

# Sustainability Report 2020



**link logistics**

Company introduction

Link Logistics  
Customized solutions  
to the courier express  
parcel market



Sustainability statement

It is fundamental for our success that we live up to our customers' expectations. We wish to be a credible partner that creates security for both our customers and suppliers. Our responsible business conduct is based on managing potential and actual adverse impacts on areas for sustainable development.

At Link Logistics we take on the role and responsibility to focus on the environmental challenges that we face today and know await in the future. We are working to combine our strategic ambition with our understanding of the most pressing climate challenges, where we believe Link Logistics – through our business – has the potential to make a real contribution to change.

As a provider of logistic services, we acknowledge that our negative impact on the environment is through CO2e emissions. We approach this challenge with great seriousness and feel committed to address not only our own direct emissions but also the emissions related to the shipments we facilitate through the networks of our partners.

Our commitment is based on core areas of sustainable development: social, environmental, and economic sustainability. As a signatory to the UN Global Compact we embrace the 10 principles listed by the UN Global Compact and made operational through the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises (OECD).

We believe it is important to ensure that all our employees and business partners understand the commercial relevance and necessity of sustainability covering both environmental, social and economic perspectives. We support public accountability and transparency within sustainability and therefore, we report annually on progress within our sustainability framework.



Key statistics

- CEO**  
Anders Martens
- Chairman**  
Charlotte Hansson
- Headquarter**  
Copenhagen, Denmark
- # of FTEs**  
95
- Year acquired**  
2019
- Polaris Fund**  
Polaris IV
- Polaris ownership**  
74%
- Revenues (DKKm)**  
281
- Revenue (EURm)**  
38



## Management summary

During 2020 Link Logistics has initiated a range of initiatives within the area of sustainability in full recognition of the responsibility we have, and our ambition to address and act on current global challenges. Our responsible business conduct is based on managing potential and actual adverse impacts on the internationally agreed core areas of sustainable development: social, environmental, and economic sustainability.

### Establishing our sustainability framework and conducting our first impact assessment

Our initial step has been to implement a strategic approach to ESG and establish a framework that will serve as the backbone of our sustainability efforts. These efforts include creating transparency on emissions throughout our operations and transport, and finding ways to reduce our negative impacts and increase our positive impacts.

In 2020 the activities have therefore evolved around creating the right platform in terms of our CSR policy and Code of Conduct for business relations. Link Logistics is currently in the process of becoming signatory member to the UN Global Compact. As part of the analysis phase, we have conducted an impact assessment of the Danish part of the business through which we have identified and prioritized as the key risk areas. The impact assessment has also been the steppingstone to link our efforts and commitment to support the UN's work to achieve the 17 Sustainable Development Goals (SDGs) where our focus is on SDG 5, 8, 9 and 13.

### Structuring our efforts within Climate Action

The impact assessment confirmed our perception, that the main negative impacts from Link Logistics on the environment derives from CO<sub>2</sub>e emissions. A lot of work has therefore been put into establishing a baseline for our CO<sub>2</sub>e footprint as a foundation for working on ways to decrease our negative impact in the years to come. We approach this work with great seriousness and are committed to address not only our own direct emissions but also the emissions related to the shipments we facilitate through the networks of our partners. We have therefore during 2020 started working much closer with our partners on increasing transparency around the emissions associated with their services.

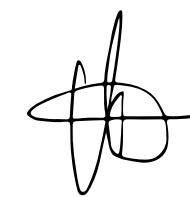
In continuation of this we performed a TCFD aligned Climate Related Risks & Opportunity Assessment to evaluate and structure the potential measures for Climate Action. Based on the assessment, we look into four main steps: 1) Increasing the CO<sub>2</sub>e emission transparency, 2) Initiating an internal CO<sub>2</sub>e-reduction program, 3) Engaging with suppliers to reduce CO<sub>2</sub>e emissions and 4) Initiating product development to reduce CO<sub>2</sub>e emissions. These steps will also play a role in our overall strategic ambition.

