well-equipped for growth in this area.

Strategic partnerships in Aid & Relief

In addition to our Aid & Relief operational expertise, SGL Group is providing strategic expertise to its partners on sustainability and the decarbonisation of humanitarian supply chains. As a member of the World Economic Forum Supply Chain & Transport Industry Charter, we participate in ongoing working groups that include supporting the market development of sustainable aviation fuel and global supply chain resilience. SGL Group also engages with partner organisations and government entities to understand the needs of communities. By incorporating their needs into our planning, we avoid contributing to potential negative impacts. This engagement is detailed in S3-2.

Strengthening our pharmaceutical capabilities

During the year we continued to develop our pharmaceutical capabilities by strengthening our quality department, expanding our use of Validade (a digital lane management system for healthcare and pharmaceutical shipments, discussed in detail in Business Conduct, G1-2), and focussing on Good Distribution Practice ('GDP') certification.

GDP is a set of standards for the sourcing, handling, storage, and transportation of medicines. In 2024, SGL Group achieved GDP certification for over 50 locations, known as competence centres. These centres comprise specialised operational teams dedicated to managing pharmaceutical and healthcare shipments across air, ocean, and road for both import and export. SGL Group has strategically positioned GDP-certified stations across the globe – including the UAE, ES, Japan, Denmark, Germany, China and Belgium, amongst others – ensuring comprehensive support for the global pharmaceutical and healthcare industry.

During the year, we also appointed a Local Quality Responsible (LQR) at each GDP-certified station, enhanced training programs and recruited additional experienced, dedicated personnel. Regular training remains a key focus, conducted alongside the implementation of GDP certifications. At the time of writing, over 750 employees worldwide have completed GDP training through our dedicated online Academy.

Continued investment in 2025

In 2025, we will continue to extend our global strategic presence by investing in our capabilities and exploring new locations for Aid & Relief offices. Having a larger local footprint and a more established presence across the globe will allow us to work more closely with our aid and relief customers and partners. We also intend to strengthen our pharmaceuticals vertical by expanding our GDP certification further.

SGL Group's ARG Department is responsible for all activities relating to aid and relief. We have not established formal mechanisms for tracking how effective these initiatives are in delivering outcomes for beneficiary communities, however, we do monitor the success of our aid and relief activities generally using several indicators. Specific performance indicators are monitored for all ARG projects and ARG customers are invited to participate in our annual Global Customer Experience survey, which is reviewed by the ARG department. We also monitor the expansion of our aid and relief operations and the success of our tenders and contracts. SGL Group is not aware of any severe human rights incidents connected to communities in SGL Group's value chain. No such incidents have been reported in the year through SGL Group's independent Whistle-blower System or other internal reporting channels.

S3-5 *Targets*

SGL Group has not yet set targets to manage impacts relating to affected communities, because we have not formalised processes for measuring our impact in this area. We intend to explore options for doing so in future.

SGL Group has exercised transitional provision 10.2 to omit value chain metric information relating to affected communities.

* Https://reporting.unhcr.org/sites/default/files/2024-11/Sudan%20Situation%20Overview.pdf

ACCOUNTING POLICIES – SOCIAL

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
S1-10	68	Adequate wage	Adequate wage data for 2024 has not been reported due to insufficient data. SGL Group currently lacks a unified global HR system to facilitate the necessary data collection. However, minimum wages in European countries comply with Directive (EU) 2022/2041 of the European Parliament and Council on adequate minimum wages in the EU. SGL Group aims to report on adequate wages starting in 2025.
S1-11	74	Social protection	Social protection refers to all the measures that provide access to health care and income support in cases of challenging life events such as the loss of a job, being sick and in need of medical care, giving birth and raising a child, or retiring and in need of a pension. The total number of employees is expressed on a headcount basis.
S1-15	93	Family-related leave	Family-related leave includes maternity leave, paternity leave, parental leave, and carers' leave available to employees under SGL Group policies, national laws and/or collective agreements.
S1-17	103 a	Incidents of discrimination, including harassment	The number of discrimination-related complaints filed through SGL Group's complaints mechanism / recorded in the HR system. These are incidents or complaints of ill-treatment on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in the reporting period. This includes incidents of harassment as a specific form of discrimination.
S1-17	103 b	Number of complaints	This is the total number of complaints filed through SGL Group's complaints mechanism. This mechanism is available to all stakeholders.
S1-17	104 a	Severe human rights incidents	Severe human rights incidents include instances of lawsuits, formal complaints through SGL Group's whistleblowing or complaint mechanisms and serious allegations in public reports or the media where these are connected to our own workforce. This only includes incidents where the facts of the incidents are not disputed by SGL Group, as well as any other severe impacts of which SGL Group is aware.
S1-6	50 a	Total number of employees	Employee data is recognised based on records from the Group's HR system. The total number of employees is expressed on a headcount basis, and the number of full-time / part-time / permanent / temporary employees is expressed on a headcount basis. The data represents status at year end (31.12.2024).
S1-6	50 c	Number and rate of employee turnover	The number of employees who left SGL Group in the year includes employees who left voluntarily, due to dismissal, retirement or death in service. The employee turnover rate is calculated as the number of employees who have left the company within the reporting year divided by the total number of employees in/on average in the year. All numbers are given on a headcount basis.
S1-6	52 a	Full-time employee	A full-time employee is an employee whose working hours per week, month, or year are defined according to national legislation and practice regarding working time (such as national legislation which defines that 'full-time' means a minimum of nine months per year and a minimum of 30 hours per week).

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
S1-6	52b	Part-time employee	A part-time employee is an employee whose working hours per week, month, or year are less than 'full-time' as defined above.
S1-13	83 b	Average number of training hours per employee	Total training hours offered to and completed by employees divided by the total number of SGL Group employees, calculated on a headcount basis. This is also calculated separately for operational employees.
S1-13		Number of employees who participated in training, and number of courses completed	This is extracted from the SGL Group Academy database.
S1-9	66 a 66b	Women in top management Age distribution Diversity Employee category (manager, director)	Proportion of individuals in top management who are women. Top management is defined as one and two levels below SGL Group's board. Calculations include all employees (full-time and part-time employees), and data is given on a headcount basis. Figures, targets and actions on gender diversity for employees, managers and the Board of Directors are valid for SGL Group (SGL Group ApS and Scan Global Logistics A/S) and include full-time and part-time employees. Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production) are derived from our HR system. Managers are defined as employees with personnel responsibilities.
S1-14	88 b 88 c 88 c 88 d 88 e	Fatality Number of work-related incidents Lost Time Incident Frequency (LTIF) Cases of work-related ill health Days lost to work-related injuries, accidents, fatalities and ill health	A high-consequence work-related injury; a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months. This number includes other workers working on SGL's sites. Total number of work-related incidents that resulted in injury or lost time recorded in the Health & Safety management system during the year. Rate of work-related incidents, calculated as the number of lost-time injuries per million hours worked. Cases of work-related ill health recorded in the H&S management system, including types of cases outlined in the ILO List of Occupational Diseases. This includes the first full day and last day of absence and is calculated based on calendar days (including days the individual is not scheduled for work).
S1-16		Remuneration differences	The remuneration ratio is calculated using a structured approach to ensure consistency and transparency. Monthly Full-Time Equivalent (FTE) data and total remuneration for white- and blue-collar employees are extracted for 2024, aligning with the staff costs note in the financial section of the annual report. The average remuneration per reporting entity is then determined as the best approximation, followed by ranking each entity based on this calculation.
S1-8		Collective bargaining	Number of SGL Group employees covered by a collective bargaining agreement divided by the total number of SGL Group employees.

GOVERNANCE

BUSINESS CONDUCT

RESPONSIBLE BUSINESS: INTEGRITY ACROSS OUR VALUE CHAIN

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

The transport and logistics sector engages with government officials at almost every link in the logistics chain and is, therefore, vulnerable to corrupt business practices, particularly in high-risk countries. As an asset-light, global organisation within the sector, we are continually enhancing our compliance programme and rely on building and maintaining a common understanding of how we expect business to be conducted with our people, suppliers and other third parties.

BUSINESS CONDUCT IMPACTS, RISKS AND OPPORTUNITIES

G1 ESRS 2 SBM-3

The materiality assessment described in ESRS 2 IRO-1 identified the following risk:

Risk of bribery and corruption in certain operations

Certain areas of our organisation are at higher risk of corruption and bribery. SGL Group operates in countries in Sub-Saharan Africa, the Middle East, Asia and Latin America, which have higher risks for bribery and corruption according to Transparency International's 2023 Corruption Perceptions Index, including the use of facilitation payments for cargo clearance. In addition, our Aid & Relief logistics departments are more exposed to the risk of bribery and corruption from government officials.

A bribery or corruption incident could lead to fines and penalties for SGL Group, as well as reputational damage that could undermine our business relationships with customers and suppliers. This risk exists in our own operations, is considered systemic to the industry and the countries referred to and could materialise in the short-, medium- and long-term. This risk has not had any current financial effects. SGL Group mitigates the risk through its whistleblowing system, compliance framework and regular training and awareness-raising for employees.

MATERIAL RISKS, IMPACTS AND OPPORTUNITIES		Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short-term	Time horizon: Medium-term	Time horizon: Long-term
GOVERNANCE & RISK MANAGEMENT							
Risk of bribery & corruption in certain operations	Risk		●		●	●	●

OUR APPROACH TO BUSINESS CONDUCT

G1-1 *Corporate culture*

SGL Group's compliance framework is anchored in SGL Group's virtues, Code of Conduct and Third Party Code of Conduct (formerly titled the Supplier Code of Conduct), alongside specific policies addressing anti-corruption and insider trading (see G1-3 below), as well as human rights, data protection and IT security.

These policies support our employees and suppliers in making decisions aligned with ethical standards. The Board of Directors is ultimately responsible for oversight of SGL's Business Conduct, and the Executive Management Group is responsible for leading by example and driving a culture of business integrity. Risks related to business integrity and compliance are considered as part of SGL Group's Enterprise Risk Management (ERM) process and are registered in the ERM system. Through this approach, we strive to ensure that all business is conducted in a manner that is honest, ethical, and socially responsible across our entire value chain.

Code of Conduct

SGL Group's Code of Conduct sets clear ethical standards for the company and covers all aspects of its operations and daily work. It includes guidelines for proper conduct, such as adherence to human rights, and details the company's commitments to business practices such as diversity, fair competition, and anti-bribery and anti-corruption measures.

The Code of Conduct also covers business integrity, including anti-money laundering regulations and data protection, as well as the company's social responsibilities towards environmental protection and socio-economic development. More information on the Code of Conduct is described in S1-1 Working Conditions.

The Global General Counsel is responsible for the Code of Conduct, which is reviewed annually and updated in line with relevant legislation, with the most recent update occurring in December 2024. Considering the interests of key stakeholder expectations, the policy is guided by the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work and the UK Modern Slavery Act.

Business Conduct training and awareness

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

Whilst SGL Group has not formalised its approach to training in a policy, mandatory business training forms part of the introduction process for new hires. In addition to the Code of Conduct, this covers the following policies: Anti-corruption, Environment, Quality, Health and Safety, Whistle-blower system and Privacy, Human Rights, GDPR and Information Security. SGL Group also requires all employees to take an additional business conduct refresher every two years in the global e-learning platform. All policies related to business conduct are available to all employees via the SGL Group intranet.

Additional mandatory courses included in the Academy provide training and competence development on human rights and sustainable procurement.

During the year, SGL Group focussed on strengthening compliance awareness by updating the whistle-blower training course. Additionally, in 2024 SGL Group conducted mandatory training on sanctions and export control for all Managing Directors.

Compliance Framework

SGL Group takes a risk-based approach to compliance. In 2024, the Group Financial Compliance and Group Legal departments jointly developed a compliance framework that provides an overview of SGL Group's entire risk universe and identifies the main risks before mitigations and controls. This includes non-compliance, trade sanctions violations, regulatory breaches, IT and cybersecurity threats, environmental and safety risks. The risk analysis assesses the likelihood, frequency and potential impact of each identified risk to produce a risk assessment heat map.

The Risk assessment is carried out on an ongoing basis in close collaboration with relevant functions and regions as part of our daily business operations. This process involves evaluating key risks across the Group. Responsibility for implementing mitigating actions is assigned as part of the annual risk assessment in collaboration with the compliance team.

SGL Group's approach to compliance and risk management is complemented by our quality management framework, with 49% of all SGL Group locations globally certified under ISO 9001.

Whistle-blower system

SGL Group provides a Whistle-blower system that allows individuals such as employees, directors, customers, suppliers, and business associates to report any allegations of financial or legal impropriety. The system can be accessed through SGL Group's website, and is governed by the Whistle-blower Policy, which applies across SGL Group and sets the framework for how complaints will be investigated and addressed.

The Global General Counsel is ultimately accountable for the Whistle-blower programme and policy while the responsibility for its implementation sits with the Global Vice President of People, Leadership & Culture and Global General Counsel. Furthermore, the number of whistle-blower cases is reported to the Audit Committee.

All whistle-blowing reports are reviewed and evaluated by an external, independent law firm to assess if the reported concern is applicable under the scope of the policy. Once assessed, the concern is passed to the Global Vice President of People, Leadership & Culture and the Global General Counsel at SGL Group for investigation by the whistle-blower entity. All investigations are handled promptly, independently and objectively and the extent of the investigation will depend on the specific circumstances of the concern. The Whistle-blower Policy sets out that whistle-blowers are protected from any kind of retaliation or discriminatory or disciplinary action as a result of submitting a report. Training on the whistle-blowing system and the whistle-blower Policy is mandatory for all employees. In 2024, 20 (2023: 4) concerns raised through the Whistle-blower system were investigated, 18 of which have been closed to the satisfaction of all concerned. 2 concerns remain in process.

Functions at risk

Certain areas of our organisation are at higher risk for corruption and bribery. Functions most at risk are those holding positions working with government logistics, aid and relief, as well as humanitarian logistics.

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

RESPONSIBLE BUSINESS WITH OUR SUPPLIERS

G1-2 *Management of relationships with suppliers*

This sustainability matter was not found to be material during the materiality assessment (see ESRS 2 IRO-1). The disclosure below is made on a voluntary basis

Third Party Code of Conduct

The success of SGL Group's asset-light model relies on strong relationships with suppliers who adhere to the same ethical principles as the company. The rules and guidelines defined by the Code of Conduct provide SGL Group with the necessary foundation to ensure a consistently high standard in which we conduct our business and day-to-day operations around the world – towards our customers, vendors, internally, and other stakeholders. The Code of Conduct also communicates to our customers, investors, and the public that SGL Group is a reliable, trustworthy partner that combines first-class service with a strong sense of responsibility.

We set out our expectations of our suppliers in our Third Party Code of Conduct ('the Third Party Code').

The Third Party Code addresses potential risks and impacts related to labour practices, human rights, health and safety, the environment, and bribery and corruption across our value chain. The Third Party Code applies to all companies who do business with any SGL Group company, including all customers, suppliers, business partners and agents.

We expect suppliers to prioritise occupational health and safety and environmental compliance, and to support SGL Group's goal of reducing Scope 3 emissions and reaching net-zero emissions by 2050. This includes providing data on GHG emissions and setting emissions reduction targets for their operations, which must be aligned with the reduction targets and trajectory from the Paris Agreement.

Primary suppliers are required to sign our Third Party Code and to share this code with their sub-contractors and other business associates who are involved in providing the goods and services outlined in the main contract. SGL Group may terminate a contract with a supplier who violates the Third Party Code or refuses, if asked, to take part in a remediation plan. The Global General Counsel is accountable for the Third Party Code, which is reviewed annually and updated in line with relevant legislation. The most recent update was in December 2024. The policy was designed to comply with international frameworks such as the UN Global Compact, the UN Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work, addressing key stakeholder expectations for responsible business conduct. More information on the Third Party Code is included in S2-1.

In 2024, SGL Group developed a supplier management tool and conducted over 150 supplier assessments globally following a risk-based approach. In 2024, SGL Group conducted 20 (2023: 15) onsite supplier audits and 130 (2023: 84) additional evaluations that were conducted through virtual interaction or surveys.

Supplier selection

SGL Group does not currently take social and environmental criteria into account when selecting suppliers. The introduction of Validaide, a digital system for managing healthcare and pharmaceutical shipments, has significantly improved our ability to assess and choose airlines and ocean carriers. In 2024 SGL Group enhanced its Validaide processes to enable more lane risk assessments.

Responsible treatment of suppliers

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

ANTI-CORRUPTION AND BRIBERY

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

We have a zero-tolerance approach to bribery and corruption and are committed to conducting ourselves ethically and with integrity in all our business dealings and relationships worldwide

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

SGL Group's approach to bribery, fraud and corruption is made clear to all employees through the Code of Conduct and Anti-Corruption Policy, and through mandatory training for all employees (see G1-1 above). The Anti-Corruption Policy defines the responsibilities and standards expected of members of SGL Group's workforce regarding bribery and corruption and provides guidance on recognising and addressing bribery and corruption. The policy applies to all individuals working at SGL Group at all levels, and the Global General Counsel and Group Compliance Officer are the most senior people accountable for its implementation. The policy, like all policies, is reviewed annually to ensure the highest ethical standards continue to be met by our customers and partners.

SGL Group communicates ethical principles to all suppliers through the Third Party Code of Conduct and through supplier management and due diligence processes (see G1-2 above). All policies are publicly available on SGL Group's website. SGL Group encourages employees, suppliers, customers and other stakeholders to report allegations concerning corruption, bribery, fraud and all other matters of legal or financial wrongdoing through our whistle-blowing mechanism (see G1-1 above) or by contacting the Group Compliance Officer.

Concerns submitted directly to the Group Compliance Officer are reviewed and assessed by the Group Compliance Officer and the Global General Counsel. Following this assessment, SGL Group will launch an investigation into the incident. Investigating bribery/anti-corruption cases requires a systematic and thorough approach to gathering evidence, analysing information, and identifying any potential wrongdoing. All corruption and bribery allegations reported either through the Whistle-blower System or by other reporting channels, are separate from the chain of management involved in the matter. Executive Management and Audit Committee will be included in the process if deemed relevant and will always be notified at the end of each case about whistle-blower reporting outcomes.

