Sustainability Report

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Based on data from 2022

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Letter from our CEO:

Sustainability in focus – also in volatile times

Welcome to Frode Laursen's[1] Sustainability Report 2023 (for the year 2022). The report[2] describes Frode Laursen's work within the ESG areas Environmental, Social and Corporate Governance. This is our fourth sustainability report, and I'm delighted that this year too we can conclude that we are making progress and able to post good and concrete results.

Despite increasing biogas prices and a very unsettled business environment, we managed to decrease our CO_2e emissions by as much as 6%. We have a stated goal of reducing our emissions by 35% from 2020 to 2030, and with the progress made in 2022, we have now reduced our emissions by 18%. This is a very impressive and noteworthy result within the industry. And we are well on the way to achieving our objectives for Scopes 1 and 2.

These are concrete and tangible results – which is all that matters for Frode Laursen. Our focus is on measures that create results. What we do has to make sense for the green transition and the employees who will help realise our sustainability ambitions.

Compared to many of our competitors, Frode Laursen has the advantage that it owns much of its fleet, which means that we have a say in the choice of vehicles and trailers and how they are powered. Moreover, we can influence the drivers' driving styles and thus directly greenhouse gas emissions.

However, we also want to take responsibility for the emissions that are indirectly related to our business, and therefore, in 2022, we started to map our Scope 3 emissions.

In 2023, we will set targets for reducing these emissions, even though influencing them is obviously more difficult.

However, this should not deter us from trying, and therefore we offer, for example, our regular hauliers a driver coaching course to reduce truck diesel consumption. Courses were held in 2022 and will be repeated in 2023. In this way, we hope to influence our Scope 3 emissions – not only by imposing requirements but also to a large extent by helping and offering various possibilities to our suppliers.

I have been asked many times during the year by customers and employees alike whether the war in Ukraine, the high rate of inflation, and a somewhat unstable world are weakening our focus on the green transition.

And my answer is clear: No.

We will not reduce the speed of the green transition – on the contrary, we will continue to challenge ourselves, our suppliers, and the market because we simply have to if we are to find the right solutions.

Even though the charging infrastructure and capacity are far from being in place, we have decided to invest in several electric trucks in 2023. We have done so on the assumption that we have to look ahead and gain experience with the technology and how it can be used in the best possible way. Having said that, there is no doubt that the transport industry cannot manage the green transition within heavy goods transport on its own.

To achieve a significant effect with the green transition, it is the number of kilometres driven rather than the number of trucks that makes a difference. Although the electric trucks that are operating in large towns and cities today are an important step towards a green transition, it is all the trucks involved in the nationwide distribution and international transport that must be converted to have a real impact. Today, however, we cannot put electric trucks on these routes because there is not enough 'green' capacity in the electricity grid or cable infrastructure, or a sufficient number of charging stations along the road network.

Everything is interconnected; therefore, green solutions require massive infrastructure investment throughout Europe, which needs to happen as quickly as possible.

In addition to the climate agenda, our other central focus area at Frode Laursen is our employees. We want to give all our employees a good and meaningful working life and good working conditions. In addition, we are actively involved in bringing citizens on the edge of the labour market back on board again. At Frode Laursen A/S, we have 27 employees working in flex jobs, and in 2022 we had more than 60 citizens in job training. We are also working very closely with the authorities and private companies in Denmark, Germany and Sweden to create meaningful jobs for people who would otherwise have difficulty finding one. At the same time, we see it as our task to help educate the young generation, and in 2022 we managed to increase the number of trainees and apprentices by 23%.

All this makes me feel very proud, because I think it's essential that we, as a large company, do our bit for society.

Together with the active early retirees, seniors, and all the different nationalities, the flex jobbers, apprentices and trainees contribute to the diverse and varied workplace that Frode Laursen is now and will ideally continue to be in the future.

Because we want to increase the level of diversity. We believe it strengthens any business. Even though we unfortunately, saw a slight decline in the percentage of female leaders in Frode Laursen in 2022, gender distribution is a key focus area in 2023. Similarly, we aim to reduce work-related accidents further and focus even more on employee health in 2023.

This makes sense for society, for Frode Laursen's employees, and for Frode Laursen as a whole. This is at the heart of our approach to sustainability; it has to make sense – also, in 2023 when, through launching new initiatives, we will be able to make even more progress with sustainability.

Vitten, May 2023 – Thomas Corneliussen, CEO

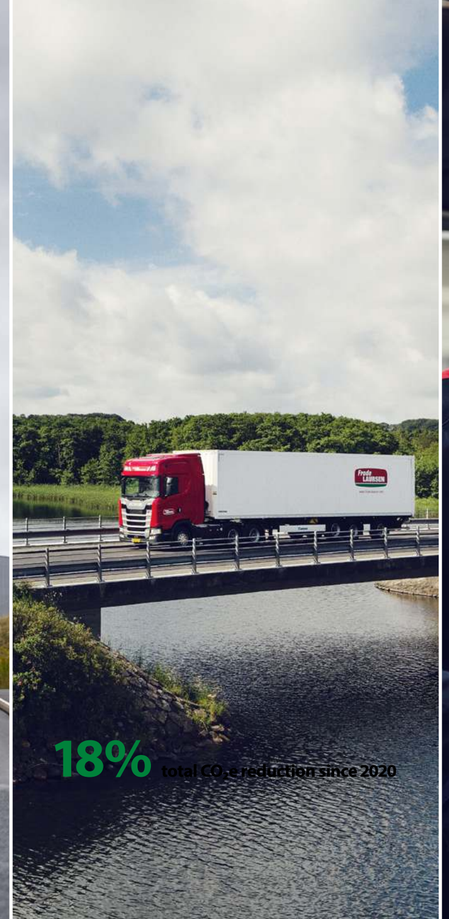
1) Frode Laursen covers TA-Logistics A/S and subsidiaries with operational links to Frode Laursen.

2) This report constitutes the statutory statement cf. the Financial Statements Act §99a and §99b for TA-Logistics A/S and Frode Laursen A/S.

92% waste recycled in 2022

6% CO_2e reduction Scope 1 in 2022

29% CO_2e reduction Scope 2 in 2022



18% total CO_2e reduction since 2020

23% more trainees and apprentices in 2022

18% of transport based on alternative fuels in 2022

About Frode Laursen

Frode Laursen is a family-owned group that was founded in 1948. Today, Frode Laursen is a market-leading Nordic supplier of logistics solutions within FMCG, building materials and recycling.

Our main role is to make our customers' products available to consumers: at the right time, in the right place, in the right condition – and responsibly. Our key focus is our unique 3PL solution: From the factory to our logistics centres, and from there to retailers, shops, and ultimately, the customer's shopping basket.

We operate from our headquarters in Vitten, Denmark, and from our logistics centres, terminals and offices in Denmark, Sweden, Germany, Finland and Poland.

