

Corporate Social Responsibility report

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2021

Based on numbers/data from 2020



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Sustainability & orderliness

Welcome to Frode Laursen's Corporate Social Responsibility (CSR) report for 2020. This report contains information about Frode Laursen's¹⁾ activities regarding both our social responsibility and our initiatives to become a more sustainable business.

2020 was a special year. Throughout the year, the corona pandemic had an impact on the world at large and, of course, on Frode Laursen.

While there might have been every reason to fear that the focus on mitigating the consequences of the pandemic would reduce the focus on CSR initiatives, we managed to maintain and develop in particular the sustainability projects which were in the pipeline. In fact, during 2020 we increased our efforts, and were therefore very proud when ITD, the trade association for Danish transport and logistics companies, presented us with the Danish Transport Award for our green transition.

We see this as a pat on the back, and recognition of our – and not least our employees' – initiatives in this area.

In 2020, we also saw a growing level of interest from our customers in working together on specific,

green initiatives. Despite the fact that the framework conditions for the transport industry can be a constraint on implementing projects that make a significant difference in terms of reducing CO₂ emissions, it has been positive to register the support for our ideas among our customers and partners. As a result of this support, we will continue to launch new green initiatives in 2021.

In 2020, we also set a clear target for our CO₂ reductions. While our goal to date has been continual improvement, we have now set specific numerical targets with regard to exactly how much better we expect to become. By 2030, we will thus have reduced our total CO₂ emissions by 35%. This is a very specific target which we have been slightly hesitant in setting until now, because whether we can achieve it is determined to a large extent by both the framework conditions and new technological solutions. Nevertheless, we have now decided to push ahead and set an ambitious target.

In order to achieve both this and other CSR objectives, in 2020 we appointed a CSR group which will work across the entire organisation to ensure the

progress and quality of our CSR work. We have decided not to establish a specific CSR department, because we believe that every department must be aware of CSR as an integrated part of the group, and not as an appendix hidden away in a corner at head office.

At the same time, we have been accelerating employee involvement in these projects, because we believe that, even though management sets the course, it is the employees who drive efforts on a daily basis, and that it is their professional expertise that helps to ensure ongoing development.

This is – and always has been – an ambition for us in Frode Laursen. We refuse to stand still, choosing instead to always focus on what we can do better. Also in terms of CSR.

Both I, the rest of the management and the owner family are committed to working with both the creation of decent jobs and the green transition. We look forward to continuing the work towards the new goals.

Vitten, Maj 2021 – Thomas Corneliussen, CEO

1) Frode Laursen covers TA-Logistics A/S (the former Thorvil Andersen Holding A/S) and subsidiaries (excluding Skanol A/S and Agri-Norcold A/S).

About Frode Laursen

Frode Laursen is a family-owned Nordic group which was founded in 1948. Today, Frode Laursen is market-leading in the Nordics in terms of logistics solutions within FMCGs, building materials and recycling.

4 — ABOUT FRODE LAURSEN
Our core task is to make our customers' goods available to consumers – at the right time, in the right place and in the right condition. Our key focus is our unique 3PL solution: From the factory to our logistics centres to retail warehouses, shops and ultimately the customer's shopping basket.