Corruption and bribery training

SGL Group provides mandatory anti-corruption and bribery training for all employees through our online Academy courses. Training comes in varying formats; blended learning, reading material, quizzes, video material, as well as a final exam. The topics covered mirror the topics covered by our Anti-corruption policy: bribery and corruption, gifts and entertainment, anti-fraud, facilitation payments, fair competition, donations and how to raise concerns. This is an ongoing requirement for all employees to complete as part of their onboarding, and every two years thereafter. 100% of at-risk functions (see G1-1 above) are therefore covered by the training programmes. During 2024, 85% (2023: 85%) of employees were trained on our Code of Conduct, 84% (2023: 83%) were trained on the Anti-Corruption Policy and 81% (2023: 78%) were trained on the Information Security Policy.

INCIDENTS OF CORRUPTION AND BRIBERY

G1-4 *Incidents of corruption or bribery*

There were no reported breaches of the Code of Conduct in 2024 (2023: 0). No incidents relating to human rights, fraud, corruption, bribery or breach of anti-trust or competition laws were reported in 2024 (2023: 0). SGL Group did not receive any convictions or fines for violation of anti-corruption or anti-bribery laws, nor has it been the subject of any legal actions relating to corruption or bribery in 2024 (2023: 0). No action to address breaches was therefore needed or taken in the year.

MANDATORY TRAINING

	2023	2024
ANTI-CORRUPTION: 3,910 EMPLOYEES TRAINED	83%	84%
CODE OF CONDUCT: 3,959 EMPLOYEES TRAINED	85%	85%
ENVIRONMENTAL POLICY: 3,892 EMPLOYEES TRAINED	82%	84%
FUNDAMENTAL GDPR: 3,797 EMPLOYEES TRAINED	81%	82%
HEALTH AND SAFETY POLICY: 3,835 EMPLOYEES TRAINED	82%	83%
HUMAN RIGHTS POLICY: 3,849 EMPLOYEES TRAINED	76%	83%
INFORMATION SECURITY POLICIES: 3,745 EMPLOYEES TRAINED	78%	81%
QUALITY POLICY: 4,436 EMPLOYEES TRAINED	81%	96%
SUSTAINABLE PROCUREMENT POLICY: 3,918 EMPLOYEES TRAINED	74%	85%
WHISTLEBLOWER POLICY: 3,771 EMPLOYEES TRAINED	76%	81%

G1-5 *Political influence & lobbying activities*
This sustainability matter was not found to be material during the materiality assessment (see ESRS 2 IRO-1). The disclosure below is made on a voluntary basis. SGL Group does not provide funding to political parties. We only make charitable contributions that comply with local laws and ethical standards. All donations must be approved by the Global General Counsel before they are made. SGL Group is a member of a number of trade and business associations in Denmark and other countries where we operate. The total annual contribution for these memberships is DKK 1,084,264. No members of the Board of Directors, Executive Management Group or management team of SGL Group have held roles in public administration or regulatory bodies in the two years prior to the 2024 reporting period.

STATUTORY DECLARATION UNDER SECTION §99D OF THE DANISH FINANCIAL STATEMENTS ACT

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

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

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

The Chief Information Officer is the most senior person accountable for the policy. The policy is available at www.scangl.com/about/policies

Information security, controls and awareness campaigns
SGL Group has a comprehensive group policy covering Information Security. This Information Security Policy sets a common standard for information security throughout SGL Group and provides a frame of reference and consistency on SGL information security. The Information Security Policy applies to all systems, employees, and external vendors with access to SGL information systems, infrastructure, and data in the following companies.

In 2024, we have continued our cyber security programme, designed to protect, and improve the confidentiality, integrity and availability of all systems and data within the SGL Group. The cyber security programme and our IT Security Policies are ISO27001 certified, and include both, Policies, Processes, Training, Tools & Technology. The programme is overseen by our CIO and the Head of IT Security and supported by the Executive Group Management.

During 2024, SGL has conducted multiple Cyber Security Awareness campaigns with the aim of improving our user's ability to identify and report security incidents. Each campaign included multiple training modules, simulated phishing campaigns & hints and tips that have been mandatory for all users to participate in. This has, among other things, resulted in a significant increase in our user's ability to identify phishing emails, and automatically report them to our security team.

During 2024, we have successfully deployed multiple new global systems and solutions, all designed to keep the confidentiality, integrity and availability of SGL information intact. We are following data privacy legislation and IT security best practises to update our policies and procedures in accordance with these.

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

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

Additionally, the objective of the policy is to contribute to the prevention of breaches of personal data security, to ensure mitigation of damages suffered and the rapid reestablishment of adequate protection. The Executive Management oversees personal data protection in the SGL Group. The GDPR management ensures operational implementation and maintenance. They develop policies, manuals, and instructions, provide awareness tools for employee education and offer advice and support on data protection.

We have had no incidents concerning breaches of customer data and Cyber Security Incidents during 2024.

The personal data protection policies, handbooks and instructions will be revised regularly and at least once a year by the GDPR management. Any changes of the Personal Data Protection Group Policy shall be approved by the Executive Management.

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

During 2024, 82% of all SGL Group employees globally completed the e-learning pertaining to Information Security practices and processes. Also, 83% of all SGL Group employees globally completed the e-learning pertaining to GDPR practices and processes.

ACCOUNTING POLICIES – GOVERNMENT

ESRS DR	PARAGRAPH	DATA POINT/ METRIC	ACCOUNTING POLICY
G1-1	10 c	How SGL Group protects whistle-blowers	All reports are handled following the approved guidelines for managing whistle-blower reports by the Audit Committee, which holds ultimate responsibility for the whistle-blower programme. Only cases that are concluded within the fiscal year and have been acknowledged as fully or partially substantiated by the Audit Committee are disclosed.
G1-4	24 a	Legal action (ESRS wording= Number of convictions for violation of anti-corruption and anti-bribery laws)	The number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation.
G1-4	24 a	Amount of monetary losses	Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations.
G1-4	25 a	Number of confirmed incidents of corruption or bribery	Determined by number within the reporting year.
G1-4	25 b	Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Determined by number within the reporting year.
G1-4	25 c	Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Determined by number within the reporting year.
G1-5	AR12	Total annual amount paid for industry association memberships	Total number of paid invoices to industry association membership.

ESRS CONTENT INDEX

DISCLOSURE REQUIREMENT

IRO-2 *Disclosure Requirements in ESRS covered by the undertaking's sustainability statement*

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
ESRS 2 - General Disclosures	
BP-1 General basis for preparation of the sustainability statement	34
BP-2 Disclosures in relation to specific circumstances	34
GOV-1 The role of the administrative, management and supervisory bodies	27
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	28
GOV-3 Integration of sustainability-related performance in incentive schemes	28
GOV-4 Statement on due diligence	35
GOV-5 Risk management and internal controls over sustainability reporting	35
SBM-1 Strategy, business model and value chain	35
SBM-2 Interests and views of stakeholders	35
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	39
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	36
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	39

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	28
E1-1 Transition plan for climate change mitigation	45
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model	46
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	36
E1-2 Policies related to climate change mitigation and adaptation	49
E1-3 Actions and resources in relation to climate change policies	49
E1-4 Targets related to climate change mitigation and adaptation	51
E1-5 Energy consumption and mix	51
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	53
E1-7 GHG removals and GHG mitigation projects financed through carbon credits	Not material
E1-8 Internal carbon pricing	Not material
E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	53

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	36
E2-1 Policies related to pollution	61
E2-2 Actions and resources related to pollution	61
E2-3 Targets related to pollution	61
E2-4 Pollution of air	62
E2-5 Substances of concern and substances of very high concern	Not material
E2-6 Anticipated financial effects from material pollution-related impacts, risks and opportunities	Not material
E3 Water and marine resources	**Not material**
S1- Own workforce	
ESRS 2 SBM-2-S1 – Interests and views of stakeholders	35
ESRS 2 SBM-3-S1 - Material impacts, risks and opportunities and their interaction with strategy and business model	66
S1-1 Policies related to own workforce	66
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	67
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	67

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	68
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	68
S1-6 Characteristics of the undertaking's employees	75
S1-7 Characteristics of non-employees in the undertaking's own workforce	Phase-in
S1-8 Collective bargaining coverage and social dialogue	68
S1-9 Diversity metrics	72
S1-10 Adequate wages	68
S1-11 Social protection	69
S1-12 Persons with disabilities	Not material
S1-13 Training and skills development metrics	72
S1-14 Health and safety metrics	74
S1-15 Work-life balance metrics	69
S1-16 Remuneration metrics (pay gap and total remuneration)	71
S1-17 Incidents, complaints and severe human rights impacts	69

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
S2- Workers in the value chain	
ESRS 2 SBM-2-S2 Interests and views of stakeholders	35
ESRS 2 SBM-3-S2 Material impacts, risks and opportunities and their interaction with strategy and business model	75
S2-1 Policies related to value chain workers	75
S2-2 Processes for engaging with value chain workers about impacts	75
S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	75
S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	75
S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	75
S3- Affected communities	
ESRS 2 SBM-2-S3 – Interests and views of stakeholders	35
ESRS 2 SBM-3-S3 - Material impacts, risks and opportunities and their interaction with strategy and business model	77
S3-1 Policies related to affected communities	77
S3-2 Processes for engaging with affected communities about impacts	77

LIST OF MATERIAL DRS	PARAGRAPH OR PAGE REFERENCE
S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns	78
S3-4 Taking action on material impacts on affected communities and approaches to managing risks and pursuing opportunities related to affected communities and effectiveness of those actions	78
S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	78
G1 - Business Conduct	
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	27
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities	36
G1-1 Business conduct policies and corporate culture	81
G1-2 Management of relationships with suppliers (not material)	82
G1-3 Prevention and detection of corruption and bribery	82
G1-4 Incidents of corruption or bribery	82
G1-5 Political influence and lobbying activities (not material)	83

DISCLOSURE REQUIREMENT

IRO-2 *Disclosure Requirements in ESRS covered by the undertaking's sustainability statement*

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	27
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	27
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	35
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	45
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	51
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	51-52
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	51-52
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	51-52
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	53-54
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	53-54
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material, omitted by phase in	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material, omitted by phase in	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral.			Material, omitted by phase in	
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material, omitted by phase in	
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Material	62

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material	
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material	

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	66
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	66
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	66
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	67
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	74
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	74
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	71
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	71
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	69
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	69
ESRS 2- SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Material	75

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Material	75
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material, but disclosed	75
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Material	75
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material, but disclosed	76
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Material	77
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material, but disclosed	77
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material, but disclosed	78

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL	PAGE (AND PARAGRAPH) REFERENCE
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	81
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	81
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material	
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	82

CONSOLIDATED FINANCIAL STATEMENTS

'Oasis of Growth Commercial Workshop – Just Sell'

INCOME STATEMENT

EURm	NOTES	2024	2023
Revenue	2.1, 2.2	2,383	1,162
Cost of operation	2.3	(1,867)	(893)
Gross profit		**516**	**269**
Other external expenses		(85)	(40)
Staff costs	2.4	(236)	(127)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items		**195**	**102**
Amortisation and depreciation	3.1, 3.2	(83)	(42)
Operating profit (EBIT) before special items		**112**	**60**
Special items, net	2.5	(41)	(32)
Operating profit (EBIT)		**71**	**28**
Financial income	4.1	11	16
Financial expenses	4.1	(119)	(81)
Result before tax		**(37)**	**(37)**
Income tax for the year	5.1	(17)	(14)
Result for the year		**(54)**	**(51)**
Total income for the year attributable to Owners of the Parent Company		(57)	(53)
Non-controlling interest		3	2
Total		**(54)**	**(51)**

STATEMENT OF OTHER COMPREHENSIVE INCOME

EURm	NOTES	2024	2023
Result for the year		(54)	(51)
Items that will be reclassified to income statement when certain conditions are met:			
Exchange rate adjustment		16	(9)
Other comprehensive income, net of tax		**16**	**(9)**
Total comprehensive income for the year		**(38)**	**(60)**
Total comprehensive income for the year attributable to owners of the Parent Company		(41)	(58)
Non-controlling interests		3	(2)
Total		**(38)**	**(60)**

BALANCE SHEET

EURm	NOTES	2024	2023
ASSETS			
Intangible assets	3.1	1,575	1,424
Property, plant and equipment	3.2	91	83
Other receivables	3.3	11	9
Deferred tax assets	5.2	12	7
Investments in joint ventures		3	-
Total non-current assets		**1,692**	**1,523**
Trade receivables	3.3, 4.2	432	265
Contract assets	3.3, 4.2	55	42
Receivables from related parties	4.2, 6.4	1	3
Corporate tax receivables		4	4
Other receivables	3.3	17	12
Prepayments		29	32
Cash and cash equivalents	4.2	75	142
Total current assets		**613**	**500**
Total assets		**2,305**	**2,023**

EURm	NOTES	2024	2023
EQUITY AND LIABILITIES			
Share capital		0	0
Currency translation reserve		11	(5)
Retained earnings		821	880
Equity attributable to Parent Company		**832**	**875**
Non-controlling interests		(0)	(0)
Total equity		**832**	**875**
Borrowings	4.2	892	726
Lease liabilities	4.2	22	41
Deferred tax liabilities	5.2	41	45
Other payables	3.3	62	12
Total non-current liabilities		**1,017**	**824**
Bank debt		-	6
Trade payables	3.3	182	139
Accrued trade expenses	3.3	81	84
Current tax liabilities		26	18
Lease liabilities	4.2	48	22
Deferred income	3.3	4	2
Other payables	3.3	115	53
Total current liabilities		**456**	**324**
Total liabilities		**1,473**	**1,148**
Total equity and liabilities		**2,305**	**2,023**

STATEMENT OF CASH FLOWS

EURm	NOTES	2024	2023
Result for the year		(54)	(51)
Adjustment of non-cash items:			
Income taxes in the income statement	5.1	17	14
Depreciation and amortisation	3.1, 3.2	83	42
Financial income	4.1	(11)	(16)
Financial expenses	4.1	119	81
Change in working capital	3.3	(125)	5
Interest received		-	10
Interest paid		(86)	(64)
Tax paid		(33)	(19)
Cash flows from operating activities		**(90)**	**2**
Purchase of software and other intangible assets		(17)	(6)
Purchase of property, plant and equipment		(12)	(8)
Investments in group companies	6.1	(71)	(78)
Purchase of shares in joint ventures and associates		(3)	-
Cash flows from investing activities		**(103)**	**(92)**
Free cash flow		**(193)**	**(90)**

EURm	NOTES	2024	2023
Capital increase		0	79
Purchase of non-controlling interests		(2)	-
Dividend paid to non-controlling interests		(3)	(1)
Deposits		-	2
Proceeds from issuing bonds	4.2	587	722
Bonds acquired		-	(363)
Redemption of bond loan	4.2	(494)	(193)
Proceeds from long-term loans	4.2	68	-
Credit facilities, financing fees		(3)	-
Redemption of lease liabilities	4.2	(22)	(13)
Cash flows from financing activities		**131**	**233**
Change in cash and cash equivalents		**(62)**	**143**
Cash and cash equivalents			
Cash and cash equivalents beginning of year		136	0
Exchange rate adjustment of cash and cash equivalents		1	(7)
Change in cash and cash equivalents		(62)	143
Cash and cash equivalents end of year	**4.2**	**75**	**136**

STATEMENT OF CHANGES IN EQUITY

EURm	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO PARENT COMPANY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
2024						
Equity at 1 January	**0**	**(5)**	**880**	**875**	**(0)**	**875**
Result for the year	-	-	(57)	(57)	3	(54)
Other comprehensive income, net of tax	-	16	-	16	-	16
Total comprehensive income, net of tax	**-**	**16**	**(57)**	**(41)**	**3**	**(38)**
Purchase of non-controlling interests	-	-	(2)	(2)	-	(2)
Dividend distributed, non-controlling interests	-	-	-	-	(3)	(3)
Total transactions with owners	**-**	**-**	**(2)**	**(2)**	**(3)**	**(5)**
Equity at 31 December	**0**	**11**	**821**	**832**	**(0)**	**832**
2023						
Equity at 1 January	**0**	**-**	**0**	**0**	**-**	**0**
Result for the year	-	-	(53)	(53)	2	(51)
Other comprehensive income, net of tax	-	(5)	-	(5)	(4)	(9)
Total comprehensive income, net of tax	**-**	**(5)**	**(53)**	**(58)**	**(2)**	**(60)**
Dividend distributed, non-controlling interests	-	-	-	-	(1)	(1)
Capital contribution	0	-	933	933	-	933
Acquisition of non-controlling interests	-	-	-	-	3	3
Total transactions with owners	**0**	**-**	**933**	**933**	**2**	**935**
Equity at 31 December	**0**	**(5)**	**880**	**875**	**(0)**	**875**

On 31 December 2024, the share capital of SGL Group ApS amounted to 400,000 shares (2023: 400,000 shares) with a nominal value of DKK 1 each, with all shares ranking equally.

NOTES

1. BASIS OF PREPARATION

Accounting policies specifically applying to a particular note, is detailed within that specific note. This section highlights the Group's general accounting policies relevant to the financial statements as a whole. Additionally, this section highlights key accounting estimates and judgements identified by Management that could significantly affect the Group's consolidated financial statements. References are provided to the respective notes impacted by these critical estimates and judgements.

Moreover, this section includes information on new accounting standards that the Group intends to adopt in upcoming years, along with Management's current assessment of how these changes are expected to influence the Group's financial reporting.

1.1 MATERIAL ACCOUNTING POLICIES

Basis of presentation
The 2024 Annual Report of SGL Group has been prepared in accordance with the IFRS Accounting Standards as adopted by the European Union and additional disclosure requirements applicable to enterprises in accounting class D under the Danish Financial Statements Act.

The Annual Report of SGL Group comprises the consolidated financial statements of SGL Group ApS and its subsidiaries. The financial statements were authorised for issue by the Board of Directors on 28 March 2025.

The accounting policies in the Annual Report for 2024 follow the same accounting policies as for the Annual Report for 2023 except for any new, amended or revised accounting standards and interpretations (IFRS) as described below.

Functional currency
SGL Group's consolidated financial statements are presented in Euro rounded to millions (EURm). For each entity, SGL Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

Materiality in financial reporting
Our focus is to present information that is considered of material importance for our stakeholders in a simple and structured way. Disclosures that IFRS requires are included in the annual report, unless the information is considered of immaterial importance to the users of the annual report.

Consolidation
The consolidated financial statements comprise the parent, SGL Group ApS, and entities controlled by the parent. Control is presumed to exist when SGL Group is exposed to or has rights to variable returns from its involvement with the entity SGL Group can affect those returns through its power to direct the entity's activities.

The Consolidated Annual Report is prepared based on the Financial Statements of all group enterprises under SGL Group's accounting policies by combining accounting items of a uniform nature. Elimination comprises intercompany income and expenses, unrealised intercompany profits and losses, balances and shareholdings.

Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises. Recently acquired or sold subsidiaries are recognised in the consolidated income statement for the period the parent controls such entities.

Accounting items attributable to group companies are recognised in full in the consolidated annual report. Non-controlling interests' share of group companies' profit or loss for the year and equity is recognised as separate items in the income statement and the statement of changes in equity.

Foreign currency translation
Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate on the transaction date. Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the balance sheet date realised and unrealised exchange gains and losses are recognised in the income statement as financial income and expenses.

Cash flow statement
Cash flows from operating activities are presented using the indirect method and are made up of the result for the year, adjusted for non-cash operating items, changes in working capital, paid and received interests and paid income taxes. Cash flows from investing activities comprise cash flows from investments in group companies as well as intangible and tangible assets.

Cash flows from financing activities comprise the changes in SGL Group's debt and equity composition mainly related to bond debt, credit facilities and repayment of lease debt.

iXBRL reporting
SGL is required to prepare and file the annual report in the European Single Electronic Format (ESEF). The ESEF regulation entails that the annual report is drawn up and disclosed using the XHTML format and that primary statements and notes are block tagged using the inline eXtensible Business Reporting Language (iXBRL).

The iXBRL tags comply with the ESEF taxonomy, an extension to the taxonomy created. The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML, documents and specific technical files, all included in a ZIP file named SGL-2024-12-31-en.

Alternative Performance Measures (APM)
To describe our financial performance and position, SGL discloses specific financial measures not defined according to IFRS throughout the Annual Report to describe our financial performance and position. The most commonly used APMs are:

- EBITDA before special items
- Operating profit (EBIT) before special items
- Net interest-bearing debt (NIBD)
- Net working capital

We disclose the alternative performance measures (APM) as they are essential in managing our business and achieving our strategic goals. They ultimately provide valuable information to our stakeholders and management for evaluating and analysing our performance. The financial measures should not be considered as a replacement for performance measures defined under IFRS but rather as supplementary information. The APMs are non-IFRS financial measures defined and calculated by SGL Group and thus may not be comparable with measures provided by peers or other companies. Refer to note 2.5 for further disclosure of Special Items. Our definitions of the financial measures are included in note 6.5.

In Management's review, we disclose figures referred to as pro forma numbers. Pro forma numbers include performance prior to SGL Group ApS' acquisition of the combined group of companies in the Scan Global Logistics Group formerly reported under the SGLT Holding parent company. The pro forma numbers will be used to compare our performance and show the development on a like-for-like basis.

New accounting regulations adopted in 2024
SGL Group has implemented the latest IFRS Accounting Standards and amendments effective as of 1 January 2024 as adopted by the European Union. All amendments to the IFRS Accounting Standards effective for the financial period have been implemented where relevant as a basis for preparing the consolidated financial statements and notes to the statements.

The implementation of the amendments to IAS 1 for presentation of non-current liabilities with covenants have been applied as of 1 January 2024. The impact from the implementation of the amendment did not have any material impact on the recognition or presentation of the Group's financial liabilities subject to covenants. The Group's covenants are described in note 4.2 in the section on how SGL Group manage liquidity risk.

New accounting regulations not yet adopted
The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the Annual Report in 2024. SGL Group intends to adopt these new and amended accounting standards and interpretations if applicable, when they become mandatory.

The new or amended standards and interpretations are currently not expected to carry any significant impact on the financial statements of the SGL Group when implemented.

SGL Group is currently working to identify all impacts from implementing IFRS 18 will have on the primary financial statements and notes to the financial statements.

1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of SGL Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The accounting estimates and judgements deemed significant by Management for the preparation and understanding of the consolidated financial statements are listed below.

Revenue recognition

Revenue from service is recognised with reference to the stage of completion, determined as the time elapsed at the reporting date and the total expected time to render the service contracts. Consequently, judgement is applied when determining the stage of completion for shipments.

Although Management believes the assumptions made to measure revenue and contract assets are appropriate, possible unforeseeable changes in these assumptions may result in revenue and contract assets changes in subsequent periods. Refer to note 2.2 for more details.

Valuation of goodwill

Goodwill is not subject to amortisation but is tested annually for impairment. Assessing expected future cash flows and setting discount rates involves estimating based on approved forecasts and market data. Estimates are applied when estimating the value of goodwill. Refer to note 3.1 for more details.

Business combinations

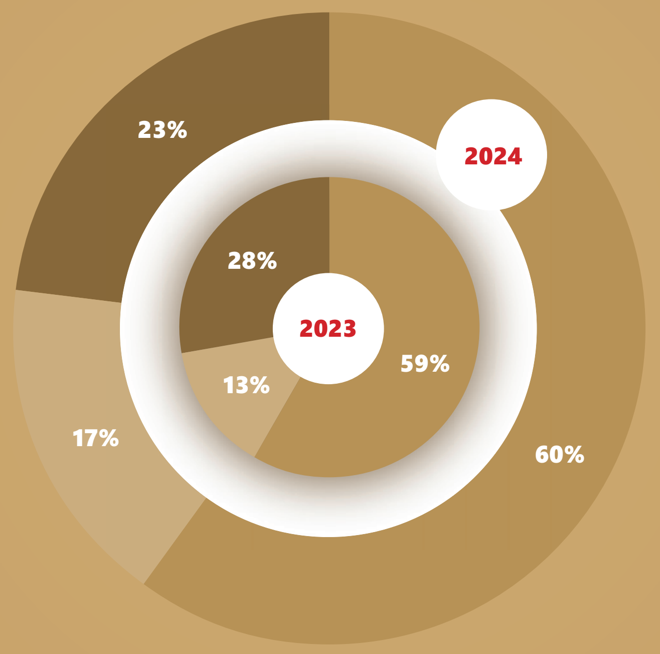
Upon acquisition of companies, the acquired company's identifiable assets, liabilities and contingent liabilities must be recognised using the acquisition method at fair value. Estimates are applied when estimating the fair value of the goodwill, customer relations, trademarks, other intangibles and receivables for the acquired companies. Contingent consideration is measured at fair value and any subsequent changes to contingent consideration are recognised in the income statement within operating profit. Refer to note 6.1 for more details.

Climate-related risks

Management continuously monitors climate-related risks. The climate-related risks have been assessed where deemed that they may impact the reported amounts in preparing the consolidated financial statements. Management has assessed that climate-related risks did not significantly impact our estimates and judgements. Further, SGL is an asset-light business, so Management assesses that climate changes have no significant impact on impairment of assets, and neither are climate changes expected to have a significant impact on the Group's going concern assessment. Refer to the description of climate-related risks and opportunities in the Sustainability section on page 38.

2. OPERATING ACTIVITIES

REVENUE SPLIT PER GEOGRAPHICAL AREA



SGL is a global company driven by a dedicated workforce. This section dives deeper into the core operating activities, highlighting key metrics that reflect our business performance.

As SGL is committed to both organic growth and strategic expansion, the costs associated with strategic investments in mergers and acquisitions are essential for enabling growth. Therefore, these investments are not seen as unusual or adverse but rather as integral to the business model but separated from the core business under special items.

2.1 SEGMENT INFORMATION

EURm 2024	AIR & OCEAN	ROAD	SOLUTIONS	TOTAL
Net revenue	**2,133**	**230**	**20**	**2,383**
Cost of operation	(1,675)	(180)	(12)	(1,867)
Gross profit	**458**	**50**	**8**	**516**
Other external expenses and staff cost	(268)	(47)	(6)	(321)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**190**	**3**	**2**	**195**
Amortisation and depreciation				(83)
Operating result (EBIT) before special items				**112**
Special items, net				(41)
Financial Items, net				(108)
Result before tax				**(37)**

EURm 2023	AIR & OCEAN	ROAD	SOLUTIONS	TOTAL
Net revenue	**967**	**175**	**20**	**1,162**
Cost of operation	(741)	(141)	(11)	(893)
Gross profit	**226**	**34**	**9**	**269**
Other external expenses and staff cost	(133)	(27)	(7)	(167)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**93**	**7**	**2**	**102**
Amortisation and depreciation				(42)
Operating result (EBIT) before special items				**60**
Special items, net				(32)
Financial Items, net				(65)
Result before tax				**(37)**

SGL Group's reportable segments are determined based on the operational and management structure of the group and reflect the types of services SGL Group provides. The segment reporting is prepared in line with the SGL Group's internal management and reporting structure and comprise the 3 segments: Air & Ocean, Road and Solutions.

The business segments are measured and reported down to EBITDA before special items, which aligns with reporting to management. Segment performance is measured consistently with the profit or loss in the consolidated income statement.

Geographical information on significant countries
The geographical information of SGL Groups' net revenue and non-current assets is disclosed for countries that individually constitute more than 5% of the Group's net revenue.

The split of revenue and non-current assets is based on the geographical location from which the sales transaction originates and the physical location of the assets.

Moreover, Denmark is the country where the Parent company of the Group is registered and where SGL's headquarter is located.
Due to CVC's acquisition of SGL Group in May 2023, intangible assets were not allocated on country level by the time of the Annual Report 2023. Subsequently, the allocation of intangible assets has been made, and therefore non-current assets less deferred tax assets for 2023 have been updated. Previously, intangible assets were allocated under 'Other countries'.

EURm	NET REVENUE		NON-CURRENT ASSETS LESS DEFERRED TAX ASSETS	
	2024	**2023**	**2024**	**2023**
Denmark	683	374	410	414
USA	471	299	365	333
Greater China	203	77	191	184
Sweden	139	75	70	74
Spain	119	49	71	72
Other countries	768	288	573	439
Total	**2,383**	**1,162**	**1,680**	**1,516**

ACCOUNTING POLICIES

Business segments
The operations are organised into three reportable segments (Air & Ocean, Road and Solutions) which form the segment reporting.

The core business of SGL Group is within the Air & Ocean segment. In contrast, the Road and Solutions activities are smaller in a Group context and are primarily within a limited geographic area (Europe and North America). The specific project business of SGL Group is also reported within the Air & Ocean segment.

Segment information
The segment information is based on SGL Group's operational and management structure and reflects the types of services SGL Group provides. The segment reporting is prepared in line with the SGL Group's internal management and reporting structure.

Air & Ocean services
Air & Ocean services comprise air- and ocean freight logistics facilitating transportation of goods globally. This includes special projects departments (Aid & Relief transports, special transportations of cars, handling on- & offshore transportation, expedited critical moves, vessel- & specialised tonnage charter and barge services, heavy lift and crane installation, port services, onsite inspection as well as inland- and final mile haulage etc.).

A typical Air or Ocean shipment would include services rendered at origin, such as pick-up and delivery to port, freight services from origin to destination port and destination services, such as customs clearance and final delivery.

Road services
Road services comprise road freight logistics facilitating transportation of goods by road networks within Europe and North America.

Solutions services
For Solutions, the services performed are related to customer contracts for warehouse and distribution activities, whereby services performed are storage, handling and distribution.

2.2 REVENUE

EURm	EMEA 2024	EMEA 2023	APAC 2024	APAC 2023	AMERICAS 2024	AMERICAS 2023	TOTAL 2024	TOTAL 2023
Air & Ocean	1,326	613	401	158	406	196	2,133	967
Road	81	58	-	-	149	117	230	175
Solutions	20	12	-	-	0	8	20	20
Total	**1,427**	**683**	**401**	**158**	**555**	**321**	**2,383**	**1,162**

Primary Geographical markets
SGL Group has operations in more than 55 countries worldwide. The operations are divided into three primary geographical regions:

- EMEA: Europe, Middle East and Africa
- APAC: Asia and the Pacific
- Americas: North- and South America

Revenue is allocated to the geographical areas based on the geographical location of the individual entity.
SGL Group's revenue solely comprises the sale of freight forwarding services. The revenue from the services provided is recognised as the service is delivered, as the customers are considered to simultaneously receive and consume the freight forwarding service.

Major customers
No single customer represents more than 10% of SGL Group's total revenue, hence, SGL's business does not rely on any major customers.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Revenue from services is recognised with reference to the stage of completion determined as the time elapsed at the reporting date and the total expected time to render the service contracts.

Consequently, judgements are applied when determining the stage of completion for shipments.

Although Management believes the assumptions made to measure revenue and contract assets are appropriate, possible unforeseeable changes in these assumptions may result in revenue and contract assets changes in subsequent periods.

ACCOUNTING POLICIES

Revenue from freight forwarding services is recognised in accordance with the over-time recognition principle. Most freight forwarding services and related services are characterised by short delivery times, except for ocean services, which usually take longer due to the nature of the transport service.

Revenue comprises freight forwarding services, contract logistics and other related services delivered in the year.

Revenue from services delivered is recognised in accordance with the over-time recognition principles following the satisfaction of various milestones as the performance obligation is fulfilled towards the customer. The primary services comprise Air, Ocean, Road and Solutions services, described in note 2.1.

Revenue generated within the Air & Ocean and Road activities typically comprises services such as pick-up, delivery to port, freight and destination services e.g., customs clearance.

These services are considered to represent one single performance obligation satisfied over time. Measurement of the fulfillment of the performance obligation is based on the status of the shipment by carriers. Revenue from Solutions activities is mainly related to contracts comprising warehousing and distribution services. These services represent a series of distinct services, considered to be one single performance obligation. Revenue is recognised as the services are rendered.

Contract assets are recorded for unbilled work in progress, whereas amounts received for not yet completed services are presented as contract liabilities.

Revenue from services delivered is measured at fair value net of VAT, all types of discounts/rebates granted, and net of other indirect taxes charged on behalf of third parties.

2.3 COST OF OPERATION

EURm	2024	2023
Cost related to provision of freight services	1,831	874
Staff costs	20	9
Other operation costs	16	10
Total cost of operation	**1,867**	**893**

ACCOUNTING POLICIES

The cost of operation comprises costs incurred to generate the revenue for the year. The cost of operations includes the settlement with shipping companies, airlines and haulage contractors, etc., and wages and salaries relating to own staff used to fulfill customer contracts.

2.4 STAFF COST

Staff costs comprise salaries and related costs to employees of SGL Group. Expenses related to temporary staff are generally included as wages and salaries.

The increase in both staff costs and average number of full-time employees is primarily due to the acquisition of SGL Group in May 2023, resulting in the comparative figures for 2023 only comprising 7 months of operational activity.

The key management personnel of SGL Group comprise members of the GLT, including Executive Management. Members of the GLT have the authority and responsibility for planning, directing and controlling the activities of SGL Group.

The members of the GLT are included in an annual cash bonus scheme. Bonuses are determined on the basis of financial performance of SGL Group and recognised as wages and salaries.

EURm	2024	2023
Staff cost		
Wages and salaries	227	123
Pensions	12	5
Other social security costs	29	15
Total gross staff costs	**268**	**143**
Transferred to cost of operation	(20)	(9)
Transferred to special items	(12)	(7)
Total staff costs	**236**	**127**
Average number of full-time employees	4,097	2,072*

EURm	GLT MEMBERS		
	BOARD OF DIRECTORS	EXECUTIVE MANAGEMENT	OTHER GLT MEMBERS
2024			
Wages and salaries	0.2	1.5	4.7
Pensions	-	0.1	0.2
Total	**0.2**	**1.6**	**4.9**
2023			
Wages and salaries	0.1	2.0	2.8
Pensions	-	0.1	0.2
Total	**0.1**	**2.1**	**3.0**

ACCOUNTING POLICIES

Staff costs comprise salaries, wages, pensions, social security costs and cash bonuses, except staff costs recognised under costs of operation and special items. Staff costs are recognised in the year SGL Group's employees performed the related work.

Termination benefits are expensed when an agreement has been reached between the Group and the employee and when no further service is performed by the employee.

** 2023 Average number of FTEs is restated, previously reported as 3,075. The average calculation only included 7 months, due to the acquisition of the SGL Group. However, the acquirer was established in November 2022, therefore, a new average has been calculated with 0 FTEs from January to May and reported figures from June to December.*

2.5 SPECIAL ITEMS, NET

In 2024, the M&A costs primarily relate to the acquisitions of Foppiani Shipping & Logistics Group and the acquisition of Blu Logistics Brasil Transportes Internacionais LTDA.

Greenfield activities during the year primarily relate to establishing in Saudi Arabia, Colombia and Slovakia.

Restructuring costs are driven by restructuring initiatives mainly within North America.

EURm	2024	2023
M&A activities, greenfield activities and other transaction-specific costs	(17)	(27)
Restructuring and other costs	(24)	(5)
Total	**(41)**	**(32)**

ACCOUNTING POLICIES

Special items are recognised in connection with presenting the consolidated income statement for the year to separate items by their nature, which are not attributable to SGL Group's primary business activity. A separation of these items improves the understanding of the performance for the year.

The use of special items entails management judgement in the separation from ordinary items. Management carefully considers individual items and projects (including restructurings) to ensure the correct distinction between operating activities and income/expenses of a special nature.

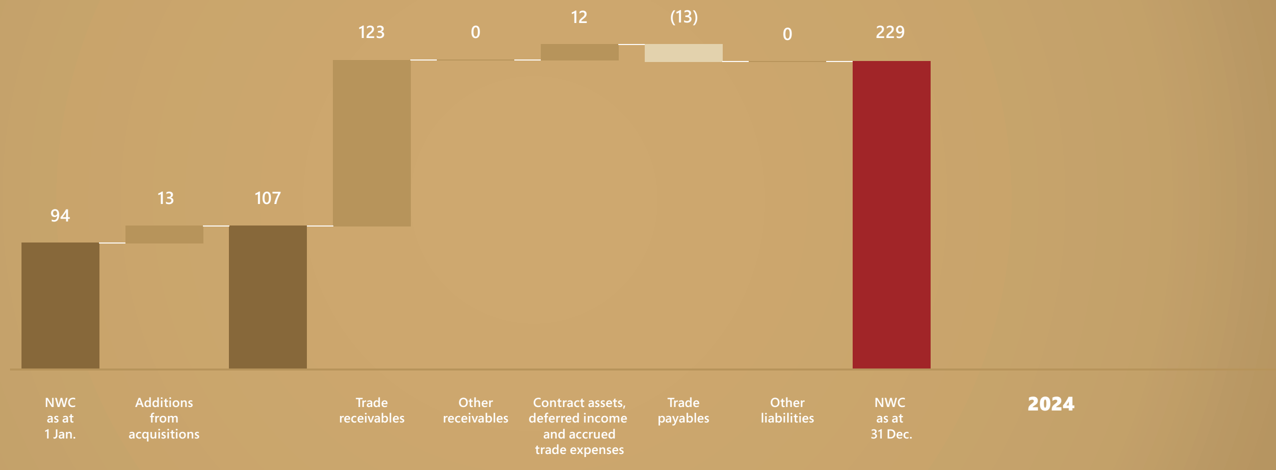
Special items comprise of:

- Restructuring costs, impairment costs, etc., relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals
- Transaction and restructuring costs relating to the acquisition and divestment of enterprises.

