

Sustainability Report

20
23

Agenda

Introduction 4

About the Report	4
Words from the CEO	5
About TSG	6

Our Sustainability Strategy 8

Double materiality analysis & sustainability strategy	9
Sustainability aspects and focus areas	10
Objectives and key focus area	11
Risk & Opportunities	12

Minimize climate impact and other enviromental targets 15

3rd party transport solutions	16
Our shipping services	16
Fleet & water management	17
Energy consumption & recycling	17
Climate impact ambitions for 2023	18
Road Ahead: Minimize climate impact and other enviromental targets	19

Social Sustainability 20

Local outreach	21
Training and career development	21
Road Ahead: Social Sustainability	22

Governance 23

Code of Conduct	24
Supplier Code of Conduct	24
Whistleblower system	26
Anti-corruption	26
Compliance of Goods	26
Certifications & Standards	27
Road Ahead: Governance	28

About the report

During 2023, we have identified and addressed several essential sustainability aspects that are central to our operations and our role in society. The Sustainability aspects include minimizing climate impact, a healthy work environment that enables growth within the business as well as a sustainable supply chain.

Our sustainability report follows the reporting principles set out in GRI 101. These principles ensure that the report contains relevant and reliable information for our stakeholders.

In 2023, a dual materiality analysis was carried out, the sustainability work was integrated into the company's common business strategy and adapted to new laws and EU directives.



The sustainability aspects include minimizing climate impact, a healthy work environment that enables growth within the business as well as a sustainable supply chain.

Forward to net zero impact.

Sustainability is an issue that has long been important to the logistics industry and is finally starting to make a real impact. This is especially evidenced by the fact that an increasing number of customers are making their logistics decisions based on environmental and other sustainability criteria.

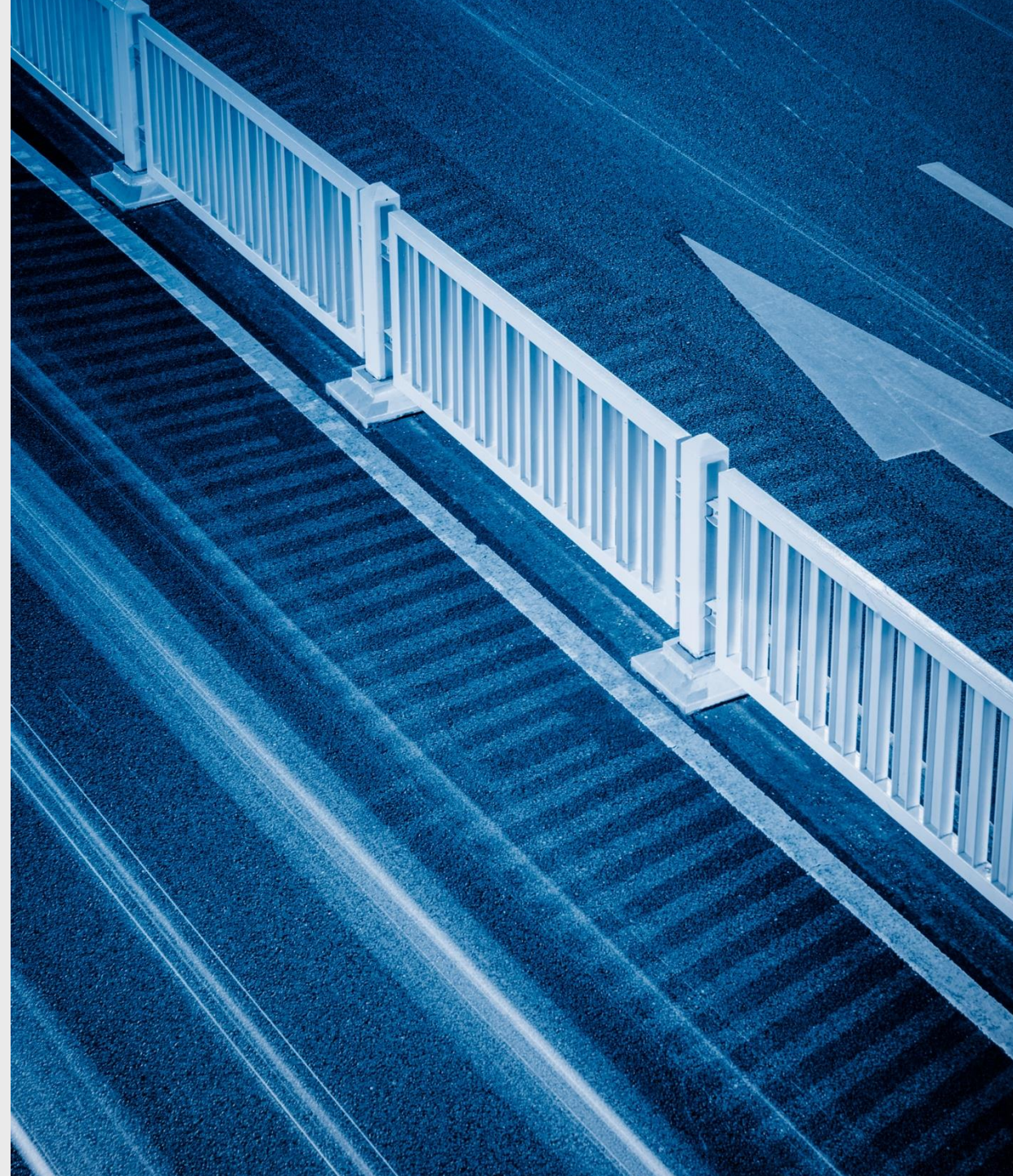
The logistics industry has an important role to play in a transition to a sustainable future. This we will achieve by making transport more efficient, reducing emission and constructing ships that will be much more environmentally friendly.