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



FACTORY



WAREHOUSE & CO-PACK



RETAILERS, DISTRIBUTION CENTRES



IN-STORE
STORE ACTIVITIES

Employees



1,726

Fleet

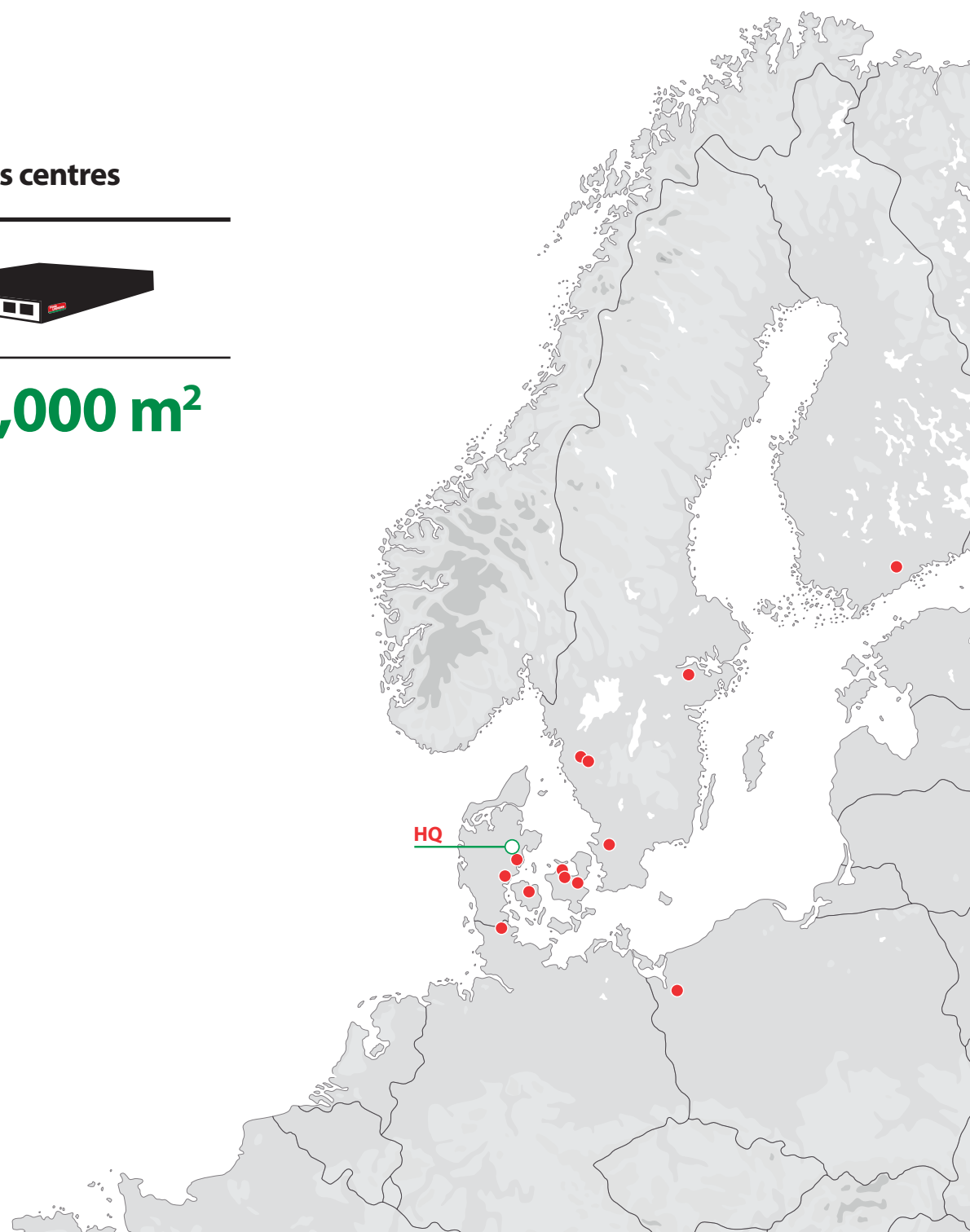


700 vehicles

Logistics centres



600,000 m²



Vision

Within the sectors where we specialise, Frode Laursen aims to be the industry's clear choice as the best logistics partner in the Nordic region.

Mission

We want to build efficient and complete customer solutions centred around our multi-share warehouses. We will achieve our vision through specialisation, a long-term perspective and open performance-orientation.



Values

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



We are here for the customer



We take responsibility



We honour our agreements



We always base decisions on facts



We strive to improve



We treat everybody with respect



We use resources wisely



We cooperate and pull together as teams

CSR in Frode Laursen

Corporate Social Responsibility in Frode Laursen is all about taking responsibility and using one's common sense. CSR is an integral part of our business, and we want to make a difference. We have based our approach to CSR on the UN's 17 Sustainable Development Goals, and we have defined the main areas which are most relevant for our activities, and thus the areas where we are able to make the biggest difference.

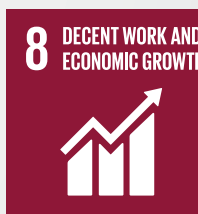
Decent jobs for everyone

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

We want to conduct our business in an ethical and responsible manner, and it is very important for us that our employees and suppliers share this approach.



Sustainable logistics

We want to help address the global climate challenge which the world is facing due to excessive CO₂ emissions. We are constantly exploring new possibilities in terms of alternative fuels for our trucks and new technologies. At the same time, employee behaviour is a key focus area, and we want our transport divisions and our logistics centres to be as efficient as possible in our effort to reduce our carbon footprint. Our efforts also include focusing on energy consumption and waste management.





In order to be able to work as efficiently as possible within these focus areas, we have identified the risks that our business activities entail >

<h2>Human rights §</h2>	<h2>Climate </h2>	<h2>Environment </h2>
<p>IDENTIFIED RISKS</p> <p>Suppliers not sharing the desired attitude and approach to human rights, working conditions and compliance.</p>	<p>IDENTIFIED RISKS</p> <p>The transport industry has one of the biggest carbon footprints.</p> <p>Increased revenue means increased fuel consumption.</p> <p>Tight deadlines and the demand for short response times can result in increased fuel consumption.</p> <p>Establishing and operating logistics centres produces CO₂ emissions.</p>	<p>IDENTIFIED RISKS</p> <p>Our logistics centres produce large quantities of plastic and cardboard waste in particular which will have a negative impact on the environment if not recycled.</p> <p>Our logistics centres use large quantities of plastic for packaging which has a negative environmental impact and must therefore be reduced to a minimum.</p> <p>Truck washing uses large volumes of water. Even though water is not a scarce resource in northern Europe, it makes sense to reduce water consumption in order to reduce the energy which is consumed in making drinking water available to consumers.</p>
<p>CURRENT EFFORTS</p> <p>All suppliers must sign our Code of Conduct, which was last updated in December 2019.</p>	<p>CURRENT EFFORTS</p> <p>The use of alternative, sustainable fuels such as gas, RME and HVO.</p> <p>Focus on driving style and fuel consumption.</p> <p>Ensuring that Frode Laursen has a state-of-the-art fleet and the latest technology at its disposal.</p> <p>Focus on vehicle utilisation.</p> <p>Providing solutions that minimise CO₂ emissions as well as transparent reporting for our customers ensures transparency and therefore a constant focus on CO₂ emissions.</p> <p>Establishing the FL green quota system.</p> <p>Establishing the FL Green Warehouse Vision.</p>	<p>CURRENT EFFORTS</p> <p>Significant focus on recycling waste from our logistics centres and terminals.</p> <p>Focus on minimising the use of plastic for packaging.</p> <p>We are continually establishing new wash halls that recycle the water.</p> <p>We are constantly exploring new ways of reducing our environmental impact.</p>

Employees



IDENTIFIED RISKS

The transport and logistics industry often involves hard physical work. Consequently, there is a significant risk of occupational injuries and accidents, particularly among:

- Drivers
- Warehouse employees
- Workshop employees

In a large company with many different people, cultures and genders, there is a risk of misunderstandings and undesirable and sexually abusive behaviour among the workforce.

