

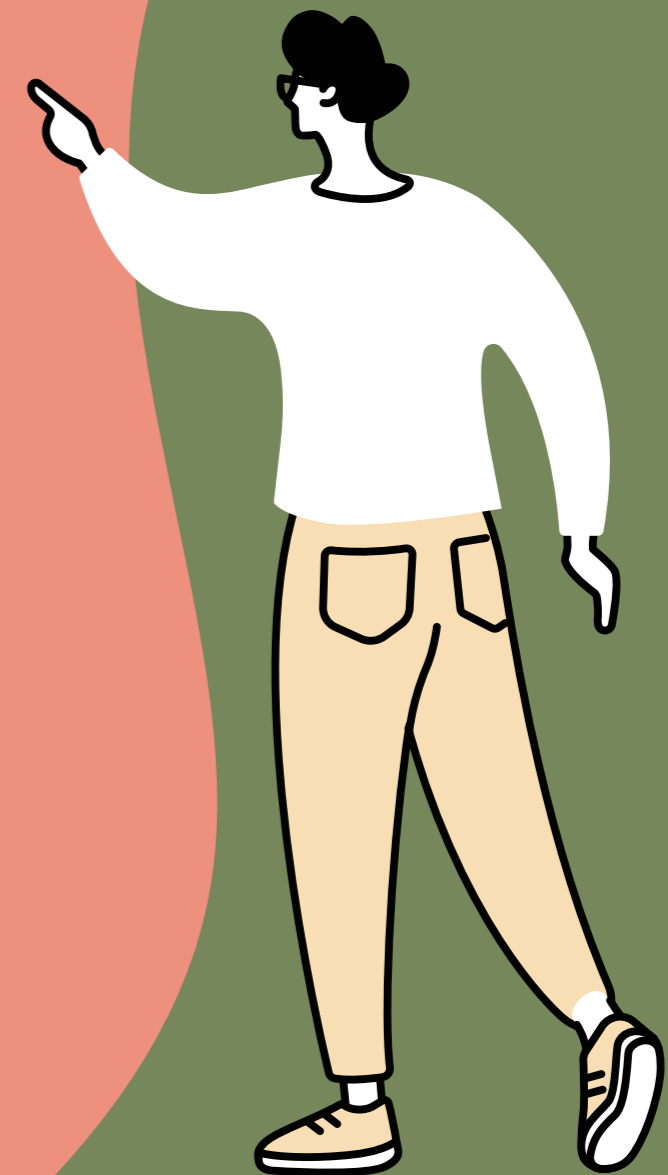
PNO

IMPACT REPORT 2022





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1. Welcome

Welcome to our Impact Report for 2022. Above all, we want to recognize our amazing team at PNO who plays a crucial role in the progress we see on our sustainable journey. Everyone at PNO plays a part as ambassador for impact. We have said it before. We are in no way perfect. We focus on progress over perfection. We are on a journey, and we ambitiously move fast forward with initiatives that resonate with our purpose of leading the transition to sustainable freight through People, Planet and Profit.

Our journey started with an internal transformation – making sure the PNO team acts in the most responsible ways. Whether that's becoming a B Corp, switching to renewable energy, recycling our waste or educating ourselves on climate change.

The next big step has been our collaboration with our supply chain partners. One highlight this year has been our work with key stakeholders in mapping our Scope 3 emissions to create supply chain accountability. On the people side, we have invested into developing our people – offering trainings to educate ourselves on climate change as well as gender and diversity.



Our business model focuses on rental instead of ownership. Looking ahead, we will innovate our business model even further – moving towards a sharing model. We believe this is the next frontier.

So we created this Impact Report – to share more about our choices, learnings and challenges with our transition to sustainable freight. With this report, we hope to start conversations about how we can all play a role in combating sustainability issues that we face.

If you'd like to start and share learnings, please reach out to us at solvej@pnorental.com.

