

Sustainability Report 2021



Company introduction

Link Logistics
To make logistics
as simple, effective and
responsible as possible.



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.

link logistics

Key statistics

- CEO**
Anders Martens
- Chairman**
Charlotte Hansson
- Headquarter**
Copenhagen, Denmark
- # of FTEs**
192
- Year acquired**
2019
- Polaris Fund**
Polaris IV
- Polaris ownership**
63%
- Revenue (DKKm)**
841
- Revenue (EURm)**
113

Management summary



“We recognize that Rome was not built in one day, neither is a sustainable business. Therefore, we focused on organizing our efforts identifying and scoping initiatives and projects for both a short-term and long-term strategy.”

During 2021 Link Logistics has increased its sustainability focus, building on the framework created in 2020. As a part of the transport sector, we recognize our responsibility, and our ambition is to address and act on current global challenges. We have based our responsible business conduct on managing potential and actual adverse impacts on the internationally agreed core areas of sustainable development: social, environmental, and economic sustainability.

Managing our impact through the integration process

2021 was an exciting year for Link in general. In August, we officially included YOYO Global Freight as part of Link Logistics. Both the months before and especially after the signing have been focused on making the merger a success across all locations and departments. This has been an incredibly resource-demanding process, forcing the entire business to run faster. As YOYO did not have a sustainability strategy or fundament, a lot of work has been put into including the YOYO business in Link's sustainability strategy, work, and accounting. With the merger, we have added several countries to our portfolio, and the work to understand and manage our impact across all countries will continue in 2022.

Past, present, and future focus - creating our first sustainability strategy

In 2020 the primary focus for Link was to create a solid foundation to build our sustainability efforts on. This included conducting our first impact assessment, performing a TCFD aligned Climate-Related Risks & Opportunity Assessment, and linking our efforts and commitment to supporting the UN's work to achieve the 17 Sustainable Development Goals (SDGs), with a primary focus on SDG 5, 8, 9 and 13.

In 2021 we initiated the groundwork of how to manage our impact. In August, the board agreed on incorporating sustainability as part of our strategic ambition, thus committing to having a greater focus on sustainability and the SDGs moving forward. Being pioneers is one of our core values, and we aim to be one of the sustainable pioneers in our sector.

We recognize that Rome was not built in one day, neither is a sustainable business. Therefore, we focused on organizing our efforts identifying and scoping initiatives and projects for both a short-term and long-term strategy. These efforts include initiating projects to create transparency and reduce emissions throughout our operations and transport: In 2021, we decided to set targets to reduce our

CO2e emissions by committing to setting Science-Based Targets and aligning ourselves with the Science-Based Target initiative. We are currently in the process of having our specific targets for Scope 1 and 2 approved by the SBTi and we are committed to reducing our Scope 3 emissions. We aim to detail the target for our Scope 3 reductions in more detail during 2022.

To ensure that our present and future efforts align with Link's overall strategic ambition and focus on managing the identified risks, a sustainability strategy for 2022 was created and approved by the board. Through this strategy, we have identified and scoped the projects for 2022 and divided them into 5 key areas - Governance, Climate Actions, Impact Assessments, Customer Value Adds, and Internal Support projects. Our sustainability strategy aims to ensure that we initiate the right initiatives and transform the organization from the inside out. Supported by innovative and frontrunner projects, we need to create a company culture and identity base that nurtures a sustainable way of working.

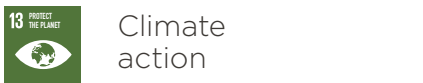
We are on an exciting journey and are looking forward to continuing this in the years to come towards a stage where sustainability is an embedded part of the business.

With kind regards,

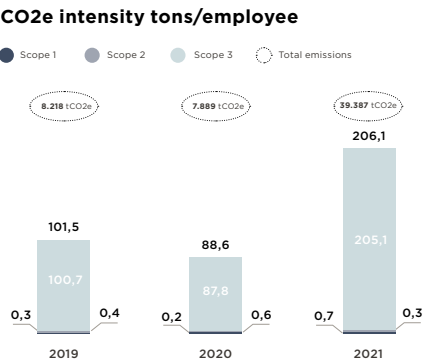
Anders Martens

Sustainability metrics

Polaris cross-portfolio KPIs



Climate action



As YOYO Global Freight has been integrated as part of Link Logistics, all CO2e emissions have been included in the report, and therefore we see a significant increase in the overall emissions due to the nature of the freight forwarding business in YOYO. The CO2e intensity for Link alone in 2021 decreased from 88.6 to 83.6 tons/employee. The work ahead within this area will be focused on increasing supplier data for the combined organisation and providing customers with more emissions transparency.

