

» SUSTAINABILITY REPORT 2020

# TAKING ACTION NOW FOR THE GENERATIONS TO COME



UNCOMPLICATE YOUR WORLD »

**SCAN GLOBAL**  
LOGISTICS

# HOW TO READ THIS REPORT

## ABOUT THIS REPORT

The Sustainability Report supplements the 2020 Annual Report and constitutes the company's Communication on Progress (CoP) as required by the UN Global Compact.

The Sustainability Report has been prepared in accordance with the Global Reporting Initiative's (GRI) Core requirements and in compliance with sections 99a and 99b of the Danish Financial Statements Act.

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

## SGLT HOLDING

The figures contained in this section are comprised of the combined sustainability highlights and operations overview of SGL TransGroup International A/S and TransGroup Global Inc., including their respective subsidiaries, constituting the combined group SGLT Holding II LP ("SGLT Holding").

The information for SGLT Holding is included because it highlights the non-financial performance to which attention should be given when understanding the current combined performance and predicting future combined performance supporting the issued senior secured bond through SGL TransGroup International A/S.

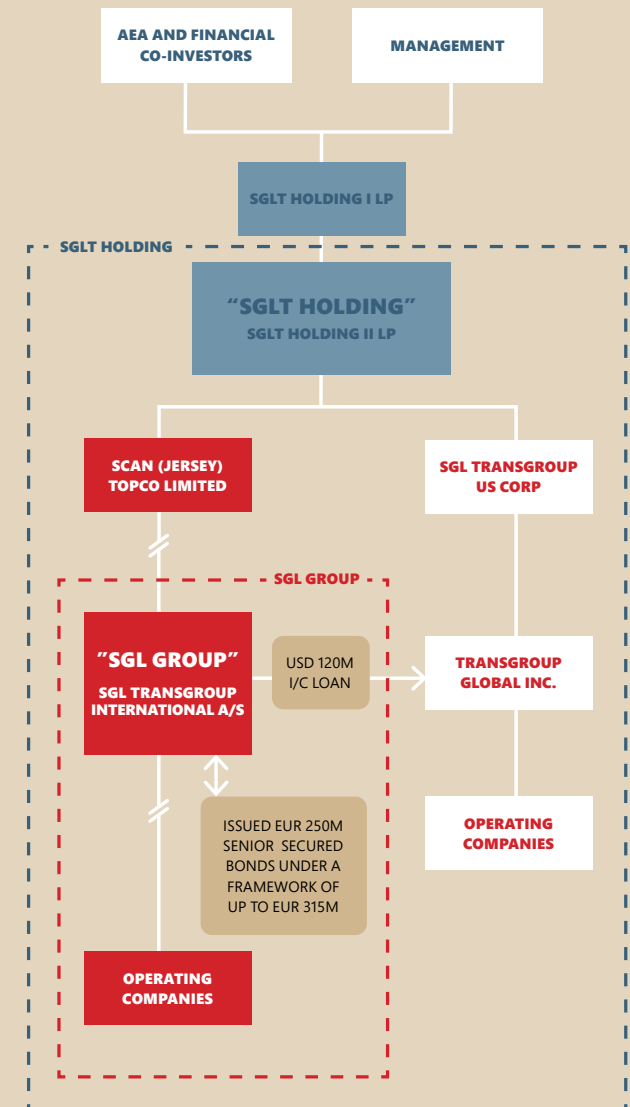
## SGL GROUP

SGL TransGroup International A/S (SGL Group) is owned directly by Scan (UK) Midco Limited, and the ultimate owner is SGLT Holding I LP. SGL Group includes SGL TransGroup International A/S and all its subsidiaries.

SGL TransGroup International A/S (together with TransGroup Global Inc. and their respective subsidiaries) has issued a senior secured floating rate bond loan within a total framework amount of EUR 315 million.



## SIMPLIFIED STRUCTURE\*



\* As of 31 December 2020

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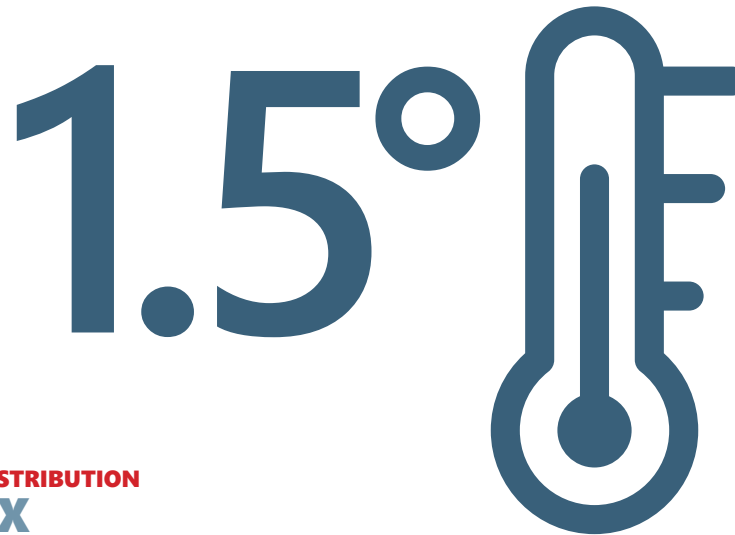
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# SUSTAINABILITY HIGHLIGHTS FOR SGLT HOLDING

**SCIENCE-BASED TARGET**

## 1.5°C COMMITMENT

Joined the Science Based Targets initiative and committed to an ambition aligned with limiting global warming to 1.5°C and reaching net-zero emissions by 2050. In doing so, became the first logistics provider in Denmark and one of only ten companies within the sector globally to commit to the 1.5°C ambition (the highest level).



**DIGITAL OVERVIEW**

## CO<sub>2</sub>e PLATFORM

Developed a digital CO<sub>2</sub>e platform to provide customers with an overview of the end-to-end emissions of the services they purchase, based on different modes of transport.



**VACCINE DISTRIBUTION**

## COVAX

Worked on the planning for distribution of COVID-19 vaccines to 92 lower-income countries under the WHO-backed COVAX programme.

**DEVELOPMENT GOALS**

## UN GLOBAL COMPACT

Reinforced our commitment to the UN Global Compact by focussing on SDG 13 Climate Action & SDG 17 Partnerships for the Goals.



**ESG STANDARDS**

## GRI & SASB ADOPTION

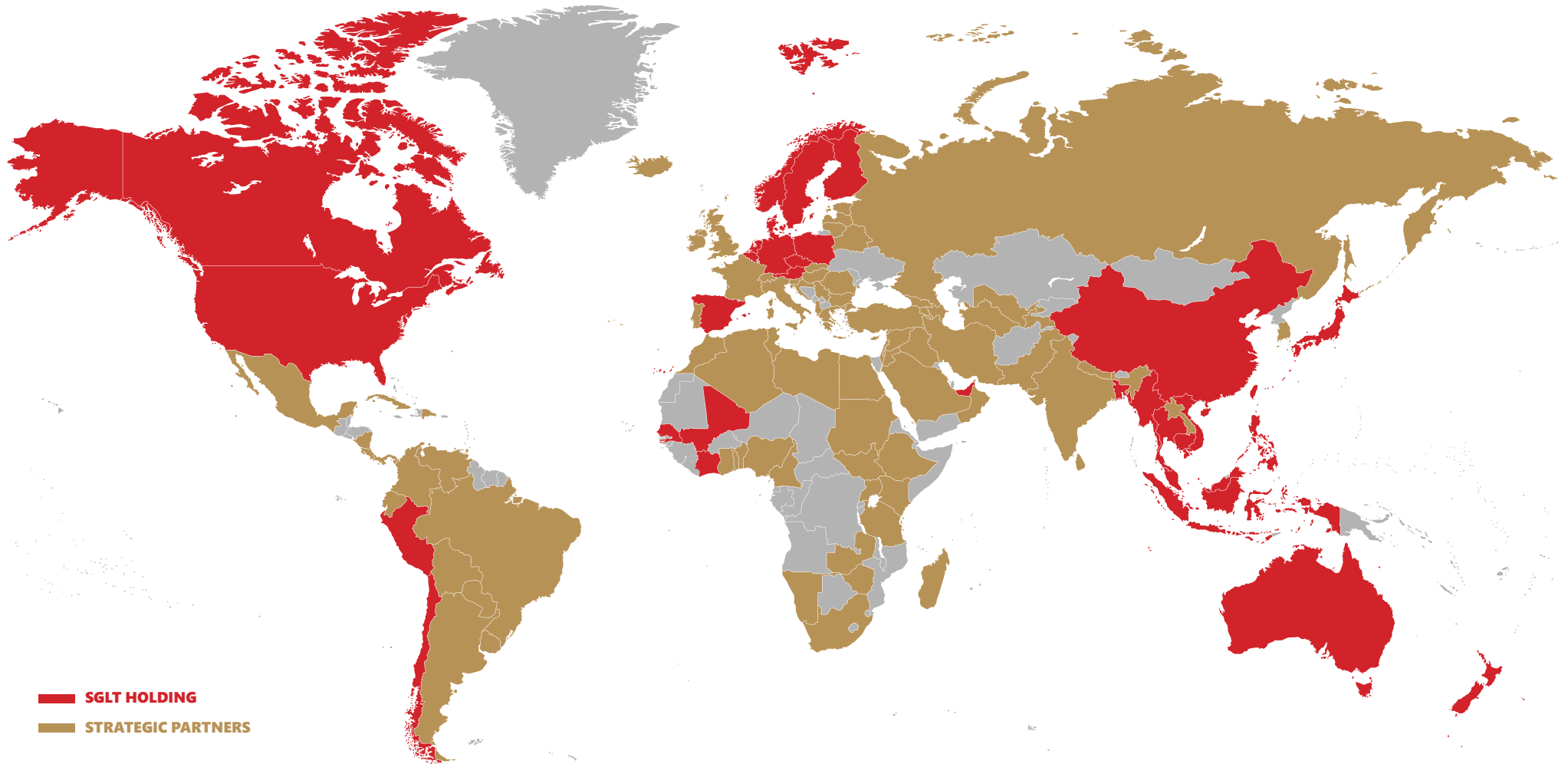
Adopted the guidelines set by the Global Reporting Initiative (GRI) and the Sustainable Accounting Standards Board (SASB) for sustainability reporting.

**EMISSIONS**

## CO<sub>2</sub> OFFSETTING

Developed a carbon offsets solution for our customers that enables them to compensate for the emissions they cannot avoid.

# OPERATIONS OVERVIEW



**■ SGLT HOLDING**  
**■ STRATEGIC PARTNERS**

- Headquarters in Copenhagen, Denmark
- Turnover 2020: USD 1.2 Billion
- Employees: +1,850
- +110 offices in EMEA, North America, South America, South East Asia and Asia Pacific

<b>SGLT HOLDING</b>	<b>Americas</b>	<b>EMEA</b>	<b>South East Asia</b>	<b>Asia Pacific</b>	<b>TOTAL</b>
<b>Countries</b>	<b>4</b>	<b>15</b>	<b>11</b>	<b>3</b>	<b>33</b>
<b>Offices</b>	<b>44</b>	<b>41</b>	<b>27</b>	<b>7</b>	<b>119</b>

# LETTER TO OUR STAKEHOLDERS

## **DEAR STAKEHOLDERS,**

We are delighted to share with you SGL Group's first standalone sustainability report which represents our firm conviction that our business model must be based on sustainable development.

For SGL Group, 2020 was an extraordinary year during which our people worked tirelessly to keep critical supply chains open for our customers during the uncertainty and disruption caused by the COVID-19 pandemic.

Early in the year, SGL Group supported the urgent global distribution of personal protective equipment (PPE) as the pandemic took hold. Later, we began working on the planning for distribution of vaccines for COVAX, the programme backed by the World Health

Organization (WHO) to provide billions of vaccine doses to 92 lower-income countries.

## **COMMITTING TO SCIENCE-BASED TARGETS**

2020 also marked an important milestone in SGL Group's sustainability journey. We joined the Science Based Targets initiative, committed to an ambitious 1.5°C climate target and reinforced our commitment to the UN Global Compact's Sustainable Development Goals (SDGs) by focussing on SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

In our conversations with investors, customers, employees and other stakeholders throughout the year, it became clear to us that they are giving

greater weight to sustainability issues in their decision-making and that the pandemic has only accelerated this.

Climate change is chief among their concerns. There is growing momentum to decarbonise the transport and logistics sector which accounts for a significant share of global greenhouse gas emissions that contribute to climate change. In support of that, we are seeing increasing demand from our customers for logistics solutions with low or net-zero emissions.

The pandemic has also put a focus on social issues. It has driven need for SGL Group's expertise in temperature-controlled cargo and cold chain storage to deliver vaccines across the world. Separately, the humanitarian

consequences of climate change are a growing concern for the UN agencies and NGOs that we have partnered with for over 45 years to deliver aid and relief.

## **SUSTAINABILITY IS A STRATEGIC GROWTH ENABLER**

While there are no simple solutions, we believe we have a growing opportunity to address these issues and concerns by combining our ability to remove complexity together with our strong global partnerships and human approach. As a result, sustainability is a strategic growth enabler for SGL Group.

Partnerships are key to capturing our growth opportunities and are a recurring theme throughout this report. We are working together with customers, suppliers and other

stakeholders to develop low and net-zero emissions logistics solutions that help mitigate the risks of climate change. We are also enhancing our capabilities to deliver vaccines and to support our aid and relief partners. And we are improving our ability to provide meaningful work and opportunities for our people – their diversity and relationships with customers, suppliers and other organisations are fundamental to our strength and success.

At the same time, we are mitigating the environmental, social and governance (ESG) risks that are present in our own operations. That includes ensuring business integrity across our value

chain and taking responsibility for our environmental footprint.

### **TAKING ACTION FOR THE GENERATIONS TO COME**

At SGL Group, we firmly believe that business has a vital role to play in limiting the global temperature rise to the goals set out in the Paris Agreement, but we must act urgently. By committing to an ambition aligned with keeping global warming to 1.5°C and reaching science-based net-zero emissions by 2050, SGL Group is taking action now for the generations to come.