Solvej & Jacob Lee Ørnstrand

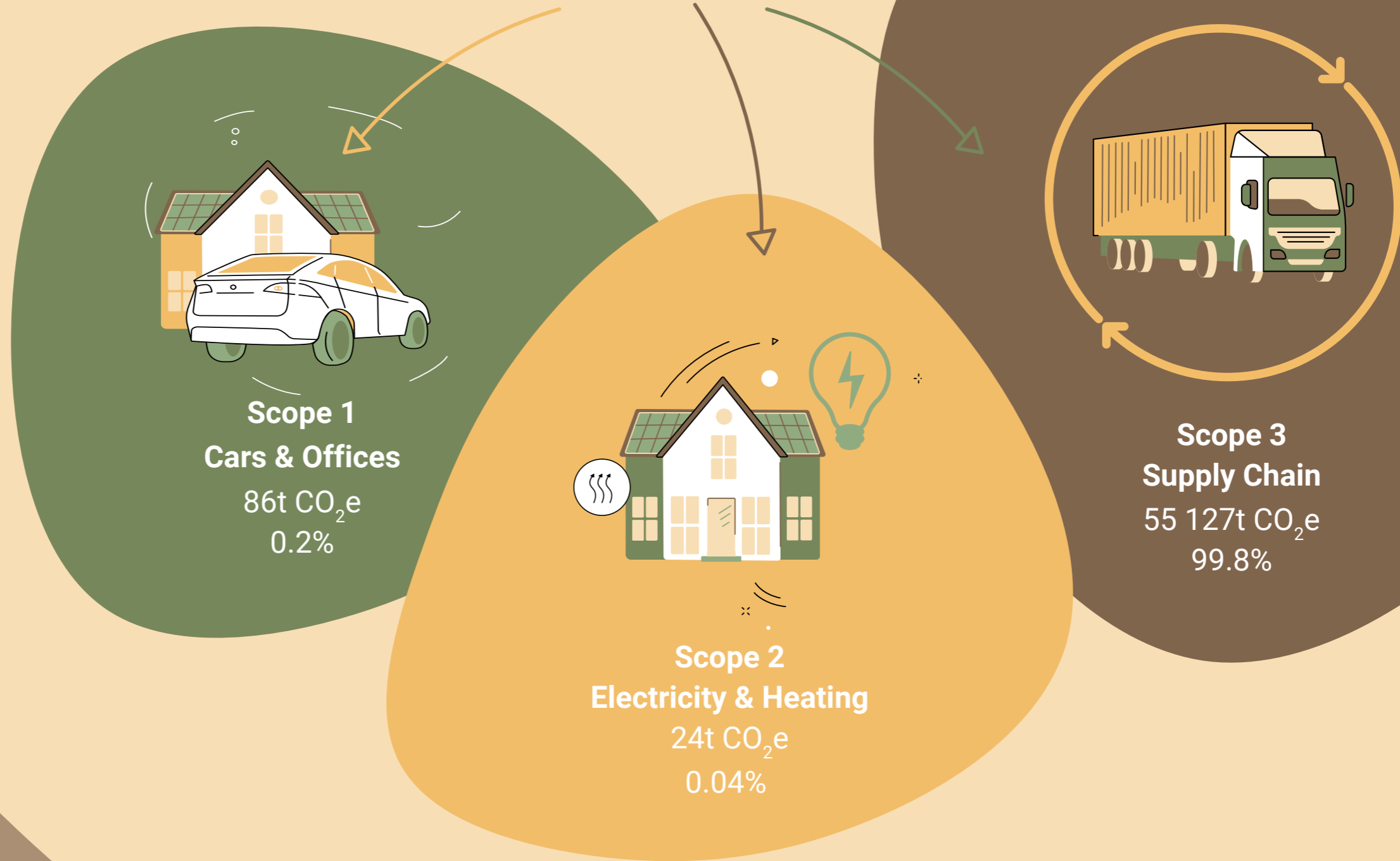
2. Our Planet Impact

As a rental company with the vision to lead the transition to sustainable freight, we have a tremendous responsibility to consider the impact of our choices on our people and planet. The transportation industry is a huge contributor to environmental degradation and climate change – creating massive amounts of carbon emissions, air pollution and much more. We believe that we need to do better than this. That's why our purpose is to lead the transition to sustainable freight. We constantly push our boundaries to create a more responsible version of PNO. This isn't comfortable – but change and progress are about finding comfort in the discomfort.



Our CO₂e emissions in 2022

Total CO₂e emissions in 2022:
55 237 tons CO₂e



Our Journey To Net Zero

Back in 2020, we committed to become Net Zero by 2030. It's a big commitment for us because we not only want to become emissions-free in our own operations but throughout our entire value chain. Bet you've heard that one before, right? Wondering what it actually means and how are we going to get there? Us too. So we've made a bit of a plan, following some great advice from the SME Climate Hub. It looks something like this:

The thing is: A plan is great. It will take many years to truly get there and transform our industry to become sustainable. We know that we really need to focus on taking action. So we've made some investments into our climate to compensate for what we can't change today and are working to change for the next many years. We believe every little action counts and is better than doing nothing. It's not about being perfect.



1

Reducing our own emissions

(aka cleaning up our own backyard for example by switching to renewable energy)

2

Reducing our value chain emissions

(aka working with our suppliers and vendors to buy better materials and find ways to lower emissions)

3

Making climate a core part of our strategy

(aka CO₂ emissions are a part of making decisions)

4

Accelerating climate action in society

(aka partnering with environmental and social organisations that create systemic change)

Climate Investments

Some very smart people at Oxford developed principles for offsetting – to make sure the offsets will actually make a difference and aren't the greenwashing kind.

So we thought it's a great idea to follow these principles. We selected four forward-thinking, international projects on top of our commitment to plant trees in Zambia.



Creating biochar fertiliser to lock away carbon (Phnom Penh, Cambodia)

Together with HUSK, we support the creation of biochar based fertilisers that store carbon for 1000+ years while improving yields. Biochar is based on the power of plants – with the goal to store carbon, improve soil quality and increase the soil's water holding capacity.

Capturing carbon through concrete mineralisation (Nova Scotia, Canada)

We're investing into Carbon Cure who developed a technology that injects CO₂ into cement to make a low-impact concrete and thereby removes carbon.

Reversing deforestation with WeForest (Copperbelt Province Zambia)

Together with WeForest, we plant trees and engage smallholder farmers to reverse the degradation caused by mining and charcoal production. With the return of a healthy forest, pollinators such as bees come back. These are incredibly important for restoring our ecosystem. It's also great for the local community. WeForest helps with the training of local farmers in restoring their small farms through beehives and the production of honey. We plant a tree for every kilometre we run, every new colleague and every answer to our customer survey. So far, we've planted more than 28 000 trees. Check out where we plant our trees [here](#).

Removing carbon by growing kelp forests with Running Tide (Maine US)

We're supporting Running Tide to harness the power of the ocean by growing and sinking kelp forests. It's like an ocean forest. Kelp removes CO₂ from the ocean and can store up to 20 times more carbon per acre than land forests.

Removing carbon with greenSand Olivine Enhanced Weathering (North Holland, NL)

We're supporting greenSand to harness the power of a mineral called Olivine. It's a mineral that naturally absorbs CO₂ in rainwater and thereby removes carbon from the air. The mineral is ground up and used on pathways, parking lots and railway lines. When it rains, the mineral reacts with the rain and air to form a solution that stores CO₂ in the limestone on the seafloor.

Green Ambassador Program

We believe change starts from within. It's important that everyone has the opportunity to work with environmental initiatives. Only if each of us takes responsibility, will we be able to see the change we want to create. That's why we have created a Green Ambassador Program. In each country office, we have a so-called Green Ambassador – a dedicated colleague who drives (local) environmental initiatives. This includes recording our energy, water and heating consumption, waste creation, organising local community days and tracking and compensating for emissions from team events.



The Impact Of Our Purchasing Behaviour

We realise that the way we buy, what we buy and where we buy things for our office has an environmental impact. If we don't think about this internally, can we seriously expect everyone to consider the impact of their choices when interacting with suppliers, customers and other stakeholders? Exactly – no. We'd be hypocrites. Yikes. So we developed a guide for purchasing things for the office. This includes everything from merchandise, events, food and beverages to IT equipment, business trips and furniture. It's all about buying less, buying second hand, buying organic, buying local and buying better. Not that it works all the time – but we're committed to doing better.



