

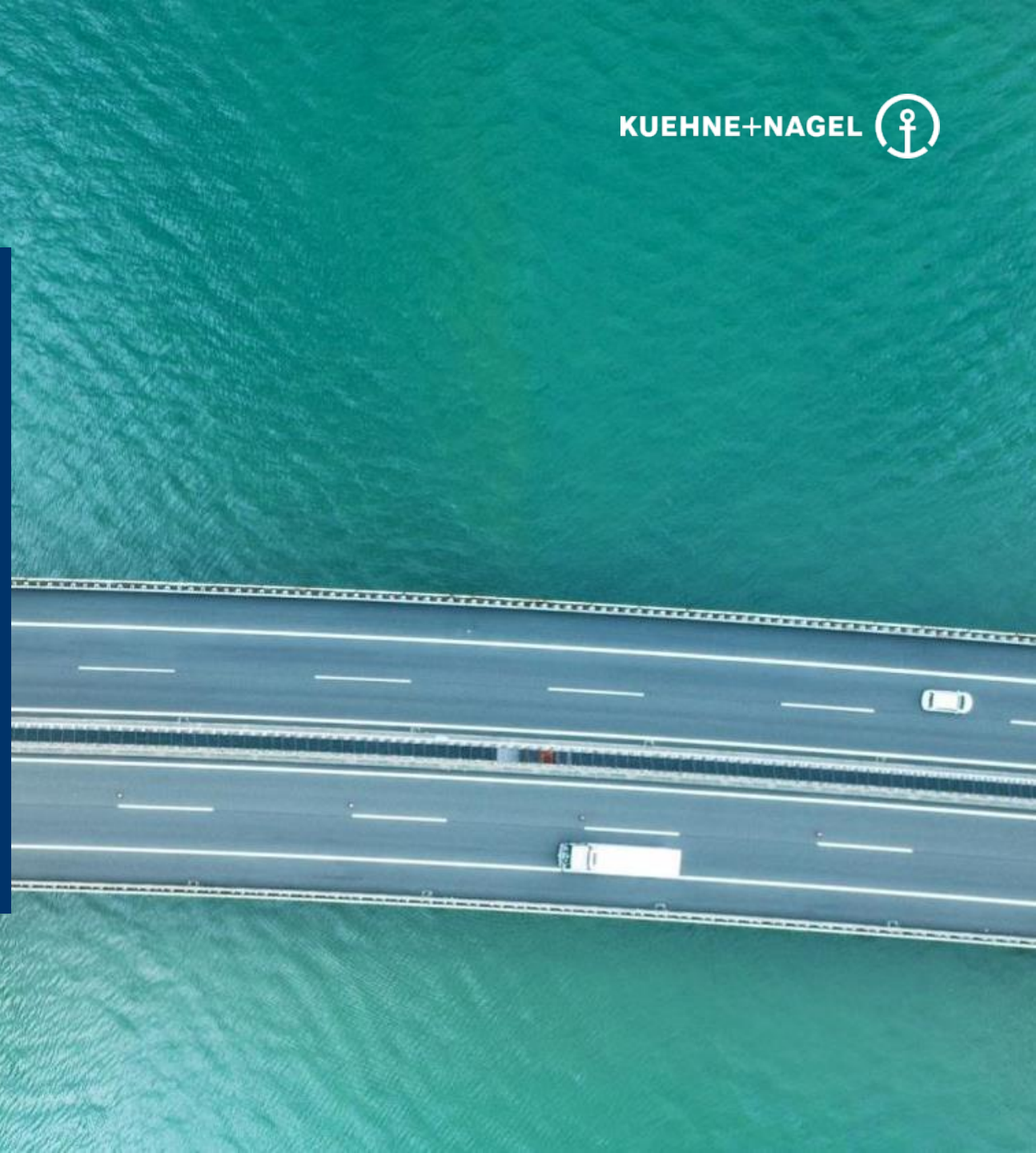


Our commitment to sustainability in logistics

Michael Maass, Vice President Global Sustainability
Solutions Seafreight
Livestream “Rebuilding Greener Supply Chains”
July 8th, 2020

