

IMPACT PROGRESS REPORT

*Leading the transition to
sustainable freight*



Table of Contents

01

Welcome

02

Planet
Impact

03

Supply Chain
Impact

04

People
Impact

05

Stuff to do
better

06

Thank
you



Welcome

To our Impact Progress Report for 2023

We're on a journey. We are not a sustainable company. Sustainability doesn't exist in the freight industry. What we are is a responsible company. We take responsibility for the impact we create – and find ways to create a positive impact for people, the planet, our customers, and our partners. We're taking a holistic view and focusing on taking collaborative action.

2023 has been a year of uncertainty and volatility on all levels. We want to recognize our amazing PNO team that works across 7 different countries – because it takes each and every one of us to be a responsible company. Whether it's becoming a better B Corp, lowering our environmental footprint, serving our customers, or collaborating with our suppliers. We're ambitious and recognize that there's a lot to improve. It's a journey and takes a team effort.

We're taking the road less traveled. We're leading the transition to sustainable freight. Let's explore together how we've navigated that in 2023.



Our Planet Impact

We're not perfect - but we're committed to taking responsibility

As a rental company within the transportation industry, we have a big responsibility to consider the impact our choices have on our people and the planet. Everything we do has an impact. A key pillar to becoming more responsible is to get a full picture of our environmental impact. We calculate the carbon emissions we create as a company and invest in initiatives to reduce these.

2023 Carbon Emissions

Partnering with suppliers

A better B Corp in 2023

Platinum EcoVadis Medal

CSRD Journey



Our 2023 CO2 emissions

1

SCOPE

90
tonnes Co2
—
0,22%



36
tonnes Co2
—
0,09%

2

SCOPE

3

SCOPE*

40394
tonnes Co2
—
99,69%



TOTAL CO2 EMISSIONS IN 2023

40520
tonnes Co2e

*Our Scope 3 calculations do not cover all categories outlined by the GHG Protocol (see page 11 which categories are included). For our calculations, we use a mixed data approach.

Platinum EcoVadis Medal

PNO Sweden has partnered with EcoVadis to undergo a sustainability rating. EcoVadis gives an outside perspective on our sustainability performance, ESG risk management, and the impact we have on people and the planet. We have been rated in the areas of environment, human and labor rights, and ethics. We're very excited that we have been awarded the Platinum EcoVadis Medal.



Beginning our CSRD Journey

Leading the transition to sustainable freight is a constant work in progress. It's exciting to see how the sustainability world has been changing over the last years. It's even more exciting to see what's on the horizon with the Corporate Sustainability Reporting Directive (CSRD). This directive will require all of us to report on the impact our business activities have on society and the environment. We've now officially started the process to understand how this directive will affect us, what we need to improve, and what additional KPIs to report on. Stay tuned!

CSRD

CSRD

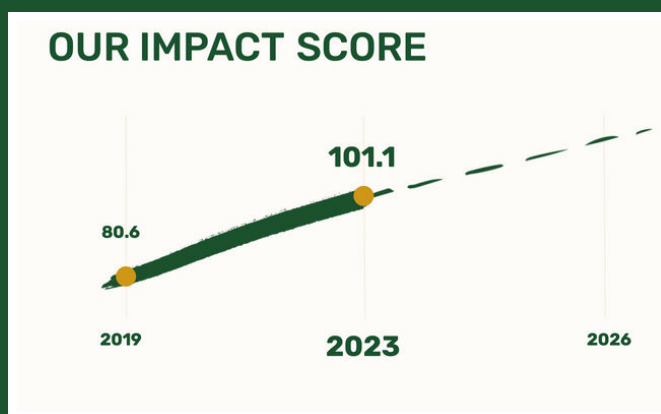
CSRD



A better B Corp in 2023

A proud B Corp since 2019. A better B Corp in 2023.

We did it. We became a better B Corp in 2023. We officially received our B Corp recertifications with a score of 101.1. This is a big milestone for us. When we first became a B Corp in 2019, we achieved a score of 80.6. For us, B Corp is about the movement and creating real change.