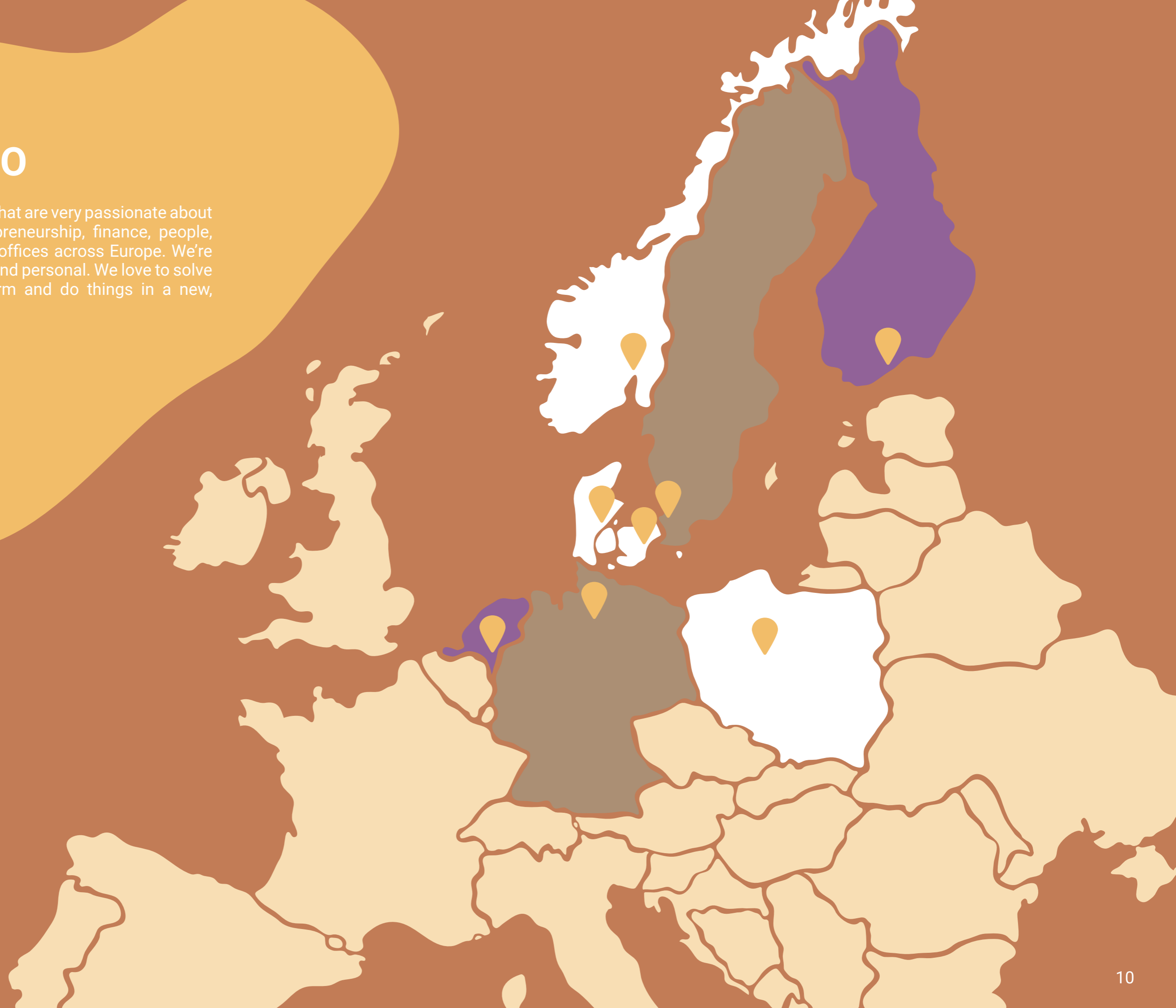
3. Our People Impact

We believe that it all starts with people. Unless we take care of our people and make sure they have the opportunities and space to take care of themselves, we won't be able to make a difference and build a forward-thinking business. So we're committed to building a diverse, resilient and healthy team that supports each other. This is PNO – so let us share something about our story.



This is PNO

We're a group of people that are very passionate about trailers, logistics, entrepreneurship, finance, people, and the environment in offices across Europe. We're pragmatic, responsible and personal. We love to solve problems, think long-term and do things in a new, innovative way.



People Development

For us, it's all about learning. Learning new things, learning to unlearn old ways, learning to navigate a changing business environment and daily work life. At the beginning of 2022, we've launched the PNO Capability Academy. This academy is a place to go to learn all things business, social and behavioural. Whether it's getting more comfortable with giving presentations (because who is), educating ourselves about climate change (because we should have taken action yesterday)

or learning how to work together across cultures (because there is so much to learn from each other). We also introduced trainings on allyship in the workplace, diversity, unconscious bias and inclusive communication training by The Other Box. We do this to raise awareness on all levels in the organisation, in particular on the executive and managerial level. There is a lot to be done and we realise we need to do better.

Health Initiatives

An integral part of caring for our people is supporting them in their physical and mental health. We all have bad days, weird days, good days and in-between days. We want to offer our people the time and space to take care of themselves. A self-love kind of thing, you know? So every quarter we introduce a new health initiative. 2022 was all about "looking after yourself". We learned about the

importance of moving our body and the effect running or walking has on our mental health. During the month of May, we doubled down on raising awareness of mental health and the power of meditation. Everyone has free access to Headspace. We're closing the year with offering free weekly yoga sessions. Curious to find out more? [Check out our initiatives here.](#)

eNPS: Taking A Look At Our Office Vibe

One thing is saying we're committed to people and implementing a bunch of initiatives. Another is to actually measure their impact – to see what works and what doesn't. While we always encourage everybody to share

their feedback on an ongoing basis, we also want to have a system in place to do so in a more organised way. That's why we send out a survey twice a year to see where everyone is at. Check out our score below.





Empowering Women

We're focused on seeing change happen and we want to see PNO accelerate its impact in the field of gender and diversity. We have a responsibility to make sure that these topics live in the organisation. That's why we signed up for the UN's Target Gender Equality Accelerator Program. What does this mean? We educate ourselves on where we're at in terms of gender and diversity – how and who we have hired in the past, what targets we need to set, how we can make this top of mind for everyone in the organisation. Over a period of 11 months, this accelerator program will equip us with tools to do exactly that. And we also set up a workgroup of four employees from across the organisation to spearhead our gender and diversity efforts. We realise this is only the beginning and lofty targets won't get us very far unless we do the work and take action.

4. Our Supply Chain Impact

Our supply chain has a huge influence on the environment. To create meaningful change, we need to understand our environmental footprint across our entire supply chain. It's about collaborating with like-minded suppliers and partners who are also committed to take care of their people and the planet. Let's see what that looks like.



Sustainability Doesn't Exist In The Freight Industry

Let's address the elephant in the room, shall we? The freight industry is one of the most polluting industries out there. In 2019, the transportation sector produced a whopping 8.43 billion metric tons of CO₂. Translated, the transportation industry is equivalent to 4 billion cars driving each year. Pretty mindblowing to us. In the EU alone, trucks and buses are responsible for 28% of Europe's road transport CO₂ emissions – even though they make up only 2% of the EU fleet. To stay within the goal to limit glob-

al warming to 1.5°C, transportation emissions need to drop by 84% by 2040 compared to 2020 levels. To top it all off, there are some concerning trailer stats out there. It's estimated that 1 in 4 trailers in Europe is driving empty and loaded trailers are on average 50% utilised. As you can see there is nothing sustainable about the freight industry and it will take a long time to get there. But we know we can do better than this.