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.

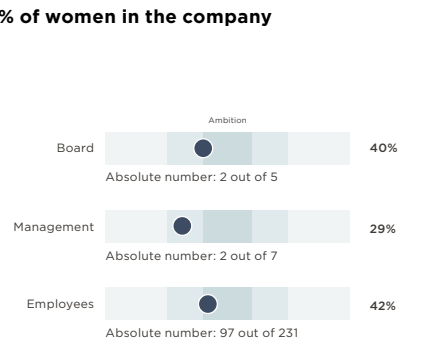
Strategy & targets
In 2022 science-based targets will be set to align with the Paris agreement. Specific numbers can not be provided yet.

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

TCFD
TCFD aligned analysis was conducted in 2020, and in 2021 initiatives related to risks and opportunities were launched.



Gender equality



There was an increase in the share of women in management and among employees between 2020 and 2021.

The efforts to increase the share of women at other employment levels have been successful and will continue in 2022.

GRI: 405-1(i)

Gender Equality Management

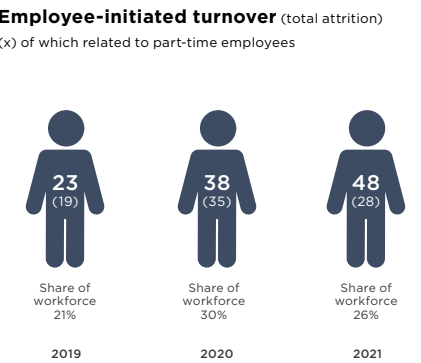
Tracking
Tracking in place on gender across the organization, at different tenures.

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



We have seen a significant increase in the turnover for full-time employees. A part of the increase can be assigned the merger with YOYO as we have an overall higher number of employees. The merger has also meant that not all employees want to continue on the journey ahead. We have a high focus on maintaining our valuable employees, and therefore our focus in 2022 is to increase the flow of communication through the organization to understand and fulfill the needs of all employees across countries and locations.

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

Employee Turnover Management

Tracking
Tracking in place on employee-initiated turnover.

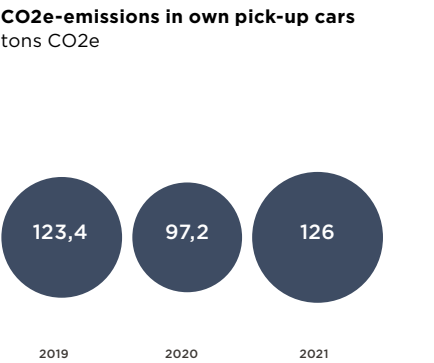
Strategy & targets
Targets to be defined and approved by the BoD in 2022.

Initiatives
Initiatives defined to ensure good work environment and employee engagement.

Portfolio company-specific KPIs and initiatives



Environmental impact of own pickup cars



The increase in own emissions is a direct result of the merger with YOYO as we have added several pickup cars to our fleet. A focus in 2022 is to get back on track with reducing our emissions across the organization, and including the YOYO locations in our efficiency improvements and route planning scheme.

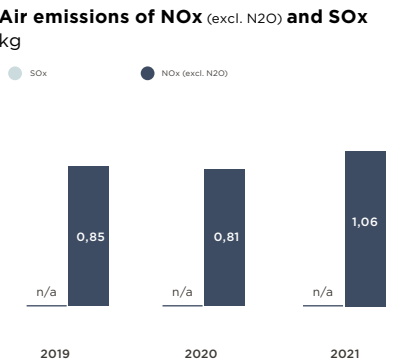
SASB: Adapted from TR-AF-430a.2

Reducing our environmental footprint

In 2021 we used the baseline created in 2020 as a foundation to identify further opportunities to reduce our CO2e emissions continuously. We initiated a range of projects to reduce our footprint. A big project that is still ongoing is within waste management and sustainable packaging for our warehouse division. In 2022 we will continue initiating several internal projects to reduce our footprint.