FACTORY

WAREHOUSE & CO-PACK

RETAILER'S DISTRIBUTION CENTRES

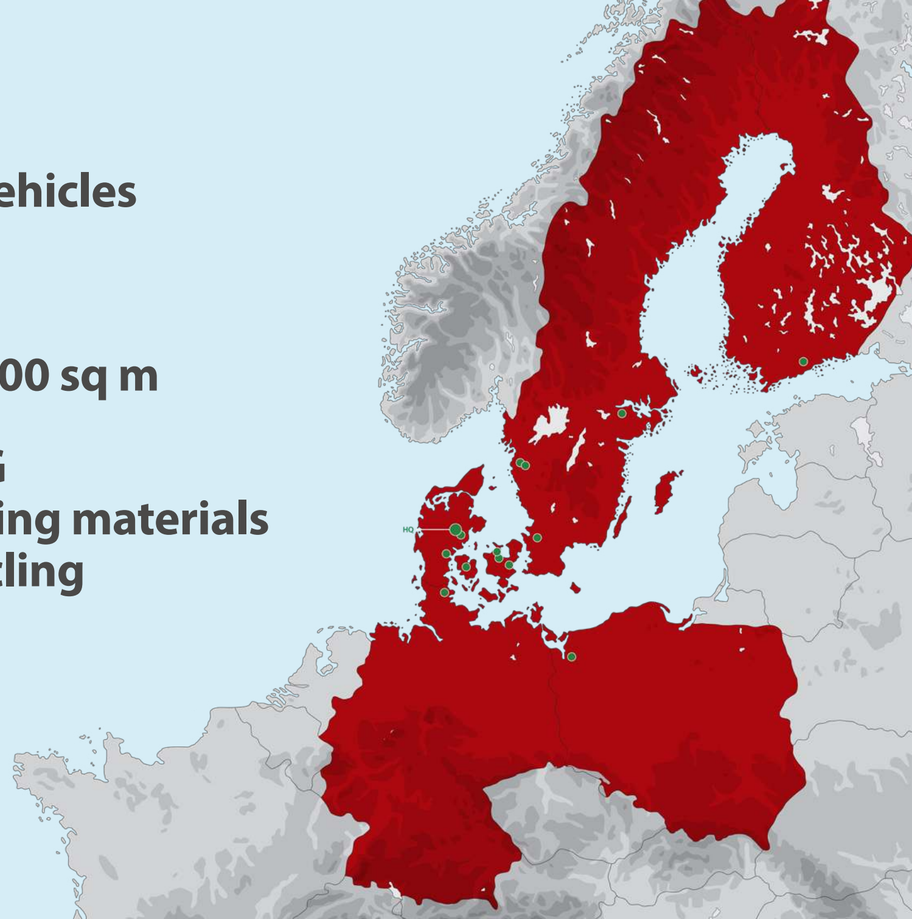
STORE ACTIVITIES

Fleet
700 vehicles

Employees
1,790

Buildings
628,000 sq m

Sectors
FMCG
Building materials
Recycling



Vision & mission

Vision

Within selected sectors, Frode Laursen wants to be the preferred partner of brand owners and their customers as the number one logistics partner in Northern Europe.

Mission

With our logistics centres playing a key role, Frode Laursen ensures the responsible transport of goods from source to consumer based on efficient processes, in-depth knowledge and a passion for logistics.

Values

Frode Laursen is a value-driven company, and our values must always support our goals, mission and vision. By working according to our values, we ensure sound business practices, efficient working procedures and, not least, a good working environment for our employees.

- **We are here for the customer**
- **We strive to improve**
- **We take responsibility**
- **We treat everybody with respect**
- **We honour our agreements**
- **We use resources wisely**
- **We always base decisions on facts**
- **We cooperate and pull together as teams**

Sustainability at Frode Laursen

Sustainability is integral to Frode Laursen's business, and we want to make a difference. We have based our approach to sustainability on the UN's 17 Sustainable Development Goals (SDGs), and we have defined the main areas most relevant to our activities and, thus, the areas where we can make the most significant difference.

Decent jobs for everyone

Everyone should be able to work, and we want to offer secure and decent jobs to all our employees. At the same time, we want to make a positive difference in our local communities by recruiting, integrating and retaining employees, including those who would otherwise risk falling out of the job market due to reduced work capacity or other reasons.

We want to conduct our business ethically and responsibly, and it is essential for us that our employees and suppliers share this approach.

Sustainable logistics

We want to help address the global climate challenge facing the world due to excessive CO_2e emissions. We will explore new possibilities in terms of alternative fuels for our trucks and new technologies that can help minimise our carbon footprint. At the same time, employee behaviour is a key focus area, and we want our transport divisions and logistics centres to be as efficient as possible in reducing our carbon footprint.

The responsible transport of goods from source to consumer

Sustainable development goals

Our promises

CO_2e reduction of 35% from 2020 to 2030

- Ensure the constant reduction of CO_2e emissions in transport
- Ensure the constant reduction of CO_2e emissions in the construction and operation of logistics centres
- Ensure development and progress with the help of partnerships

Everyone who wants to has the right to meaningful work

- Ensure opportunities for people on the edge of the labour market to become a part of it
- Ensure employee development
- Ensure development and progress with the help of partnerships

A responsible business

Take care of the environment

- Ensure the reduction of water consumption
- Ensure the increased sorting and recycling of waste
- Ensure a focus on the environment and biodiversity when choosing materials and fuels

Take care of our employees

- Ensure equal opportunities for all
- Ensure proper working conditions
- Ensure that human rights are respected throughout the value chain

Maintain a healthy business

- Ensure an economically sustainable company with growth and increased job creation as a result
- Ensure a zero-tolerance policy towards corruption
- Ensure a high degree of transparency
- Ensure stable and sound control and risk management

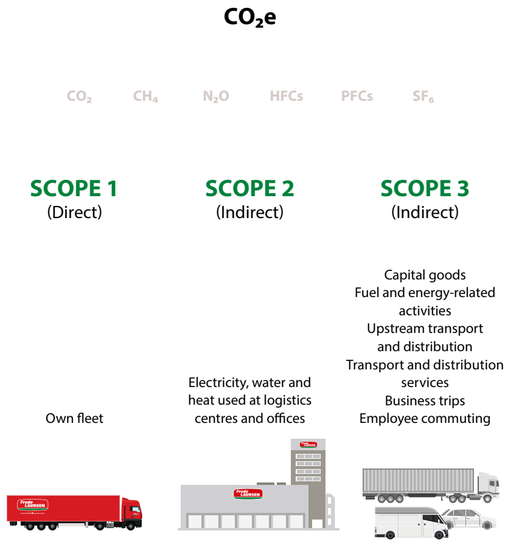
Climate & environment

As part of an industry with a significant carbon footprint, we see it as our duty to take the lead and contribute to the green transition. Therefore, Frode Laursen's goal is to reduce our CO_2e emissions by 35% from 2020 to 2030 in Scopes 1 and 2.