Rent your trailer – don't own it.

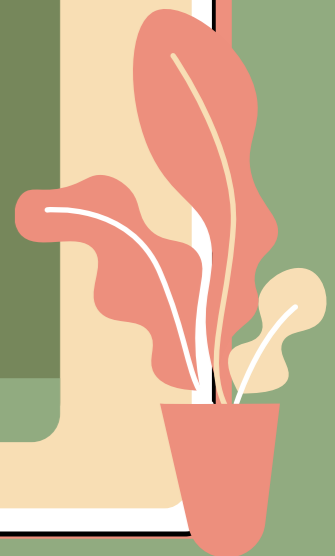
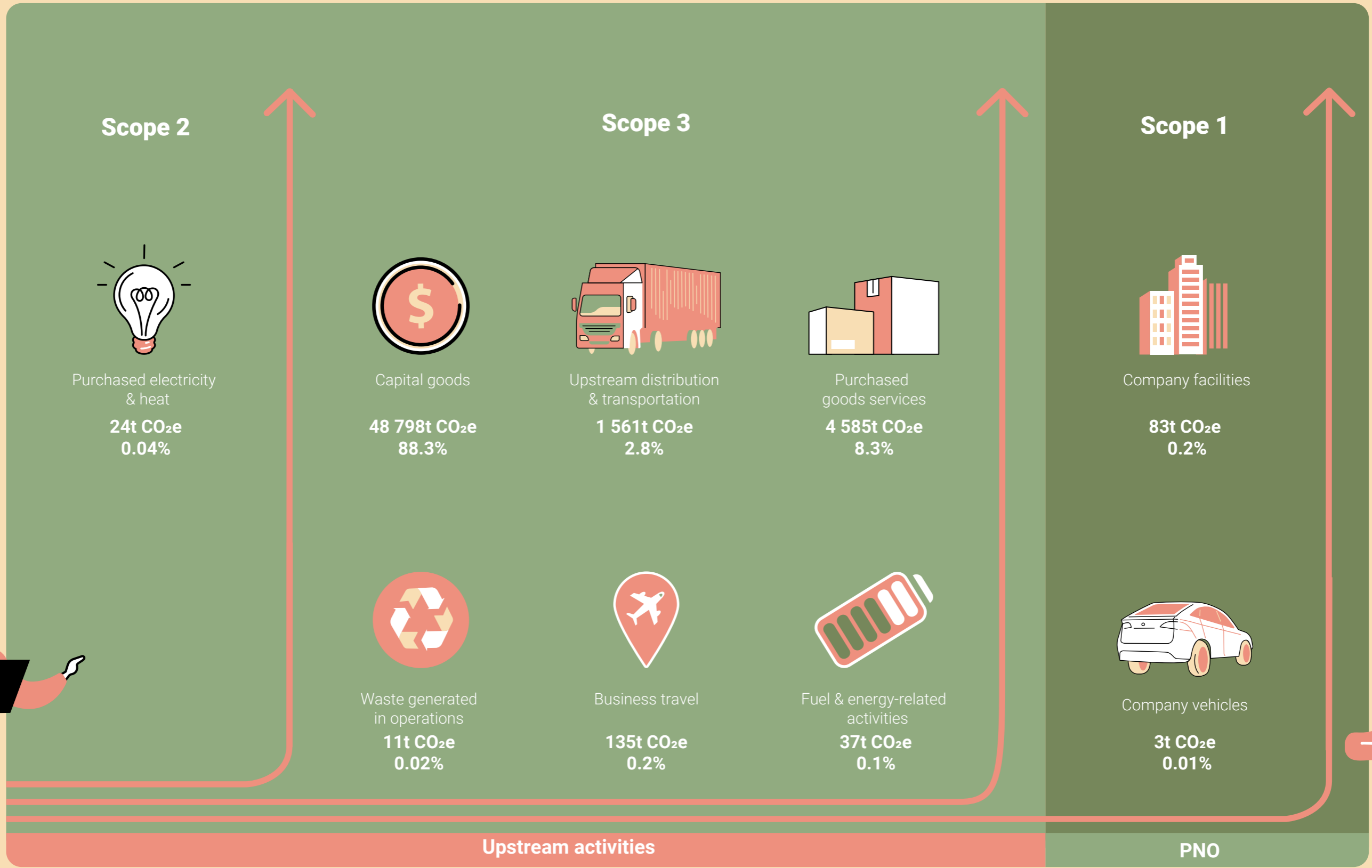
It's a transition. We're all about trailer rentals, instead of trailer ownership. Through offering a rental model, we hope to reduce the number of newly manufactured trailers, maximise the utilisation of trailers and give our customers the flexibility to rent trailers when and how they need them. It's a win-win-win. Good for the planet, good for our customers, good for us.

Know thy carbon emissions.

Another key part to doing better is understanding our carbon emissions – where they happen, how they happen, why they happen and what we can do about it. In close collaboration with our suppliers, we've spent the better part of the year digging into our supply chain. It's all about supporting and investing into our suppliers to gather the relevant data, insights and have dialogues. We learned that a huge driver of our carbon emissions are our procurement decisions. We've partnered with Normative, a carbon accounting company, to support us in getting a better picture of our emissions in our supply chain. It's about driving change together and working closely with our supply chain partners. We want to make procurement decisions based on our values and concrete environmental data.



CO2 emissions per category



Circularity In Action: Retread Tires



Tires are nasty for the environment. Making, using and disposing of tires causes many environmental problems including shedding microplastics, using fossil-based resources and emitting tons of CO₂. So again we thought to ourselves there needs to be a better way. Is there a possibility to give old tires a new life in some shape or form? That's why we've been buying retread tires Bear with us – it's a bit complicated but really cool. Because retreaded tires significantly reduce the environmental impact. Essentially, retread tires undergo a remanufacturing pro-

cess. What happens is that the worn-out tread on used tires is replaced with a new tread. This helps to extend the life of the tire. The retreaded tires we buy are called "warm retreads".

One retreaded tire **saves 80%** of the materials used to produce a new tire and prevents **182 kg of CO₂** from being released. We love this. So this year, we've focused even more on the retread tires. We designed a specific tire group policy with our supplier Continental.

Sharing Is Caring: Building A Standardised Fleet In Europe

We want to make sure that our trailers are utilised as much as possible. So why not share them more? We're building a standardised fleet in Europe – so that assets are available when they are needed and ready to be used by any customer anywhere. This ensures a high degree of flexibility for our customers – shorter rental periods, standardised equipment and higher uptime. Trailers are ready to be rented out when you are. No need to invest in a trailer yourself.

