



SEKO LOGISTICS ANNUAL ESG REPORT 2023-2024



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A MESSAGE FROM OUR CEO

James Gagne,
Chief Executive Officer

As we present SEKO Logistics' Annual ESG Report, I am filled with pride in our collective journey towards a more sustainable and resilient future. Following the excitement of last year's inaugural report, this year we will share some of the realities that we face in trying to make material changes to the supply chain industry and, with our customers, in the many industries that they operate.

I am immensely proud in our commitment to continuous improvement in the ESG space despite the challenging global economy and the incidents and turmoil that create instability.

Our dedication to reducing our carbon footprint is more robust than ever. We have deepened our data intelligence program, refining assumptions and trialing new technologies with clients and industry bodies. We have spent significant time auditing our facilities, identifying opportunities for reduction in energy and waste. We have relocated operations from sites that were beyond improving and into new, green and efficient facilities. We have initiated investment in electric vehicles and supported airlines with Sustainable Aviation Fuel commitments.

Equally important is our commitment to our people and communities. This year, we have launched several initiatives aimed at enhancing workplace safety, promoting diversity and inclusion, and supporting community programs that align with our values of empowerment and respect. Our efforts with Airlink, supporting global communities in need has been outstanding and I have been humbled by the effort and dedication of our staff as they work with this amazing NGO to deliver disaster relief shipments around the world. All of these efforts not only strengthen our team but also enrich the communities where we operate. That said, our work has just begun. There are a number of areas around

the world that are in urgent need of aid & relief, and the needs only appear to be growing due to natural disasters, climate change, war and conflict. As a global supply chain solutions and logistics provider operating in over 60 countries, we're committed to providing support wherever aid is urgently needed.

This year, we have placed a strong emphasis on enhancing our governance structures to ensure that we operate with integrity and accountability at every level of our organization. Strengthening our governance practices is critical as it supports our ESG goals and ensures that our business decisions are transparent and aligned with the best interests of all our stakeholders. By fortifying our policies on compliance, risk management, and ethical conduct, we have built a solid foundation that supports our environmental and social initiatives, ensuring that we lead with responsibility and foresight.

As we look forward, our path remains clear. We are committed to continuous improvement by setting ambitious, yet achievable, sustainability goals. We must measure our progress using the best tools and data available. Our communications must remain transparent, both internally and externally. Critically, our vision for a sustainable future must continue to move towards being intertwined with every aspect of our operations and our business culture. Without sustainability truly underpinning the culture within SEKO, making rapid and material effective change will be impossible to achieve.

COMPANY OVERVIEW

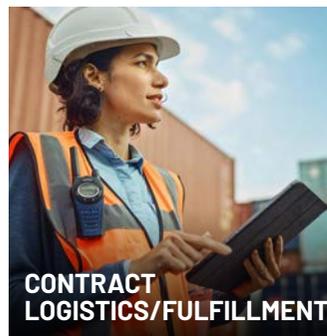
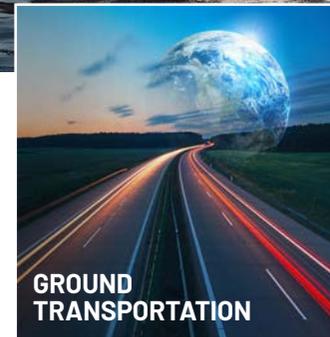
SEKO began in 1976, operating out of a single office in Chicago. Since, we have grown to over 150 offices in over 60 countries worldwide, SEKO delivers sustainable client-first service, expert reliability and tech-driven shipping solutions that turn supply chains into a competitive differentiator.

Our commitment to giving back through the logistics industry further supports our clients and the people they support and serve. Without people, there is no progress in sustainability, and we support our people throughout every area of our business.

OUR INDUSTRIES:

- AEROSPACE & AVIATION
- AUTOMOTIVE
- DIRECT TO CONSUMER BRANDS
- FASHION APPAREL
- GOVERNMENT, SPACE & DEFENSE
- HEALTH, BEAUTY & COSMETICS
- HIGH-TECH
- INDUSTRIAL
- HOME GOODS, RECREATION & FURNITURE
- LUXURY
- MARKETPLACES & SELLERS
- MEDICAL DEVICES
- RETAIL
- SPORT & LEISURE
- WINE & SPIRITS

PRODUCTS AND SOLUTIONS



OUR GLOBAL IMPACT YOUR FULFILLMENT POTENTIAL

150+ OFFICES
ACROSS **60+** COUNTRIES



Optimal scheduling for material activities and battery charging



Travel distance optimization



Waster reduction and recycling programs



White walls decreasing energy consumption



Solar tubes



On-site solar



LED lighting



Most of our facilities utilize battery powered forklifts, some with energy efficient braking systems



Smart metering



Smart sensors for lighting



Smart HVAC systems

12,000+ CLIENTS
OVER **5 MILLION SQ FT**
WAREHOUSE SPACE

ESG IN 2024

The last twelve months have been dynamic in the world of ESG. The evolving landscape means that businesses must continue to navigate increased regulatory requirements, stakeholder expectations, and the practical challenges of implementing sustainable practices. At SEKO, Governance serves as our pyramid of support for our People, Planet and Community ambitions. Without governance, a company lacks the structure, guidelines and frameworks for which our employees, vendors and customers must rely on to ensure SEKO's long-term commercial viability.





INCREASED FOCUS ON ETHICS AND INTEGRITY

Companies are under growing pressure to ensure their ESG claims are backed by genuine actions. The consequences of greenwashing are becoming more severe, affecting reputations, business performance, and leading to legal penalties. Transparency in ESG disclosures is crucial to building trust among consumers, investors, and regulators. While SEKO must be conscious of this for ourselves, we must also remain vigilant with our customers that we are supporting them in their ESG mission. If they are working towards decarbonizing their supply chains, SEKO must be there with solutions to ensure that progress is possible, available and measurable.



CLIMATE STRATEGIES AMID ENERGY SECURITY CONCERNS

The global energy landscape has been impacted by high prices and supply disruptions, particularly due to ongoing global conflicts and natural disasters. This has led some nations and corporations to reconsider their energy policies, balancing the transition to green energy with immediate needs for energy security and affordability/profitability. Investments in clean energy are encouraged, but the path to meeting reduction goals continues to be challenging. SEKO itself has not been immune to the challenging economic times as we ride waves of prosperity and difficulty along with our clients. Supporting clean energy and alternative fuel transportation remains an ongoing discussion both internally and with our clients as we attempt to continue moving forward on sustainable initiatives supported by guardrails of commerciality and practicality.



REGULATORY DEVELOPMENTS AND SCRUTINY

There has been significant activity in ESG regulation, particularly in the EU and US. Europe's Corporate Sustainability Reporting Directive (CSRD) is set to enforce broad new standards for corporate sustainability reporting. In the US, the Securities and Exchange Commission (SEC) has proposed rules for detailed ESG disclosures, though there is a notable backlash and efforts to limit ESG initiatives in some states. Once again, this sees SEKO involved both for our own reporting purposes and in support of our clients, many of whom are struggling both with how to obtain the data, especially their Scope 3 emissions, and how to provide the necessary information being requested by their local governments. The variation between regions and states further complicates the provision of data when complying with legislated requirements. This has seen SEKO engage ESG and compliance resources tasked with compiling requirements to ensure that both ourselves and our clients are able to report and remain compliant with existing and emerging rules and regulations.



SUPPLY CHAIN RESILIENCE AND TRANSPARENCY

The importance of resilient and transparent supply chains has been highlighted by ongoing geopolitical issues and consumer demands, with many companies being expected to provide visibility on their entire supply chain. This includes responsible sourcing, ethical manufacturing and being able to report on and reduce Scope 3 emissions, which includes all indirect emissions that occur in the value chain. While this scrutiny aims to ensure that companies are accountable for the full environmental impact of their products, the practical realities of being able to easily report on this information are not as straightforward. SEKO aims to assist our clients, wherever possible, with their reporting requirements which, as detailed later in this document, explains our dedication to our carbon reporting program and the ongoing commitment to refining the in and out-puts.



DIVERSITY, EQUITY AND INCLUSION

Diversity, Equity and Inclusion (DEI) remains a hot topic, especially within developed countries, where understanding and acknowledging the challenges, frameworks and issues surrounding DEI is an evolving environment. SEKO values the importance of DEI frameworks, not as a directive, but as a beneficial concept to be effectively put into practice. Our 2023 executive leadership training in this space provided insights to the depth and breadth of value that organizations can gain through becoming more diverse and inclusive throughout the business. Logistics and Supply Chain has been a male-dominated industry for many years and SEKO, through our Women in Logistics Leaders (W.I.L.L) program, aims to assist with pathways for women to obtain leadership roles within the industry.



HUMAN RIGHTS AND WORKFORCE ISSUES

Recent revelations, documentaries, and reports from both developing and developed countries posit that managing human rights impacts within supply chains has become more critical amid new sustainability regulations. While this is less relevant for SEKO's workforce, we remain acutely aware of these issues to ensure that we can act as eyes and ears on the ground in countries where our clients operate.

THE ROLE OF SEKO IN THE ESG LANDSCAPE

While ESG is not an industry specific topic, SEKO, and asset light freight forwarders more broadly, play a critical role in global ESG initiatives by acting as intermediaries between shippers and transportation services, ensuring efficient and sustainable supply chain operations. By integrating ESG considerations into our operations, SEKO is doing our best to not only contribute to global sustainability efforts, but also enhance the competitiveness and reputation of our clients in the market.