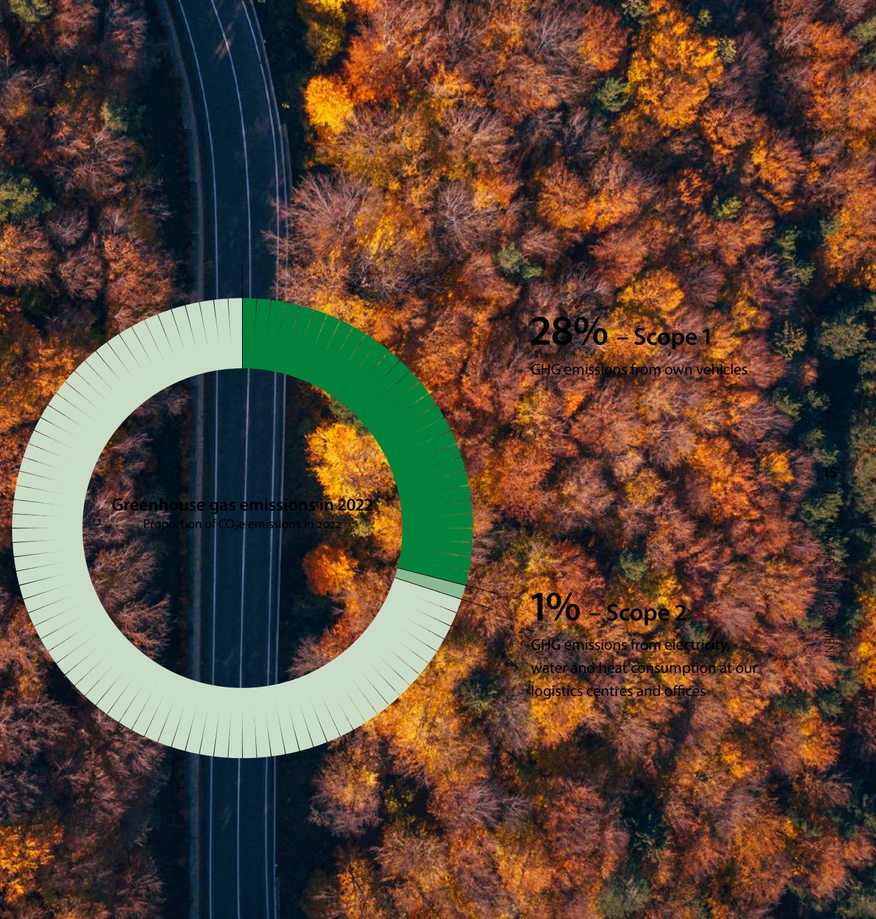
In 2022, we succeeded in reducing our emissions by 6%. This means that, so far, we have reduced our CO_2e emissions in Scopes 1 and 2 by 18% since 2020.

In 2022, we started mapping our Scope 3 emissions for the first time and now include them in our total carbon footprint.

The mapping shows that our most significant impact is in Scope 3, and in 2023 we will – as for Scopes 1 and 2 – set a target for reducing our Scope 3 CO_2e emissions.



Scopes 1, 2, and 3 at Frode Laursen



Transport

At Frode Laursen, the activity with the most considerable CO_2e emissions is transport. Therefore, carbon intensity and how we can reduce our CO_2e emissions per tonne-km are two key focus areas. In 2022, we managed to reduce these emissions by 6%. We are immensely proud of this result, because it has been achieved through the dedicated efforts of our employees, and because it is a noteworthy result in the context of the transport industry as a whole.

Increase in use of alternative fuels

The result is due, among other things, to an increase in the consumption of alternative fuels, which in 2022 increased from 16% to 18% of our total consumption in Scope 1. We had ambitions for an even greater increase, but Frode Laursen's relatively large fleet of biogas-powered trucks was challenged in 2022 when the price of gas increased dramatically due to the war in Ukraine. However, we managed to get some of the trucks that previously ran on liquefied natural gas (LNG) in Germany to run on liquefied biogas (LBG) in Sweden. This increased our share of LBG consumption by 74%.

The same positive trend is observed for compressed biogas (CBG). Here, we refuelled in 2022 with 270,423 kg of CBG, which is seven times as much as the previous year when we refuelled with 38,206 kg.

However, by far the majority of kilometres, driven on alternative fuels are powered by hydrotreated vegetable oil (HVO) biodiesel. Since 2021, we have offered our customers in Denmark and Sweden the opportunity to be part of our Green Fuel Quota Concept. The concept allows our customers to ensure that the distribution of their goods at Frode Laursen is documented as being powered by HVO, which is produced from, among other things, household, abattoir and wood waste, and reduces CO_2e emissions by 88%. In 2022, we refuelled with 1,796,946 litres of HVO diesel, an increase of almost 3% in the use of HVO fuel for transport work.

We want to continue this positive development, and our ambition is to increase the number of green kilometres driven even further.

In 2023, the alternative fuels will be supplemented by electricity, as we expect to add the first electric trucks to our fleet during the year.

Utilisation and updated fleet

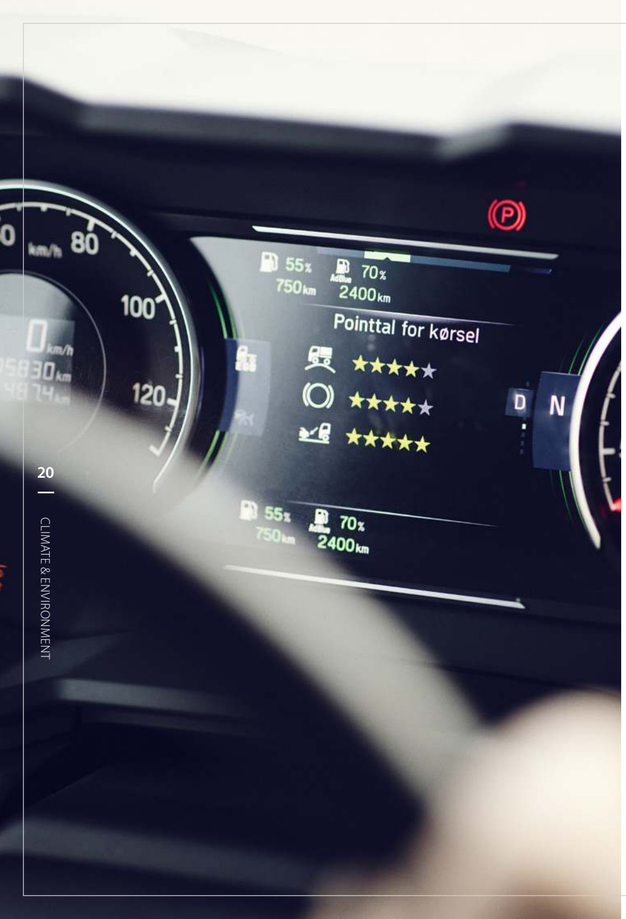
Concurrently with our focus on alternative fuels, we are committed to ensuring that our trucks are as fully loaded with goods as possible. In 2022, the vehicle fill rates (VFR) at our distribution centres increased by 4.2%, and we have also seen an increase in our use of road trains. In 2023, it will become possible to use double-trailer road trains in Sweden, and here we are ready with a pilot project that will enable our haulage operations to become even more energy-efficient.