Allan Melgaard  
Group CEO,  
Executive Management  
SGL TransGroup International A/S

Claes Brønsgaard Pedersen  
Group CFO,  
Executive Management  
SGL TransGroup International A/S

# BUSINESS MODEL

Freight forwarding is a service industry specialised in the movement of goods around the world on behalf of exporters and importers (i.e., shippers). Freight forwarding in its purest form is an asset-light business where forwarders organise transportation for their customers by purchasing capacity from capacity providers (ocean carriers, airlines, trucking companies, etc.). The actual physical transportation is performed by the capacity provider, who also owns the assets used in the transportation, with the

freight forwarder taking a fee in exchange for organising the shipment.

SGL Group is considered a global freight forwarder as its core business is procurement of intercontinental Air and Ocean, as well as overland local and regional transportation.

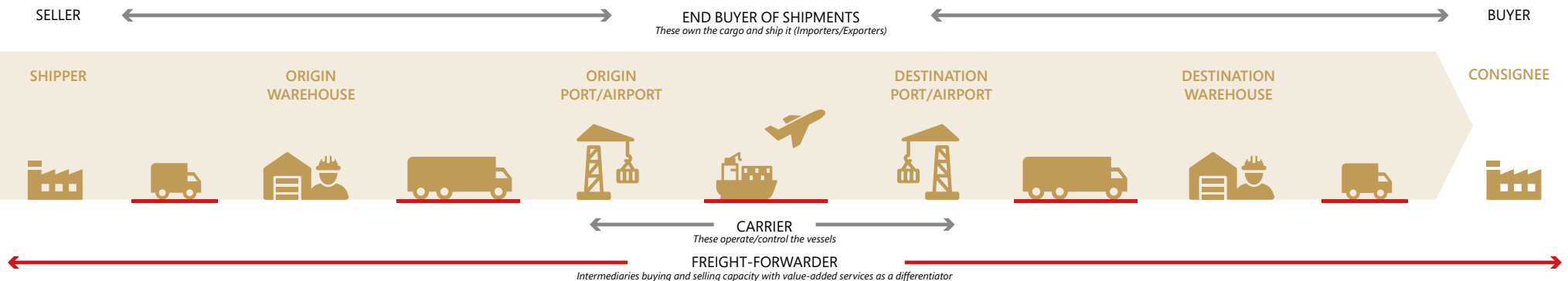
The freight forwarding market is affected by underlying demands from shippers as well as by supply-side factors within Ocean, Air and Road transportation,

i.e., availability of capacity. SGL Group's activities focus on international freight-forwarding services, primarily by Air and Ocean, with supporting IT, Logistics and Road Freight services. More than 80% of the revenue base originates from large customers contracted via corporate initiatives, primarily in the Nordic region. SGL Group primarily provides services to its customers via SGL Group's network of offices supported by its affiliated company TransGroup, USA, and other partners worldwide.

SGL Group holds world-leading positions in key verticals such as high-end automotive logistics, fashion, and food ingredients and additives.

SGL Group has been the leading provider of complex aid, development and project ("ADP") solutions to NGOs for more than 40 years.

SGL Group's main focus is to create solutions for complex logistic challenges on an international basis. SGL Group





## INTRODUCTION

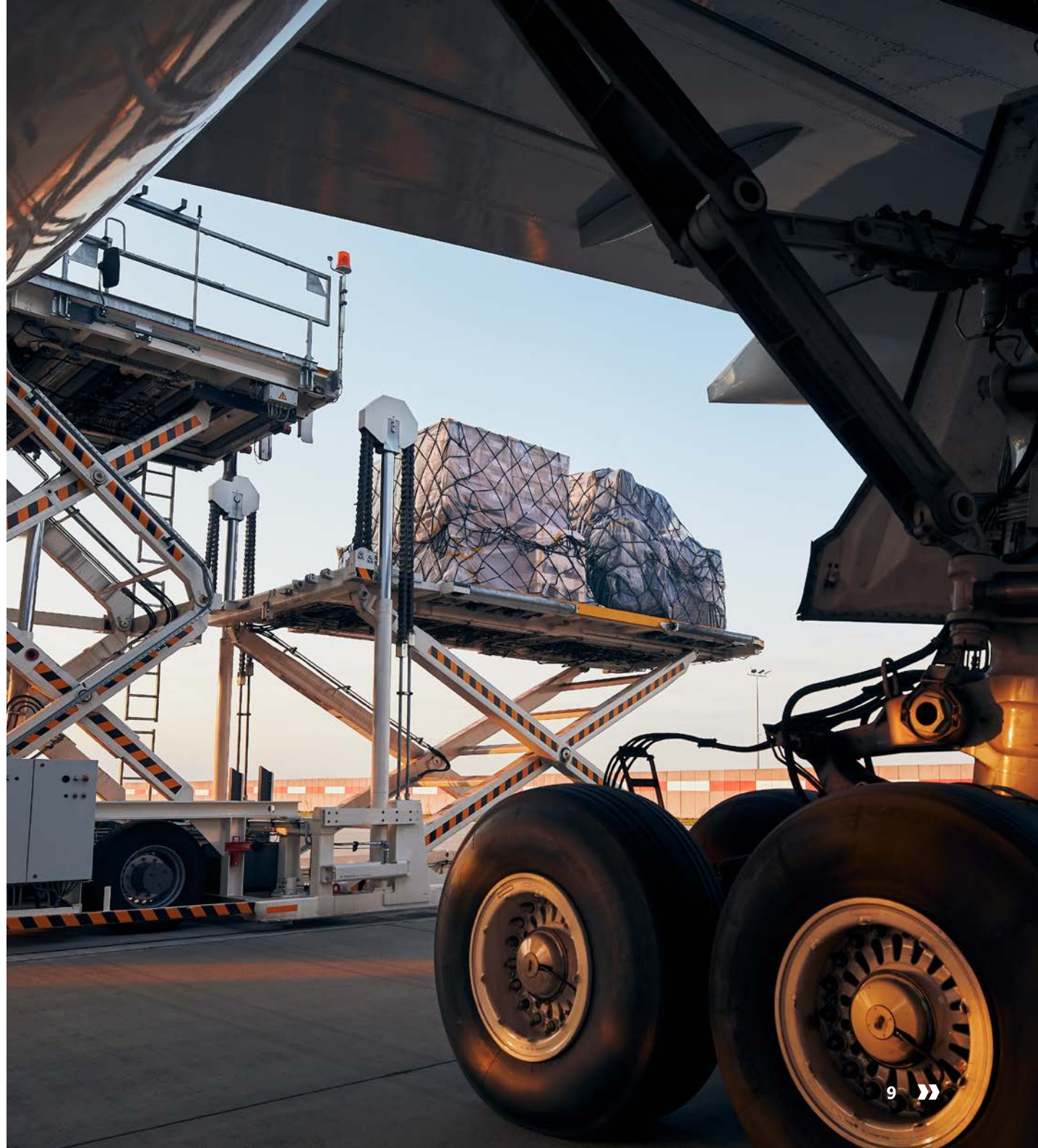
focuses on complex logistic projects requiring tailor-made solutions rather than high-volume, low-margin assignments.

Key success factors for SGL Group are agility, flexibility, geographic presence, sector expertise and customer-centricity. To accommodate and support this strategic focus, SGL Group is prepared to – in full or partially – acquire other companies in relevant markets.

SGL Group has an extensive footprint across all continents with over 1,850 employees in more than 110 offices in EMEA, North America, South America, South East Asia and Asia Pacific.\*

SGL Group serves more than 20,000 customers, of which the average tenure among the 20 largest is approximately eight years.

*\*SGLT Holding level*



# UPDATED COMMITMENTS

SGL Group has been a signatory to the United Nations Global Compact since 2015 and supports the Compact's ten principles and the 17 Sustainable Development Goals (SDGs). In order to ensure that we are applying our efforts to where we can have the most impact, in 2020 we sharpened our focus on two SDGs (SDG 13 Climate Action and SDG 17 Partnership for the Goals), down from four previously.

SGL Group's approach to climate change and environmental issues is anchored in science and during the year we joined the Science Based Targets initiative and committed to an ambition aligned with limiting global warming to 1.5°C and reaching net-zero emissions by 2050 (see more in the Environment: Climate change and footprint section).



**13. CLIMATE ACTION**  
Key ambition to reduce CO<sub>2</sub> emissions for SGL Group and help our customers reduce their scope 3 emissions.

## 13

### CLIMATE ACTION

**17. PARTNERSHIPS**  
Drive the net-zero carbon journey together with like-minded companies. Support humanitarian agencies, along with governments and other stakeholders to provide aid & relief and to distribute COVID-19 vaccines globally.

## 17

### PARTNERSHIPS FOR THE GOALS



# 2020 PROGRESS OVERVIEW

Sustainability is a strategic growth enabler for SGL Group. Below is an overview of our four ESG priorities, our key ambitions and targets and the progress we have made towards them in 2020.

ESG PRIORITY

ENVIRONMENT

SOCIETY

## CLIMATE CHANGE AND FOOTPRINT

## SUPPORTING AID & RELIEF

MATERIAL ESG TOPICS AND SDGS

Climate change



Aid & Relief



KEY AMBITIONS

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

- Increase our Aid & Relief support
- Enhance our capabilities and vaccine solutions

KEY TARGETS

- Net-zero by 2050 across scopes 1, 2 and 3
- Committed to the 1.5°C science-based target

- Global #1 in humanitarian logistics services

2020 PROGRESS

**Decarbonise our logistics solutions through partnerships**

- ✓ Joined the Science Based Targets initiative and committed to the 1.5°C target
- ✓ Developed a digital CO<sub>2</sub>e platform for our customers
- ✓ Developed a carbon offsets solution for our customers

**Take responsibility for our footprint**

- ✓ Continued the international roll out of our Environmental Management System
- ✓ Introduced a new assessment of operational ESG factors
- ✓ Purchased renewable energy certificates (RECs) covering 100% of electricity consumption in Scan Global Logistics Denmark

**Increase our Aid & Relief support**

- ✓ Executed the global distribution of PPE for COVID-19
- ✓ Planned the distribution of vaccines for COVAX

**Enhance our capabilities and vaccine solutions**

- ✓ Ramped up our capabilities within pharmaceuticals and cold-chain handling
- ✓ Initiated innovative vaccine distribution solutions and new partnerships with third-party logistics providers

## PEOPLE OUR GREATEST SOURCE OF VALUE

Employee engagement,  
development and diversity

Health & Safety

- **Become the most meaningful company within the logistics industry and increase diversity**
- **Improve well-being and minimise safety hazards and injuries**

- Meaningfulness score of 80 by 2025
- Appoint one female board member by 2021
- Zero cases of severe injuries and fatalities

### **Increase meaningfulness and diversity**

- ✓ Increased our employee meaningfulness questionnaire (MQ) score by 3%
- ✓ Launched an update to our global recruitment system
- ✓ Began the roll out of a new human resources system

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

- ✓ Continued to roll out ISO 45001 certification where the Industrial Projects division operates
- ✓ Implemented measures and ran safety campaigns focussed on mitigating the risk of COVID-19

## RESPONSIBLE BUSINESS INTEGRITY ACROSS OUR VALUE CHAIN

Anti-trust

Customer privacy

Compliance

- **Run a responsible business in line with our four virtues**
- **Conduct our business with integrity and comply with all laws across our value chain**

- Zero cases of bribery and corruption
- Zero customer privacy complaints and data protection incidents
- Zero compliance incidents

### **Code of conduct, data protection and anti-corruption**

- ✓ 90% of employees were trained in the Code of Conduct and policies related to data protection and anti-corruption

### **Customer privacy and data**

- ✓ Introduced the Personal Data Protection Group Policy
- ✓ Introduced a global GDPR manual and global e-learning training

# STRATEGY & APPROACH

An aerial photograph of a vast tea plantation. The tea bushes are planted in neat, curved rows that follow the contours of the hills. Several paved roads wind through the plantation, some crossing at junctions. The overall scene is lush green and well-maintained.

# INTRODUCTION

## **SUSTAINABILITY ISSUES ARE ACCELERATING**

Across our value chain and in the communities that we operate in, our stakeholders are giving greater weight to sustainability issues in their decisions.

The COVID-19 pandemic has accelerated this. The massive disruption it has caused has raised awareness of the materiality of ESG risks and the links between companies and their stakeholders across value chains.

This has led to growing acceptance that companies that manage their ESG risks effectively are more likely to be resilient in the face of major external shocks.

## **ACTION ON CLIMATE CHANGE**

Rather than being pushed off the agenda by the pandemic, as was initially feared, climate change action by regulators has accelerated in 2020, particularly in the EU. Major investment groups have

clearly articulated that they see climate risk as investment risk and that they expect companies to transform their business models to be compatible with the goals set out in the Paris Agreement. Our customers are increasingly seeking low or net-zero emissions solutions from SGL Group to help decarbonise their supply chains, and we know from our annual Meaningfulness survey that our employees want SGL Group to take action on climate issues.

## **RENEWED FOCUS ON SOCIAL ISSUES**

The pandemic has also put a focus on social issues (the "S" in ESG) and driven need for SGL Group's expertise in temperature-controlled cargo and cold chain storage to deliver vaccines across the world. Separately, the humanitarian consequences of climate change are a growing concern for the UN agencies and NGOs that we partner with to deliver aid and relief. Need for aid and relief

operations is expected to grow to address the increase in weather-related disasters and displacement of people by climate change that is projected to occur over the course of this century.

## **SUSTAINABILITY IS A STRATEGIC GROWTH ENabler**

At SGL Group, we exist to make the world a little less complicated. While there are no simple solutions, we believe we have a growing opportunity to address these particular environmental and societal issues by applying our human approach, know-how and entrepreneurship. As a result, we treat sustainability as a strategic growth enabler for SGL Group.

**If CO<sub>2</sub> emissions keep increasing at their current pace, global temperatures will already have increased 1.5°C\* by 2030, a decade earlier than forecast in the 2019 IPCC Report**

*\*The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change.*

# SUSTAINABILITY GOVERNANCE

## STRONGER GOVERNANCE IN PLACE

During 2020, we strengthened the governance structure for sustainability at SGL Group. Our sustainability work is led by the Global Head of ESG and Quality, who reports to the Global CFO. Day-to-day sustainability topics are managed by our Group Sustainability team together with Human Resources, Legal, and Finance functions.

The Sustainability Board steers SGL Group's ESG agenda. It is chaired by the Group CFO, and its remit includes identifying ESG opportunities and sharing best practices.