Foremost for SEKO is Big Data, as it plays a critical role in driving progress in Environmental, Social, and Governance (ESG) initiatives by providing the necessary tools and insights for organizations to make informed decisions, track their impact, and improve our efforts. Relevant data gathering, analysis and management all feed into making more informed decisions to support our ESG ambitions. SEKO continues to invest in both systems and people to assist with data management aimed at enhancing our transparency and accountability, improve our risk management, provide more informed decision making, ensure optimization of tools, solutions and resources, to receive and interpret stakeholder feedback, and remain compliant with our regulatory reporting obligations.

Using Big Data to support our ambitions, SEKO's role in global ESG can be outlined as follows:

ENVIRONMENT



SOCIAL



SEKO
CARES



GOVERNANCE



ENVIRONMENTAL RESPONSIBILITY

SUSTAINABLE LOGISTICS SOLUTIONS

It is the role of SEKO to introduce alternative and eco-friendly transportation options, such as selecting carriers with lower carbon emissions or using intermodal transport solutions that reduce reliance on high-emission modes of transport.

OPTIMIZATION OF ROUTES AND LOADS

By optimizing routes and consolidating loads, SEKO works with our clients to minimize the carbon footprint of transportation activities.

COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

SEKO continues to refine our technology, ensuring that we are able to provide our clients with the necessary data and reports to remain compliant with emerging environmental regulations & standards.



SOCIAL RESPONSIBILITY

LABOR PRACTICES AND WORKING CONDITIONS

SEKO strives to influence labor practices within the logistics sector by working with carriers, supply partners and our own agents that adhere to fair labor standards and provide safe working conditions. This is an ongoing endeavor and requires continual review and refinement to ensure that life is continually improving for those who are working directly and indirectly with SEKO.

COMMUNITY ENGAGEMENT AND DEVELOPMENT

From our various local volunteer and fundraising efforts, as well as, our more globally directed philanthropic projects, SEKO supports numerous community initiatives and broader humanitarian efforts, enhancing social sustainability.

HEALTH AND SAFETY STANDARDS

Ensuring high health and safety standards in transportation and logistics operations protects workers and communities, contributing to social sustainability.



GOVERNANCE

ETHICAL BUSINESS PRACTICES

All freight forwarders can promote ethical business practices by maintaining transparency, integrity, and accountability in their operations. SEKO is working towards improved transparency, with our compliance team having made great strides in consolidating global policies, processes and guidelines. With annual audits, SEKO will be able to ensure that we are constantly improving and evolving within the ESG space.

RISK MANAGEMENT

For many of our clients, SEKO acts as their eyes and ears on the ground. We help manage risks related to ESG by ensuring that our supply partners suit the requirements of our clients.

Our ongoing focus towards implementing robust compliance programs, engaging with various parties, including regulatory bodies, and ensuring that all stakeholders in the supply chain adhere to governance standards to help mitigate the risks associated with poor reputational and potentially financial damage.

REPORTING AND TRANSPARENCY

SEKO assists our clients in providing transparency of supply chains and by providing detailed reports on ESG metrics, notably Scope 3 emissions, helping companies monitor and improve their ESG visibility and performance.



ESG GOALS

In 2022 SEKO established our first ESG goals aligning ourselves with industry, globally shared aspirations and our own internal culture. Our short term goals are already upon us and we have experienced a mixture of success and progress as we begin to better understand the commercial challenges that present themselves in trying to execute a simple concept in a difficult environment. No company is perfect and SEKO is no exception. In our pursuit of transparency and ethical reporting, we believe it is important to call-out our shortcomings and challenges.

SHORT TERM GOAL UPDATE

GOALS

UPDATES

100% of executives credentialed on inclusive leadership by 2023

This goal was partially achieved, with not all executives completing their training by the conclusion of the year. DEI courses will continue to play a role in the broader sustainability training for SEKO.

100% of SEKO-owned offices will have a diversity and inclusion goal by 2023 and SEKO agents by 2025

With an increase in US legal and political challenges in the DEI space, SEKO has delayed implementing DEI goals, however SEKO does have Equal Opportunity and Diversity Policies throughout the business, both in the USA and abroad. Programs like our Women in Logistics Leadership (W.I.L.L) continue to promote gender diversity in what has traditionally been a male-dominated industry.

SEKO will invest 2% of pre-tax profits OR \$5M annually into local communities and charitable initiatives from 2025 onwards. Donations will be through value-in-kind services or cash donations.

SEKO is well on their way to achieving this goal already and are working on improving the capture of financial and value-in-kind contributions to the various initiatives we support.

Energy audit completed on all SEKO-owned/ leased facilities by 2023; agents by 2025

SEKO completed our data-gathering exercise for the majority of SEKO corporate controlled facilities and was able to receive finalised audit data on a number of our warehouse operations.

We have also implemented 3rd party technology with the specific purpose of capturing, tracking and reporting on our facility energy, waste and water usage wherever possible.

The WAIRE compliance exercise for Southern California has also consumed a great deal of time for the facility audit team as we work towards a commercially sustainable roadmap for our impacted facilities.

80% of SEKO business will be contracted to 3rd party carriers who have adopted sustainability goals by 2025

In 2023 SEKO made great strides in our vendor audit process, with the majority of our international freight partners having already established sustainability goals and being in a willing or mature state of sustainability reporting and operations.

US trucking vendors, however, have provided a unique challenge, largely due to the small-business, fragmented structure under which they often operate. SEKO will continue to encourage and help lead our trucking vendors down a path of sustainability mindset so we will be able to continue working with them beyond 2025.

100% employees trained on sustainability by 2025

SEKO will continue to utilize its online learning platform to progress the training and understanding that our employees have towards various aspects of ESG.

SEKO is continuing to review, add and revise our external and internal goals to ensure that they are aligned with global priorities, realities and company values and capabilities. Updates to these goals are available to view on our website as they happen.

SEKO defines "Short Term" as goals due by or before 2025.

ENVIRONMENT





A MESSAGE FROM KAI LINCOLN

Global VP of Sustainability

In our inaugural ESG report I could be accused of letting an element of romantic optimism run wild in my statement about being blessed with a second life as the practical realities of progressing sustainability in the global supply chain begin to hit home. However, much of what I said remains true – freight forwarders are the conduits between our clients and their consumers. Furthermore, I believe that we are at that critical point of continuing to build understanding and momentum while better understanding the data and the opportunities.

Over the last 12 months we have continued to refine our carbon calculation program, both internally and by participating in external trial projects with industry and clients. Having attended the Smart Freight Centre Autumn Conference in Greenville, South Carolina in November 2023, it was somewhat encouraging to hear that the entire industry is struggling with the same issues that SEKO has identified in our calculations, but that we are all making efforts to find a path to better transparency from the primary carriers and better accuracy from calculation platforms.

We have been working tirelessly with several key clients and select airline partners to increase the uptake, commitments and use of Sustainable Aviation Fuel (SAF). In Q3 2024 this joint effort found success, with SEKO, United Airlines and a client (who wishes to remain confidential) reaching an agreement for a substantial purchase of SAF. The use of SAF is currently the only scalable solution to address reducing carbon burn and pollutant particulates from jet fuel. Purchases of large allocations of SAF, especially multi-year commitments, provide the necessary confidence for financial institutions to support the expansion of SAF producing facilities, ultimately increasing supply and decreasing cost.

By collaborating with carriers that prioritize alternative fuel, low-emission vehicles and intermodal transport options, I believe that we remain that vital cog in the decarbonization machine. As we look to the future, we remain committed to pushing the boundaries of what is possible in sustainable freight forwarding. We are excited about the continued integration of renewable energy sources, the ongoing improvement within our own facilities, and the further enhancement of our sustainability programs, both globally and locally. By staying true to our ESG principles and collaborating with like-minded partners, we believe we can overcome the challenges ahead and make a lasting positive impact on the environment and society.

So, I suppose my optimism remains, however it is now tempered by an appropriate degree of commercial reality. Unfortunately for my kids, this doesn't prevent them from having to sit through my rants about single-use plastics, poorly made and disposable goods and the fact that I'm really doing this for them and their children. So, sorry kids...but not really.

THE CONFRONTING REALITY OF REDUCING CARBON EMISSIONS

It is our aim to ensure that our ESG report is as transparent as possible, even if that means sharing some of the hard-truths about SEKO or the challenges presented by decarbonizing the global supply chain. The most confronting reality is that as humans – consumers, sellers and movers – we are not doing enough, or fast enough, to meet the targets that have been set by some of the smartest people on the planet.

With global emissions increasing since 2020, the gap between actual emissions and the Net Zero 2050 trajectory is growing. In simple terms, we need to find rapid acceleration in reducing emissions. The good news is that we are nearing the end of the early adoption phase, which historically, as new technologies are introduced, means a slow uptake of change. Once people and companies become comfortable with the adjustments, change is rapid. Think about your smartphone. In 2007, according to statistics, only 122 million smartphones were purchased globally. Seven years later in 2014, it was almost unheard of for someone in a developed country to be without their iPhone or their Android device and over 1 billion new units were sold.

The same goes for electric vehicles, aviation technological advances and ocean shipping. Best represented by the graphs to the right as presented by the Mission Possible Partnership, 2030 represents a crucial turning point in the uptake of low-emission solutions. Every year that we can bring that pivot closer or accelerate adoption is a crucial step closer to making Net Zero 2050 a reality.