Our fleet comprises approx. 700 trucks, and Frode Laursen thus owns a large proportion of the vehicles which it uses for transport and distribution. This gives us a unique opportunity to ensure that both the equipment and our drivers are able to perform optimally.

Of our trucks, 99.3% are Euro 6 standard. The ambition for 2022 was that all our trucks should be Euro 6 standard, but the truck market was also overheated in 2022, and it has not been possible to source enough vehicles. We expect to replace the few Euro 5 standard trucks left in 2023.

Focus on driving style

At the same time as looking at alternative fuels, vehicle fill rates and new equipment, there is a constant focus on the driving styles of our drivers. In 2022, our Danish drivers thus drove 0.14 km further per litre of diesel, meaning that we have gone 694,521 km longer on the same amount of fuel. This is an impressive reduction in fuel consumption, which is reflected in our CO_2e accounts. It was also why, in 2022, we expanded our focus on driving style to include our regular hauliers. In this way, we are actively taking responsibility for our Scope 3 CO_2e emissions.



Case

Reducing hauliers' emissions

Following the success of getting our own drivers to drive further per litre, Frode Laursen decided in 2022 to extend the programme and to offer driving-style courses to our regular hauliers and their drivers.

"We want to take responsibility for our Scope 3 emissions, and this is one thing we can do to give our hauliers the opportunity to reduce their CO_2 emissions," says Jan Skov Pedersen, Head of Technics & Procurement, and continues:

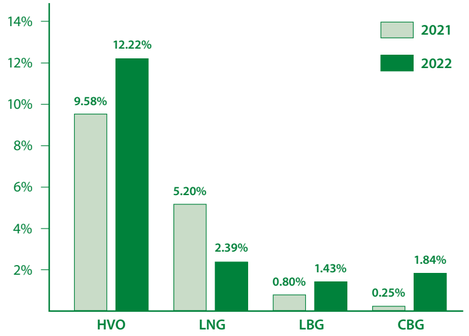
"After attending the course, fuel economy improves, and the tyres on the trucks are exposed to less wear and tear because the drivers are taught how to anticipate what is happening up ahead and, in so doing, avoid hard braking. This results in an improved bottom line and reduced CO_2 emissions. Not only because the trucks use less diesel, but also because we minimise raw material consumption by looking after the equipment and delaying purchases of vehicles and trailers."

Frode Laursen offers a one-day course at Scania Driver Academy, where the drivers are taught how to improve their driving technique, among other things. Afterwards, a display is installed in the trucks, enabling the drivers to monitor their performance according to various parameters, such as their ability to anticipate what is happening ahead and coasting. This information is also compiled in a report, which is sent monthly to the haulage companies, and the results are shared with the drivers. Frode Laursen offers this for free for six months, regardless of which make of truck the hauliers are driving. Afterwards, they have the option of continuing at their own expense. One of the hauliers who has participated in the programme and who is continuing to do so is Anders B. Christensen from ABC Transport.

"Of course, I had an idea that it might be able to help. However, I was surprised at how much of a difference it actually made. In terms of fuel economy alone, we're driving up to 300 metres more a litre," he says.

Share of alternative fuels

Share in %



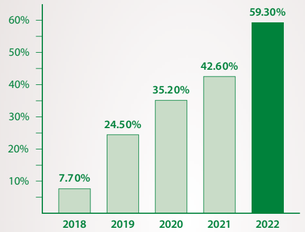
Compressed biogas (CBG) is a methane-based gas from waste or biological material.

LBG is liquefied biogas.

LNG is liquefied natural gas.
LNG is basically only considered where the supply of LBG is limited.

HVO biodiesel is a renewable type of diesel that is produced from vegetable fats and oils.

Share of revenue generated by customers who receive CO_2 reports



For several years, Frode Laursen has been offering customers monthly reports on the CO_2e emissions of their transports. More recently, we have experienced a significant increase in demand for these reports. In 2022, customers to whom we send CO_2 reports accounted for 59.3% of revenue – an increase of almost 17% compared to the previous year.

Buildings

Frode Laursen continuously maps its logistics centres and other buildings for pollution risks and energy consumption, and we are doing what we can to minimise risks and reduce consumption.

By definition, the very idea behind our multi-share warehouse solution is sustainable: Shared facilities save resources – both for transport and at the logistics centres. Nevertheless, we have about 628,000 square metres of warehouse and office buildings, so it is extremely important for Frode Laursen to find the best way of constructing and operating our logistics centres.

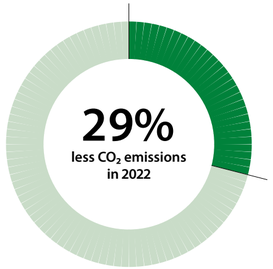
Less energy consumption

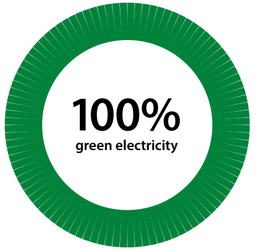
Our buildings department is constantly working to reduce energy consumption and thereby our environmental impact.

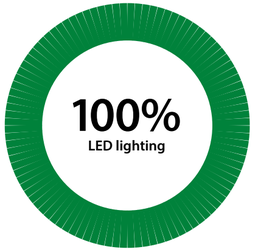
In 2022, we reduced our district heating, gas and oil consumption – even though we inaugurated 39,000 new square metres in Eskilstuna, Sweden. There has been a slight increase in our total electricity consumption, but since all our electricity is 100% green, in 2022 we reduced the CO_2e emissions from our buildings by 23%.

Specifically, the reductions have been achieved as a result of consuming less gas and oil following the installation of a heat pump at our logistics centre in Jyderup, our largest in Denmark.

At the same time, we have also been able to produce our own green electricity from the solar plants at our logistics centres in Jyderup, Denmark, and in Åstorp, Sweden.