The Group CFO is a member of the Board of Directors and the Executive Management team and is responsible for ensuring the implementation of the ESG strategy.

ESG risks are incorporated into SGL Group's Enterprise Risk Management (ERM) process as well as into the ERM system. The ERM Committee which oversees the ERM process and performs the scoping and development of overall risk strategies reports to the Audit Committee of the Board of Directors. The Board of Directors approves our annual sustainability report.





### **Board of Directors**

Provides the vision for sustainability.  
Approves the annual sustainability report.

#### **Chair**

Henrik von Sydow, Chairman of the Board

### **Audit Committee**

#### **Chair**

Matthew Bates, Chairman

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

### **Executive Management**

Responsible for ESG performance.  
Approves ESG objectives and approach.

#### **Group CEO**

Allan Dyrgaard Melgaard,  
SGL TransGroup International A/S

#### **Group CFO**

Claes Brønsgaard Pedersen,  
SGL TransGroup International A/S

### **Sustainability Board**

#### **Chair**

Claes Brønsgaard Pedersen, CFO

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

### **Business organisation and corporate functions**

Ensure progress in sustainability development programmes and to live by the group policies.  
Conduct yearly GHG emission analysis.

# STAKEHOLDERS AND MATERIALITY

## ENGAGING OUR KEY STAKEHOLDERS

SGL Group's asset-light business model means that building relationships and maintaining dialogue with our stakeholders is critical in delivering our services and creating value.

Our sustainability strategy prioritises six stakeholder groups whose decisions have a significant impact on SGL Group: customers; employees; investors, banks and bond-holders; suppliers; owners; and regulators/authorities.

We engage with these stakeholders in our daily work and through structured surveys (with employees) which provides us with valuable insights to determine which ESG topics are material and how we should respond to them.



### SGL Group also participates as a member in organisations working on ESG issues.

- UN Global Compact
- International Air Transport Association (IATA)
- Nordic Association of Freight Forwarders, through the Danish branch of the Association (DASP)
- International Federation of Freight Forwarders Associations (FIATA)
- EcoTransIT World Initiative (EWI) – an organisation which develops and harmonises emissions calculation methodology for the global transport sector

### MATERIALITY AS A CORE PRINCIPLE

Materiality is a core principle in SGL Group's sustainability strategy and determines the topics that we report on. We use the concept of double materiality as described in the European Commission's non-binding guidelines for the Non-Financial Reporting Directive. Double materiality comprises of impact materiality, which includes sustainability matters that are material in terms of the impacts of SGL Group's own operations and value chain; and financial materiality, which includes sustainability matters that are financially material for SGL Group based on evidence that such matters are reasonably likely to affect its value beyond what is already recognised in financial reporting.

For the 2020 sustainability report, we conducted a materiality assessment in line with the GRI reporting recommendations which considered the perspectives of SGL Group's six prioritised stakeholder groups.

The assessment prioritised ESG topics according to three criteria:

1. SGL Group's direct and indirect impact on the economy, environment and society (both positive and negative);
2. The relative importance of the topic to our key stakeholder groups in terms of its influence on their assessments and decisions with regards to SGL Group;
3. SGL Group's enterprise risks and strategic opportunities.

After assessing SGL Group's material topics, we subsequently reviewed their alignment with the Sustainable Development Goals that SGL Group focusses on (SDG 13 and SDG 17).

# OUR EIGHT MATERIAL ESG TOPICS

The materiality assessment identified eight material ESG topics that include 14 sub-topics (a-n) for SGL Group. These are listed to the right along with relevant links to the Global Reporting Initiative's topic-specific standards (GRI series 200-400), and illustrated in the materiality matrix.

## 1 CLIMATE CHANGE

**A** Emissions (GRI 305)

## 2 AID & RELIEF

**B** Aid & Relief (N/A)

## 3 EMPLOYEE ENGAGEMENT, DEVELOPMENT AND DIVERSITY

**C** Employment (GRI 401)

**D** Training and Education (404)

**E** Diversity and Equal Opportunity (GRI 405)

**F** Non-discrimination (GRI 406)

**G** Human Rights (GRI 412)

## 4 HEALTH AND SAFETY

**H** Occupational Health and Safety (GRI 403)

## 5 ANTI-TRUST

**I** Anti-corruption (GRI 205)

**J** Anti-competitive Behavior (GRI 206)

## 6 CUSTOMER PRIVACY

**K** Customer Privacy (GRI 418)

## 7 COMPLIANCE

**L** Socioeconomic Compliance (GRI 419)

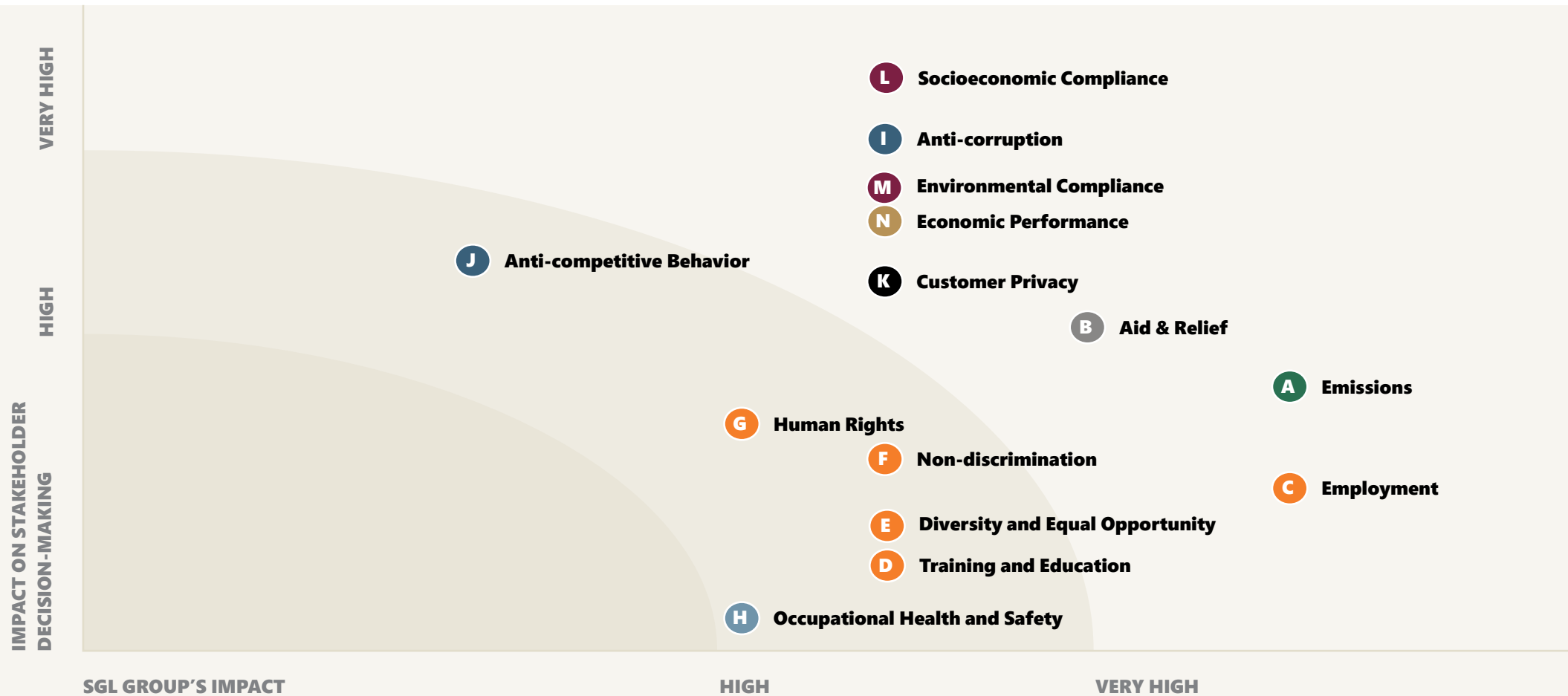
**M** Environmental Compliance (GRI 307)

## 8 ECONOMIC PERFORMANCE\*

**N** Economic Performance (GRI 201)

*\*Economic performance is not addressed in this report, but in the annual report.*

**MATERIALITY MATRIX**



# OUR FOUR ESG PRIORITIES

## ENVIRONMENT



### CLIMATE CHANGE

Our new sustainability strategy addresses the material ESG topics by leveraging our ability to remove complexity, our strong global partnerships and the energy of our people. As an enabler of growth, our sustainability strategy is supported by four ESG priorities.

The transport and logistics sector of which SGL Group is a part of accounts for a significant share of global GHG emissions and must be decarbonised in order to limit climate change to the temperature thresholds established within the Paris Agreement.

The sector faces the risk of increased costs from carbon

taxes and inclusion in emissions trading schemes.

SGL Group has an opportunity to provide low and net-zero emissions solutions to its customers that enable them to decarbonise their supply chains, lower costs and gain competitive advantage in the climate transition within their sectors.

### CLIMATE CHANGE AND FOOTPRINT

This priority seeks to capture the opportunity for SGL Group in providing low and net-zero emissions solutions to its customers. SGL Group has committed to a science-based target to reduce emissions and is partnering with customers, suppliers and other value chain stakeholders to develop these solutions.

At the same time, we are mitigating our ESG risks by taking responsibility for our environmental footprint, reducing emissions from our own operations and improving our use of resources.

## SOCIETY



### AID & RELIEF

The humanitarian consequences of climate change are a growing concern for the UN agencies and NGOs that we partner with. The need for aid and relief operations is expected to grow to address these impacts.

COVID-19 has increased the need for temperature-controlled cargo and cold chain storage that can be used to deliver vaccines globally.

### SUPPORTING AID & RELIEF

This ESG priority builds on SGL Group's more than 45 years of experience in handling complex logistics and support for aid & relief globally, delivered in partnership with UN agencies and NGOs; and our strong capabilities in delivering temperature-controlled cargo and

cold chain storage. Our ambition is to continue to enhance our capabilities in order to support the agencies, governments and other stakeholders that we partner with in line with our commitment to SDG 17. Our target is to be the global #1 in humanitarian logistics services.

PEOPLE		RESPONSIBLE BUSINESS		
 <b>EMPLOYEE ENGAGEMENT, DEVELOPMENT AND DIVERSITY</b>	 <b>HEALTH AND SAFETY</b>	 <b>ANTI-TRUST</b>	 <b>CUSTOMER PRIVACY</b>	 <b>COMPLIANCE</b>
<p>As an asset-light company, our people are SGL Group's greatest source of energy and value. Diversity, employee engagement and development were found to be key ESG topics for stakeholder groups.</p>	<p>With few assets to operate, SGL Group is less exposed to safety issues. However, it remains a material issue for stakeholders and COVID-19 has demonstrated the importance of health and safety within the workplace.</p>	<p>The transport and logistics sector is vulnerable to anti-trust issues and SGL Group can make a positive impact by ensuring it operates via responsible procurement and supply chain practices.</p>	<p>Transport and logistics companies hold data on employees and customers which must be managed effectively.</p>	<p>SGL Group operates in multiple jurisdictions and the transport and logistics sector is vulnerable to compliance issues.</p>
<b>OUR GREATEST SOURCE OF VALUE</b>		<b>INTEGRITY ACROSS OUR VALUE CHAIN</b>		
<p>This priority aims to position SGL Group as the most meaningful company within the logistics industry in order to attract, retain and develop the best people in meaningful work</p>	<p>and opportunities. It also aims to ensure the well-being of all employees and protect them from any safety hazards or severe injuries in the workplace.</p>	<p>This priority aims to ensure that SGL Group always conducts business with integrity and complies with all laws applicable</p>	<p>to our business in all the regions and countries in which we operate.</p>	

# OVERVIEW OF OUR NEW SUSTAINABILITY STRATEGY

## SUSTAINABILITY AS AN ENABLER OF GROWTH

### ENVIRONMENT



#### CLIMATE CHANGE AND FOOTPRINT

- Decarbonise our logistic solutions through partnerships and take responsibility for our footprint
- Net zero by 2050 across scope 1, 2 & 3, and commitment to the 1.5°C Science Based Target

### SOCIETY



#### SUPPORTING AID AND RELIEF

- Increase our Aid & Relief support and enhance our capabilities & vaccine solutions
- Global #1 in humanitarian logistics services

### PEOPLE

#### OUR GREATEST SOURCE OF VALUE

- Become the most meaningful company within the logistics industry and increase diversity
- Minimise safety hazards and injuries

## RESPONSIBLE BUSINESS

#### INTEGRITY ACROSS OUR VALUE CHAIN

- Conduct business with integrity and comply with all laws across our value chain
  - Run a responsible business in line with our four virtues





# 2021

## A YEAR OF ACTION & EXECUTION

**A SIGNIFICANT STEP FORWARD...**  
Following the significant step forward in SGL Group's sustainability approach and the new strategy introduced this year, 2021 will be a year of action and execution. In line with our commitment to the Science Based Targets initiative, over the next 12-24 months we expect to set short to medium-term targets to reduce GHG emissions in our own operations (scope 1 & 2) and across our value chain (scope 3). We will also adopt the recommendations of the Task-Force on Climate-related Financial Disclosures and we expect to make strong progress on our sustainability strategy.

An aerial photograph of a winding asphalt road through a dense forest covered in snow. The road curves through the landscape, with several vehicles visible. The trees are heavily laden with snow, creating a high-contrast scene of white and dark green. The overall atmosphere is serene and wintry.

# ENVIRONMENT: CLIMATE CHANGE & FOOTPRINT

# PRIORITY OVERVIEW

## CLIMATE CHANGE

AMBITION AND APPROACH	2020 PROGRESS
<p><b>Decarbonise our logistics solutions through partnerships</b></p>	<ul style="list-style-type: none"> <li>✓ Joined the Science Based Targets initiative and committed to the 1.5°C target</li> <li>✓ Developed a digital CO<sub>2</sub>e platform</li> <li>✓ Developed a carbon offsets solution for our customers</li> </ul>
<p><b>Take responsibility for our footprint</b></p>	<ul style="list-style-type: none"> <li>✓ Continued the international roll-out of our Environmental Management System</li> <li>✓ Introduced a new assessment of operational ESG factors</li> <li>✓ Purchased 100% renewable electricity certificates (RECs) in Scan Global Logistics Denmark</li> </ul>



KEY TARGETS

**Net zero by 2050 across scopes 1, 2 and 3**

**Committed to the 1.5°C science-based target**

# OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

## DECOUPLING GROWTH FROM EMISSIONS

The climate science is clear: to limit the global temperature rise to 1.5°C we must take urgent action now. If greenhouse gas (GHG) emissions continue on their current trajectory to 2030, the pathway towards a temperature rise of 3.2°C will be unavoidable. This would lead to devastating and irreversible effects for the planet and all lives on it. The next ten years are critical.