EURm	2024 INCOME STATEMENT	2024 SPECIAL ITEMS	2024 ADJUSTED INCOME STATEMENT	2023 INCOME STATEMENT	2023 SPECIAL ITEMS	2023 ADJUSTED INCOME STATEMENT
Revenue	2,383	-	2,383	1,162	-	1,162
Cost of operation	(1,867)	-	(1,867)	(893)	(1)	(894)
Gross profit	**516**	**-**	**516**	**269**	**(1)**	**268**
Other external expenses	(85)	(29)	(114)	(40)	(24)	(64)
Staff costs	(236)	(12)	(248)	(127)	(7)	(134)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**195**	**(41)**	**154**	**102**	**(32)**	**70**
Amortisation and depreciation	(83)	-	(83)	(42)	-	(42)
Operating profit (EBIT) before special items	**112**	**(41)**	**71**	**60**	**(32)**	**28**
Special items, net	(41)	41	-	(32)	32	-
Operating profit (EBIT)	**71**	**0**	**71**	**28**	**-**	**28**
Financial income	11	-	11	16	-	16
Financial expenses	(119)	(0)	(119)	(81)	-	(81)
Result before tax	**(37)**	**-**	**(37)**	**(37)**	**-**	**(37)**

3. OPERATING ASSETS AND LIABILITIES

CHANGE IN NET WORKING CAPITAL



The composition of SGL Group's assets reflects our asset-light business model, designed to optimise operational efficiency and flexibility. This section provides an overview of the notes on intangible assets, property, plant, and equipment, as well as net working capital.

The Group's assets mainly comprise goodwill arising from strategic acquisitions and express the synergies expected when integrated into the SGL network. This model supports strategic resource allocation, minimises capital tied up in fixed assets, and ensures adaptability in response to market dynamics.

3.1 INTANGIBLE ASSETS & IMPAIRMENT

INTANGIBLE ASSETS

EURm	GOODWILL	CUSTOMER RELATIONS	TRADEMARKS	SOFTWARE	SOFTWARE UNDER DEVELOPMENT	2024 TOTAL
Cost at 1 January	1,217	196	18	7	10	1,448
Exchange rate adjustment	19	2	(0)	1	(0)	22
Transfer	-	-	-	9	(6)	3
Additions	-	1	-	1	16	18
Additions from acquisitions	145	16	-	0	-	161
Disposals	-	-	-	(7)	-	(7)
Cost at 31 December	**1,381**	**215**	**18**	**11**	**20**	**1,645**
Amortisation at 1 January	-	18	4	2	-	24
Exchange rate adjustment	-	1	-	-	-	1
Amortisation	-	39	6	6	-	51
Transfers	-	-	-	1	-	1
Disposals	-	-	-	(7)	-	(7)
Amortisations at 31 December	**-**	**58**	**10**	**2**	**-**	**70**
Carrying amount at 31 December	**1,381**	**157**	**8**	**9**	**20**	**1,575**
Amortisation period		**1-7 years**	**3 years**	**3 years**		

EURm	GOODWILL	CUSTOMER RELATIONS	TRADEMARKS	SOFTWARE	SOFTWARE UNDER DEVELOPMENT	2023 TOTAL
Cost at 1 January	-	-	-	-	-	-
Exchange rate adjustment	(12)	(2)	(0)	(1)	(0)	(15)
Transfer	-	-	-	2	(2)	-
Additions	-	-	-	0	7	7
Additions from acquisitions	1,229	198	18	7	5	1,457
Disposals	-	-	-	(1)	-	(1)
Cost at 31 December	**1,217**	**196**	**18**	**7**	**10**	**1,448**
Amortisation at 1 January	-	-	-	-	-	-
Exchange rate adjustment	-	-	-	(1)	-	(1)
Amortisation	-	18	4	3	-	25
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Amortisations at 31 December	**-**	**18**	**4**	**2**	**-**	**24**
Carrying amount at 31 December	**1,217**	**178**	**14**	**5**	**10**	**1,424**
Amortisation period		**1-7 years**	**3 years**	**3 years**		

3.1 INTANGIBLE ASSETS & IMPAIRMENT, CONT.

Intangible assets have increased due to the acquisitions of Foppiani Shipping & Logistics Group and Blu Logistics Brasil Transportes Internacionais LTDA. For further description, refer to note 6.1 Business combinations. Moreover, the continuing and significant investments in IT projects to secure the infrastructure necessary for continued long-term growth and scalability are in alignment with our strategy.

GOODWILL, CUSTOMER RELATIONS AND TRADEMARKS SPLIT BY CGU

EURm	2024	2023
Air & Ocean	1,467	1,325
Road	65	69
Solutions	14	15
Total	**1,546**	**1,409**

Impairment test
Goodwill, customer relations, trademarks and other intangible assets were tested for impairment on 31 December 2024.

A discounted cash flow model (DCF) has been used to determine the recoverable amount per business segment on a value-in-use basis.

The 2-year strategy plan covers each focus area, where assumptions have been applied related to growth in expected volumes and the expectation of the market development. Furthermore, new and potential contract wins have been factored into the plan affecting several business segments and companies within SGL Group.

The impairment test did not result in any impairment of the carrying amount of goodwill allocated to each business segment. In that connection, a sensitivity analysis was performed to assess whether changes in key assumptions would have led to any impairment losses being recognised. The analysis showed that potential probable changes in the future cash flow would not indicate a need for an impairment of goodwill.

In 2024, Management estimated that likely changes to the key assumptions would not result in the carrying amount of goodwill exceeding the recoverable amount.

The most significant assumptions for the impairment are:

- The following WACC has been applied in the calculation of the different segments:
  - Air & Ocean: 11.7%
  - Road: 10.8%
  - Solutions: 11.2%
- The basis for the calculation is the 2025 budget, the 2026-2027 strategy plan and the 2028 projection year.

An expectation has been applied to the projection year and in the terminal period, in which SGL Group is anticipated to grow with the expected annual market growth of 2%.

Assumptions applied are further subject to the development of the global economy, of which management considers the outlook for significant regions, in particularly North America and Europe, where ongoing volatility is anticipated to remain constant in 2025.

Significant factors relevant to the future net cash flow for the segments:

Air & Ocean
The Air & Ocean segment operates globally, which means that the global economic and world trade impact the future cash flow. Gross profit per consignment, including utilisation, cost management initiatives and development in internal productivity, will also affect the cash flow.

Road
The Road segment mainly operates in Europe and North America, so the future cash flow is affected primarily by the growth rates in America and the European countries. Gross profit per consignment, including utilisation, cost management initiatives and development in internal productivity, will also affect the cash flow.

Solutions
The Solutions segment mainly operates in Denmark, so the future cash flow is affected primarily by the growth rates in Denmark. The development in lease cost and other costs related to services provided, including utilisation of warehouse facilities, cost management initiatives and development in internal productivity will also affect the cash flow.

Sensitivity analysis
Based on the key assumptions listed, we see no indications of impairment. The assumptions applied in the impairment test are not sensitive to probable fluctuations, which would result in an impairment loss, neither combined nor individually.

IMPAIRMENT TEST

	KEY ASSUMPTIONS		
	AVERAGE GROSS PROFIT GROWTH RATE*	TERMINAL PERIOD GROWTH	PRE-TAX DISCOUNT RATE
2024			
Air & Ocean	4%	2%	11.7%
Road	11%	2%	10.8%
Solutions	7%	2%	11.2%
2023			
Air & Ocean	7%	2%	12.6%
Road	8%	2%	12.1%
Solutions	7%	2%	12.5%

** The average gross profit growth rate comprises the full budget, strategy period and projection year.*

3.1 INTANGIBLE ASSETS & IMPAIRMENT, CONT.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The carrying amount of goodwill is tested for impairment at least once a year.

The tests are conducted for each cash-generating unit (CGU) to which the goodwill is allocated. As goodwill is allocated to SGL Group's activity, it follows the structure of the segment information in note 2.1.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised.

In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount rate used in the impairment test is the weighted average cost of capital (WACC), which comprises current market assumptions for the cost of equity and cost of debt. The discount rate is calculated for each CGU and reflects the related risks, such as geographical and financial exposure.

In connection with the impairment tests, Management estimates, e.g., revenue development, gross profit, operating margin, WACC and growth rate in the terminal period. The estimates are made per business segment and are determined based on historical experience and assumptions about the future development within each segment, including the expected long-term average market growth rates.

ACCOUNTING POLICIES

Goodwill

Goodwill arising from business combinations is recognised and is stated as the difference between the consideration paid and the fair value of the identified net assets. Goodwill is not amortised but tested for impairment if there are indications of impairment, or at least once a year.

Customer relations

Customer relations arising from business combinations are recognised at fair value at acquisition. After commissioning, customer relations are amortised on a straight-line basis over the expected useful life. When indications of impairment are identified, customer relations are tested for impairment.

Trademarks and other intangible assets

Trademarks and other intangible assets arising from business combinations are recognised at fair value at acquisition. After commissioning, trademarks and other intangible assets are amortised on a straight-line basis over the expected useful life. When indications of impairment are identified, trademarks and other intangible assets are tested for impairment.

Software

Software includes acquired intangible rights and is measured at initial recognition at cost. Software acquired separately or developed for internal use is subsequently measured at cost less any accumulated amortisation and impairment losses.

Costs related to the development of software are calculated as external costs, staff costs, amortisation and depreciation directly attributable to the development of the software. After commissioning, software is amortised on a straight-line basis over the expected useful life.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the asset's carrying amount. Gains or losses are recognised in the income statement when the asset is derecognised.

Other non-current intangible assets, property, plant and equipment

The carrying amount of other non-current assets is tested for impairment when an indication of impairment is identified. Such assets are further tested as part of the CGU which the asset forms part of.

The recoverable amount is the higher of the fair value of the assets less the expected costs of sale and the value in use.

Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets proportionally.

3.2 PROPERTY, PLANT AND EQUIPMENT

PROPERTY PLANT AND EQUIPMENT

EURm	LAND & BUILDINGS	PLANT AND MACHINERY	FIXTURES, TOOLS, FITTINGS AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	2024 TOTAL
Cost at 1 January	76	7	15	1	99
Exchange rate adjustment	2	1	-	0	3
Additions	20	3	5	5	33
Additions from acquisitions	4	0	2	-	6
Transfer	2	0	(2)	(6)	(6)
Disposals	(1)	(1)	-	-	(2)
Cost at 31 December	**103**	**10**	**20**	**0**	**133**
Depreciation at 1 January	12	2	2	-	16
Exchange rate adjustment	-	0	0	-	0
Depreciation	23	4	5	-	32
Transfer	1	(0)	(5)	-	(4)
Disposals	(1)	(1)	-	-	(2)
Depreciation at 31 December	**35**	**5**	**2**	**-**	**42**
Carrying amount at 31 December	**68**	**5**	**18**	**0**	**91**
Right of use assets					
Additions (excluding acquisitions)	19	2	0	-	21
Depreciations	23	3	1	-	27
Carrying amount	62	3	0	-	65
Depreciation period	**5 years**	**3-5 years**	**3-10 years**		

EURm	LAND & BUILDINGS	PLANT AND MACHINERY	FIXTURES, TOOLS, FITTINGS AND EQUIPMENT	ASSETS UNDER CONSTRUCTION	2023 TOTAL
Cost at 1 January	-	-	-	-	-
Exchange rate adjustment	(0)	(0)	(0)	(0)	(0)
Additions	4	2	5	-	11
Additions from acquisitions	73	5	11	3	92
Transfer	-	-	-	-	-
Disposals	(1)	(0)	(1)	(2)	(4)
Cost at 31 December	**76**	**7**	**15**	**1**	**99**
Depreciation at 1 January	-	-	-	-	-
Exchange rate adjustment	(0)	(0)	1	-	1
Depreciation	13	2	2	-	17
Transfer	-	-	-	-	-
Disposals	(1)	(0)	(1)	-	(2)
Depreciation at 31 December	**12**	**2**	**2**	**-**	**16**
Carrying amount at 31 December	**64**	**5**	**13**	**1**	**83**
Right of use assets					
Additions (excluding acquisitions)	1	1	0	-	2
Depreciations	12	2	0	-	14
Carrying amount	59	3	0	-	62
Depreciation period	**5 years**	**3-5 years**	**3-10 years**		

3.2 PROPERTY, PLANT AND EQUIPMENT, CONT.

Due to our asset-light business model, property, plant and equipment within SGL Group's control comprise a lesser part of total assets. In 2024, property, plant and equipment comprised 4% of total assets (2023: 4%). The main part of the physical assets comprises leased buildings, leased vehicles and equipment for warehouse activities.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

EURm	2024	2023
Interest costs relating to lease liabilities	8	5
Short-term lease costs	0	0
Low-value lease costs	0	0

ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates are made in assessing the useful lives of items of property, plant and equipment that determine the period over which the depreciable amount of the asset is expensed to the income statement. The depreciable amount of an item of property, plant and equipment is a function of the asset's cost or carrying amount and its residual value. Estimates are made to assess the amount that SGL Group can recover at the end of the useful life of an asset. An annual review is performed to assess the appropriateness of the depreciation method, useful life and residual values of items of property, plant and equipment.

ACCOUNTING POLICIES

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

When significant parts of property, plant and equipment must be replaced at intervals, SGL Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

The depreciation basis is the cost minus residual value. Depreciation is provided on a straight-line basis over each asset's expected useful life on cost price minus residual value.

An item of property, plant and equipment, and any significant part initially recognised is derecognised upon disposal, or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the asset, is included in the income statement when the asset is derecognised.

Right-of-use Assets

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use asset and corresponding lease liability are recognised on the lease commencement date.

Upon initial recognition, the right-of-use-asset is measured at a cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs. The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental borrowing rate is used. Extension options are only included in determining the lease period if reasonably certain they will be utilised.

At subsequent measurement, the right-of-use-asset is measured less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability.

Depreciation is carried out following the straight-line method over the lease term or the useful life of the right-of-use-asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Extension options are only included in the lease term if a lease extension is reasonably certain. The majority of extension and termination options held are exercisable only by SGL Group and not by the respective lessor.

Right-of-use assets and lease liabilities are not recognised for low-value lease assets or leases with a lease term of 12 months or less. These are recognised as an expense on a straight-line basis over the lease term. Any service elements separable from the lease contract are also accounted for following the same principle.

Right-of-use-assets classified as land and buildings, mainly relate to leases of offices and warehouses. In contrast, assets recognised as other assets mainly relate to trailers, trucks, company cars and forklift leases.

3.3 NET WORKING CAPITAL

Net working capital in SGL Group comprises the difference between our operational current assets (excluding cash and cash equivalents) and operational current liabilities (excluding short-term debt, earn-outs, accrued interest and items of a similar nature). The composition of net working capital is considered to provide the best reflection of our operational liquidity.

In 2024, net working capital increased mainly driven by the increase in trade receivables following increases in both rates and volumes in the last quarter of 2024.

For a description of SGL Group's credit risk related to trade receivables and contract assets, please refer to note 4.2.

NET WORKING CAPITAL

EURm	2024	2023
Trade receivables	432	265
Contract assets and deferred income	51	40
Prepayments	29	32
Other receivables	17	12
Trade payables	(182)	(139)
Accrued trade expenses	(81)	(84)
Other payables	(37)	(32)
Net working capital	**229**	**94**
Change in net working capital excluding additions from acquisitions	122	9
Non-cash movements	3	(14)
Change in net working capital applied in the cash flow statement	**125**	**(5)**

The change in net working capital amounts to EUR 122m in 2024 (2023: EUR 9m), excluding net working capital acquired from the acquisitions made in 2024.

The increase in net working capital impacted the cash flow negatively with EUR 125m (2023: positively EUR 5m) after including non-cash movements and exchange rate adjustments which amounted to EUR 3m (2023: negatively EUR 14m).

OTHER RECEIVABLES

EURm	2024	2023
VAT receivables	5	2
Deposits	11	8
Other financial receivables	12	11
Total other receivables	**28**	**21**
Specified as follows:		
0-1 year	17	12
>1 year	11	9

OTHER PAYABLES

EURm	2024	2023
Payroll related liabilities	22	19
Accrued interest	12	6
Interest rate swaps	10	-
Earn-out	53	11
Deferred purchase price	41	2
Other	39	27
Total other payables	**177**	**65**
Specified as follows:		
0-1 year	115	53
>1 year	62	12

ACCOUNTING POLICIES

Trade receivables
Trade receivables are amounts due from customers for services performed in the ordinary course of business. Settlements are generally due within 30-90 days and are therefore classified as current receivables. Recognition is initially at the amount of consideration that is unconditional.

Trade receivables are recognised as services delivered are invoiced to the customer and not adjusted for any financing components as credit terms are short, and the financing component, therefore insignificant. SGL Group holds the trade receivables to collect the contractual cash flows and, therefore, measures them subsequently at amortised cost using the effective interest method. Where services delivered have yet to be invoiced, and invoices on services received from hauliers have still to be received, contract assets and accrued cost of services are recognised at the reporting date.

SGL Group applies the IFRS 9 simplified approach to measuring expected credit losses which also include recognised contract assets. To measure the expected credit losses, trade receivables have been grouped based on the days past due, whereas contract assets are classified as not overdue due to its nature.

Contract assets, deferred income and accrued trade expenses
Contract assets, deferred income and accrued trade expenses include accrued revenue and accrued expenses from freight forwarding services, contract logistics and other related services in progress as of 31 December. Amounts received for services that are not yet completed are presented as deferred income. Deferred income is recognised in the income statement within 12 months, as well as the conditional right to consideration from contract assets becomes unconditional within 12 months of recognition.

Other receivables
Other receivables are measured at amortised cost or net realisable value equivalent to nominal value less allowances for doubtful receivables, whichever is lower.

Management makes allowance for doubtful receivables in anticipation of estimated future receipt of payments. If certain circumstances result in lack of receipt of payments, an additional allowance could be required.