2020 has therefore been a year of great progress in increasing the level of transparency and establishing a reporting structure that enables tracking, prioritizing, and communicating the progress made within sustainability.

Our efforts within sustainability will continue in 2021 with an increasing focus on identifying, prioritizing, and executing concrete measures to manage the key risk areas, improve our sustainability performance and work our way closer to reaching the ambitious targets on the KPIs set for Link Logistics.

We are looking forward to continuing the journey in the years to come towards a stage where sustainability is an embedded part of the business.

With kind regards,



Anders Martens



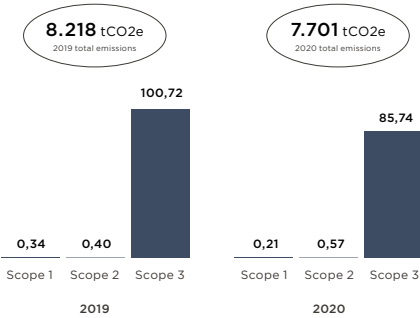
# Sustainability metrics

## Polaris cross-portfolio KPIs



### Climate action

#### CO2e intensity tons/employee



Despite an increasing number of shipments, a decrease in total CO2e emissions was registered. This is primarily due to a decrease in the average weight per shipment as well as a decrease in emissions from air freight.

The work ahead within this area will be focused on increasing supplier data transparency and level of detail.

GRI: 305-1a, 305-2a, 305-3a, 305-4a

### Climate Action Management

#### Scope 1 & 2

Spend-based calculations with national statistics on fuel and energy prices.

#### Scope 3

Combination of spend-based calculations, and activity-based for key categories.

#### Strategy & targets

Targets to be defined in 2021 and approved by the board.

#### Initiatives

Initiatives defined and approved by BoD. Most are already initiated.

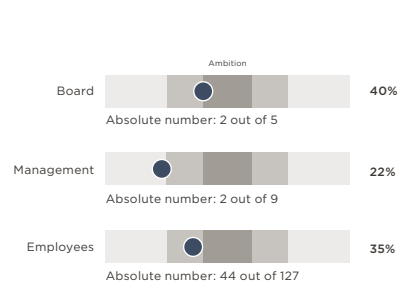
#### TCFD

TCFD aligned analysis has been conducted and initiatives related to risks and opportunities launched.



### Gender equality

#### % of women in the company



There was an increase in the share of women in the board and management between 2019 and 2020, while a slight reduction among employees.

During 2021, we will be working to increase the share of women at other employment levels so that the trend we see at Board and Management level will also be reflected in the total group of employees.

GRI: 405-1(i)

### Gender Equality Management

#### Tracking

Tracking in place on gender across the organization, at different tenures.

#### Strategy & targets

Targets have been defined and approved by the BoD.

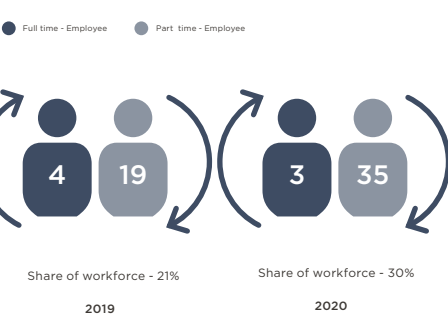
#### Initiatives

Initiatives defined and approved by the BoD. Focus on the recruiting and promotion processes.



### Employee turnover

#### Employee-initiated turnover (total attrition)



Link Logistics' high turnover is in part attributed a large share of part time workers, working 4-7 hours a week. When resigning, it is often to take full-time positions in other organizations.

Furthermore, a significant share of the part time employees have this job during their studies and resign once they start apprenticeship or full-time jobs.

SASB: Adapted from HC-DY-330a.1

### Employee Turnover Management

#### Tracking

Tracking in place on employee-initiated turnover.

#### Strategy & targets

Targets to be defined and approved by the BoD in 2021.