We're investing in numerous people and planet initiatives to create a positive impact. These include Scope 1-3 GHG emissions, health initiatives, gender equality, and Diversity, Equity, and Inclusion. The journey isn't finished here. For 2026, we have set an ambitious goal to achieve a score of 110.



Our Supply Chain Impact

Our supply chain has a huge impact on the environment and people. It's absolutely crucial that we take a collaborative approach to leading the transition to sustainable freight. That's why we work very closely with our suppliers and other partners. It's about supporting and learning from each other.

**Supply Chain
Facts**

**Supplier
Assessment**

**Carbon
Calculator**

**Supply Chain
Emissions**

Utilization

Digitalization



Supply Chain Facts

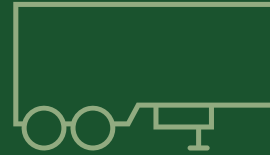
All you need to know about our supply chain.



NUMBER OF SUPPLIERS

18 **587** **605**

OEMS WORKSHOPS TOTAL



TRAILERS ON THE ROAD

12 700

TRAILERS RENTED IN TOTAL



SUPPLIER LOCATIONS

803 **45**

WORKSHOP
LOCATIONS OEM
LOCATIONS



TIRES

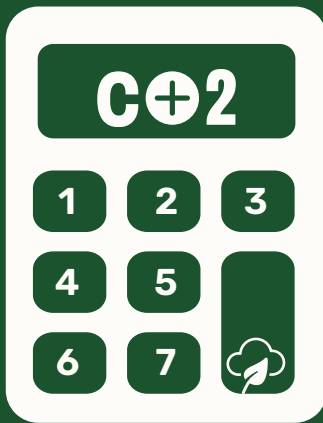
913 **914**

NEW TIRES RETHREAD TIRES

Supplier Assessments

We support our suppliers in calculating their carbon emissions and getting a better understanding of their impact on people and the planet. We developed an assessment to see where they're at with their sustainability initiatives. We ask about their environmental footprint, governance mechanisms, and people initiatives. This year, we expanded our supplier assessment to include more questions on Diversity, Equity, and Inclusion. Each year, we send a new assessment and ask our suppliers to return it to us.

PNO's Carbon Calculator



We launched our very own Carbon Calculator on our fleet platform. Our customers are now able to see their fleet's total CO2 emissions. This is a tool we've developed in-house, and it is available free of charge. It shows not only a fleet's total carbon emissions; our customers can also differentiate between fuel and manufacturing emissions.



FLEET
EMISSIONS



MANUFACTURING
EMISSIONS



TOTAL
EMISSIONS

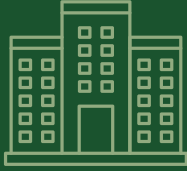
This is a huge milestone for us and a culmination of many years of planet efforts to calculate our trailers' CO2 emissions. We firmly believe in taking a collaborative approach. We know first-hand how difficult it is to get an accurate picture of CO2 emissions. With this Carbon Calculator, we want to support our customers as much as possible in knowing their carbon emissions. This tool will also support customers with their CSRD journey.



Supply chain emissions

SCOPE 1 & 2

Facilities



87
tonnes Co2

0,21%

Vehicles



3
tonnes Co2

0,01%

Electricity & Heat



36
tonnes Co2

0,09%

Capital Goods



32465
tonnes Co2

80,12%

Distribution & Transportation



1030
tonnes Co2

2,55%

Purchased Goods & Services



6654
tonnes Co2

16,42%

SCOPE 3*

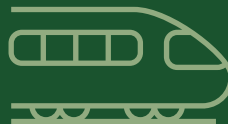
Employee Commuting



51
tonnes Co2

0,13%

Business Travel



128
tonnes Co2

0,32%

Fuel & Energy-related Activities



62
tonnes Co2

0,15%

*Our Scope 3 calculations do not cover all categories outlined by the GHG Protocol. For our calculations, we use a mixed data approach.

Utilization

Utilization is vital for PNO as this indicates how many trailers are rented to customers. High utilization is a great thing because it means better use of trailers. And it's not only about more revenue; it's also better for the environment because it affects the number of trailers ordered and produced.

The drop in 2023 utilization is a result of our industry coming under pressure in 2023 due to declining transport volumes. In 2024, we will continue to focus on high utilization.