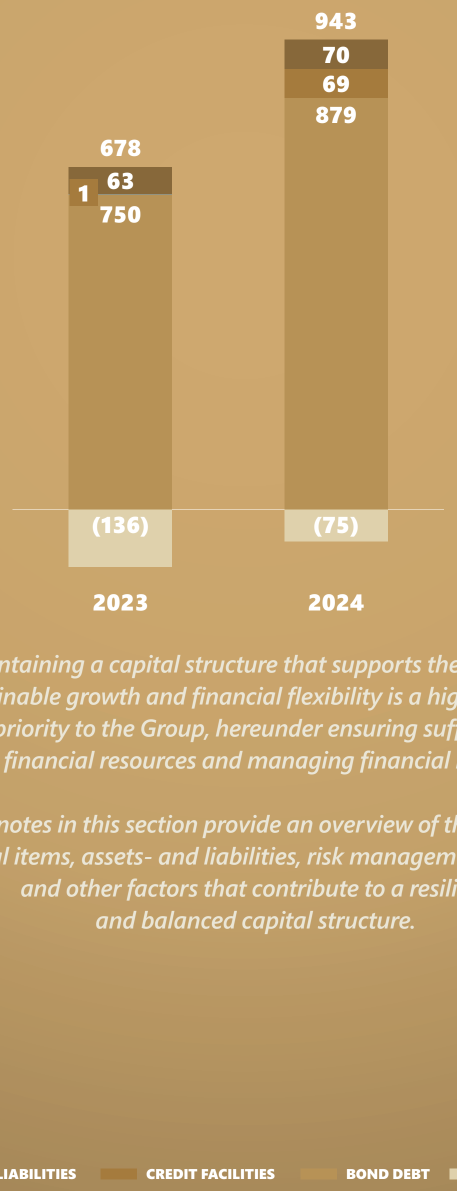
Other payables
Other payables are measured at amortised cost.

Earn-outs are based on future expected performances in earlier acquired companies. Budget, investing plans and realised performances are some of the parameters that form the base of the estimate.

4. FINANCIAL RISK MANAGEMENT

Financial Risk	Risk Mitigation Strategy
Liquidity Risk	Ensuring sufficient cash reserves, supplemented by readily accessible credit lines and strong relationships with global banks to cover operational needs across multiple regions.
Credit Risk	Conducting thorough credit assessments for customers, diversifying the customer base, and implementing credit insurance to reduce exposure from default risks, especially in volatile markets.
Currency and Exchange Rate Risk	Employing natural hedges through matching income and expenses in the same currency, along with forward contracts to manage exchange rate risk due to international operations.
Interest Rate Risk	Securing a balanced mix of fixed and variable rate debt and using interest rate swaps to control the impact of rate fluctuations on financing costs.

DEBT COMPOSITION



Maintaining a capital structure that supports the Group in sustainable growth and financial flexibility is a high strategic priority to the Group, hereunder ensuring sufficient financial resources and managing financial risks.

The notes in this section provide an overview of the Group's financial items, assets- and liabilities, risk management practices, and other factors that contribute to a resilient and balanced capital structure.

4.1 FINANCIAL ITEMS

EURm	2024	2023
Financial income		
Interest income	4	4
Bond interest income	-	7
Other financial income	-	5
Exchange rate gains	7	-
Total financial income	**11**	**16**
Financial expenses		
Interest expenses	(5)	(1)
Lease interest expenses	(8)	(5)
Bond interest expenses	(83)	(64)
Amortisation of capitalised loan costs	(8)	(4)
Other financial expenses	(15)	(3)
Exchange rate loss	-	(4)
Total financial expenses	**(119)**	**(81)**
Net financial items	**(108)**	**(65)**

ACCOUNTING POLICIES

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period.

The items comprise interest income and expenses, bank fees, unwinding of discounting, financial expenses relating to finance leases, unrealised and realised exchange gains and losses, amortisation of financial assets and liabilities and fair value adjustment of financial contracts.

Bond interest expenses relate to bonds issued by SGL Group ApS, both existing bonds issued in 2023 and new bonds issued in March 2024.

Moreover, financial expenses have been significantly impacted by one-off costs incurred and premium paid as part of the redemption of existing bonds, which also triggered recognition of capitalised loan costs and exchange rate loss on bonds redeemed.

4.2 FINANCIAL RISK MANAGEMENT

SGL Group's policy for managing financial risks

Managing financial risks is an inherent part of SGL Group's operating activities due to its international operations.

SGL Group is exposed to a number of financial risks, so monitoring and controlling financial risks are important for SGL. Management has assessed the following as SGL Group's key financial risks.

Liquidity risk

Regularly, the Executive Management assesses whether SGL Group has an adequate capital structure, just as the Board of Directors periodically evaluates whether SGL Group's capital structure is in line with the best interests of the SGL Group and its stakeholders. Management assesses whether the current capital structure is sufficient to support SGL Group's strategic plans. SGL Group ApS has, following last year's issue of senior secured callable floating-rate bonds in an amount of EUR 750m within a total framework of EUR 1,150m, issued new senior secured bonds in an amount of EUR 600m within a framework of EUR 900m. The bonds issued in April 2024, was issued to finance acquisitions as part of our M&A strategy, partial buy-backs of existing bonds and for general corporate purposes.

In March and May 2024, SGL Group completed partial buy-backs of existing bonds in nominal amounts totalling EUR 471m funded by the new bonds issued. Subsequently, SGL Group partially redeemed own existing bonds of EUR 166m.

Combined with our long-term credit facilities we ensure that we have the adequate capital structure and diversified financial resources to enable our strategic goals and meet our financial obligations.

Our current credit facilities with large reputable banks were renegotiated in May 2023 and expire in 2027. The committed facilities contain standard clauses hereunder pari passu, negative pledge, change of control and financial covenants such as RCF debt to EBITDA ratio, solvency ratio and minimum availability on the RCF. The covenants are continuously monitored to ensure compliance, hence any risk of breaching the financial covenant is deemed highly unlikely.

Specific terms and conditions apply for the issued bonds regarding negative pledge, redemption and change of control. Interest is paid quarterly, and the bond debt matures in 2028 and 2030, respectively. The bonds are listed on Nasdaq Stockholm and Börse Frankfurt.

LIQUIDITY RESERVE

EURm	2024	2023
Cash and cash equivalents	75	142
Bank overdraft	-	(6)
Net cash	**75**	**136**
Undrawn credit facilities	74	138
Liquidity reserve	**149**	**274**

ACCOUNTING POLICIES

Financial liabilities are recognised on the loan issuance equal to the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method.

Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the loan term.

Other liabilities are measured at net realisable value.

Trade receivables, trade payables and other receivables and payables pertaining to operating activities are considered to have a carrying amount that is an approximation of fair value.

The financial assets are classified based on the contractual cash flow characteristics of the financial asset as well as our intention with the financial asset according to our business model.

If cash flows from a financial asset are solely payments of principal and interests, the classification is either:

- Amortised cost, for financial assets, where the objective is to hold the financial asset to collect the contractual cash flows
- Fair value through profit/loss, for other financial assets.

Hedge accounting has not been applied. All changes in financial instruments are recognised as financial income or financial expenses in the income statement. SGL Group's foreign currency risk mainly relates to USD, SEK, HKD, RMB, GBP and AUD and the exposure towards these currencies is described above.

4.2 FINANCIAL RISK MANAGEMENT, CONT.

EURm	MATURITY OF CONTRACTUAL UNDISCOUNTED CASH FLOWS					2024
ASSETS	<1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL CASH FLOWS	FAIR VALUE	CARRYING AMOUNT
Trade receivables	447	-	-	447	432	432
Contract assets	55	-	-	55	55	55
Other receivables	14	11	-	25	25	25
Receivables from related parties	1	-	-	1	1	1
Cash	75	-	-	75	75	75
Amortised costs	**592**	**11**	**-**	**603**	**588**	**588**
Fair value through profit or loss	**-**	**-**	**-**	**-**	**-**	**-**
Total financial assets	**592**	**11**	**-**	**603**	**588**	**588**
LIABILITIES						
Borrowings	76	603	624	1,303	959	892
Lease liabilities	27	48	22	97	70	70
Trade payables	182	-	-	182	182	182
Accrued trade expenses	81	-	-	81	81	81
Other payables	76	38	-	114	114	114
Amortised costs	**442**	**689**	**646**	**1,777**	**1,406**	**1,339**
Earn-out	30	30	-	60	53	53
Interest and currency derivatives	7	8	-	15	10	10
Fair value through profit or loss	**37**	**38**	**-**	**75**	**63**	**63**
Total financial liabilities	**479**	**727**	**646**	**1,852**	**1,469**	**1,402**

EURm	MATURITY OF CONTRACTUAL UNDISCOUNTED CASH FLOWS					2023
ASSETS	<1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL CASH FLOWS	FAIR VALUE	CARRYING AMOUNT
Trade receivables	265	-	-	265	265	265
Contract assets	42	-	-	42	42	42
Other receivables	10	7	-	17	17	17
Receivables from related parties	3	-	-	3	3	3
Cash	142	-	-	142	142	142
Amortised costs	**462**	**7**	**-**	**469**	**469**	**469**
Interest and currency derivatives	(1)	1	-	0	2	2
Fair value through profit or loss	**(1)**	**1**	**-**	**0**	**2**	**2**
Total financial assets	**461**	**8**	**-**	**469**	**471**	**471**
LIABILITIES						
Borrowings	81	1,015	-	1,096	743	726
Lease liabilities	23	42	26	91	63	63
Trade payables	139	-	-	139	139	139
Accrued trade expenses	84	-	-	84	84	84
Other payables	50	6	-	56	56	56
Amortised costs	**377**	**1,063**	**26**	**1,466**	**1,085**	**1,068**
Earn-out	10	1	-	11	11	11
Fair value through profit or loss	**10**	**1**	**-**	**11**	**11**	**11**
Total financial liabilities	**387**	**1,064**	**26**	**1,477**	**1,096**	**1,079**

Other receivables and other payables are adjusted for non-financial assets and liabilities such as VAT and prepayments as well as assets and liabilities measured at fair value through profit or loss as earn-outs.

Financial instruments measured at fair value
Financial instruments measured at fair value are categorised into three levels:
- *Level 1: Fair values measured using observable and unadjusted quoted prices in active markets for the asset or liability.*
- *Level 2: Fair values measured using valuation techniques and observable inputs other than quoted prices in active markets for comparable instruments, for the asset or liability.*
- *Level 3: Fair values measured using unobservable inputs.*

SGL Group has no financial instruments measured at fair value based on level 1 input (quoted active market prices). Assets and liabilities other than the categories mentioned below are recognised with a carrying amount that is a reasonable approximation of its fair value.

Borrowings
Borrowings mainly comprise bonds issued with a nominal amount of EUR 1,184m and drawn credit facilities of EUR 69m measured at amortised cost.
The fair value using observable quoted prices in active markets (level 1) of net issued bonds on 31 December 2024 was EUR 1,203m (2023: EUR 743m) based on quoted bond rates at Börse Frankfurt, of which SGL holds EUR 313m.

Other payables
Earn-out related to acquisitions are measured at fair value using unobservable inputs (level 3) and classified as other payables. On 31 December 2024, fair value amounted to EUR 53m (2023: EUR 11m) based on expected EBITDA in the earn-out period using a WACC in the range of 12.1% to 17.2%. The earn-outs are expected to be paid in 2025, 2026 and 2027.

4.2 FINANCIAL RISK MANAGEMENT, CONT.

Credit risk
Credit risk is the risk of a counterparty not meeting its obligations under a financial instrument or customer contract, leading to a financial loss.

SGL Group is exposed to credit risk from its operating activities, primarily trade receivables, and from its financing activities, including deposits with banks and financial institutions (to the extent the balance is in surplus of SGL Group).

SGL Group has established procedures for handling credit risk and actively monitors and limits risks and losses on receivables. Historically, losses on receivables are at a low level.

SGL Group applies the simplified approach to the provision of expected credit losses in accordance with IFRS 9. This approach takes into consideration the lifetime expected loss provision for both trade receivables and contract assets. To measure the expected credit losses, the trade receivables and contract assets have been grouped based on the days past due.

Interest rate risk
Interest rate risk arises from fluctuations in the market interest rate and can impact the fair value or future cash flows of a financial instrument. The company's bond debt is exposed to such risk, where a 1% increase in variable interest rates would result in a EUR 9m rise in annual interest expense. However, after combining the company's net cash position with its interest rate- and cross-currency swaps, the exposure is mitigated to a decrease of EUR (3)m annually.

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, primarily from USD, SEK, HKD, RMB, GBP and AUD. SGL Group's exposure to the risk of changes in foreign exchange rates relates primarily to SGL Group's operating activities (when revenue or expense is denominated in a foreign currency) and SGL Group's net investments in foreign subsidiaries. The main currencies for revenue and costs are USD, SEK, HKD, RMB, GBP and AUD. SGL Group manages its foreign currency risk on an ongoing basis. The sensitivity analysis shows the impact on net profit and other comprehensive income on the assumption of changes to SGL Group's most significant currencies towards EUR with all other variables remaining constant.

TRADE RECEIVABLES AND CONTRACT ASSETS

EURm	2024	2023
Trade receivables before provision for expected losses	447	272
Contract assets	55	42
Provision for expected credit losses	(15)	(7)
Net trade receivable and contract assets	**487**	**307**

EXPECTED CREDIT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS

EURm	2024			2023		
	GROSS CARRYING AMOUNT	EXPECTED LOSS RATE	LOSS ALLOWANCE	GROSS CARRYING AMOUNT	EXPECTED LOSS RATE	LOSS ALLOWANCE
Not overdue	357	0.6%	(2)	224	0.7%	(2)
Overdue 1-30 days	60	2.8%	(2)	40	2.5%	(1)
Overdue 31-60 days	25	5.1%	(1)	16	4.6%	(1)
Overdue 61-90 days	12	6.8%	(1)	6	6.9%	0
Overdue more than 90 days	48	19.4%	(9)	28	15.8%	(3)
Total	**502**		**(15)**	**314**		**(7)**
Write-downs 1 January			(7)			-
Additions for the year			(5)			(0)
Additions from acquisitions			(4)			(8)
Reversals			1			1
Write-downs realised			0			0
Write-downs 31 December			**(15)**			**(7)**

CURRENCY RISK - SENSITIVITY ANALYSIS

EURm		2024		2023	
CURRENCY	CHANGE	NET PROFIT FOR THE YEAR	OTHER COMPREHENSIVE INCOMES	NET PROFIT	OTHER COMPREHENSIVE INCOME
USD	10%	(0)	-	15	-
SEK	10%	1	-	1	-
HKD	10%	1	-	(0)	-
GBP	10%	1	-	0	-
RMB	10%	(1)	-	(1)	-
AUD	10%	1	-	1	-

4.2 FINANCIAL RISK MANAGEMENT, CONT.

EURm					NON-CASH CHANGE					2024
	MATURITY	EFFECTIVE INTEREST RATE	CARRYING AMOUNT 1 JANUARY	CASH FLOW	BUSINESS COMBINATIONS	FOREIGN EXCHANGE EFFECT	ADDITIONS	DISPOSALS	OTHER	CARRYING AMOUNT 31 DECEMBER
Bond debt										
Issued bonds, EUR 750 million	2028	3m EURIBOR + 6.75%	750	-	-	-	-	(166)	-	584
Hereof bonds held by SGL Group	2028	3m EURIBOR + 6.75%		(494)	-	-	-	166	23	(305)
Issued bonds, EUR 600 million	2030	3m EURIBOR + 4.75%	-	600	-	-	-	-	-	600
Capitalised loan costs			(24)	(13)	-	-	-	-	(19)	(56)
Net bond debt			**726**	**93**	**-**	**-**	**-**	**-**	**4**	**823**
Credit facilities			-	68	-	1	-	-	-	69
Borrowings			**726**	**161**	**-**	**1**	**-**	**-**	**4**	**892**
Payable interests			6	(78)	-	-	84	-	-	12
Lease liabilities**			63	(22)	5	2	21	-	1	70
Total			**795**	**61**	**5**	**3**	**105**	**-**	**5**	**974**

										2023
Bond debt										
Issued bonds, EUR 750m	2028	3m EURIBOR + 6.75%	-	750	-	-	-	-	-	750
Redeemed bonds, EUR 538m*			-	(193)	193	-	-	-	-	-
Capitalised loan costs			-	(28)	-	-	-	-	4	(24)
Net bond debt			**-**	**529**	**193**	**-**	**-**	**-**	**4**	**726**
Credit facilities			-	-	4	-	-	-	(4)	-
Borrowings			**-**	**529**	**197**	**-**	**-**	**-**	**-**	**726**
Payable interests			-	(58)	-	-	64	-	-	6
Lease liabilities**			-	(13)	74	0	2	-	-	63
Total			**-**	**458**	**271**	**0**	**66**	**-**	**0**	**795**

** Previously issued bonds by SGL International A/S assumed as part of the acquisition of Scan (Jersey) TopCo Limited and SGL TransGroup US Corp.*

*** Paid interest expenses related to lease payments amounted to EUR 8m (2023: EUR 5m). Total cash flows from leases amounted to EUR 22m (2023: EUR 18m).*

5. TAX

TAX PAID DURING 2024

EUR 33m

SGL is committed to full compliance with current tax legislation, ensuring that all tax obligations are met accurately and timely. We prioritise transparency and integrity in our tax practices, adhering to the latest regulations and guidelines. Simultaneously, we engage in strategic tax planning to achieve a competitive effective tax rate while still maintaining full compliance. This balanced approach allows us to manage our tax liabilities efficiently, supporting our financial health and long-term growth.

We support the international tax reform work by international organisations such as the OECD. With our tax policy, we provide information to our stakeholders, investors, employees, civil society and the general public about our approach to tax in a transparent, compliant and responsible manner. For 2024 we paid a total of EUR 33m globally in corporate taxes.

5.1 TAX FOR THE YEAR

ACCOUNTING POLICIES

Tax for the year

Tax for the year consists of current tax and changes in deferred tax for the year, including adjustments to previous years. The tax for the year is recognised in the income statement unless the tax relates directly to items included in other comprehensive income or equity.

Current income tax receivable and payable is measured at the amount expected to be recovered from or paid to the taxation authorities.

