Sustainability Report 2024/25

Our adaptability and the dedication of our people keeps shaping SDK FREJA, and with strategic determination and clear goals, we continue on the journey for a more sustainable future.

Contents

CEO Letter

United we are strong

The world continues to be shaped by uncertainty, and the past year has shown that political tensions and shifting economic dynamics are still shaping our way of life and our business. We must navigate in changing environments, and at SDK FREJA we do our outmost to adapt and to continue delivering seamless and reliable services to our customers. Regulatory requirements, market expectations and costumer demand keep developing our organisation, and we have not only shown resilience – but also foresight.

Our adaptability and the dedication of our people keeps shaping SDK FREJA, and with strategic determination and clear goals, we continue on the journey for a more sustainable future.

At SDK FREJA, sustainability is not just a responsibility - it is a foundation on which we develop our operations and how we can shape the future of transport. Across our operations in shipping and logistics, we continue to modernise our business, and we recognise that real transformation demands more than ambition - it demands collaboration, investments and a willingness to succeed.

A focus this year has been to make meaningful progress where possible and laying the groundwork for future change. We continue to be strongly committed to reducing our environmental footprint and we keep investing in sustainable solutions for our infrastructure and optimise our shipping and logistics facilities. By making continuous improvements to our facilities, and building new, that meet environmental certification standards, we continue to reduce our electricity and heating consumption. Optimisations that support our targets for reducing Scope 1 emissions by 60% in 2040 and Scope 2 emissions by 60% in 2040.

Scope 3 emissions represent the vast majority of our total GHG emissions, and our long term target of a 60 % reduction in Scope 3 emissions by 2040 shows that a strong collaboration with our suppliers and subcontractors is key. Our approach remains firmly anchored in driving reductions in Scope 3 by being a trusted advisor and inspire with insights and support. The strength of our organisation lies not just in our scale, but in the shared commitment across business units to contribute to a more sustainable future, even when short-term uncertainties may make the journey harder.

We see willingness to invest in more sustainable infrastructure and low-emission vehicles from our suppliers and subcontractors. However, shifting demands from customers and a lack of widespread refuelling and charging infrastructure present significant hurdles. An optimised infrastructure demands large investments and strong cooperation across businesses and public sectors, with action by national authorities and in the EU.

Our role exceeds internal measures, so we remain actively engaged with stakeholders, suppliers and subcontractors to advocate for shared progress and dialogue in low-emission solutions. By being prepared for a more sustainable future in shipping and logistics, and making investments now, we are placing ourselves in a strong position to lead this transition, support our partners and deliver long-term change and value in a low-emission future.

OUR PEOPLE, OUR STRENGTH

Building a sustainable future is not only about reducing emissions - it is equally about how we support and develop the people behind our operations. Our social responsibility remains a central part of how we create long-term resilience and value and therefore, we will have continuous investments in people. Operating in an industry traditionally shaped by physical risk and gender imbalance, we continue to strengthen our efforts across health and safety, employee development, inclusivity and community engagement.

The safety of our employees remains a top priority, so we maintain rigorous safety protocols and we continuously invest in optimisation and training. This proactive approach ensures that our workforce operates in secure conditions and remains informed and engaged in our shared safety culture. The success of SDK FREJA depends on a workforce that is safe and aware of our efforts for its safety.

Gender imbalance persists in logistics and shipping, and therefore in 2024/25, we have formulated new gender diversity goals, grounded in a clear assessment of current conditions. We are actively promoting female role models in recruitment, and by using an AI tool developed in-house, we ensure that job ads are written in bias-free language. Our goal is long-term cultural change, and we are seeing the impact in some offices where management is getting more gender balanced. Improving gender balance is not a short-term initiative, but we are laying the groundwork for a more inclusive operation.

Through structured training, upskilling and cross-border collaboration, we continue to support our employees' development. Our internal career progression model remains a strength, providing opportunities for long-term advancement within the company. Growth comes not just from external recruitment but from continuous internal development. At SDK FREJA, we aim to foster a workplace where everyone feels safe, valued, supported and empowered to thrive, as it is incorporated in our DNA that putting people first is the right thing to do.

GOVERNANCE AS A DRIVER OF TRUST

Our governance practices are grounded in transparency, long-term thinking and a strong commitment to ethical conduct, and we take pride in a governance model that combines strategic foresight with operational accountability. It allows us to build trust with customers, partners and society, and to make informed decisions in a complex and fast-changing business environment.

Executive management ensures that our values of decency and responsibility are present throughout SDK FREJA and that compliance frameworks remain robust and up to date. We continue to focus on regulatory topics such as sanctions screening, Know Your Customer (KYC) processes, and data privacy, recognising that these areas are increasingly critical for securing our license to operate. Our governance efforts are also shaped by the growing role of technology, so by exploring responsible use of artificial intelligence we improve process efficiency in operations, compliance and reporting.

We work closely with suppliers, industry associations and regulatory bodies to raise standards across our value chain. Through shared insights, transparent reporting and open dialogue, we aim to contribute to more sustainable and accountable business practices in shipping and logistics.

Looking ahead, we acknowledge that the journey towards a sustainable future will be long and complex. But we also know that by staying true to our values and working as one, we are better equipped to meet the goals we set. Not just through ambition, but through action guided by our commitment to make change. United, we build not only a stronger business - but a more sustainable future.

"At SDK FREJA we believe that sustainable growth is built on trust – and strengthened through long-term relationships with customers, partners and stakeholders

Søren Gran Hansen
Group CEO
SDK FREJA A/S

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

24/7

SHIPMENT BOOKING,VESSEL CHARTERING AND SURVEILANCE

SDK FREJA is a full-service **shipping and logistics** group.

SDK FREJA is a dynamic and growing company with the objective to continuously develop the core business to be **at the forefront of the latest developments** that cater to our customers' wishes and expectations.

SDK FREJA is one of the few **independent and privately owned** local mid-sized shipping and logistics companies. The **main objective** of the parent company, SDK FREJA A/S, is as a holding company to **hold shares** in the subsidiaries and contribute to their **continued development**.

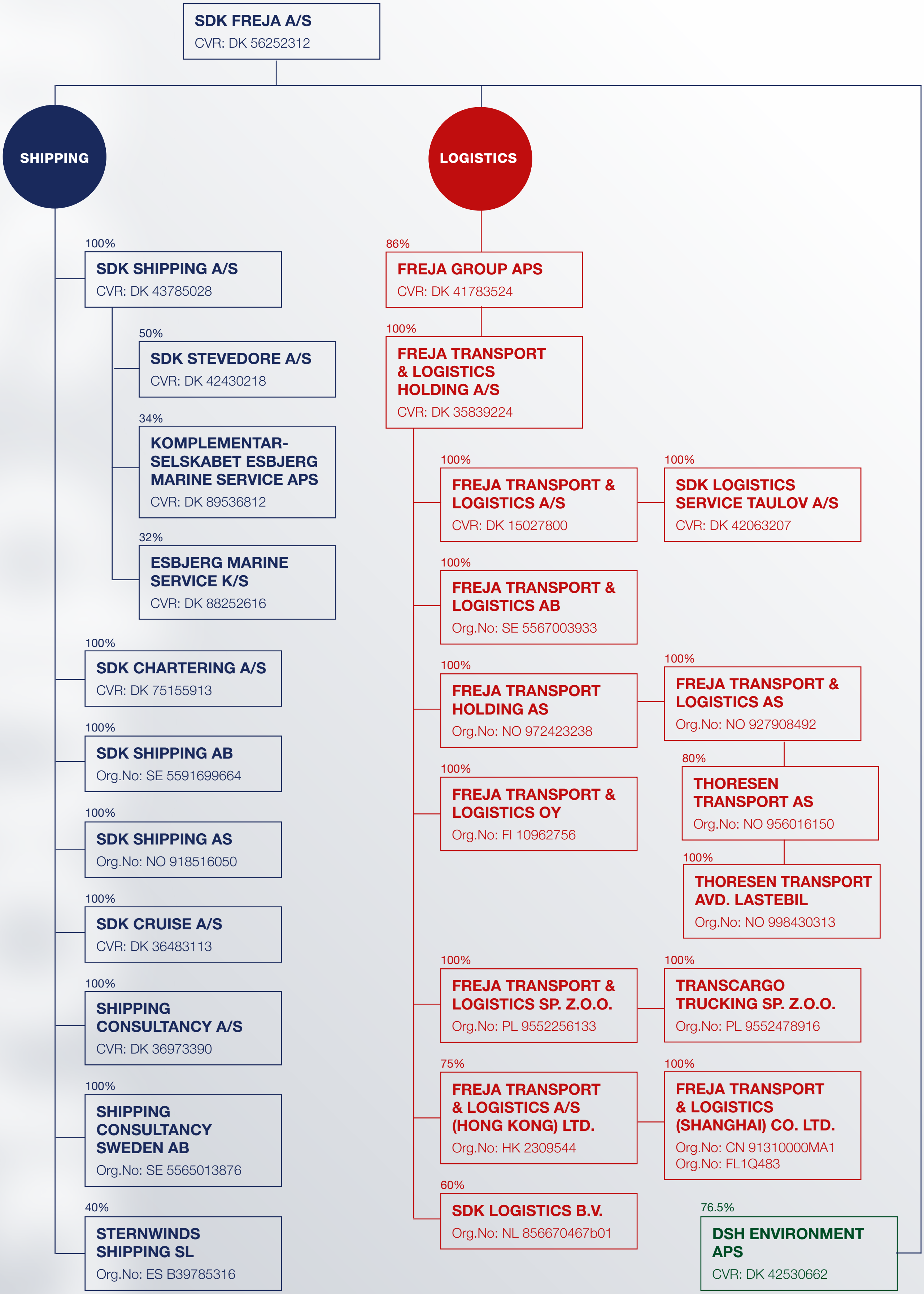
The **shipping and logistics activities** of SDK FREJA include **freight forwarding** within **Road, Air & Sea** and **Project Cargo**, **Contract Logistics** as well as **Stevedoring**, **Port Agency**, **Customs Clearance Solutions**, **Chartering**, **Liner- and Cruise services**. We offer specialist **logistics solutions** within **Healthcare**, **Warehousing** and **Refrigeration**.

