Where there's a will there's a way

CSR report

2022

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It is time for inner and outer transition

ALPI is a family-owned and value-driven global freight forwarding company, and in 2022 we celebrated ALPI Danmark's 30th anniversary. We are founded on fairness and care, and now we are adding transition. The times call for both inner and outer transition. An understanding of and for the time. The ability to see opportunities in a constantly changing world.

In the EU, the strategy is for sustainable transformation to be the driving force of value creation going forward. It is necessary because the world's population is increasing in line with increasing overconsumption. But also because today's consumers and employees are conscious people, and at the same time, the climate threats are constantly increasing.

We must be responsible; environmentally, socially, financially and managerially. We must be aware of our positive and negative impacts on the world and vice versa. Only then can we achieve sustainable solutions. Only then can we create value for the world, ALPI, our customers and our employees.

Morten Høgsberg Nielsen
CEO ALPI Air & Sea

Kjeld Tygesen
CEO Director ALPI Danmark

Through ESG engagement and performance, we can secure a more data-driven development. Therefore, we focus on creating transparency and validity about data and documentation - opportunities and consequences. A work that requires courage and will. We set goals and have ambitions, which we continuously try to fulfil. Sustainable transformation and business are about, among other things, new knowledge, new technologies, new infrastructure and scarce experience. We combine the UN Sustainable Development Goals and everyday goals, and small and big steps all point in the right direction. By 2022, we have achieved, among other things, becoming CO_2 neutral at our sites.

In 2020, we launched ALPI Go Green, our first sustainability strategy. From the beginning of the work to clarify ALPI's footprint and sustainable actions, we have focused on ensuring broad anchoring internally at ALPI. And it is our responsibility, as the Executive Board, to ensure commitment and resources for the continued work towards an even more sustainable ALPI. Therefore, the work on ALPI Go Green is also a strategic focus for 2023.

One of the top priorities has been the development of a CO_2 calculator, which provides CO_2 data to our customers on individual transports - an effective tool to meet increasing reporting requirements. The development has been done in collaboration with Aarhus University's Centre for Energy Technologies. It has been a rewarding and inspiring collaboration, and we continue to develop the tool.

In 2022, we conducted a Double Materiality analysis, focusing on the themes of engagement, strategic transformation, responsible business behaviour and risk mitigation. Actions and priorities to take ALPI well and truly forward while ensuring we are equipped to meet future European sustainability standards. The EU's Corporate Sustainability Reporting Directive (CSRD) has been adopted, and the European Sustainability Reporting Standards (ESRS) are expected to be finally adopted by June 2023. It is in the ESRS that the details of sustainability reporting are set.

We welcome directives and standards. They make companies' footprint on society, people and the environment visible and ensure transparency in reporting and disclosures according to set ESG criteria - for the benefit of us all.

In the coming years, we will undoubtedly see a reorientation and transformation of the transport industry. However, we are well-equipped at ALPI with orderliness, care, and willingness to change.

In 2022, we interacted - and will continue to interact - with customers, colleagues and partners with this starting point: Where there is a will, there is a way. And we are on our way.

Happy reading!

Morten Høgsberg Nielsen
CEO ALPI Air & Sea

Kjeld Tygesen
CEO Director ALPI Danmark

About ALPI

The ALPI Group is a global freight forwarding company founded in Italy in 1945 by the Albini and Pitigliani families. The company remains in the ownership of the two families, and the ALPI Group has offices in 81 countries.

The Danish part of the ALPI Group, ALPI Danmark, was established in 1992, and ALPI Air & Sea in 2001. The Danish group is referred to in the report under the collective name ALPI. We have our head office in Herning and branches in Kolding, Karlslunde, Roskilde, Padborg and Odense.

We offer full-service transport and logistics worldwide. In addition to car transport, air freight and sea freight, we offer courier solutions, rail solutions, warehouse hotels, pick-pack, trade fair forwarding and consultancy. We operate a business model where we do not own the means of transport. All transport is carried out in collaboration with experienced hauliers, as well as reputable shipping companies and airlines.

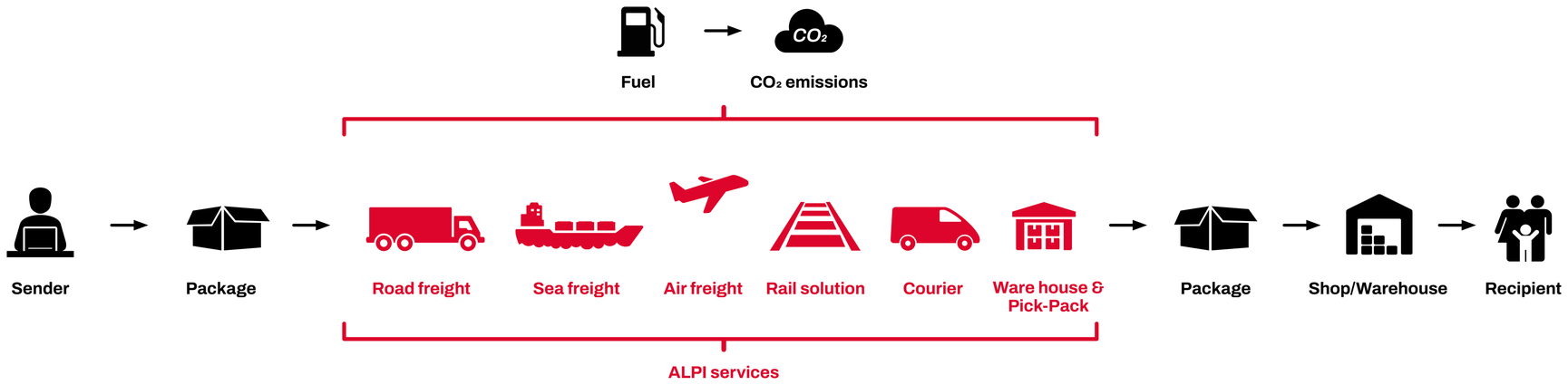
ALPI focuses on customer intimacy, and we strive to be at the forefront of service, collaboration, accountability and sustainability.

Our customer segment is primarily small and medium-sized companies that need flexibility and handheld solutions throughout the transport chain. Experienced ALPIsters ensure global follow-up, help and advice.

Locations	***Products***
Herning (head office) *Established in 1992*	Car transport Air freight Sea freight Courier Rail/intermodal solution Warehouse hotel and pick-pack
Kolding *Established in 2018*	Sea freight Warehouse hotel and pick-pack
Padborg *Established in 2015*	Car transport Rail/intermodal solution
Odense *Established in 2008*	Sea freight Air cargo Courier Warehouse hotel and pick-pack
Roskilde *Established in 2019*	Warehouse hotel and pick-pack
Karlslunde *Established in 2022*	Car transport

About ALPI

ALPI has always had responsibility at its core. Internal and external social action has been integral to the company since its foundation. We started structured environmental work in 2019 and launched the ALPI Go Green project in 2020. One of the goals was - and still is - to gain knowledge about developments and technologies, and to actively work on the green transition in the transport industry to inform and guide our customers and provide transparent and valid CO_2 data. As a result, we now act as a sounding board for many of our customers and partners.



Key figures

Six sites
in Denmark

245 employees

5.3 years of seniority

22 trainees

Average age 42

626,786 Kwh
renewable energy

8,228 m³
natural gas

321,194 kg CO_2
in scopes 1 & 2

35,286,694 kg CO_2
in scope 3

1.347.000.000 Dkk
in annual turnover

45%	43%	5%	5%	2%
Road freight	Sea freight	Air freight	Warehouse hotel & pick-pack	Courier

Sustainability and business development
- the triple bottom line

At ALPI, we aim to make a profit - with consideration. That is why we always strive to make a difference and contribute to the community, and it is the foundation on which we are built.

Our world and its resources are under constant pressure, and we must address this. It requires action and initiatives for a more sustainable behaviour and future.

Focusing on growth, the bottom line, and employees to run a healthy business is no longer sufficient. Our footprint on the planet is also crucial. Fortunately, studies and experience show that there is scope for making sustainability profitable.