Utilisation

Utilisation is vital for PNO as this number indicates how many trailers are rented to customers. High utilisation is a great thing because it means better use of trailers. And it's not solely about more revenue; it's also better for the environment because it affects the general number of trailers ordered and produced. In 2021, utilisation was at 96.8% achieved.

In 2022, average utilisation was at 95% (at the time of writing this report in November 2022). That's because we're more active in more countries, serving more customers and with trailers in more depots. A slight dip. In 2023, we will continue to focus on high utilisation.

Digitalisation

Digital solutions can help spark transformation and create increased value for our industry and customers. It's all about being ready for the future and in the spirit of "leading the transition to sustainable freight".

It's a journey, and we've been working towards more digitalised work processes for a couple of years. In 2021, we gave our digital platform a bit of an upgrade – to make sure it's as user-friendly as possible for our customers and the data collection is more systemised. Like this, we can improve our internal work processes and reduce overheads for asset handling. The platform covers the majority of PNO workflows for rental and operations. It's about creating a safer fleet with fewer disruptions and more efficient operations. The current internal focus will help our employees move away from repetitive work to more fulfilling opportunities. Plus, we want to offer our customers a higher level of customer service.

Our focus on going digital has positively impacted metrics such as Asset Downtime and Utilisation, and Cost/Asset. This increases the Lifetime Value for assets under management. Better for us and better for the environment, too. Plus, it makes it possible for us to invest into the future of our business – sharing trailers, expanding into new markets and new depot locations.

Our approach is to scale our know-how to our industry relationships such as customers and strategic partners to spark a 'halo effect' to further synergise from the environmental benefits of driving efficiencies in fleet operations. So we decided to offer our digital solutions and data free-of-charge even to non-customers and to share data with partners with whom we share the same vision for sustainable freight. Sharing is caring, you know?



5. Our Community Impact

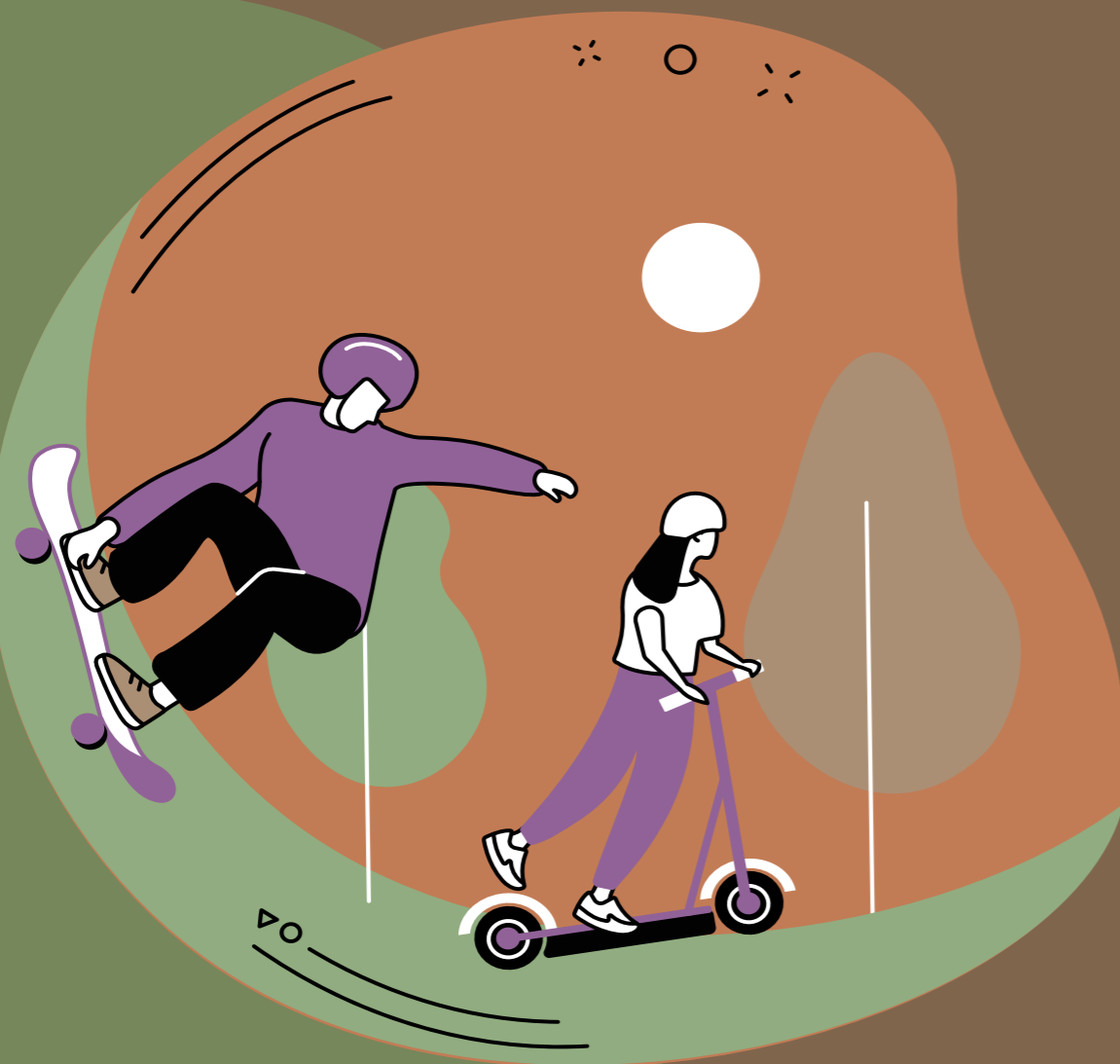
We know that all our actions and decisions have an impact on people. It all starts with people. It's something we don't take lightly. We need to take responsibility for the impacts we have on our community and create strong bonds. For us, it's about giving back and supporting groups and organisations at the front lines of creating systemic change.



Supporting The Youth Movement SAGA

We have a big heart for projects or groups that can be levers of change in the world and honestly feel responsible for putting collaboration above the competition. We decided to support the party-neutral youth movement, SAGA, as they are bringing dialogues with those parties that can result in more impactful systemic change.

SAGA is putting climate, mental health, and education as their core focus areas, and they establish dialogues hoping to create a healthy society with them. There is so much that can be made better, and we believe SAGA can be that changemaker in creating a society that is more sustainable and equitable for all of us.



Joining The UN Global Compact

Earlier this year, we joined the UN Global Compact. Another pledge huh? That's right. Because we believe this is another way – a holistic one – to hold ourselves accountable for our sustainable goals and ambitions. With this, we align ourselves with the UN's ten principles on human rights, labour, environment and anti-corruption. So please do hold us accountable. We don't want to make empty promises and pledges that take us nowhere.