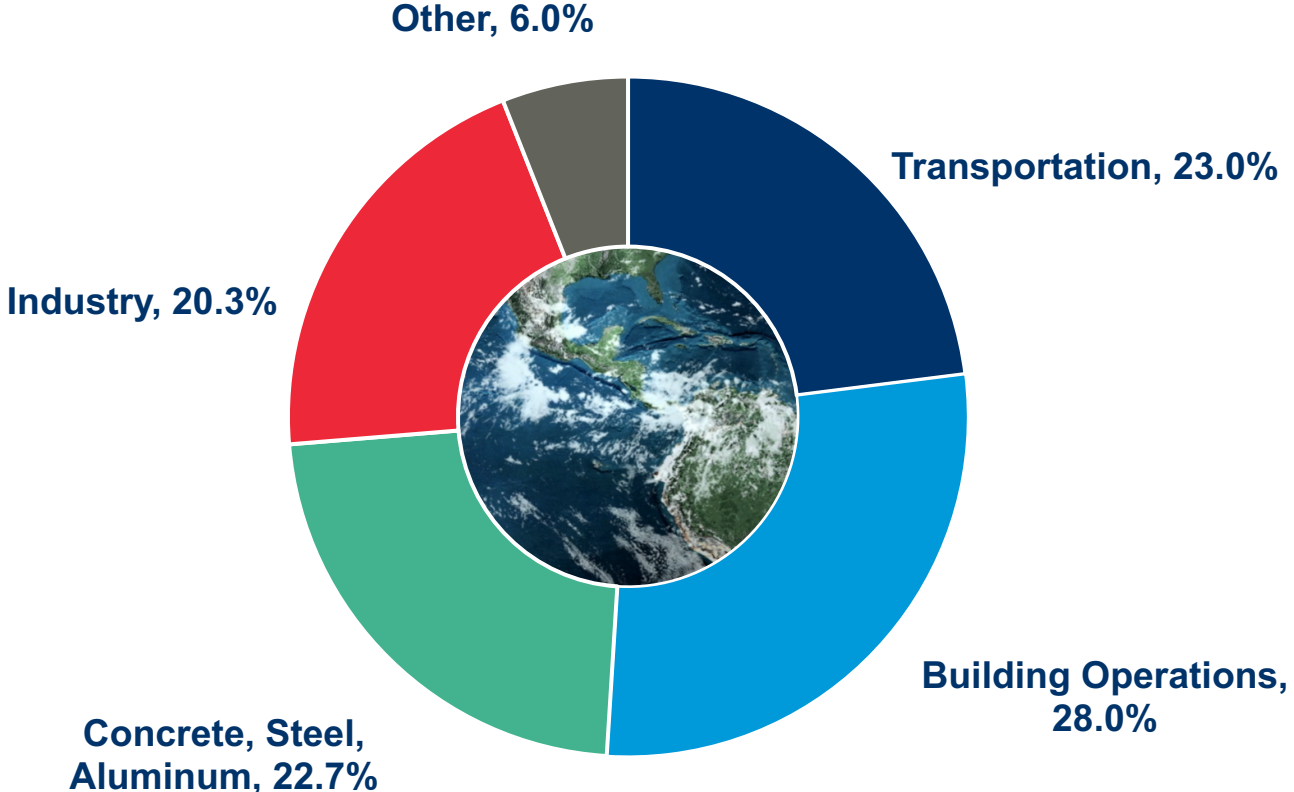
With „**Net Zero Carbon**“ we address CO2 reduction in transport and logistics services worldwide.

In addition to our own **CO2 neutrality**, we offer solutions to our customers for reducing their supply chain's CO2 footprint.