From the outset of our work to clarify ALPI's footprint and sustainability actions, we have focused on ensuring broad ownership within the organisation to avoid sustainability becoming a silo project. A major project group was involved in clarifying, mapping and drafting our first sustainability strategy in 2020.

In 2022, in collaboration with Sustainability Advisory Services from PWC (PricewaterhouseCoopers), we comprehensively mapped ALPI's social, environmental and financial impacts and opportunities through a double materiality analysis.

The analysis led to a number of strategic action areas, which we have since worked to implement. We have made plans for how we will generally increase the positive impacts and minimise the negative ones. The status of the action areas is reviewed at monthly management meetings.

Social Impact

What are the social impacts of ALPI on society, the value chain and employees, and how do they affect ALPI? How do we align activities with our social development goals?

We have initiated the development of an employee development and talent programme for ALPI staff and have increased the focus on diversity in management and on the Board. We have increased our focus on recording and documenting well-being, failure to thrive, health and safety, and targets and improvement plans.

We are also increasing our involvement and assessment of working conditions throughout the value chain and maintaining ALPI's commitment and involvement in various social associations and organisations.

In addition to taking responsibility for what is close and challenging, these actions will ensure that ALPI remains a relevant and attractive workplace, retaining healthy ALPIsters with high levels of well-being and satisfaction.

Environmental impact

What is the impact of ALPI and our activities on the environment? And how do local, national and global environmental trends and legislation affect ALPI?

In 2022, we mapped our CO_2 emissions in Scopes 1, 2 and 3 according to the Greenhouse Gas Protocol.[1] We are now increasing our focus on securing environmental data and aligning CO_2 data quality and transparency across the value chain. Furthermore, in 2022 we developed waste management plans and intensified work on biodiversity.

We have also started work on mapping the technological capabilities and infrastructure of our transport suppliers for reduced CO_2 transport solutions and assessing their ability, willingness and opportunity to tap into our 2025 and 2030 ambitions in the Sustainability Strategy. In parallel, we assess and evaluate the ability of key suppliers to comply with current and known future environmental legislation.

Financial impact

What impact do environmental trends and social conditions have on ALPI economically? How do we ensure an economically sustainable ALPI?

Among other things, we have developed and implemented energy optimisation plans at all our sites. It makes sense regarding CO_2 emissions, but also very much economically because of the sky-high energy prices in 2022.

A newly created project department and our IT department are helping to coordinate the digitisation and development of IT projects needed to achieve set goals and initiatives that create value across departments and sites - for the whole company. We have also taken initiatives to prevent cyber-attacks and hacking, including implementing two-factor authentication.

In 2022, we also started work on mapping new commercial opportunities for ALPI with sustainability as a key focus.

The mapping of ALPI's impacts and our work on social, environmental and financial sustainability is not just a Licence to Operate but A Way to Win.

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1 Read more about Scopes 1, 2 and 3 in Appendix 1.

In the years to come we will see a restructuring and transformation of the transport industry. But with decency, consideration and willingness to change, we are well prepared at ALPI.

ALPI GO GREEN

On our way to a more sustainable future

The ALPI Go Green strategy is our way of linking the business to the triple bottom line. We are part of a transport sector that accounts for almost 30% of the EU's total CO_2 emissions. As an industry, we are part of the problem, and with ALPI Go Green, we become part of the solution.

ALPI Go Green is based on the UN's Sustainable Development Goals and focuses on social sustainability, reduction of our CO_2 emissions, creation of innovative greener solutions and projects, as well as offsetting emissions we cannot reduce in other ways. 2020 is the baseline and base year for the targets and ambitions below.

2030 ambition

50% of turnover is made up of greener* solutions

40% CO_2 reduction across Scopes 1, 2 and 3

Preferred workplace and partner with a focus on sustainability and well-being

*We define "greener solutions" as technologies and fuel types that are fossil-free or emit less CO_2 than diesel.

In 2022, we launched ALPI Go Green, version 2. The strategy is adjusted to the technological possibilities we know today. New targets and initiatives will emerge over time as we evolve, and new opportunities and technologies emerge.

7 AFFORDABLE AND CLEAN ENERGY

Decrease climate footprint

50% of our turnover comes from greener solutions

Ambition 2030	Goal 2025	Initiatives	Status 2022
	The entire fleet is minimum Euronorm 6.	Initiatives under preparation.	97% of the fleet is Euronorm 6.
	Convert 20% of transport to flexible delivery and reduce empty kilometres through fleet management.	Initiatives under preparation.	
	The range of CO_2 neutral transport solutions increased vs 2020.	Mapping of options in all transport has been initiated.	39% of ALPI's container traffic is CO_2 neutral via CO_2 offsetting. 2 international routes on LNG gas with 13% CO_2 reduction.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Innovative solutions

40% CO_2 reduction across Scopes 1, 2 and 3 vs 2020

Ambition 2030	Goal 2025	Initiatives	Status 2022
	All ALPI sites are CO_2 neutral.	100% green electricity consumption. CO_2 offsetting for other Scope 1 and 2 emissions.	100% CO_2 neutral.
	75% of all company vehicles to be electric or hybrid.	Replacing company vehicles starts in 2023.	18 charging stations for passenger cars in four out of six sites.
	Preferred sounding board for customers in sustainability and ESG within transport and logistics.	CO_2 calculator developed for road, sea and air freight. Information sessions for customers and partners on more sustainable approaches and ESG.	CO_2 reports on all car transport invoices. CO_2 reports for sea and air freight are prepared on request. Development meetings with customers are held regularly.
	Enter into five green partnerships per year with customers and partners to reduce CO_2 emissions.	Mapping of opportunities in green partnerships initiated.	Two initiatives in collaboration with suppliers.

3 GOOD HEALTH AND WELL-BEING

Social sustainability

Preferred workplace and partner with a focus on sustainability and well-being

Ambition 2030	Goal 2025	Initiatives	Status 2022
	Zero occupational accidents at ALPI.	Mapping of risks related to the physical working environment in progress.	1 occupational accident.
	All ALPIsters work and act with High5* as a collegial and commercial starting point.	All employees are introduced to High5. High5 is discussed at all departmental and management meetings. Celebrating employees who make a special effort.	5 employees celebrated for a special High5 effort.
	Ensure and maintain healthy ALPIsters with high well-being.	Offer preventive well-being interviews with third parties. Well-being survey in preparation. Offer of massages during working hours. Health insurance for all employees. Healthy and organic food for employees.	Well-being survey to be conducted in March 2023.

*High5 is the title of ALPI's set of values. Read more about High5 on page 23.

Transparent CO_2 data on transport

We are experiencing an increasing demand for valid and transparent documentation on the environmental impacts of our transport, primarily CO_2 data. There are several online CO_2 calculators, but as we don't know their prerequisites, so we decided in 2020 to invest in developing a CO_2 calculator that provides CO_2 data to our customers. In this way, we can be transparent about the basis of the calculation.

The CO_2 calculator has been developed in collaboration with Aarhus University's Centre for Energy Technologies. Among other things, this ensures that it complies with the latest research in the field, and the calculations are based on the requirements of internationally recognised standards in CO_2 emissions and transport. The CO_2 data we provide to our customers is based on CO_2e, which includes all greenhouse gases (equivalents).

Accurate calculations

The CO_2 calculator provides CO_2 data directly on car transport invoices, and data and calculations are based on parameters such as route distance, freight weight, fuel consumption, fuel emissions, empty running, loading rate and any ferry crossings. The specific collection address and delivery address for the transport are also included in the calculations.

From January 2023, we can also provide CO_2 data on air and sea freight via our CO_2 calculator. It is more challenging to ensure accurate data in air and sea freight. Overseas transport usually involves several modes of transport, and there are several stages (so-called waypoints) in the transport that must be considered. At the same time, some overseas transport is sub-invoiced, making it more complex to calculate and report on CO_2 emissions from total transport.