CURRENT EFFORTS

Training and educating employees to ensure they know about the equipment and how to act correctly in every work situation.

Collaboration with national authorities on current challenges faced by particular risk groups.

Regular meetings held regarding safety and the working environment.

Structured approach towards evaluating accidents to prevent the same accidents from reoccurring.

Automation of physically challenging tasks where possible and relevant.

Establishing policy on abusive behaviour.

Anti-corruption



IDENTIFIED RISKS

Corruption is the abuse of power for private gain. As it puts the needs of the individual ahead of the needs of the company, it can threaten the stability of the business and is therefore considered a threat.

CURRENT EFFORTS

We have established a customer contact model involving three key persons, thereby minimising the risk of corruption.

In order to reduce the risk of corruption, we have a strong focus in-house on our values. At the same time, our Code of Conduct states unequivocally that we do not accept any form of corruption or bribery.

Good business practices & ethics

Code of
Conduct



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

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

Therefore, we expect all our suppliers to accept our Code of Conduct to ensure that they meet the standards we set.

Transparency

At Frode Laursen, we believe in transparency and strong relations with both our customers and employees. Transparency and open communication have proved particularly crucial during the corona pandemic of 2020. A high level of information, a good dialogue and a strong sense of responsibility among all our employees safeguarded the supply chain throughout the first wave of the pandemic in spring

and again during the second wave at the end of the year.

However, the growing pressure of work in 2020 also highlighted the need for greater digitalisation in our internal communications, and we therefore invested in an internal communication platform to ensure transparency and know-how throughout the organisation. This internal platform is expected to be integrated throughout the organisation in the first half of 2021.

Just as we increased the level of communication for employees in 2020, we also communicated more with our customers to keep them constantly informed about the situation in Frode Laursen.

This approach is fully in line with the desire for transparency coming from our customers.

For several years, we have used our advanced Warehouse Management System (WMS) and our unique Transport Management System (TMS) as internal tools for ensuring full traceability of both entire pallets and repackaged displays. In 2020, we launched our customer portal 'FL Analytics', which gives our customers quick and easy access to key figures and visualisations of their data from the logistics centres as well as from distribution/transport operations. Unfortunately, the corona pandemic meant that we did not manage to roll out the portal to as many customers as planned. However, we expect to be able to offer FL Analytics to all 3PL customers and large transport customers in 2021, when we also expect to make our CO₂ reporting available on the platform.

Transparency for customers

FL Analytics is Frode Laursen's own web-based customer portal that makes the company's data more transparent and accessible to customers.




"We have always supplied documentation, but in recent years we have seen a strong demand from our customers to make the documentation more transparent and accessible. FL Analytics has been launched in response to this demand," says Birgitte Enevoldsen, head of Business Controlling.

FL Analytics displays the so-called POD reports, i.e. data covering deliveries and shipments. Track and trace has been implemented as well, together with the option of viewing signed consignment notes. In addition, customers also have direct access to service reports on transport and warehouse operations, and can continually monitor the quality of the deliveries.

"And we expect to be able to present further initiatives in FL Analytics in 2021," says Birgitte Enevoldsen.





Business practices & ethics OBJECTIVES 2020	Transparency OBJECTIVES 2020
 Raise awareness of Frode Laursen's Code of Conduct within the company.	Roll-out of FL Analytics.
 RESULTS 2020 New Code of Conduct better integrated into the organisation, e.g. via information in the staff magazine.	RESULTS 2020 FL Analytics rolled out to individual customers. Investment made in new internal communication platform.
 OBJECTIVES 2021 Improve internal awareness of Frode Laursen's Code of Conduct.	OBJECTIVES 2021 Roll out FL Analytics to 95% of customers. Implement track and trace and CO ₂ reporting via FL Analytics. Implement internal communication platform for all of Frode Laursen.

Sustainability & environment

Frode Laursen operates in an industry with a significant carbon footprint. Therefore, we see it as our duty to lead the way and contribute to the green transition. For several years, one of our clear objectives has been to reduce CO₂ emissions from our transport activities as well as at our logistics centres. In 2020, we set a concrete target for how much we will reduce our CO₂ emissions by over the next ten years.

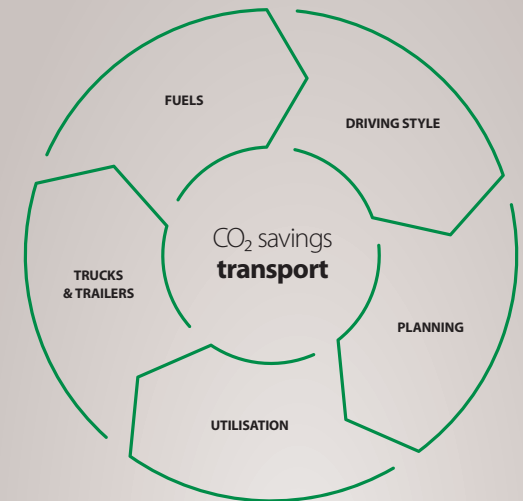
We calculate our climate impact on the basis of our CO₂ emissions per square metre of warehouse area as well as our CO₂ emissions per tonne-km.