Air quality



2020 Link Logistics has initiated dialogue with key suppliers to gather NOx (excl. N2O data) on services provided by them. This is continued in 2021, as the current data provided is faulty and thus cannot be seen as accurate. We continue to work on the data with suppliers, as we believe this KPI is important for our business.

SASB: TR-AF-120a.1

Reducing emissions from own pickup cars

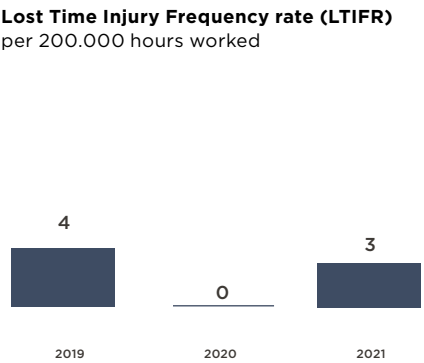
An important project for Link Logistics is looking into solutions to bring down the CO2e and Nox emissions from our own pickup cars, the company leased cars, and suppliers. In 2021 the key focus for the organization was the merger, and therefore the green fleet project was put on hold for a while.

At the end of 2021 and with continued high focus in 2022 we are working with several solutions for the short and long term to lower both the emissions from the current fleet and ensure that our fleet increasingly will include new, green cars as current vehicles are being replaced.

In 2021 we initiated a green initiative for leased company cars, and 25% of the cars are either hybrid or full electric driven cars. Continued focus for 2022 is the conversion of our fleet of pick-up cars.



Accidents & safety management



Unfortunately, we had an increase in work-related accidents in 2021. Our goal is to have no accidents each year, and we are working on employee safety training and instructions to decrease the number of accidents.