²Source for Trucking: Systemiq analysis for the ETC (2023); BNEF (2023), Electric Vehicle Outlook, MPP (2022), Making Zero-Emissions Trucking Possible; Note: Electric vehicle include both battery electric and fuel-cell vehicles. S-curve methodology based on Rogers' innovation diffusion theory (1962). Dotted lines represent the maximum growth and inflection points, respectively equivalent to 16 and 84% of sales. These points are defined as points on the curve in which the concavity changes. Growth and inflection point are calculated based on BNEF 2023 Electric Vehicle Outlook; Source for Aviation: Systemiq analysis for the ETC (2023); Mission Possible Partnership (2023), Making net-zero aviation possible; Source for Shipping: Sources: ETC estimates drawing on Mission Possible Partnership (2021), A Strategy for the Transition to Zero-Emission Shipping; Maersk Mc-Kinney Moller Center for Zero Carbon Shipping (2021), We show the world it is possible; Note: Total energy demand for shipping taken from MaerkMc-Kinney and starting point rescaled to match total energy demand in 2022 from IEA, LSFO: Low Sulphur Fuel Oil, LNG: Liquefied natural gas

ELECTRIC TRUCKS POSITIVE INVESTMENTS FOR THE FUTURE

China continues to be the global hub of manufacturing and the uptake of electric trucks has been minimal compared to the recent increase in Europe and the US. The SEKO team in Hong Kong / Southern China wasn't content with waiting for the industry to catch up and were determined to actively seek out an electric trucking solution for its pallet and LCL pickups in Shenzhen. Starting in November 2024, SEKO welcomed EV trucking to our solutions. The initiative, spearheaded by Danny Ho, Head of Ocean Freight for China and Hong Kong, represents the new energy being felt in the region.



Danny Ho
Head of Ocean Freight,
China and Hong Kong

"Though electric trucks are not very easy to find in China at the moment, we recognised that lower emission logistics solutions are becoming a big priority for many of our customers, especially the ones in Europe. I thought that it was important to do something now instead of waiting until we were asked. Even though the cost is much higher than a traditional truck, we believe that this is a good investment in the future."



SEKO's stance on environmental sustainability is that we are conduits between carriers, clients and consumers. This mindset of being a vital link for information and activation is crucial for many sectors to ensure that in the next few years we are collectively able to unlock funding for investments to make low-carbon transportation and technologies a commercial reality. From feedstock providers to policy makers, the value-chain supporting decarbonization requires a substantial amount of collaboration, calculated risks, willing participation and influence from the end-consumer who must demand change.

Highlighting the individual challenges that are causing delays to widespread adoption of lower emissions options include:

ECONOMIC CONSIDERATIONS

The transition to low-carbon solutions can be costly, requiring investment in new technologies and infrastructure. However, there are countless reports and economic models showing that the long-term economic benefits of reducing climate change impacts will outweigh the initial investments.

The cost of inaction includes increases in severe weather events, causing business interruption and incurring costly repair bills (which will eventually be passed through by the public or private sectors as tax or price increases), climbing costs of insurance premiums (and in some cases refusal of coverage altogether) and other direct and indirect costs.

Of course short term investments in low-carbon solutions versus annual profitability lies at the crux of the issue, and companies around the globe will need to determine where their priorities sit on this issue. These investments can, however, be encouraged or accelerated by government policies and incentives, though finding the balance will be a continual challenge.

Carbon pricing mechanisms, like carbon taxes or cap-and-trade systems, can drive market changes but may face pushback from businesses and consumers, especially if they are not supported by robust and transparent audit processes. We have seen programs like this achieve varying levels of success, especially in Europe, however they are closely linked with political agendas and are easily challenged and/or removed without much disruption to their relevant economies. Ensuring that they are properly integrated and ingrained, without proving to be detrimental to economic results, is the line that policy makers must walk.

POLICY AND REGULATION

• INTERNATIONAL AGREEMENTS:

Agreements like the Paris Agreement set targets for countries to limit global temperature rise. However, enforcing these targets and ensuring compliance can be difficult, especially in an economy that has seen rapid inflation and rises in interest rates constricting investments crucial to bringing forth new and scalable technologies.

• NATIONAL POLICIES:

Countries need to implement policies such as carbon pricing, emissions trading systems, and renewable energy mandates, however these policies often face resistance from industries and political entities whose concern about unpopular policies is preventing many countries from moving forward in a material fashion.

• LOCAL ACTIONS:

Municipalities and states sometimes have their own regulations and initiatives, which can lead to a patchwork of policies with varying effectiveness. We are seeing this with California's Warehouse Actions and Investments to Reduce Emissions (WAIRE) 2305 program is forcing companies to invest in low-carbon solutions (more on this later in the document).

2024 has seen a number of elections in influential countries, from USA to Indonesia to the European Parliament and many in between. It is highly likely that with many of the new administrations, coupled with global increases to the cost of living, there will be significant pressure on many ESG policies locally and globally. While SEKO will watch with interest whether the short-term future of policy leans for-or-against ESG initiatives, SEKO's position is that a focus on ESG is both good business and the right thing to do. While tax incentives and grant-based-initiatives may allow us to accelerate adoption of various programs, SEKO, along with many of our clients, will remain committed to a better world.

BEHAVIORAL AND SOCIAL CHANGES

Increasing public awareness about the impact of climate change and the importance of reducing carbon emissions is crucial. Rhetoric and social media misinformation attempting to debunk scientific fact will continue to be a hurdle that will slow the adoption of low-carbon solutions. Without a greater majority of society believing and backing emissions reductions, accelerating change will be a constant battle.

At the heart of change remains the individual consumer, who is ultimately spending their hard-earned money to purchase goods and services. Their willingness to pay more for lower carbon solutions will largely determine the speed in which we are able to implement and scale low-carbon solutions.

While businesses can encourage and educate the consumers on the reasons why higher-priced, eco-friendly products are a good investment, this can sometimes be a hard-sell. Ultimately, the outcome will be low-carbon goods that are

priced in parity due to the available scale of alternative fuels, however the average consumer has a short-term view on costs so this will be an ongoing challenge in the coming years.

Reducing carbon emissions is a complex and urgent challenge that requires coordinated efforts across all sectors of society. While technological advancements and policy changes are essential, equally important are the shifts in economic practices and individual behaviors. The path to a sustainable future involves confronting these realities and making difficult but necessary choices to protect the planet for future generations.

CARBON REPORTING

At a recent conference hosted by Smart Freight Centre, it was overwhelmingly clear that one of the main challenges facing freight providers and their customers is the accuracy of carbon emission reporting.

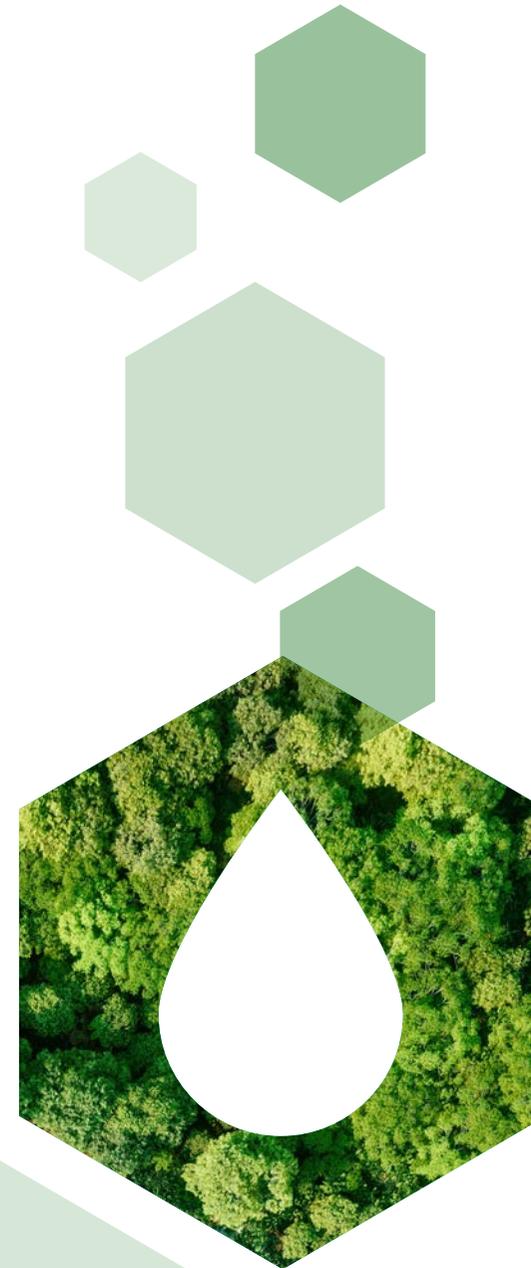
At present, most companies who are able to report emissions are using calculation platforms. SEKO, along with many of our competitors, utilises GLEC approved system, EcoTransIT. As a tool servicing the global freight industry it is well equipped with an enormous array of pre-built assumptions, transit types, ports and distances. They allow for default variables to be customized in the case where a company is more certain about particular aspects of transit and the system is built for scale, with API integrations and all of the modern aspects you would expect of a global platform.

However, with any calculation program that works on assumptions and variables, there will be elements of inaccuracy. While no one wants perfection to interfere with progress, the industry as a whole recognizes that more accurate information is available, however it is not being made available for use.