Global CO2 Emissions by Sector

Total number of global annual energy related CO2 emissions: approx. 35 billion tonnes in 2019*

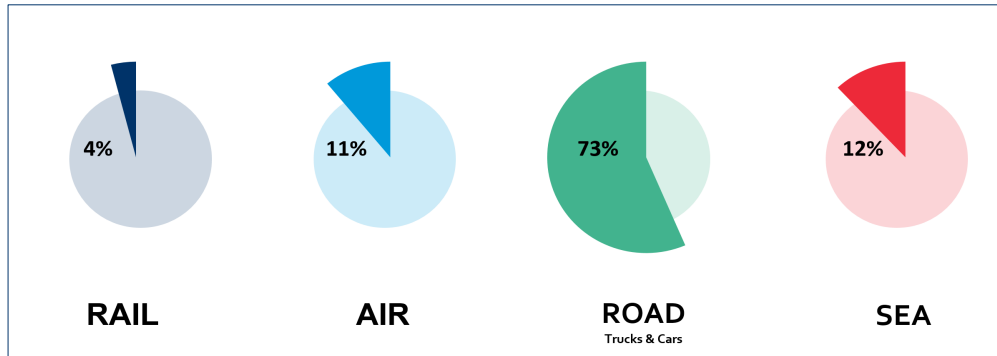


→ 8 % of the global emissions are caused by trade-related freight transport**

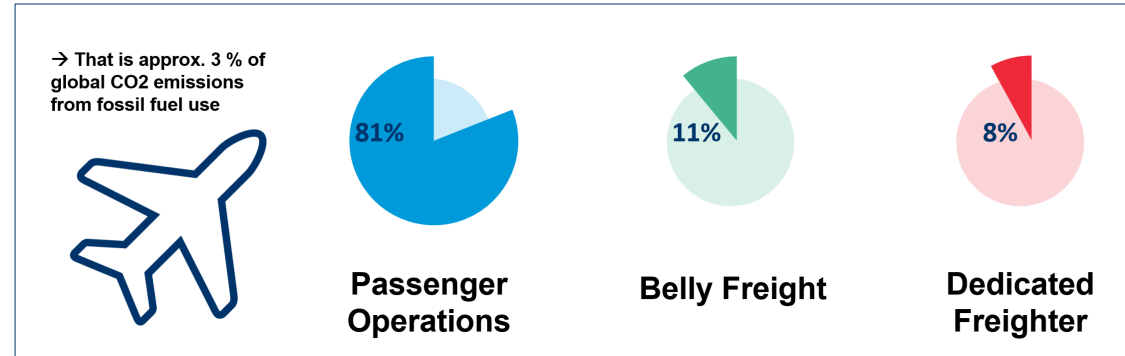
→ This equals to 492 million passenger vehicles driven for one year***

* International Energy Agency (IEA) 2020
** International Transport Forum ITF Outlook for 2020
*** Greenhouse Gas Equivalencies Calculator 2019
DISCLAIMER - ALL APPROX. NUMBERS


Emissions from different Modes of Transport*



Private and trade-related transportation



Total CO2 emissions from all commercial operations, including passenger movement, belly freight, and dedicated freight, totalled 918 million metric tons (MMT) in 2018.*



- The ocean freight shipping shares of emissions are lower than those of road transport, but they are not insignificant and are growing*
- Ocean freight shipping emitted an average of approximately 1 billion tonnes CO2 per year**
- This corresponds to approx. 3 percent of global emissions
- Only 23 % of ocean freight shipping is caused by container shipping (there are also, e.g., dry bulk carriers and crude oil tankers)***
- In April 2018, IMO adopted a strategy on the reduction of greenhouse gas (GHG) emissions from ships with the aim to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008****