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

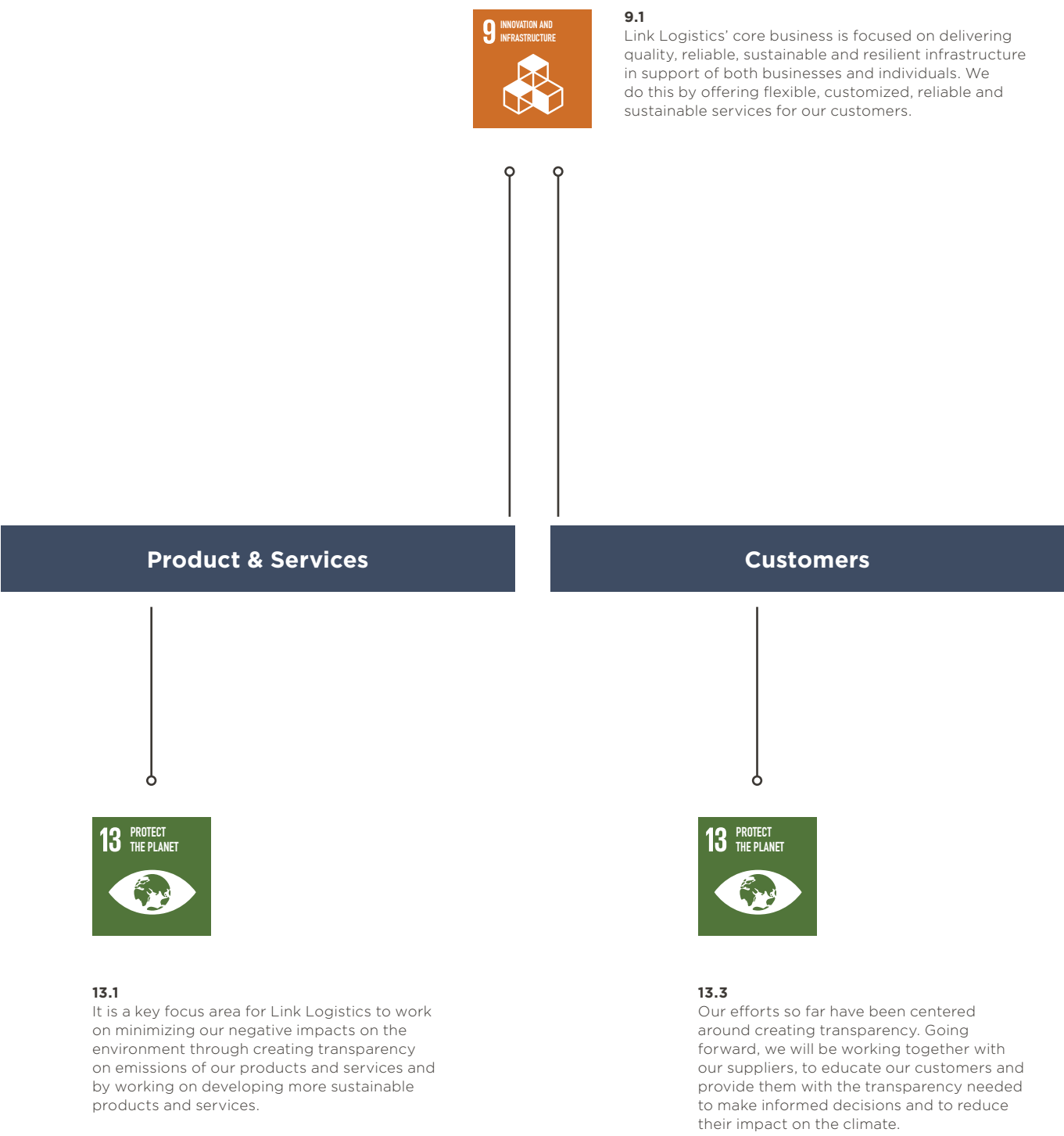
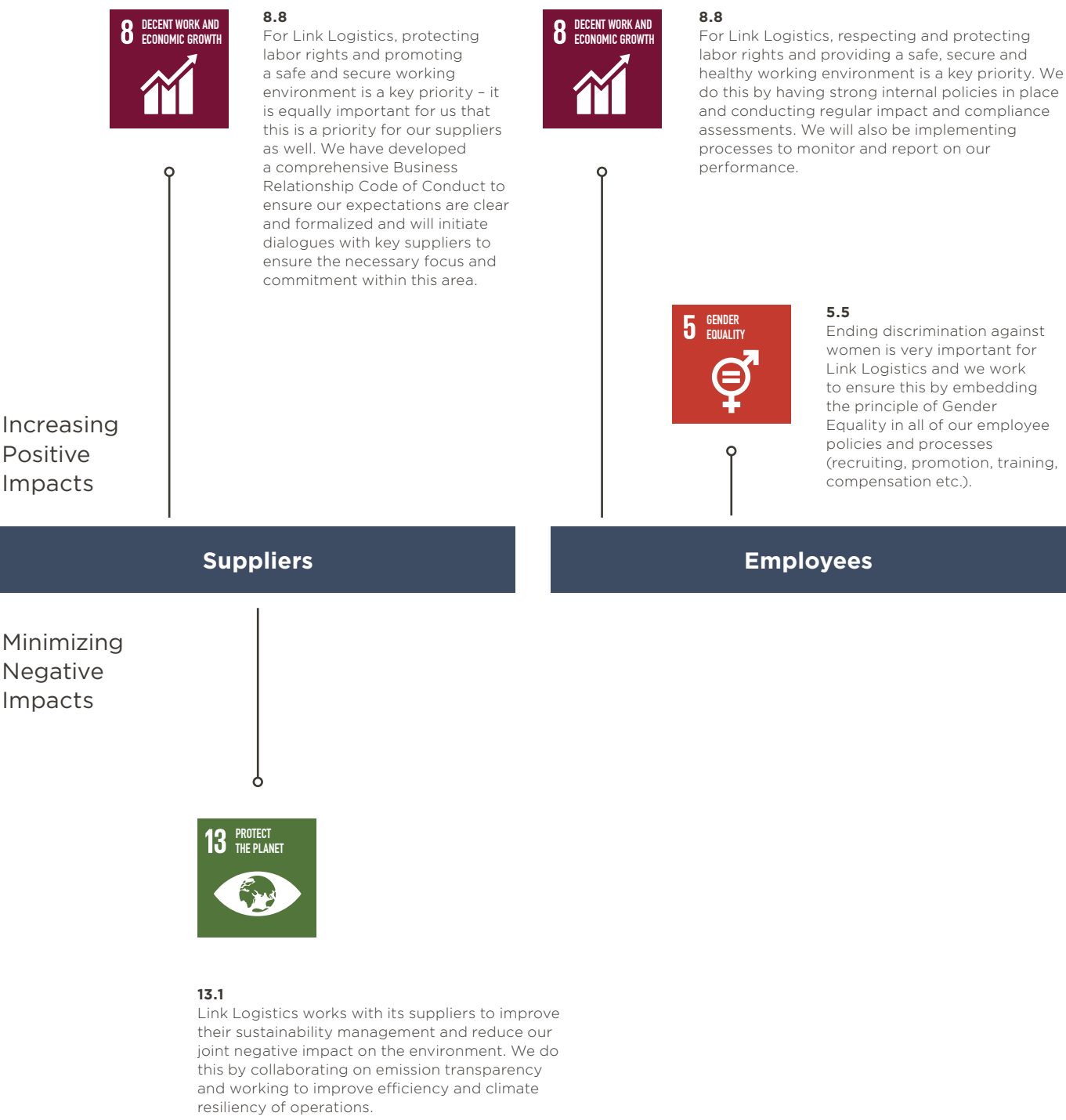
Create an accident-free workplace