At SGL Group, we see it as our shared responsibility to limit global warming by accelerating our own ESG performance. As a freight forwarder, SGL Group is part of the transport and logistics sector which accounts for a significant share of global

GHG emissions that contribute to climate change. But the sector is also a key enabler of world trade that is essential to global economic growth and improving living standards, particularly in developing countries. Therefore, decarbonising the sector is an essential step in decoupling economic growth from emissions growth and putting the world on a more sustainable path.

## MOMENTUM TO DECARBONISE IS ACCELERATING

Momentum to decarbonise the sector is accelerating, propelled by government policy, investor expectations and growing demand from customers and their end-consumers. But significant barriers stand in the way, including the development of low

or net-zero emissions technologies, fuels and associated infrastructure for shipping, aviation and road transport, along with the public and private-sector investments required to scale them.

## OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES

As a freight forwarder, we are commercially exposed to the transition and physical risks from the impact of climate change. These include the risk of failing to meet the needs of our customers for decarbonised services so that they can reduce emissions in their supply chains, and conversely, the risk that our customers will not be prepared to pay for the increased cost of those services or to participate in the partnerships required

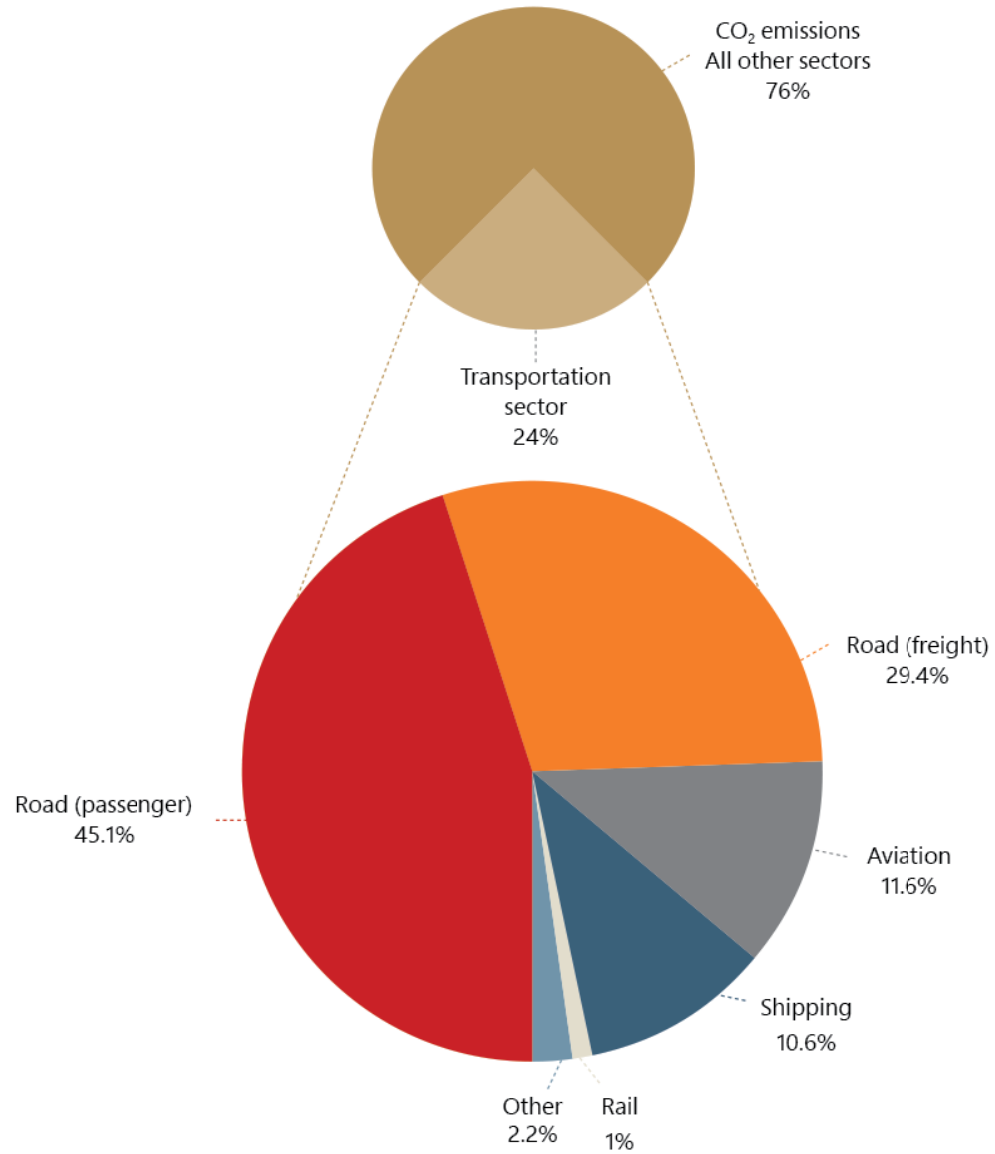
to establish them. We face potential disruption to freight forwarding services caused by increased flood risk and severe weather events on ports, roads and other infrastructure vital to supply chains. Finally, there is also potential physical risk to our offices and warehouses in locations that are vulnerable to the impacts of climate change, and to our employees living in those areas (see the story on Super Typhoon Goni).

## A MORE AGILE APPROACH

The transport and logistics sector as a whole faces the risk of increased costs from carbon taxes and inclusion in emissions trading schemes. However, with our asset-light business model, we are not subject to the technology and investment

## GLOBAL CO<sub>2</sub> TRANSPORT EMISSIONS

risks that the asset-intensive carriers face. As such, we have the opportunity to take a more agile approach towards climate change and adjust our service offering and operating model in response to the transition risks. By taking a coordinating role at the centre of the supply chain, we can work together with our customers, suppliers and other partners to develop low or net-zero emissions transport and logistics solutions and help to create demand for them.



Source: Our World In Data (2020)

# AMBITION AND APPROACH

## COMMITTING TO 1.5°C

SGL Group's response to these risks and opportunities is to anchor our climate ambition and approach in science. We have joined the Science Based Targets initiative and committed to an ambition aligned with limiting global warming to 1.5°C and reaching net-zero emissions by 2050. To date, SGL Group is the first logistics provider in Denmark and one of only ten companies within the transport and logistics sector globally to have committed to the 1.5°C target.\*

## OUR APPROACH

As an asset-light freight forwarder, the majority of the emissions within SGL Group's value chain come from the ships, aircraft and trucks that are operated by the carriers that SGL Group subcontracts to. These emissions are part of SGL Group's

scope 3, or indirect, emissions. They also represent a significant share of the scope 3 emissions that lie in our customers' supply chains. For SGL Group, the remaining emissions come from our own operations (scope 1) and from the indirect emissions from the energy that SGL Group purchases to run and heat its office buildings and warehouses (scope 2).

We have a two-fold approach to reducing emissions across all three scopes. As the vast majority of SGL Group's emissions are scope 3, we are focussed on building partnerships with our customers, suppliers and other stakeholders in our value chain to develop low and net-zero emissions solutions. Through this, we will help to reduce the scope 3 emissions of our customers and SGL Group. At the same time, we are taking responsibility for

our own environmental footprint and reducing our scope 1 and 2 emissions.

## OUR TARGETS

SGL Group's long-term target is to achieve science-based net-zero emissions across our value chain (including scope 1, 2 and 3) by 2050, in line with the 1.5°C commitment.

Over the next 12-24 months, we will work with the Science Based Targets initiative to develop short to medium-term targets for our scope 1, 2 and 3 emissions that cover the next 5-15 years, and strengthen our plans to achieve them.

Together, our ambition and approach are in line with our commitments to SDG 13 Climate Action and to SDG 17 Partnership for the Goals.



**Reduce our customers' scope 3 emissions by decarbonising our logistics solutions through partnerships**

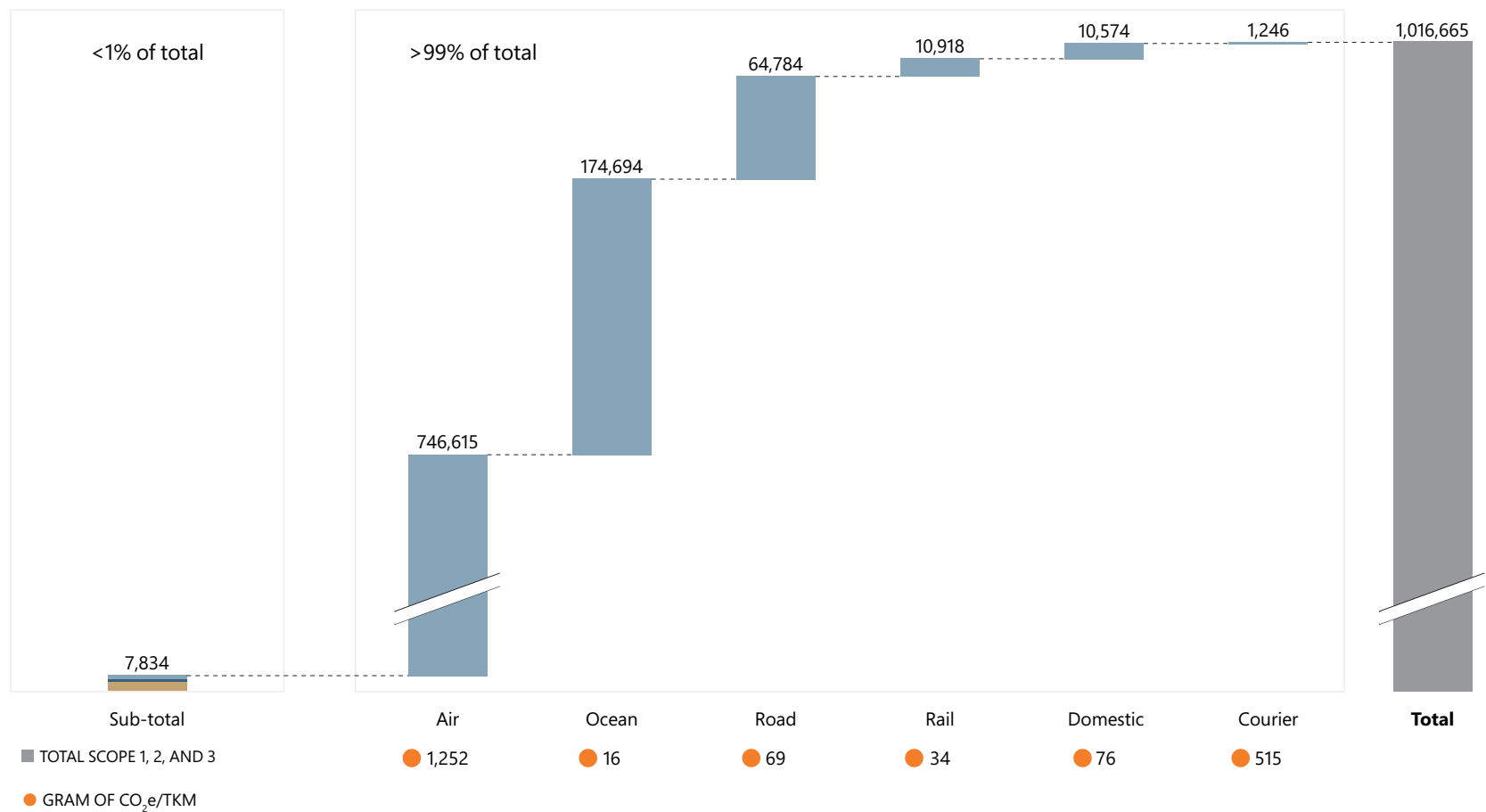
As a company headquartered in Denmark, we also support the Danish government's national climate target to achieve a 70% reduction in GHG emissions by 2030 and its long-term goal of net-zero emissions by 2050.

\*<https://sciencebasedtargets.org/companies-taking-action?sector=Air%20Freight%20Transportation%20and%20Logistics#table>

### EMISSIONS FROM OUR OWN OPERATIONS

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

(Our customers' transportation-related scope 3 emissions)



# PARTNERSHIPS AND NEW SOLUTIONS

## PARTNERSHIPS FOR NET ZERO

Partnerships are the key to unlocking emissions reductions across our value chain. In line with this, SGL Group is entering into partnerships with like-minded companies that are willing to work together towards net-zero logistics solutions. We expect to announce the first of these in 2021.

## DEVELOPING SUSTAINABLE SOLUTIONS

By applying our capabilities, we aim

to uncomplicate the decarbonisation pathway for our customers' supply chains and help them gain competitive advantage in their own industries by being able to meet expectations from their end-consumers and other stakeholders for lower emissions.

The first step is to provide transparency to our customers on the emissions footprint of our existing services. To support this, SGL Group is introducing a digital CO<sub>2</sub>e platform that will provide our customers

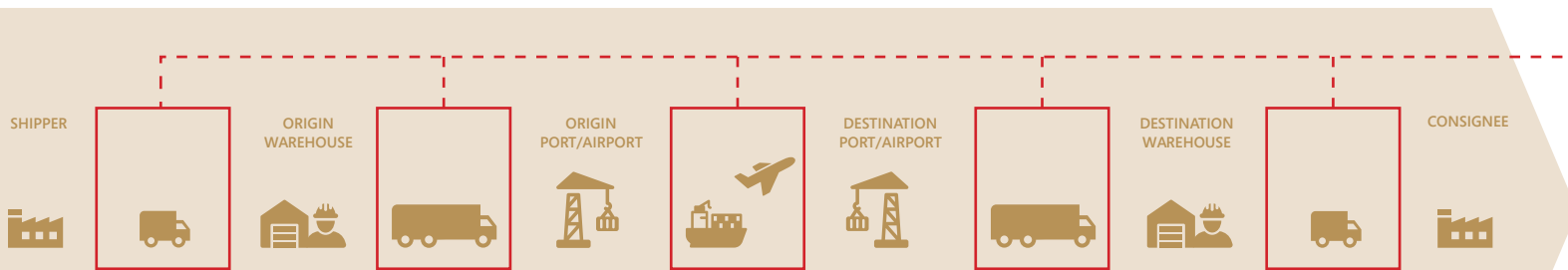
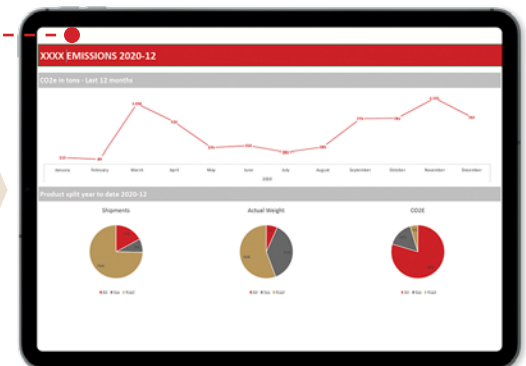
with an overview of the end-to-end emissions of the services they purchase, based on different modes of transport.