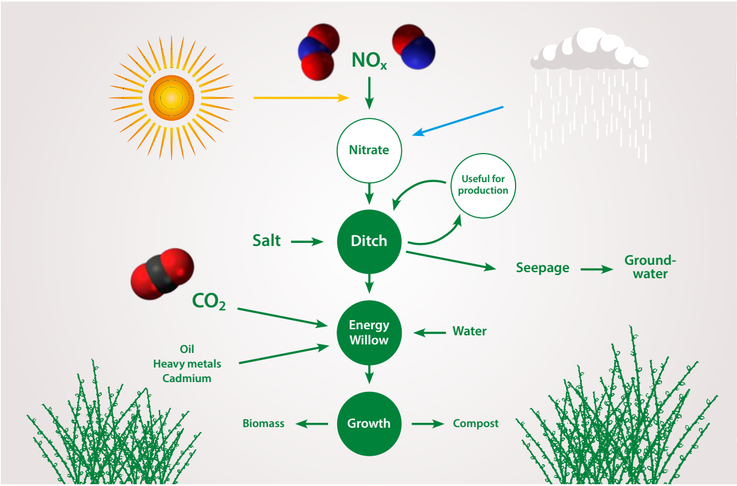
Case

Rainwater recycling and strengthened biodiversity

In 2022, we inaugurated our new logistics centre in Eskilstuna. This is the first of our logistics centres to be built according to our Green Warehouse Vision, which seeks to minimise the environmental and climate impact of constructing and operating new warehouses. This means, among other things, that we have extended our rainwater recycling to include not only our truck wash but also toilets and cleaning.

In addition, we have established ditches around the plot to drain the remaining rainwater. In this way, we avoid using plastic pipes and plastic wells while enhancing biodiversity. Moreover, the ditches also help reduce the risk of overloading the municipality's drainpipes in the road and flooding nearby streams and rivers in connection with heavy showers.

"We are very much looking forward to seeing what experience we can gain from these simple environmental-protection measures while at the same time giving something back to the environment in the form of habitats for insects and toads," says Jakob Gundal Nikolajsen, buildings manager.



Nature's own water purification plant

The roof at our logistics centre in Eskilstuna is a NOXOUT roof. This means that it captures the harmful NOx particles emitted from cars and trucks. The sun's UV radiation then converts the NOx particles into nitrate, which is washed away when it rains.

In the ditches, we have planted energy willow, which absorbs the nitrates from the roof. After a few years, the willow can be harvested and used for biomass or compost.

"It means that we are establishing a 'natural water purification plant' on our property, where we capture harmful particles and transform them into energy based on nature's own resources," says Jakob Gundal Nikolajsen, buildings manager.

Waste as a resource

Frode Laursen's logistics centres produce large quantities of plastic and cardboard waste, which we strive to recycle in the best possible way. Therefore, we systematically sort our waste at all our logistics centres and are constantly working to improve our waste sorting and recycling. The aim is for all waste to be recycled. In 2022, 92% of our waste was recycled. Unfortunately, this is a slightly smaller proportion than the previous year. This is due, among other things, to changes in our waste composition, which has resulted in a larger proportion not being suitable for recycling. Nevertheless, our ambition is to increase the percentage of waste which is recycled again.

Topic	Results 2022	Objectives 2023
CO_2e emissions Scopes 1, 2 and 3	In 2022, we reduced our total CO_2e emissions in Scope 1 from 32,835 tonnes to 30,811 tonnes. This equates to a decrease in CO_2e per tonne-km of 1.79 g, or 6%. In 2022, we reduced our energy consumption from 1,010 to 782 tonnes. This equates to a decrease per square metre of 0.51 kg, or 29%. Overall, we have reduced our CO_2e emissions in Scopes 1 and 2 by 6%. We have mapped our CO_2e emissions in Scope 3.	A further reduction of our carbon footprint so that we can achieve our target of a 35% reduction in Frode Laursen's total CO_2e emissions per tonne-km and per square metre from 2020 to 2030. Setting an objective to reduce Scope 3 emissions.
Our fleet and alternative fuels	In 2021, our eco-friendly fuel accounted for 16% of total consumption. In 2022, it accounted for 18% of consumption. Because of the dramatic gas price increases, we decided not to invest in more biogas-powered trucks in 2022. Our fleet still includes 39 biogas-powered trucks. Unfortunately, due to delivery problems, we were unable to achieve our objective that all our trucks should be Euro 6 standard. However, 99.3% of the trucks are Euro 6. More and more customers are using the Green Fuel Quota Concept.	Increase the green proportion of our fuel consumption by 20%. Fleet maintenance. All trucks must be Euro 6 standard. Invest in and implement electric trucks. Expand the Green Fuel Quota Concept. Launch a pilot project with double trailers in Sweden.

Topic	Results 2022	Objectives 2023
Driving style and vehicle fill rate (VFR)	Driving efficiency for Road DK drivers has been improved by 4.65%. The VFR has been improved at all our distribution centres. On average, the VFR has been improved by 4.2%.	Improve VFR on selected runs from the logistics centres. Focus on driving style for hauliers. Reduce idling.
Energy consumption	Heat pumps installed. Improvement of power-saving LED lamps. Charging points established for private cars in Vitten and Jyderup in Denmark and in Åstorp, Angered and Stenkullen in Sweden. CO_2e reporting offered at the logistics centres for customers.	Establish charging points for private cars at more locations. Pilot project on further optimising energy consumption at locations. Set up new power-saving LED lamps at two logistics centres in Flensburg.
Waste and plastic	Pilot project launched on increased waste sorting at the head office in Vitten. The proportion of logistics centre waste that was recycled decreased to 92%, mainly due to a change in waste composition. Pilot project launched where 10 micrometre stretch wrap is used instead of 15 micrometre wrap. All our hand stretch wrap is made from 75% recycled plastic.	Expand waste sorting at the locations. Introduce 10 micrometre stretch wrap throughout the company.
Water consumption	Rainwater used for cleaning in Eskilstuna and Åstorp. Rainwater used for flushing toilets in Eskilstuna.	Rainwater must be used for flushing toilets in all new buildings.

Employees & society

At Frode Laursen, we consider our employees and their knowledge and experience to be our most important resource, and it is important for us that all our employees are treated with respect.

Severe accidents and physical overload constitute our most significant risks related to social and employee conditions. This is also why topics such as safety, working conditions and training have a high priority at the company.

Employee data 2022

1,790
No. of employees (FTEs)

Managers
36% Women
64% Men

57
Trainees

27
In flex jobs

24
Apprentices

64
In job training

Sickness absence rate

5.0% Hourly-paid

3.1% Salaried

Diversity[3)]

Diversity strengthens the business and, therefore, has a high priority at Frode Laursen. For a group like us that operates internationally with locations in five countries and which employs even more nationalities, it is clear that diversity, inclusion and the ability to understand each other across different cultures, ages, religions and genders is essential for the group to function smoothly.

Even though men dominate the transport and logistics industry, our objective is that at least 20% of the Boards of Directors of Frode Laursen A/S and TA-Logistics are female. This objective is currently met.