With regard to transport, emissions can be calculated as 'tank-to-wheels' (TTW), where only the emissions from the fuel in the fuel tank are included, or as 'well-to-wheels', where emissions throughout the entire process are included, i.e. from the oil well to the wheels. We have chosen to follow the ISO 14001 recommendations and EU strategy, and have therefore calculated the emission value from well-to-wheels,

so that the full carbon footprint of the fuel is included.

With regard to the emission value of consumption at our logistics centres, we have used figures from the authorities.

From 2020 to 2030, we will reduce our climate impact by 35%. This is an ambitious goal, but we believe we can achieve it, partly because we are seeing a growing interest among our customers in sustainable transport and warehouse solutions, and we greatly value our cooperation with them to find the best solutions.



Many partial solutions together add up to a greener logistics solution, and therefore we are working on several fronts within transport and warehouse solutions.

Well-to-Wheels

For each WTW pathway
calculate

- Total energy required
- Total GHG emitted

© EU, 2016

Well-to-Tank (WTT)



Transport

Frode Laursen's biggest source of CO₂ emissions is our transport operations, and therefore we have been devoting considerable focus to how we can reduce our CO₂ emissions per tonne-km. In 2020, our transport emissions were at 2019 levels, which is obviously not satisfactory in light of our ambition to reduce emissions by 35% by 2030. However, we expect to improve the results in the coming years, partly based on the measures outlined below.

As Frode Laursen owns the majority of the fleet it uses for transport and distribution, we have a unique

opportunity to ensure that both the equipment and our drivers are able to perform 100%.

Our fleet is among the newest in the Nordics. Of our vehicles, 99% are Euro 6 standard, 4% are gas-powered, and in the Nordic region we are one of the biggest operators of road trains, which ensure better capacity utilisation. In 2020, we increased the use of road trains by almost 3%, and we expect this figure to rise further in 2021.

At the same time, we are conducting tests with different equipment, and in 2020, for example, we

introduced a green refrigerated trailer that runs exclusively on electricity.

We also make a point of training our drivers to drive more efficiently and sustainably, and we are always on the lookout for new ideas and alternative solutions, especially when it comes to non-fossil fuels.

Finally, we also want to be as transparent as possible vis-à-vis our customers, and offer them monthly reports on the CO₂ emissions from their transport operations.

Biogas Arvid Nordquist



In January 2020, Frode Laursen A/S and Arvid Nordquist HAB jointly put a new biogas-powered truck on the road. The biogas-powered truck cuts CO₂ emissions by up to 100%, and distributes sustainable coffee in the Stockholm area.

Biogas Norsk Gjenvinning



In 2020, Frode Laursen A/S and Norsk Gjenvinning, Norway's largest recycling and environmental company, invested in a solution for transporting waste from Norway to Sweden in 100% biogas-powered trucks, which makes it possible to cut CO₂ emissions by 100%.

Gas-powered trucks for the Continent



In 2020, Frode Laursen purchased more than 20 trucks for driving on the Continent. At the moment, it is not possible to refuel with biogas (LBG) in Germany, so the trucks run on natural gas (LNG), which cuts CO₂ emissions by approx. 20%.

27 gas-powered trucks in one year

In just one year, Frode Laursen's fleet of gas-powered trucks has grown from a single natural gas-powered vehicle in Tølløse on central Zealand to a total of 28 gas-powered trucks which can run on both biogas (LBG) and natural gas (LNG).

"Gas is a greener propellant than diesel, and can contribute significant CO₂ reductions. Our gas-powered trucks can reduce CO₂ emissions by 20-100% compared to a diesel truck," says Jan Skov Pedersen, technical manager at Frode Laursen.

The size of the reduction depends on the sort of gas which is used for fuelling. The trucks can be driven on both natural gas and biogas, with the latter offering the biggest reductions.

"Our objective is definitely that an even larger percentage of our trucks must run on biogas," says Jan Skov Pedersen.

However, it is not always possible to refuel with biogas, and when this is the case, Frode Laursen must be content with a CO₂ reduction of about 20%.

"But we're obviously hoping that it will soon be possible to refuel with biogas in more places, as this will enable us to reduce CO₂ emissions from our transport activities even further," says Jan Skov Pedersen, who is also expecting more gas-powered trucks to be added to the fleet in 2021.



Clear focus results in higher utilisation

In 2020, the Distribution Division under Road DK ran a pilot project aimed at increasing the vehicle utilisation for all vehicles driving out of Frode Laursen's terminals in Tølløse and Vitten.

"We saw there was room for improvement, so we informed the freight forwarders and drivers that the goal was to increase the vehicle fill rate (VFR) by 3%," says Dennis Sørensen, head of Distribution.

A goal that was achieved:

"We actually managed a 3.9% increase, which is equivalent to having an extra 22,573 pallets on the trucks," says Dennis Sørensen.

Even though a new stacking system, for example, was used in order to realise the goal, it was mainly the dialogue and the constant focus which yielded the results.

"It makes a big difference if the freight forwarders and the drivers together discuss how to load as much as possible onto the trucks," says Dennis Sørensen, adding:

"It's clear that there's a natural limit to how many stops a driver can make in the course of a working day. If he returns with five pallets because he hasn't been able to deliver them, then nothing has been achieved."

However, despite this, it has been possible to increase the VFR overall.