#### Initiatives

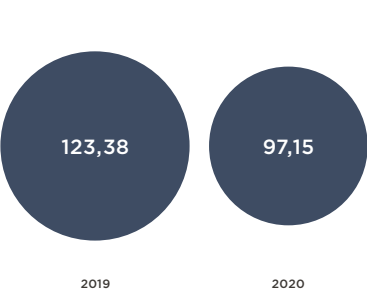
Initiatives defined to ensure good work environment and employee engagement.

## Portfolio company-specific KPIs and initiatives



### Environmental impact of own pickup cars

#### CO2e-emissions in own pick-up cars tons CO2e



Reduction of approximately 20% is based upon route planning and other efficiency improvements forced by COVID-19 implications.

SASB: Adapted from TR-AF-430a.2

### Reducing our environmental footprint

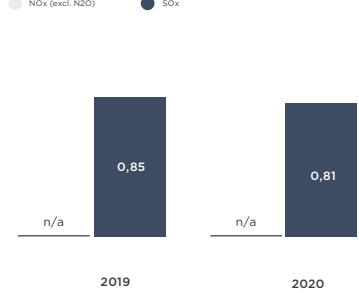
During 2020 we have focused on establishing our CO2e baseline and increasing the transparency of CO2e emissions. In 2021 and going forward, we will use the baseline as a foundation to identify further opportunities to continuously reduce our CO2e emissions.

We have already started implementing smaller changes. An example of this is that we changed our bottled water to 100% recycled plastic bottles and CO2e neutral water through offset project "Clean drinking water Kaliro, Uganda". During 2021 we will be looking into opportunities regarding sustainable packaging especially for our warehouse division.



### Air quality

#### Air emissions of NOx (excl. N2O) and SOx kg



Link Logistics has initiated dialogue with key suppliers to gather NOx (excl. N2O data) on services provided by them. Once data has been gathered, the KPI will be in our reporting.

SASB: TR-AF-120a.1

### Reducing emissions from own pickup cars

In addition to reducing our broader CO2e baseline, Link Logistics is looking into solutions to bring down the CO2e and NOx emissions from own pickup cars.

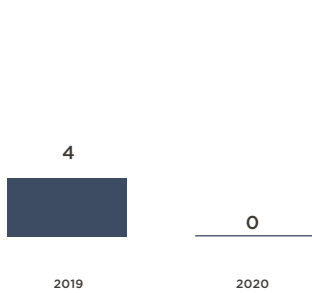
We will be looking into several solutions for the short and long term, to lower both the emissions from the current fleet, as well as ensure that our fleet increasingly will include new, green cars as current vehicles are being replaced.

This replacement will either be to 100% electric vehicles, or include hybrid vehicles given the fuel economy of hybrid cars which is central for our continued operations in the shorter term, as well as their ability to part-operate in electric-only mode.



### Accidents & safety management

#### Lost Time Injury Frequency rate (LTIFR) per 200.000 hours worked



There were no accidents in 2020.