“Primary Carriers” as they are often referred to, include shipping lines, airlines, trucking companies and the like. These companies have incredible data and depth of insight regarding the movements of their assets; distance travelled, fuel used, emissions per kg/ton, etc. However, there is hesitation by the Primary Carriers to make their data available for their clients, citing the importance of maintaining confidentiality of this

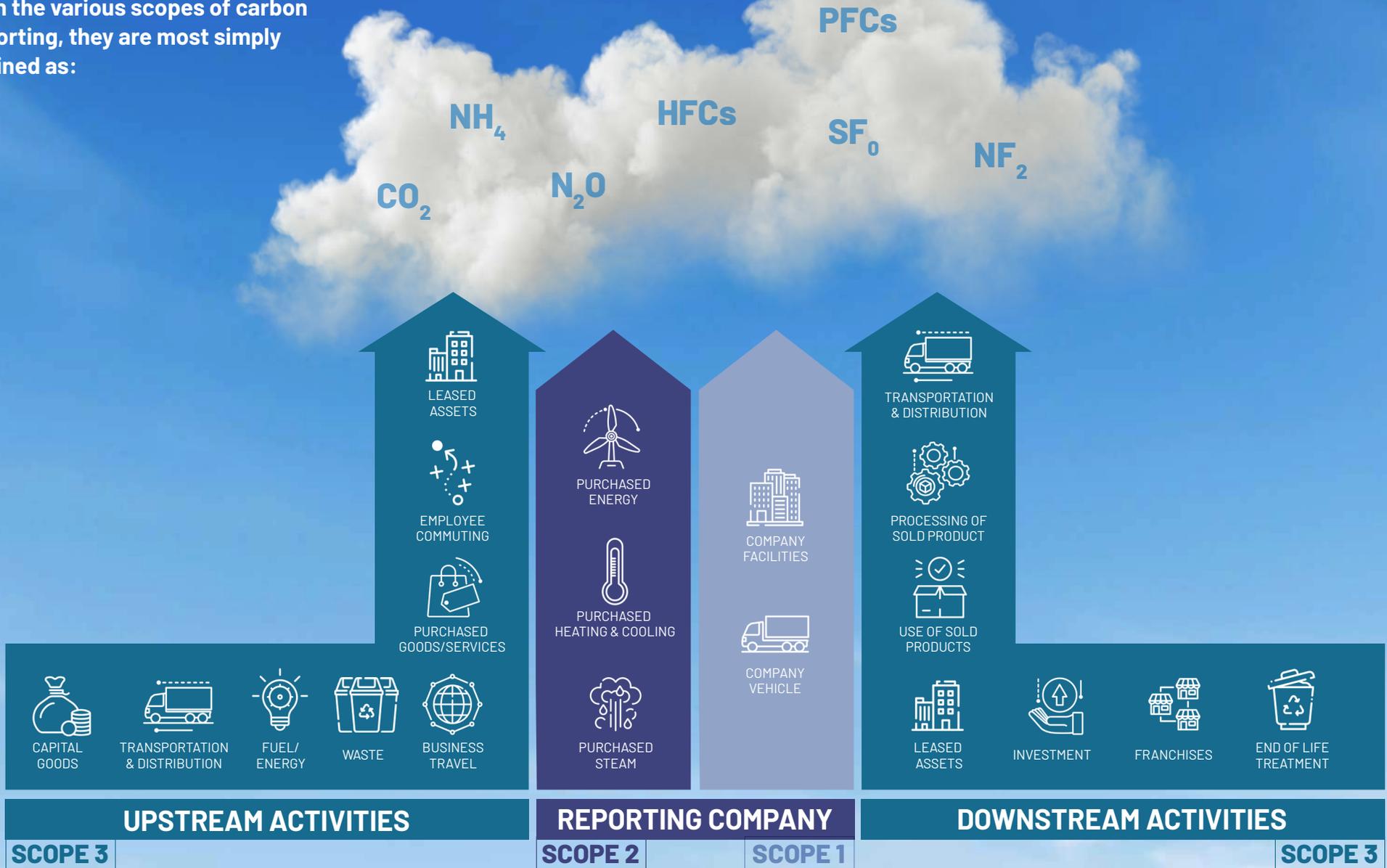
intellectual property. The claim is that the emissions data can reveal operational efficiencies and inefficiencies. Companies with lower emissions might be using more advanced technologies or better practices, which they may not want to disclose to competitors. In addition, as regulations regarding emissions are continuously evolving, companies might prefer to keep their data private to avoid potential penalties or scrutiny until they are fully compliant with the latest standards. Furthermore, emissions data can influence company perception, valuation, stock prices and investment decisions. Publicly revealing higher emissions might negatively affect a company’s market value and investor relations.

While these reasons may hold truths, it is also the case that a lack of primary carrier data is preventing industries, who rely on these carriers for the movement of their goods, from obtaining the most accurate data possible. There are companies, including Smart Freight Centre, that are trying to tackle this problem with the carriers through confidential data-sharing networks, however common agreement and a suitable technology solution has not been finalised. Until the primary carriers and freight industry land upon a solution for data sharing, all industries will be heavily reliant on calculation platforms.



SEKO EMISSIONS

For those not intimately familiar with the various scopes of carbon reporting, they are most simply defined as:



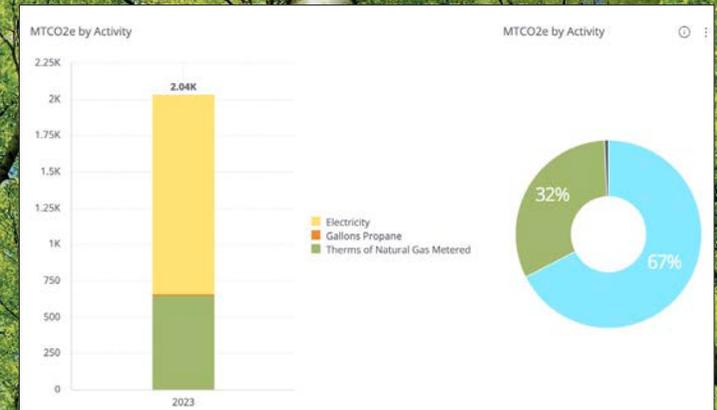
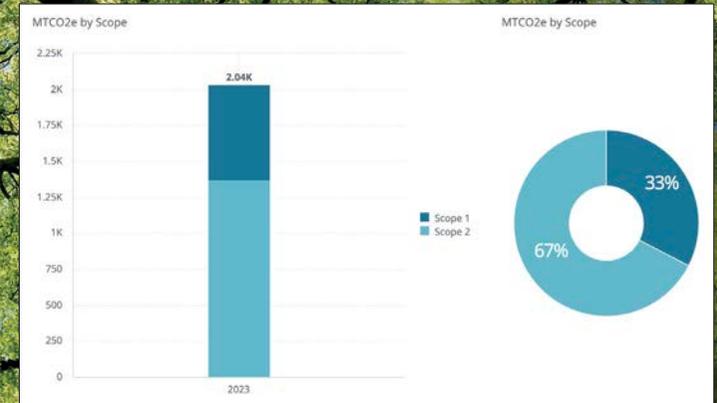
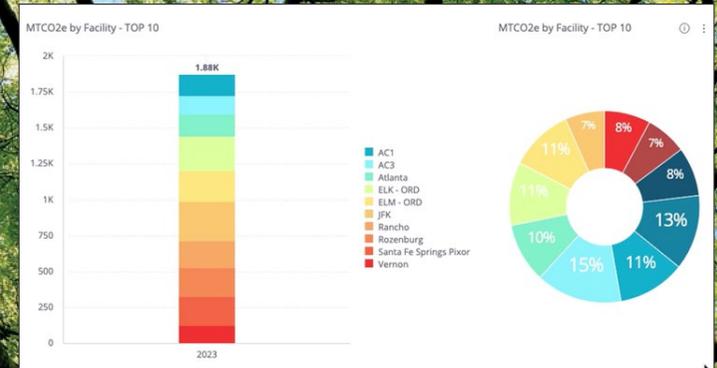
SCOPE 1 & 2

SEKO's sustainability team has been working hard to complete the energy audits of our corporate controlled offices and warehouses. With over 60 facilities across the globe, gathering, storing and interpreting data has been a monumental task. In order to assist with this now annual process, SEKO has employed "SustainaBase" as our software of choice.

The intent of the energy audits is to:

- Measure and track SEKO's Scope 1 and 2 emissions
- Create a plan of reduction and improvement initiatives for each of the facilities
- Establish a framework for efficient data collection for upcoming years

Although technically Scope 3, SEKO will begin data capture for our strategic partner offices and operations in 2025. This will see the number of recording points increase from 61 to over 150. This will enable SEKO to supplement our existing transportation emissions reporting with in-facility data for clients who use SEKO for their warehousing activities.



SCOPE 3

SEKO has spent considerable time and effort on our Scope 3 reporting as it represents the significant majority of the emissions related to our business and the services we provide to our customers. While we continue to use EcoTransIT World's calculator, which remains GLEC accredited and is compliant with the standard EN 16258:2012, we have made considerable progress in refining the in-built assumptions and variables that drive the outcomes.

As noted in the 2023 ESG report, we would focus on refining data-inputs to maximise the accuracy and effectiveness of the information we are providing to our clients and to our internal operations. The charts and associated commentary relates to the full calendar year of 2023.

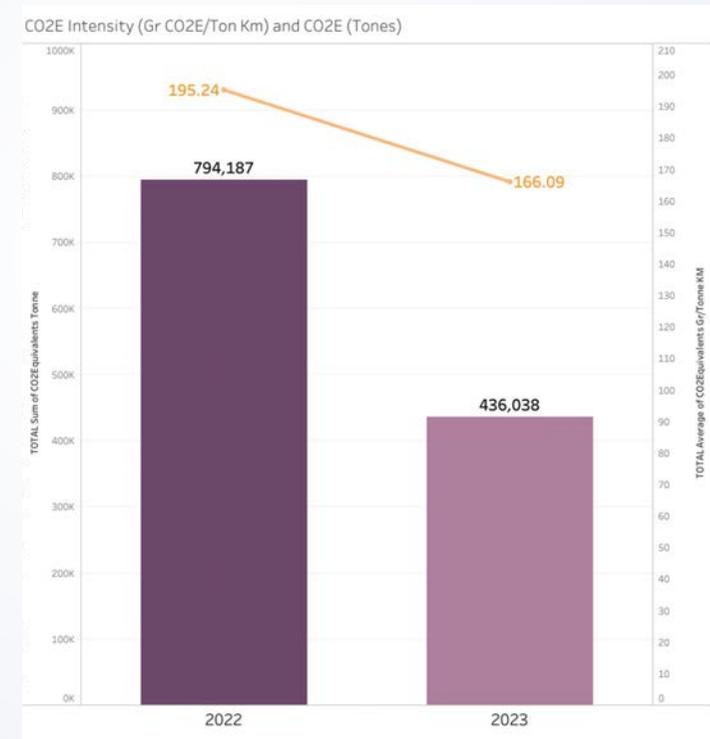
2023 resulted in slightly less shipments than our 2022 baseline year, however the notable difference is in average shipment size, which has led to a material difference in total kg's shipped and, as a result, to CO2 emissions.