"By maintaining our focus and holding small local competitions where the drivers can see how high a vehicle fill rate they have each had, we've managed to increase the VFR," says Dennis, while emphasising that the ambitions are not stopping here.

"We obviously want even higher vehicle fill rates, and we've set targets for 2021 which are ambitious, but by no means impossible."

Green prize for Frode Laursen

Frode Laursen A/S won the Danish Transport Award 2020 for its green initiatives. In particular, the way in which the company has involved its employees impressed the jury panel.

“Even though we stood with a strong field of six nominees, we were never in doubt that the winner should be Frode Laursen. You’re implementing a wide range of initiatives, and at the same time going out of your way to involve your employees.”

This is what the jury chair Connie Hedegaard, former EU Commissioner for Climate and chair of the green think tank Concito, said in explaining why Frode Laursen had been selected as the award-winner. Together with ITD’s chairman Christian S. Madsen, she presented the green award to Thomas Corneliussen, Director of Frode Laursen.

Even greater employee involvement

The Danish Transport Award is awarded by ITD, the trade association for Danish transport and logistics companies, and ITD’s jury selected Frode Laursen for its work with optimising driving style, our climate-friendly wash halls, trials with electric refrigerated trailers and our focus on waste sorting.

The award came with a prize of DKK 50,000, which Frode Laursen A/S will use to support the



suggestions made by employees, naming the best employee suggestion four times a year.

Cool with no fuel

One of Frode Laursen’s green pilot projects in 2020 was the electric refrigerated trailer ‘The new cool’.

Unlike standard reefers, ‘The new cool’ trailer does not run on diesel, but on a battery which is continually being recharged whenever the truck – and therefore the trailer as well – brakes or travels downhill. “The refrigerated trailer is simply fitted with a dynamo, which charges up the batteries when the vehicle slows down,” says Jan Skov Pedersen,

technical manager at Frode Laursen.

When the trailer is stationary at a storage facility, for example, it is connected to a power outlet, and the battery is recharged via the mains.

“The refrigerated trailer works in exactly the same way as an electric vehicle, only you don’t have to worry about running out of power because the battery is constantly being charged whenever you’re driving,” says Jan Skov Pedersen.

Video
The new cool



Buildings

As regards Frode Laursen's logistics centres and other buildings, our pollution risks and energy consumption are continuously being mapped and we are doing what we can to minimise risks and reduce consumption.

By definition, the very idea behind our multi-share warehouse solution is sustainable: Shared facilities save resources – both for transport and at the logistics centres. Nevertheless, we have about 600,000 square metres of warehouse and office buildings, so it is extremely important for Frode Laursen that we find the best way of both operating and building logistics centres.

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

In 2020, Frode Laursen established a 'Green Warehouse Vision', which sets high green standards for future building work at Frode Laursen.

When establishing new logistics centres, we ensure that our buildings meet high energy

requirements. One measure is that we always install LED lighting with sensors. To ensure the best functionality, we also involve ourselves in the development of these LED lamps. We have also begun to install smart distribution boards, which ensure that consumption is as green as possible by transferring as much consumption as possible from day to night, which increases the possibility of using green power generated by, for example, wind turbines. From what we have found so far, it looks as though we can move 30-40% from day to night.

In addition, we are now installing heat pumps in our office buildings, and these are proving to be a more energy-efficient form of heating than any other.

When planning a new construction project, we always run calculations to establish which locations will result in the lowest transport costs and thus the lowest CO₂ emissions.

In 2020, we registered a slight increase in CO₂ emissions from our buildings. This is mainly due to an increase from 2019 to 2020 in the emission values

used for electricity consumption.²⁾ However, our ambition to reduce our carbon footprint has meant that, from 1 January 2021, we only buy green power for our buildings.

We systematically sort the waste at all our logistics centres. Every year we are working to improve our approach to waste sorting and recycling. For example, for two consecutive years we have improved the way in which we use biodegradable waste, so that most of the waste no longer goes to incineration but to biogas plants.

At the same time, we have invested in our own new and environmentally optimised wash halls, which recycle the dirty washing water. In 2020, we inaugurated another sustainable wash hall, this time at our logistics centre in Åstorp, Sweden. This brings the current total up to four sustainable wash halls, which saves approx. 12,000 cubic metres of fresh drinking water, or the equivalent of 80 families' annual consumption.

2) The emissions calculation is based on figures from the Danish Business Authority.



Green Warehouse Vision

In 2020, Frode Laursen set out its green vision for the establishment of new logistics centres and warehouses. In the company's Green Warehouse Vision, both ongoing projects and visions for the future are described.

"It's important for us that we don't stand still, and our Green Warehouse Vision helps us to keep moving forward all the time," says Jakob Gundal Nikolajsen, Facilities manager at Frode Laursen.

An important part of Frode Laursen's Green Warehouse Vision are the sensor-controlled LED lamps, which the company itself has helped develop. In addition, the company's Green Warehouse Vision describes how Frode Laursen will build in future using CO₂-neutral insulation, install roofs that neutralise NO_x emissions and generally reduce the use of plastic.





CO₂ emissions per tonne-km and per m²

OBJECTIVES 2020

Reduced CO₂ emissions per tonne-km.
Reduced CO₂ emissions per m².

RESULTS 2020

In 2020, we reduced our total CO₂ emissions from 42,068 tonnes to 40,249 tonnes. Unfortunately, it was not possible to register the same reduction in CO₂ emissions per tonne-km, and in fact there was a slight increase of 0.25 g per tonne-km.