The next step will be to offer a tailor-made approach to each customer that combines their supply chain requirements with SGL Group's logistics experience and our net-zero partnerships to deliver low and net-zero emissions choices to customers.

We are also making carbon offsets available to our customers that enable

them to compensate for the emissions they cannot avoid by supporting projects that reduce emissions elsewhere. Emissions reduced through offsetting are measured in UN Certified Emission Reductions (CERs) generated from Clean Development Mechanism (CDM) projects. These projects, which are located in developing countries, earn one CER for each metric tonne of CO<sub>2</sub>e GHG emissions they reduce or avoid.

## CUSTOMER CO<sub>2</sub>e DASHBOARD



## FULL CO<sub>2</sub>e EMISSION OVERVIEW OF CUSTOMER'S TRANSPORTATION

Emissions from each part of the transportation are consolidated into a full and simple overview for the customer



# ENVIRONMENTAL MANAGEMENT

## REDUCING OUR OWN FOOTPRINT

SGL Group is committed to taking responsibility for its own environmental footprint and to decoupling it from our growth. The company's environmental policy underpins this commitment.

We comply with all applicable environmental laws, regulations and legislation and our approach is based on an Environmental Management System that includes multi-site certification (ISO14001:2015). Taking environmental conditions into account is an integrated part of our management system and our ways of working. By improving and managing our efforts through a certified ISO 14001 environmental management system we ensure that we reach the targets we set. Our targets will be developed year-by-year in line with our ambitions for the environment.

In 2020, we continued the international roll-out of our Environmental Management System beyond our Nordic operations, with Vietnam and SGL Express

(the division for courier shipments) achieving certification. The majority of our organisation is now covered by our ISO 14001 multi-site certification and the rest will shortly follow.

We have also introduced a new assessment of operational ESG factors that allows SGL Group to measure its carbon footprint and establish a baseline for GHG emissions and resource usage — these are disclosed for the first time in this report. This baseline is crucial to setting science-based targets for GHG emissions and the assessment will also allow SGL Group to set and report on targets for energy usage, water and waste management.

## REDUCING SCOPE 1 & 2 EMISSIONS

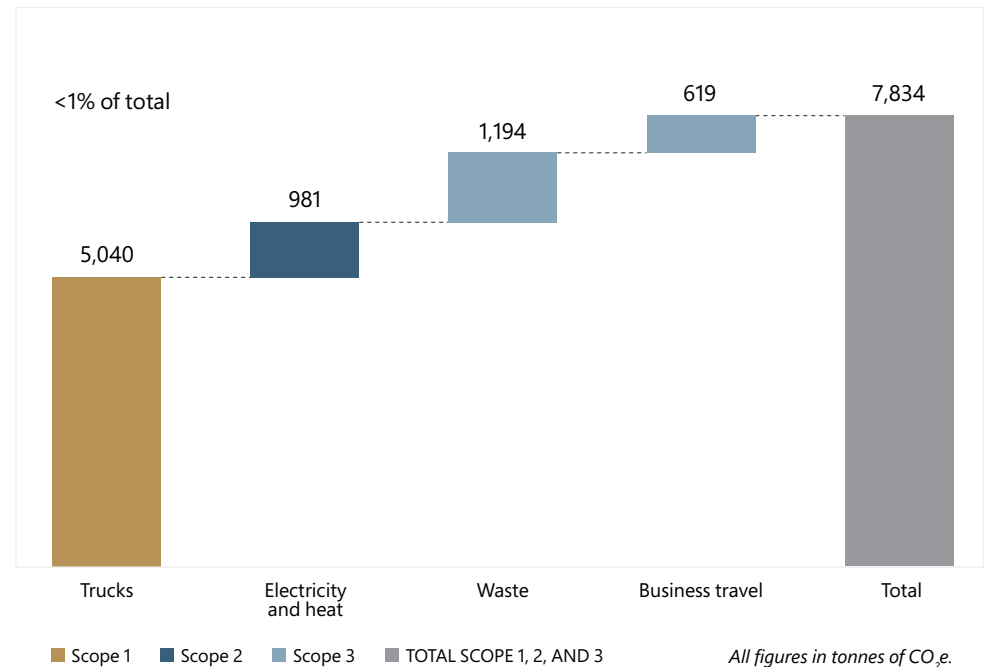
During 2020 we undertook several initiatives to support the reduction of SGL Group's scope 1 and 2 emissions.

Scan Global Logistics Denmark purchased renewable electricity certificates (RECs) from wind power covering 100% of the electricity consumption from its offices

and warehouses in 2020\*. We intend to build on this by investigating Power Purchase Agreements (PPAs) to provide our offices and warehouses in Denmark

and other countries with 100% renewable electricity. We are also assessing the installation of solar panels on our buildings.

## EMISSIONS FROM OUR OWN OPERATIONS



# OUR PEOPLE ON THE FRONTLINE OF CLIMATE CHANGE

## **OCTOBER 2020: GONI HITS THE PHILIPPINES**

When “super typhoon” Goni hit the Bicol region’s shores in the south-eastern Philippines in late October 2020 with heavy rain and 315 km/hour (195 mph) winds, it became the strongest recorded tropical cyclone to ever make landfall. With over 150 employees based in the Philippines, many of our people found themselves in harm’s way. Among them were Richelle Tenorio (Process Associate, Manila) and Jesus Perillo Ante, Jr (Process Expert, Road & Rail, Manila).

While entire neighbourhoods were evacuated as houses built from metal and plywood were destroyed and swept away, Richelle and her family were spared evacuation as their house was built from concrete and bricks. “Some felt lucky because they had not

expected to survive,” Richelle says. Although the adjacent rice field shielded her family’s house from the storm surge, it could not protect their animals and poultry, which went missing or were found dead in the backyard. Amidst the chaos, Richelle showed outstanding leadership by fundraising to buy groceries, vitamins and medical supplies for her community, and offering temporary shelter to families awaiting government help.

## **MORE FREQUENT, MORE INTENSE**

Typhoons are a regular phenomenon in the Philippines but they are becoming more frequent and intense due to climate change.

“The flooding is worsening, and so are the intervals. In the 1990s, it could be months between typhoons, now it’s only weeks,” says Jesus, whose family lives near a

river which rose to unexpected levels. “We asked the Local Government Unit to help us evacuate but the rescue team had no available equipment to help us out of the area. Fortunately, we made it out, though other families didn’t,” he says.

## **THE NEED TO STAY BELOW 1.5°C**

For the Philippines, the consequences of climate change are particularly acute. The archipelago comprises 7,641 islands with a total land area of 300,000 square kilometres and a population of one hundred million people. The Philippines was declared the country most at risk from climate change, according to a 2019 report by the Institute for Economics and Peace. Millions of Filipinos are at risk of losing their homes and livelihood due to rising sea levels caused by climate change.

The Paris Agreement, signed by 195 countries under the auspices of the UN, sets out a global framework to limit global warming to well below 2°C and pursue efforts to limit it to 1.5°C. Yet with global mean surface temperatures already 1.1°C above pre-industrial levels, urgent action must be taken now to reduce human-induced greenhouse gas emissions and avoid the worst effects of climate change.

According to the Intergovernmental Panel on Climate Change (IPCC), there are clear benefits to limiting warming to 1.5°C compared to 2°C which include: 420 million fewer people being exposed to severe heat waves, reduced risk of extreme flooding and drought, loss of fewer plants and animal species, and the protection of forests and wetland habitats.

### ALL ACTIONS COUNT

As a consequence of the climate conditions impacting the Philippines, Neil Joel Baldemoro (Team Lead Business Performance) reached out to the ESG department and asked to help mitigate climate changes and his home country's immediate effects. Now he is working as "ESG Programme Coordinator" in the global team and managed the many analyses for this sustainability report.

*From left to right:  
Jesus Perillo Ante  
Neil Joel Baldemoro  
Richelle Tenorio*

SGL GROUP



# TAKING ACTION NOW FOR THE GENERATIONS TO COME

## SGL GROUP ACTS NOW!

Climate change impacts and consequences are real and we need to act now. In 2020, SGL Group joined the Science Based Targets initiative and committed to an ambition aligned with limiting global warming to 1.5°C and reaching net-zero emissions by 2050. We are committed to putting the world on a more sustainable path by building partnerships with our customers, suppliers and other stakeholders in our value chain to develop low and net-zero emissions transport and logistics solutions.

# SOCIETY: SUPPORTING AID & RELIEF

HEALTHCARE  
AND  
MEDICINE  
**AID**



# PRIORITY OVERVIEW

 AID & RELIEF

**AMBITION AND APPROACH**

**2020 PROGRESS**

**Increase our Aid & Relief support**

- Build on SGL Group’s experience and support for aid & relief globally

- ✓ Executed the global distribution of PPE for COVID-19
- ✓ Planned the distribution of vaccines for COVAX

**Enhance our capabilities and vaccine solutions**

- Enhance our solutions for vaccine distribution and our capabilities in line with our commitment to SDG 17

- ✓ Ramped up our capabilities within pharmaceuticals and cold-chain handling
- ✓ Initiated innovative vaccine distribution solutions and new partnerships with third-party logistics providers

 KEY TARGETS

**Global #1  
in humanitarian  
logistics  
services**

# INTRODUCTION

SGL Group's fundamental promise to uncomplicate the world owes much to our core capabilities in handling complex logistics that we have developed through over 45 years of working in partnership with UN agencies and NGOs to support their aid and relief efforts globally.

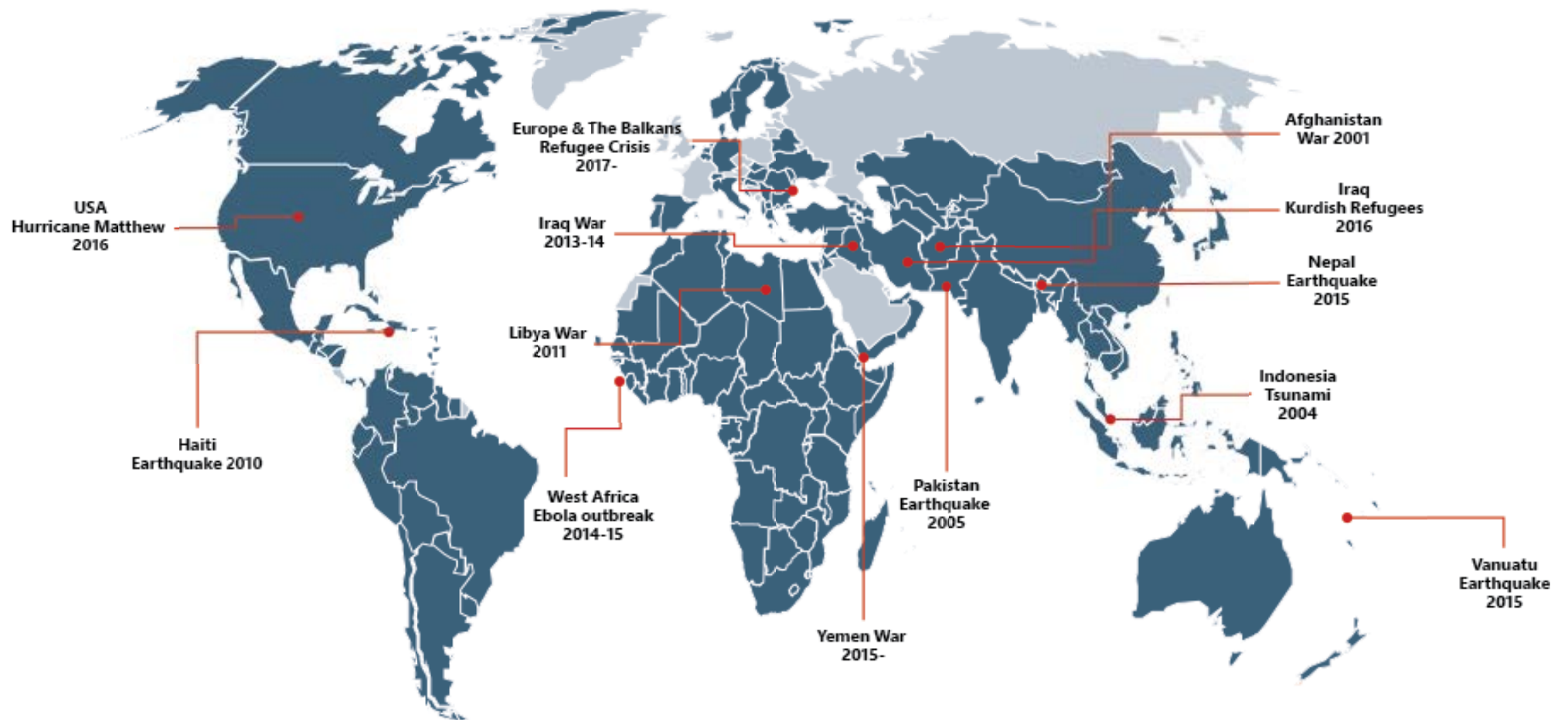
The same set of capabilities and partnerships underpin our expertise in temperature-controlled cargo and cold chain storage which is essential to the delivery of COVID-19 vaccines for COVAX, the programme backed by CEPI, Gavi, WHO and UNICEF to distribute vaccines to 92 lower-income countries (see the story on delivering vaccines for COVAX).