Income taxes payable

Current tax payable and receivable is recognised in the balance sheet at the estimated tax charge regarding the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

TAX FOR THE YEAR

EURm	2024	2023
Current tax	31	18
Change in deferred tax	(12)	(6)
Adjustments to tax, prior years	(2)	2
Total	**17**	**14**

CALCULATION OF EFFECTIVE TAX RATE

EURm		2024		2023
Profit before tax		(37)		(37)
Tax applying the statutory Danish corporate income tax rate	22%	(8)	22%	(8)
Effect of tax rates in other jurisdictions	(8)%	3	(5)%	2
Unrecognised tax assets	(14)%	5	(3)%	1
Non-deductible interest	(37)%	14	(26)%	10
Other tax-exempt income, less non-deductible expenses	(14)%	5	(20)%	7
Adjustment to tax, prior years	5%	(2)	(6)%	2
Total	**(46)%**	**17**	**(38)%**	**14**

5.2 DEFERRED TAX

DEFERRED TAX

EURm	2024	2023
Net deferred tax 1 January	(38)	-
Additions from acquisitions	(3)	(47)
Deferred tax for the year	12	6
Adjustments deferred tax previous years	1	0
Exchange rate adjustments	(1)	3
Net deferred tax 31 December	**(29)**	**(38)**
Deferred tax, by gross temporary differences:		
Intangibles	(41)	(45)
Tax losses carried forward	1	1
Other	11	6
Total	**(29)**	**(38)**
Recognised in the balance sheet as:		
Deferred tax assets	12	7
Deferred tax liabilities	(41)	(45)
Total	**(29)**	**(38)**

EURm	2024	2023
Deferred tax assets not recognised at 31 December	7	2

ACCOUNTING ESTIMATES AND JUDGEMENTS

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised.

Significant Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits and future tax planning strategies.

The carrying amount of deferred tax assets is reviewed at each reporting date. Subsequently, it is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets, recognition and measurement uncertainties

Recognition of deferred tax assets is dependent on whether such assets can be utilised against future earnings within a period of 3-5 years. Therefore, the uncertainty about the recognition and measurement of the deferred tax asset depends on whether the future earnings can be realised.

Deferred tax assets have been recognised to the extent management expects to utilise these within a period of 5 years. The majority of deferred tax assets related to tax losses for foreign entities have not been recognised.

ACCOUNTING POLICIES

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and the tax base of assets and liabilities at the reporting date.
However, deferred tax is not recognised on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured according to the taxation rules and rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as the current tax.
Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or set-off against deferred tax liabilities within the same jurisdiction.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred taxes relate to the same taxable entity and taxation authority.

Deferred tax is adjusted for the elimination of unrealised intercompany gains and losses.

OECD Pillar Two model rules

SGL Group is within the scope of the OECD Pillar Two model rules also known as the Global Anti-Base Erosion (GloBE) Rules.

Pillar Two legislation has been enacted in Denmark, the jurisdiction in which SGL Group is incorporated and came into effect on 1 January 2024. SGL Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued by IASB in May 2023.

Under the legislation, SGL Group is liable to pay a top-up tax for the difference between the GloBE effective tax rate per jurisdiction and the 15% minimum rate. All SGL Group entities, besides our operating companies in the UAE, which will be 9%, have an effective tax rate that exceeds 15% in a normalised commercial cycle. However, based on historical data analysis shows that individual entities can drop below the threshold in individual years.

The calculated theoretical historic top-up tax, adjusted for one-off events, impact on the SGL Group effective tax rate is immaterial. SGL Group management has assessed SGL's exposure to the Pillar Two legislation when it comes into effect. Combined with the complexities of applying the legislation and calculation of GloBE income, the quantitative impact of the enacted or substantively enacted legislation is not reasonably estimable.

Therefore, even for those entities with an accounting effective tax rate above 15%, there may still be Pillar Two tax implications. SGL Group's tax specialists are working with colleagues across the value chain to define with application of the legislation.

6. OTHER DISCLOSURES

ACQUISITIONS IN 2024

Expanding through strategic acquisitions is a key driver to reach our 1-3-5 strategy. This section highlights the Group's strategic business combinations, which expand its global reach and strengthen service capabilities. Recent acquisitions enhance the Group's presence in key markets, adding valuable customer relationships and operational synergies that support long-term growth and service excellence.

6.1 BUSINESS COMBINATIONS

FAIR VALUE AT DATE OF ACQUISITION

EURm				2024	2023
ASSETS	FOPPIANI	BLU	OTHER	TOTAL	TOTAL
Other intangible assets	0	0	-	0	12
Property, plant and equipment	5	1	-	6	92
Deferred tax assets	0	1	-	1	8
Trade receivables and contract assets	35	35	-	70	278
Corporate tax receivables	0	-	-	0	11
Loans to previous group entities	-	-	-	-	28
Other receivables and prepayments	1	0	-	1	40
Cash and cash equivalents	34	4	-	38	316
Total assets	**75**	**41**	**-**	**116**	**785**
LIABILITIES					
Provisions	2	10	-	12	3
Deferred tax liabilities	-	-	-	-	4
Credit facilities	-	-	-	-	4
Bond debt	-	-	-	-	193
Lease liabilities	4	1	-	5	74
Loans from previous group entities	-	-	-	-	42
Trade payables and accrued trade expenses	24	31	-	55	179
Current tax liabilities	1	9	-	10	19
Deferred income	0	-	-	0	5
Other payables	3	1	-	4	55
Total liabilities	**34**	**52**	**-**	**86**	**578**

EURm				2024	2023
	FOPPIANI	BLU	OTHER	TOTAL	TOTAL
Acquired net assets	41	(11)	-	30	207
Non-controlling interest	-	-	-	-	(3)
Goodwill	51	94	-	145	1,229
Customer relations	9	5	2	16	198
Trademarks	-	-	-	-	18
Deferred tax	(2)	(2)	(0)	(4)	(51)
Fair value of total net assets acquired	**99**	**86**	**2**	**187**	**1,598**
Contingent consideration assumed	-	(64)	-	(64)	(3)
Deferred purchase price assumed	(23)	-	-	(23)	(1)
Contingent consideration paid *	-	-	8	8	4
Deferred purchase price paid *	-	-	1	1	1
Cash and bank balances assumed	(34)	(4)	-	(38)	(316)
Extinguish of a pre-existing relationship	-	-	-	-	(359)
Contribution from parent	-	-	-	-	(854)
Cash flow utilised for acquisition of subsidiaries and activities	**42**	**18**	**11**	**71**	**70**
Acquired goodwill allocated to CGUs					
Air & Ocean	51	94	-	145	1,156
Road	-	-	-	-	59
Solutions	-	-	-	-	14
Total goodwill	**51**	**94**	**-**	**145**	**1,229**

** Relates to previous years' acquisitions.*

6.1 BUSINESS COMBINATIONS, CONT.

ACCOUNTING ESTIMATES AND JUDGEMENTS

When applying the acquisition method of accounting, management judgements and estimates are an integral part of assessing fair values of several assets and liabilities, as observable market prices are typically unavailable.

It typically relates to determining the present value of future uncertain cash flows or assessing other events in which the outcome is uncertain at the date of acquisition. Management judgements and estimates are typically applied in the valuation techniques for customer relationships and trademarks in determining the present value of future uncertain cash flows as well as the applied discounting rate.

ACCOUNTING POLICIES

In accordance with IFRS 3, the acquisition method is applied when accounting for business combinations.

Acquirees are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date when SGL obtains control of the acquired activity.

Assets, liabilities and contingent liabilities of the acquiree are measured at fair value at the acquisition date by applying appropriate valuation methods. Identifiable intangibles are recognised if they are separable or arise from a contractual right. Deferred tax is recognised for identifiable tax benefits existing at the acquisition date.

Contingent considerations dependent on future events or the performance of contractual obligations (earn-outs) are recognised at fair value based on expected total future payments and form part of the total consideration transferred. Fair value changes in contingent considerations are recognised in the income statement until final settlement.

The excess of the total consideration transferred, the value of non-controlling interests and the fair value of any equity investments previously held in the acquiree over the total identifiable net assets measured at fair value are recognised as goodwill.

Transaction costs inherent from the acquisition are recognised in the income statement when incurred.

ACQUISITION OF ENK LOGISTICS CO., LTD

On 19 October 2023, SGL Group signed the acquisition of 100% of the shares in the South Korea-based freight forwarding company ENK Logistics Co., Ltd. through the wholly owned subsidiary Scan Global Logistics Korea Co., Ltd. With the acquisition, SGL Group strengthens its position within the Asian region. Closing of the transaction was on 12 January 2024. The acquisition price for the activities was EUR 2m, financed through the cash position.

ACQUISITION OF FOPPIANI SHIPPING & LOGISTICS GROUP

On 24 April 2024, SGL Group ApS through its wholly-owned subsidiary Scan Global Logistics A/S, signed an agreement to acquire 100% of the shares in Foppiani Shipping & Logistics. Foppiani Shipping & Logistics is a leading Italian freight forwarder headquartered in Prato, specialising in air and ocean freight services for fashion, furniture, high-end Italian products and automotive sectors. Foppiani Shipping & Logistics generates a yearly revenue of EUR 115m.

The acquisition of Foppiani Shipping & Logistics provides SGL Group with an operational platform in Italy, enabling SGL Group to establish a strategic presence in Italy and giving a strategic platform to scale the business and expand its global presence to the benefit of customers. Most importantly, Foppiani Shipping & Logistics will bring additional human capital with comprehensive industry knowledge and niche experience; people with a perfect match to SGL Group's DNA and culture.

Closing of the transaction was on 3 June 2024. The acquisition price for the activities was EUR 99m, financed through the issue of new senior secured bonds. Fees and expenses linked to the acquisition were EUR 1m and recognised as special items in the income statement.

Fair value of acquired net assets and recognised goodwill

Fair value of acquired net assets has been identified, and goodwill recognised. Net assets and contingent liabilities recognised at the reporting date are, to some extent, still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3.

Goodwill

Goodwill primarily relates to synergy effects from integration with SGL Group and, over time, from leveraging the business model's strength and utilising the network effect, including synergies through the scale of operations and M&A. Goodwill is non-deductible for tax purposes. Goodwill amounts to EUR 51m.

Earnings impact

During the seven months after the acquisition date, Foppiani Group contributed with EUR 103m to the Group's revenue and EUR 6m to the Group's result after tax. If the acquisition had occurred on 1 January 2024, the Group's consolidated pro forma revenue and profit after tax would have amounted to approx. EUR 2,435m and EUR (49)m, respectively.

Fair value measurement

Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships

Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using a WACC of 14.71% as discount rate. In total, customer relationships amounting to EUR 9m have been included in the opening balance.

The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data, and general business insight.

Trade receivables and payables

Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables are generally very short and the discounted effect therefore immaterial.

Financial liabilities

Financial liabilities have been measured at the present value of the repayable amounts discounted using a representative SGL borrowing rate unless the discount effect is insignificant. An SGL borrowing rate has been applied as SGL vouches for the acquired debt, hence the credit enhancement of the Group has been applied in the valuation.

ACQUISITION OF BLU LOGISTICS BRASIL TRANSPORTES INTERNACIONAIS LTDA.

On 11 July 2024, SGL Group ApS through its wholly-owned subsidiary Scan Global Logistics A/S, signed an agreement to acquire 100% of the shares in Blu Logistics Brasil Transportes Internacionais LTDA.

Blu Logistics is a leading Brazilian freight forwarder headquartered in Sao Paulo, specialising in air and ocean freight services with adjacent offerings including custom clearance, truckload and cabotage. In 2023, Blu Logistics generated yearly revenue of approximately BRL 570m, equivalent to EUR 106m.

The acquisition provides SGL Group with a significant operational platform in Brazil, enabling the establishment of a strategic presence and scalability. This platform supports global expansion and enhances customer service capabilities. Most importantly, Blu Logistics will bring additional human capital with comprehensive industry knowledge and niche experience; people who are a perfect match to SGL Group's DNA and culture.

Closing of the transaction was on 2 September 2024. The acquisition price for the activities was EUR 86m, including the fair value of contingent consideration of EUR 64m (discounted using the DCF method), contingent upon Blu Logistics' future financial performance and other uncertain positions. The contingent consideration has a maximum payment value of EUR 94m. The acquisition was financed through the cash position.

Fees and expenses linked to the acquisition were EUR 1m and recognised as special items in the income statement.

6.1 BUSINESS COMBINATIONS, CONT.

Fair value of acquired net assets and recognised goodwill
Fair value of acquired net assets has been identified and goodwill recognised. Net assets and contingent liabilities recognised at the reporting date are to some extent still provisional. Adjustments may be applied to these amounts for a period of up to twelve months from the acquisition date in accordance with IFRS 3.

Goodwill
Goodwill primarily relates to synergy effects from integration with SGL Group and, over time, from leveraging the business model's strength and utilising the network effect including synergies through the scale of operations and M&A. Goodwill is non-deductible for tax purposes. Goodwill amounts to EUR 94m.

Earnings impact
During the four months after the acquisition date, Blu Logistics contributed with EUR 73m to the Group's revenue and EUR 4m to the Group's result after tax. If the acquisition had occurred on 1 January 2024, the Group's consolidated pro forma revenue and profit after tax would have amounted to approx. EUR 2,502m and EUR (49)m, respectively.

Fair value measurement
Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships
Customer relationships have been measured using a multi-period excess earnings model (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using a WACC of 17.20% as discount rate. In total, customer relationships amounting to EUR 5m have been included in the opening balance.

The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data, and general business insight.

Trade receivables and payables
Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables are generally very short and the discounted effect therefore immaterial.

Financial liabilities
Financial liabilities have been measured at the present value of the repayable amounts discounted using a representative SGL borrowing rate unless the discount effect is insignificant. An SGL borrowing rate has been applied as SGL vouches for the acquired debt, hence the credit enhancement of the Group has been applied in the valuation.

ACQUISITIONS IN 2023
On 23 May 2023, SGL Group ApS acquired 100% of the shares in the Scan Global Logistics Group. SGL Group ApS was established by Skill Luxembourg Holding S.á.r.l., and for the sole purpose of acquiring the shares in the group. The acquisition price for the group was EUR 1,548m, of which EUR 359m was related to a pre-existing relationship related to bonds issued by the acquired group.
The financing of the activities was partly provided by the issue of senior secured bonds of EUR 750m and through capital injection from its parent company.

The goodwill arising from the acquisition amounted to EUR 1,205m and customer relations of EUR 182m.

On 4 July 2023, we acquired 100% of the shares in the Germany-based freight forwarding company ETS Group for the purchase price of EUR 28m, resulting in fair value of acquired net assets of EUR 6m, goodwill of EUR 16m and customer relations net of deferred tax of EUR 6m. The acquisition of ETS Group has strengthened SGL's position within the EMEA region.
The purchase price allocation was finalised during 2024 and did not lead to any adjustments to the provisional purchase price.

During 2023 we acquired Sand Road Freight A/S, Beglobe Sàrl, FLS - Freight & Logistics Solutions, Lda., 3PL, Global Cargo, Inc., IPAC International Packing & Crate LLC and Gardermoen Parcel Xpress DA. All these acquisitions strengthened our global presence in both new- and existing markets.
These acquisitions resulted in fair value of acquired net assets of EUR 8m, goodwill of EUR 8m and customer relations net of deferred tax of EUR 6m.
The purchase price allocations were finalised during 2024 and did not lead to any significant adjustments to the provisional purchase price.

Please refer to the Annual Report for 2023 for further details of the acquisitions.

6.2 AUDIT FEES

EURm	2024	2023
Fee to the auditors appointed at the general meeting		
Statutory audit	1.3	0.8
Other assurance services	0.1	0.1
Tax and VAT services	0.0	-
Other services	1.4	5.2
Total	**2.8**	**6.1**

EY Godkendt Revisionspartnerselskab was appointed as group auditor in 2023 for SGL Group.

In 2024, EY Godkendt Revisionspartnerselskab provided non-audit services amounting to EUR 1.5m, mainly comprising work related to acquisitions, such as financial and tax due diligence.

The 70% cap rule on non-audit services from EY Godkendt Revisionspartnerselskab, as per Article 4 of Regulation (EU) No 537/2014, will apply from the financial year of 2026 as this rule comes into force after three consecutive years of a new auditor.

6.3 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

SECURITY FOR LOANS

EURm	2024	2023
As security for debt to credit institutions, for undrawn credit facilities, SGL Group has pledged assets as collateral		
Chattel mortgages	2	2
Floating charge	29	29
Total security	**31**	**31**

The above-mentioned securities relate to total assets in the company Scan Global Logistics A/S.

As security for the bond debt, the Parent Company has pledged assets as collateral.		
Bond debt at par	**879**	**750**

Bond debt is secured by collateral in the shareholdings in the major group companies. The companies secured as collateral are jointly and several liable for the bond debt amounting to EUR 879m.

There have only been a few claims against the company due to various transports worldwide. These claims are considered insignificant and are expected to be covered economically by the company's global liability insurance programme. The company has a few cases, which are not covered by the company's global liability insurance programmes. Based on the precautionary principle, Management has made a provision to cover these risks.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Contingent liabilities comprise a possible obligation arising from past events. The obligation will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control. Or by a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.4 RELATED PARTIES

RELATED PARTY CONTROLLING INTEREST

Information about related parties with a controlling interest and significant influence:

Related party	Domicile
Owners of SGL Group ApS:	
SGL Holding II ApS (controlling interest)	Denmark
Ultimate owner with controlling interest:	
SGL Holding I ApS (Controlling interest of 100% of the financial rights)	Denmark
Owners of SGL Holding I ApS:	
Skill Luxembourg Holdings S.á r.l. (controlling interest on voting rights)	Luxembourg

RELATED PARTY TRANSACTIONS

EURm	2024	2023
Group companies		
Remuneration to Management	2	2
Loan to SGL Holding II ApS	1	3
Capital contribution from parent	-	(933)
Purchase of services from Joint Ventures	0	-

Related parties are considered to be the Board of Directors and Executive Management of SGL Group ApS and their immediate family members. Related parties further include entities which are controlled or jointly controlled.