We cut our energy consumption in 2020, but unfortunately a higher emissions value meant that we did not manage to reduce our CO₂ emissions per m² as well.



OBJECTIVES 2021

35% reduction in Frode Laursen's total CO₂ emissions per tonne-km and per m² in 2030.

Our fleet and alternative fuels

OBJECTIVES 2020

Even more of the fuel we consume in Sweden must be eco-friendly.
More tractor units which can run on alternative fuels.
Maintenance of the fleet. Min. 98% must be Euro 6 standard.
Invest in new trailers and tractor units.

RESULTS 2020

In Sweden, the proportion of eco-friendly fuel we used increased by 6% from 27% in 2019 to 33% in 2020. However, in 2020, alternative fuels became more widespread. Therefore, we have chosen to focus on the overall proportion in Frode Laursen. In 2020, we refuelled with 705,457 litres of eco-friendly fuel, which accounted for 4.94% of total consumption.

At the end of 2020, we had 28 gas-powered trucks in our fleet – compared to just one at the beginning of the year.

Newest fleet. 99% are Euro 6 standard.

Preparing an FL quota system.

We have invested in 165 new trailers and 85 tractor units.

OBJECTIVES 2021

Even more of the fuel we consume must be eco-friendly. In other words HVO, LNG, LBG or RME.

More tractor units which can run on alternative fuels.

Maintenance of the fleet. All trucks must be Euro 6 standard.

Invest in new trailers and tractor units.

Implementation of the FL quota system.

Driving style and vehicle fill rate

OBJECTIVES 2020

Increase the number of drivers involved in the driving style project.
Improve driving efficiency in FL Polska Sp.z.o.o.

RESULTS 2020

57% of the Frode Laursen Group's drivers are involved in driving style projects.

Driving efficiency in FL Polska Sp.z.o.o has unfortunately not increased significantly in 2020. This is not satisfactory, and the area will be the subject of even more focus in 2020.

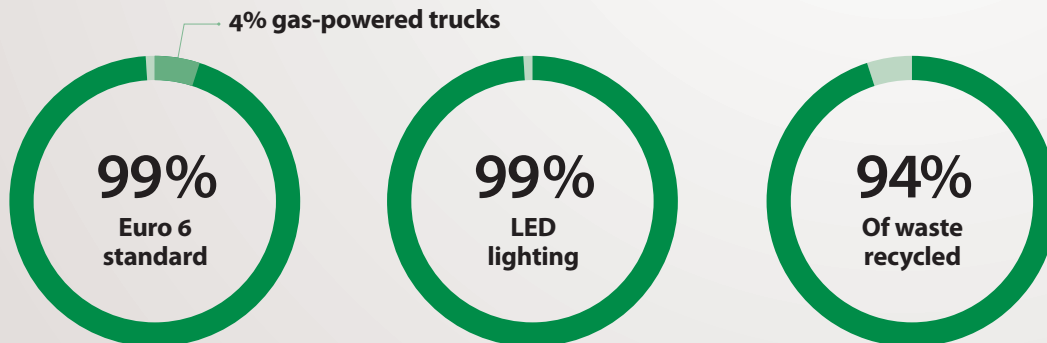
3.9% improvement in vehicle fill rate for distribution trucks operating from Tølløse and Vitten.

OBJECTIVES 2021

Vehicle fill rate must be improved.

Driving efficiency in FL Polska Sp.z.o.o must be improved.

	Energy consumption	Waste	Water consumption
🎯	OBJECTIVES 2020 Min. 95% of our lighting must be LED. Explore the possibility of purchasing green energy.	OBJECTIVES 2020 Focus on how to better recycle biodegradable waste. A higher proportion of waste must be recycled. A smaller percentage of our recycling must be used for district heating.	OBJECTIVES 2020 Completion of new wash hall in Åstorp.
✅	RESULTS 2020 99% of our lighting is LED. Decision that Frode Laursen will only purchase green power from 2021. Preparation of the Green Warehouse Vision.	RESULTS 2020 94% of all waste is reused, which is 1% less than last year; on the other hand, the proportion of waste for biogas plants increased by 2% while the proportion of waste destined for incineration decreased by 6%.	RESULTS 2020 New sustainable wash hall entered service in Åstorp.
🎯	OBJECTIVES 2021 Implementation of green energy. Pilot projects to explore the possibility of Frode Laursen having its own sustainable power production (solar panels).	OBJECTIVES 2021 Focus on alternative ways of using our waste. Focus on minimising our plastic consumption for packaging.	OBJECTIVES 2021 New sustainable wash hall planned for new logistics centre in Eskilstuna, Sweden.



Thinner stretch wrap saves 5 tonnes of plastic

In 2020, Frode Laursen replaced its 17 micrometre (0.017 mm) plastic wrap with a 15 micrometre (0.015 mm) wrap. A change that might be difficult to see with the naked eye, but in fact it makes a big difference.

“This change saves us 12% in terms of wrapping,” explains Kurt Fagerlin, manager of Frode Laursen’s co-pack department, whose responsibilities include the purchasing of packaging products. Frode Laursen uses approx. 19,000 rolls of wrap a year, so this translates into a significant saving of approx. 4,800 kg of plastic, while the 12% reduction in plastic consumption also means 12% less CO₂ emissions.

To begin with, only the hand stretch film has been replaced, but Frode Laursen also plans to replace the film on the stretch wrap machines in the warehouses in 2021.