To understand this, it's important to recall the landscape of 2022 versus 2023. 2021 saw developed economies coming off of the discretionary shopping boom generated by COVID lockdowns. Compounding this issue were supply chain delays and bottlenecks, leaving companies short on available inventory. As a result, many companies adjusted their volume forecasts for 2022 to ensure that they were carrying sufficient inventory for what they hoped would be ongoing high-sales. All of this resulted in larger shipments – both in air and sea.

By the end of 2022, many retailers were over-stocked and purchasing forecasts for 2023 were significantly downgraded, meaning that although there were a similar number of shipments, these shipments were far smaller – fewer containers per BOL and fewer kg's per AWB.

KEY METRICS: YEAR ON YEAR CHANGE

Analysis of	2023	2022	YoY Change	YoY Change
No. of shipments	643,331	670,859	(27,528)	-4%
Total kg's shipped	1,241,899,131	2,190,130,010	(948,230,879)	-43%
Total CO ₂ equivalents_tonne	436,038	794,187	(358,148)	-45%



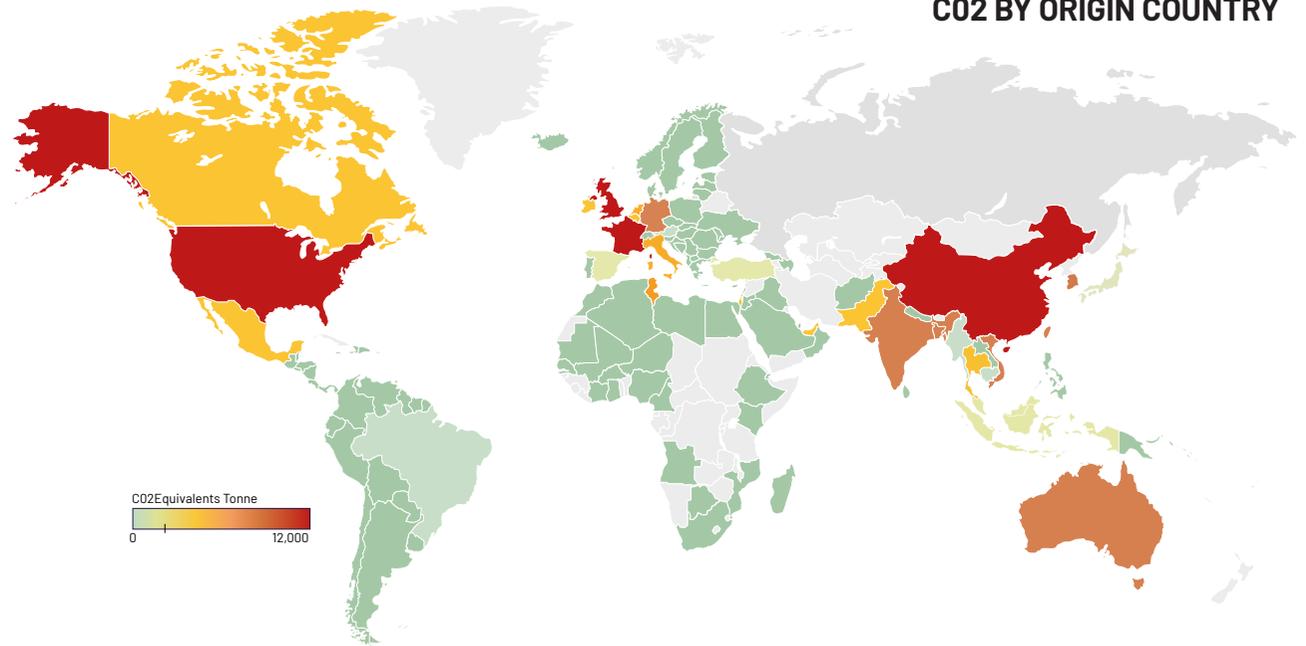
C02 EMISSIONS

Reporting on CO2e by geographic origin is valuable in directing efforts towards CO2 emissions reductions – seeking the low hanging fruit. Conversations with air and ocean lines to understand what offerings are available. Research pertaining to existing or planned infrastructure for EV's or sustainable diesel. Discussions with clients whose shipments are contributing materially to emissions.

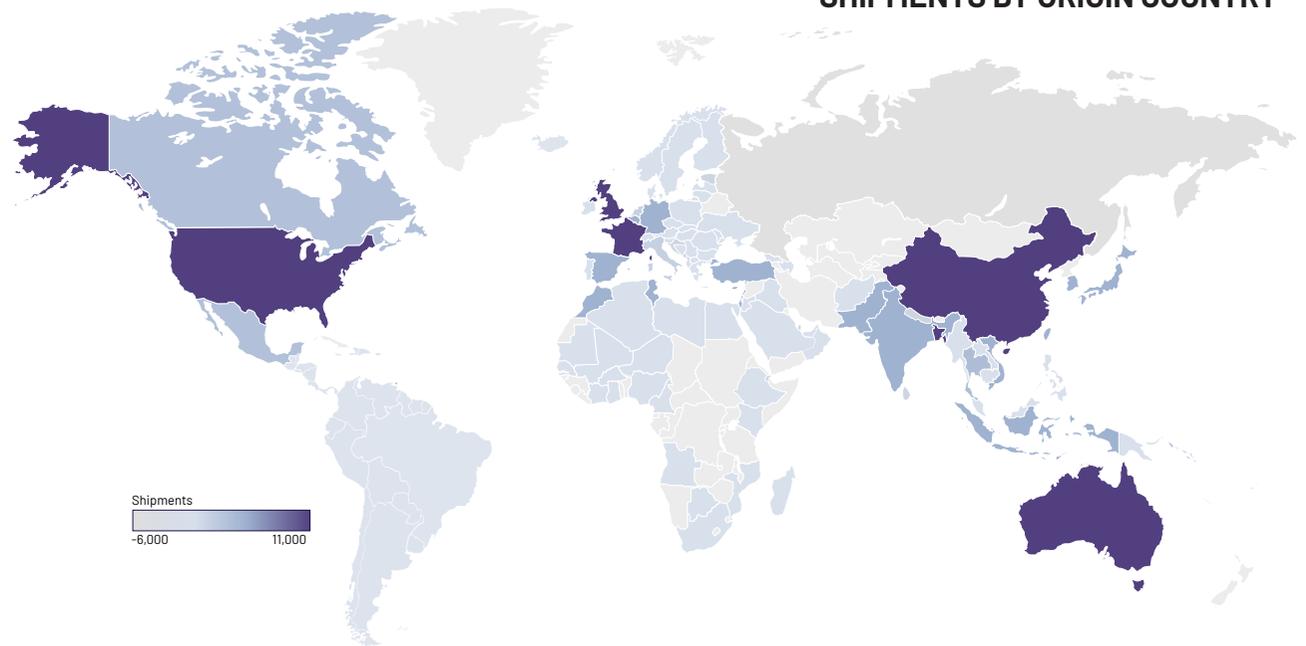
Unsurprisingly, China, India, the UK, France, the Netherlands and the US represent major origins of SEKO clients and, as a result, a high CO2e for those countries.

Australia's high representation of emissions are reflective of the substantial amount of ecommerce freight that move out of Australia via airfreight. This will pose an opportunity for discussions with clients and airlines around the use of SAF, though through book-and-claim as there aren't currently SAF stores available from Australia.

CO2 BY ORIGIN COUNTRY



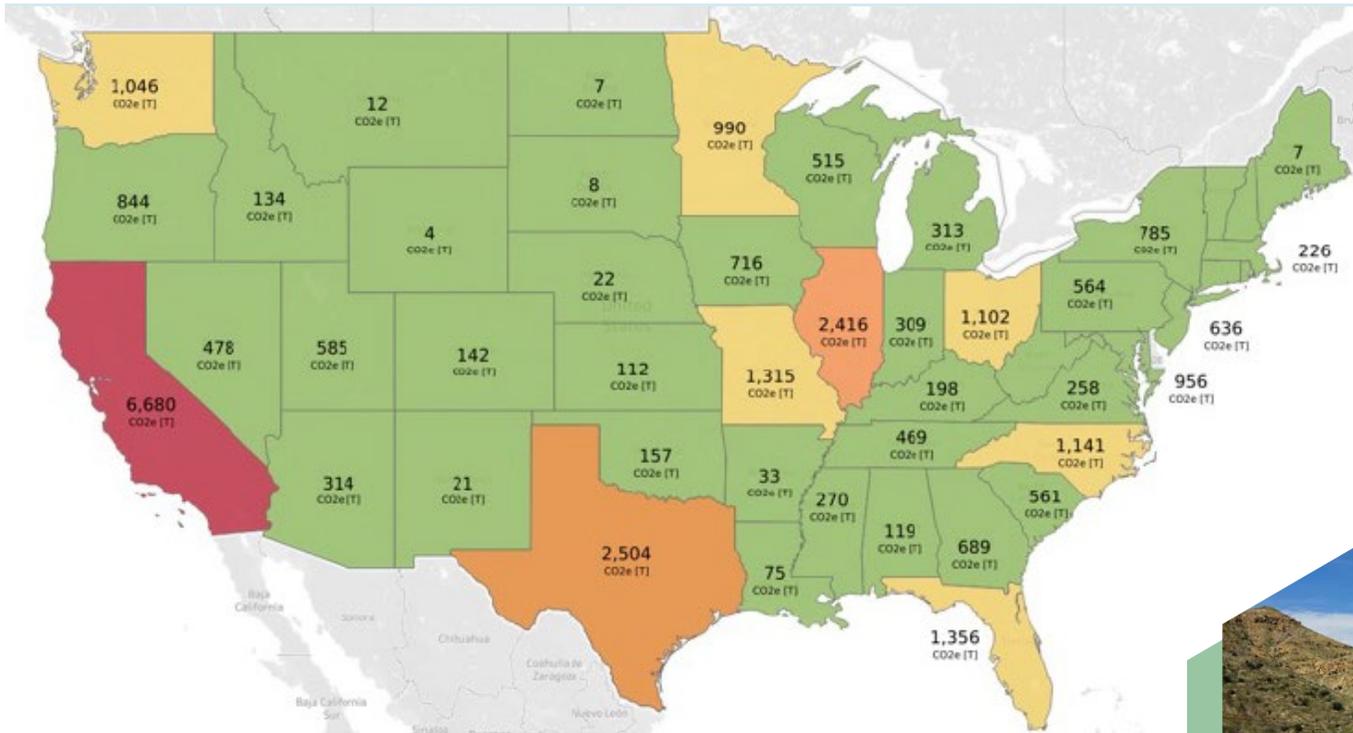
SHIPMENTS BY ORIGIN COUNTRY



CO2 BY STATE

Similar to the global approach we take towards global shipping analysis, reporting on CO2e by state allows us to concentrate our efforts logically.