6.4 RELATED PARTIES, CONT.

COMPANY NAME	COUNTRY/STATE	OWNERSHIP	MAIN ACTIVITY
Skill Luxembourg Holdings S.á r.l. (Lux)	Luxembourg	Majority	Holding company/administrative company
SGL Holding I Aps	Denmark	100%	Holding company/administrative company
SGL Holding II Aps	Denmark	100%	Holding company/administrative company
SGL Group ApS	Denmark	100%	Holding company/administrative company
Scan Global Logistics A/S	Denmark	100%	Air-Ocean
SGL Road ApS	Denmark	100%	Road
SGL Fulfillment & Distribution A/S	Denmark	100%	Solutions
Anpartsselskabet af 4.1.2024	Denmark	25%	Holding company/administrative company
K/S af 4.1.2024 II	Denmark	25%	Holding company/administrative company
Scan Global Logistics AB	Sweden	100%	Air-Ocean
Trust Forwarding Sweden AB	Sweden	100%	Air-Ocean
SGL Express Holding AB	Sweden	100%	Holding company/administrative company
SGL Express AB	Sweden	100%	Air-Ocean
SGL Road AB	Sweden	100%	Road
Scan Global Logistics AS	Norway	100%	Air-Ocean
Trust Forwarding Norway AS	Norway	100%	Air-Ocean
Scan Global Logistics (Finland) Oy	Finland	100%	Air-Ocean
Scan Global Logistics Greenland ApS	Greenland	100%	Air-Ocean
Sp/f Scan Global Logistics Faroe I.	Faroe Islands	100%	Air-Ocean
Scan Global Logistics Iceland ehf.	Iceland	100%	Air-Ocean
Scan Global Logistics GmbH	Germany	100%	Road
ETS & Scan Global Logistics GmbH (ETS Transport & Logistics GmbH)	Germany	100%	Air-Ocean
Scan Global Logistics Commercial GmbH	Germany	100%	Air-Ocean
Scan Global Automotive Special Logistics GmbH	Germany	100%	Air-Ocean

COMPANY NAME	COUNTRY/STATE	OWNERSHIP	MAIN ACTIVITY
Scan Global Logistics Automotive Testing Services GmbH	Germany	100%	Air-Ocean
Scan Global Logistics Consulting GmbH	Germany	100%	Air-Ocean
Scan Global Logistics Sp. z o.o	Poland	100%	Air-Ocean
Scan Global Logistics N.V.	Belgium	100%	Air-Ocean
Scan Global Logistics B.V.	Netherlands	100%	Air-Ocean
Gelders Forwarding B.V.	Netherlands	100%	Air-Ocean
Horizon International Holdings Limited	United Kingdom	100%	Holding company/administrative company
Scan Global Logistics (UK) Ltd.	United Kingdom	100%	Air-Ocean
Scan Global Logistics (IR) Limited	Ireland	100%	Air-Ocean
Horizon International Cargo B.V	Netherlands	100%	Air-Ocean
Scan Global Logistics GmbH	Austria	100%	Road
Scan Global Logistics Sárl (Belglobe Sárl)	Switzerland	100%	Air-Ocean
Scan Global Logistics SAS	France	100%	Air-Ocean
Scan Global Logistics Spain S.L	Spain	100%	Air-Ocean
Contenosa, S.A.U	Spain	100%	Air-Ocean
Neypemar Barcelona, S.L.U	Spain	100%	Air-Ocean
FLS - Freight & Logistics Solutions, Unipessoal, Lda	Portugal	100%	Air-Ocean
Foppiani Shipping & Logistics S.r.l.	Italy	100%	Air-Ocean
Foppiani Shipping & Logistics Hong Kong Company Limited	Hong Kong	100%	Air-Ocean
Foppiani China Co. Ltd	China	100%	Air-Ocean
Scan Global Logistics Hungary Kft.	Hungary	100%	Air-Ocean
Scan Global Logistics s.r.o.	Czech Republic	100%	Air-Ocean
Scan Global Logistics S.R.L	Romania	100%	Air-Ocean
Scan Global Logistics s.r.o.	Slovakia	100%	Air-Ocean
Scan Global Logistics LLC	Ukraine	100%	Air-Ocean
Scan Global Logistics LLC	United Arab Emirates	100%	Air-Ocean
Scan Global Logistics AD LLC	United Arab Emirates	100%	Air-Ocean
Scan Global Logistics Services LLC (Kingdom of Saudi Arabia)	Saudi Arabia	100%	Air-Ocean

MAIN ACTIVITY
- Holding company/administrative company
- Air-Ocean
- Road
- Solutions

6.4 RELATED PARTIES, CONT.

COMPANY NAME	COUNTRY/STATE	OWNERSHIP	MAIN ACTIVITY
SGL Kenya Limited	Kenya	100%	Air-Ocean
Scan Global Logistics S.A.	Mali	55%	Air-Ocean
Scan Global Logistics SARL	Senegal	100%	Air-Ocean
Scan Global Logistics SARL	Ivory Coast	100%	Air-Ocean
Scan Global Logistics SARL	Benin	100%	Air-Ocean
Scan Global Logistics Togo SARLU	Togo	100%	Air-Ocean
Scan Global Logistics SA (PTY) Ltd.	South Africa	75%	Air-Ocean
Scan Global Logistics Colombo (PVT) LTD	Sri Lanka	40%	Air-Ocean
Scan Global Logistics Co. Ltd.	Myanmar	100%	Air-Ocean
Scan Global Logistics SDN. BHD.	Malaysia	100%	Air-Ocean
Scan Global Logistics (Singapore) Pte Ltd.	Singapore	100%	Air-Ocean
PT SCAN GLOBAL INDONESIA	Indonesia	67%	Air-Ocean
Scan Global Logistics Company Limited	Thailand	100%	Air-Ocean
Scan Global Logistics Lao Sole Company Limited	Laos	100%	Air-Ocean
SCAN GLOBAL INTERNATIONAL (CAMBODIA) CO., LTD	Cambodia	100%	Air-Ocean
Scan Global Logistics (Vietnam) Ltd.	Vietnam	75%	Air-Ocean
SGL Holding Bangladesh Limited	Bangladesh	40%	Air-Ocean
Scan Global Logistics (Shanghai) co. Ltd	China	100%	Air-Ocean
Scan Global Logistics (Wuxi) Co. Ltd.	China	100%	Air-Ocean
Scan Global Logistics Ltd. (Hong Kong)	Hong Kong	100%	Air-Ocean
Scan Global Logistics (Shanghai) Ltd	China	100%	Air-Ocean
Sea-Air Logistics (HK) Ltd.	Hong Kong	100%	Air-Ocean
Scan Global Logistics (Philippines) Inc.	Philippines	100%	Air-Ocean
Scan Ecozone Solutions Inc.	Philippines	99%	Air-Ocean
SGL Manila (Shared Service Center) Inc.	Philippines	99%	Air-Ocean

COMPANY NAME	COUNTRY/STATE	OWNERSHIP	MAIN ACTIVITY
Scan Global Logistics Korea Co., Ltd	South Korea	100%	Air-Ocean
Scan Global Logistics K.K.	Japan	100%	Air-Ocean
Scan Global Logistics PTY LTD	Australia	100%	Air-Ocean
SGL Australia PTY LTD	Australia	100%	Air-Ocean
Scan Global Logistics NZ Limited	New Zealand	100%	Air-Ocean
Scan Global Logistics Chile S.A.	Chile	100%	Solutions
Scan Global Logistics Peru S.A.C	Peru	100%	Air-Ocean
Scan Global Logistics Colombia SAS	Colombia	100%	Air-Ocean
Blu Logistics Brasil Transportes Internacionais Ltda.	Brazil	100%	Air-Ocean
Scan Global Logistics S.A	Argentina	95%	Air-Ocean
Belglobe Adisa S. de R.L. de C.V,	Mexico	100%	Air-Ocean
Trans Sea Land S.A. DE C.V.	Mexico	100%	Air-Ocean
Skill US BidCo Inc	United States	100%	Holding company/administrative company
SGLT TransGroup US Corp.	Delaware, US	100%	Holding company/administrative company
TransGroup Global, Inc	Delaware, US	100%	Air-Ocean
TransLAX, LLC (LAX-I)	California, US	50%	Air-Ocean
TGLOMA, LLC	Nebraska, US	100%	Air-Ocean
TransGroup Canada Logistics, Inc	Canada	100%	Air-Ocean
ICO SFO, LLC (SFO-I)	California, US	50%	Air-Ocean
TGLORD, LLC (ORD-D)	Illinois, US	100%	Air-Ocean
Transfair North America International Freight Services, LLC	Washington, US	100%	Air-Ocean
Trans Bos, LLC	Washington, US	100%	Air-Ocean
TGLPHL, LLC	Pennsylvania, US	100%	Air-Ocean
Trans ICO, LLC	New Jersey, US	50%	Road
ORD ICO, LLC	Illinois, US	100%	Air-Ocean
Horizon International Cargo Inc.	Delaware, US	100%	Air-Ocean
Foppiani Shipping and Logistics USA Inc.	Delaware, US	100%	Air-Ocean
TransGroup Express, LLC	Washington, US	100%	Air-Ocean

MAIN ACTIVITY
- Holding company/administrative company
- Air-Ocean
- Road
- Solutions

6.4 RELATED PARTIES, CONT.

COMPANY NAME	COUNTRY/STATE	OWNERSHIP	MAIN ACTIVITY
Transdomestic LAX, LLC	California, US	100%	
SGLBLI LLC	Washington, US	100%	
SGLSEA, LLC	Washington, US	100%	
D&W International, Inc.	Washington, US	100%	
New Bison, LLC	Washington, US	100%	
Trans MCO, LLC	Florida, US	51%	
Trans-MIA, LLC	Florida, US	61%	
Trans ATL, LLC	Georgia, US	100%	
MDX Global Logistics, LLC	Washington, US	100%	
3PL, Inc.	California, US	100%	
TGLEWR, LLC	New Jersey, US	100%	
Cargo Connection NC, LLC	North Carolina, US	100%	
TRANS IAH, LLC	Texas, US	100%	
TransGroup DFW, LLC	Texas, US	100%	
SGLorf, LLC	Virgina, US	100%	
SGLT TransGroup de Mexico S.A. DE C.V.	Mexico	100%	

MAIN ACTIVITY

- Holding company/ administrative company
- Air-Ocean
- Road
- Solutions

6.5 FINANCIAL DEFINITIONS

Financial ratios
Financial ratios are calculated in accordance with the following definitions:

Gross margin:

$$\frac{\text{Gross profit}}{\text{Revenue}} \times 100$$

EBITDA margin before special items:

$$\frac{\text{EBITDA before special items}}{\text{Revenue}} \times 100$$

EBIT margin before special items:

$$\frac{\text{Operating profit (EBIT) before special items}}{\text{Revenue}} \times 100$$

EBIT margin:

$$\frac{\text{Operating profit (EBIT)}}{\text{Revenue}} \times 100$$

Conversion ratio:

$$\frac{\text{EBITDA before special items}}{\text{Gross profit}} \times 100$$

Equity ratio:

$$\frac{\text{Equity at year-end}}{\text{Total assets}} \times 100$$

Net interest-bearing debt:
Interest-bearing debt less of interest-bearing assets and cash and cash equivalents.

Net working capital:
Net working capital (NWC) is the capital tied up in trade- and other receivables, other current operating assets less trade payables, other payables and other current operating liabilities.

Free cash flow:
Free cash flow is cash flow from operating activities less cash flow from investing activities.

6.6 SUBSEQUENT EVENTS

ACQUISITION OF ITN LOGISTICS GROUP

On 19 December 2024, SGL Group ApS, through its wholly-owned subsidiary Scan Global Logistics A/S, signed an agreement to acquire 100% of the shares in ITN Logistics Group ("ITN").

ITN is a leading privately owned Canadian freight forwarder offering a full suite of global logistics solutions across transport modes. The acquisition of ITN will strengthen SGL's Canadian operations by bringing additional scale, locations and increased market share. ITN generated a yearly revenue of approximately CAD 170m in 2023. Most importantly, ITN will bring additional human capital of more than 250 employees with comprehensive industry knowledge: people who are a perfect match to SGL Group's DNA and culture.

The transaction is subject to anti-trust approval from the Canadian authorities, and closing is expected in Q2 2025.

The acquisition of ITN is financed partly through the cash position and the issue of new senior secured bonds.

SGL GROUP APS SUCCESSFULLY PLACES EUR 375,000,000 OF NEW SENIOR SECURED BONDS

On 31 January 2025, SGL Group ApS announced that it had successfully placed new senior secured bonds in an amount of EUR 375,000,000 under a framework of a total aggregate nominal amount of EUR 600,000,000. The new bonds will carry a tenor of 6 years and a floating rate interest of 3 months EURIBOR plus 4.25% per annum and were placed at a price of 99% of par. The bond issue was met with strong demand from primarily Nordic and international institutional investors and was significantly oversubscribed.

Proceeds from the new bonds will be used to:

- Fully redeem the Company's outstanding senior secured callable floating rate bonds (ISIN: NO0012826033) maturing in 2028 by way of a voluntary redemption.
- Partly finance the acquisition of ITN Logistics Group.
- Paying transaction costs and general corporate purposes.

Settlement of the new bonds was on 24 February 2025, and the Company intends to list the New Bonds on the Corporate Bond List of Nasdaq Stockholm.

PARENT COMPANY FINANCIAL STATEMENTS

CONTENTS

INCOME STATEMENT

EURm	NOTES	2024	2023
Other operating income		4	2
Other external expenses		(2)	(1)
Staff costs	2.3	(2)	(1)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items		**(0)**	**(0)**
Operating profit (EBIT) before special items		**(0)**	**(0)**
Special items, net	2.4	(3)	(23)
Operating profit (EBIT)		**(3)**	**(23)**
Financial income	3.1	43	54
Financial expenses	3.1	(108)	(998)
Result before tax		**(68)**	**(967)**
Income tax for the year	4.2	2	2
Result of the year		**(66)**	**(965)**

STATEMENT OF OTHER COMPREHENSIVE INCOME

EURm	NOTES	2024	2023
Result for the year		**(66)**	**(965)**
Items that will be reclassified to income statement when certain conditions are met:			
Exchange rate adjustment		(2)	-
Other comprehensive income, net of tax		**(2)**	**-**
Total comprehensive income for the year		**(68)**	**(965)**

BALANCE SHEET

EURm	NOTES	2024	2023
ASSETS			
Investments in subsidiaries	2.1	1,380	1,163
Receivables from related parties	3.2, 4.3	206	490
Other receivables	3.2	-	2
Total non-current assets		**1,586**	**1,655**
Receivables from related parties	3.2, 4.3	76	29
Tax receivables	4.2	1	2
Other receivables	3.2	0	1
Cash and cash equivalents		0	3
Total current assets		**77**	**35**
Total assets		**1,663**	**1,690**

EURm	NOTES	2024	2023
EQUITY AND LIABILITIES			
Share capital		0	0
Currency translation reserve		(2)	-
Retained earnings		818	884
Total equity		**816**	**884**
Borrowings	3.2	823	726
Other payables	3.2	10	-
Total non-current liabilities		**833**	**726**
Trade payables	3.2	0	1
Payable to related parties	3.2, 4.3	0	73
Other payables	3.2	14	6
Total current liabilities		**14**	**80**
Total liabilities		**847**	**806**
Total equity and liabilities		**1,663**	**1,690**

STATEMENT OF CASH FLOWS

EURm	NOTES	2024	2023
Result for the year		(66)	(965)
Adjustment of non-cash items:			
Income taxes in the income statement		(2)	(2)
Financial income		(43)	(54)
Financial expenses		108	998
Change in working capital	2.2	(102)	48
Interest received		2	7
Interest paid		(78)	(58)
Tax paid		(7)	1
Cash flows from operating activities		**(188)**	**(25)**
Investments in Group entities		(218)	(283)
Liquidation of Group entities		26	-
Repayment of loan from related entities		290	-
Loan to related entities		(6)	(490)
Intercompany dividends		1	-
Cash flows from investing activities		**93**	**(773)**
Capital increase		0	79
Proceeds from issuing bonds	3.2	587	722
Redemption of bond loan	3.2	(494)	-
Cash flows from financing activities		**93**	**801**
Change in cash and cash equivalents		**(2)**	**3**
Cash and cash equivalents			
Cash and cash equivalents beginning of year		3	-
Exchange rate adjustment of cash and cash equivalents		(1)	-
Change in cash and cash equivalents		**(2)**	**3**
Cash and cash equivalents end of year		**0**	**3**

STATEMENT OF CHANGES IN EQUITY

EURm	SHARE CAPITAL	CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
2024				
Equity at 1 January	**0**	**-**	**884**	**884**
Result for the year	-	-	(66)	(66)
Other comprehensive income, net of tax	-	(2)	-	(2)
Total comprehensive income, net of tax	**-**	**(2)**	**(66)**	**(68)**
Equity at 31 December	**0**	**(2)**	**818**	**816**
2023				
Equity at 1 January	**0**	**-**	**0**	**0**
Result for the year	-	-	(965)	(965)
Total comprehensive income, net of tax	**-**	**-**	**(965)**	**(965)**
Capital contribution	0	-	933	933
Distribution of assets*	-	-	916	916
Total transactions with owners	**-**	**-**	**1,849**	**1,849**
Equity at 31 December	**0**	**-**	**884**	**884**

On December 31, 2023, the share capital of SGL Group ApS amounted to 400,000 shares of nominal DKK 1 each, with all shares ranked equally.
During 2023, the authorised share capital was increased by DKK 360,000 by the issue of 360,000 shares with a nominal value of DKK 1 with retained earnings of DKK 109m.

** The distribution of assets is related to the restructuring of ownership in operating entities. Please refer to note 3.1. for further description.*

1.1 MATERIAL ACCOUNTING POLICIES

Basis of presentation
The 2024 financial statements of SGL ApS have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union and additional disclosure requirements applicable to enterprises in accounting class D under the Danish Financial Statements Act.

The financial statements are presented in Euro (EURm), which is the presentation currency. The accounting policies for the Parent Company are the same as for SGL Group, cf. section 1 in the consolidated financial statements and the individual sections.

1.2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing SGL Group ApS' financial statements, Management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the Company's assets and liabilities.

The significant accounting estimates and judgements made and accounting policies specific to the Parent Company are presented.

2.1 INVESTMENTS IN SUBSIDIARIES

EURm	2024	2023
Cost at 1 January	2,079	-
Exchange rate adjustment	(1)	-
Additions	218	2,079
Disposals	(916)	-
Cost at 31 December	**1,380**	**2,079**
Impairment losses at 1 January	(916)	-
Impairment losses for the year	-	(916)
Disposals	916	-
Impairment losses at 31 December	**-**	**(916)**
Carrying amount at 31 December	**1,380**	**1,163**

Refer to note 6.4 in the consolidated financial statements for an overview of the legal entities within SGL Group.

ACCOUNTING POLICIES

Dividends on investments in subsidiaries are recognised in the Parent Company's income statement in the financial year the dividend is declared.

Investments in subsidiaries are measured at the lower of cost and recoverable amount.

ACCOUNTING ESTIMATES AND JUDGEMENTS

Indications of impairment of investments in subsidiaries are assessed annually by the Management.