SASB: Adapted from TR-AF-320a.1

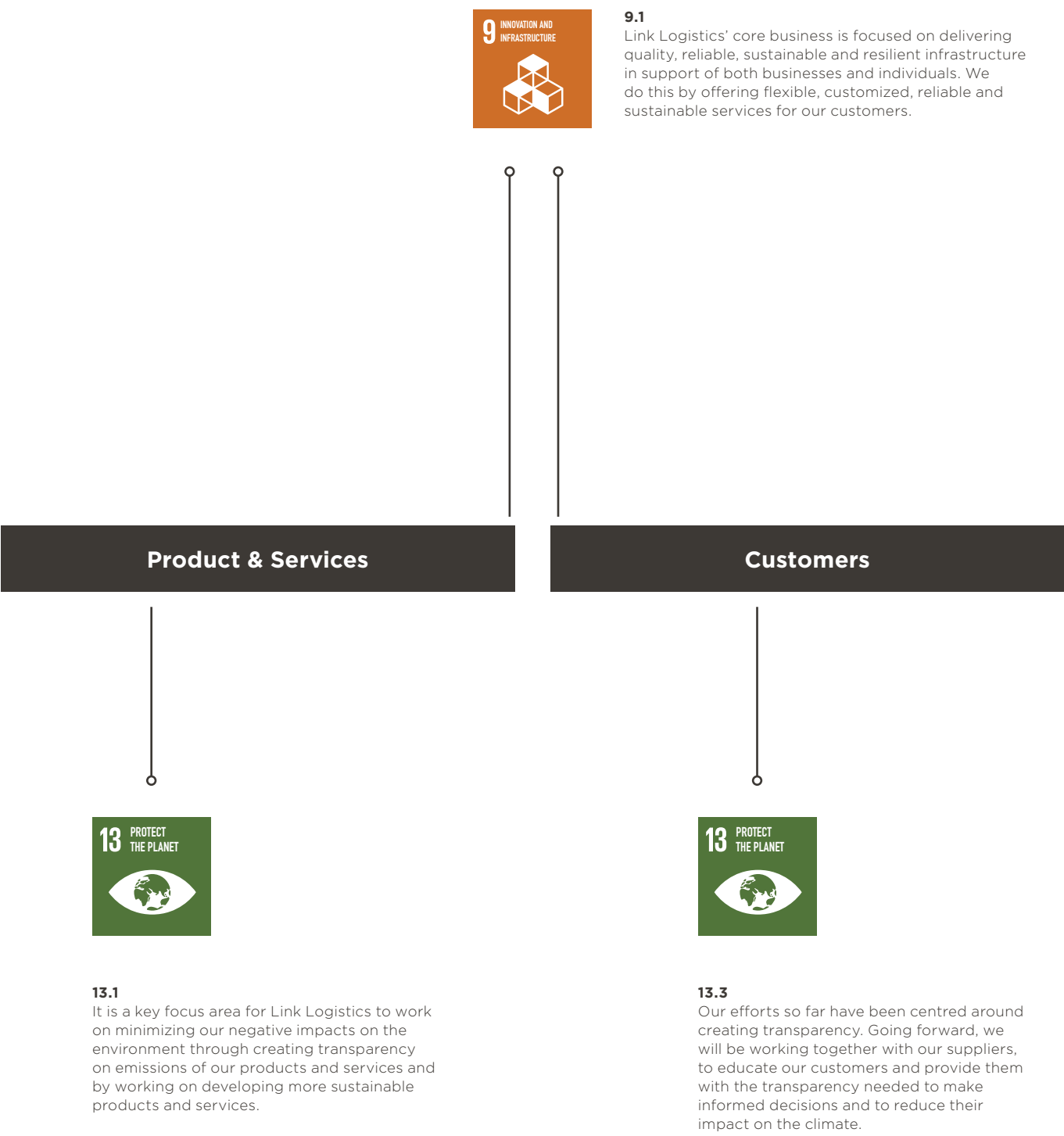