What we do

STEVEDORE	PORT AGENCY	ROAD FREIGHT	AIR FREIGHT
WAREHOUSE	CRUISE	SEA FREIGHT	PROJECT FORWARDING
CUSTOMS CLEARANCE SOLUTIONS	CHARTERING	LOGISTICS SOLUTIONS	HEALTHCARE SOLUTIONS
PROJECT CARGO	PASSAGE SERVICE	CUSTOMS CLEARANCE SOLUTIONS	REFRIGERATED SOLUTIONS


PICK-UP AND HANDLING
WAREHOUSING, CROSS-DOCKING AND STEVEDORING
CUSTOMS CLEARANCE, DOCUMENTATION, INSURANCE, PORT AGENCY AND CRUISE SERVICES
TRANSPORT
WAREHOUSING, CROSS-DOCKING AND STEVEDORING
LABELLING, PICKING & PACKING
DISTRIBUTION AND LAST-MILE

Group Structure

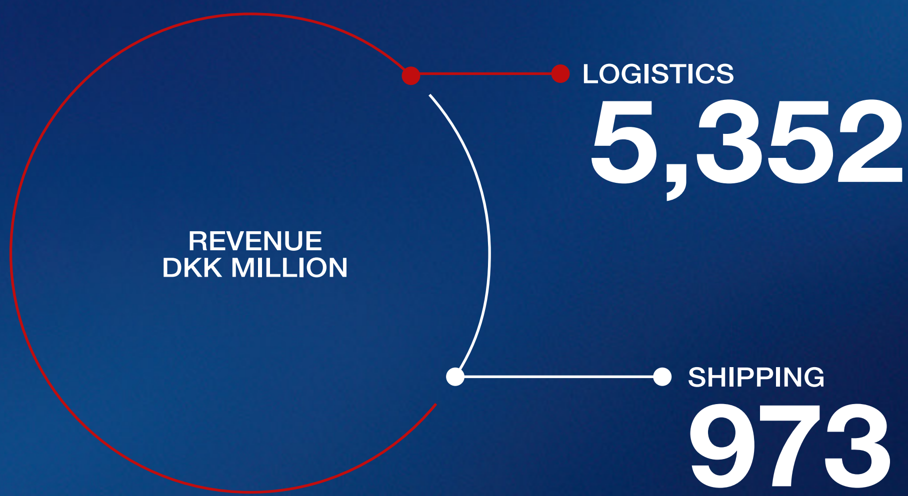


Our group thrives when diversity is celebrated, our roles are clear, and a shared vision drives collective effort

At a glance

Wr are locally based in Northern Europe with strategic positions in China and Spain, which makes it possible to quickly fulfil our customers' needs, also by drawing on our global network.

+9	MILLION TONS HANDLED OVER QUAY
+8,100	AGENCY CALLS HANDLED
+3,300	TRAILERS ACROSS EUROPE
+245,000	SQ M MULTI-TERMINALS AND WAREHOUSE SPACE
+1,400	DEDICATED EMPLOYEES
-9.2%	DECARBONISATION – ALL SCOPES SINCE 2021/22



Setting goals in a complex market structure

A lot of energy has been put into CSRD compliance in the past year and at SDK FREJA we have decided to integrate our CSRD reporting in our parent company's annual report. This means that we will continue publishing our independent Sustainability Report, but that its content is not fully CSRD-aligned. This gives us a little more freedom to select the topics presented in our reports, while still covering the most material issues.

While we have had a cautious year regarding efforts on large single topics, this does not mean that we are not continuously working to reduce our GHG footprint or focus on social and governance issues. It just means that our work has centred on creating an overview of differences and similarities within our operations, our impacts and approaches to sustainability. This work continues into the next financial period.

It can sometimes hurt us when we see that our score on sustainability platforms is not top notch, as it does not align with the reality we experience, which we believe is more important than a score based on formal policy documentation. Nevertheless, we are increasing the standardisation of our governance communication. In this process, we will maintain our respect for cultural and other differences, both national and international, internal and external, while recognising that without new ambitions, goals and requirements, we will not reach our Net Zero 2050 goal. Thankfully, we know that we share this ambition with many of our stakeholders in the value chain.

Collaboration is the way forward if we are to reach our goals and nowhere is this more relevant than GHG emission reductions within road transport, our focus area, as 97% of our GHG emissions relate to Scope 3. In this field, a lot of players need to be moved before we reach our goal. On the contrary, sea and air transport is concentrated to few large players, meaning that we as a shipping and freight company have little to no opportunities to influence the suppliers we work with. Here, reductions are primarily driven by international regulations, as well as our customer's choice of transport form.

First movers, fast followers, cautious followers or simply adopting a wise approach on what is right?

Eric Clausen
Head of Group ESG & Quality

First movers, fast followers, cautious followers or simply adopting a wise approach on what is right? Or is there a right or wrong? For us, development and good business practice must go hand in hand, and we are aware that we cannot wait for the green transition to be a 100% business with a huge plus on EBIT. At the same time, we also believe it's good business practice not to engage in projects that result in substantial deficits for the business areas involved. With all this in mind, what are the challenges?

To answer this question, we can look at our own considerations and the problems our subcontractors are facing, when deciding whether and when to switch to sustainable alternatives. In essence, there is no single correct solution, and none of the available options are currently profitable given current prices for both procurement and the price of the transport performed. Lastly but most importantly, all stakeholders continue facing a lack of infrastructure, with, for example, charging infrastructure at some of our locations being just one of the things it takes to get our subcontractors to switch to electricity.

Everyone wants change, but no one wants to compromise on time and cost, and therein lies one of the stumbling blocks, as all links in the value chain must contribute to ensure momentum in the green transition. The tests we have carried out on electric trucks show that a transition is feasible where fixed routes are used and, best of all, where there is no need to charge along the way. Although no tests have yet been economically viable, we believe that this will be the case within a few years. Then, we will see a greater effect when hauliers must change their diesel trucks anyway.

Distribution and Last mile delivery are progress areas in some of our SDK FREJA countries, with Sweden, Norway and Finland leading the way, helped by HVO 100 diesel, which is a good intermediate solution. While Denmark and Poland are behind in this respect, we hope and believe that tax reductions and subsidy schemes can help on the way, as this segment is the one with the greatest potential for green transition in the short term.

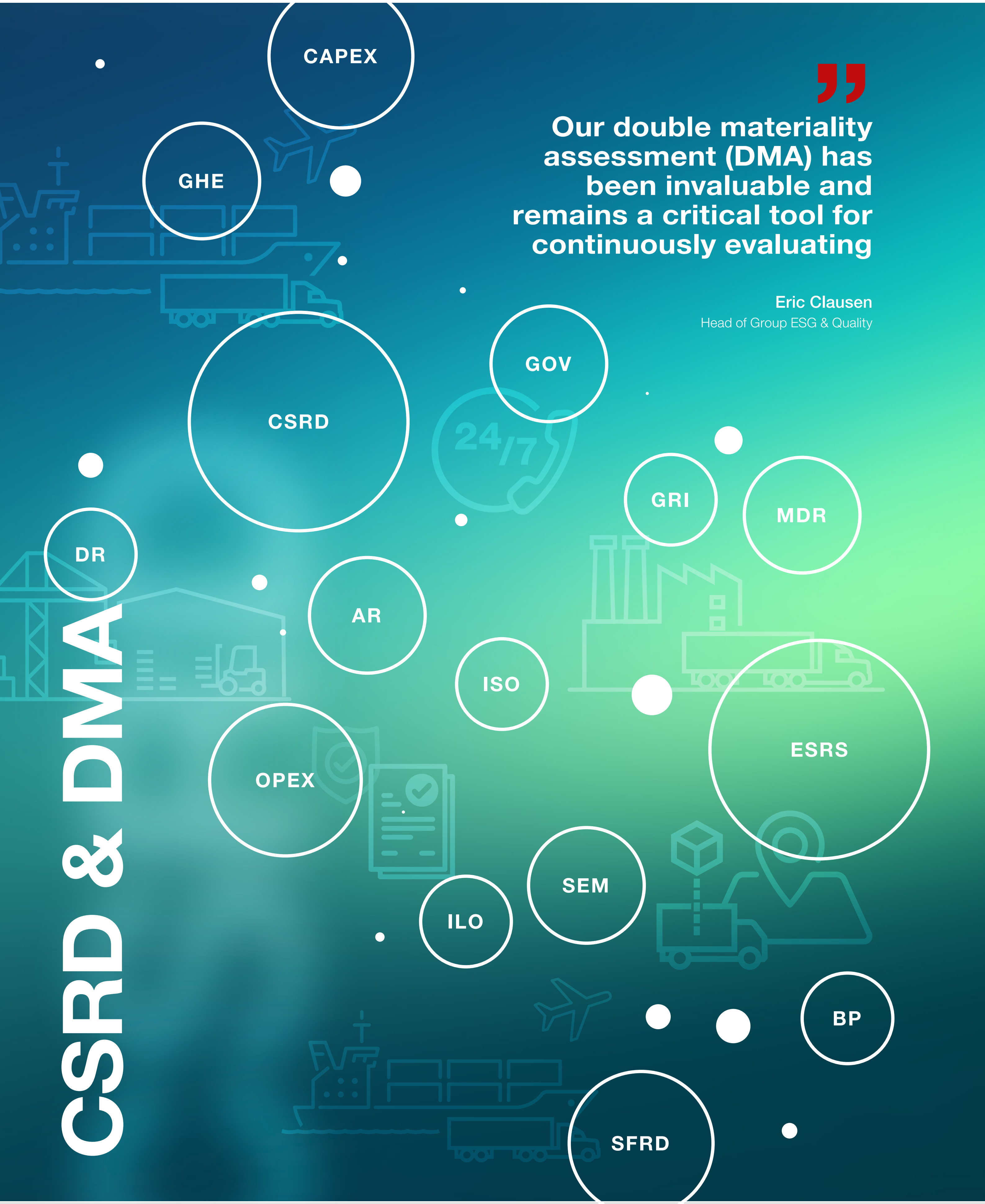
Recognising the above realities, we have chosen not to set targets for major reductions towards 2030. Although we expect an ongoing reduction and we will contribute where it is commercially responsible, unfortunately, we also believe that we will get close to 2030 before the ketchup bottle breaks. Whether this is unambitious or just realism is for others to decide. Our purpose is to build trust and walk the talk throughout our business structure.

We are now setting interim goals on the journey towards Net Zero 2050.

REDUCTION OF GREEN HOUSE GASSES MEASURED FROM OUR BASE YEAR 2021/2022

	SCOPE 1	SCOPE 2	SCOPE 3
2030	25%	20%	20%
2035	45%	40%	40%
2040	60%	60%	60%

CSRD & DMA



> **Our double materiality assessment (DMA) has been invaluable and remains a critical tool for continuously evaluating**
>
> **Eric Clausen**
> Head of Group ESG & Quality

CSRD IMPLEMENTATION UDPATE

The implementation of the Corporate Sustainability Reporting Directive (CSRD) has significantly changed how we approach sustainability within our organisation. Beyond enhancing transparency and accountability, the CSRD has acted as a catalyst for deeper exploration and refinement of our material topics. This new framework has driven us to exceed compliance requirements, prompting more rigorous stakeholder engagement, a broader assessment of impacts across our value chain, and a sharper focus on long-term value creation. Through the double materiality lens, we've gained a better understanding of how sustainability issues affect our business, and how our operations impact society and the environment.