Now, however, we have a solution for air and sea freight. CO_2 data on sea freight includes route distance, cargo weight, deviations from the optimal route and IMO number. The IMO number indicates the specific ship that has carried out the transport and includes, among other things, data on the engine type, sailing patterns and degree of loading. Furthermore, transport to and from the port is also included.

For air freight, CO_2 data includes route distance, cargo weight and aircraft type, as well as the specific elements that affect emissions during the flight, such as take-off, cruising and landing. Moreover, transport to and from the airport is also included in the data calculations.

When identifying the specific ships or aircraft is impossible, we use standard factors instead. Customers are informed if it has been necessary to use standard factors in parts of the calculations.[2]

Due to complexity, CO_2 calculations for air and sea freight cannot be provided on invoices. We provide CO_2 reports for air and sea freight covering a requested period on request.

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[2] Although our calculations are more accurate than those of other CO_2 calculators, there are still some parameters that we cannot measure precisely. For example, we do not yet have data on the exact route of car transport, as we do not have GPS meters on the trucks. So, here we rely on information from our hauliers. Similarly, we have to assume a standard weight for the total goods carried, although in practice the weight may change depending on how full the truck is.

ALPIs CO_2 calculator creates absolute transparency

There are many online tools for calculating CO_2 emissions from freight and transport. However, these are usually based on assumptions that are not transparent. There may be default factors and assumptions that do not necessarily fully correspond to actual transport. For example, routes may be calculated from hubs in the countries concerned, even though the actual transport is between entirely different addresses, or they may be based on a standard truck without regard to engine type and size.

We see that our customers increasingly demand valid data and transparent assumptions. This puts companies in the best possible position to map their environmental impact so that they can meet the increasing regulatory requirements for reporting CO_2 emissions.

Transparent data also provides a better basis for advising our customers on how we can work together to reduce emissions from transport. If we have an overview of the actual emissions from the various transport stages, we can work with customers to adjust the process to reduce emissions.

ESG reporting and CO_2 data will be a requirement in the next few years

The EU Taxonomy and CSRD are examples of new EU legislation on ESG reporting. Legislation that EU companies will have to comply with over the coming years. ESG is an acronym for Environmental, Social and Governance.

The Corporate Sustainability Reporting Directive (CSRD) is the EU's sustainability reporting directive, which replaces the current EU corporate responsibility requirements implemented in the Danish Financial Statements Act.

The legislation aims to make visible the impact of companies on society, people and the environment and to ensure transparency in reporting and disclosures according to established ESG criteria.

It will help to increase transparency for consumers, employees, investors and the financial sector on companies' sustainability, social responsibility and corporate governance practices.

In the future, the financial sector will assess companies' ESG performance, and companies will be ESG rated. This rating will form the basis for interest rates and financing options. This is another reason why focusing on ESG is of crucial business importance for companies.

CO_2 emissions are at the top of the list of environmental aspects to be reported in CSRD and the EU Taxonomy. This places high demands on companies, which can expect to have to account for both their direct and indirect CO_2 emissions within a few years.

For our customers, CO_2 emissions from transport are indirect emissions, so-called Scope 3, and companies rely on suppliers to deliver data. Thanks to our CO_2 calculator, we can already provide valid and transparent data on transport and therefore already meet that need.

We invite all interested customers and partners to contact us if they want more information on CO_2 emissions and data from our transports. We are happy to prepare CO_2 reports for the total transport for a given period for use in annual climate accounts or for dissemination to customers' climate accounts.

CO_2-neutral at our sites

At ALPI, we will be CO_2-neutral at our Danish sites in 2022. We want more.

As a freight forwarding company, the focus is often on the CO_2 emissions from transport. Nevertheless, we also have CO_2 emissions from our sites. We have worked according to the model:

- Reduce and optimise
- Innovate
- Compensate

100% renewable energy

Our first step has been and continues to be minimising CO_2 emissions through energy efficiency improvements and optimisation. One of the measures is the implementation of green power. All our electricity consumption is now covered by green power, based on an agreement where the provider buys CO_2-neutral and renewable wind energy equivalent to our annual electricity consumption.[3] In 2022, we purchased 626,786 kWh of wind energy to offset our electricity consumption, which equates to a CO_2 reduction of 87.7 tonnes.[4] The reduction is deducted from our climate accounts. We are now exploring the possibility of installing solar panels in one or more sites to produce our own power in the long term.

We have reduced heat consumption at our sites, partly by reducing temperatures in administration, terminals and warehouses and by raising awareness of closing doors and gates to conserve heat. Due to that, we have reduced natural gas consumption by 4,789 m^3 compared to consumption in 2021, which is a reduction of 37%. In Roskilde, we have installed new callipers, which ensure that the heat is directed to the right places, and a new heat exchanger has been installed on the water.

Electric vehicles, LED lighting and the right mindset

The majority of our vehicles in warehouses and terminals are electrically powered. Only 3 out of 84 vehicles run on diesel or gas, which helps to reduce CO_2 emissions from that part of our business while creating a better indoor environment. Outside, we have set up 18 charging stations for electric cars on four of the six sites.

We are in the process of replacing lighting with LED in as many places as possible, and sensors with timers have been installed around rooms to ensure that lights are switched off when there is no activity in the room. At the head office in Herning, outdoor advertising signs have been switched off at night, and sensors have been installed on taps to reduce water consumption. In the canteen, meat consumption has been cut, and leftovers are sent to a bio-plant. We sort all our waste and ensure that as much as possible is reused and recycled.

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3 The new branch in Karlslunde, which opened in November 2022, is not covered by the agreement yet, which means that no green power will be purchased for the electricity consumption in November and December 2022 in Karlslunde. This consumption represents 0.3% of total consumption in 2022.

4 The calculation is based on key performance indicators from the Danish Energy Agency in 2021, which show that the actual CO_2 emissions per kWh of electricity sold is 140 grammes.

In the big picture, many of these initiatives are just drops in the ocean, but they are all steps in the right direction. It also helps raise awareness among staff that we can all make a difference by taking responsibility for the little things in everyday life. We still have a long list of further improvement proposals to reduce our CO_2 emissions and environmental impacts, which we will continue to work on in 2023.

CO_2 offsetting through planting mangrove forest

We offset the CO_2 emissions that we have not yet been able to reduce through optimisation and innovation at our own sites through selected and validated offset projects that are either Gold Standard or Verified CO_2 Standard.

These include CO_2 emissions from natural gas and oil used to heat our rented sites. We offset these CO_2 emissions by planting mangrove trees in South-East Asia through the Thor Heyerdahl Climate Park project.

We have secured planting of 2,500 mangrove trees to offset 400 tonnes of CO_2 in Scopes 1 and 2 by 2022. The actual emissions from Scopes 1 and 2 are 321 tonnes of CO_2, which means we have offset far more CO_2 than we emitted in these scopes.

Over the next 25 years, the mangrove trees will absorb up to 2,500 tonnes of CO_2. In addition to absorbing CO_2 in the trees, the project has social benefits and contributes positively to the local community, which is responsible for running the project. It creates jobs, helps protect against floods and tsunamis, and increases biodiversity in the area. Fish stocks increase by up to 50% when mangrove forests are planted, hence also ensuring access to more food sources for the local population. The project is VERRA-registered and approved under the Verified CO_2 Standard.

Together, the investment in green power, our energy-saving initiatives and CO_2 offsetting mean we can call ourselves CO_2 neutral on our sites. However, the CO_2 offsetting is not deducted from our climate accounts, as the Greenhouse Gas Protocol does not allow the inclusion of tree planting offsets in its calculations.

Greener solutions in the transport sector

A sustainable revolution of the transport industry is needed globally to reduce global CO_2 emissions, and we want to accelerate progress through partnerships for greener solutions.

A green transition of the transport sector is not simple, and unlike many other sectors, CO_2 emissions continue to rise because we are driving, flying and sailing more globally. Mobility is vital for both people and the business community.

Therefore, we need an intelligent, long-term green transition that considers the mobility needs of the business community while maintaining the competitiveness of the transport sector. We also need global solutions, especially for infrastructure.