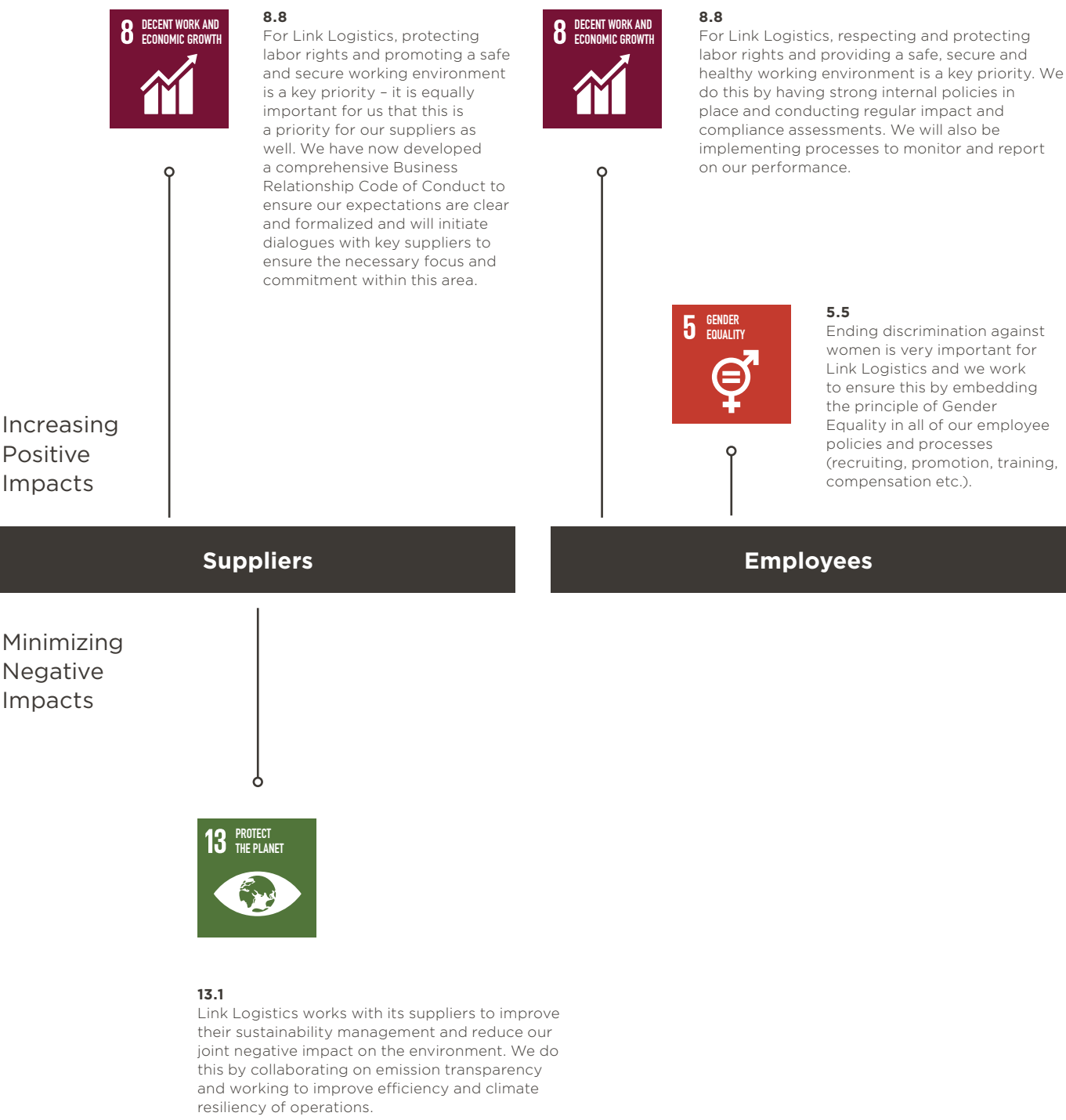
### Create an accident-free workplace

