

# WE GO THE EXTRA MILE

**Sustainability report**  
2023



**Spartalogistics**

# CONTENTS

Introduction	3
Our strategic priorities	4
Climate impact	6
Scope 1 and 2 emissions	
Scope 3 emissions	
Work environment	7
Safety	
The next generation	
New headquarter	
Our Responsibility	8



# INTRODUCTION

Logistics makes up a fundamental part of our everyday life no matter if you are a small business, big corporate or consumer. While it offers several benefits by helping us trade, and enable access to essential services, it is no secret that it also brings challenges, in particular climate change, air pollution and working conditions in the supply chain. At Sparta Logistics, we are well aware of this dilemma. That is why, we work towards being part of the solution rather than the problem and communicate openly on both our challenges as well as successes.

The elephant in the room is CO<sub>2</sub>-emissions in terms of the climate footprint from transporting goods from A to B. However, new innovations such as electric trucks, electric rail freight transport and use of alternative fuels are paving the way towards a more sustainable future. That being said, the challenge is that we cannot change overnight being in a very competitive market, but we need to move the needle one step at a time and earmark investments and dedication to succeed in moving closer to a more sustainable future. That is also why, we are proud to launch our ESG strategy “we go the extra mile” which will form our ESG journey and efforts going forward.

2023 also marked the year when we moved into our new headquarter in Hørning, Denmark and invested in 10.7 acres of land in Adazi, just outside Riga, where we plan to build a new modern logistics centre. This gives us a solid foundation for endeavouring on our ESG journey.

By publishing our first sustainability report, we seek to provide a balanced and open communication of the environmental and social impact of our business and examples of tangible challenges, actions and solutions.



*Nikolaj Kock, General Manager og Partner*



# OUR STRATEGIC PRIORITIES

With our “we go the extra mile” strategy we have set the wheel in motion for our actions on sustainability and ESG towards 2028. Our plan rest on the three focus areas:



**Decarbonize our footprint:** We will break the curve on CO<sub>2</sub>-emissions through new technology and use of existing alternatives. Our targets are to reduce our CO<sub>2</sub>-emissions year-to-year in absolute terms and apply low emission alternatives and new technologies on 60% of our own fleet by 2028.

**Impact with customers:** We will optimize logistics and apply the use of data analytics and AI to cut emissions in partnerships with our customers. We will enter two new partnerships each year to reduce CO<sub>2</sub>-emissions and cut costs, and we will cut 10% of our CO<sub>2</sub>-emissions by 2028 compared to a 2022 baseline through use of smart data and AI.

**Get the basics right:** We will ensure proper working conditions inhouse and in our supply chain and always prioritize safety first. Our aspirations are zero accidents and high wellbeing, ensure a good and developing working environment, implement our Code of Conduct with all suppliers and report transparently on our ESG progress and initiatives.

By working actively with these guiding focus areas and targets we are confident that we can balance sincere impact with good business.

Our focus areas and activities impact several of the seventeen Sustainable Development Goals (the Global Goals), positively as well as negatively. Based on our initial assessment, we have carefully selected three of the Global Goals where we can have the largest impact. The three goals are:



Support the extension and supply of affordable and clean energy.



Take urgent action to combat climate change and its impacts.



Strengthen the means of implementation and revitalize the global partnerships for sustainable development.

The targets within these goals will serve as guiding principles for our work with sustainability going forward.

As we continue to evolve our approach to ESG, we remain committed to engaging with our stakeholders and seeking their feedback and insights to ensure that we are making a positive impact within the areas that matter most to them.

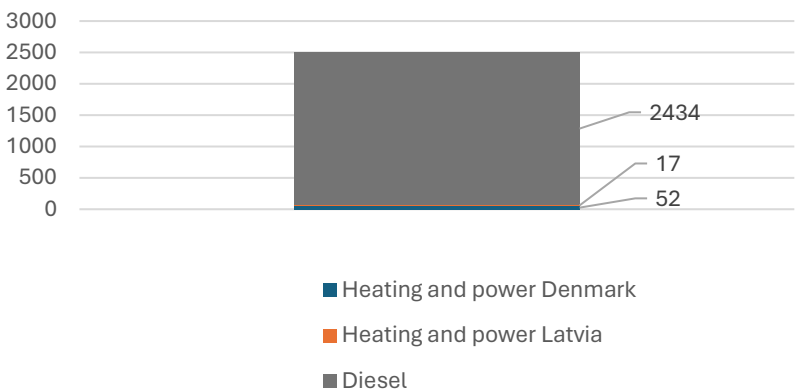


# CLIMATE IMPACT

## Scope 1 and 2 emissions

In 2023 we conducted our first climate accounts for the full year of 2022. Greenhouse gas emissions are measured in CO<sub>2</sub> equivalents (CO<sub>2</sub>e) and divided into "scopes" cf. the Greenhouse Gas Protocol. In Sparta Logistics, we include CO<sub>2</sub>e from scope 1 and 2 emissions based on the energy consumption from our sites in Aarhus and Glostrup (Denmark) and Riga (Latvia) as well as from owned and leased vehicles. Energy sources include diesel (scope 1) as well as district heating and electricity (scope 2)\*

### Overview on energy consumption 2022 in MWh



It comes as no surprise that the Diesel used in our own fleet of trucks makes up the majority of our CO<sub>2</sub>-emissions. All our trucks are Euronorm 6 but that is simply not enough to break the emission curve\*\*.