However, Frode Laursen also aims to improve the proportion of under-represented gender at other management levels. Therefore, in 2022 we have, among other things, reformulated our job postings and made the language inclusive, as well as working with individual career plans for female employees. Although these targeted measures have had an effect and resulted in new female managers, there was, unfortunately, a slight decrease in the proportion of female managers in 2022, where we went from 37% the year before to 36% female managers.

We are not satisfied with this development. Therefore, in 2023 we will support our work on diversity by actively tackling any bias or predicted attitudes towards people in connection with employee recruitment and management. At the same time, we will set new and bigger targets for the under-represented gender.

However, diversity is not limited to gender, and Frode Laursen is a company with many nationalities and generations among its employees. Our employees range from young trainees and apprentices to employees over 70 who have been with the company for 50 years.

We are proud to be a workplace for the very experienced as well as completely new employees in the labour market. As a company, we believe we are responsible for training tomorrow's clerical workers, freight forwarders, finance workers, drivers, warehouse workers and mechanics. At the same time, we value the energy and drive they bring to the company. In 2022, we intensified our work with trainees and apprentices, and raised the intake of new trainees and apprentices by 23%, so in 2022 we had 57 trainees and 24 apprentices. The goal for 2023 is to increase the number of apprentices within transport and warehousing.

3) This section constitutes the statutory statement, cf. the Financial Statement Act §99b for TA-Logistics and Frode Laursen A/S.

Working environment

Going to work at Frode Laursen must be safe, and we do our utmost to prevent work-related accidents.

All employees have the right and access to the necessary safety equipment, and we conduct incident analyses and provide the required safety training for them.

Liaison committee meetings are regularly held to discuss work-related accidents and preventative measures.

Frode Laursen collects comparable data from the countries in which we operate. The results are reported four times a year to the group's Board of Directors, ensuring we continually focus on implementing safety improvements.

In 2022, Frode Laursen saw a reduction in the number of work-related accidents from 55 to 53. However, the number still needs to be lowered, and is far from satisfactory. Based on a categorisation of Danish accidents in 2021, we focused in 2022 on reducing falls and accidents involving craylers, powered pallet jacks and lifts. Unfortunately, this increased focus has yet to produce the expected result, and in 2023 we will continue to make efforts to reduce the number of accidents.

In 2022, we categorised all the work-related accidents in all the countries in which we operate. We see that falls remain the highest cause of work-related injuries, i.e. they account for 27% of accidents. In 2023, we will focus our efforts on preventing falls and registering all work-related accidents – both without and with sickness absence.

This is being done so that we can learn about all the accidents that happen and why they occur.

In 2023, preventive measures will be prepared following every work-related accident, and we will highlight the subject of safety to a much greater extent in our communication using safety campaigns.

Sickness absence

In 2022, work-related accidents resulted in 1,401 days of sickness absence. This has been one of the reasons why, in 2022, we experienced a 1.2% increase in sickness absence among our hourly paid employees. However, we have also seen an increase in sickness absence among our salaried employees, and in 2023 we will focus more on reducing sickness absence. This will be achieved by paying particular attention to the departments where we experience high sickness absence rates, by working in a targeted way with the causes and generally increasing awareness of our health schemes. Finally, we will work with ergonomics, especially at our warehouses.

Training

It is essential for Frode Laursen to help our employees develop in tandem with the group and the surrounding world. In 2022, another key focus area was training within different occupational groups. Management training was initiated at the warehouses, courses took place for drivers which focused on safety and driving style, and salaried employees were offered skills development courses on, for example, personal efficiency and languages. We will continue to focus on these areas in 2023 and, at the same time, launch Frode Laursen's Leadership Training Programme, which will give all managers with employee responsibilities basic management training. The course will comprise five modules, each with a different theme.

At the same time, we have prepared a course for employees without management responsibility that enables them to learn more about what the leadership role entails, clarify personal patterns of behaviour, and hear presentations from other managers in the company. The course is intended to give employees an insight into the leadership role and help them to assess whether they would like to pursue a career in management.

Part of the local community

A natural extension of Frode Laursen's employee focus is our commitment to the local communities in which we operate as well as to society at large.

In many cases, our logistics centres are one of the largest workplaces in the local area, and consequently, we have a duty to contribute to the local community. We work closely with the local authorities and politicians, and at most of our locations, we have people in job testing, or we are involved in programmes designed to open the door to people on the edge of the job market.

One example is our long-standing cooperation with the state-owned Samhall organisation in Sweden, while another is our collaboration with the job centres in the areas in which we have operations.

Sponsorships

Our local commitment is also reflected in the large number of local sponsorships we provide. We are keen to make a difference for our employees – even in their spare time. Therefore, we sponsor local sports clubs and local events in the areas in which our facilities are located. The aim is to help increase cohesion and development in the communities in which our employees live.

We also support the fight against cancer every year through the Danish Cancer Society's 'Knæk Cancer' campaign. This is a team effort in the sense that the company's employees organise collections and make donations, with Frode Laursen then doubling the amount. This has become a good tradition, which both the company and our employees are proud of, and which brings us all even closer together.

The tradition was extended when Russia invaded Ukraine in February 2022, and together with our employees, we raised DKK 75,000 for Ukraine. At the same time, we joined forces with some of our customers, who donated emergency aid to Ukrainian refugees while we sponsored the transport.

Altogether, 2022 was a challenging year with the after-effects of COVID-19, the war in Ukraine and climate change. Therefore, instead of giving Christmas gifts to our customers, we decided to donate DKK 130,000 to Médecins Sans Frontières (MSF). The initiative was well-received – also among our customers.

At the end of the year, we entered into a partnership with Wefood, which is part of DanChurchAid and sells surplus food from its six stores in Danish cities. We are looking forward to developing this partnership further in 2023.

Case

A meaningful job

Since 2012, Frode Laursen's logistics centre in Hørning has collaborated with the Municipality of Skanderborg to help citizens back into the labour market. Since then, an impressive 800 citizens have been through the project, which allows citizens from different backgrounds to have a go at having a job. The work takes place on premises adjoining the logistics centre.

"Basically, we've created a packing department that mirrors what you find at the other warehouse. However, there are no strict deadlines, so we can take things at our own pace and have many more breaks. In this way, we have created a secure working environment that takes the citizens' needs into account," says Malene Laulund Jensen, who runs the project at Frode Laursen.

Malene's work takes place in close dialogue with Tina Sørensen, a business consultant at Kompetencecentret Skanderborg, which is part of the local job centre. She is very familiar with the project, and therefore Frode Laursen is always in mind when she tries to help citizens find positions in job training.