"Committing to the UN Global Compact is an extension of our ongoing sustainability commitment and focus on impact through all our touch points. We fully support the goals of the Global Compact and commit to jointly contribute to several SDGs with our team and customers that goes further than just SDG 13 on climate."

*Solvej Lee Ørnstrand
Chief Impact Officer at PNO*

Giving Back To Our Community

As a B Corp we're committed to giving back to our community. All PNO employees spend two full working days a year to volunteer with local social and environmental organisations. Let's take a look at what our different countries have been up to.



Norway:
Collected trash in the local neighbourhood



Copenhagen:

Spent the day with WeFood CPH to reduce food waste by selling products with broken packaging and exceeded shelf-life.

Horsens:

Spent a day planting 225 raspberry, blackcurrant and currant bushes and 15 trees at Boller Overskov. All in the name of biodiversity.



Copenhagen:

Visited Birkemosegaard to educate ourselves on biodynamic farming

Sweden:

Collected trash in local natural areas – collecting a total of 134 kg.



Finland:

Together with Sipoo county, spent two days taking care of nature close to the office.

Norway:

Spent time at Nesodden Ressurscafe by serving free food, sorting clothes and free food baskets.

Copenhagen:

Spent the day with WeFood CPH to reduce food waste by selling products with broken packaging and exceeded shelf-life.



Copenhagen:

Spent the day again with WeFood CPH to reduce food waste by selling products with broken packaging and exceeded shelf-life.



6. Bad Moves

Leading the transition to sustainable freight is a journey of trial and error. We will face challenges, failures and mistakes along the way. It's the only way we will learn. We want to be open about what works well and what doesn't. So let's have a look at things that gave us a headache this year.



Go Veggie

We planned to offer only vegan and vegetarian food options. We went all oats with our milk. The other things didn't really happen. We'll try again next year.

Scope 3 GHG Emissions

We were hoping to have a lot more visibility into our scope 3 carbon emissions, i.e. having mapped all suppliers and products down to details like the tires. This takes a lot longer than we realised. So we prioritised our top 10 biggest suppliers who account for about 80% of our total carbon footprint. Good enough – but we want to do better and keep investing in getting 100% visibility in the future.

New Cool Trailer

We've invested into the New Cool Trailer – an electric refrigerated trailer concept where a battery powers the cooling system instead of diesel. When the reefer slows down, the axle generates energy that is stored in the battery pack. The stored energy is then used to cool the reefer. We're the first rental company pushing this kind of technology in volumes. The technology has proved to work. We did face challenges though, especially in Finland. Due to road conditions, lots of dust and cold temperatures, things didn't run smoothly at all. The technology wasn't insulated well enough. So the equipment didn't function properly and our customers couldn't use it. Not great. As they say, all beginnings are difficult. So we asked ourselves what we can do? It's not about backing out – we want to make this work. Investing into a new technology is always risky. So we had a chat with our manufacturer, shared our experience and proactively worked with them to find a solution on how the technology can be improved. Plus, we've looked into other manufacturers. We want to make this kind of technology available from multiple manufacturers for our customers.

Impact KPIs

While we have formalised CO₂ reduction targets for our office emissions, we're still figuring out how to bridge the gap between core business KPIs and our planet and people KPIs. That's because our biggest environmental footprint comes from our supply chain activities. We want to take the great foundation we built internally to use impact KPIs when making core business decisions.

7. Our To Do's for 2023

- 
- Women In Leadership*
 - A Better B Corp*
 - Partnerships For The Future*
 - CO2 Reduction Targets*
 - Supply Chain Transparency*
 - Reporting Our Sustainable Assets*
 - Sustainable Travel*
 - ReRent Pilot Programs*
 - New eTrailer*

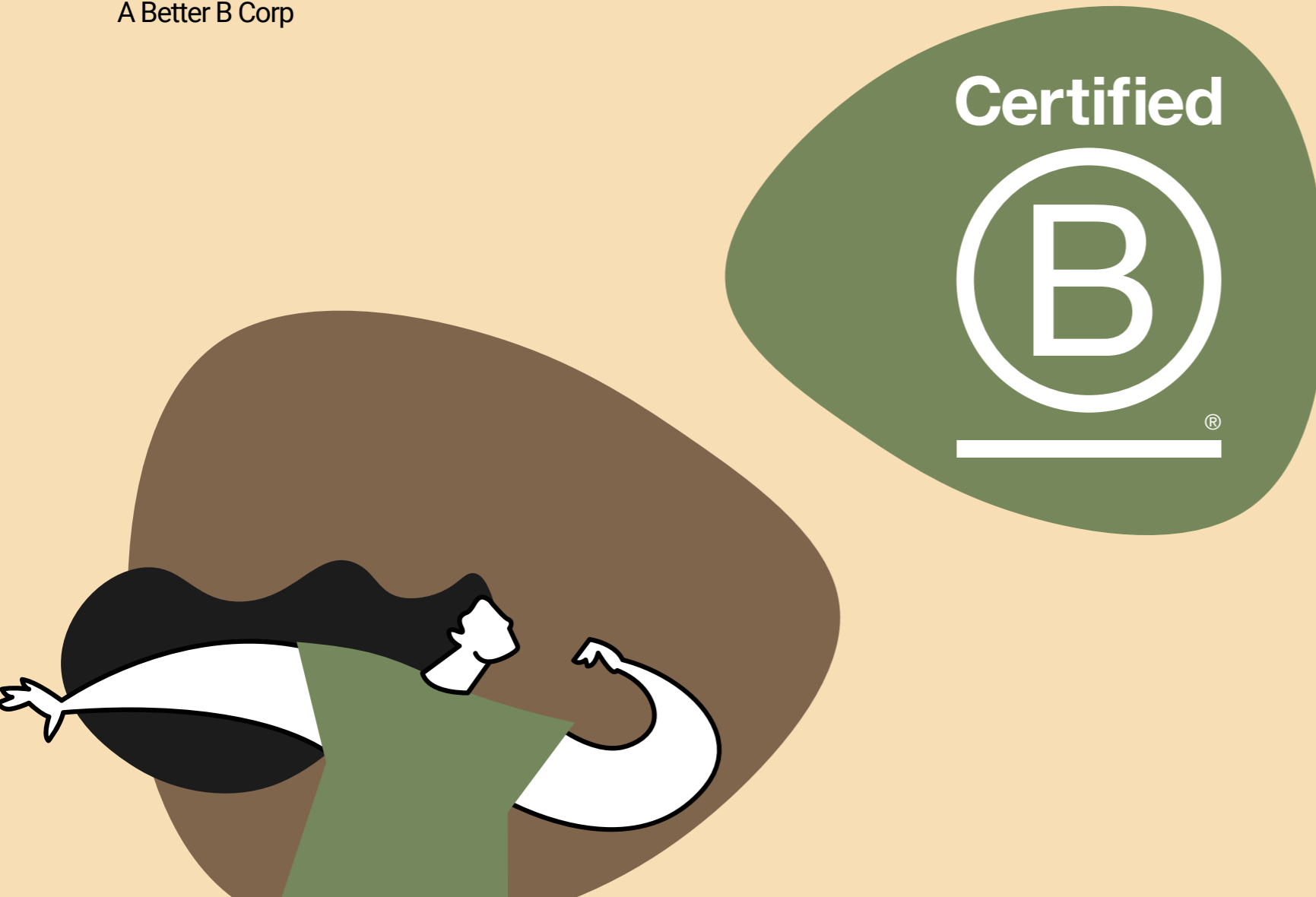
Working with impact and sustainability is a work-in-progress. There is no destination – only learning by doing. What was sustainable in the past might not be a great idea anymore today. What is sustainable today might not be in the future. We want to find new ways of doing things for our planet and people. So we've made a to-do list for ourselves for 2023.