## **GROWING NEED FOR SUPPORT FROM OUR PARTNERS**

The humanitarian consequences of climate change are a growing concern for the UN agencies and NGOs that we partner with. Climate change is not only causing an increase in weather-related disasters, it is also forcing people into poverty and displacement, and exacerbating the factors that lead to violent conflict in vulnerable areas around the world. This has led to the Intergovernmental Panel on Climate Change, the UN's science advisory board, projecting an increase in the number of displaced people over the course of this century.

With the need for aid and relief operations expected to grow to address these impacts, and with the secure delivery of vaccines essential to ending the global pandemic, our ambition is to continue to enhance our capabilities in order to support the agencies, governments and other stakeholders that we partner with in line with our commitment to SDG 17.





# AMBITION AND APPROACH

## ENHANCING OUR AID AND RELIEF CAPABILITIES

In response to their growing need, we aim to support the effectiveness and impact of our aid and relief partners by driving ongoing improvements in our own core capabilities. We will achieve this by enhancing:

- **Our ability to deliver in remote crisis locations:**  
Ensure we have in-depth knowledge of developing-world infrastructure so that aid and relief arrives wherever designated.
- **Our strong and timely emergency response:**  
Make sure that our logistical capabilities can provide timely delivery whenever needed, through a strong emergency response setup.

- **Our expertise in temperature-controlled cargo and cold chain storage:**  
Ensuring vaccines are diligently kept within the correct temperature range throughout transportation.
- **Our ability to safely operate in dangerous environments:**  
Upholding the highest safety standards (for people and cargo alike) in every part of the journey.
- **Our high degree of local know-how:**  
Maintain an unrivalled network of local transporters that enables SGL Group to navigate past all obstacles.

## OUR FOCUS IN 2020 AND 2021

The distribution of COVID-19 vaccines is complex because it requires both delivery certainty and secure cold-chain experience. We are acquiring additional capabilities within the pharmaceutical vertical and investigating innovative solu-

tions, such as using ocean carriage as moving storage, reefer containers shipped by air and other “ultra-cold chain” solutions. In addition, we are expanding our partnerships with third-party logistics providers to gain access to storage capacity at origin and destination.





# **DISTRIBUTING VACCINES FOR COVAX**

The distribution of COVID-19 vaccines is a complicated logistical challenge. The vaccines require careful, coordinated, and flawless handling. The integrity of the cooling systems needed to keep the shots fresh is critical, even the slightest mishandling can ruin an entire shipment.

In late-2020, SGL Group began working on the planning and preparation of vaccine distribution for COVAX, the programme established to provide billions of vaccine doses to 92 lower-income countries. COVAX is co-led by CEPI, Gavi and the World Health Organization (WHO), alongside its delivery partner UNICEF. This is a challenging undertaking, given

the limited infrastructure in many of these countries for temperature-controlled cargo handling and the need to deliver fragile vaccines to remote areas. To un-complicate vaccine distribution for COVAX, we have brought together specialists from our Aid & Relief and Global Pharma Vertical teams to coordinate the logistical challenges alongside our partners.

Our Aid & Relief specialists have close and continuous collaboration with cold storage facilities and temperature-controlled hauliers in the 92 countries covered by COVAX. Our Global Pharma Vertical specialists know exactly how to

ensure that the vaccines are packaged securely in accordance with the requirements from each manufacturer. All of our experienced forwarders are trained in Good Distribution Practice (GDP).

The work with COVAX builds on SGL Group's more than 45 years of experience of working with aid and relief organisations and 15 years of delivering vaccines for the UN. As the distribution of vaccines ramps up from March 2021 onwards, we are ready to un-complicate any future forwarding challenge in line with our commitment to SDG 17.



PEOPLE:  
**OUR GREATEST  
SOURCE OF  
VALUE**



# PRIORITY OVERVIEW



EMPLOYEE ENGAGEMENT, DEVELOPMENT AND DIVERSITY



HEALTH AND SAFETY

## AMBITION AND APPROACH

## 2020 PROGRESS

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

- Increase meaningfulness in the workplace
- Increase diversity at employee, manager and board levels

- ✓ Increased our employee meaningfulness questionnaire (MQ) score by 3%
- ✓ Launched an update to our global recruitment system
- ✓ Began the roll out of a new human resources system

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

- Foster employee well-being and protect employees from any safety hazards or severe injuries.

- ✓ Continued to roll out ISO 45001 certification where the Industrial Projects division operates
- ✓ Implemented measures and ran safety campaigns focussed on mitigating the risk of COVID-19



KEY TARGETS

**Meaningfulness score of 80 by 2025**

**Appoint 1 female board member by 2021**

**0 cases of severe injuries and fatalities**

# AMBITION AND APPROACH

## INTRODUCTION

We exist to uncomplicate the world and this has never been more relevant than in 2020, when our people kept critical global supply chains open for our customers while dealing with the uncertainty caused by the COVID-19 pandemic.

With more than 1850 employees in over 110 offices worldwide, the diversity of our workforce and their close relationship to customers, suppliers and other organisations around the world are fundamental to our success.

## OUR APPROACH

At SGL Group we are bringing a human approach to everyone, everywhere. With the ability to combine know-how and entrepreneurship, we want to make the small difference that truly matters. We are a group of skilled specialists, passionate entrepreneurs, and proud problem-solvers who live to remove complexity. Our human approach sets us apart, and our asset-light business model means our people are the most valuable part of our company. That is also why we want to become the most meaningful company within the logistics industry.

## OUR AMBITION

Our goal is to attract, retain, and develop the best people. People who ask twice as much about what to do better than what was done well. People who meet others with the same respect they expect from others. And people who deliver on promises and recognise when they do not. To achieve this, we focus on providing our people with meaningful work and opportunities through employee engagement and development, on creating diverse and inclusive workplaces where everyone can succeed, and on ensuring the health and safety of those workplaces.



# #1

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

# EMPLOYEE ENGAGEMENT & DEVELOPMENT

## CREATING A MEANINGFUL WORKPLACE

Our people are the most important source of energy and value in our business and they shape the culture that underpins our development and growth as a company. In 2020, we continued to invest heavily in building a strong cultural backbone across our organisation by anchoring our cultural DNA and our purpose – to make the world a little less complicated – and SGL Group’s virtues: respect, entrepreneurship, integrity and fun.

Our ambition is to build a meaningful workplace. There is growing evidence that companies that provide purpose and meaningfulness enjoy higher employee retention, productivity and engagement which deliver better overall performance.

In order to monitor our progress and apply this ambition to the way we work, we have implemented an annual global employee survey – the Meaningfulness

Survey (MQ) – which systematically gathers feedback on the extent to which our employees find it meaningful to work at SGL Group. Feedback from the survey is shared and acted upon at executive level and within teams.

The survey has been conducted annually since 2019 and delivers an MQ-score on a 100-point scale which has been added as a leading business indicator in addition to our financial KPIs. In 2020, the global MQ score in SGL Group was 77, a 3% increase from 2019.

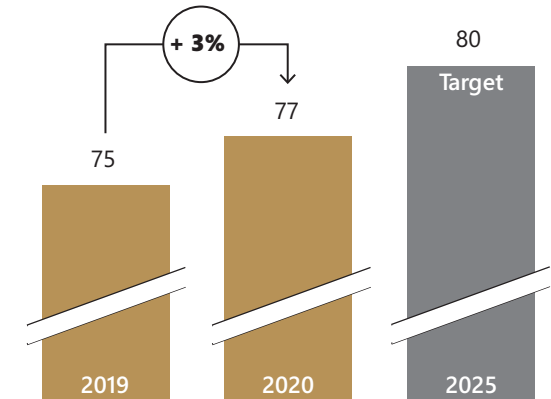
## DEVELOPING OUR PEOPLE

By investing in training and development, we strive to ensure that personal and professional growth is available for all of our employees. For this purpose, we provide an online learning centre – the SGL Group academy – to all employees which includes access to all training courses.

## MEANINGFULNESS DRIVERS



## MEANINGFULNESS SURVEY\* SCORE



All employees are required to re-take the mandatory training courses on an annual basis.

## IMPROVING OUR SYSTEMS

In 2020, we launched a GDPR-compliant update of SGL Group’s global recruitment system and began the roll out of a new human resources system which handles all employee data and includes a module to automate the onboarding of new employees. A further module for talent management and learning and development will be added during the roll out of the new HR system.

Risks associated with people and culture are assessed in SGL Group’s Enterprise Risk Management (ERM) process and registered in our ERM system.

## OBSERVING OUR REQUIREMENTS

We comply with international frameworks and conventions from the UN, OECD and ILO, and with local legislation where we have operations. We recognise and respect the right to collectively bargain in accordance with applicable law.

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

# DIVERSITY & INCLUSION

We aspire to become a more diverse and inclusive organisation to reflect the increasingly diverse global marketplace that we operate in. In line with our four virtues, our ambition is to embrace and include all elements of diversity and seize the opportunity for increased competitive advantage which truly diverse teams and organisations foster.

## DIVERSITY POLICY

Key sections in SGL Group's [Code of Conduct](#) underpin our diversity policy and will be replaced in early 2021 by a new standalone Diversity & Inclusion Policy. Both the existing and new policies set out a broad definition of diversity which encompasses any social identity, such as gender, age, experience, ethnicity, nationality, political and religious beliefs, sexual preference and orientation and cultural backgrounds. We are committed to equal opportunity and equal pay across all aspects of our human resources

processes, including recruitment, employee retention, career development and remuneration.

The overall responsibility for diversity rests with the Executive Management team. The Global Head of People & Culture is responsible for the processes and organisational development necessary to support and maintain diversity and inclusion in the workplace. People leaders and employees are responsible for adhering to the policy, processes and development in their own organisation and daily work.

SGL Group does not tolerate any kind of harassment in the workplace or behaviour that is in breach of the Code of Conduct. Employees are encouraged to report any such incidents immediately to SGL Group's compliance function. In 2020, no incidences of harassment or behaviour in breach of the Code of Conduct were

reported. SGL Group plans to implement a whistle-blower system in 2021 to strengthen the reporting process.

## DIVERSITY PERFORMANCE

We have a strong focus on the inclusion of female employees in a traditionally male-dominated transport and logistics sector. We monitor our efforts to improve diversity and inclusion through our Meaningfulness Survey and through data gathered from our recruitment and employment processes.

SGL Group is a relatively diverse organisation from a gender perspective with a ratio of 54/46 male to female employees across our global organisation in 2020. We also met our goal of increasing the number of women in managerial positions by achieving a ratio of 38% female managers in 2020, against a target of 35%.

We do not currently capture data on the gender pay gap at SGL Group but plan to do so in 2021.

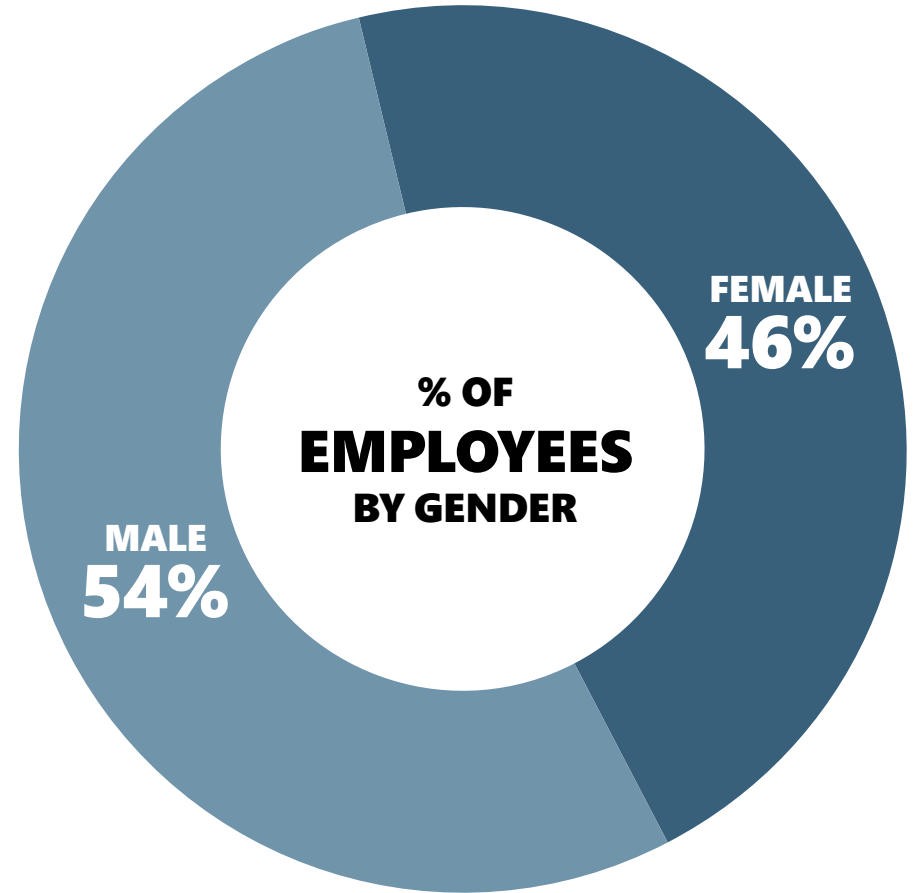
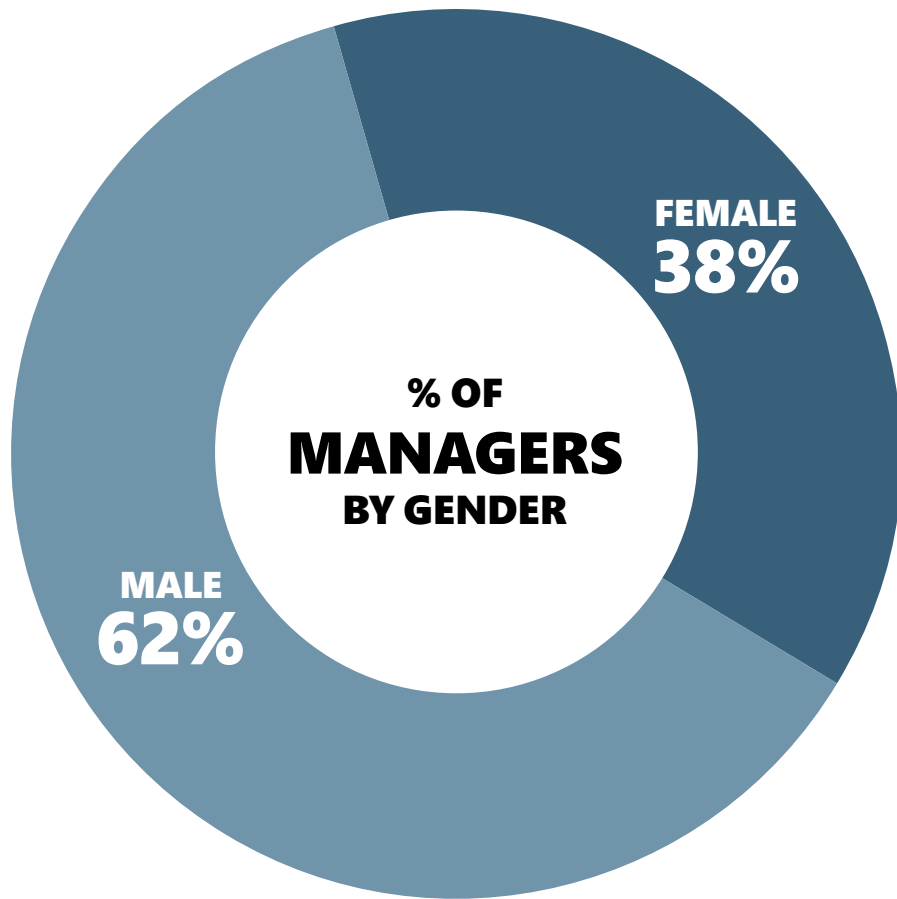
## BOARD DIVERSITY

The Board of Directors consists of five positions which are currently held by male directors with Danish nationality.