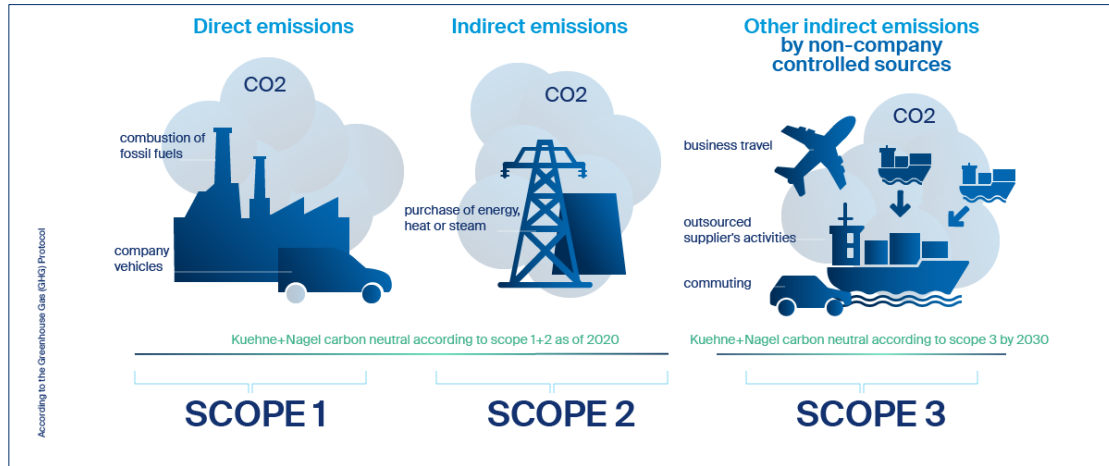
Ocean freight is the most emission-friendly mode of transport

* International Transport Forum 2016
 ** icct's Greenhouse Gas Emissions from global shipping 2015
 *** icct 2017: Average percent share of CO2 emissions by ship class, 2013–2015
 **** International Maritime Organization 2020
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Section 2

Net Zero Carbon Programme

Net Zero Carbon: Carbon neutrality targets until 2030



- Since 2020, we are fully carbon neutral worldwide for all direct and indirect emissions in our own sphere of influence.
- Visibility - Global Facility Carbon Calculator
- Reduction - e.g. Usage of renewable energy and solar panels on logistics facilities
- In our company's scope 1 + 2 sustainability approach 14 out of 17 SDG's are covered
- Offsetting the remaining CO2

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

Getting to Zero Coalition – joint CO2 reduction initiatives






- We entered this initiative by **Global Maritime Forum**.



- The ambition of the Coalition is to have **commercially viable Zero Emission Vessels (ZEVs)** on deep-sea trade routes by 2030, supported by the necessary infrastructure for scalable net zero-carbon energy sources, including production, distribution, storage and bunkering.

- CMA CGM invested heavily in bio fuel technology and in LNG technology by ordering 20 gas-powered vessels including 9 giant 23,000 TEU ships. LNG-operated container ships reduce sulphur emissions by approx. 99 percent, while CO2 emissions are reduced by approx. 15-20 %.
- Maersk pilots a battery system to improve power production and begun a journey towards having net-zero CO2 emissions from own operations by 2050.

They initiated the first partnership of its kind to develop an industrial-scale production facility to produce sustainable fuels for road, maritime and air transport in the Copenhagen area.

| | |
|---|--|
|  | Science-based Targets By basing our program on these science based targets we define clear objectives and become measurable to the public on our way to CO2 neutrality by 2030. |
|  | UN Global Compact Platform for business engagement on the Sustainable Development Goals (SDGs) |
|  | Arctic Pledge We will not support commercial shipping on the transpolar sea route at the risk of the local ecosystem. |
|  | Getting to Zero Coalition The ambition of the Coalition is to have commercially viable Zero Emission Vessels (ZEVs) on deep-sea trade routes by 2030. |
|  | Development and Climate Alliance The aim of the initiative is to promote voluntary commitment of companies to climate protection . |