As a result, our strategy reflects a more robust, data-driven, and meaningful sustainability approach—one aligned with regulatory expectations and grounded in what truly matters to our business and stakeholders. CSRD, four letters with a significant impact on large companies across Europe, has partly been put on hold as the scope of reporting requirements is reassessed. For us at SDK FREJA, this provides an opportunity to prepare thoroughly, ensuring that the reporting we provide will be even more valuable to us as a company. Our double materiality assessment (DMA) has been invaluable and remains a critical tool for continuously evaluating where our efforts deliver the greatest value. We won't wait 1-2 years for a revised version of the standards/data points; instead, we will actively work with and document the material topics identified, using data points that add the most value.

DMA UPDATE

By conducting a double materiality assessment (DMA), we aim to map and remain updated on all ESG matters that are relevant for SDK FREJA from a double materiality perspective. This means that we assess both the impact of our organisation's activities on people and the planet (impact materiality), as well as how our organisation is influenced by growing environmental, social and governance risks and opportunities (financial materiality).

This approach aims to provide a more holistic view of our organisation's overall impact and value creation. On this background, we develop and refine our framework for sustainability reporting and accounting, while we also guarantee that SDK FREJA's ESG agenda is up to date and focused on what matters.

During FY 2024/25, we conducted an updated DMA, to better follow the structure and terminology of the CSRD and ESRS.

This DMA broadly confirms the findings of our previous DMA which identified 10 material topics. Our updated DMA has recognised the following material topics:

ENVIRONMENTAL

E1 Climate change mitigation
E1 Energy
E2 Pollution of air
E5 Waste

SOCIAL

S1 Working conditions own workforce
S1 Equal treatment and opportunities for all
S2 Working conditions in the value chain

GOVERNANCE

G1 Corporate culture
G1 Protection of whistleblowers
G1 Management of relationships with suppliers
G1 Corruption and bribery

To clearly communicate our focus and efforts, this report covers the topics identified through our DMA but presents them through 8 consolidated material themes.

Our overall materiality themes for the coming period are:

E:
Climate impacts under our control
Climate impact from our value chain
Resource and waste management

S:
Labour conditions own workforce
Labour conditions in our value chain
Equal treatment and opportunities for all

G:
Compliance
Company culture

This also means that pollution-related impacts are recognised as connected to both Climate impacts under our control and Climate impacts from our value chain, while some of our previously recognised material themes under S are consolidated in the newly added category of Equal treatment and opportunities for all. The management of our relationships with suppliers is consolidated under our Compliance and Corporate culture themes.

Environmental

> **Across our operations in shipping and logistics, we continue to modernise our business, and we recognise that real transformation demands more than ambition - it demands collaboration, investments and a willingness to succeed**
>
> **Ulrik Rasmussen**
> Group CEO
> Logistics

Promoting sustainable solutions

As a shipping and logistics company, we know that our activities impact the environment, particularly through greenhouse gas emissions, energy consumption, waste generation, and natural resource depletion. We also know that we have a responsibility to help mitigate these impacts and drive positive change through innovative and sustainable practices to the best of our ability, in alignment with the Paris Agreement’s objectives, which seek to limit global warming to below two degrees Celsius compared to pre-industrial levels. Transparently sharing both our progress and challenges, makes us accountable to our stakeholders and can hopefully contribute to the necessary discussions within the industry. Our goal is to manage our impact where we can, while keeping in mind that achieving sustainable logistics is a multistakeholder task.

We recognise that climate change poses significant risks to people and the planet. This makes reducing greenhouse gas emissions a key focus area, where we implement and constantly adapt strategies to decrease our emissions through various means.

Our primary focus remains on areas under our direct control, such as updating our sites and reducing our Scope 2 emissions. We continue to make improvements to our buildings and facilities, collaborating closely with external consultants and facility managers to reduce our electricity and heating consumption.

A key example during the past year has been our newest establishment in Jönköping, where we have measured the effect of solar panels in further mitigating our greenhouse gas emissions. Despite the site occupying a significantly larger area than our previous facilities, we are happy to see that annual electricity consumption at Jönköping has remained largely unchanged. We are dedicated to learning from this experience and identify areas where we can further expand the use of solar panels, along other energy efficiency measures. Moving forward, we aim to strategically incorporate these learnings in our efforts to adapt our current sites and transition to future sites that live up to the highest environmental standards.

Driven by our continuous site improvements, we have set interim targets, aiming for a 20 percent reduction in Scope 2 emissions by 2030. Similarly, we have targeted a 25 percent reduction of our Scope 1 emissions, recognising that this is the area where we exercise the highest level of control. We are determined to continue making the necessary investments to lower the emissions stemming from our service operations and towards our commitment of reducing our Scope 1 and 2 emissions by 60 percent by 2040 compared to our baseline year of 2021/22.

IMPROVING CARBON-REDUCING PRACTICES

In response to our clients' increasing focus on reducing CO2 emissions, we have taken proactive steps to provide more carbon-reducing fuel solutions. As part of our pragmatic efforts to achieve further emission reductions, our Distribution and Last mile delivery segments are key areas where we see progress, through the broader adoption of HVO 100 diesel. This is the case particularly in Sweden, Norway and Finland, while we expect that tax reductions and subsidies can in the mid-term lead to similar results in countries like Denmark and Poland. Additionally, we are running trials on electric trucks in Poland, while we keep exploring alternative fuels like biogas and LNG. However, aligned with our results-oriented strategy and due to current pricing considerations, we keep our focus on improving the effectiveness and reach of our current initiatives.

In 2024/25, our Scope 3 emissions from relevant road segments have increased in absolute numbers. However, we see a positive trend, supported by the increased use of HVO, as the increase would have been considerably higher set against the distance travelled, if not for the increased use of HVO. Overall, our Scope 3 CO2e emissions in 2024/25 were 9.3% below our baseline year of 2021/22, also representing a 13.9 percent reduction against our baseline year revenue.

ENGAGING WITH STAKEHOLDERS DRIVES PROGRESS

As Scope 3 emissions still represent the majority of our total GHG emissions but also the most complex area to drive change, we continue investigating ways to achieve our goals. To do so, we need to continuously evaluate our current communication and collaboration with a diverse set of stakeholders, including customers, suppliers and authorities. Crucially, we must as an industry take the necessary steps towards more sustainable, fossil-free vehicles and establish the necessary infrastructure, in coordination with national authorities and EU-level policy developments.

In our daily operations, we strive to have an open and honest dialogue and, where possible, to share insights with any party that shares a common interest in less carbon intensive solutions. We recognise that for a large part of our suppliers, we will function as a key advisor. At the same time, we aim to continuously improve our own understanding of the best solutions in a rapidly changing landscape.

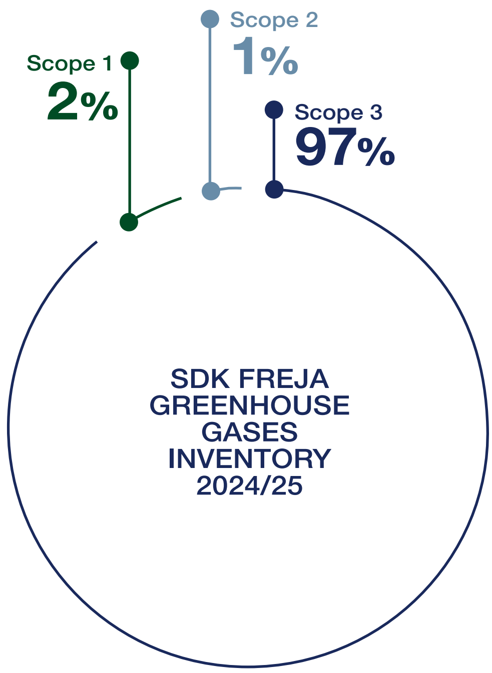
In addition to better communication and strengthened partnerships, we are also committed to concrete actions that encourage and help subcontractors towards a more sustainable direction. This includes initiatives such as developing sustainable infrastructure at our sites, facilitating truck charging, and in the future, engaging in wholesale purchases of e-trucks for rental to our hauliers.

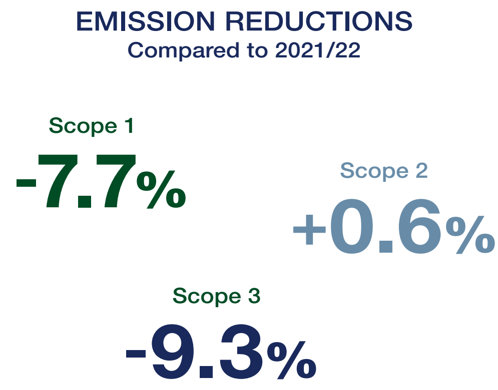
We will continue seeking ways to optimise our environmental footprint from sources not under our direct control. To achieve this, we will maintain the same focus on partnerships, relationships with suppliers and customers, while we aim to be an active stakeholder through participation in sustainability-related networking groups. Our overarching goal is to drive Scope 3 reductions, while keeping in mind that there is no “one size fits all” solution.

CIRCULARITY AS A STANDARD

Efficient waste and resource management is a consistent objective, as we continue seeking methods to optimise our resource use and reduce our environmental impact. Our strategy focuses on minimising waste production, while also enhancing recycling rates across our operations. To do so, we emphasise the principles of reduce, reuse, and recycle.

Our core initiatives focus on increased recycling and reduced general waste within our office premises, while at our owned locations and shipping locations, all country managers are encouraged to implement waste segregation practices instead of using single containers for all waste types. In 2024/25, we achieved our target of establishing waste segregation protocols at all our European sites, following national and EU standards.





We invite you to explore the following section on SDK FREJA's Environment topic to gain a deeper understanding of our environmental initiatives and the progress we have made towards our goals and ambitions.