The Board has set a gender diversity target to be achieved in 2021 whereby each gender shall be represented as five male board members and one female board member.

 [SEE THE SGL GROUP CODE OF CONDUCT POLICY HERE >>](#)

<https://www.scangl.com/media/1824/code-of-conduct-sgl-final.pdf>



# HEALTH & SAFETY

## OUR AMBITION

Our ambition is to ensure the well-being of all employees and protect them from any safety hazards or severe injuries in the workplace. In 2020, the COVID-19 pandemic put the importance of employee health and safety in even greater focus. During this time, SGL Group has been able to maintain business continuity while ensuring the well-being of its employees in uncertain times.

With few assets to operate, SGL Group is less exposed to safety issues than its peers within the transport and logistics sector. Our main exposure lies within our Industrial Projects division which undertakes complex logistical projects such as delivering wind turbines into remote areas and transporting heavy cargo.

## SAFE WORKPLACES

We take seriously our responsibility to protect the health and safety of our employees, subcontractors, customers as well as the public. SGL Group's [Health and Safety Policy](#) guides our approach. Responsibility for health and safety resides with the Global Head of People & Culture supported by the Global Head of ESG and Quality.

We provide safety training programmes to support the development of a robust safety culture and ensure that employees have the knowledge and competence to complete their work safely. Safety priorities are made visible in every workplace and we encourage all employees to assess the safety of their working environment. In 2020, we ran ongoing safety campaigns focussed on mitigating the transmission of COVID-19 in our offices and warehouses.

SGL Group complies with all local regulations in the field of occupational health and safety. Health and safety risks are considered as part of SGL Group's enterprise risk management approach and are included in the ERM system. We also include occupational health and safety issues in our due diligence process when making acquisitions.



SEE THE SGL GROUP HEALTH & SAFETY POLICY HERE »

<https://www.scangl.com/media/2501/health-and-safety-policy-v2.pdf>

## SAFETY PERFORMANCE

# 3.46

## LTI FREQUENCY

Lost-time incidents frequency measures the number of lost-time injuries per million hours worked.



## FATALITIES

# 0



## PEOPLE: OUR GREATEST SOURCE OF VALUE

### INDUSTRIAL PROJECTS DIVISION

The Industrial Projects division employs 35 people and undertakes complex logistical projects that include in- and offshore transportation, heavy lift and crane operations and inland haulage. The division operates under the ISO 45001 Occupational Safety & Health Management System for which certification has been achieved in Denmark, Vietnam and for all SGL Group employees in Sweden. SGL Group will continue to roll out ISO 45001 certification to cover all locations where the Industrial Projects division operates.

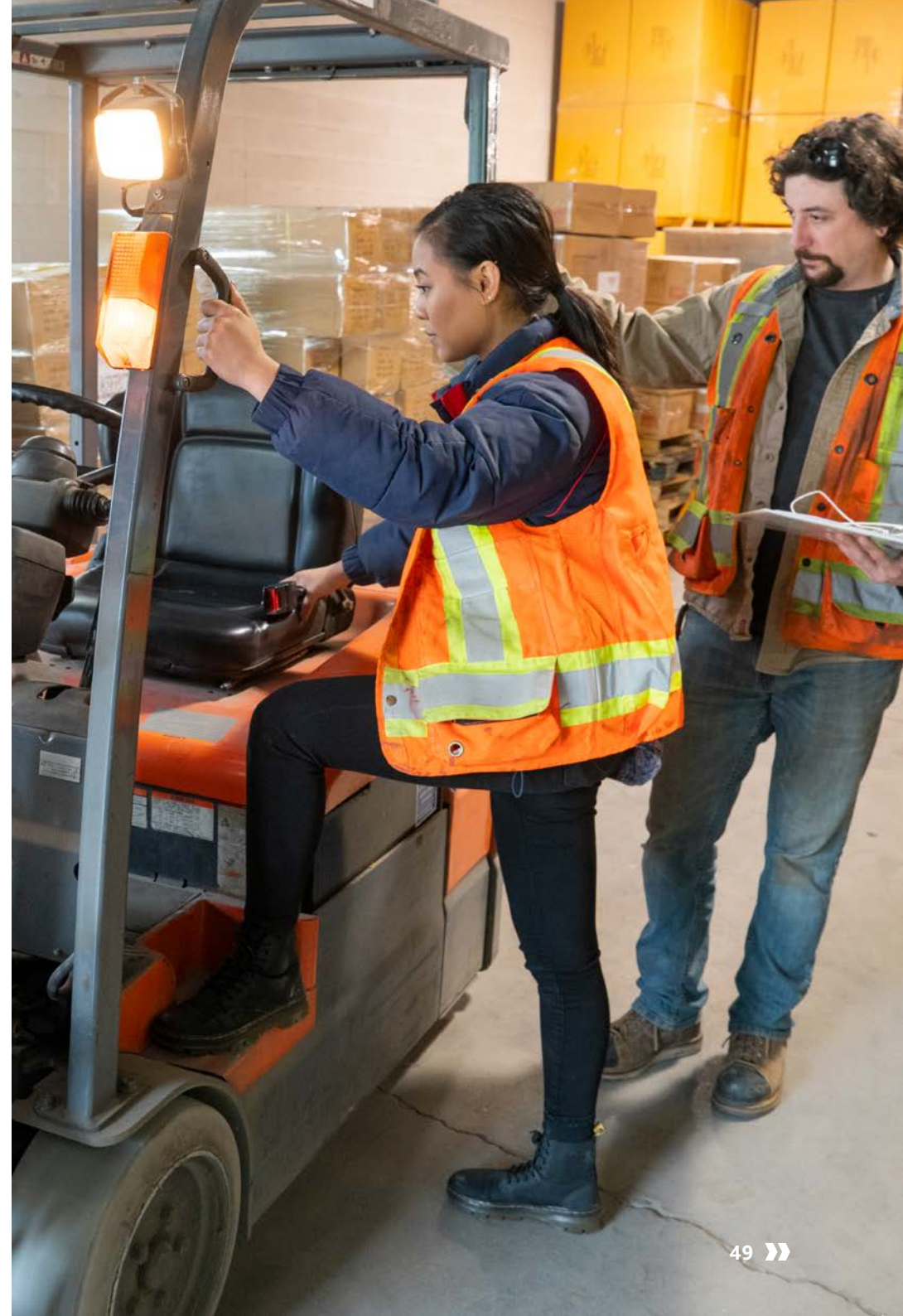
The division conducts special risk assessments for every project covering subcontracted services. Safety hazards are identified for employees whether they are working in offices or on project sites. All safety incidents are reported in the Safety & Health Management System and are part of SGL Group's non-financial disclosures. All incidents are investigated by SGL Group and reviewed together with customers and any other stakeholders involved.

### WELLNESS AT WORK

We strive to foster the physical and psychological well-being of our employees through insights gained from the MQ survey and through many local initiatives to increase meaningfulness in work.

### COVID-19 RESPONSE

In line with our Health and Safety Policy, we implemented measures across all of our locations and followed the requirements of local authorities to mitigate the risk of COVID-19 transmission. These measures included introducing new hygiene protocols, providing personal protective equipment, implementing travel bans and worksite restrictions, and providing work-from-home opportunities for employees. As a result, all of SGL Group's offices and warehouses remained in operation during the COVID-19 lockdowns in 2020.



**RESPONSIBLE BUSINESS:**

# **INTEGRITY ACROSS OUR VALUE CHAIN**

# PRIORITY OVERVIEW



ANTI-TRUST



CUSTOMER PRIVACY



COMPLIANCE

## AMBITION AND APPROACH

Run a responsible business in line with our four virtues

- Conduct our business with integrity and comply with all laws across our value chain

## 2020 PROGRESS

- ✓ 90% of employees were trained in the Code of Conduct and policies related to data protection and anti-corruption
- ✓ Introduced the Personal Data Protection Group Policy
- ✓ Introduced a global GDPR manual and global e-learning training



KEY TARGETS

Zero cases of bribery and corruption

Zero customer privacy complaints and data protection incidents

Zero compliance incidents

# APPROACH AND CODE OF CONDUCT

## OUR APPROACH

We conduct our business with integrity and comply with all laws applicable to our business in all the regions and countries in which SGL Group operates.

The transport and logistics sector is vulnerable to corrupt business practices, particularly in high-risk countries. As a global organisation within the sector and with an asset-light business model that contracts with suppliers to deliver services on our behalf, we rely on building and maintaining a common understanding of how we expect business to be conducted with our people, suppliers and other third parties.

Our approach is grounded in SGL Group's virtues, [Code of Conduct](#) and Supplier Code of Conduct. Combined with specific policies on [anti-corruption](#), data protection and insider regulations, they help our people and suppliers to

make the right decisions. Risks related to business integrity and compliance are considered as part of SGL Group's Enterprise Risk Management (ERM) process and registered in the ERM system. Through this approach, we aim to ensure business is conducted in an honest, ethical and socially responsible manner across our value chain.

## CODE OF CONDUCT

Our Code of Conduct defines clear ethical standards for SGL Group and spans the entire spectrum of our daily work and operations. It clarifies correct conduct (including SGL Group's commitment to human rights), business practices (including diversity, health and safety, fair competition and bribery and corruption), business integrity (anti-money laundering, trade regulations and data protection), as well as our social responsibilities (environmental protection and socio-economic development). We encourage

employees to speak up immediately if they become aware of a potential compliance issue and report violations to the Human Resources department or make use of our dedicated compliance email. No employee will be disadvantaged in any way for efforts made in good faith to report a potential issue regarding compliance. SGL Group plans to implement a whistle-blower system in 2021 to strengthen the reporting process.

We provide ongoing communication and online training to employees worldwide to ensure understanding of the Code of Conduct, its underlying policies and how to implement and adhere to them. Training on the Code of Conduct and other policies forms part of the induction process for all new employees. During 2020, 90% of employees were trained on SGL Group's Code of Conduct and policies related to data protection and anti-corruption.



During 2020, there were no reports of compliance issues made according to our reporting process. Nor was SGL Group the subject of any legal proceedings associated with any anti-competitive or anti-trust activities.

 SEE THE SGL GROUP CODE OF CONDUCT POLICY HERE >>

<https://www.scangl.com/media/1824/code-of-conduct-sgl-final.pdf>

# ANTI-TRUST

## ANTI-CORRUPTION & BRIBERY

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships, wherever we operate.

We comply with all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate, including the U.S Foreign Corrupt Practices Act and the U.K Bribery Act 2010. We do not make, and will not accept, facilitation payments of any kind.

SGL Group has not been the subject of any legal actions relating to anti-corruption or anti-bribery in 2020.

## CODE OF CONDUCT FOR SUPPLIERS

Strong relationships with our suppliers are crucial to the success of SGL Group's asset-light model. We expect all companies who do business with SGL Group to adhere to the same ethical principles that we apply

to our own operations. For this purpose, we have drawn up a Supplier Code of Conduct to manage potential risks related to labour practices, human rights, health and safety, environment and bribery and corruption that may exist within our supply chain.

Suppliers are required to comply with all internationally proclaimed human rights standards including the United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labour Organisation Declaration on Fundamental Principles and Rights at Work, in accordance with national law and practice. This especially applies to child labour and forced labour, compliance with the respective national laws and regulations regarding working hours, wages and benefits, and to any discrimination on the basis of race, religion, disability, age, sexual orientation or gender.

We expect our suppliers to strive to implement the standards of occupational health and safety at a high level, and to comply with all applicable environmental laws, regulations and standards as well as to implement an effective system to identify and eliminate potential hazards to the environment.

## ZERO-TOLERANCE APPROACH

SGL Group's zero-tolerance approach to bribery and corruption is communicated to all suppliers and we require them to comply with international and local anti-corruption and bribery laws.

We require all main suppliers to sign the Code of Conduct for Suppliers and to communicate it to subcontractors and other business partners who are involved in supplying the products and services described in the main contract.

We conduct regular due diligence through audits and surveys with suppliers to monitor compliance. However, audits of suppliers were suspended in 2020 due to COVID-19 operating restrictions and we received limited responses to the surveys that were sent out due to suppliers being pre-occupied with other priorities during the pandemic. There was no evidence of non-compliance identified in the survey responses received during 2020. We plan to restart the audits and continue to survey suppliers in 2021 to put the focus back on compliance monitoring.



SEE THE SGL GROUP ANTI-CORRUPTION POLICY HERE »

<https://www.scangl.com/media/1825/sgl-anti-corruption-policy-january-2018-v1.pdf>

# DATA PROTECTION, TAX AND DONATIONS

## DATA PROTECTION

In 2020, we updated the Personal Data Protection Group Policy which constitutes the main framework for implementation and maintenance of GDPR compliance in SGL Group. It protects SGL Group against risks related to breaches of data privacy, communicates how SGL Group collects and uses data and ensures that the privacy rights of our employees, customers and other parties that we collect data on is protected.