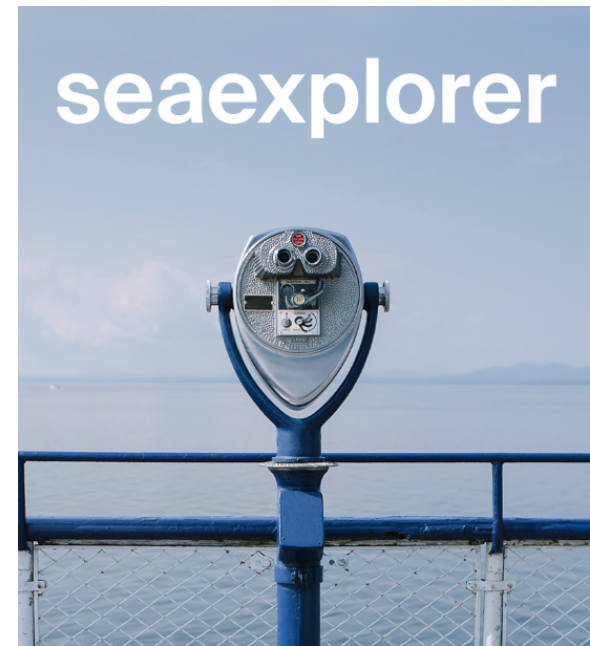
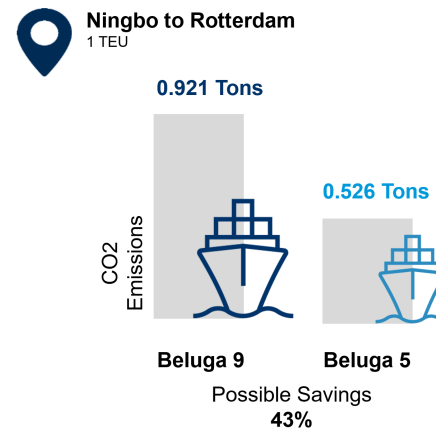


CO2 Visibility enables CO2 Reduction: Example CO2 savings based on seaexplorer data Asia-Europe

- Seaexplorer is our digital platform for sea freight services and schedules in container shipping being used by many automotive customers worldwide
- The smart platform provides full control of global routing options across carriers

Example: CO2 savings based on seaexplorer data China to Netherlands

- **40 days** versus **31 days**
- **Reliability class B** versus **A**
- Same alliance, i.e. the original vessel operator can be retained
- Beluga 5 = most eco-friendly, more reliable and faster

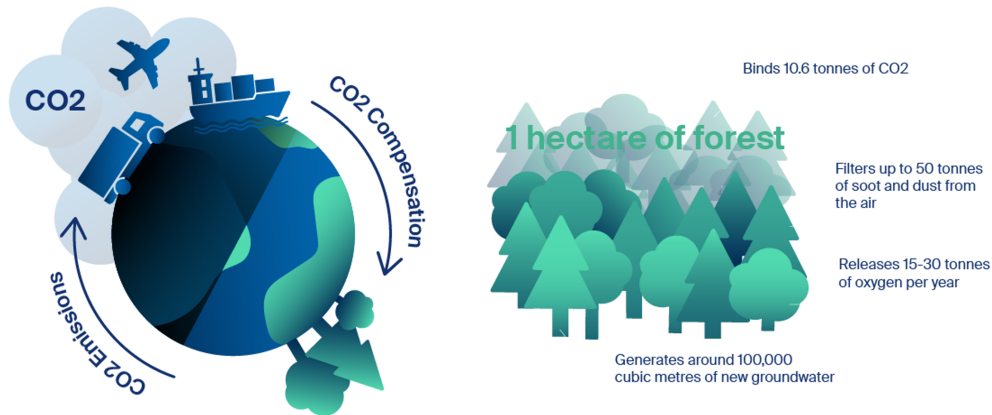


Section 3

CO2 Offsetting

CO2 Offsetting – neutralizing the remaining CO2

- In spite of all efforts at reduction, CO2 emissions cannot yet be 100% avoided
- Until it can be technically feasible to reduce CO2 to zero, we provide our customers with means to fully offset the CO2 footprint of their shipments



Our projects protect forests: Trees are the most powerful carbon-capture technology; numbers per year

Partnership with Team Malizia contributing to ocean health and mutually working for a sustainable future



Join us in being responsible stewards of our planet and its people

Join

As a leading global logistics provider we acknowledge the responsibility we have to the environment, to our ecosystems and to humanity.



us.

For further information visit www.kn-portal.com/environment



A RACE WE MUST WIN
CLIMATE ACTION NOW!

Inspire. Empower. Deliver.

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