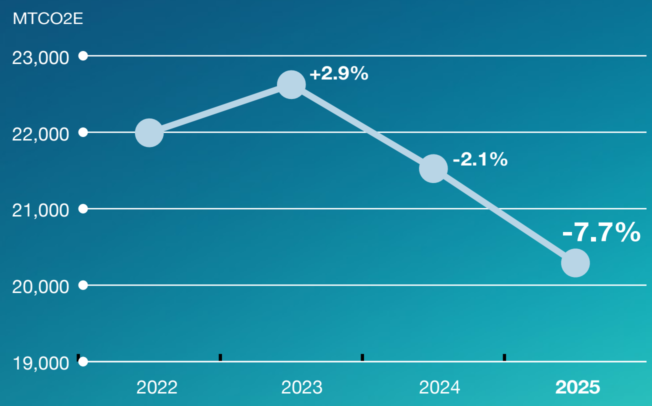
MATERIAL TOPICS ENVIRONMENTAL

- E1 Climate change mitigation
- E1 Energy
- E2 Pollution of air
- E5 Waste

Targets

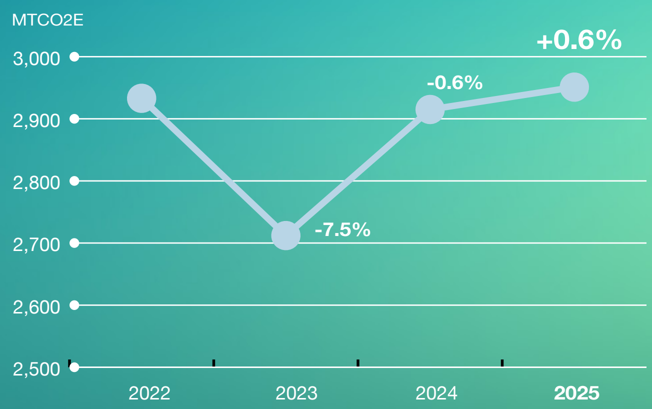
25%
REDUCTION OF SCOPE 1 EMISSIONS BY 2030

SCOPE 1 PROGRESS TOWARDS 2030 TARGET



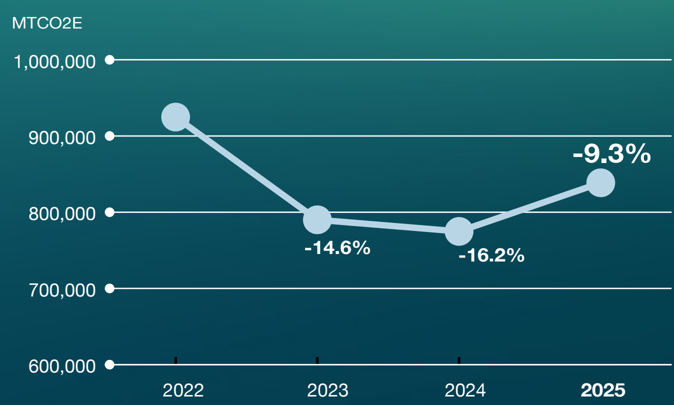
20%
REDUCTION OF SCOPE 2 EMISSIONS BY 2030

SCOPE 2 PROGRESS TOWARDS 2030 TARGET



20%
REDUCTION OF SCOPE 3 EMISSIONS BY 2030

SCOPE 3 PROGRESS TOWARDS 2030 TARGET



Topics & targets

RESOURCE AND WASTE MANAGEMENT

CLIMATE IMPACTS FROM OUR VALUE CHAIN

CLIMATE IMPACTS UNDER OUR CONTROL

25%	SCOPE 1 EMISSIONS REDUCTION BY 2030
20%	SCOPE 2 EMISSIONS REDUCTION BY 2030
20%	SCOPE 3 EMISSIONS REDUCTION BY 2030
8%	EMPTY HAULAGE ROAD TRANSPORT BELOW
98%	UTILITY LOAD ROAD TRANSPORT ABOVE
100%	COMPANY CARS ON ALTERNATIVE FUELS BY 2035
65%	WASTE SORTED FOR RECYCLING BY END 2026*

*We have as of FY 2024/25 achieved a recycling rate of 61%. Though we did not meet our 65% recycling rate target for FY 24-25, we still believe this to be a realistic goal, which we reiterate for the coming year.

Climate impact under our control

The majority of SDK FREJA's Scope 1 emissions are generated through fuel combustion from our company-owned and -operated trucks and vehicles. A smaller part of our Scope 1 emissions is related to our combustion of fuels through stationary equipment such as generators.

In the financial year 2024/25, our Scope 1 emissions have been reduced by 5.7% compared to last year and are below our baseline year. Overall, our Scope 1 emissions are reduced by 7.7 percent compared to the base year of 2021/2022 as well as 12,3% compared to our baseline year revenue.

Our consumption of electricity, heating and air conditioning at SDK FREJA's offices, terminals, and warehouses remain the main sources of our Scope 2 emissions.

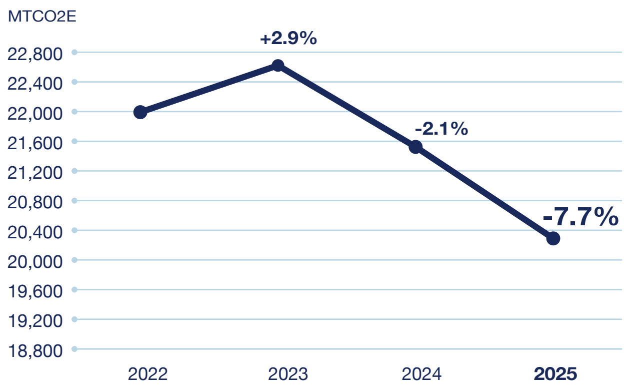
Despite a marginal increase in our overall Scope 2 emissions compared to our baseline year, we continue to see reductions across the majority of our locations, and a 4.7 percent decrease relative to our revenue.

Building on the progress made last year, our efforts to increase energy efficiency at SDK FREJA's sites have continued, confirming our focus on reducing Scope 2 emissions. We have further improved our buildings and facilities, with initiatives such as intelligent LED lighting at our Langhus office in Norway, aiming on further reductions of our electricity and heating consumption.

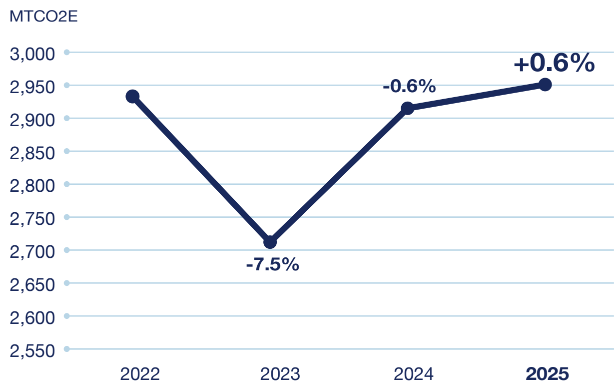
In Sweden, the installation of solar panels at our newest warehouse in Jönköping has been a successful business and environmental case, as electricity consumption has largely remained stable, despite the substantial growth of our local facilities. Building on this experience, we will continue exploring options for similar energy optimisation.

As we remain dedicated to continuous improvement but also recognise that long-term progress requires a pragmatic short-term approach, we have reviewed our interim target, aiming for a 20 percent reduction in Scope 2 emissions by 2030. This milestone serves our long-term goal of achieving a 60 percent reduction in Scope 1 and Scope 2 emissions by 2040, but it does so by accepting key realities. This means, that long-term goals can only be reached based on realistic interim targets, that move us forward, while respecting short-term financial and infrastructural conditions. SDK FREJA remains committed to investing in technologies and practices that will help us meet these targets.

SCOPE 1 PROGRESS TOWARDS 2030 TARGET



SCOPE 2 PROGRESS TOWARDS 2030 TARGET



Climate impact from our value chain

The climate impact of our value chain includes the greenhouse gas emissions (GHG) from all relevant activities that are part of SDK FREJA's value chain. This includes our suppliers, contractors, customers, and other stakeholders involved in our operations. As these Scope 3 emissions are generated by external actors outside our direct control, our influence will face limitations. However, we are aware that we have both a role and a responsibility to assist our value chain in reducing this negative impact. To do so, we are intensifying our focus on knowledge sharing, partnerships with relevant stakeholders, and assisting our subcontractors in adopting CO2 reducing alternatives.

In the financial year 2024/25, our Scope 3 emissions account for 97 percent of our total CO2 emissions. Although immediate Scope 3 reductions remain concentrated to specific geographies and limited to certain parts of our outsourced transport activities, we anticipate significant progress in the medium term. Electrification remains the main long-term solution for lower emissions within road and sea transport. Here, we remain confident that a financial equilibrium between the operating costs of electric and diesel trucks can be reached by 2027, facilitating a broader transition to more sustainable transport alternatives. Therefore, subcontractors that maintain a fleet age of no more than five years can meet new environmental standards by 2030.

In the interim, we are focusing on solutions that can rapidly reduce emissions, before electrification becomes the obvious choice. This involves leveraging strong partnerships with our subcontractors and customers who are at the forefront of adopting more sustainable practices and technologies. This is particularly noticeable across the Nordic regions, where these strategic partnerships have led to significant reductions of emissions from last-mile delivery in Sweden and domestic transport in Finland, via an increased use of HVO100 diesel. Partnering with our subcontractors, we are improving our documentation of this progress, ensuring these reductions are accurately registered into our accounts and systems.

We remain committed to our ambitious goal of reducing our Scope 3 emissions by 50 percent by 2040. Though we operate in a context that is primarily market-driven, we recognise that we cannot compel our suppliers to switch to alternative technologies without the help provided by financial incentives, infrastructural improvements or a common EU approach to sustainability in international transport. Moreover, progress will remain uneven, as long as the incentives that national governments establish to ensure a transition towards more sustainable transport continue to vary significantly.

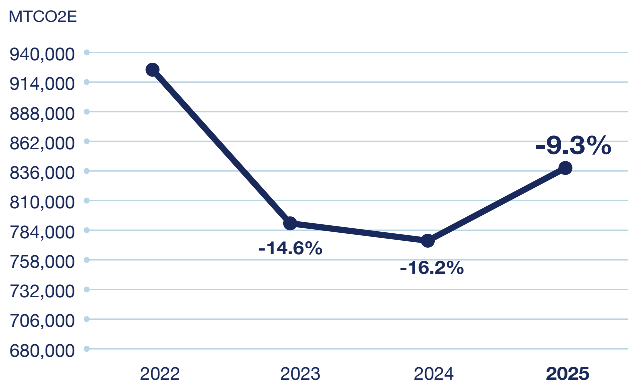
Despite these challenges, we are confident about achieving our goals. We are committed to proactive, pragmatic action to meet short-term goals and cautiously follow developments. Finally, based on our experience, we remain optimistic on the technological advancements that can help us meet our long-term targets.

OUR REDUCTION TARGET FOR SCOPE 3 IS

60%

BY 2040 COMPARED TO FY 2021/2022

SCOPE 3 PROGRESS TOWARDS 2030 TARGET



CASE

Green ambition meets business reality: A haulier's view on the green transition

With 97% of SDK FREJAs GHG emissions coming from Scope 3, accelerating the green transition among subcontracted is essential. In Lithuania, Autovesta, a medium-sized logistics provider, illustrates both the ambition and the barriers of the green transition facing the sector today.

With a fleet of 125 vehicles operating across Northern Europe, Lithuanian logistic provider Autovesta is already making strides toward more sustainable logistics. With strong support from national government, the transition still presents challenges. According to Darius Gaučcius, General Manager at Autovesta, one of the biggest challenges is the cost of the transition.

"We want to go greener, and we have invested in CNG trucks where possible, but 95% of our trucks are still running on diesel. It is a process, and we see clients asking for sustainable solutions, but as it comes with a higher cost this is not favourable for clients. Someone must cover the cost, and right now that burden is on hauliers," says Darius Gaučcius.