Many technologies are under development. Electric and hydrogen trucks, container ships running on green methanol, and planes flying on SAF (Sustainable Aviation Fuel). We see a future of increased use of Renewable Energy fuels, such as biofuels and Power-to-X, and electrification of car transport. Therefore, we predict that several different fossil-free fuels will replace diesel, which creates many new opportunities while simultaneously making the field complex.

So, there is no shortage of challenges, which is why it's imperative that all parties related to the transport industry make their voice heard to push - on the road to a more sustainable future.

LNG trucks in international operation

In collaboration with an external haulage contractor, ALPI put two LGN-based trucks into service in 2021 on a fixed route between Herning in Denmark and Schlitz in Germany. LNG is a liquid gas that emits less CO_2 than diesel while eliminating sulphur emissions and reducing harmful soot particles. According to the EN16258 standard, which is used to make CO_2 calculations on transport, LNG gas emits 13% less CO_2 than diesel. This means we have reduced CO_2 emissions by 40,184 kg in our German traffic in 2022.[5] In the current year, the fuel price of LNG gas has been very high, making the agreement an expensive investment for ALPI. We are therefore now looking at other solutions.

In Italy, we have also converted the transport of goods from the train station to the recipient to LNG-gas trucks, which reduced CO_2 emissions by 5,934 kg in 2022.[6]

V-spoilers

At ALPI, we look at significant investments and the small changes that can help reduce CO_2 emissions from transport here and now. In 2022, we fitted V-spoilers to truck tractors and trailers.

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5 The reduction is calculated by averaging the weight of each trip. Then, the CO_2 emissions per trip using a diesel truck are calculated in EcoTransIT World's online CO_2 calculator and multiplied by the number of trips. After that, 13% is deducted, as LNG is expected to emit 13% less CO_2 than diesel.

6 The reduction is calculated by comparing the CO_2 emissions of the LNG truck and a Euronorm 6 diesel truck. Source: IVECO.

V-spoilers are known from the wind industry. Here, there is excellent experience in reducing wind resistance on the blades using small V-shaped plastic brackets, and the hope was that the simple solution could reduce fuel consumption on trucks by reducing wind resistance while driving. Unfortunately, the effect is less than hoped.

CO_2-neutral container transport

In 2021, ALPI signed cooperation agreements with Ancotrans and Dania Connect to make the container transport they provide for us CO_2 neutral by planting forests. In 2022, the cooperation agreement with Ancotrans led to a CO_2 reduction of 480 tonnes[7] through a forest planting project in Uganda. The project is implemented in collaboration with Trofaco, which ensures, among other things, that the local community is involved and takes ownership of the project.

The collaboration with Dania Connect led to a CO_2 reduction of 47 tonnes in 2022.[8] This project collaborates with Hedeselskabet, which plants climate forests in Denmark. Overall, 39% of ALPI's container traffic is CO_2-neutral through the two projects.

CO_2 offsetting is not a green solution or strategy, but it is a temporary tool while better and greener solutions are being developed. CO_2 offsetting is not deducted from our climate accounts.

Opportunities - mapping and knowledge sharing

The steps we have taken so far are only the beginning. We continue to seek out and identify opportunities through partnerships with, for example, truck manufacturers, shipping companies and airlines, as well as, of course, providers of more fossil-free fuels. There are major projects in Power-to-X technology in Denmark, which we are following with interest.

Knowledge sharing and networking are rewarding and necessary for all players in the green transition. Therefore, in 2022, ALPI launched an ESG network for customers and partners focusing on the circular economy, the fossil-free future and the green transition of the transport and logistics sector. ALPI has many customers in the SME segment, and we are happy to share our knowledge and experience and facilitate forums for knowledge sharing on market and regulatory requirements, data and documentation, developments and trends.

We are on the Board of the association Bæredygtig Herning, which works to create sustainable development in Herning Municipality for both public and private players. In this way, we hope to inspire the world towards more sustainable development, both inside and outside the transport sector.

A green transition and sustainable revolution of the Danish business community - including the transport sector - is a shared journey and a shared responsibility, where we can only make good progress through partnerships.

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7 The Ancotrans calculation was made in collaboration with COWI and is based on the planting of 140 trees in Uganda, which will absorb 480 tonnes of CO_2 over 20-years.

8 The calculation from Dania Connect is made in collaboration with the University of Copenhagen and based on the number of kilometres driven for ALPI in 2022.

Biodiversity

On ALPI's 165,000 m² site in Herning, we are restoring native nature to promote biodiversity and ecosystems in the local area.

We don't use fertilisers on the land and work to ensure the return of flowers, grasses, insects and animals native to the area. It takes a determined plan to bring nature back, so we are still working on the project.

Surface water from the area is channelled into 4,400 m³ of rainwater basins, which act as natural ponds, which create excellent conditions for different insects and animals and help to create a more diverse nature. The rainwater basins can take surface water from 50,000 m² and reduce our wastewater disposal costs.

When we designed the new logistics centre building in Herning in 2015, we didn't plan large lawns, flower parks and tiled terraces around the new domicile. The decisions back in 2015 to retain wildlife were not guided by major environmental considerations. We are wiser now and taking a more knowledge-based approach to the task of creating and enhancing biodiversity.

This means that the planting today is oriented towards more naturally occurring flowers, plants and grasses for the central Jutland area - taking into account what the soil conditions allow. Low-hanging berry bushes have replaced the hedges, and the "wild" areas are cut and collected once a year to avoid mulching. In 2023, we will continue the project with more elements that help to increase biodiversity.

In the future, nature will increasingly have more value in itself, not just a value in yield. A vision of nature based on multifunctional solutions, rewilding and nature as a haven.

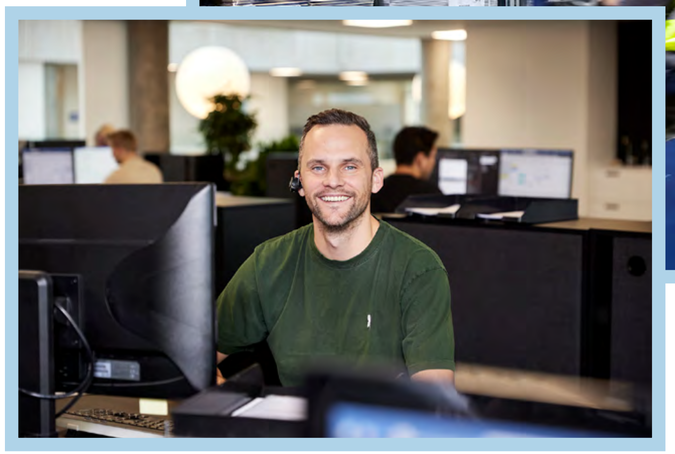
We enjoy our wilderness with the unspoiled areas and look forward to getting even wilder.

People
– values and dignity

We experience a unique spirit and dedication at ALPI, and it's one of our greatest strengths and pride. ALPIsters demonstrate a high level of care and helpfulness towards customers and each other, and this often means a long-lasting and good relationship both with customers and among employees.

Traditionally, ALPI has always had a sharp focus on creating a good and healthy working environment. We offer a range of workplace benefits, including healthy food in the canteen, the option of a massage during working hours and access to active office equipment to prevent sedentary work. Through the pension plan, all employees are covered by private health insurance, which also provides advice and helps with problems at home.

We are committed to creating good social relationships between our employees. We have established cosy areas at all sites where employees can relax, play games, watch TV and have social events outside working hours, which helps to strengthen cohesion across departments and tasks.



Strong values

We adhere to a strong set of values, High5, which is used both internally as a value base and externally as a commercial tool. There is a strong focus on talking about High5 in everyday life, for example, at all management meetings, quarterly meetings and 1:1 interviews. The values are visible at all sites with photos and text, and every year we award the High5 ALPIster of the year, where we celebrate employees who have really done well for colleagues and customers.