The government in California is assisting with the necessity of acting fast to implement reduction programs. With WAIRE, the most material solutions surround reductions in truck emissions, pushing SEKO to consider early adoption of EV's within our operations.



A large commercial jet engine is the central focus, shown from a low angle on a runway. The engine's fan blades are dark and arranged in a circular pattern. The aircraft's wing and landing gear are visible to the right. In the top left corner, a small globe of the Earth is shown. The background is a bright, cloudy sky.

SUSTAINABLE AVIATION FUEL

Airfreight emits significantly more carbon per ton-mile compared to ocean, road or rail freight. While the exact numbers can vary based on specific routes, aircraft types, and ships used, some general estimates are widely accepted.

Airfreight typically emits about 500 grams of CO₂ per ton-mile. This high rate is due to the energy-intensive nature of aviation and the relatively small cargo capacity of aircraft compared to ships. Conversely, Ocean freight is much more efficient in terms of emissions, generally emitting around 10-40 grams of CO₂ per ton-mile. This lower rate is due to the large cargo capacity of ships and the efficiency of marine diesel engines over long distances.

SUSTAINABLE AVIATION FUEL

To put it in perspective, airfreight can emit approximately 10 to 50 times more CO2 per ton-mile than ocean freight. This stark difference highlights why ocean freight is often preferred for transporting goods over long distances when time sensitivity is not a primary concern, as it has a much smaller carbon footprint compared to airfreight. The SAF movement presents a number of challenges, and commitments from freight forwarders and industry are crucial to its long-term success.



Barriers for SAF's widespread usage include:

- High production costs
- Limited availability of raw materials and the competition posed by other renewable fuels
 - used cooking oils, animal fats, agricultural and forest residues, municipal solid waste and other emerging materials
- Infrastructure, logistics and technological challenges
- Regulatory and certification hurdles
- Market demand and awareness
- Investment and financing
- Policy and incentive support

For the last two years, SEKO has made direct purchases of Sustainable Aviation Fuel (SAF) from KLM Air France.

These annual commitments are crucial to the ongoing investment by SAF producers and airlines to enable the scalability and affordability of SAF by shippers and freight forwarders alike.

In addition to our direct purchases of SAF, SEKO has been present at conferences of SmartFreight Centre, the leading industry body for sustainability in the freight and logistics industry. At the meetings, discussions are had with our competitors, clients and air-carrier partners to discuss challenges and solutions for the expansion of SAF.

In April 2024, at the IATA Cargo Network Services Corporation (CNS) Partnership Conference, SEKO met with over 15 airlines, with every conversation discussing the SAF policies, availability, pricing and practices of the individual airlines. It was an eye-opening experience as we learned that airlines themselves are in very different stages of maturity as it relates to their sustainable aviation fuel and general sustainability programs.

One of the most exciting developments in SEKO's sustainability journey, however, is a contract recently signed between ourselves and United Airlines. This agreement, which was over 18-months in the making and is the **largest single SAF contract to-date for the United Airlines cargo division**. While the agreement is ultimately a book-and-claim certification program, working between our key client and United Airlines, we will see a direct correlation between a reduction in the carbon emissions of those flights and the freight on board.

The exciting thing about this agreement is that SEKO has been able to execute exactly what we see our role is in the market - working with carriers and clients to construct meaningful solutions that will play a material part in progressing low-carbon emission solutions.

SMART FREIGHT CENTRE DATA EXCHANGE PROGRAM

SEKO, in collaboration with the Smart Freight Centre and one of our major clients, participated in a data exchange pilot program, designed to test the sharing of data in a secure and confidential manner. This is the first step in progressing towards a data exchange process between primary carriers, freight forwarders and clients.

This pilot was insightful for all participants as issues like firewalls, data format and accuracy, data size, etc. arose and were managed. Proof of concept programs such as these are vital as we continue to move towards more accurate and transparent reporting. With many companies citing accurate reporting of their Scope 3 emissions as their biggest current challenge, freight forwarders like SEKO will play a pivotal role in ensuring that the data we are providing is as accurate as possible so reduction strategies and investment are properly directed.



Laura Osorio
Sustainability
Data Analyst

“As the Carbon Data Analyst for SEKO Logistics, I’ve gained a profound understanding of the importance of ensuring the accuracy of our data. This commitment extends beyond our internal projects to the clients who rely on our reporting to foster their own initiatives for change. Attending the Smart Freight Centre Spring Conference in Amsterdam provided me with invaluable insights into the similar challenges and innovative solutions within the logistics industry. It underscored the pivotal role that companies like ours play in advancing sustainability efforts, where our impact extends far beyond individual actions.”



**PELI
BIOTHERMAL™**

SEKO LOGISTICS AND PELI BIOTHERMAL SUSTAINABLE PHARMA LOGISTICS OPEN DAY

In May 2024, SEKO and our client, Peli BioThermal, hosted a Pharma Logistics open day at our new facility in Dublin, Ireland. This event brought together industry leaders, professionals and innovators, along with clients and service providers, to explore sustainable solutions in pharmaceutical logistics. The panel of experts shared valuable insights and advice on best practice with regard to sustainability in the cold chain industry.

This will include monitoring and reporting of GHGs and company emissions, as well as supplier compliance data. Cold chain logistics presents unique challenges regarding energy requirements due to the delicate nature of maintaining consistent temperatures throughout the lifespan of many products, from manufacturing to storage, fulfilment and transport.

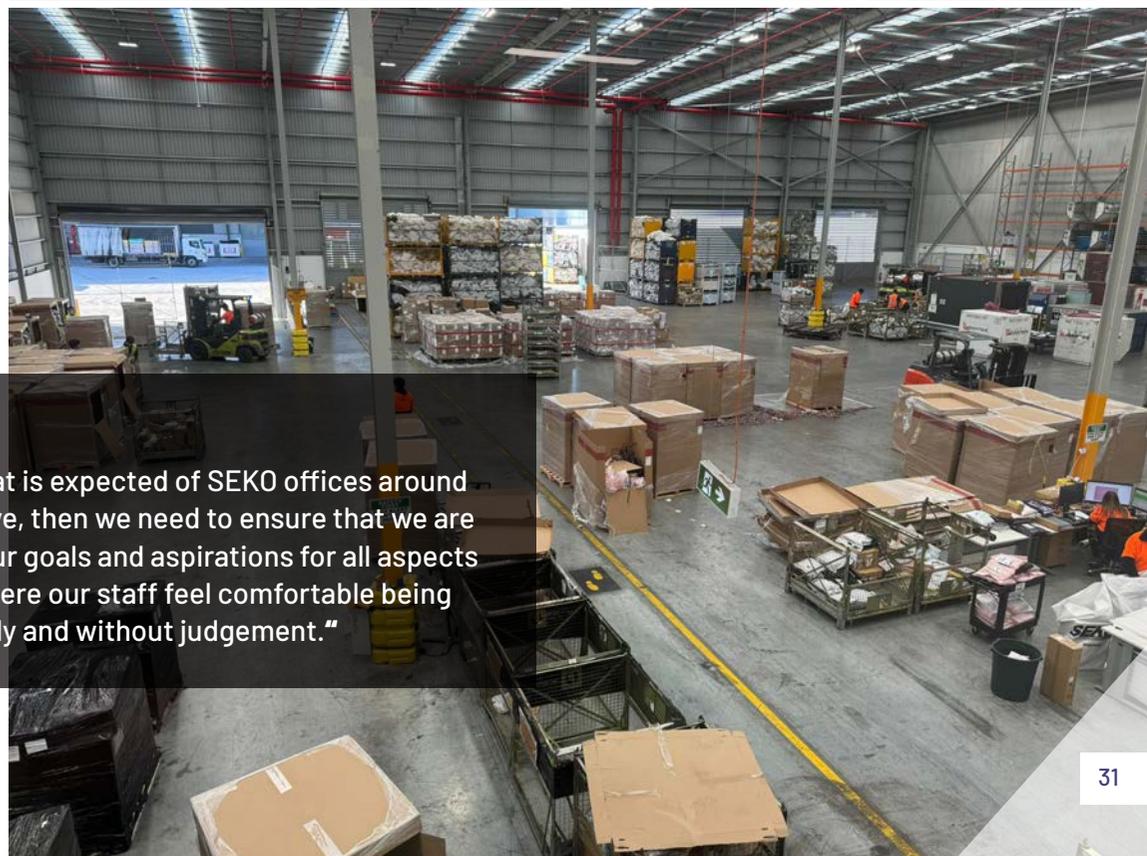


SEKO SYDNEY GETS A GREENER HOME

To move SEKO towards our goal of carbon neutral SEKO-owned facilities by 2030, CEO & President James Gagne has made it clear that as our offices and warehouses come up for lease, if landlords are not willing to take action with us, then we must find new facilities. Such was the case for SEKO Australia in their Sydney Airport facility. Having outgrown the space and the warehouse being far too old to be retrofitted for energy efficiency, or carbon neutrality, the team down-under had to look for a new home that would allow both room to grow while still greatly reducing the GHG footprint.