With investments in infrastructure and funding for biofuels project, the transition is strongly supported by the national government in Lithuania. The government also offers compensation of up to 45% when purchasing CNG trucks, which has helped Autovesta expand its fleet. However, trucks purchased under the scheme must remain within Lithuania's borders, limiting their use to domestic operations.

"Our operations span Denmark, Sweden, and the Baltics, and the most emissions are coming from long-distance haulage. We do use our CNG trucks for longer distances, but that takes more planning to identify feasible routes, as the lack of refueling options for the trucks remains a barrier. Without doing our homework, we simply cannot drive cross-border," says Darius Gaučcius.

TRANSITION THROUGH SUPPORT

Darius Gaučcius emphasises the commitment at Autovesta to be more sustainable in the future, and he is positive about the development in new technology that supports the transition. Even though, Darius Gaučcius also states that it ads complexity to the economics of sustainable transport.

"Even when the price per kilometre in a CNG truck is identical to that of a diesel truck, CNG trucks still have higher maintenance costs. And with new technology being developed the second-hand market for low-emission trucks are not favourable. The depreciation on these trucks is much higher, and that raises the operational costs for us," Darius Gaučcius explains.

Looking ahead, Darius Gaučcius is cautious but hopeful, as he sees promise in evolving technologies and more will in the industry of logistics to transition towards more sustainable solutions. The investments made by hauliers should add more profitability in the competing market, but for this to happen broader EU support and predictable incentives are critical.

"As hauliers, we are testing green solutions, but this is not a race we can win on our own - we need partnerships. If politicians want to push the transition, it must come with real benefits like tax discounts, infrastructure, and logical, step-by-step decisions," says Darius Gaučcius, and adds:

"We want to be sustainable, and we have the drive. But we need support from clients and policymakers. If they truly care about sustainability, they must accept that greener transport will cost more. Without that, nothing will change."

Resource and Waste management

At SDK FREJA, we understand that waste should also be seen as a resource, and we want to create environmental awareness and promote a green agenda at our facilities and among all our employees.

For both our shipping and logistics divisions, most of our waste consists of relatively simple waste fractions generated in our storage and transport activities, as well as waste destruction on behalf of customers. We are committed to ensuring that our employees have easy access to appropriate sorting options for recycling, and we continuously monitor our sorting efficiency.

Our operations span across eight countries, each of which has distinct national legislative requirements for waste sorting. Despite national regulatory variations, our Resource and Waste Policy establishes a robust baseline for waste sorting across all locations, aiming at a minimum recycling rate of 65 percent. Local practices have helped many of our locations to achieve significantly higher rates, while others are still working to have routines in place to meet this goal. In Norway for instance, we have already achieved recycling rates of up to 88 percent, surpassing our previous high and providing a model for other locations within our organisation. To maintain and continuously build on these success cases, we conduct regular annual audits to ensure compliance with our policies at each site. At the same time, in the financial year 2024/25, our European sites have achieved our goal of implementing waste segregation protocols following national and EU standards.

Among other measures, we actively promote recycling through targeted intranet campaigns and small local initiatives, aiming to engage and educate our employees on our resource and waste management objectives. Beyond the measurable success in sorted waste, our sites are becoming increasingly adept at reusing materials like pallets and cardboard boxes.

In the financial year 2024/25, we attained a recycling rate of 61.2%. Though we fell slightly short of our 65% recycling rate target for FY 24-25, we still believe this to be a realistic goal, which we reiterate for the coming financial year. As part of our continued efforts, we are refining our sorting requirements across all countries to uphold this commitment.

GOAL

WE AIM TO RECYCLE

65%

OF OUR WASTE BY 2026.

IN FY 2024/25, WE ACHIEVED A RECYCLING RATE OF 61.2%

CHALLENGES

THE LARGEST PROPORTION OF WASTE COMES FROM OUR CUSTOMERS' GOODS, WHICH NEED TO BE DESTROYED DUE TO EXPIRATION, DAMAGE OR OTHER REASONS. THIS REQUIRES INCREASED VIGILANCE AND FLEXIBILITY TO DEAL WITH UNEXPECTED WASTE INCREASES.

WE CONTINUE WITH INTERNAL SORTING CAMPAIGNS AND EXPECT TO REACH OUR GOAL.


GOTTWALD
SDK
M5
FREJA
HYDRA

Social

Our social responsibility remains a central part of how we create long-term resilience and value and therefore, we will have continuous investments in people

Søren Gran Hansen
Group CEO
SDK FREJA Group

As we navigate the industries we operate in, our efforts are concentrated on 3 key areas under Social: Labour conditions own workforce, Equal treatment and Opportunities for all, Labour conditions in our value chain.

Putting people first

We are increasing our efforts to ensure that our company culture and social initiatives consider the needs of all our key areas.

At SDK FREJA, the health and safety of our employees is our primary concern, especially as we operate in high- risk environments. We recognise that our organisation's success depends on a workforce that is safe and aware of our efforts for its safety.

Port environments and stevedoring activities remain the main areas where our workforce faces inherent risks. Therefore, we maintain our focus on establishing, maintaining and strictly adhering to relevant safety measures. To ensure this, we prioritise employee training and implementing comprehensive safety protocols, while diligent monitoring and documentation of incidents provides us with valuable insights for continuous improvement.

With respect to DEI, we are committed to cultivating a culture where every employee feels included, valued and respected. We know, however, that achieving this requires recognising the lasting influence of the historically male dominated structure within logistics and shipping. Career progression in our fields has traditionally been and is largely still based on "starting at the bottom". This means that our core employee groups join SDK FREJA as trainees and continue developing and growing through the ranks. While this model is a cornerstone of both our success and employee commitment to the organisation, we understand the challenges it poses for improving our gender balance in the short-term. Achieving gender balance remains a goal that will require more time to allow for an industry culture shift.

Therefore, we remain committed to proactively fostering a more equal and inclusive workplace, with initiatives aimed at both short and, critically, long-term progress.

Our current gender distribution remains mostly unchanged, with women continuing to be underrepresented across all levels of our organisation. This stagnation in progress is a clear indication that our efforts thus far have not been as effective as we had hoped. We must critically assess our strategies and approach, recognising the need for more targeted and impactful interventions.

In 2024/25 we have worked on formulating concrete goals for the coming years, informed by an evaluation of our current practices and industry norms. As progress is a long-term project, these goals must be continuously reassessed, aiming for gradual and tangible improvements in gender balance and inclusivity at all levels of our organisation.

For our talent attraction and retention, we have aimed for improvements where it matters most. When promoting our trainee programmes, we highlight female role models, and we do the

same across our social media communication. In addition, we leverage technology and have applied an in-house developed AI-tool that ensures that job ads utilise bias-free language. Moving forward, we aim to build on these initiatives and continue finetuning our talent and career management strategies. We are committed to ensuring a culture where everyone feels valued, supported, and capable of achieving their full potential by providing equal opportunities for employment, growth and advancement.

Beyond our own operations, we maintain a commitment to give back to the communities we are a part of, recognising that they are fundamental for our own success. By organising initiatives with local organisations, funding meaningful projects, and volunteer programmes, we strive to make a sustainable impact for the people around us.

At SDK FREJA, we aim for a culture that puts people first. This requires us to keep our focus on safe working conditions and providing equal treatment and opportunities for all, while remembering our interdependence with the communities that surround us.

MATERIAL TOPICS SOCIAL

- **S1 Working conditions own workforce**
- **S1 Equal treatment and opportunities for all**
- **S2 Working conditions in the value chain**

Topics & targets

HEALTH & SAFETY

DIVERSITY, EQUALITY, AND INCLUSION

EMPLOYEE ATTRACTION AND RETENTION

COMMUNITY ENGAGEMENT

33%	MAINTAIN UNDER-REPRESENTED GENDER IN THE BOARD OF DIRECTORS
15%	MAINTAIN EMPLOYEE TURNOVER RATE BELOW
2.5%	SICKNESS ABSENCE, OR LESS
4	LOST TIME INJURY FREQUENCY PER 1,000,000 IN 2026, OR LESS
0	FATALITIES

Labour conditions own workforce

HEALTH & SAFETY

The safety and well-being of our employees will always be a high priority at SDK FREJA.

This is especially important as we operate in many high-risk environments, where employees must be able to perform their tasks safely and healthily with the right knowledge and tools.

Our Logistics and Shipping divisions face unique challenges in occupational safety and health. Therefore, we employ a tailored approach with separate health and safety policies for each division, ensuring local anchoring and a strong presence. This approach allows for better understanding among employees, targeted efforts, and helps create a culture centered on a positive and safe working environment. Looking ahead, we maintain our focus on strategically identifying new risks and intervening locally to ensure safe working conditions for all employees.

Our Shipping division remains our highest-risk area, where work, particularly with safety, requires vigilance and resources. The expertise and oversight from QHSE professionals, combined with the local occupational safety organization, ensure that the local organization receives the necessary support and guidance for targeted and effective efforts at the many ports in Denmark where we operate as stevedores.

In the financial year 2024/25, our LTIFR experienced a slight increase to 4.9 from 4.6 last year. We are pleased to remain below our base year 2021/2022, when it was 10.3, proving the effectiveness of our initiatives. Last year, after successfully meeting our target of LTIFR below 8 per 1,000,000 by 2024, we set a new target of LTIFR below 4. While we have not yet met this target, we are confident in our approach, and we reiterate this target for the following year. .

A strong safety culture is built through close collaboration and a combination of strategic approach, professional expertise, knowledge sharing, and a strong local effort.

Henrik Mortensen
Director, QHSE, Procurement & Insurance
Shipping

IN FY 2024/25
OUR LTIFR WAS

4.9

CLOSE TO OUR GOAL OF REDUCING THE LTIFR PER 1,000,000 TO BELOW 4 IN 2025. WE REITERATE THIS TARGET FOR THE FOLLOWING YEAR, WITH AN ENHANCED FOCUS ON DATA TRANSPARENCY AND TRACKING

LEAP

During financial year 2024/25, we conducted our third joint employee satisfaction survey since our SDK and FREJA entities joined forces as one unified organisation. The survey was conducted building on our ongoing monitoring of our employees' wellbeing.

Our latest employee satisfaction survey presents a slight decline in our tracked metrics compared to last year, with a reduction of our overall Engagement Score from 8.1 to 7.9. However, our results largely remain satisfactory. Crucially, we have for the first time conducted a review that also covers blue collar workers, thereby creating a more complete picture of our relationship with our employees.

This year we have observed small reductions across all tracked areas compared to last year. Nevertheless, as no single area experienced a notable change, we consider the results positive. The introduction of a broader spectrum of employees, not traditionally exposed to similar reviews, may have affected our overall result. However, we believe that this change offers us valuable insights, that our HR team can leverage in their efforts to maintain an attractive workplace for all.