On a collegial level, High5 ensures that help and support are offered to colleagues professionally and privately in their daily lives. It's about creating excellent collaboration, inspiring each other and drawing on each other's skills, experience and strengths. When we trust each other and proactively help each other, we create success personally and for the business. At the same time, taking responsibility for each other and our tasks makes going to work more fun and easier. High5 thereby contributes to ensuring well-being, job satisfaction and motivation, as well as creating a sustainable working life.

The commercial High5 points to the need for insight and involvement in our customers' business in order to provide the best possible service. New opportunities, challenges and regulations arise constantly, and timely information is valuable and essential to our customers. We are proactive and keep the customer updated. We take responsibility for ensuring that the goods arrive on time - in good condition.

In 2022, we relaunched the High5 values to ensure an even greater focus on good High5 behaviour internally and externally. It has been an exciting process involving over 40 staff across the organisation, leading to planning for more joint events in 2023 and greater uptake of interdisciplinary project work.

We are close *and with you throughout the journey*

We see opportunities *in a challenging world*

We act quickly *and with consideration*

We inform *and show the way*

We take responsibility *for what's close and what's difficult*

High5 is ALPI's DNA and the cornerstone of our strong corporate culture. The values were formulated in 2009, but they still serve as our code for how we act towards customers and colleagues. High5 supports our strategy and secures ALPI's position in the market. The values create well-being and collegial team spirit, and they help to ensure retention and attract new employees.

Birgitte Elbrønd Dalager, HR Manager

Leading the way for young people

We have chosen freight forwarder trainees as a strategic focus for ALPI. It is important to help young people get a good start in the labour market, which is why we have a large intake of trainees every year. Out of a total staff of 245, we currently have 22 trainees. Our goal is to have the best apprenticeship programme in the industry, and we consider ourselves lucky to have so many young, committed people working for us. ALPI celebrates the energy and knowledge that young people bring to the world today. They bring something unique to the organisation and contribute significantly to ALPI's continued development.

We start trainee teams twice a year and give our trainees opportunities to rotate internally in their apprenticeship, giving them a broader education. Our trainees are trained to perform essential tasks in an international environment where everyone depends on each other. They are given tasks and responsibilities from the start, and a buddy system helps to ensure a strong community and team spirit. After their training, we usually hire our trainees permanently, as they are talented young employees who we have helped shape.

Trainees at ALPI are supported by the Trainee Council, the HR department, the Head of the department, a person responsible for training in the department and a personal Buddy. Trainees are given a fixed training programme to ensure the best possible personal and professional development, and they are very quickly given responsibility for their own tasks. In this way, they quickly become an integral part of the team and experience being an employee on equal terms with their colleagues. We supplement this with internal training days that go beyond the external training days of the freight forwarder training, and we also hold several social events that help strengthen the bond among the trainees.

In 2021, one of our trainees, Louise Holmgaard Nielsen, received the Education Award of the Year in Freight Forwarding and Shipping from the Hedorf Foundation. She won the award based on the skills and effort she demonstrated in her professional exam focusing on technical options in terminal operations in freight forwarding. It is a great delight for us to see our trainees achieve success and recognition for their efforts.

We invite all interested young and educationally ready people to contact us if they dream of a career in freight forwarding.

> ***One of the best things about being a trainee at ALPI is that we are given responsibilities and tasks from the start. The more you show that you can and will - the more responsibility you get. Trainees don't just get coffee for colleagues here.***
>
> **Mads Høi, trainee, Freight Forwarder Export**

> ***Becoming a trainee at ALPI is one of the best decisions I have ever made. I look forward to going to work every day. The sense of community is really great, and regular events bring everyone together across departments and sites.***
>
> **Helene Kaae Nielsen, Air & Sea Import**

> ***Being a trainee at ALPI offers excellent opportunities to develop - also socially. There's a solid team spirit, and you are helped along the way by an excellent buddy system.***
>
> **Nichlas Borum, trainee Car Transport Central Europe**

Organics and cosiness

The canteen at ALPI in Herning has the Bronze Organic Cuisine Label. 30-60% of the ingredients used in the kitchen are organic. At the same time, the canteen uses ingredients that have the least possible impact on the environment. They have cut down on meat and increased the amount of vegetables and legumes in the food.

There is a general focus on food waste. Ingredients are used, so everything is turned into food, and all food is prepared from scratch. In 2022, the canteen in Herning had 5,978 kg of food waste/ organic waste, which is recycled and converted into green energy, fertiliser and biodiesel. Coffee grounds are collected and used for both scrub and rose fertiliser. In 2022, this resulted in a total CO_2 saving of 1,183 kg.

The dedicated staff in the canteen serve a great breakfast and a delicious lunch buffet with a wide selection of dishes every day. For all holidays and celebrations, they decorate the canteen and create a cosy atmosphere with lights and music, which means lunch will be a great break with lots of intimacy and cosiness. Even if it's just a half-hour lunch, it's a brilliant energy boost for a busy day, and it creates tremendous value for employees that the ALPI canteen focusses not only on health, but also mind through a cosy and relaxing atmosphere.

Inclusivity and room for more

We make an effort to contribute to the community and take our social responsibility seriously. ALPI and more ALPIsters are extremely involved in and contribute to the better well-being - also of marginalised groups.

Through our support and involvement in the FCM Community Trust, ALPI is helping provide children, and young people access to good and meaningful communities. The FCM Community Trust is the CSR department of the Danish Superliga club FC Midtjylland.

In the “Together we go on the pitch” project, the experience of developing football talent is used to help and develop young people back into life, the labour market and education. A 26-week elite programme for young people aged 17-24 to achieve a purpose, meaning and identity. The programme includes learning about sleep, diet, finances, physical training, coaching and mentoring support. Despite their history of illness or bad habits, elite training makes young people a huge resource, and we help them to develop both their personality and their skills.

Ambitious talent development

In 2022, the FCM Community Trust’s ambitious talent development helped over 60 young people get back on track after anxiety, diagnoses, failure or abuse - in collaboration with Herning, Ikast-Brande and Holstebro municipalities.

Furthermore, under the auspices of the FCM Community Trust, we distributed 300 Christmas gifts to financially deprived families in central Jutland in 2022. The gifts are large sports bags with football gear and a local football club membership. The distribution significantly increases activity for children, young people and their families.

Both projects have been running for 4 years, and ALPI has been a financial partner since the beginning. We also participate on the Board and hence the continued development of the FCM Community Trust.

Figures from the Christmas gift effort show that
Before the distribution: ***33.3% of children were already members of a local football club***
2-3 years after the distribution: ***85.2% of children were members of a local football club***

In 2022, the FCM Community Trust launched another initiative: Educare. 100 Municipal primary and lower secondary school pupils have completed a programme to avoid inappropriate direction, instead keeping their focus on well-being, talent and potential.

We are delighted to be able to help, for example, Rasmus Christensen, who, aged 20, just laid on the sofa at home, to have a better life. He had lost all faith in himself after a tough childhood where he had to take responsibility as an adult at the age of 10. Today he is full of confidence. He is in training and is going hard after his dream career as a fighter pilot. His plan B is a future with the police - on the right side of the bars, that is.

Sport for all

LykkeLiga and Special Olympics are handball communities for children and adults with developmental disabilities. We sponsor several clubs in Denmark, and several ALPIsters are coaches and involved in other ways. It is a project close to our heart at ALPI that we have been proudly involved in and supported for several years. Our clear goal is to help sports for people with intellectual disabilities become a bigger part of “normal sports clubs”. And it has succeeded.

Continued efforts will be needed, as the group of people who are not thriving and who cannot be part of “normal sport” is unfortunately growing. ALPI wants to help this marginalised group to have the opportunity to participate in sports because everyone needs good communities.

Inclusivity and dynamism

At ALPI, we value the dynamism that a diverse and inclusive work environment brings. 6% of our employees in 2022 have special needs. Fortunately, many have been part of ALPI for many years.

We strongly focus on retaining employees with reduced capacity to work, which presupposes that retention is realistic concerning the employee’s working capacity and possible work tasks. And it requires respect, acceptance and the willingness to help those who need it.

ALPI is founded on old virtues and family values - we aim for durable, long-lasting solutions. It’s all about people and opportunities.