We have a clear ambition to reach net zero GHG emissions for our operations by 2040. We will in the near future, where our operations and available technology allow, move aggressively towards that target.



"We have a clear ambition to reach net zero GHG emission for our operations by 2040."

Eric Hjalmarsson, CEO





**Sustainable logistic
that take your business
all the way.**

About TSG

TSG was founded in 1994 and has six offices in Sweden and two offices in the UK at the end of 2023 with an annual turnover of 818 MSEK.



SÖDERHAMN

GÄVLE

VÄSTERÅS

SÖDERTÄLJE

OXELÖSUND

OSKARSHAMN

GOOLE

HULL

Mission

TSG is a customer focused and personal logistics company that has specialized in tailor-made, door-to-door solutions. Our services combine shipping, storage, forwarding and customs clearance services with sustainable end-to-end solutions for freight owners worldwide.

Structure

The organization consists of 78 employees with offices in Västerås, Gävle, Oskarshamn, Oxelösund, Söderhamn, Södertälje, all in Sweden, in addition to Goole and Hull in the UK.

Business Areas

Short Sea – Sustainable shipments on our own liner service by sea, connecting Sweden, UK and Benelux .

Terminal Operations – Flexible and bespoke terminal and warehousing services for breakbulk and container handling in the UK.

Global Forwarding – Serving customers world-wide with Forwarding solutions including warehousing, project cargo handling and agency.