DKK '000	**2024/25**	2023/24	2022/23
Monitored Groups			
Engagement	7,9	8,2	7,6
Communication	7,2	7,6	6,5
Job Content	8,0	8,3	7,6
Education and development	7,1	7,5	6,3
Recognition	7,9	8,2	7,4
Cooperation	8,3	8,5	7,6
Trust and support	8,3	8,5	7,9
Inclusion & culture	8,2	N/A	N/A

IN FY 2024/25 OUR OVERALL eNPS WAS

25.3

WHILE THIS MEANS THAT WE HAVE NOT MET OUR TARGET OF 37, WE HAVE RETAINED A POSITIVE SCORE. FOR 2025/26, WE KEEP OUR TARGET OF 37 AND AIM TO BUILD ON THE VALUABLE NEW INSIGHTS OF OUR EMPLOYEE SATISFACTION SURVEY.

The Employee Net Promoter Score (eNPS) is a metric used to measure employee loyalty and satisfaction. It involves asking employees how likely they are to recommend a company as a workplace on a scale from 0 to 10. Based on their responses, employees are categorized as Detractors (0-6), Passives (7-8), or Promoters (9-10). The NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters. This score provides a quick, quantitative measure of employee satisfaction and loyalty.

Equal treatment and opportunities for all

DEI

SDK FREJA aims to nurture a welcoming and inclusive environment that gives space to diversity and inclusivity, regardless of ethnicity, sexual orientation, or gender identity. We see this both as a must for employees and other stakeholders but also as an asset for the company itself. SDK FREJA employees come from 17 different nationalities, and we strongly believe that diversity is a key driver of innovation, creativity, and better decision-making across our business.

Our gender distribution has remained largely unchanged, with males comprising 71.1% and females 28.9% of our workforce. While certain sectors of our industry, such as warehouse and harbour operations, are challenged by a long history of skewed gender balance, our commitment is improving diversity and gender equality throughout our operations.

Currently, our Board of Directors consists of eight members, including three women representing 37.5 percent of the board. While this sends the right message to employees and other stakeholders, we still see specific areas where we can improve. Both our Executive Management and overall Management, which are crucial for encouraging increased diversity, still exhibit low female representation. This reminds us of the need to keep improving our approach towards a more balanced gender composition throughout our organisation.

You can't improve what you don't measure. Therefore, we have formulated targets to increase gender balance at all levels of our organisation. Our decentralised HR structure offers us many benefits but also poses a challenge for executing a comprehensive plan. Nevertheless, we are evaluating how to combine targeted and tailored local action with the resources and strategic benefits of a more centralised effort. In this direction, we aim to harness the experience from leading subsidiaries, such as FREJA China and FREJA Poland.

Our future work remains centred on adjustments to our talent acquisition methods, ensuring that inclusivity is integrated in our job advertisements language and the way we promote our trainee programmes. As part of these efforts, we carefully leverage technology, including our in-house developed AI-tool that ensures that job ads utilise bias-free language.

An inclusive workplace must also welcome people with reduced work capacity or special needs, and we are committed to working with local municipalities and organisations to this end. Overall, we aim for a culture of respect and equal opportunity, and we reject all forms of prejudice. We remain focused on improving our formal approach to diversity, with updated centralised policies and effective resource allocation, drawing on the knowledge of our HR and ESG professionals.

BOARD OF DIRECTORS

37.5

PERCENT OF UNDERREPRESENTED GENDER. A WORKFORCE THAT REPRESENTS 17 DIFFERENT NATIONALITIES.

CASE

Maintaining gender balance in Poland and China

At SDK FREJA, inclusive hiring and cultural shifts are promoting gender balance across the Group. Subsidiaries in Poland and China have managed to create and maintain gender balanced offices in a male-dominated industry.

Logistic and shipping industries have historically been male dominated, and change cannot be made over night. By promoting more inclusiveness at SDK FREJA, the Freja subsidiaries in Poland and China stand out as exceptions for this gender imbalance - particularly in white-collar positions.

Because of more inclusive hiring procedures and with the fact that more women in Poland are getting higher education, women now represent 55% of office staff across Freja Poland and Transcargo Trucking. Anna Jasiak, Managing Director for FREJA in Poland, elaborates that recruitment and a shift in culture plays a part in this development.

“More than 50% of women aged 24–30 in Poland hold a university degree and are seeking more independence. That coincides with our culture here at FREJA. We are not hiring women only to diversify - more qualified women are simply coming through the door, and feeling welcome,” says Anna Jasiak.

Similar dynamics are seen at FREJA China where the office in Shanghai also has a strong female presence. With a culture of respect and appreciation, Business Development Manager at FREJA China, Alex Feng, points out the importance of every employee feeling comfortable.

“Having more women than men in our office is not normal in this industry. At FREJA China, we have a very inclusive office, and that appeals to all candidates no matter the gender, and we hire the person best suited for the job. We are positive that we have a more gender-balanced workplace because of this,” says Alex Feng.

The result of both subsidiaries ensures equity in access and opportunity, and hiring the most qualified candidates, is more gender-balanced offices. As the subsidiaries in Poland and China grows, so does the focus on maintaining a qualified, diverse team.

“This supports both our culture and our business goals. To double our turnover in Poland in five years, we will need top talent, and that will inevitably mean a more diverse and balanced workforce,” says Anna Jasiak.

EMPLOYEE ATTRACTION AND RETENTION

At SDK FREJA, we believe that investing in the well-being and development of our employees, guarantees our organisation's continued success. Attracting and retaining top talent is a crucial element in this approach and requires among other things that we ensure a positive work environment built on sustainable growth. In turn, this sets the foundations for retaining our employees and helping them flourish.

Key elements to achieve these goals are a safe working environment and an inclusive, value-based culture. These are ensured through our robust training and development programmes, mentoring schemes, opportunities for further education and career advancement. To keep track of our progress and identify needed improvements we utilise our annual employee satisfaction survey, in addition to employee conversations and workplace assessments.

Retaining talent requires that our employees experience equal opportunities for advancement and internal mobility. This includes our use of awareness campaigns on our intranet platform, showcasing success stories and career progression possibilities within our organisation. Moreover, we offer our employees the necessary tools, through access to a broad spectrum of training and education modules.

We recognise that career development is not always linear and continuously evaluate opportunities for internal job transfers in collaboration with our employees. This is also key for our ability to keep our best employees. In 2024/25, we had 9 internal job changes between departments in Denmark. Learning from this, we continue working to ensure that employees across all our locations are aware of such opportunities.

Labour conditions in our value chain

At SDK FREJA, we value our suppliers as integral members of our network, and we are dedicated to nurturing a culture of mutual respect and appreciation. We are committed to treating our suppliers with the highest level of respect and integrity.

A central element of this culture is our Code of Conduct (“CoC”), which ensures that ethical standards are upheld across our business relationships. Ensuring that our suppliers commit to our CoC, confirms and strengthens our relationships with our esteemed suppliers.

We place significant emphasis on cultivating and sustaining robust partnerships with our suppliers, allowing for transparent and trusting evaluation processes. To enhance our assessment procedures, we implement risk assessments for our suppliers and the regions in which they operate. This informs our supplier due diligence, which includes strategic inspections of subsets of suppliers to verify adherence to human rights standards.

As hauliers and drivers constitute most of our suppliers, we recognise the inherent challenges to work-life balance and health and safety within these sectors. In response to this, and in respect of all relevant legislation, we at SDK FREJA are investing in creating safe and pleasant hubs for relaxation and social interaction, e.g., when drivers frequent our facilities for cross-docking and mandatory rest periods. Our driver’s hotel in Szczecin is a key example of such efforts and we actively advocate for our customers and other business partners to adopt the same conscientious approach.

HUMAN AND LABOUR RIGHTS IN THE SUPPLY CHAIN: A FOCUS AREA

We recognise that the complex supply chain of the logistics industry comes with risks to the rights of drivers, particularly in relation to occupational health and safety and fair working conditions. Additionally, this structure can put downward pressure on wages, while cross-border operations mean variable wages and other labour protections, and challenges to enforcing consistent standards.

The multiple layers involved in the supply chain makes oversight and effective due diligence a challenging task. Even if insights are gained, fragmented supply chains reduce company leverage, as companies can exert very limited control on small individual actors. Finally, the mobility of the workforce creates close to insurmountable challenges for monitoring working conditions, as most auditing setups ultimately come with geographical and time constraints.

At SDK FREJA, we know that these problems are not new, thanks to our decades long sector knowledge and experience. We are therefore committed to pragmatic improvements in our policies and processes, to ensure respect for human and labour rights in our value chain, to the best of our ability.

MINIMUM SUPPLIER REQUIREMENTS

- **Conduct business with honesty, integrity and transparency**
- **Prohibit all forms of bribery, kickbacks, and corrupt practices**
- **Commit to human and labour rights with zero tolerance for forced and child labour**
- **Prioritise employee health and safety, in particular within workplace safety, emergency preparedness and hazardous materials**
- **Must agree to specific commitments on environmental compliance, resource conservation, pollution prevention and sustainable sourcing**

Community Engagement

At SDK FREJA, we believe sustainable business goes beyond direct business operations and relationships. This involves interacting with the communities where we live and work and supporting people and initiatives that promote a more sustainable society.

Our community engagement is focused on activities that strengthen communities, offer opportunities for personal growth and ensure better health and safety for all. In alignment with our company values, impacts and goals we have continued sponsoring sports teams and athletes across multiple geographies and donated to charitable organisations such as The Danish Childhood Cancer Foundation (Børnecancerfonden) and Knæk Cancer. We remain committed to giving back to the communities that allow us to thrive as a company and make a lasting positive impact for both individuals and society.

> **We remain committed to giving back to the communities that allow us to thrive as a company**

SUPPORTING SAFETY IN THE ROADS WE SHARE

A central element of our community interaction is supporting partners and initiatives that align with our core values and objectives and our core activity as a shipping and logistics company. Naturally, we could find no better example of such a cause than Flexbert's campaign in Sweden, which focuses on improving traffic safety for children. Their aim to reach one million children each year and thereby enhance road safety for our youngest commuters fits perfectly with our focus on safety for both our own employees and the communities in which they operate. Flexbert has already distributed over 500,000 traffic safety products, including vests and reflectors.

PROMOTING A JUST CAUSE

Once again, SDK FREJA participated in “Football shirt Friday”, an event that has become synonymous to awareness raising for childhood cancer and the work of Børnecancerfonden. Though originally a Danish phenomenon, SDK FREJA employees in both Denmark and Norway were encouraged to wear their favourite football shirts and contributed through private donations, matched by SDK FREJA.

Governance

> **Executive management ensures that our values of decency and responsibility are present throughout SDK FREJA**
>
> **Jesper Mikkelsen Heilbuth**
> Group CFO

Finetuning our approach

Being a family-owned business and one of the leading shipping and logistics companies in Europe, we are proud of our governance model, which is based on a strong partnership between a professional Board and an active owner family. This helps us leverage both the expertise, knowledge and experience of independent directors, and the long-term perspective and commitment of our owner family.