Short excerpts from the ALPI CSR policy

ALPI has developed a comprehensive CSR policy to ensure all employees work within the same guidelines. Here are some excerpts from the policy.

Equal opportunities

We want a diverse workplace and will work to increase the number of women in leadership positions. All employees should have equal opportunities based on skills, experience and performance.

Conditions of employment

ALPI complies with all laws, agreements and industry standards regarding working hours and compensation. We respect recognised trade unions and the right of employees to join a union of their choice.

CO_2 emissions

Together with Aarhus University, we have developed our own tool, the CO_2 calculator, which makes CO_2 emissions and data from each transport visible, and we actively seek partnerships to reduce the climate impact of the transports we manage.

Diversity

We recognise each other's differences and skills and believe that diversity provides dynamism and space for the development of ALPIsters and ALPI. Bullying is not tolerated.

Child labour

Child labour is not tolerated.

Human rights

ALPI supports and respects internationally recognised human rights; civil, political, economic, social and cultural rights.

Local community

ALPI contributes to the community. We support elite and grassroots sports, as well as social and charitable organisations and associations.

Working environment

We focus on creating a good and healthy working environment. We offer a range of benefits at work, including healthy food in the canteen and the opportunity for massages during working hours. Employees are covered by private health insurance through the pension plan.

Environmental impacts

We have set an ambitious sustainability strategy up to 2030. At our sites, we work to minimise waste, reduce energy and water consumption, and offset the CO_2 emissions we can't avoid.

Discrimination, coercion and harassment

All employees must be treated with respect. Discrimination, physical or verbal harassment and unlawful threats will not be tolerated. Any form of corporal punishment, as well as mental and physical coercion, is prohibited at ALPI.

Anti-corruption

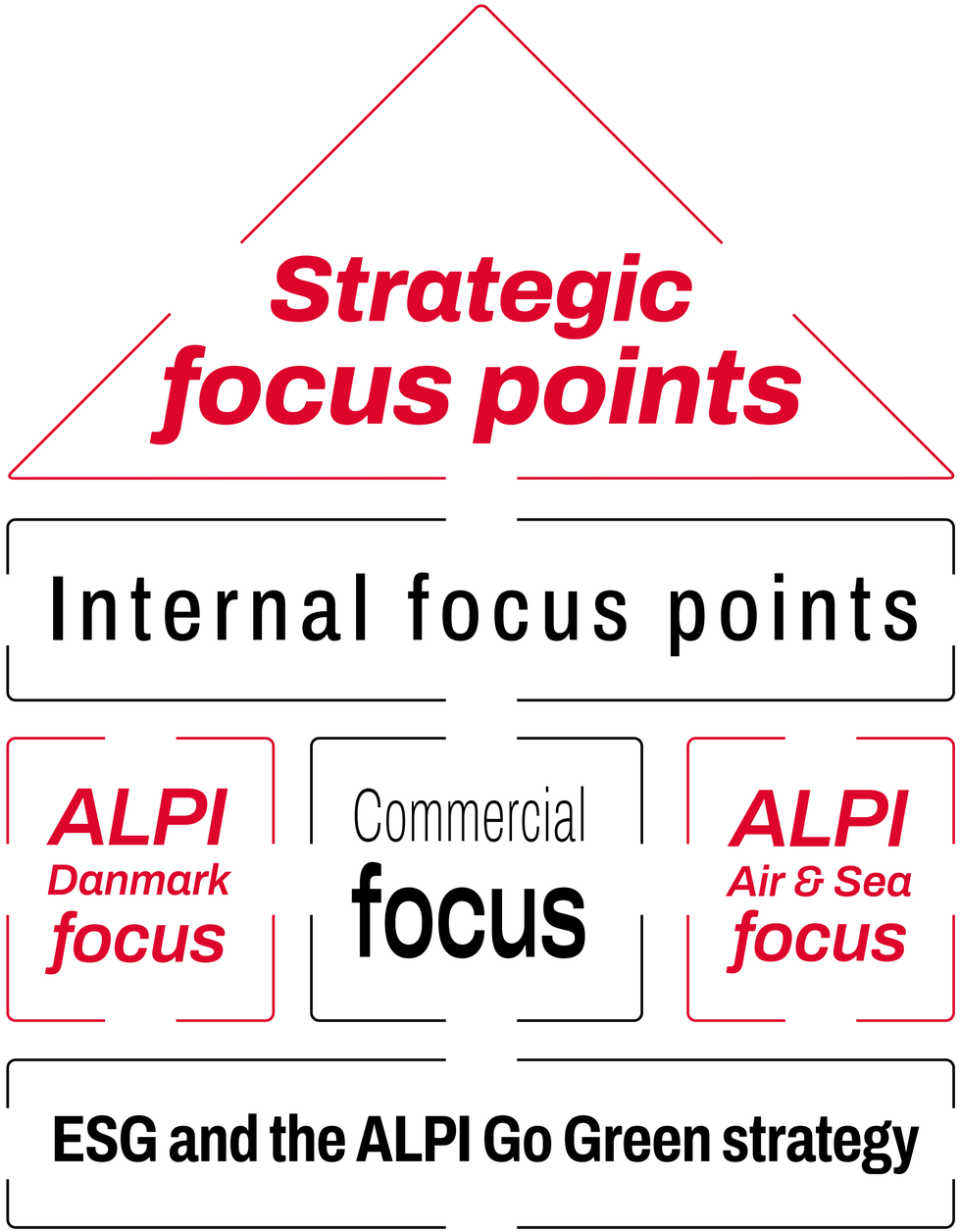
ALPI will neither participate in nor support any corrupt practices. We have an internal whistleblower scheme that protects employees who come forward with information about wrongdoing in relation to our business.

Organisation and management

ALPI works with a dynamic business strategy that ensures a clear long-term goal for the company and is flexible enough to respond to changing market and social conditions. Each year, we adopt the strategic focus points for the next year, including through the involvement of the entire leadership team.

We have defined ESG/CSR as a cross-cutting strategic action area that underpins how we want to do business. In 2022, ALPI established a separate ESG/CSR department to develop further and drive the initiatives we have launched over the past years.

The strategic approach can be illustrated as follows:



Organisation diagram

Organisationally, the ESG/CSR department reports directly to the Executive Board. The ESG/CSR department is run in close collaboration with the rest of the organisation and employees from all departments. An ESG Steering Group has been established to ensure anchoring between the work of the ESG/CSR department and the other activities at the company.

Board of Directors ALPI Danmark A/S

Chair:
Ferdinando Paolo Albini

Edoardo Albini, Franco Scarpone, Tijt Roosve, Kjeld Tygesen

Board of Directors ALPI Air & Sea A/S

Chair:
Sandro Pitigliani

Alessio Albini,
Morten Høgsberg Nielsen

Top management ALPI Danmark A/S

CEO:
Kjeld Tygesen

- Define sustainability strategy
- Approve ESG goals and initiatives
- Approve the CSR report

Top management ALPI Air & Sea A/S

CEO:
Morten Høgsberg Nielsen

- Define sustainability strategy
- Approve ESG goals and activities
- Approve the CSR report

ESG/CSR department

Head of ESG/CSR:
Dorthe Aaboe Kallestrup

- Develop the sustainability strategy
- Develop ESG goals
- Develop and launch ESG activities
- Ensure compliance with statutory requirements
- Draft the CSR report

ESG Steering Group

CEO ALPI Danmark
CEO ALPI Air & Sea
Group CFO
Brand Manager
HR Manager
Head of ESG/CSR

Developing a sustainability strategy, defining ESG goals, and ensuring compliance with current and future legislation.

Common ground is made visible through common policies

In 2022, we continued developing policies that outline ALPI's core values, rules and guidelines for responsible business conduct. These include, among others:

- Supplier Code of Conduct
- CSR policy
- Whistleblowing policy
- Data ethics policy and GDPR
- Policy for women in management

The CSR policy, which applies to all ALPI employees, aims to ensure that our business model, products and services contribute to a more sustainable future. We comply with all international and national laws, as well as international conventions, including the Convention on Human Rights. In the CSR policy, we outline the rules on human rights, working conditions, the environment and anti-corruption, among other things. All employees will be introduced to the CSR policy in early 2023. See an excerpt from the policy on page 29.