All new employees in the warehouse and operations receive instructions in safe and proper lifting and carrying technique for different kinds of parcels aligned with the Work Environment in Denmark (WEA) guidelines.

We have clear processes for accident and incident reporting and investigations to ensure focus on root cause identification and effective corrective and preventative actions. We have worked to increase awareness on safe working conditions through management and the employee handbook and during 2021 we will be working to quantify these efforts.

# The Sustainable Development Goals

## Link Logistics' contribution to the SDGs



# The Sustainable Development Goals

## Link Logistics’ contribution to the SDGs

### INCREASING POSITIVE IMPACTS

#### Concrete initiatives in progress



- Proactively search for female candidates when recruiting new colleagues and ensure there is no (unconscious) bias in recruiting and promoting processes
- Work on internal training to ensure internal talent is promoted and review potential gender bias in management qualities and promotion processes



- Conduct annual internal and external Impact Assessments to assess negative and positive impacts of Link Logistics’ operations on people and the work environment (among a broad range of other areas)
- Conduct Work Engagement surveys to assess employee satisfaction and well-being. Based on the results, develop department-specific action plans for improvement in a shared effort between management and employees
- Implement Business Relationship Code of Conduct



- Continuous product development to ensure an increasingly flexible, customized, reliable and sustainable product offering to meet customers’ demands both today and tomorrow

#### Status on initiatives

- HR is working directly with each department when recruiting to evaluate job postings to identify potential gender bias
- HR has one-to-one meetings with all managers with employee responsibility to support managers
- First Impact Assessment has been conducted and a range of initiatives to address identified potential negative impacts on our people and the work environment (among many other areas) have been initiated
- Action plans have been initiated. Frequency for work engagement surveys yet to be defined
- A Business Relationship Code of Conduct has been developed and approved by Board of Directors in Q4. During 2021 it will be shared with key suppliers and dialogues will be initiated to ensure the necessary focus and commitment within this area
- A framework for our sustainability work has been developed. In 2021 we will work closely with our suppliers and customers to identify the needs and opportunities regarding more sustainable product offerings. We believe that close collaboration with our business relationships is the best way to find solutions for today and tomorrow

### MINIMIZING NEGATIVE IMPACTS

#### Concrete initiatives in progress



- Seek to gather more actual CO2e data from suppliers to increase the maturity of the different scopes and categories in the baseline calculations, as this will strengthen decision making on carbon reduction initiatives
- Implement emission reduction initiatives, based on CO2e baseline, in collaboration with suppliers – starting with creating transparency around shipment emissions
- Ensure product development and efforts to educate customers and provide them with the transparency needed to make informed decisions
- Ensure internal competency building in order to be able to provide strong customer support and education around sustainable logistics and the footprint that their logistics services have

#### Status on initiatives

- We have ongoing dialogues with key suppliers to gather actual CO2e data on the services we purchase from them
- Data has been gathered from key suppliers, and Link Logistics’ total CO2e emissions from shipment transportation has been estimated. This will initially be reported as a CO2e intensity. We are currently working on a calculation method, aligned with market best practice, to enable transparency on shipment emissions per package
- Based on the studies done during H2 of 2020, we will initiate analyses and dialogues with our customers and business partners regarding potential sustainable product offerings. Through this work we will be able to identify potential areas for internal competency building