Employees & society

At Frode Laursen, we see our employees and their experience and knowledge as our most important resource. This means that every employee is expected to take responsibility, collaborate and pull their weight.

At the same time, it is important that all our employees are taken seriously and treated with respect. This is also why topics such as safety, working conditions and training have a high priority in Frode Laursen. In 2020, the safety of our employees acquired a whole new dimension. On the one hand we had to protect the safety and security of society by ensuring that daily goods were delivered to the shops, and on the other we had to ensure that our employees were protected against COVID-19 to the greatest possible extent.

We therefore quickly established a task force made up of managers and key employees, whose primary task was to ensure a rapid response and efficient and timely communication to both employees and customers. The task force was active throughout 2020, and has continued in its role in 2021.

Diversity

Diversity is an advantage for any company, and therefore it also has a high priority at Frode Laursen. When, like Frode Laursen, you are a group that operates internationally, has locations in five countries and employs even more nationalities, it is clear that diversity and the ability to understand each other across different cultures, religions and genders is essential for the group to function.

Even though the transport and logistics industry is a business with a large majority of men, our objective is that at least 20% of Frode Laursen's Board of Directors are female. This objective is currently met.³⁾

However, it is also Frode Laursen's ambition to improve the gender balance at other management levels. Today, 32% of our managers are women – and we would like this figure to be even higher.

Accordingly, we have drawn up guidelines for recruiting and retaining female managers, which include:

- **Support with establishing individual career plans**
- **Equal career opportunities for both genders**
- **Recruitment procedures which help to ensure equal recruitment opportunities for both genders**

3) In TA-Logistics A/S and Frode Laursen A/S.



Working environment

Another focus area is the working environment. It is important to us that it is safe to go to work at Frode Laursen, and we do our utmost to prevent accidents at work.

All employees have the right and access to the necessary safety equipment, and we conduct risk analyses of our work processes and provide the necessary safety training for our employees.

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

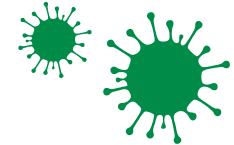
In 2020 we had 58 work-related accidents. This is 58 too many, and in 2021 we have therefore allocated additional resources to the working environment, with a particular focus on reducing the number of accidents. In addition to being a safe place to work, it is also our ambition that our employees enjoy a high level of well-being. We have a zero tolerance policy towards bullying, which also means zero tolerance towards sexual harassment. In the aftermath of the debate about #Me Too, which flared up in particular in Denmark in 2020, we decided to make it extra clear how we expect people to behave at Frode Laursen, and therefore prepared a specific policy for the area.

Training

It is important for Frode Laursen that we help our employees to develop in tandem with the group. Consequently, we have invested in tailor-made courses for our truck drivers, our warehouse workers and our office staff.

Unfortunately, the corona pandemic prevented us from achieving all that we had set out to do in 2020. Among other things, we did not implement training for our warehouse managers to the extent we had hoped. However, in early 2020 we managed to upgrade the competences of our master drivers by means of a five-day mentoring course that focused on the human aspects.

Corona measures: Protecting employees at an uncertain time



When corona hit the world full on in early 2020, we had two important tasks: To protect our employees and to safeguard the supply chain.

We therefore quickly set up a task force comprising senior management and selected key employees. The aim was to be able to respond quickly to the rapidly changing situation and government instructions and at the same time communicate new guidelines and information to all employees and customers as quickly as possible.

One of our biggest challenges at the beginning of the pandemic was securing sufficient personal protective equipment. It was almost impossible to procure, particularly hand sanitiser, and we ended up producing sanitiser ourselves for our employees until supplies could be guaranteed.

As regards communication, we decided to supplement various signs and posts with videos and messages which were sent directly to employees. Faced by the uncertainty, we found

that employees turned to us for concrete advice on what they should do – and we in turn wanted to do all that we could to ensure that everyone knew how to best protect themselves and their colleagues against infection.

The communication proved successful, and even though we were unable to avoid a small number of cases, we prevented the spread of infection at our locations, and were thus able to protect our employees, customers and the supply chain.



Master drivers ensure a good introduction

Since 2013, the Master Driver Concept has been an integral part of Frode Laursen. Initially, there were only 10 master drivers – today there are 28.

Then – as now – the aim is to ensure a good introduction for new drivers and consistently high-quality work for Frode Laursen.

The master drivers are chosen because they are good ambassadors for Frode Laursen, and are selected on the basis of their experience, driving and interest in looking after new employees.

In the last two years, there has been even more focus on the master driver as a mentor, and our master drivers have been on training courses in coaching and self-learning in 2019 and 2020. Consequently, they are now better at adapting their communication to the individual new employee and at developing the new drivers.

Part of the local community

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

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

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

Sponsorships

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

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

In 2021, Frode Laursen will continue to sponsor activities in the local community.





Frode Laursen swaps customer gifts with charity donation

In a year in which global health was in focus, Frode Laursen decided to donate the money which is normally spent on Christmas gifts for customers to Médecins Sans Frontières (Doctors without Borders).

"2020 has been a very special year," said sales manager for Transport Frank Wolf-Jürgensen, while Ralf Laursen, sales manager for 3PL, added:

"We realised that it would be difficult travelling round to our customers to deliver the traditional Christmas basket, so we decided instead to donate the money to charity."

The decision to donate the DKK 150,000 to Médecins Sans Frontières was an easy one.