The policy on women in management mentions guidelines to promote the number of female managers. We always recruit the best candidate regardless of gender, race, religion, disability, etc. However, the policy will ensure that we prioritise interviewing female candidates and appoint the woman if the choice is between a man and a woman who are equally qualified. Over time, the policy should help us achieve a more equal distribution of female and male managers.

The Data Ethics policy and GDPR ensure that our data processing is always done with respect for the interests of our partners and under the protection of personal data and privacy.

At the end of 2023, the Danish Whistleblower Directive will enter into force for ALPI, but we have chosen to establish an internal whistleblower scheme from the start of 2023. The policy will be introduced to all employees in early 2023.

The written policies describe the conduct ALPI has always promoted and practised. The policies make the common codes of conduct more visible and easier for employees to relate to.

Tighter supplier management in the future

ALPI has always valued creating good and long-lasting relationships with our suppliers. They are important partners and crucial to our ability to deliver high-quality service to our customers. In 2022, we updated and issued a Code of Conduct to a number of our suppliers, outlining key requirements around legislation, human rights, labour, the environment and anti-corruption.

In 2023, we plan to conduct a major mapping and risk analysis of the value chain, including the most strategically important suppliers. In the future, we will tighten requirements for suppliers and create further transparency in the value chain.

At the same time, we will prepare to comply with the requirements of the EU's CSDD (Corporate Social Due Diligence) Directive, which is expected to enter into force for ALPI in 2027. The CSDD aims to ensure companies remedy any negative impacts from their business activities in the value chain.

Risks and opportunities

Every company affects its environment in different ways. Although the company contributes positively to society by creating jobs, economic prosperity and meeting the demand for a service or product, there are also negative impacts, for example, the environmental impact of the company's operations.

To ensure that we can prevent and reduce risks from ALPI's activities, we have conducted a comprehensive risk analysis to identify potential risks. As we are committed to business development, the purpose of the analysis is also to examine whether we can turn identified risks into opportunities in the future.

Environment

CO_2 emissions

The transport sector accounts for around 30% of total CO_2 emissions in the EU. As a transport company, we have a large part of the responsibility. Our total CO_2 emissions from transport amount to around 35,287 tonnes of CO_2 annually.

As we do not own the means of transport, reducing emissions requires close dialogue and collaboration with hauliers, shipping companies and airlines. At the same time, we depend on infrastructure development and the development of more sustainable fuels before a real transformation of the transport sector becomes possible.

Actions

- Our CO_2 calculator provides valid CO_2 data to customers on all transports.
- Mapping of greener solutions in the transport sector is underway.
- Green partnerships have been established.
- Two LNG trucks are used on fixed long-distance routes.
- Parts of the container transport are CO_2-neutralised through offset projects.

Energy consumption

With six sites, we use a lot of energy for lighting and heating the buildings.
We want to reduce that consumption.

Actions

- We buy green power equivalent to our electricity consumption at all sites.
- We are exploring the possibility of becoming self-sufficient in renewable energy by investing in solar cells.
- We are switching to LED lighting where possible.
- We have installed sensors in strategic locations to ensure that the lights turn off automatically.

Employees and working conditions

Heavy lifting

Heavy lifting is a general problem in the transport sector. ALPI is no exception. There are many daily lifts at our terminals and warehouses.

At the same time, the trucks we have to empty are not always packed in an appropriate way. When this happens, employees have to manually lift heavy or unwieldy boxes out of the trucks when emptying.

It's hard physical work. We want to find solutions to this.

Actions

- Decision to provide ergonomic advice to individual employees on lifting techniques to prevent physical wear and tear and injuries.
- Offer massages during working hours to prevent fatigue and injuries.
- Research is still ongoing to identify suitable tools to alleviate heavy lifting.
- Survey conducted to identify which trucks are packed inappropriately.
- Dialogue with partners to ensure that trucks are not packed inappropriately.

Safety

In our terminals and warehouses there is a lot of activity with forklifts and electric pallet lifters. This requires vigilance among employees and a high level of awareness to comply with the safety instructions. A risk has been identified that occurs a few times a year, where the floor becomes slippery in some places in the terminal during large temperature changes. This can create dangerous situations that we must do everything we can to avoid.

Actions

- Require Hi Vis vests for everyone who moves about in the terminals and warehouses.
- Reminder of the safety instructions on the intranet.
- A few mirrors installed in the ceiling and outside to increase safety for moving traffic. In the future, more mirrors will be installed.
- Study underway to identify cause of slippery floors.
- Require slow driving and extra vigilance on slippery floors.

Stress and well-being

The Covid-19 pandemic has led to extreme busyness and challenges in the transport industry, with the world marked by local and global lockdowns. This has led to delays and hence required more follow-up. At ALPI, our freight forwarders have been particularly hard hit by this. At the same time, Covid-19 has meant that social events for staff were cancelled, affecting the sense of community between colleagues.

High levels of busyness and a reduced sense of community can increase the risk of stress and poor well-being, which is why we make every effort to accommodate this.

Actions

- Strong focus on trainee intake to ensure increased resources.
- Focus on moving staff between functions in peak situations.
- Increased possibility to work from home to create better work-life balance.
- Financial bonus paid to all staff as a thank you for their efforts after two busy years.
- Social events were restarted during 2022.
- Decision to establish cross-functional project groups internally to ensure continued knowledge sharing and one ALPI.
- Decision on a well-being survey in early 2023.

Human rights

Women in management

There is a shortage of female freight forwarders and this is having a knock-on effect on the number of female managers in the industry. We see the same trend at ALPI. 18% of managers are women. There are no women on the ALPI Board.

Lack of diversity in management can lead to gender inequality, which is why we are working to change the situation through a number of specific actions.

Actions

- Policy on women in management adopted.
- Goals adopted to ensure women on the board.
- Targets adopted to ensure more female managers.
- Focus on taking on more female freight forwarder trainees.
- Focus on female applicants for management positions.
- Focus on identifying and supporting internal female talent.

Working conditions in the value chain

ALPI has no direct influence on these matters, as the employees in the value chain are employed by our suppliers.

We want to ensure that employees in the value chain are treated properly and respectfully.

Actions

- At ALPI terminals there is access to driver's cabins with, among other things, toilet and shower facilities.
- The Code of Conduct has been sent to a number of suppliers.
- Decision to strengthen supplier management going forward with a more stringent Code of Conduct and possible self-assessment.
- Risk assessment of suppliers is expected to be completed in 2023.
- Long-term partnerships with most suppliers ensure greater influence.

Anti-corruption

Bribery and use of "greasing"

We are not aware of bribery in our value chain, where all transport is carried out by external suppliers.

There may be a risk that some will pay greasing to get goods through customs/cross borders in countries where greasing is widespread.

We have had no known cases of greasing in the value chain, but we are aware of the risk and want to prevent it.

Actions

- The Code of Conduct clearly prohibits corruption and bribery, including greasing.
- Internal whistleblower scheme to be launched early 2023, allowing employees to report suspected corruption.
- Decision to strengthen supplier management going forward with a more stringent Code of Conduct and possible self-assessment.
- Risk assessment of suppliers is expected to be completed in 2023.
- Long-term partnerships with most suppliers ensure greater influence.