Our Sustainability Strategy

01

Double materiality analysis and sustainability strategy

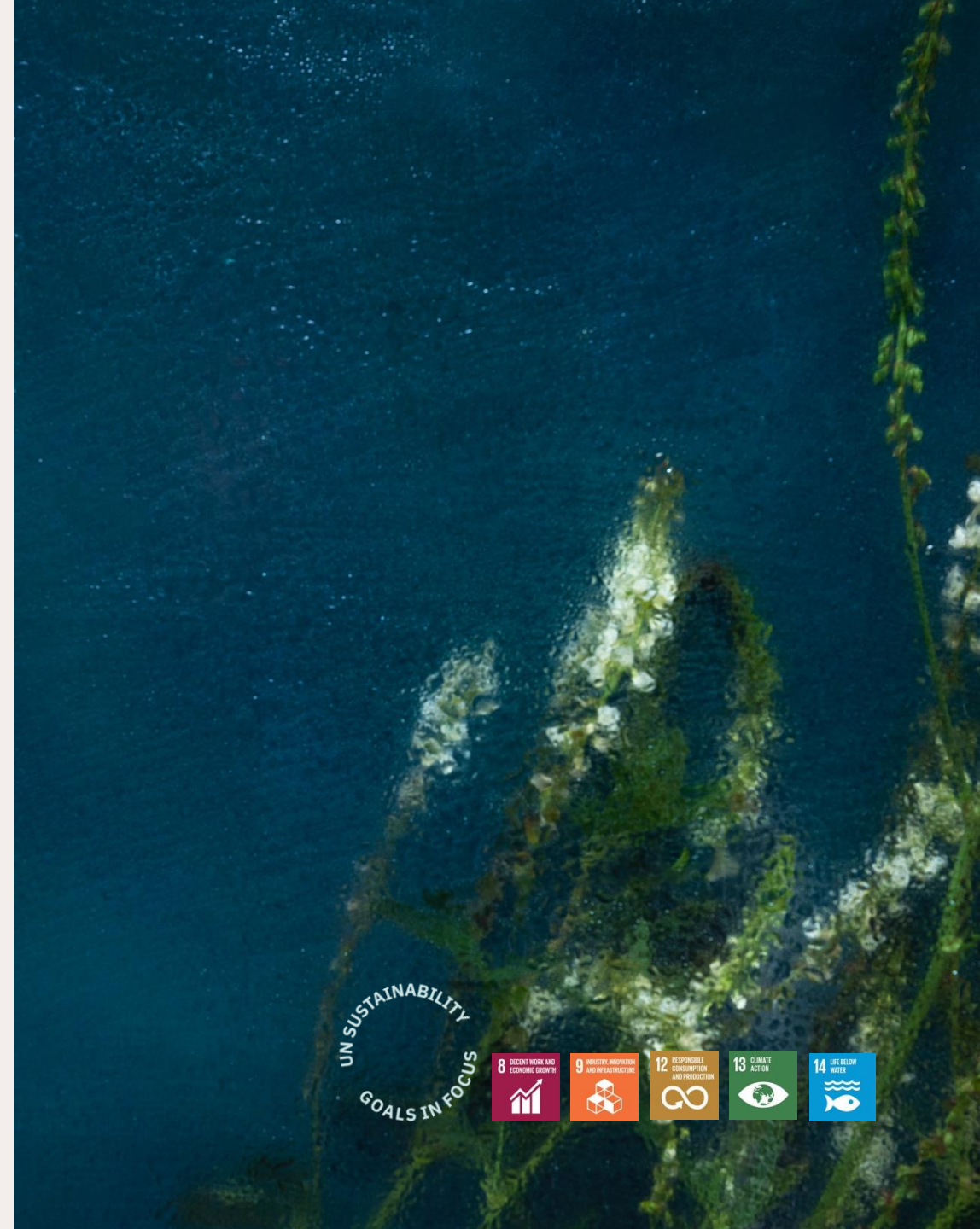
Sustainability has been a priority for TSG for several years. In 2023, we undertook a comprehensive review and improvement of our sustainability work which involved a series of workshops and dialogues with stakeholders in a double materiality analysis.

The purpose of the review was to develop a new sustainability strategy linked to the UN's Sustainable Development Goals and our stakeholders expectations.