"Whenever possible, I send them to Frode Laursen. The advantage is that they are met by friendly Malene, who soon makes them feel at home. On top of which, it also means something to them that, in supermarkets, for example, they can show their children the goods they have helped pack. It makes them feel proud, motivated and responsible because they suddenly have a meaningful job," says Tina Sørensen.

Case

Frode Laursen and Wefood fight food waste

In December 2022, Frode Laursen entered into an agreement with DanChurchAid's Wefood stores – which sell surplus food – to sponsor the transport of goods between different parts of the country.

Frode Laursen handles the transport of surplus products from Wefood's main warehouse in Hvidovre near Copenhagen to its warehouse in Viby near Aarhus, and has thus solved a big problem for Wefood, which sells the surplus products from its six shops in different parts of Denmark.

"We receive a lot of our surplus products from companies in the Copenhagen area. In the past, due to transport costs, we often had to give up shipping them to our shops in Jutland, but thanks to the agreement with Frode Laursen, this is now possible," says Jan-Martin Mikkelsen, who is responsible for the Wefood shops.

Using resources wisely

Allan Munkholm Poulsen, COO of Road Denmark, is also very satisfied with the arrangement.

"I'm just happy that we can help. At Frode Laursen, one of our values is to use resources wisely; therefore, it makes a lot of sense for us to help reduce food waste."

Last year, Wefood ensured that 410 tonnes of food ended up on the dining table instead of being discarded. Given that 540,000 tonnes of food are discarded yearly in Denmark, it is an important mission – also for a company like Frode Laursen, which is already one of the Nordics' leading logistics companies within retail and FMCG.

"For us, it makes perfect sense to help where we can by doing what we are good at. In this case, we think that the cooperation is obvious, and we hope that together with Wefood, we can help ensure that even less food is thrown away," says Allan Munkholm Poulsen.

Sustainable transport

Allan Munkholm Poulsen adds that Frode Laursen will ensure that the goods are transported in a sustainable way, as all the transport will be carried out using HVO biodiesel-powered trucks. HVO (hydrotreated vegetable oil) is a second-generation diesel produced from waste and residues, such as abattoir waste.

"By guaranteeing that all the goods are transported using HVO-powered trucks, we are thus reducing CO_2e emissions by up to 88%," he says.

Topic	Results 2022	Objectives 2023
Diversity	There was a slight decline in the proportion of female managers, which decreased from 37% to 36%. Job postings reworded to make the language inclusive. Worked with individual career plans for female employees. In 2022, this resulted in five new female managers.	We will set specific targets for the proportion of female managers at all management levels. We will discuss and actively work with bias.
Working environment	The number of accidents at Frode Laursen dropped from 55 to 53. Swedish, German and Finnish work-related accidents have been categorised in the same way as Danish accidents.	Preventive action must be taken on all accidents (both with and without absence) in order to better prevent similar incidents. The issue of safety must be highlighted through campaigns. We must work systematically to reduce sickness absence for hourly and salaried employees.
Training	Safety and driving style courses for drivers. Management courses at the warehouses. Skills courses for salaried employees.	Launch Frode Laursen's Leadership Training Programme in Denmark and Germany. Ergonomics courses (at the warehouses). Increase the number of courses for drivers with a focus on safety. Skills courses for salaried employees.

Topic	Results 2022	Objectives 2023
CSR	In 2022, we had a total of 64 citizens in job training at our locations across Denmark. We increased the number of trainees and apprentices by 23%.	We will consider how to expand and strengthen our cooperation with local authorities to bring people on the edge of the labour market back to work. We will work to increase the number of apprentices within transport and warehousing.
Local charities and sponsorships	DKK 101,500 paid to local charities and sponsorships. Employees and Frode Laursen donated DKK 73,400 to the Danish Cancer Society's 'Knæk Cancer' campaign. Employees and Frode Laursen donated DKK 75,000 to 'Sammen for Ukraine' (Together for Ukraine). DKK 130,000 donated to Médecins Sans Frontières. Entered into a partnership with Wefood.	We will continue to support local activities and significant funding projects. We will support green initiatives.

Good business practices & ethics

Decency is a key principle for Frode Laursen. As an international business with a proud tradition of keeping our word and delivering on time, it is imperative that we adhere to strong business ethics. For Frode Laursen, this includes treating all employees and business partners with respect, paying taxes in the countries where we conduct business, and having a Code of Conduct that we require all our employees and business partners to accept and follow.

While Frode Laursen is keen to support good business ethics and practices and respect human rights, one of our main risks is that our suppliers might not share this focus.

Therefore, all our suppliers must read and accept our Code of Conduct before entering into cooperation to ensure everyone is familiar with and complies with this code.

In our Code of Conduct, we make it quite clear that we do not accept any kind of corruption or bribery, just as we have a strong focus internally on our values to reduce the risk of corruption. In addition, we have established a customer contact model involving three key persons, thereby minimising the risk of corruption.

Finally, we have a whistleblower scheme that enables employees, customers, partners, suppliers and other stakeholders to report any issues. In 2022, there have been no reports.

Transparency and traceability

At Frode Laursen, we believe in transparency and strong relations with both our customers and employees.

In 2022, we further expanded our customer portal 'FL Analytics,' which gives our customers quick and easy access to key figures and visualisations of their data from the logistics centres as well as from distribution activities. Almost 70% of our customers now have access to FL Analytics, and in 2022 they were also given access to their CO_2e reports on the portal.

Transparency and traceability in the value chain are increasingly important to our customers, not least within foods. As one of Scandinavia's leading logistics companies within FMCG, traceability is a vital aspect of our processes. Using barcodes and our internal WMS and TMS systems, we are able to track our customers' goods down to the individual pallet, and whichever processes the pallet passes through at our warehouse, we can guarantee traceability from when the pallet arrives at one of our logistics centres to when it lands at the customer or store. At the same time, our systems can manage the important task of monitoring and controlling the expiration dates of both stocks and goods leaving our logistics centres.

Scan to read our Code of Conduct

Topic

Business practices, ethics and transparency

Results 2022

- FL Analytics rolled out to 68% of customers.
- CO_2e reporting is available on FL Analytics.
- Expanded information on the track and trace feature on FL Analytics.
- 33 audits carried out at our locations.

Objectives 2023

- Expand the scope and functionality of CO_2e reporting in FL Analytics.
- Expand the scope of information in FL Analytics.
- Expand the number of customers in FL Analytics, especially concerning transport.
- We will continue working to ensure that our employees and business partners comply with our Code of Conduct both when it comes to human rights and to prevent corruption and bribery.

Accounting principles

This report constitutes the statutory reporting under sections 99a and 99b of the Danish Financial Statements Act for TA-Logistics and Frode Laursen A/S. Companies not 100% owned by TA-Logistics – Skanol A/S, Agri-Norcold, and Kaj Madsen Fjelstrup A/S – are not included.