## 5. Appendix



# Link Logistics

Scope/ Category	Description	Calculation method & key assumptions	Data source, supplier engagement & data quality	Emission factor source(s) and publication(s)	Next steps in coming years
Scope 1	CO2e emissions from combustion of fuels.	Emissions calculated based on estimated L fuels consumed; L fuels estimated based on spend on fuel for company leased vehicles in Sweden and average price per L.	Purchase overview from general ledger; Eurostat (price per L).	DEFRA, UK government GHG conversion factors for company reporting 2020.	Gathering data on actual fuel consumption (L).
Scope 2	CO2e emissions from purchased power for facilities.	Emissions calculated based on estimated kWh consumed; kWh estimated based on spend on electricity and heating and average price per kWh.	Purchase overview from general ledger; Eurostat (price per kWh).	Energinet, Miljødeklaration, 2020; HoFor, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2019; Stockholm exergi, Miljönycketal 2019; Tekniska Verken, Miljövården för fjärrkyla 2020.	Gathering data on actual energy consumption (in kWh).
Scope 2	CO2e emissions from electricity for EV (leased) vehicle.	No EVs or hybrids in the fleet in 2020.	-	-	-
Scope 3, Cat. 1	CO2e emissions from purchased goods & services.	Emissions calculated based on spend per key product category; Where data was available emissions were calculated based on size/quantity of purchases.	Purchase overview from general ledger.	DEFRA, Indirect emissions from the supply chain, 2011.	-
Scope 3, Cat. 2	CO2e emissions from capital goods.	No CAPEX investments were made in 2020.	-	-	-
Scope 3, Cat. 3	CO2e emissions from fuel- and energy related activities.	Fuel and power consumption based on Scope 1 and 2.	Same as Scope 1 and 2.	DEFRA, UK government GHG conversion factors for company reporting, 2020; Energinet, Miljødeklaration; HoFor, Miljødeklaration for Tekniska Verken, Miljövården för fjärrkyla 2020 Fjernvarme i Hovedstadsområdet 2019.	-
Scope 3, Cat. 4	CO2e emissions from upstream distribution & transportation.	Express service emissions extrapolated from emission data from main freight forwarders; Emissions from Economy services based on comparison of CO2e from 159 shipment routes; Adjusted for radiative forcing.	DHL, FedEx, Postnord and GLS of packages; Total weight transported by freight forwarder.	-	Working towards increasing share of actual data from freight forwarders.
Scope 3, Cat. 5	CO2e emissions from waste from operations.	Not included due to lack of available data.	-	-	Will attempt to gather data in years to come.
Scope 3, Cat. 6	CO2e emissions from business travel.	Spend converted to activity data (passenger KM driven and number of nights at hotel) based on average prices; Spend on business trips assumed to be split 90% on flights and 10% on taxis.	Purchase overview from general ledger; average price (SKAT, DSB).	DEFRA, UK government GHG conversion factors for company reporting, 2020; Movia Miljøregnskab, 2018; DSB miljøopgørelse 2020.	-
Scope 3, Cat. 7	CO2e emissions from employee commuting.	Emissions estimated based on estimated KM from from postal code to office calculated on employee level; Assumption on number of trips per year based on average patterns; based on National Transport Survey.	Employee overview, with postal code.	DEFRA, UK government GHG conversion factors for company reporting, 2020; Movia Miljøregnskab, 2018; DSB Miljøopgørelse 2020.	-
Scope 3, Cat. 8	CO2e emissions from upstream leased assets.	Since Operational Control approach is selected, emissions related to our leased assets are accounted for in Scope 1 and 2.	-	-	-
Scope 3, Cat. 9	CO2e emissions from downstream distribution & transportation.	Not relevant given Link Logistics' business model.	-	-	-
Scope 3, Cat. 10	CO2e emissions from processing of sold products.	Not relevant as Link Logistics does not sell any intermediary goods.	-	-	-
Scope 3, Cat. 11	CO2e emissions from use of sold product.	Link Logistics does not sell any physical products.	-	-	-
Scope 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products.	Link Logistics does not sell any physical products.	-	-	-
Scope 3, Cat. 13	CO2e emissions from downstream leased assets.	Link Logistics does not lease out assets.	-	-	-
Scope 3, Cat. 14	CO2e emissions from franchises.	Not relevant as Link Logistics has no franchises.	-	-	-
Scope 3, Cat. 15	CO2e emissions from investments.	Not relevant given Link Logistics' business model.	-	-	-

KPI/Initiative	Calculation metric used in sustainability report	SASB Code	SASB definition	Comment on adoptions from standard SASB definition
Environmental impact of own pickup cars.	Total CO2e footprint in Link Logistics' own pick-up cars (tonnes CO2e).	TR-AF-430a.2	Total greenhouse gas (GHG) footprint across transport modes.	Link Logistics have narrowed this KPI to own pickup cars/ fleet, as general transportation (including from their suppliers) is covered in the Air Quality KPI.
Air quality.	NOx emissions (excluding N2O) and SOx emissions, both in Kg.	TR-AF-120a.1	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, and (3) particulate matter (PM10).	We are not reporting on Particulate matter (PM10) due to lack of data availability.
Accidents & safety management.	Lost Time Injury Frequency rate (LTIFR) per 200.000 hours worked.	TR-AF-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees.	Our LTIFR covers services, where Link Logistic's own, leased vehicles are operating, and not services delivered by our suppliers.
Reducing our environmental footprint.	Qualitative description of commitment to reduce CO2e emissions.	n/a	n/a	n/a
Reducing emissions from own pickup cars.	Qualitative description of initiatives backing up commitment to reduce emissions in own pickup cars.	n/a	n/a	n/a
Create an accident free workplace.	Qualitative description of initiatives to create an accident-free workplace.	n/a	n/a	n/a



## Denmark

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