ESG Data

Environmental data

Energy	Unit	2022	2021	2020
Electricity	kWh	628,288	606,139	497,030[a]
Renewable energy	kWh	626,786[f]	592,071[b]	0
Natural gas	m³	8,228	13,017	28,169[a i]
Oil	Liter	38,548[g]	56,339	53,674
District heating	kWh	391,602	494,098	397,043
Water				
Water consumption	m³	3,613	3,333[c]	2,317[a j]
Waste water	m³	3,613[d]	3,333[d]	2,317[d]
Waste				
Recycling	Kg	82,436	93,600[e]	172,650[e]
Food waste recycled	Kg	6,063	3,680	0
Incineration	Kg	74,889	57,050	44,180
Landfill	Kg	0	0	0
Hazardous waste	Kg	0	0	242
Percentage of waste recycled	%	54	63	76
CO_2 emissions				
Scope 1	Kg CO_2	300,564	325,618	355,282
Scope 2	Kg CO_2	20,630	29,097	80,131
Scope 3	Kg CO_2	35,286,694[h]	34,187,675	33,010,424

a) In January 2020 we had an office in Greve. This is included in the data set.

b) As we do not have data for January 2021 from Kolding, Odense and Roskilde, these months are not covered by the purchase of green power.

c) Water consumption for Padborg is calculated for 1.10.20 to 30.9.21, and it is therefore not broken down by calendar year.

d) Water consumption and waste water is calculated as the same figure, since we do not have data on the difference.

e) The high amount is due to a lot of building waste in Roskilde.

f) No green power has been purchased to cover the electricity consumption in Karlslunde. This consumption equals 0.3% of the total electricity consumption in ALPI.

g) The considerable reduction is because no oil was purchased in Kolding in 2022. As the landlord in Roskilde cannot provide data at present, the consumption figure from Roskilde for 2021 is used, minus 1 litre for possible evaporation.

h) CO_2 emissions for car transport in Scope 3 in 2022 are estimated from the CO_2 emissions in 2021 plus the growth that has been in car transport in 2022.

i) Natural gas consumption for Kolding is calculated for 1.2.19 to 1.4.20. In Padborg the calculation is from 31.3.19 to 1.4.20.

j) Water consumption in Roskilde is missing. In January 2020 we had an office in Greve. Water consumption for Greve is based on 2019 data.

Social data

Employees	Unit	2022	2021	2020
Men	FTE	158	143	140
Women	FTE	87	87	84
Salaried employees	FTE	198	200	184
Hourly-paid employees	FTE	47	30	40
Employee turnover for salaried employees	%	15	19	11
Employee turnover for hourly-paid employees	%	24	67	78
Female managers				
Women on the Board	%	0	0	0
Female managers	%	18	23	10
Women at ALPI	%	36	38	38
Sickness absence and occupational accidents				
Sickness absence	Days/FTE	6.8	5.9	4.2
Occupational accidents with at least 1 day's absence	Number of accidents	1	1	0

Governance data

Reported cases	Unit	2022	2021	2020
Discrimination	Number	0	0	0
Child labour	Number	0	0	0
Forced labour	Number	0	0	0
Human trafficking	Number	0	0	0
Corruption	Number	0	0	0
Offences	Number	0	0	0

About the report

This CSR report is the first step towards meeting the legal requirements in CSRD, which we will be subject to in the next few years. The report covers the financial year 1 January to 31 December 2022 and includes the Danish part of the international Albini & Pitigliani Group. The Danish group comprises two independent companies: ALPI Danmark A/S and ALPI Air & Sea A/S.

ALPI Danmark owns 57% of the Norwegian subsidiary ALPI Norway, and ALPI Air & Sea owns 51% of the Chinese subsidiary ALPI China. These two subsidiaries are not included in the report as we do not yet have data collection systems in place for the two companies.

The Danish group is referred to in the report under the collective name ALPI. ALPI has offices, terminals and warehouses in Herning, Kolding, Padborg, Odense, Roskilde and Karlslunde. The CSR report contains data from all six sites.

The report contains the statutory statement of corporate responsibility in accordance with Section 99a of the Danish Financial Statements Act, and audit firm PWC has verified compliance with this. The report does not contain the legally required statement on the underrepresented gender in accordance with Section 99b of the Danish Financial Statements Act. This can instead be found on ALPI's website.

Third parties have not verified the figures in the CSR report, and we take the trouble to find the right data and verify it internally. Appendix 1 describes the accounting practices for the consumption figures and the CO_2 accounts in the ESG data section. The basis of calculation or sources are given in the footnotes for the other figures in the report.

Questions about the CSR report should be addressed to:
Head of ESG/CSR Dorthe Aaboe Kallestrup: dorthe@alpi.dk

Appendix 1:
Accounting practices for ESG data

The following pages indicate the accounting practices underlying the data and CO_2 emissions reported on pages 37-38 of the report. All figures are quality checked and validated by designated key personnel in the finance department.

Some figures are based on estimates as we do not have fully available data on these. It is shown directly under each table on pages 37-38 if exceptional circumstances are associated with a figure.

Consumption data

Energy:
Total electricity, district heating, natural gas and oil consumption in buildings owned or rented by ALPI.

Water:
Total consumption of water and waste water in buildings owned or rented by ALPI. Water consumption and waste water is currently calculated as the same amount, since we do not have data documenting the difference.

Waste:
Total amount of waste sent for waste management from buildings owned or rented by ALPI, broken down into recycling, food waste, incineration, landfill and hazardous waste.

CO_2 emissions

The calculation of CO_2 emissions is based on the Greenhouse Gas Protocol. Furthermore, a number of data sources are included that allow us to translate our energy consumption and fossil fuel use into CO_2 emissions.

Scope 1: Direct CO_2 emissions:
Scope 1 includes CO_2 emissions directly from sources owned or controlled by ALPI, which includes fuel consumption for company cars and fork-lifts and the consumption of oil and natural gas for heating buildings.

Scope 2: Indirect CO_2 emissions:
Scope 2 includes indirect CO_2 emissions resulting from purchased electricity and district heating in buildings owned or rented by ALPI. We invest in green power equivalent to our annual electricity consumption, and we deduct this from the climate account in accordance with the provisions of the Greenhouse Gas Protocol.

Scope 3: Other indirect CO_2 emissions:
Scope 3 includes other indirect CO_2 emissions that can be linked to the business. In total, there are 15 categories of indirect CO_2 emissions under Scope 3, of which only relevant categories are included. At ALPI, we initially chose to concentrate on category 1: “Purchased goods and services”, which includes all the CO_2 emissions from the transport we sell to customers. This category covers 99% of our Scope 3 emissions. In the future, we expect to include more categories in the statement, for example, Category 5: “Waste in operations” and Category 6: “Business travel”. However, this requires a thorough mapping exercise, which is not yet fully underway.

Car transport:
Car transport is calculated based on standardised data from ALPI’s internal systems and external routing API services. The calculation methods follow the GLEC framework and the EN16258 approach. Car transport includes data from rail and LNG cars, and courier services are not included as we do not have internal data on courier companies. Figures are in CO_2 tank-to-wheel emissions (TTW). Emission factors have been continuously adjusted which means that we lack consistancy year by year. We hope to improve this in next years' report.

Air freight:
Air freight is calculated based on data from ALPI’s internal systems, which are transferred to EcoTransIT World’s online CO_2 calculator, which works according to EN16258 and the Greenhouse Gas Protocol. Figures are in CO_2e tank-to-wheel emissions (TTW).

Sea freight:
Sea freight is calculated based on data from ALPI’s internal systems, which are transferred to EcoTransIT World’s online CO_2 calculator, which works according to EN16258 and the Greenhouse Gas Protocol. Figures are in CO_2e tank-to-wheel emissions (TTW).

Employee data

Employees
The number of full-time employees at the end of the year. Temporary workers from external agencies are not included in the calculation.

Salaried employees
Employees who work primarily in an office with forwarding, sales, business development and administrative tasks.

Hourly-paid employees
Employees working primarily in warehouses and terminals, unloading and loading trucks and picking goods for shipment.

Employee turnover
The number of employees who left ALPI during the year, broken down into salaried and hourly-paid employees. The figure includes both natural turnover and turnover for other reasons.

Female managers
The number of female managers compared to the number of male managers at board level and in other management positions, including the number of women at ALPI in general compared to the number of men.

Sickness absence
The average sickness absence per full-time employee.

Occupational accidents with an absence
The number of reported occupational accidents at work with at least 1 day's absence.

Data governance

Reported cases
The number of officially reported cases of child labour, forced labour, human trafficking, corruption and other offences.