In what can be considered crazy in the world of logistics, the team moved into their new site only a few months before Christmas 2023 – and what a good thing they did, as the Cyber-Week volumes were at record highs and the new site was able to manage them with ease.

The facility itself is within a new-build complex that came ready with solar on roof, LED lighting and sensors, smart meters helping to manage electricity consumption, EV charging points, water tanks for harvesting rain and smart irrigation for facility landscaping.



Paul Good, President SEKO APAC

“Our new Sydney facility really sets a precedent for what is expected of SEKO offices around the world. If we’re going to make the investment to move, then we need to ensure that we are moving to the right place - a location that aligns with our goals and aspirations for all aspects of ESG, from energy reduction technology to places where our staff feel comfortable being themselves and practicing their culture or religion freely and without judgement.”



LOOKING FORWARD

Our environmental initiatives will continue to be a significant focus for SEKO. We will continue our facility audits and data tracking, enabling us to implement new process and technologies to reduce our Scope 1 & 2 emissions. Despite these being a very small portion of our overall carbon footprint, these are the areas where we have more direct control.

We will continue to refine our Scope 3 data reporting and analytics program, which will hopefully begin to incorporate some primary carrier data. The aim is to either use this information to replace calculated data or can be used to verify calculations as we continue to refine the inputs for EcoTransIT.

In collaboration with our clients and carrier partners, it is expected that there will be further uptake in book-and-claim programs for both ocean and air shipments. Without continuing to invest in these programs it will be increasingly difficult to see alternative fuels introduced to the market at scale, while also recognising decreases in cost.

A young girl with dark hair, wearing a blue dress with white polka dots, is holding the hand of an adult. The adult is wearing a light blue long-sleeved shirt. They are standing next to a car window, which is partially visible in the foreground. The background is a warm, blurred outdoor setting. The word "SOCIAL" is written in white, outlined capital letters in the upper left quadrant of the image.

SOCIAL

SOCIAL

As a provider of global freight services, having business relationships throughout the world with air/shipping lines and customs brokers, SEKO believes that we have an obligation to assist in times of need. 2022-23 saw us making our first material contributions in the space of humanitarian freight forwarding. 2023 - 2024 has seen SEKO working even more closely with our nonprofit partner, Airlink, while receiving amazing support from several of our airline partners, like United and Virgin Atlantic. Beyond our larger, more global support efforts, SEKO's offices have their own local initiatives that they get behind to support causes that are near and dear to their communities.

Diversity, Equity and Inclusion (DEI) is a hot topic, which can lead to debate not suited for this report. However, the broader concept of DEI as a principle - thinking and acting outside of the traditional constraints of business, especially in logistics, is something that SEKO values. In 2023, SEKO's Executives undertook online training in DEI, with the course providing significant information around the history, success and failures and case studies of the DEI movement. This provided insights, pros and cons, which our executive team were able to discuss and use to shape their own leadership, programs and policies that can be implemented to align with SEKO's company values.



Brian Bourke
Global CCO

“At SEKO Logistics we know that because of our expertise in global freight forwarding and customs brokerage, combined with the passion of our team members and global network around the world, that we have an opportunity to help organizations deliver humanitarian aid where it's needed most around the world. As a critical part of SEKO CARES, we are committed to supporting great organizations like Airlink as our primary global NGO partner that focuses on getting the right aid to the right people at the right time, because as they say, it's not aid if it doesn't arrive. We will continue to support organizations around the world at country level like Project C.U.R.E., Goods for Good, Convoy of Hope and other nonprofits to get aid where it needs to go as economically and quickly as possible without any delays.”





HAITI: CHOLERA OUTBREAK RESPONSE



1

AVIATION PARTNERS



291MT

OF RELIEF SUPPLIES DELIVERED



12

NONPROFIT ORGANIZATIONS



\$1.45M

TRANSPORTATION RELIEF PROVIDED



5.7M

PEOPLE REACHED WITH CRITICAL AID

THIS PROGRAM WAS FEATURED FOR PRIVATE SECTOR COLLABORATION THROUGH:



FEATURED CASE STUDY

CASE STUDY PRESENTATION



In 2023, SEKO Logistics, in partnership with Airlink, helped mobilize 1,074 Metric Tons of supplies to 15 countries, providing relief of over \$3M to NGO's globally. In the end, it is estimated that this work provided 1.1 million people with life-saving and life-sustaining relief.

SUPPORTED RESPONSES IN 2023:

- USA (HAWAII) - Wild Fires
- HAITI - Cholera Epidemic
- Dominican Republic - Health Systems Strengthening
- Morocco - Earthquakes
- Turkiye and Syria - Earthquakes
- Netherlands - Prepositioning
- Lebanon - Complex Crisis
- Ukraine, Poland & Romania - Conflict
- Israel & Gaza - Conflict
- Bangladesh - Refugee Crisis

UKRAINE: CRISIS RESPONSE



7

AVIATION PARTNERS



1,328MT

OF RELIEF SUPPLIES DELIVERED



40

NONPROFIT ORGANIZATIONS



\$3.5M

TRANSPORTATION RELIEF PROVIDED



2.4M

PEOPLE REACHED WITH CRITICAL AID



+200

COMMUNITIES ACROSS 6 COUNTRIES IN EUROPE

KEY OUTCOMES:

- Sustained pipeline of specialized aid - including hygiene and clean water supplies, regionally procured food, and high-impact medical supplies and pharmaceuticals



GAZA: HUMANITARIAN RESPONSE



2

AVIATION PARTNERS



19.7MT

OF RELIEF SUPPLIES DELIVERED

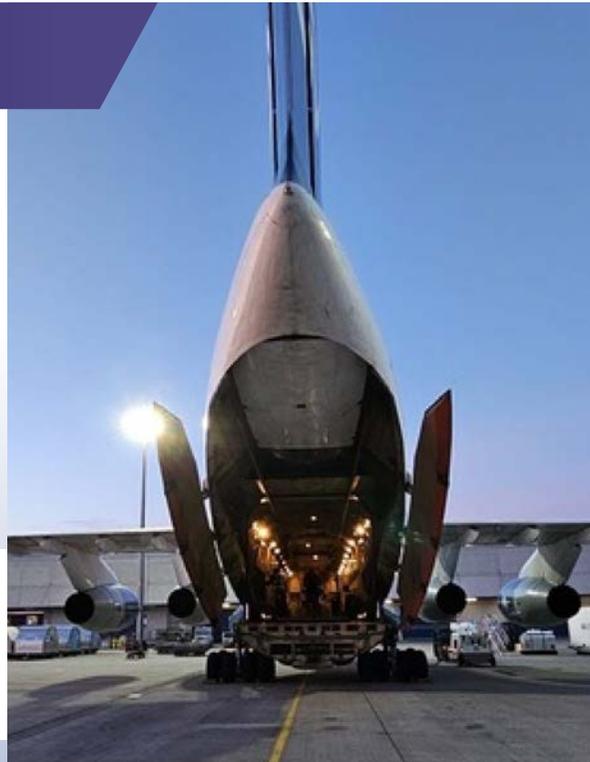


4

NONPROFIT ORGANIZATIONS

GOALS OF RESPONSE IN 6 MONTHS:

- Provide a long-term channel for international aid to Cairo, Amman, and Beirut
- Consolidate information and aviation resources to help organizations overcome access to challenges



TURKIYE/SYRIA: EARTHQUAKE RESPONSE



4

AVIATION PARTNERS



43MT

OF RELIEF SUPPLIES DELIVERED



6

NONPROFIT ORGANIZATIONS



\$121K

TRANSPORTATION RELIEF PROVIDED



4,600

PEOPLE REACHED WITH CRITICAL AID

KEY OUTCOMES:

- Dedicated charter flight with Virgin Atlantic Cargo and Magen David Adom
- Navigating customs clearance in IST for onward movement to southern Turkiye, allowing Airlink to leverage in-kind flights



Steven J. Smith

Airlink President & CEO

“Airlink’s humanitarian responses are significantly bolstered thanks to our indispensable partnership with SEKO Logistics. Their comprehensive logistics network and dedicated team enable us to reach more communities in need effectively. As experts in supply chain and freight forwarding, we rely on SEKO to ensure that essential aid shipments reach their final destinations. They have been a major player in developing and scaling our air bridge operations to Ukraine and, most recently, Gaza through an eight-week, 24-flight air bridge that transported 246 skids of hygiene kits—a remarkable achievement. SEKO’s commitment to donating warehouse space is streamlining our operations and saving tens of thousands of dollars for Airlink and our non-profit partners.

Beyond their logistical support, SEKO consistently explores additional avenues to contribute and further amplify our joint impact. Their multiple SEKO CARES fundraisers have provided significant resources to ensure Airlink can respond to disasters quickly and efficiently. SEKO’s ESG focus on ‘People’ is evident in their everyday actions, from hands-on operational support to active participation from their leadership on Airlink’s Board and our Ambassador program. Their dedication and shared vision to contribute to a better world enhance our ability to make a difference. We can’t wait to see what the future holds together. “

MAUI WILDFIRES, A DISASTER MUCH CLOSER TO HOME

Some events hit closer to home than others and the 2023 Lahaina fire was one of those. SEKO has a number of employees with roots in Hawaii, including Kainoa (Kai) Lincoln, our Global VP of Sustainability and Pilipo Tina, our Global Operations Manager for Ecommerce Returns, both of whom grew up together in Hawaii. Maui was a perfect example of using resources at both ends of the spectrum to assist wherever we could.