The data mainly stems from our own system, which covers locations, transport and employees, and ensures the correct and consistent collection of data so that it is possible to compare data by year. In addition, we have obtained data from external suppliers.

Emissions factors are sourced from government/public websites.

CO_2 and CO_2 equivalents are reported as a single figure – CO_2e – in the report.

We follow the counting principles in the Greenhouse Gas Protocol (GHGP), as it is regarded as the best practice for establishing inventories of CO2e emissions.

Scope 1:

The combustion of diesel and other fuels in our trucks is the key source of direct emissions in Scope 1.

The fuel emissions cover the consumption of diesel, HVO diesel and various types of gas. The emissions cover Tank-to-Wheel (TTW). The emissions values are based on figures from DEFRA UK, which is also a primary source for the Greenhouse Gas Protocol.

By using the same source for all emissions values, we ensure a more comparable and reliable result.[4)]

All fuel consumed is included, i.e. diesel for refrigerated trailers, oil-fired boilers, yard tractors and company cars.

Scope 2

Scope 2 covers indirect emissions, i.e. electricity, water and heat consumption at all Frode Laursen locations, a total of 627,686 square metres.

The emissions values are based on data from the Danish Business Authority's (Climate Compass) statements. By using the same source for all emissions values, we ensure a more comparable and reliable result.

Since 2021, Frode Laursen has used green electricity at all its locations, resulting in 0 grams of CO_2 per kWh of production.

Consumption at our newly built warehouse in Eskilstuna, Sweden, and at our headquarters in Vitten, Denmark, are included in the inventory for the first time.

Scope 3

Scope 3 – (other indirect) emissions – is the most comprehensive part of the CO_2e accounts as it includes external factors that challenge our database.

Like Scope 1, the emissions values are based on figures from DEFRA UK, which is also a primary source for the Greenhouse Gas Protocol.[4)]

By using the same source for all emissions values, we ensure a more comparable and reliable result.

This is the first time we are calculating our Scope 3 emissions, and we have concentrated on the biggest sources of CO_2e emissions – primarily our external transport suppliers. In future, we expect to develop and refine the figures in Scope 3 further. In Scope 3, we have stated:

Category 2: Capital goods: Life cycle CO_2e – emissions of 150 purchased trucks (data prepared by supplier).

Category 3: Fuel and energy-related activities: Fuel for own trucks. The emissions cover: Well-to-Tank.

Category 4: Upstream transport and distribution: External transport suppliers and ferry services. We have calculated CO_2e emissions on the assumption that other trucks drive the same number of km/l as Frode Laursen's trucks.

Category 6: Business travel. CO_2e emissions are calculated based on the number of kilometres driven for business purposes.

Category 7: Employee commuting: The distance is calculated from the employees' homes to their primary place of employment.

Drivers and warehouse workers are calculated as working 214 days a year, while salaried employees are calculated as working 210 days a year due to the possibility of working from home. For casual workers, the number of working days is calculated based on their hours, as often they do not work every day.

For foreign workers living far away from their primary residence, the calculation assumes that they return home once every three weeks on average.

The CO_2e emissions are based on figures from Statistics Denmark regarding the proportion of petrol, diesel, electric and plug-in hybrid vehicles in Denmark as well as their average consumption.

Waste recycling

Data for waste recycling is compiled according to available waste reports from all locations. Data from 2021 has been corrected, as our location in Vejle has provided additional information.

Number of employees

The number of employees is calculated as full-time employees – excluding temporary workers. Please note: The figures from 2018 and 2019 include temporary workers.

Gender distribution

The gender distribution among the Board of Directors of TA-Logistics covers a chairman of the Board and two Board members.

The gender distribution among the Board of Directors of Frode Laursen covers a chairman of the Board and four Board members.

The gender distribution among the management of Frode Laursen covers everyone with management responsibility in Frode Laursen.

The gender distribution among the management of Frode Laursen covers everyone with management responsibility in Frode Laursen A/S.

TA-Logistics A/S does not provide information about its management, as the only employee is a managing director.

Work-related accidents

The number of work-related accidents covers Frode Laursen and covers work-related accidents with min. one day of sickness absence. The inventory does not include office staff, workshop employees or temporary workers. Please note: The figures from 2018 and 2019 only cover Frode Laursen A/S.

4) www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Key figures

KEY FIGURES	2022	2021	2020	2019	2018
Emissions CO_2e (tonnes)					
Scope 1	30,811	32,835	34,693	38,638	42,540
Scope 2	782	1,010	1,637	2,042	2,625
Scope 3					
C2 Capital goods	4,800	-	-	-	-
C3 Fuel and energy-related activities	8,368	-	-	-	-
C4 Upstream distribution and transport	63,239	-	-	-	-
C6 Business travel	130	-	-	-	-
C7 Employee commuting	2,833	-	-	-	-
Total	79,370	-	-	-	-
CO_2e emissions total Scopes 1, 2, 3 (tonnes)	110,963	-	-	-	-
Carbon intensity					
Scope 1 (gCO_2e per tonne-km)	29.09	30.88	34.53	36.57	38.54
Scope 2 (CO_2e emissions kg/m^2)	1.25	1.76	3.53	4.61	6.32
Water consumption					
Water consumption m^3 ('000)	23,1	19.56	16.49	18.43	16.27
Water consumption (m^3/m^2)	0.03	0.03	0.03	0.04	0.04

KEY FIGURES	2022	2021	2020	2019	2018
No. of trucks by Euro standard (%)					
Euro 6 standard	99,3	99	99	96	91
Euro 5 standard	0,7	1	1	4	8
Euro 4 standard	0	0	0	0	1
Recycling waste (%)					
Proportion for incineration	22	18	19	25	41
Cardboard and paper for recycling	34	36	37	36	36
Plastic for recycling	4	5	4	3	4
Biodegradable waste for biogas	22	21	26	24	7
Wood for recycling	5	4	4	4	3
Concrete for recycling	3	2	2	1	2
Metal for recycling	2	7	2	2	4
Non-recycled waste	8	7	6	4	3
No. of employees (full-time)					
No. of employees (full-time)	1,790	1,754	1,552	1,778	1,869

KEY FIGURES	2022	2021	2020	2019	2018
Gender distribution – Board of Directors, TA-Logistics (%)					
Women	33	33	20	20	20
Men	67	67	80	80	80
Gender distribution – Board of Directors, Frode Laursen A/S (%)					
Women	20	20	20	20	20
Men	80	80	80	80	80
Gender distribution – Management, Frode Laursen (%)					
Women	36	37	32	-	-
Men	64	63	68	-	-
Gender distribution – Management, Frode Laursen A/S (%)					
Women	37	36	35	39	35
Men	63	64	65	61	65
Work-related accidents					
No. of work-related accidents with one or more days of sickness absence	53	55	58	34	40

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Frode LAURSEN

Sustainability Report

ONE-STOP LOGISTICS