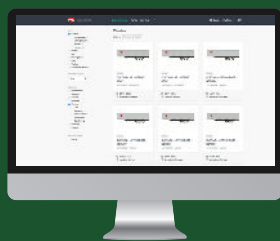
2022



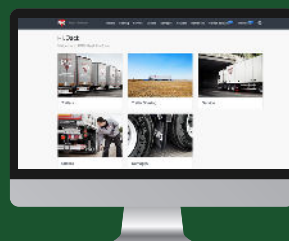
2023

Digitalization

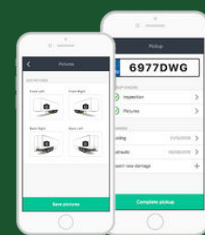
Digital solutions can help spark transformation and create increased value for our industry and customers. It's all about being ready for the future and in the spirit of "leading the transition to sustainable freight". These are our main digital solutions:



RENTAL PLATFORM



FLEET PLATFORM



DRIVER APP

It's about creating a safer fleet with fewer disruptions, more efficient operations, and a higher level of customer service. In 2024, we focus on making our unique data available to PNO teams and customers as valuable insights to inform decisions around fleet management. All with the goal to reduce the environmental footprint of our industry.

Our People Impact

Having a positive impact starts with people

We're committed to building a healthy, diverse, inclusive, and responsible team. Each and every one of us has an impact on the work we do. So, we all need to become more aware and build a greater sense of responsibility. This will translate into responsible actions, which will move the needle on sustainability. Here's how we anchor responsibility and a growing awareness into our team.

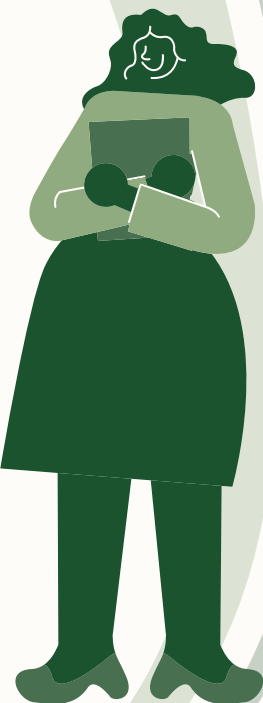
**This is
PNO**

**PNO Capability
Academy**

**Diversity,
Equity &
Inclusion**

**Community
Days**

**Partnership
Den Danske
Naturfond**



This is PNO

Our team continues to grow – and we celebrate that we, as a team, are from many different places around the world. It’s important for us to build a diverse team and an inclusive workplace for all.



82

People



7

Countries



8

Offices



19

Nationalities



20

Languages

PNO Capability Academy

We're committed to investing in our people and their development. That's why we introduced our PNO Capability Academy back in 2022. We offer a range of courses and training to develop skills and awareness on all things leadership, communication, diversity, health, coaching, and more.



6

Courses



68

**Team members
joined**



608

**Total hours spent in
training**

Our Courses in 2023



DE&I Training



Leadership Training



Coaching Sessions



**Transformation
Table**



**English Language
Classes**



**Breathing
Sessions**

Diversity, Equity & Inclusion

Diversity, Equity, and Inclusion (DEI) is a fundamental pillar in our work. We're committed to creating an inclusive workplace with diverse teams across all levels, including diversity of thought, culture, and gender. For 2024, we have set specific DE&I targets across 9 areas to ensure that we hold ourselves accountable.

Gender



Gender Gap Analysis



Women in Leadership Coaching Program



Gender & Diversity Workgroup

Internal Initiatives



Training for Hiring Managers & Recruitment



Cultural Moments



DE&I Surveys

External Initiatives



More Women in our Advisory Board



Supplier Assessment for DE&I efforts



Inclusive Language for all Communication

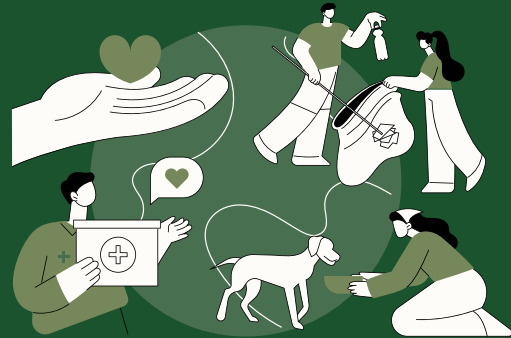
PNO's Community Days

As a B Corp, we're committed to giving back to our community. All PNO employees spend two full working days a year volunteering with local social and environmental organizations.