All new employees in the warehouse and operations receive instructions in safe and proper lifting and carrying techniques for different kinds of parcels aligned with the Work Environment in Denmark (WEA) guidelines. We have worked to increase awareness on safe working conditions through management and the employee handbook. In 2021 we did a safety analysis at our terminals and warehouses, and following enforced a set of more thorough requirements in the identified risk locations.

These requirements include mandatory yellow vests and safety shoes in risk areas. Additionally, Link has clear processes for accident and incident reporting and investigations to ensure focus on root cause identification and effective corrective and preventative actions.

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



- Focus on merits and competencies in the recruiting process and ensure there is no (unconscious) bias in both the searching, promoting, and hiring process.
- Work on creating and maintaining an inclusive culture by working with all management levels to prevent potential biases in the promotion processes and the benefits and salary negotiations.



- 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
- Annually review and improvement of 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, interview processes, and negotiations to prevent potential gender, race, and religious biases.
- HR continued one-to-one meetings with all managers with employee responsibility to support the organizational development.

- Initiatives to address identified potential negative impacts on our people and the work environment (among many other areas) have been initiated. Creating a positive work environment during a pandemic has been of high focus. Close work and communication between management and employees was a key area to help maintain high morale and satisfaction.
- During the integration, the focus has been on maintaining high employee satisfaction. Information, well-being, and engagement surveys have been executed, and the results have been used to identify and manage risk areas. In 2022 we will focus on maintaining a heavy flow of communication across the organization, as we have identified the lack of knowledge and information to be an important factor in low work engagement.
- The Business Relationship CoC has been reviewed and approved by The Board of Directors. The strategy for implementation has been developed, and during 2022, it will be shared with key suppliers, and dialogues will be initiated to ensure commitment.

- A sustainability strategy has been developed to emphasize sustainability and meet our customers’ growing demands. In 2022 we will work closely with our customers and suppliers to develop more sustainable products. We believe that close collaboration with our business relationships is the best way to find solutions.

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.
- Ensure product development and efforts to educate customers and provide them with the transparency needed to make informed decisions.
- Ensure internal competency building to provide strong customer support and education around sustainable logistics.

Status on initiatives

- In 2021 we gathered the data from Link and the former YOYO. To ensure transparency, we are analyzing the data separately and combined.
- Several initiatives to reduce Scope 1 and 2 have been initiated in 2021 – including greener company cars, green electricity, and warehouse waste management. The actual data from suppliers will be used in 2022 to investigate initiatives specifically focused on reducing Scope 3 emissions
- In 2021 we scoped several projects to help and educate our customers. We initiated projects to help them improve their operations and improve our transparency to help them make more educated choices.
- As part of our sustainability strategy, internal initiatives have been developed to improve the sustainability competencies internally in Link. We have initiated management and employee workshops to educate in Links’ impact. Additionally, key people in the different part of the organization are increasingly being involved in specific sustainability initiatives that affect their area of business such as Warehouse are involved in waste management project. Operations are involved in the green pick up car initiative and much more.