In addition to the updated policy, SGL Group introduced a global GDPR manual and global e-learning training for employees to support compliance with GDPR.

We had no substantiated complaints concerning breaches of customer privacy or losses of customer data in 2020.

We experienced one incident of a data breach in 2020 due to the theft of three laptops from our Danish operations. Following internal investigation, it was determined that no access was gained to SGL Group data as a result of the theft and there was no impact on the rights or freedoms of any person.

## RESPONSIBLE TAX

SGL Group is committed to being a responsible taxpayer and complying with all relevant tax laws.

## POLITICAL DONATIONS

SGL Group does not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. All donations require prior approval from the Global Head of Compliance.

# ESG PROGRESS AND DATA



# ENVIRONMENT

The four tables disclose our 2020 performance data within the areas of Environmental, Social, and Governance.

The Global Reporting Initiative (GRI) index and Sustainability Accounting Standards Board (SASB) index are available online at [www.scangl.com/investor/](http://www.scangl.com/investor/)

1. ENERGY AND CLIMATE DATA*	UNIT	2020	NOTES	REFERENCES
<b>EMISSIONS</b>				
<b>Direct emission (Scope 1)</b>	Tonnes CO <sub>2</sub> e	5,040	Cars, trucks and forklifts	GRI 305-1 SASB TR-AF-110a.1
<b>Indirect emissions (Scope 2 - location-based)</b>	Tonnes CO <sub>2</sub> e	981	Electricity and heat	GRI 305-2
<b>Other indirect emissions (Scope 3)</b>	Tonnes CO <sub>2</sub> e	1,010,644	Data covers scope 3 category 4+5+6.	GRI 305-3
Upstream transportation and distribution (cat.4)	Tonnes CO <sub>2</sub> e	1,008,831	Our customers' transportation related scope 3 emissions	
- Air freight	Tonnes CO <sub>2</sub> e	746,615	–	
- Courier freight	Tonnes CO <sub>2</sub> e	1,246	Express	
- Ocean freight	Tonnes CO <sub>2</sub> e	174,694	–	
- Rail freight	Tonnes CO <sub>2</sub> e	10,918	–	
- Road freight	Tonnes CO <sub>2</sub> e	64,784	–	
- Domestic freight	Tonnes CO <sub>2</sub> e	10,574	Domestic road	
Waste generated in operations (cat. 5)	Tonnes CO <sub>2</sub> e	1,194	Waste from warehouses and offices	
Business travel (cat. 6)	Tonnes CO <sub>2</sub> e	619	–	
<b>CARBON INTENSITY</b>				
<b>CO<sub>2</sub>e per metric tonne-kilometre</b>			–	GRI 305-4 SASB TR-AF-430a.2
Air freight	CO <sub>2</sub> e (g/tonne-km)	1,252	–	GRI 305-4 SASB TR-AF-430a.2
Courier freight	CO <sub>2</sub> e (g/tonne-km)	515	–	GRI 305-4 SASB TR-AF-430a.2
Ocean freight	CO <sub>2</sub> e (g/tonne-km)	16	–	GRI 305-4 SASB TR-AF-430a.2
Rail freight	CO <sub>2</sub> e (g/tonne-km)	34	–	GRI 305-4 SASB TR-AF-430a.2



## ESG PERFORMANCE DATA

Road freight	CO <sub>2</sub> e (g/tonne-km)	69	–	GRI 305-4 SASB TR-AF-430a.2
Domestic freight	CO <sub>2</sub> e (g/tonne-km)	76	–	GRI 305-4 SASB TR-AF-430a.2
<b>ENERGY</b>				
<b>Energy consumption (electricity, heating)</b>	MWh	6,196	–	

\*Data in this table is verified by EY

2. ENVIRONMENTAL DATA	UNIT	2020	NOTES	REFERENCES
<b>WATER</b>				
<b>Water consumption</b>	M <sup>3</sup>	21,503	–	
<b>WASTE</b>				
<b>Waste</b>	Tonnes	56	–	

**TABLE 1.  
ENERGY AND CLIMATE DATA**

- CO<sub>2</sub>e emission reporting in Table 1. ENERGY AND CLIMATE DATA is as defined by the Greenhouse Gas Protocol (GHG) standard. Data in Table 1 is verified by EY.
- The operational control approach is applied to all greenhouse gas emissions (CO<sub>2</sub>e).
- We have committed to the Science Based Targets initiative (SBTi) 1.5°C target and will set short to medium-term targets within the next 12-24 months. The baseline for our CO<sub>2</sub>e emissions reduction will be defined during this process and we will determine when to initiate an eventual target re-calculation.

### Scope 1:

- Data from cars, trucks and forklifts are collected through a global survey and converted to CO<sub>2</sub>e by external providers. An emission factor from the Environmental Defense Fund is applied for trucks. An internally developed emission factor based on data from the car leasing company and the provider of

forklifts is applied for cars and forklifts. The emission factors are calculated as T/CO<sub>2</sub>e per year per unit (car, truck, forklift).

- Refrigerants are not included in the report as the consumption is estimated to be limited and therefore not material.

### Scope 2:

- Data is collected under the Operational Control Approach and calculated following the location-based method. We have chosen not to report on market-based emissions despite purchasing Renewable Energy Certificates which cover offices and warehouses in Denmark.
- Data from electricity consumption is measured in MWh and collected in a global survey and calculated by an external provider. In the case of missing data, electricity consumption has been estimated using the average consumption of electricity per m<sup>2</sup> office space for the other offices.
- Data from heat consumption is measured in MWh and collected in a global survey and calculated by an external provider. In the case of missing data, the heat

consumption has been estimated using the average consumption of heat per m<sup>2</sup> office space for the other offices.

- Emission factors for scope 2 are sourced from Carbon Footprint which collects emission factors from a variety of national energy authorities and the Association of Issuing Bodies. Emission factors for Denmark are sourced from the Danish Energy Authority and Energinet, the Danish TSO. District heating emission factor for Sweden is assumed to be equal to the Danish factor. Natural gas and oil emission factors are sourced from DEFRA.

### Scope 3:

- We have chosen to report on scope 3, category 4 (upstream transport), category 5 (waste generated in operations) and category 6 (business travel). Transportation is our core business, and waste and business travel are relevant to manage as a global company. The remaining 12 scope 3 categories are considered immaterial to our business model and environmental footprint at the current stage.

### Upstream transportation and distribution (C4):

- All transportation root source data comes from our operational systems and is automatically added to our digital customer CO<sub>2</sub>e platform. From here, the data is exchanged with our external provider of CO<sub>2</sub>e calculations, and the calculations are stored additionally in the digital platform, ready for BI and reporting. 77% of business activities are covered through this method. The remaining data is extrapolated based on existing and identified data to reach full coverage of emissions on our logistics business.

### Waste generated in operations (C5):

- Data is collected in a global survey and calculated by an external provider. CO<sub>2</sub>e emission calculations are based on activity data. An emission factor from DEFRA is applied. It is assumed that emissions associated with waste disposal are equal across SGL Groups geographical locations. The same emission factor for waste is hence applied across all SGL Group's operations.

### Business travel (C6):

- Data from business travel is collected by SGL Group's finance department and calculated by an external provider. Calculations are based on provided spend data and converted to CO<sub>2</sub>e by applying an emission factor from Exiobase.

**TABLE 2.  
ENVIRONMENTAL DATA**

### Water:

- Data from water is measured in m<sup>3</sup> and collected in a global survey and calculated by an external provider. In the case of data gaps, water consumption is estimated by calculating the average water consumption per worker for the other offices with available data, this average is then multiplied by the number of people working at the given location.

### Waste:

- Data from waste is measured in tonnes and collected in a global survey and calculated by an external provider. Data is complete for warehouses and in the case of missing data in an office, the amount is estimated using the average amount of waste per employee in the other offices.

# SOCIAL & GOVERNANCE

**TABLE 3.**  
**SOCIAL DATA**

- Lost Time Incident Frequency (LTIF) is calculated as the number of lost-time injuries per million hours worked, based on generally accepted methodology in the European Union.

3. SOCIAL DATA	UNIT	2020	NOTES	REFERENCES
<b>WORKFORCE</b>				
Full-time employees	Number	1,441	FTE is 37 hours work week	GRI 102-8 SASB TR-AF-000.C
Part-time employees	Number	73	Part-time is 30 hours work week	GRI 102-8 SASB TR-AF-000.C
<b>DIVERSITY</b>				
<b>Gender diversity, all employees</b>				
Female proportion of employees	Percentage (%)	46	–	GRI 405-1
Male proportion of employees	Percentage (%)	54	–	GRI 405-1
<b>Gender diversity, managers</b>				
Female proportion of managers	Percentage (%)	38	–	GRI 405-1
Male proportion of managers	Percentage (%)	62	–	GRI 405-1
<b>Board Gender diversity</b>				
Female directors	Number	0	–	GRI 405-1
Male directors	Number	5	–	GRI 405-1
<b>Age distribution</b>				
Under 30 years	Percentage (%)	24	–	GRI 405-1
30-50 years	Percentage (%)	58	–	GRI 405-1
Over 50 years	Percentage (%)	18	–	GRI 405-1
<b>EMPLOYEE TURNOVER</b>				
Employee turnover ratio	Percentage (%)	13	–	GRI 401-1
<b>SAFETY</b>				
Fatalities	Number	0	–	GRI 403-9 SASB TR-AF-320a.1
Lost-time injury frequency (LTIF)	Injuries per million hours	3.46	–	GRI 403-9 SASB TR-AF-320a.1

## ESG PERFORMANCE DATA

4. GOVERNANCE DATA	UNIT	2020	NOTES	REFERENCES
<b>BUSINESS INTEGRITY</b>				
Legal actions	Number	0	As a result of anti-competitive behaviour, anti-trust or monopoly practices	GRI 206-1 SASB TR-AF-310a.2
Total amount of monetary losses	Value in DKK	0	As a result of legal proceedings associated with labour law violations	GRI 206-1 SASB TR-AF-310a.2
Total number of discrimination incidents	Number	0	–	GRI 406-1
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	–	GRI 418-1

**TABLE 4.**  
**GOVERNANCE DATA**

- Results are sourced from SGL Group's Legal, GDPR and HR departments.

# ACCOUNTING PRINCIPLES

## REPORTING PERIOD

Our reporting covers the period from 1 January 2020 to 31 December 2020.

## REPORTING SCOPE

The report covers all entities under the Operational control approach by SGL Group as referenced in the Annual Report 2020.

## REPORTING FRAMEWORK

SGL Group uses the Global Reporting Initiative (GRI) Core requirements and the Sustainable Accounting Standards Board (SASB) framework as guidance to determine report content. Where relevant, definitions have been adapted to generally accepted methodology in the European Union.

## CONTROLS

Data regarding number of employees, women in leadership, and gender as well as energy consumption, water usage and waste are generated from an annual assessment of operational ESG factors.

Data regarding accidents are generated through our safety system.

# MANAGEMENT STATEMENT

The Board of Directors and the Executive Board of SGL TransGroup International A/S including affiliates (hereafter SGL Group) have considered and adopted the Sustainability Report of SGL Group for the period 1 January to 31 December 2020.

The Sustainability Report 2020 has been prepared in accordance with the principles set out in the reporting approach described on pages 56-60.

In our opinion, the accounting principles are appropriate and the Sustainability Report provides a true and fair view of SGL Group's impact on society for the period 1 January to 31 December 2020. Further, in our opinion, the information given in the Sustainability Report is consistent with the accounting policies applied.

Kastrup, 28 April 2021  
SGL TransGroup International A/S  
CVR no. 37 52 10 43

**Executive Board:**

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Allan Dyrgaard Melgaard  
Group CEO

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Claes Brønsgaard Pedersen  
Group CFO

**Board of Directors:**

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Henrik von Sydow  
Chairman

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Allan Dyrgaard Melgaard

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Claes Brønsgaard Pedersen

---

Jørgen Agerbro Jessen

---

Thomas Thellufsen Nørgaard

# INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

## TO THE STAKEHOLDERS OF SGL TRANSGROUP INTERNATIONAL A/S

As agreed, we have examined selected climate and energy data in SGL TransGroup International A/S and affiliates' (hereafter SGL Group) Sustainability Report 2020 (the Sustainability Report) for the period 1 January 2020 to 31 December 2020.

We are to conclude whether anything has come to our attention that causes us to believe that SGL Group's climate and energy data presented in table 1 on pages 56-57 is prepared, in all material respects, in accordance with the reporting requirements defined by the Management of SGL Group.

The degree of assurance expressed in the conclusion is limited.

### MANAGEMENTS RESPONSIBILITY

SGL Group's Management is responsible for the preparation of the climate and energy data in accordance with the Greenhouse Gas Protocol and SGL Group's reporting approach and criteria (hereafter the reporting approach and criteria)

described on pages 56-57. SGL Group's Management is also responsible for such internal control, as the Management considers necessary to enable the preparation of such information free from material misstatement, whether due to fraud or error.

### AUDITORS RESPONSIBILITY

Our responsibility is to express a conclusion on SGL Group's climate and energy information on the basis of our procedures. We performed our procedures in accordance with ISAE 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and additional requirements under Danish audit legislation to obtain limited assurance for our conclusion.

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

applicable requirements in Danish law and other regulations.

We complied with independence requirements and other ethical standards under FSR Danish Auditors Code of Ethics for Professional Accountants, which rely on general principles regarding integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

### As part of our examination, we performed the below procedures:

- Interviews of relevant company professional responsible for the selected information located at SGL Group's headquarter in Copenhagen
- Analytical reviews procedures, including trend analyses, of supplied data
- Review of the appropriateness of accounting policies applied by Management

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

### CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected climate and energy data presented in table 1 on pages 56-57 for SGL Group for the period 1 January 2020 to 31 December 2020 have not been prepared, in all material respects, in accordance with the reporting approach and criteria described on pages 56-57.

## STATEMENTS

Kastrup, 28 April 2021

EY GODKENDT  
REVISIONSPARTNERSELSKAB  
CVRnr. 30 70 02 28

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Søren Skov Larsen  
State Authorised Public Accountant  
mne26797

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Carina Ohm  
Nordic Head of Climate Change and  
Sustainability Services

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**UNCOMPLICATE YOUR WORLD »»**