"COVID-19 has hit the whole world hard, and has impressed on us all how important an efficient healthcare system is. Unfortunately, not everyone has access to good healthcare, which is why it made

sense to donate to Médecins Sans Frontières' global response to the COVID-19 outbreak."

Médecins Sans Frontières was delighted with the donation:




"At a time when the entire world is battling COVID-19, and Médecins Sans Frontières is in a high state of preparedness, it's fantastic to receive such amazing support from Frode Laursen. Thanks to this generous donation, Médecins Sans Frontières will be able to protect over 1,300 healthcare personnel with protective equipment in the field for a full day, enabling them to provide safe help to patients in the fight against COVID-19 – or vaccinate over 34,000 underprivileged children against measles," said Kristina Boldt, fundraising director at Médecins Sans Frontières in Denmark.



Donation

**Médecins Sans
Frontières**



 Diversity	Working environment	Training
OBJECTIVES 2020 Increase the proportion of female managers.	OBJECTIVES 2020 Further reduce the number of work-related accidents.	OBJECTIVES 2020 Roll out leadership training for warehouse forepersons in Denmark, Sweden and Germany. Leadership training for departmental managers. Further upgrade the master driver training course.
 RESULTS 2020 We decided to calculate the share of female managers for the entire group instead of just Frode Laursen A/S. In 2020, female managers in Frode Laursen accounted for 32% of all managers.	RESULTS 2020 We decided to report the number of work-related accidents for the entire group instead of just Frode Laursen A/S. In 2020, the number of work-related accidents was 58.	RESULTS 2020 Upgraded the master driver training course. Leadership training was completed for the warehouse forepersons in Sweden, but unfortunately the corona pandemic halted the further roll-out of the training. For the same reason, we only completed a few leadership training courses for departmental managers.
 OBJECTIVES 2021 Increase the share of female managers at all management levels.	OBJECTIVES 2021 Reduce the number of work-related accidents throughout Frode Laursen by min. 15%. Implement joint safety initiatives for the entire Nordic region.	OBJECTIVES 2021 Develop and implement systematic leadership training at all management levels in the company.

Employees & society

Local charities & sponsorships

OBJECTIVES 2020

Offer language courses and dyslexia courses.

OBJECTIVES 2020

Focus on a more structured approach to sponsorships and charity.

RESULTS 2020

Danish language courses and dyslexia courses held at our logistics centre in Jyderup.

RESULTS 2020

Review of sponsorship structure not completed – corona required our efforts elsewhere.

DKK 100,000 paid to local charities and sponsorships.

Employees and Frode Laursen together donated DKK 91,044 to the Danish Cancer Society's campaign: Knæk Cancer.

DKK 150,000 donated to Médecins Sans Frontières.

OBJECTIVES 2021

Continued focus on language and dyslexia courses.

OBJECTIVES 2021

Review of sponsorship structure.

Key figures

KEY FIGURES	2020	2019	2018	2017	2016
CO₂					
CO ₂ emissions (tonnes) - Transport	40,249	42,068	44,904	44,854	43,013
Average energy efficiency (grams CO ₂ per tonne-km)	40.07	39.82	40.69	40.69	41.41
CO ₂ emissions (tonnes) - Buildings	2,200	2,042	2,625	2,231	3,223
CO ₂ emissions kg/m ²	4.75	4.61	6.32	5.97	8.79
Water consumption					
m ³ ('000) – Water consumption	16.49	18.43	16.27	15.64	14.18
Water consumption (m ³ /m ²)	0.03	0.04	0.04	0.04	0.04



Frode
LAURSEN

KEY FIGURES	2020	2019	2018	2017	2016
Trucks by Euro standards (%)					
Euro 6 standard	99	96	91	70	48
Euro 5 standard	1	4	8	29	49
Euro 4 standard	0	0	1	1	3
Recycling as a percentage of total waste volume					
Proportion for incineration	19	25	41	40	39
Cardboard and paper for recycling	37	36	36	35	32
Plastic for recycling	4	3	4	3	4
Biodegradable waste for biogas	26	24	7	9	10
Glass for recycling	0	0	0	1	0
Metal for recycling	2	2	4	4	5
Wood for recycling	4	4	3	3	4
Concrete for recycling	2	1	2	-	-
Waste which is not recycled	6	4	3	5	6

KEY FIGURES	2020	2019	2018	2017	2016
Employees					
No. of employees (full-time)	1,726	1,757	1,809	1,742	1,722
Gender breakdown for Board of Directors (%) ⁴⁾					
Women	20	20	20	20	20
Men	80	80	80	80	80
Gender breakdown for management (%)					
Women	32 ⁵⁾	34 ⁶⁾	35 ⁶⁾	28 ⁶⁾	-
Men	68 ⁵⁾	66 ⁶⁾	65 ⁶⁾	72 ⁶⁾	-
Work-related accidents					
No. of work-related accidents with one or more days of sickness absence	58 ⁷⁾	34 ⁸⁾	40 ⁸⁾	47 ⁸⁾	39 ⁸⁾

- 4) In TA-Logistics A/S & Frode Laursen A/S.
In 2020 the figures in TA-Logistics A/S are 33%/67% (women/men).
- 5) Gender distribution in Frode Laursen's management.
- 6) Gender distribution in Frode Laursen A/S's management.
- 7) The number of work-related accidents covers all of Frode Laursen.
The statement does not include office staff, workshop employees or temporary workers.
- 8) The number of work-related accidents covers Frode Laursen A/S.
The statement does not include office staff, workshop employees or temporary workers.



Corporate Social Responsibility report

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