To do #1:

Women In Leadership

The share of women seeking promotion rises if the manager is committed to Gender and Diversity. In the Nordics alone, 25% more women seek promotion if they see a clear commitment to gender and diversity from their manager. So let's get to work to make this visible to all our female superstars. In 2023, all managers must support and activate the gender diversity priorities for 2023. It's about making our commitments stick. Sounds a bit fluffy doesn't it? We thought so, too. So here are the concrete actions we will take: Offering sponsorship to women meaning consistent and personal 1:1 touchpoints to connect and talk about career advancement. A dedicated, ideally female leader who acts as a confidant and supportive challenger. Offering a coaching track to selected women from each country office with both 1:1 and group sessions over 3 months. Colleagues returning from maternity leave will be assigned a buddy to help transition back to work. What's important to use is to accommodate individuals needs and situations – a one-size-fits-all approach won't help anybody. Of course we also want our priorities to be measurable. We're looking to calculate if/what pay gap we have, advancement rate, recruiting intake and number of me on paternity leave. All this will be reported to the board, team and external stakeholders – because we need to hold ourselves accountable. Empty promises don't work for us.

A Better B Corp



To do #2:

Partnerships For The Future

Partnerships with environmental and social organisations are a vital part of our ethos to give back to our community. Whether that's through volunteering our time, providing resources or collaborating on research projects together. We want to support people, organisations and causes that fight the root causes of environmental degradation, climate change and social injustice. For us it's about supporting people who create systemic change. In 2023, we aim to support a number of social and environmental organisations on top of our commitment to volunteer two working days a year.

To do #3:

A Better B Corp

This year, we kickstarted our B Corp recertification process. We're excited to see how the changes we've made in the past have improved our impact across the environment, our community, employees and customers. This year, we'll get officially re-certified – and we have a target of 95+ points.



To do #4:

CO₂ Reduction Targets

Each year, we set CO₂ reduction targets in our different offices across Europe for our Scope 1 and Scope 2 emissions. This is in line with our commitment to become Net Zero. In 2023, our main focus is on switching to renewable energy in all office buildings. We aim to reduce our overall CO₂ emissions by 46% in 2023.



To do #5:

Supply Chain Transparency

We want to transparently share our total Scope 3 emissions. The reality is that the majority of our carbon emissions come from outside our offices. So we have a huge responsibility to work together with our suppliers to reduce emissions. We have been spending the better part of 2022 on calculating and understanding the emissions connected to our trailers. So in 2023, we'll make sure to share this.

To do #6:

Reporting Our Sustainable Assets

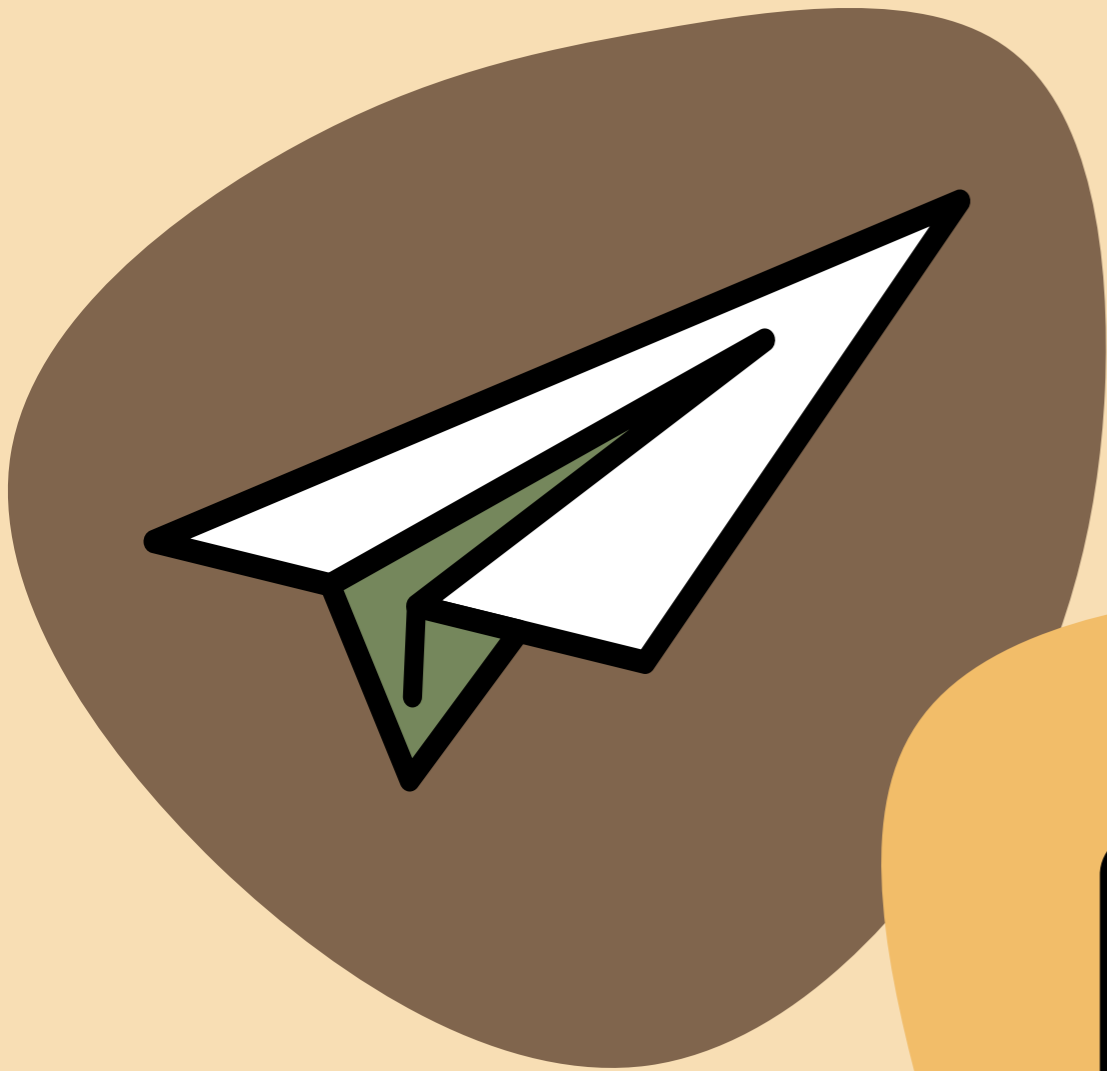
So far, we haven't been super transparent about how much our sustainable assets make up of our total assets. You know we're offering sustainable trailer options – but no idea how much they make up of our total fleet offering. Time to change that. We want to report on how many sustainable trailers we rent out compared to our "normal" trailers. Plus, we need to set some parameters for how we want that split to change in the future.