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
Scp. 1	CO2e emissions from driving in (leased) company vehicles	Emissions calculated based on estimated L fuels consumed; L fuels estimated based on actual KM driven per car and KM/L data from the Danish Road Authorities.	List of company vehicles; distance driven; fuel type; km/l	DEFRA, UK government GHG conversion factors for company reporting 2021	
Scp. 2	CO2e emissions from purchased power for facilities	Location-based: Electricity and heating based on acutal consumption data from location sites; Market-based: Supplier-specific emission factor for electricity applied	Purchase overview from general ledger; Eurostat (price per kWh)	Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020; Stockholm exergi, Miljönycketal 2021	
Scp. 2	CO2e emissions from electricity for EV (leased) vehicles	Not relevant given Link Logistics does not have any company owned or leased electric vehicles	-	-	-
Scp. 3, Cat. 1	CO2e emissions from purchased goods & services	Spend-based estimation per product category for key categories	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chainl 2011	Begin to collect activity-based data in the coming years
Scp. 3, Cat. 2	CO2e emissions from capital goods	No CAPEX investments were made in 2021	-	-	-
Scp. 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 Scope 2	DEFRA, UK government GHG conversion factors for company reporting 2021; Energinet, Foreløbig miljødeklaration 2021; HOFOR, Miljødeklaration for Fjernvarme i Hovedstadsområdet 2020	-
Scp. 3, Cat. 4	CO2e emissions from upstream distribution & transportation	Link: -95% of emissions are based on supplier-specific data from main freight forwarders, the remaining -5% is extrapolated. Yoyo: Emissions are calculated based on a mixture of the supplier-specific method (-15%), average-distance method (-75%), and extrapolation (-10%)	Emissions from main freight forwarders; number of shipments; weight (kg); distance (km)	DEFRA, UK government GHG conversion factors for company reporting 2021	Gather more actual data from Yoyo freight forwarders
Scp. 3, Cat. 5	CO2e emissions from waste from operations	Spend-based calculations for waste related to Link Logistics operations	Purchase overview from general ledger	DEFRA, Indirect emissions from the supply chainl 2011	Gather actual waste data for Link Logistics incl. Yoyo
Scp. 3, Cat. 6	CO2e emissions from business travel	Spend on hotel, air and business-related milage converted to activity data based on average prices	Purchase overview from general ledger; Average price of activities (SKAT, DSB, TV2)	DEFRA, UK government GHG conversion factors for company reporting 2021; Movia Miljøregnskab 2018	Initiate efforts to collect activity-based data for business travel
Scp. 3, Cat. 7	CO2e emissions from employee commuting	Survey sent to all employees on commuting patterns, hereunder distance, transport mode, fuel type if relevant, and average number of commutes per week	Survey to all employees	DEFRA, UK government GHG conversion factors for company reporting 2021	-
Scp. 3, Cat. 8	CO2e emissions from upstream leased assets	Since Operational Control approach is selected, emissions related to leased assets are accounted for in Scope 1 and Scope 2	-	-	-
Scp. 3, Cat. 9	CO2e emissions from downstream distribution & transportation	Not relevant given Link Logistics' business model	-	-	-
Scp. 3, Cat. 10	CO2e emissions from processing of sold products	Not relevant as Link Logistics does not sell any intermediary goods	-	-	-
Scp. 3, Cat. 11	CO2e emissions from use of sold products	Link Logistics does not sell any physical products	-	-	-
Scp. 3, Cat. 12	CO2e emissions from end-of-life treatment of sold products	Link Logistics does not sell any physical products	-	-	-
Scp. 3, Cat. 13	CO2e emissions from downstream leased assets	Link Logistics does not lease out assets	-	-	-
Scp. 3, Cat. 14	CO2e emissions from franchises	Not relevant as Link Logistics has no franchises	-	-	-
Scp. 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
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

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