9

Organizations



5

Countries



**200 hours
giving back**

Partnership with Den Danske Naturfond

Biodiversity is in rapid decline. To protect nature, we've partnered with Den Danske Naturfond – an environmental organisation that protects and restores wild nature in Denmark. We combine our health initiatives – meditating, running, biking, and walking – with donating land. We record these activities and then translate them into a donation for Den Danske Naturfond.

2023 Health results



58 hrs
Meditation

↓
583 m2 land



2894 km
Running

↓
1205 m2 land



7574 km
Biking

↓
2365 m2 land



6729 km
Walking

↓
1680 m2 land

In 2023, we protected **5833m2** of wild Danish nature.



Stuff we need to do better

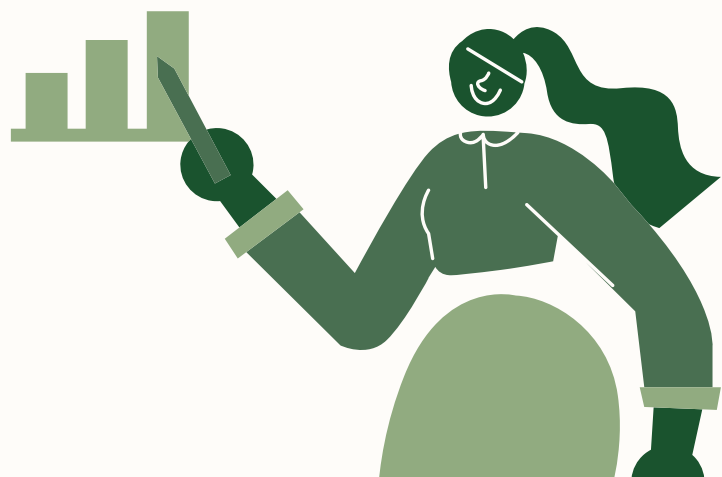
Leading the transition to sustainable freight is a work in progress. It's a journey, and we will undoubtedly make mistakes and face failure along the way. What we perceived as impactful in the past or present might not be so in the future. And that's okay. That's how we'll know we're making progress and changing. Let's take a look at a few initiatives that didn't go as planned.

**Pay Gap
Analysis**

**Offsetting is
cancelled**

**Business
travel CO2
target**

**Human
Rights**



Pay Gap Analysis

We've promised to deliver our Pay Gap analysis in 2023. Sadly, we're not able to do so. The analysis is taking longer than expected. For now, it's still a work-in-progress.



Offsetting is cancelled

We've been hearing conflicting evidence about one of our carbon removal projects. We've decided to cancel our offsetting investments and change our strategy. We plan to work directly with social and environmental organizations with boots on the ground.



Business travel CO2 targets

We set an ambitious target for reducing emissions from our business travel. But we realized that it's impossible to get an accurate forecast. We now prioritize educating and incentivizing our team to choose the lowest-impact mode of transport.



Human Rights

We need to dig deeper into human rights. In 2023, we've focused a lot on other impact categories, such as the environment, governance, and employees. We have a limited understanding of the impact our initiatives might have on human rights. That's why we joined the UN's Business and Human Rights Accelerator Program.



Thank you to everyone

Thank you to everyone. Our team, our customers, our suppliers, and all our partners. We couldn't do this work without you.

We have shared our steps on our journey. We are far from perfect and have lots of work to do. The climate crisis is a challenge on all levels - technology, investment, and regulation. But it's also an adoption challenge where we need to move faster on our impact strategies and solutions. This work is done through bold actions and an adaptation mindset. As we walk into 2024, we will need to reshape our ways of working, our business, and our mindset to make our impact work more desirable and relevant for everyone. Less holding back and more candid progress.

How are you moving forward on your impact journey? Do you have any questions, feedback, ideas, or comments on our impact work? We'd love to hear from you.

Contact

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