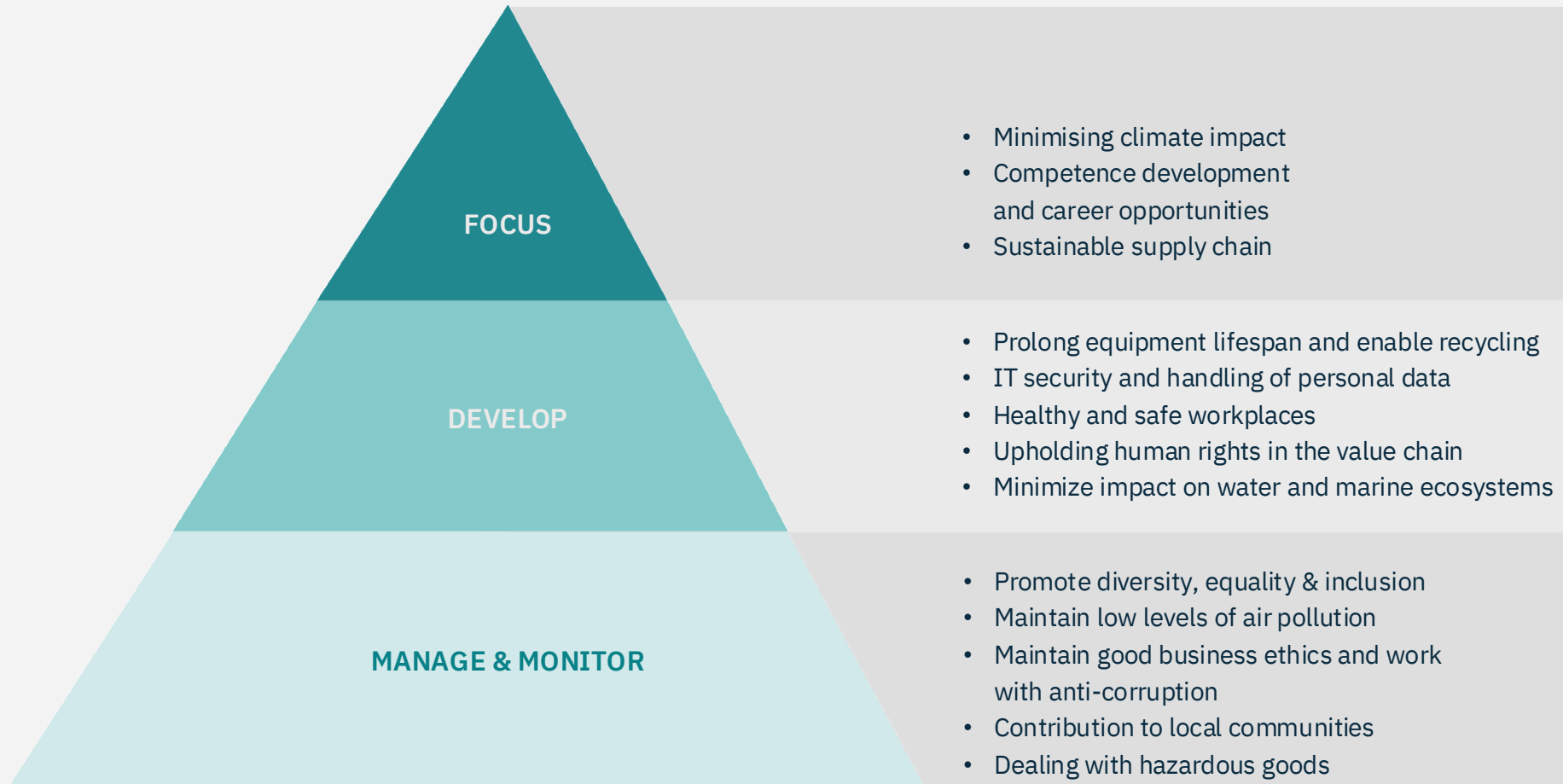
All listed sustainability issues are considered important for the company but through the double materiality analysis we identified three focus areas where our sustainability work can impact our company and the outside world the most. Based on these results, our sustainability strategy and goals have been defined.

2023 focus areas

- Minimising climate impact.
- Competence development and career opportunities.
- Sustainable supply chain in the pyramid.