Our Board of Directors is built upon a mix of mindsets, knowledge, and experiences. This diversity is essential for effective decision- making and aims to ensure that we have the necessary skills and expertise to steadily navigate the complex and rapidly changing business environment in which we operate, supported by our owner family's long-term vision.

Our Executive Management team is key to our company's daily operations, sets the direction of the organisation and is responsible for turning our strategy and targets into practical plans, working diligently to achieve results for our stakeholders.

Our Executive Management team ensures that our culture of decency, leadership, and business acumen is present in all layers of the organisation and sets the standard for the behaviour we expect from all our employees. We believe that integrity and straightforward conduct are essential for building trust with our stakeholders and delivering sustainable value, and we are dedicated to upholding these values in all our activities.

Our key governance practices focus on risk management, compliance frameworks, data privacy and security, AI, and transparent reporting. We understand that responsible governance goes beyond our own operations and extends to collaborating with suppliers, industry associations, and regulatory bodies to promote sustainable practices throughout the value chain. By exchanging knowledge, best practices, and innovations, we strive to elevate industry standards and enhance the sustainability of the shipping and logistics sectors.

MATERIAL TOPICS GOVERNANCE

- **G1 Corporate culture**
- **G1 Protection of whistleblowers**
- **G1 Management of relationships with suppliers**
- **G1 Corruption and bribery**

Corporate Governance

For SDK FREJA, good corporate governance is the key for responsible relationships with stakeholders and a license to operate effectively across diverse business sectors and countries. Maintaining the right structures, rules, practices and processes allows us to focus on our core activities and deliver on our customers' shipping and logistics needs.

Our Group functions as the governing body for a worldwide network of subsidiaries in the shipping and logistics industries, led by the SDK FREJA Board of Directors. This Board includes independent directors and members of our owner family, who are the exclusive shareholders of the Group. Each board member brings valuable expertise and experience, enabling us to maintain a long-term vision and a highly adaptable leadership approach. Our Executive Management team actively drives the SDK FREJA Group and its sustainability initiatives. This team consists of the Group CEO and Group CFO of SDK FREJA, the Group CEO and Group CFO of Logistics, and the Group CEO and Group CFO of Shipping. For detailed profiles and competencies of our Board and Executive Management, please refer to our 2024/25 Annual Report.

With our global headquarters in Denmark and legal entities situated across Europe and China, we utilise a complex legal structure to ensure robust governance, oversight, and compliance with all local regulations in the regions where we operate.

CERTIFICATION

While respecting the diverse nature of our companies we continue working towards a unified and strong foundation that facilitates shared governance across our group. Certification through ISO standards is central to our operations and governance setup and ensures that our policies, processes, and procedures follow industry best practices.

As part of our ongoing actions to optimise our management system and continuously implement improvements, we have planned a common system audit by the end of 2025. This will lead to a unified single framework as we consolidate our two existing ISO 9001 certifications, while our logistics operation will continue with their own ISO 14001. In the remainder of 2025, we expect further expansions of the number of offices included in our certifications.

Topics & targets

REPORTING AND HANDLING OF MISCONDUCT

CORPORATE GOVERNANCE

COMPLIANCE

DATA PRIVACY AND SECURITY

TRANSPARENCY AND REPORTING

99% DISTRIBUTION OF COC TO RANSPORT AND HANDLING SUPPLIERS IN 2024/25

100% EMPLOYEE TRAINING COC GDPR, AND IT SECURITY IN 2024/25


FREJA

Compliance

At SDK FREJA, we have a commitment to continuously update and improve both systems and training programmes to align with the latest compliance requirements within sustainability and IT. Our policies and processes are designed to ensure adherence to both national and international regulations, respect for good accounting practices, and tackling bribery and corruption.

Compliance is central to our operations, and we are committed to navigating the increasingly complex demands on our business. To remain on track with developments, we are intensifying our compliance efforts, leveraging available expertise in our parent group and increasing our internal knowledge base. Through our Code of Conduct and comprehensive internal training and e-learning, we ensure that our employees have a deep understanding of our values and principles and are updated on key rules. Similarly, we work to ensure that our Supplier Code of Conduct is broadly received and recognised by suppliers.

Customer Management and Supplier Management are pivotal parts of our compliance programme. Therefore, we have introduced processes related to our key stakeholders by implementing an enhanced KYC/KYS approach.

Moreover, we verify and work on improving compliance with the requisite standards through regular audits.

AUDITS

At SDK FREJA, internal and external audits are crucial in expanding our understanding and developing our compliance. Through these audits, we identify opportunities to optimise and improve our approach, while ensuring adherence to regulatory standards. Moreover, in line with growing compliance needs, we continuously adapt the scope of our audits.

As we expand into new business areas and pursue specific certifications, we need a flexible system that balances quick knowledge acquisition and integration in our systems. To ensure comprehensive control, we apply a different approach for internal and external audit processes. Internally, we can access and analyse a wide range of data to inform and guide our audit programme. For supplier audits, our assessments build on contracts, codes of conduct, and regulatory requirements.

Based on their materiality, all audits and findings are documented through our quality system. In alignment with our broader governance culture, we offer full transparency, so everyone at SDK FREJA can view the documentation and handling of any audit findings.

We believe that audits are a vital component of maintaining a robust compliance programme. In addition to the audits we conduct, we are subject to annual and periodical visits from authorities, financial audits, IT audits, and customer audits. The feedback from these external audits supplements our own efforts and helps us identify areas of improvement for our compliance programme.

IN THE FINANCIAL YEAR 2024/25,
WE HAD

31 INTERNAL AUDITS

23 EXTERNAL OFFICIAL AUDITS
AND

8 SUPPLIER AUDITS

> **Our vision with AI is clear: We want to free our employees' time from repetitive tasks so they can focus on the areas where they create the most value – human interaction and strategic decisions**
>
> **Alexander Skaarup Kristensen**
> Head of Business Intelligence & Automation

DATA PRIVACY AND SECURITY

At SDK FREJA, the integrity and confidentiality of our stakeholders' data are a key priority. We are focused on maintaining robust data privacy and security standards through our extensive IT infrastructure, supporting operations across multiple countries and programmes. Our efforts involve integrating advanced digital security practices and innovative solutions to continuously strengthen and improve the resilience of our systems.

Furthermore, our commitment to data privacy and security is a core element of our corporate governance framework. It is deeply connected to critical functions, including IT management, risk assessment, legal and regulatory compliance, and business continuity planning. We implement a culture of vigilance and responsibility across operations, upholding our obligations to all affected stakeholders.

We annually conduct comprehensive audits, both internally, with customers, and in collaboration with regulatory authorities. Through these audits, we validate the effectiveness of our security measures and ensure ongoing compliance with industry standards and regulations. Our information security management system adheres to internationally recognised best practices set by standards such as ISO 27001.

In line with our strategic focus on cyber security and compliance, we have established a dedicated IT Cyber Security department. This initiative aims to ensure an internal resource equipped to proactively identify, assess, and mitigate cyber risks.

We have embraced the NIS2 Directive prior to its expected implementation in Danish law. This proactive approach ensures that we are prepared for emerging threats and can quickly adapt to new regulatory requirements. We strongly believe that NIS2 will be a cornerstone of our overall focus on cyber security and compliance, as well as that of our customers, as we are a key player in their own supply chain of cyber security and compliance.

To supplement our compliance efforts, we utilise knowledge exchange via internal and external networking forums. Our internal NIS2 USTC Group network allows us to take advantage of collective expertise and resources to enhance our understanding of NIS2 and its integration in our operations.

We, at SDK FREJA, will keep focusing on data privacy and security to meet our responsibilities to our stakeholders while evolving and adapting to new cybersecurity challenges.

NIS2

The NIS2 Directive, enacted in 2023, builds upon the EU cybersecurity rules of 2016 (NIS), modernising the legal framework to address growing digitisation and evolving cyber threats. This update expands the rules to cover new sectors and entities, strengthening the resilience and response capabilities of public and private entities, competent authorities, and the EU. NIS2 is set to be implemented in Danish law by 1 July 2025.

AI: a strategic imperative

SDK FREJA's use of AI builds on three pillars: AI Assistants, AI in business processes and a broader AI strategy.

As an organisation working within a wide spectrum of tasks to satisfy our customer needs, we view AI as both an opportunity and a challenge that we must monitor and implement carefully. Our BI team works on adapting AI solutions to the specific requirements of our shipping and logistics segments, while considering critical risks, such as data security and privacy. Though we are not met with the same regulatory requirements as developers of AI, we closely monitor the regulatory environment and maintain the same level of compliance vigilance as in other, well-established business operations.

REPORTING AND HANDLING OF MISCONDUCT

At SDK FREJA, we keep ourselves and our stakeholders to the highest standards of integrity, honesty, and compliance. We believe that the conduct of our employees and business partners is essential for setting a good example and upholding our company's core values and reputation.

We strictly adhere to our purpose and internal compliance policies. We consider any form of fraudulent or unethical business conduct, including bribery, corruption and sanctions breaches, to be unacceptable under any circumstances. Any instances of misconduct that come to our attention are handled immediately and with the appropriate response.

Our company culture emphasises and ensures that reporting and handling of misconduct can be done safely and anonymously. This also means that every employee and stakeholder have a responsibility to speak up about unethical behaviour. At SDK FREJA, reporting and addressing misconduct effectively is key for maintaining a transparent compliance culture.

Corporate culture

CODE OF CONDUCT

Our group level SDK FREJA Code of Conduct has been published and is expected to be integrated in E-learning and periodical information campaigns across our various locations. This ensures that our employees have a thorough understanding of our Code of Conduct and can apply it as a core element of our compliance efforts.

WHISTLEBLOWING

Since 2019, SDK FREJA has had a whistleblower service in place, managed by an external third-party law firm to ensure anonymity and fair and objective evaluation. Our whistleblower service is available in several languages, both internally and externally, for easy access and provides our employees with the opportunity to anonymously and freely express concerns or grievances. During the 2024/25 financial period, no reports were submitted through the service.

Our whistleblowing service is prominently incorporated into our Code of Conduct and applies to our most important supplier groups. Through targeted internal campaigns and its integration into our e-learning programmes, we aim to highlight its importance and ensure that the highest standards of ethical conduct are upheld across all operations. Our robust controller functions, including the introduction of a new role as ESG controller, QHSE teams, and QMS system continue to provide multiple venues for employees and stakeholders that wish to report any suspicions of misuse or violations of requirements and rules.

Our whistleblower service is designed to treat any complaints or concerns with total discretion and earnestness. Using third-party review of any claims to our whistleblower service underlines our commitment to protect the identity of those who use it and provide a safe and secure platform for them to express their concerns.