At the big-end of town and just days after the August 8-9 fire, United Airlines and SEKO, in assisting charities Airlink and Convoy of Hope, jumped into action. A flight heading to Maui was loaded with 12 tons of humanitarian relief cargo including food and baby formula. Doing what they do in the background, SEKO helped arrange transportation of the goods and managed the freight forwarding documentation, ensuring that the goods would land and be delivered without delay.

At the other end of the spectrum, being based in LA with a large number of friends and family on Maui, Pilipo jumped into action, getting donations of goods that he was being told by people on the island that they needed. Often relief supplies miss certain items that are crucial to everyday life, and SEKO client Modibodi, who makes anti-leak period underwear, donated hundreds of pairs of their product, a perfect solution for a situation where one item was able to solve two problems. Alia and Raquel from our Carson, CA facility did their bit to help prepare the shipment and get it on its way.

Accompanying the shipment to Maui, Pilipo was there on arrival to get it loaded onto pickup trucks and delivered to the Ma'i Movement, a local charity who was creating wellness packs and getting them delivered to residents who had been displaced.



Alia and Raquel prepping the shipment



Pilipo making the delivery



Lahaina, Hawaii



LOCAL SEKO INITIATIVES

Across the globe SEKO offices are taking on their own projects, enabling their staff and sometimes their clients and customers to take part in ESG related community events. Here are a few from the last 12 months.

CARINGKIDS: SEKO AUSTRALIA

In March 2024, SEKO Australia saw a team of volunteers head over to the CaringKids Toy Workshop to lend a helping hand. The CaringKids mission is to bring joy to children who selflessly care for a family member living with a disability or illness. Their 'Joy Boxes' are packed with toys, games, sports equipment, books and stationery tailored to each child's age and interests. SEKO is honored to have helped deliver these 'Joy Boxes' to the doorstep of young caregivers across Australia for the last several years.



BIRDHOUSES FOR BIODIVERSITY: SEKO-BANSARD, PARIS, FRANCE

It all started with a simple conversation about biodiversity. We believe that knowledge is the first step towards change. So, we asked our amazing team of collaborators for their input and ideas. After all, change starts from within, right?

Our team conducted a survey to involve every member in the decision-making process. We wanted to ensure that the project we chose was not just a project but a shared mission. The result? A unanimous choice to promote biodiversity.

At our local Paris CDG office, our staff arrived and set the wheels in motion. On that day, we didn't just install five birdhouses; we sowed more seeds of curiosity and environmental responsibility in the youngest children. But it wasn't just a question of installing birdhouses, it was about educating our colleagues' children about the wonders of biodiversity, the importance of these birdhouses, and how to install them with love and respect for nature.

We're excited to watch these birdhouses become homes for our feathered friends. It's a small step, but it's a significant one. It's our way of nurturing biodiversity and ensuring a brighter future for our planet.



FARM TOGETHER: SEKO HONG KONG

Throughout the year you can visit SEKO's head office in Asia, located in Kowloon Bay, Hong Kong and, while you're there, visit the rooftop garden, where employees are the farmers.

With a mission to plant the seeds for sustainability, Sino Group's integrated green community project, "Farm Together", brings people closer to nature by promoting urban farms around Hong Kong. We encourage sustainable living and wellness, while celebrating local biodiversity in alignment with the United Nations Sustainable Development Goals.

Through Farm Together, we join hands with our colleagues, residents, tenants, hotel guests and the wider community in growing a greener future.



TREES GLORIOUS TREES: SEKO VIETNAM

The world is now a little bit greener thanks to our SEKO Vietnam team – 1,500 trees greener that is! During their annual Tree Planting Day, the team covered over 12 acres with young trees at the Cu Chi Botanical Garden, reinforcing SEKO's commitment to taking care of the communities in which we live, work and operate.

SUPPORTING MIND: SEKO UK

Following their annual program of selecting a local charity and then getting behind fundraising both personally and as a company, 2023's beneficiary was Mind, a mental health charity working across England and Wales making mental health an everyday priority. Through initiatives like Tough Mudder, family fund days, the Three Peaks Challenge, Sober October and numerous other events (11 in total!), SEKO UK's employees raised over £ 17,000 for Mind and were further supported with another £ 15,000 from the company, resulting in a substantial donation of over £30,000 for Mind!



GOVERNANCE



VENDOR COMPLIANCE

SEKO's vendor, agent vetting and onboarding process is continuously improved to ensure that we work with providers of the highest ethical standards. Our most recent improvements have enabled us to focus on key risk areas in anti-bribery/anti-corruption, supply chain security, data privacy, and cybersecurity. SEKO partners with our third-parties to educate them on risk areas and required mitigation strategies, and we have seen a substantial knowledge increase with third-parties becoming more aware of the need for strong internal controls in these areas.

DESKTOP AUDITS AND INDUSTRY BENCHMARKING

Within the ESG niche of broader business and compliance, we experienced a sharp increase in the number of requests for desktop audits with companies like EcoVadis, Novata and CDP as well as bespoke requests from clients who are all trying to better understand SEKO as a service provider and partner beyond just a freight forwarder. One of our substantial tasks for the next 12 months will be to clean up our data-base of ESG FAQ's, allowing us to respond to requests for information faster and with more consistency.

Becoming "good" at ESG audits and reporting requires, like anything, practice and persistence. Looking to the example set by the team in France, SEKO will be approaching 2024-2025 with a regional-first approach, with the aim to ensure that our policies are aligned with local rules, regulations and nuances while following global best practice and maintaining consistency wherever possible.



Corinne Leclercq
Business Excellence
Team, Paris

With EcoVadis emerging as a recognized global tool for benchmarking businesses and their approach towards ESG, Corinne Leclercq, from our Business Excellence team in Paris, commented:

"EcoVadis is very important in EMEA as it is an important selection criterion for large groups such as SYTIA. If we do not have a minimum score, we cannot pass the first round. This is a guarantee for our clients that we do have a policy in place for each domain with supporting documentation. And as it is for ISO certification, each company is audited by a neutral external body.

Regarding regional certifications, EcoVadis takes into account the regulations in place in each country.

It is not possible within the group to apply the same rules everywhere. Though it is possible for a group to give "basic" policies and guidance and it is possible to have a group rule of conduct such as the policy on corruption, it is more difficult to have a specific and documented policy on professional performance interviews (as an example).

Regular assessment of individual performance is not mandatory at the global level whereas in France, it is written in the Labour Code. Regular assessment is a key factor for EcoVadis.

For the environment, not all countries are at the same level. We see this clearly at each COP. Countries do not agree on each subject. Developed countries are more focused on their environmental impact compared to developing nations who have other competing priorities.

EcoVadis requires each policy to be specific and formalized in each domain. They are not taking into account basic policies. EcoVadis requires supporting documents on implementation measures as well as KPI."

CYBER SECURITY

In today's digital age, the need for robust cyber security measures has never been more critical. As with most organizations, SEKO is increasingly reliant on digital infrastructure and, as a result, is exposed to the risks associated with cyber threats and their continuing escalation. Cyber security is essential for protecting sensitive data, safeguarding financial assets, and maintaining the integrity and reputation of our business.

SECURITY TECHNOLOGY

To protect the data and the availability of our technology that our customers depend on, SEKO deploys an array of people, processes, and technology to meet those goals.

These security technologies include:

- Modern backup technology
- Security awareness training performed frequently
- Email phishing test campaigns performed regularly
- Managed modern Endpoint detection and response (EDR) tooling
- Identity protection software to detect compromised credentials
- SaaS-based availability and performance monitoring tool
- Regular penetration tests, including recently performed web application penetration tests in last 12-months
- Vulnerability scanning
- Automated patching cadence of servers and PCs

- GRC (Governance, Risk Management, and Compliance) – Vendor Management, Risk Register
- Scheduled meetings with executive leadership regarding security
- Cloud environment built on zero-trust design principles
- API security to protect API calls
- MFA (Multi-Factor Authentication) enabled on user accounts
- Modern, zero-trust network access platform for remote access

CULTURE OF SECURITY

Cyber Security goes well beyond the IT department. Many modern threats utilize low-tech means of entry into the systems of corporations. This means that companies need to engrain the concepts of security into the culture of a business. Making our people aware of the various threats that exist and reminding them to be ever-vigilant is a continuous process at SEKO.

Employees participate in quarterly security awareness training to increase their ability to identify malicious emails and secure the company from attackers. It takes everyone, at all levels, to secure today's modern enterprises.

SECURITY BACKGROUND

The Global IT Security Team handles multiple aspects of security including:

- Defining security policies
- Performing incident response
- Running the vulnerability management program
- Coordinating security penetration testing
- Managing the security awareness program
- Cybersecurity leadership meetings
- Review of risks via risk register



Kris Arthur,
Chief Information
Security Officer

"We are continuously working to modernize and integrate security into SEKO's business and technology stack."

IN SUMMARY

SEKO knows that the ESG movement and environmental sustainability are in their relative infancy. We also know that this is the beginning of a generational change. In fifty years, children will look back at the way we previously conducted business and how we tended to the earth and will find it unacceptable. Though hopefully they will also see this period as the shift in mindset and behavior that made the world a better place and created an environment that they are fortunate to have inherited.

When we find ourselves at the beginning of generational change, it could be argued that there are 10 key elements that are crucial to success. The efforts that SEKO is making are undertaken with the immense responsibility we feel as a key factor in this crucial transformation. We genuinely hope that the themes we have conveyed throughout this report have successfully outlined the 10 key elements of SEKO's commitment.