Please refer to note 3.1 for a description of the impairment losses recognised on shares in subsidiaries.

2.2 NET WORKING CAPITAL

EURm				2024
	1 JANUARY	CASH FLOW	NON-CASH CHANGES	31 DECEMBER
Receivables	(32)	(26)	(20)	(78)
Trade and other payables	80	(61)	5	24
Total net working capital	**48**	**(87)**	**(15)**	**(54)**

				2023
	1 JANUARY	CASH FLOW	NON-CASH CHANGES	31 DECEMBER
Receivables	-	(32)	(0)	(32)
Trade and other payables	-	80	0	80
Total net working capital	**-**	**48**	**0**	**48**

2.3 STAFF COST

EURm	2024	2023
STAFF COST		
Wages and salaries	2	2
Pensions	0	0
Other social security costs	0	0
Total gross staff costs	**2**	**2**
Transferred to cost of operation	-	-
Transferred to special items	-	(1)
Total staff costs	**2**	**1**
Average number of full-time employees	**3**	**2**

For information regarding remuneration to the Board of Directors and to the Executive Management for the parent company, refer to note 2.4 in the Consolidated financial statements.

ACCOUNTING POLICIES

Staff costs comprise salaries, wages, pensions and social security costs except staff costs recognised under costs of operation and special items. Staff costs are recognised in the year SGL Group's employees performed the related work.

2.4 SPECIAL ITEMS, NET

EURm	2024	2023
M&A activities, greenfield activities and other transaction-specific costs	(1)	(22)
Restructuring and other costs	(2)	(1)
Total	**(3)**	**(23)**

ACCOUNTING POLICIES

Special items are recognised in connection with presenting the consolidated income statement for the year to separate items by their nature, which is unrelated to SGL Group's primary business activity. Separating these items improves the understanding of the performance for the year.

The use of special items entails management judgement in separating them from ordinary items. Management carefully considers individual items and projects (including restructurings) to ensure the correct distinction between operating activities and income/expenses of special nature.

Special items comprise of:

- Restructuring costs, impairment costs, etc., relating to fundamental structural, procedural and managerial reorganisations as well as any related gains or losses on disposals
- Transaction and restructuring costs relating to the acquisition and divestment of enterprises.

2.4 SPECIAL ITEMS, NET, CONT.

EURm			2024			2023
	INCOME STATEMENT	SPECIAL ITEMS	ADJUSTED INCOME STATEMENT	INCOME STATEMENT	SPECIAL ITEMS	ADJUSTED INCOME STATEMENT
Revenue	-	-	-	-	-	-
Cost of operation	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-
Other external expenses	0	(3)	(3)	-	(22)	(22)
Staff costs	0	-	0	-	(1)	(1)
Earnings before Interest, Tax, Depreciation, Amortisation (EBITDA) and special items	**0**	**(3)**	**(3)**	**-**	**(23)**	**(23)**
Amortisation and depreciation	0	-	0	-	-	-
Operating profit (EBIT) before special items	**0**	**(3)**	**(3)**	**-**	**(23)**	**(23)**
Special items, net	(3)	3	-	(23)	23	-
Operating profit (EBIT)	**(3)**	**-**	**(3)**	**(23)**	**-**	**(23)**
Financial income	43	-	43	54	-	54
Financial expenses	(108)	-	(108)	(998)	-	(998)
Result before tax	**(68)**	**-**	**(68)**	**(967)**	**-**	**(967)**

3.1 FINANCIAL ITEMS

EURm	2024	2023
Financial income		
Interest income	2	1
Bond interest income	-	7
Financial income from related parties	21	11
Dividend from subsidiaries	1	17
Other financial income	19	18
Total financial income	**43**	**54**
Financial expenses		
Interest expenses	-	(1)
Bond interest expenses	(83)	(64)
Amortisation of capitalised loan costs	-	(4)
Impairment on investments in subsidiaries	-	(916)
Other financial expenses	(12)	(9)
Exchange rate loss	(13)	(4)
Total	**(108)**	**(998)**

3.2 FINANCIAL RISK MANAGEMENT

EURm										2024
					NON-CASH CHANGE					
	MATURITY	EFFECTIVE INTEREST RATE	CARRYING AMOUNT 1 JANUARY	CASH FLOW	BUSINESS COMBINATIONS	FOREIGN EXCHANGE EFFECT	ADDITIONS	DISPOSALS	OTHER	CARRYING AMOUNT 31 DECEMBER
BOND DEBT										
Issued bonds, EUR 750 million	2028	3m EURIBOR + 6.75%	750	-	-	-	-	(166)	-	584
Hereof bonds held by SGL Group	2028	3m EURIBOR + 6.75%	-	(494)	-	-	-	166	23	(305)
Issued bonds, EUR 600 million	2030	3m EURIBOR + 4,75%	-	600	-	-	-	-	-	600
Capitalised loan costs			(24)	(13)	-	-	-	-	(19)	(56)
Net bond debt			**726**	**93**	**-**	**-**	**-**	**-**	**4**	**823**
Payable bond interest			6	(78)	-	-	83	-	-	11
Total			**732**	**15**	**-**	**-**	**83**	**-**	**4**	**834**

										2023
BOND DEBT										
Issued bonds, EUR 750m	2028	3m EURIBOR + 6.75%	-	750	-	-	-	-	-	750
Redeemed bonds, EUR 538m*			-	(193)	193	-	-	-	-	-
Capitalised loan costs			-	(28)	-	-	-	-	4	(24)
Net bond debt			**-**	**529**	**193**	**-**	**-**	**-**	**4**	**726**
Payable bond interest			-	(58)	-	-	64	-	-	6
Total			**-**	**471**	**-**	**-**	**64**	**-**	**4**	**732**

** Previously issued bonds by SGL International A/S assumed as part of the acquisition of Scan (Jersey) TopCo Limited and SGL TransGroup US Corp.*

3.2 FINANCIAL RISK MANAGEMENT, CONT.

FINANCIAL ASSETS AND LIABILITIES

EURm	Maturity of contractual undiscounted cash flows					2024
ASSETS	<1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL CASH FLOWS	FAIR VALUE	CARRYING AMOUNT
Other receivables	-	-	-	-	-	-
Receivables from related parties	41	275	-	316	316	282
Cash	0	-	-	-	0	0
Amortised costs	**41**	**275**	**-**	**316**	**316**	**282**
Total financial assets	**41**	**275**	**-**	**316**	**316**	**282**
LIABILITIES						
Borrowings	76	534	624	1,234	890	823
Trade payables	0	-	-	0	0	0
Accrued trade expenses	0	-	-	0	0	0
Other payables	14	10	-	24	24	24
Amortised costs	**90**	**544**	**624**	**1,258**	**914**	**847**
Total financial liabilities	**90**	**544**	**624**	**1,258**	**914**	**847**

EURm	Maturity of contractual undiscounted cash flows					2023
ASSETS	<1 YEAR	1-5 YEARS	> 5 YEARS	TOTAL CASH FLOWS	FAIR VALUE	CARRYING AMOUNT
Other receivables	1	2	-	3	3	3
Receivables from related parties	32	597	-	629	629	519
Cash	3	-	-	3	3	3
Amortised costs	**36**	**599**	**-**	**635**	**635**	**525**
Total financial assets	**36**	**599**	**-**	**635**	**635**	**525**
LIABILITIES						
Borrowings	81	1,015	-	1,096	743	726
Trade payables	1	-	-	1	1	1
Accrued trade expenses	73	-	-	73	73	73
Other payables	6	-	-	6	6	6
Amortised costs	**161**	**1,015**	**656**	**1,176**	**823**	**806**
Total financial liabilities	**161**	**1,015**	**656**	**1,176**	**823**	**806**

CURRENCY RISK

EURm			2024		2023
CURRENCY	CHANGE	NET PROFIT FOR THE YEAR	OTHER COMPREHENSIVE INCOME	NET PROFIT FOR THE YEAR	OTHER COMPREHENSIVE INCOME
DKK	10%	0	-	5	-
USD	10%	4	-	(1)	-
AUD	10%	5	-	-	-

LIQUIDITY RESERVE

EURm	2024	2023
Cash and cash equivalents	0	3

Description of financial risks and capital management refer to note 4.2 in the consolidated financial statements.

4.1 FEE TO THE AUDITORS

AUDIT FEE

EURm	2024	2023
Fee to the auditors appointed at the general meeting		
Statutory audit	0.5	0.3
Other assurance services	0.1	0.1
Tax and VAT services	-	0.0
Other services	0.0	4.3
Total	**0.6**	**4.7**

Other services mainly comprised work related to acquisitions, such as financial and tax due diligence.

4.2 TAX

TAX FOR THE YEAR

EURm	2024	2023
Current tax	(2)	(2)
Change in deferred tax	0	-
Adjustments to tax, prior years	0	-
Total	**(2)**	**(2)**

CALCULATION OF EFFECTIVE TAX RATE

EURm		2024		2023
Profit before tax		(68)		(967)
Tax applying the statutory Danish corporate income tax rate	22%	(15)	22%	(213)
Non-taxable income from investments in subsidiaries	-	-	(20%)	198
Tax-exempt income, less non-deductible expenses	(19%)	13	(1%)	13
Adjustment for tax cost of previous years	-	-	-	-
Other adjustments	-	-	-	-
Total before unrecognised tax asset	3%	(2)	1%	(2)
Adjustment tax asset	**-**	**-**	**-**	**-**
Total	**3%**	**(2)**	**1%**	**(2)**

DEFERRED TAX

EURm	2024	2023
Net deferred tax 1 January	-	-
Adjustment tax previous years	-	-
Deferred tax for the year	-	-
Net deferred tax 31 December	**-**	**-**
Deferred tax, by gross temporary differences:		
Other intangible assets	-	-
Tax losses carried forward	-	-
Total	**-**	**-**
Recognised in the balance sheet as:		
Deferred tax assets	-	-
Deferred tax liabilities	-	-
Total	**-**	**-**

4.3 RELATED PARTIES

RELATED PARTY CONTROLLING INTEREST

Information about related parties with a controlling interest and significant influence:

Related party	Domicile
Owners of SGL Group ApS:	
SGL Holding II ApS (controlling interest)	Denmark
Ultimate owner with controlling interest:	
SGL Holding I ApS (Controlling interest of 100% of the financial rights)	Denmark
Owners of SGL Holding I ApS:	
Skill Luxembourg Holding S.á.r.l. (controlling interest on voting rights)	Luxembourg

RELATED PARTY TRANSACTIONS

EURm	2024	2023
Group companies		
Sales of services	-	2
Capital increase from parent	-	(1,849)
Capital increase in subsidiary	20	2,079
Loan to	206	490
Remuneration to Management	-	2
Receivables	76	29
Payables	-	(73)
Purchase of service from Joint Ventures	0	-

Please see note 3.1 regarding financial income from related parties.
For overview of related entities refer to note 6.4 in the consolidated financial statements.

4.4 CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

SECURITY FOR LOANS

Bond debt with external lenders is secured through collateral in the shareholdings of major subsidiaries of SGL Group ApS. The subsidiaries and SGL Group ApS are jointly and severally liable for the bond debt amounting to EUR 879m.
Please refer to note 6.3 in the consolidated statements for a further description.

EURm	2024	2023
Bond debt at par	**879**	**750**

JOINT TAXATION

SGL Group ApS and its Danish subsidiaries are jointly taxed with the Danish companies in SGL Holding I ApS.

The joint taxation also covers withholding taxes in the form of dividend tax, royalty tax and interest tax. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent adjustments to income taxes and withholding taxes may lead to a larger liability. The tax for the individual companies is allocated in full on the basis of the expected taxable income.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Board have today considered and approved the annual report of SGL Group ApS for the financial year 1 January – 31 December 2024.

The Annual Report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and disclosure requirements for listed companies in Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2024 as well as of the results of their operations and the Group's cash flows for the financial year 1 January – 31 December 2024.

In our opinion, the management commentary is also prepared in accordance with relevant laws and regulations and contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent are facing.

Additionally, the Sustainability Statement, which is part of Management Review, is prepared, in all material respects, in accordance with section 99a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by Management to identify the reported information (the "Process") is in accordance with the description set out in the subsection 'Double Materiality Assessment' within the 'General Disclosures' section. Furthermore, disclosures within subsection 'EU Taxonomy Reporting' in the 'Environment' section of the Sustainability Statement are, in all material aspects, in accordance with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation Reporting").

The year 2024 marks the initial implementation of section 99a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the Sustainability Statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of SGL Group ApS for the financial year 1 January – 31 December 2024, with the file name SGL-2024-12-31-en, is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28 March 2025

Executive Management

Allan Dyrgaard Melgaard Global CEO	Clara Nygaard Holst Global CFO	Mads Drejer Global COO & CCO

Board of Directors

Nils Smedegaard Andersen Chairman	Søren Vestergaard-Poulsen	Christoffer Helsengreen Sjøqvist
Philip Bendorff Røpcke	Thomas Nieszner	John Francis Cozzi

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDER OF SGL GROUP APS

Report on the audit of the Consolidated Financial Statements and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements and the parent company financial statements of SGL Group ApS for the financial year 1 January – 31 December 2024 pp. 91-137, which comprise income statement, statement of other comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

SGL Group initially listed corporate bonds on Nasdaq Stockholm and Börse Frankfurt the 2 March 2023. We were initially appointed as auditor of SGL Group ApS at the general meeting held on 10 May 2023 for the financial year 2023. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 2 years up to and including the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2024. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Revenue recognition

The Group generates revenue from two principal freight forwarding services being Air & Ocean and Road in addition to the Solutions services. Revenue from freight forwarding services is recognized over time, which is measured as time elapsed of total expected time to render the service to the customer or another service provider. Given the significance of revenue and significant management judgments in respect of estimating revenue from services delivered over time, we considered this of most significance in our audit. Accordingly, we considered revenue recognition to be a key audit matter.

As part of our audit, we have evaluated the design and tested the operating effectiveness of selected internal controls in this area. Further, for a sample containing large ongoing transportation services at year-end, we compared the estimates made by management of expected gross profit with actual results in the subsequent period. We compared on a sample basis estimated total time to render the service to the customer to actual time to render the service in the subsequent period and discussed these with shipping agents and Management. For those balances subject to claims, we made inquiries to external legal counsel. We also tested whether policies and processes for making these estimates have been applied consistently to all services of a similar nature.

The accounting principles and disclosures about revenue recognition are included in note 1.2, note 2.1 and note 2.2 to the consolidated financial statements.

Impairment of goodwill and other intangible assets

The carrying amounts of goodwill and other intangible assets related to business combinations comprise a significant part of the consolidated balance sheet. The cash-generating units in which goodwill and other intangible assets are included are impairment tested by Management on an annual basis. The impairment tests are based on Management's estimates of among others future profitability, long-term growth and discount rate. Due to the inherent uncertainty involved in determining the net present value of future cash flows we considered these impairment tests to be a key audit matter.

In response to the identified risks, we obtained an understanding of the impairment assessment process. Our work included test and comparison of inputs with market data, where applicable, including test of the key assumptions and projected future income and earnings used in determining the net present value of goodwill and other intangible assets. Further, we recalculated Management's sensitivity analysis on the key assumptions applied including impact of potential changes in the applied discount rate. Our audit procedures primarily focused on cash generating units where likely changes in key assumptions could result in impairment. We further assessed the adequacy of disclosures provided by Management in the financial statements compared to applicable accounting standards.

The accounting principles and disclosures about goodwill and other intangible assets are included in note 1.2 and note 3.1 to the consolidated financial statements.

Statement on the Management's review

Management is responsible for the Management's review, pp. 1-90. Our opinion on the financial statements does not cover the Management's review, and we do not as part of our audit express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required by relevant law and regulations. This does not include the requirements in paragraph 99a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation
As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of SGL Group ApS, we performed procedures to express an opinion on whether the annual report of SGL Group ApS for the financial year 1 January – 31 December 2024 with the file name SGL-2024-12-31-en is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of SGL Group ApS for the financial year 1 January – 31 December 2024 with the file name SGL-2024-12-31-en is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 28 March 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Skov Larsen
State Authorised
Public Accountant
mne26797

Henrik Pedersen
State Authorised
Public Accountant
mne35456

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY STATEMENT

TO THE SHAREHOLDER OF SGL GROUP APS

Limited assurance conclusion
We have conducted a limited assurance engagement on the Sustainability Statement of SGL Group ApS ('SGL') included in the Annual Report 2024, pages 33-90 (the Sustainability Statement), for the financial year 1 January – 31 December 2024 including disclosures incorporated by reference listed in the table 'Disclosure requirements and incorporation by reference' on pages 34.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act section 99a, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the process) is in accordance with the description set out in the 'Double materiality assessment' section within the General information chapter of the Sustainability Statement, pages 36-41; and

- Compliance of the disclosures in the section EU Taxonomy within the Environment chapter, pages 56-60 of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation).

Basis for conclusion
We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information (ISAE 3000 (Revised)) and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter
The comparative information included in the Sustainability Statement of the Group for the financial year 1 January – 31 December 2023 was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the sustainability statement
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the sustainability statements
Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in the 'Double materiality assessment' section within the General information chapter of the Sustainability Statement, pages 36-41. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;

- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- Making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Danish Financial Statements Act section 99a, including:

- Compliance with the ESRS;

- Preparing the disclosures in the section EU Taxonomy within the Environment chapter, pages 56-60 of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;

- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that are free from material misstatement, whether due to fraud or error; and

- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement
Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the process include:
- Obtaining an understanding of the process but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;

- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the process is consistent with the Group's description of its process, as disclosed in the 'Double materiality assessment' section within the General information chapter of the Sustainability Statement, pages 36-41.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.
In conducting our limited assurance engagement, with respect to the process, we:

- Obtained an understanding of the process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its process; and
- Evaluated whether the evidence obtained from our procedures about the process implemented by the Group's was consistent with the description of the process set out in the 'Double materiality assessment' section within the General information chapter of the Sustainability Statement, pages 36-41.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether material information identified by the process is included in the Sustainability Statement;

- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;

- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;

- Performed substantive assurance procedures on selected information in the Sustainability Statement;

- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;

- Obtained an understanding of the process to identify EU taxonomy economic activities for turnover, CAPEX and OPEX and the corresponding disclosures in the Sustainability Statement;

- Evaluated the presentation and use of EU taxonomy templates in accordance with relevant requirements; and

- Reconciled and ensured consistency between the reported EU taxonomy economic activities and the items reported in the primary financial statements including the disclosures provided in related notes.

Copenhagen, 28 March 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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