Sustainability aspects and focus areas



Objectives and key focus area

11

Strategic objectives

Current key focus area

Key performance indicators 2023

Environment



- Minimize consumption of resources
- Preserve aquatic ecosystems

- Minimising climate impact

- GHG emissions per tkm for land transport
- Container balance
- Utilization rate (own fleet) excluding TARE

Social



- Dynamic and knowledge-centric organization
- Employees with high aspirations
- High staff retention

- Competence development and career opportunities

- Number of training days per employee
- Proportion of staff who had performance appraisals during the year
- Staff turnover

Governance



- Trusted partner by all stakeholders

- Sustainable supply chain

- Percentage of suppliers informed about our Supplier Code of Conduct

Risks & Opportunities

The world of logistics will undergo dramatic changes as regulations and customer demand drives a fast transition to more sustainable solutions. This will give rise to both risks and opportunities.

Risks

- Climate change increases risks for operations, as turbulent weather increases in frequency, and of business disruptions, as customer and regulatory demands increase on the logistics sector
- Our personnel and suppliers operate in hazardous environments on the terminal and vessels, meaning we need to maintain the highest health-and-safety standards
- Cyber and other security risks is affecting operations and security of transportation and data integrity across the industry
- Accidents with our vessels could have high impacts on the local marine environment where we operate
- There is a constant risk that our transport services are misused for criminal activities such as smuggling

Opportunities

- We see an opportunity to shift cargo from road to sea, thereby decreasing the emissions per tonne kilometers
- Electrification of our terminal operations
- A new generation of vessels in our liner service with new propulsion technologies
- We shorten the last leg for inland distribution by calling ports close to end-customers
- Evaluate and partner with our suppliers to implement low emission technologies and good governance practices in the value chain
- Create internal skills development and career opportunities as our business grows and diversifies



Minimize climate
impact and other
enviromental targets

02



3rd party transport solutions

A central part of our strategy is to choose carriers that work towards fossil-free alternatives for our forwarding and last mile services. By prioritizing these suppliers, we show our commitment to reducing the environmental impact of transportation. We strive to shift the 3rd party transport solutions towards environmentally friendly alternatives as the technologies and markets mature.

Our shipping services

We offer sea transport of goods between the east coast of Sweden, England and Benelux. With the capacity of the vessels, we can transport large volumes of goods on each shipment, which leads to a reduction in emission values per transported unit compared to traditional road transport.



Fleet & water management

We act according to the international standards and rules set for the shipping industry. Ballast water management is managed according to IMO standards and involves methods that minimize the risk of damaging the underwater environments and ecosystems where our ships operate.

Energy consumption & recycling

We strive to reduce our climate impact in every way we can, both in the logistics chain, in the offices and in the terminal operations. Our equipment must be used responsibly during its lifetime and when disposed of it must be recycled to enable circular reuse whenever possible.

Going into 2024 and beyond, greater emphasis will be given to measuring, minimizing and totally eliminating GHG emissions and waste in the sectors of our operations where this is possible.

Climate impact ambitions for 2023

TSG greenhouse gas emissions
for all vessels to be below
11.64 g/tonne-km for the year



TSG achieved 11,46 g/tonne-km

Utilization excluding tare of 65%
and a container balance of 80%



TSG achieved 67% and 80%



UN SUSTAINABILITY
GOALS IN FOCUS



Road Ahead: Minimize climate impact and other environmental targets

Net Zero offices by 2025

Net Zero Terminal operations by 2030

Fleet renewal for carbon free Short Sea transports

Transition to carbon free technologies in 3rd party transport solutions

A step-change for 2024 and beyond

As part of TSG's Sustainability Strategy, we have defined a road map towards becoming an even more sustainable business. Starting with the areas directly under our control we aim to reach net zero for our offices and terminal operations in the near future, as a first step to achieving our vision to be fully Net Zero in 2040.



**Social
Sustainability**

03

Our ambition for 2023 was for our staff turnover to be <8%



TSG achieved <1%

We wish to give our employees the right competencies to develop with the company through continuous and applicable trainings.