Consequently, we have decided to make a considerable investment, in alignment with our ESG-strategy, and reserved two new electrical trucks from Mercedes that will be delivered late 2024. This will cut our CO<sub>2</sub>-emissions significantly and give our customers the opportunity to tap directly into the green transition on their freight and achieve a reduction in their scope 3 emissions from transportation.

Even though our electricity consumption is limited we have invested in solar panels on our new headquarter in Hørning, Denmark. We look forward to seeing how much electricity the solar panels will produce over a full year and how much it will contribute to savings in electricity.

\*Emission factors are based on Nowtricity.com 2022 factors (electricity), 2022 environmental declaration from Kredsløb (district heating Aarhus) and 2022 sustainability report from Rigas Siltums (heating in Riga).

\*\*Diesel consumption covers eight leased or owned trucks with a total mileage in 2022 of 925.000 kilometres.

## **Scope 3 emissions**

For now, the missing link in our climate accounts is our scope 3 emissions. We are currently implementing an international acknowledged system in line with EN ISO 14083: 2023 for the calculation of our scope 3 emissions divided into road, sea, air, and train. ISO 14083 is the globally recognized method that provides guidance on the calculation and reporting of greenhouse gas emissions from logistics across the various modes of transport. This will also make it possible for our customers to get CO<sub>2</sub>-data on their freights. We look forward to getting our hands dirty on our scope 3 emissions and apply the findings to our customers to help reduce their emissions from transport.

# **WORK ENVIRONMENT**

When it comes to sustainability and ESG in the logistics sector the overarching issue is, understandably, climate emissions and air pollution. However, we shall not forget the importance of our people and the people we engage in our supply chain.

## **Safety**

Based on our values, we always work to improve the working environment and safety for our employees. The frequency of accidents is very limited due to our asset light approach (limited ownership of own trucks) as well as an ongoing focus on safety in our warehouses. We have had no work accidents in 2022 and have an ambition of maintaining zero accidents in the coming years through ongoing focus. We will report on safety in alignment with LTIF (lost time injury frequency), and our ongoing target is to maintain a LTIF<1. We have installed a defibrillator at our headquarter site. Our newly build headquarter in Hørning is build and organised with safety as a high priority.

## **The next generation**

We are continuously taking apprentices and trainees on-board to ensure new insights and capabilities and meet our responsibility to build the next generation of bright minds within logistics. This year our apprentice Christian did his thesis on how to calculate CO<sub>2</sub>-emissions in the supply chain. In the year ahead, Christian will take on more tasks on climate and energy within Sparta Logistics so he can gain further practical ESG-experience and we can benefit from his knowledge.



## New headquarter

As stated in the introduction, 2023 marked the year when we moved into our new and modern headquarter in Hørning. Here the employees can enjoy lunch in our canteen, workout in our fitness room or enjoy an organic fairtrade coffee from our new coffee machines. Our people are our most valuable asset and it is our responsibility to offer a modern and compelling work environment. Likewise, we have also introduced a more systematic method to conduct one-to-one dialogues and an annual development interview. Needless to say, we are in compliance with local laws on working conditions in all places we operate.

# OUR RESPONSIBILITY

To guide our colleagues, partners, and suppliers in our work with responsibility we have outlined an ESG Policy and a Supplier Code of Conduct that adhere to the 10 principles of the UN Global Compact and our focus areas within the UN Sustainable Development Goals. We review our ESG Policy and Supplier Code of Conduct annually and update them if needed.

Our ESG policy makes up the foundation of our commitment to sustainable development, ethical practices, and social responsibility. It confirms our ambition on integrating ESG considerations into our operations and decisions. Our ESG policy covers working conditions, human rights, environment and climate, and anti-corruption. It states our responsibility as a business and shows our stakeholders what they can expect from us. The Policy does not only reflect our dedication to aligning our business objectives with global sustainability goals, but also demonstrates how we are actively contributing to a more responsible business. The ESG policy will from this year be part of our employee handbook.

Our Supplier Code of Conduct is another key element in our commitment to responsible and sustainable business practices. This code outlines the standards and expectations we set for our suppliers. It embodies our belief that responsible sourcing and partnerships are important to the success of our company and sustainability. In the Code of Conduct we detail the principles our suppliers are expected to adhere to, ensuring that our supply chain aligns with our core values and contributes positively to our ESG objectives. Our focus for the year ahead is to implement the Supplier Code of Conduct in our supply chain for both new and existing suppliers.





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**Sparta**logistics