TRANSPARENCY AND REPORTING

At SDK FREJA, transparency and accuracy are deeply embedded in the organisation. This is ensured through trustworthy and high-quality data delivery on operational KPIs, financial data, and ESG-related KPIs and data. This data is of strategic value for decision making at SDK FREJA. Therefore, to harness this value, we ensure that data is clear and provide a good business understanding.

Our Business Intelligence (BI) system ensures that we have accurate and accessible data to govern our entities, including data on ESG performance. Despite our goal to achieve comprehensive coverage of all ESG areas within our BI system, market and regulatory conditions have necessitated the continued manual collection of ESG performance data for certain topics. Due to regulatory changes and uncertainty in the countries we operate in, we believe that full automation of our ESG data collection and reporting remains impractical. In this environment, we continue to receive a diverse set of data from our suppliers, and we expect this trend to continue, pending further standardisation of ESG reporting. Despite challenges, we remain committed to improve transparency and data discipline for SDK FREJA. To this end, our Quality department performs monthly controls on our BI system's in- and output data, while we continuously evaluate opportunities to update our broader approach.

As an organisation that is built on efficiency and numbers, we always seek to integrate the most advanced systems that can provide high-quality solutions for both customers and employees. This is crucial when leveraging IT and technology solutions that enable us to establish transparent and traceable data and ensure data compliance. Changing business requirements and the specific needs of our company mean that we continuously work on developing, improving and adapting IT solutions both in collaboration with other companies as well as in-house.

Our dedicated controllers routinely perform random checks, focusing on financial data, receipts, and other relevant areas, with a growing focus and resources dedicated on ESG data. Through diligent claims and complaints monitoring, we ensure that instances of non-compliance are addressed effectively, while internal audits complete our compliance assessment approach.


FREJA

ESG performance

ENVIRONMENT

MT CO2E	2024/25	2023/24	2022/23	2021/22	INDEX I %
All Scopes	861,840	799,243	815,370	949,745	
Financial revenue DKK´000	6,325,537	6,047,866	6,585,012	6,003,410	
All Scopes/Revenue	0.13625	0.13215	0.12382	0.15820	-13.87

Overall, the emissions figures are satisfactory, but also highlight the need for minor optimisation measures in key areas.

SCOPE 1	20,290	21,524	22,622	21,992	
Scope 1 / Revenue	**0.003208**	**0.00356**	**0.00344**	**0.00366**	**-12.34**
Terminals & Offices	880	421	1,721	218	
Company cars	565	567	677	850	
Owned trucks	16,952	18,012	16,830	18	
Time Chartered vessels	1,894	2,524	3,394	3	

SCOPE 2	2,951	2,915	2,712	2,933	
Scope 2 / Revenue	**0.000467**	**0.00048**	**0.00041**	**0.00049**	**-4.69**
Electricity (Location-based)	702	602	789	895	
Electricity (Market-based)	2,639	2,575	2,617	2,793	
Heating	311	340	95	140	

MT CO2E	2024/25	2023/24	2022/23	2021/22	INDEX I %
SCOPE 3	838,599	774,804	790036	924820	
Scope 3 / Revenue	0.132574	0,12811	0.11997	0,15405	-13.94
Purchased goods/services (Cat. 1)	204	241	669	802	
Purchased capital goods (Cat. 2)	8,184	2,278	8,511	10,678	
Fuel and energy-related (Cat. 3)	18,064	4,367	4,549	4,394	
Subcontracted ROAD (Cat.4)	759403	725,199	706,956	797,799	
Subcontracted AIR (Cat. 4)	20,998	16,700	12,930	23,923	
Subcontracted SEA (Cat. 4)	29,018	24,125	54,090	85,685	
Waste handling (Cat. 5)	2	6	18	42	
Business travel (Cat. 6)	2,172	1,385	1,300	684	
Employee commuting (Cat. 7)	554	503	1,013	813	

OTHER ENVIRONMENTAL MEASURES	2024/25	2023/24	2022/23	2021/22
Empty haulage road transport	7.6%	7.7%	8.7%	8.9%
Utility load road transport	98.5%	94.3%	96.7%	95.0%
Waste for recycling, tonne	554	544	910	429
Other waste, tonne	350	346	436	430
Sent for recycling %	61.2%	61.0%	68.0%	50.0%
Company cars on alternative fuels	36.7%	New metric	New metric	New metric

SOCIAL

	2024/25	2023/24	2022/23
Employees, total*	1414	1430	1492
Employees, female	409	405	423
Employees, male	1005	1025	1069
Managers, female	47	42	34
Managers, male	157	152	146
Employees, females %	28.9%	28.3%	28.3%
Managers, females %	23.0%	21.6%	18.8%
Employee turnover %	11.6%	12.0%	12.9%
Sickness absence %	3%	2.2%	2.60%
LTIFR* per 1,000,000 working hours	4.9	4.6	3.9
% of employees covered by collective bargaining agreements	33.5%	New metric	New metric
% of entitled employees that took family related leave	3%	New metric	New metric

* Employees counted end of April.

Statement by the management regarding the greenhouse gas inventory fy 2024/25

Management has today considered and approved the Greenhouse Gas Inventory FY 2024/25.

The Greenhouse Gas Inventory FY 2024/25 has been prepared in accordance with The Greenhouse Gas Inventory – A Corporate Accounting and Reporting Standard (revised edition). The Greenhouse Gas Statement comprises the Scope 1-3 emissions inventory of SDK FREJA A/S and its subsidiaries, as defined in the Management's Accounting Principles for its Greenhouse Gas Inventory.

In my opinion, the Greenhouse Gas Inventory FY 2024/25 is in accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (revised edition) and Management's Accounting Principles for its Greenhouse Gas Inventory, and is free from material misstatement and omissions, whether due to fraud or error, including the accuracy and completeness of the data, sources and assumptions used.

Taastrup, xx June 2025

On behalf of Management

Eric Clausen
Head of ESG and Quality

Jesper Mikkelsen Heilbuth
Group CFO

Accounting principles

CARBON ACCOUNTS

STATIONARY COMBUSTION (SCOPE 1)

GHG emissions related to the combustion of natural gas, diesel and burning used for heating at warehouses and offices. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY COMPANY CARS (SCOPE 1)

GHG emissions related to the combustion of petrol and diesel used in company cars owned or controlled by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

FUEL COMBUSTION BY OWNED TRUCKS (SCOPE 1)

GHG emissions related to the combustion of diesel and HVO used in owned trucks by the applicable SDK FREJA entities. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

TIME CHARTERED SHIPS (SCOPE 1)

GHG emissions related to the combustion of marine gas oil (MGO) used in time-chartered vessels as part of Shipping's fleet. The GHG emissions for MGO are calculated based on the annual consumption of these fuels and the most recent emission factor published by the International Maritime Organization (IMO).

PURCHASED ELECTRICITY (SCOPE 2)

Location-based approach

GHG emissions related to purchased electricity at all SDK FREJA offices, calculated using the location-based approach. The GHG emissions are calculated based on the annual electricity consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

Market-based approach

Several office locations do not have sub-metering for their electricity and heating consumption. The emissions related to this are therefore included in Scope 3, category 1

PURCHASED HEATING (SCOPE 2)

GHG emissions related to purchased district heating at SDK FREJA offices. The GHG emissions are calculated based on the annual heating consumption and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA) or the supplier-specific emission factors.

PURCHASED GOODS AND SERVICES (SCOPE 3, CATEGORY 1)

The upstream GHG emissions related to purchased goods and services by all SDK FREJA entities, including purchased electricity and heating at offices where its consumption is not sub-metered to SDK FREJA. The GHG emissions are calculated based on the spend data on different goods and services categories and product category emission factors published by the World Input-Output Database (WIOD). For the electricity and heating consumption specifically, the electricity and heating consumption are estimated based on the surface area of the offices and each country's average electricity and heating consumption per m2 as published by Entranze. The GHG emissions are then calculated based on the estimated electricity and heating consumption, and the respective country's average grid GHG emission factor published by the International Energy Agency (IEA).

PURCHASED CAPITAL GOODS (SCOPE 3, CATEGORY 2)

The upstream GHG emissions related to purchased capital goods by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different capital goods categories and product category emission factors published by the World Input-Output Database (WIOD).

FUEL AND ENERGY-RELATED ACTIVITIES (SCOPE 3, CATEGORY 3)

The upstream GHG emissions related to purchased fuels and energy by all applicable SDK FREJA entities. This includes all fuels covered in Scope 1 and all energy (electricity, heating and cooling) reported in Scope 2. The GHG emissions are calculated based on the consumption data on the different types of fuel and energy and the respective upstream emission factors published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA) and the International Energy Agency (IEA).

UPSTREAM TRANSPORTATION AND DISTRIBUTION (SCOPE 3, CATEGORY 4)

The lifecycle GHG emissions related to subcontracted transport by road, air and sea. The GHG emissions are calculated based on each activity's corresponding activity data (consisting of distance travelled and tonnage transported) and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

WASTE GENERATED IN OPERATIONS (SCOPE 3, CATEGORY 5)

The lifecycle GHG emissions related to disposal and treatment of waste generated in SDK FREJA's owned and controlled operations, both for recycled and non-recycled waste. The GHG emissions are calculated based on the annual quantity of waste generated and the most recent emission factor published by the UK Government Department for Environment, Food & Rural Affairs (DEFRA).

BUSINESS TRAVEL (SCOPE 3, CATEGORY 6)

GHG emissions related to business travel by all applicable SDK FREJA entities. The GHG emissions are calculated based on the spend data on different types of business travel and product category emission actors published by the World Input Output Database (WIOD).

EMPLOYEE COMMUTING (SCOPE 3, CATEGORY 7)

GHG emissions related to the combustion of petrol and diesel in company lease cars when used for personal use. The GHG emissions are calculated based on the annual consumption of these fuels and the most recent emission factor published by UK Government Department for Environment, Food & Rural Affairs (DEFRA).

SOCIAL PERFORMANCE

GENDER COMPOSITION

The proportion of women in a given cohort calculated by headcount.

SICKNESS ABSENCE

Calculated on last period average number of employees and last period number and working days and numer of sick leave registered in our absence system.

EMPLOYEE TURNOVER

The employee turnover in % is taken from voluntary exits and not covering exits where SDK FREJA for some reason has ended collaboration.

EMPLOYEE TOTAL

Total employee number and employee metrics are calculated as of 30 April 2025.

ACCIDENT RATE

LTIFR* per 1,000,000 working hours.

*Lost Time Injuries Frequency Rate

GOVERNANCE PERFORMANCE

WHISTLE-BLOWER

Number of reports reported in our whistle-blower arrangement monitored by law firm Dahl in the period May 2022 to April 2023.

GDPR VIOLATIONS

Numbers of reported violations of data privacy to SDK FREJA or authorities in the period May 2022 to April 2023.

ISO CERTIFICATIONS

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

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CVR No: 56 25 23 12

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