Local outreach

TSG strives to be an active and responsible part of our local communities. We achieve this by sponsoring activities of local sports teams, social charities and being active members in the local chambers of commerce.

TSG also has a special commitment to trade schools in the regions where we are present. We continuously offer internships to student, give lectures as part of the educational programmes and are proud to use them as a primary recruitment channel.

Training and career development

TSG is quickly evolving together with the whole logistics sector. We wish to give our employees the right competencies to develop with the company through continuous and applicable trainings.

In 2023 we offered trainings to our staff ranging from health & safety, personal leadership, management and training of new employees in our core logistics competencies.





Road Ahead: Social Sustainability

Trainings focused on ESG and Health & Safety to be rolled out to all 2024/2025

Contractually binding Supplier Code of Conduct 2024/2025

Job rotation between countries

Continue being a caring employer and member of society

Going forward, we will continue strengthening the awareness of ESG and Health & Safety matters by ensuring all employees get training in relevant areas. We will further make the Supplier Code of Conduct into an integral part of our supplier contracts to make adherence compulsory and more stringent. Going further into the future we want to continue strengthening as an organization and employer by creating job rotation opportunities between our offices in the UK and Sweden.



Governance

04



Governance

TSG conducts business with high integrity. This means that all employees are expected to perform their duties in an honest and responsible manner with high ethics and morals. We promote a culture of respect and fairness, ensuring that all stakeholders of our company are treated with respect and professionalism from management and co-workers and expect the same in return.

Code of Conduct

Our code of conduct guides our employees to follow our values, detailing our expectations of high ethical standards in dealing with external and internal partners and co-workers.