To do #7:

Sustainable Travel

We have offices, clients and stakeholders spread across Europe. So there is quite a lot of travel involved. It's about time we get a bit more formal about how to travel – to make sure we do it in the most responsible way. So we'll develop an official, low-impact travel policy that will be rolled out across all our countries. All travel will need to be logged in Goodwings, our travel platform that helps us to calculate how many emissions are created through our travel.



To do #8:

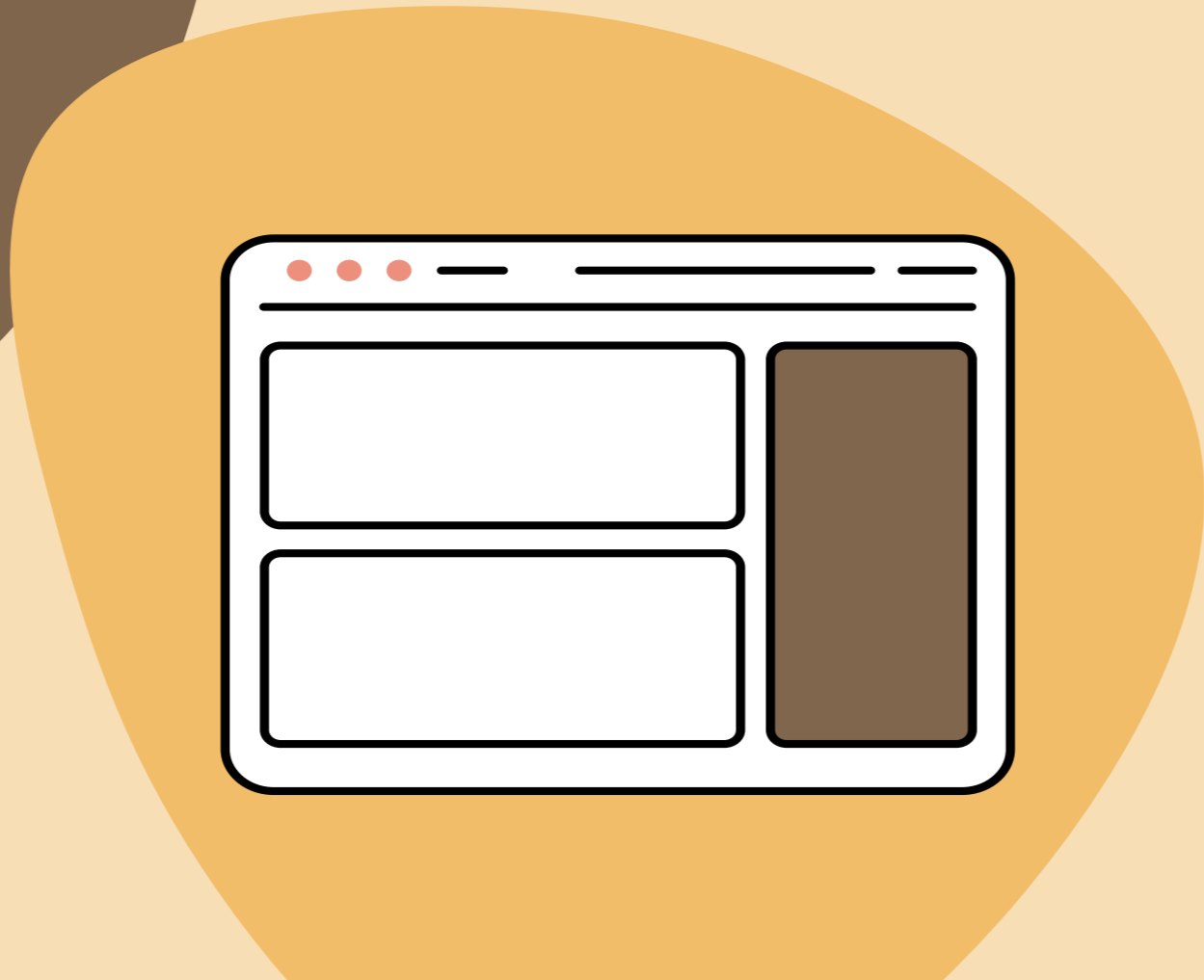
New eTrailer

We're super excited to have placed orders for 150 eTrailers – we really believe this trailer is a huge step for our industry. With its own electric drive and ability to move together with the tractor unit, this trailer is able to save fuel and thereby save carbon emissions. We want to be the first rental company to take this innovation to the market and spread the news. We're super excited to offer this type of trailer to our customers. Production is planned to start at the end of 2023. So keep your fingers crossed for this one!

To do #9:

ReRent Pilot Programs

We're looking into offering our customers the option to rent out their rented trailer if they don't need it for a while. Like this asset utilisation goes up, hopefully lowers the numbers of newly manufactured trailers, and gives our customers increased flexibility. Good for our customers, good for us, and good for our planet. .



Thanks

for following our perspective on how to care for our people and planet – glad to have you with us on this transition.

Got any questions for us on our impact work?

Come say hi to Solvej (solvej@pnorental.com) or Anja (anja@pnorental.com) – they'll be happy to help you with all things impact. If you want to book a trailer, it's better to talk to someone else though.

Wanna have a chat?

Drop us an email at solvej@pnorental.com and jacob@pnorental.com. We're excited to hear from you.

Prefer to talk in person?

That's cool, too. Call us at +45 86 51 01 00

Check out our website

www.pnorental.com



Certified