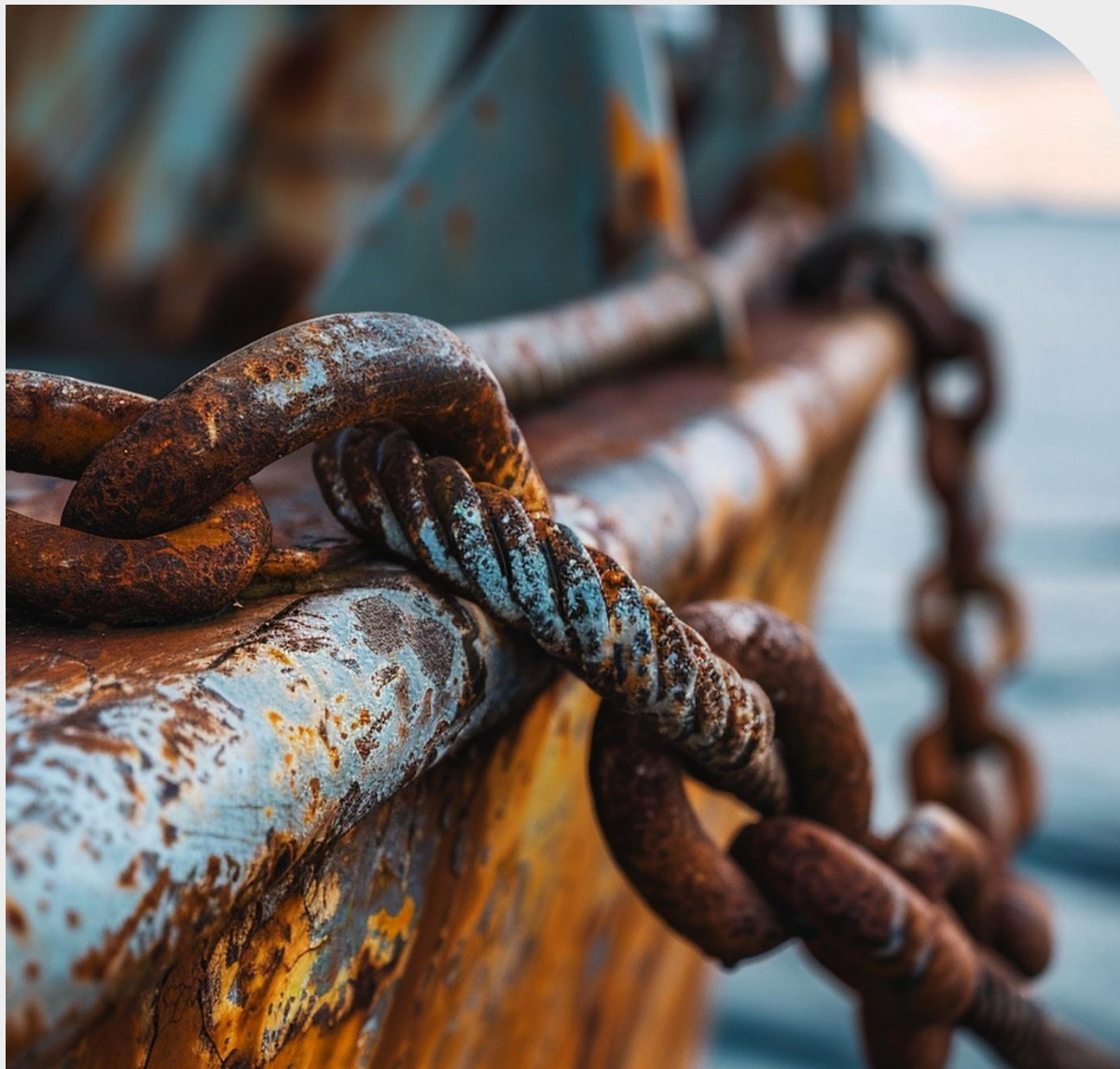
Supplier Code of Conduct

Through our supplier code of conduct we communicate expectations around the environment, work environment, human rights and corruption.

By choosing carriers that maintain good working conditions throughout the supply chain, we send a clear message about our commitment to promoting fairness and dignity in the transportation industry.



Our ambition for 2023 was that all our suppliers should have been informed of the Supplier Code of Conduct – **achieved**



Whistleblower System

Violations or suspected crimes and other violations of our code of conduct can be reported anonymously via our whistleblower system are followed up and investigated by an external partner together with a notification committee appointed by the board.

Anti-corruption

We do not accept or allow bribes, abuse of power, unfair compensation, cartel formation or actions that may inhibit the free market.

Compliance of Goods

The goods flow we manage for our customers shall be compliant with all applicable regulations. In case of suspicion of a violation of this, TSG cooperates with the Customs authorities and other relevant bodies. All crew and port staff moving on the ships must be ISPS qualified, and the procedures for checking staff on duty are strict. Unauthorized arrivals are dealt with according to international law and contact with local authorities is made immediately.

Cyber Security

TSG recognizes the increased threat of cyber security breaches for customers and other stakeholders and is covered by NIS 2 regulation. In 2023 we have strengthened the IT infrastructure in the Group and have implemented regular cyber security training for our staff. Work will continue to close gaps from an external assessment in 2024 and we will evaluate how to further strengthen our cyber security.

Certifications & Standards

TSG is a certified AEO agent, we adhere to the IMO D-2 standard for ballast water handling and follow the ISPS code for port security.

Our Global Forwarding and Short Sea businesses are ISO 9001 and ISO 14001 certified and we are planning to certify the Terminal business in 2024/2025.





Road Ahead: Governance

Cyber Security testing and certifications 2024/2025

Contractually binding Supplier Code of Conduct 2024/2025

ISO certification Terminal 2024/2025

Consider further ISO certifications

Strengthen our governance infrastructure

Going forward, we will seek to strengthen the governance infrastructure even further, especially in the areas of Cyber Security and the application of the Supplier Code of Contact as well as finalizing the ISO 14001/9001 certification of the Group by rolling in also the Terminal. Beyond this, we will consider the certifications that will provide the most assurance and value to our customers and other stakeholders as we continuously improve the way we operate.



Thank you for your interest in our Sustainability Report 2023. If you have any further questions don't hesitate to contact us.