



Forto Climate
Action Review 2022

Forto is committed to building a better future for the next quarter as well as the next quarter century

Letter from our CEO

Reflecting on the leaps we've made in our pursuit of sustainability is indeed heartening, but I'm more acutely aware that we're only setting foot on the path to a deeply sustainable future. Our initial steps, which were characterized by simple footprint calculations and grassroots climate efforts, have organically evolved into a central tenet of Forto's offering. Now, sustainability isn't just an adjunct to our purpose, vision, and strategy - it's an inseparable thread woven into the very fabric of everything we do.

Sustainability, to my mind, is a shared responsibility we must all willingly shoulder - it's not an optional extra. The choices we make and the actions we take now, when we are most able to make a difference, will cast long shadows into the future. It's important to remember that we're all passengers on the same spaceship Earth, irrespective of our roles as individuals or organizations, as customers, partners, service providers, or even rivals.

At present, we find ourselves confronted by a global climate emergency, primarily driven by human emissions. While sustainability's remit is indeed broader than emissions alone, we need to tackle this mammoth task one piece at a time to retain our focus. Freight transportation, which contributes to 8% of global emissions, is on track to be the most polluting industry by 2050 if we don't course-correct. As a participant in this sector, Forto sees a golden opportunity to be a change agent and instigate transformation from within.

This Climate Action Review is our attempt to provide a holistic picture of the environmental impact Forto and its stakeholders collectively made in 2022. Herein, you'll find a candid exploration of our strategy and vision, a detailed assessment of our emissions, and a showcase of the various initiatives we're undertaking to curb them. You'll also get a glimpse of how we're working to future-proof supply chains today, and how we're positioning Forto to champion long-term sustainability within the industry and beyond.

We're committed to building a future that's not just about the next quarter, but about the next quarter century - #Fortomorrow.

Michael Wax
Co-Founder & CEO



About Forto - the first European digital freight forwarder

Top 30

Freight Player on Asia to Europe

2016

Year of Foundation

2,500+

Customers

21

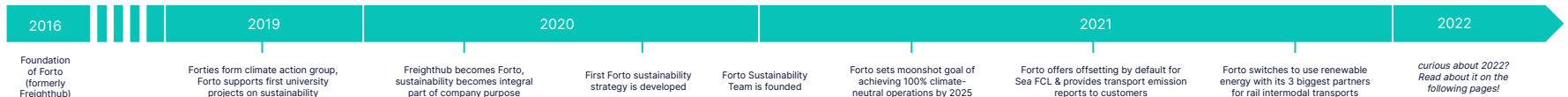
Office Locations Worldwide

900+

Forties

236,480

t CO₂e Emitted in 2022



Freight transport accounts for 8% of global greenhouse gas emissions, making sustainability our joined responsibility

Climate Emergency

We're in the midst of a global climate emergency. Compared to pre-industrial levels, global average temperatures have risen by 1.2C, and this seemingly small increase has real, large scale impact. A sustained average rise in global temperatures of 1.5C would see the Arctic experience an [ice-free summer once every 100 years](#). But should the temperature rise reach 2C, this event would occur once every 10 years. In other words, a 0.5C difference in warming can mean the difference between experiencing a climatic event once or ten times in a lifetime.

Climate change is not a far-off concern, but a present one that affects supply chains, businesses, and our everyday lives. Humanity not only experiences the impact of changing climate but also bears the responsibility for it. We extract and burn fossil fuels, clear forests, and damage the oceans at ever faster and higher rates and in doing so we have exceeded the planet's capacity for greenhouse gas emissions.

As one of the largest emitters, the freight transport industry has a responsibility to take climate action. Today, freight transport is estimated to account for [8% of global greenhouse emissions](#), and if we don't take action, it is [predicted to become the largest source of emissions by 2050](#). The transportation sector has been slower to decarbonize than other industries, primarily due to the high cost and long timelines involved in reducing emissions. The freight industry is considered a "hard to abate" sector due to the cost and time required to develop, test and deploy new sustainable engine technologies at scale.

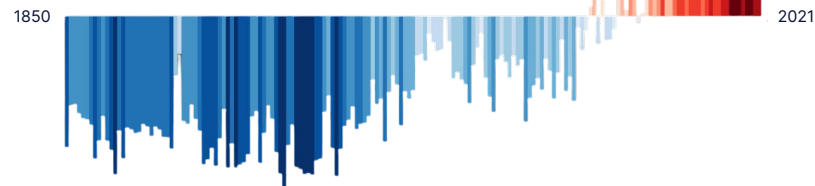
The United Nations estimates that sustainable transport has the potential to deliver [savings of US\\$70 trillion by 2050](#), taking into account full transport costs, including fuel, operational expenses, losses due to congestion, and vehicles. While investing in sustainable transport is environmentally and financially beneficial, many stakeholders may not know where or how to begin.

At Forto, we believe that change takes time, but we can all make a difference today by challenging the status quo.



Global temperature rise could reach 2C
"Our world needs climate action on all fronts: everything, everywhere, all at once."

UN Secretary-General, António Guterres



Warming Stripes displaying average global temperatures since pre-industrial levels

Sustainability at Forto

Sustainability means to meet the needs of the present, without compromising the ability of future generations to meet their own needs, according to the most commonly adopted definition by the Brundtland Commission from 1987.

At Forto, sustainability is not just an idea but a call to action. We aim to consider the impact of our decisions on future generations, the environment, the well-being of all people, and the long-term health of the economy. We recognize the interconnectedness of planet, people and prosperity, looking for solutions that have positive effects on all three.

Forto's best lever to contribute to a more sustainable future lies in reducing transport emissions to address the global climate emergency. We provide logistics services and technology solutions that help our customers reduce the environmental impact of their cargo movements. We enable our customers to build future-proof supply chains by creating transparency on emissions, offering concrete emission reduction actions and supporting them on every step of their sustainability journey. Together, we can drive sustainable transformation in the industry and beyond.

Forto enables future-proof supply chains today & drives sustainable transformation in the industry for tomorrow

Climate Targets

Moonshot Goal

An effective sustainability strategy needs a clear target that guides action. At Forto, we set a **moonshot goal of achieving 100% climate-neutral operations, including scope 1, 2, and 3 emissions, by 2025**. To achieve this, we plan to reduce our emissions by 25% and compensate for the remaining 75%. This ambitious goal provides a North star for our sustainability efforts and demonstrates our commitment to creating a sustainable future. As we work towards this goal, we will develop more concrete quantitative targets to ensure we stay on track.

Science-Based Targets

Forto is committed to reducing greenhouse gas emissions in line with the Paris Agreement through science-based targets (SBTs) with the Science Based Targets initiative (SBTi). SBTs provide a clear roadmap for companies to reduce their emissions and align with the goals of the Paris Agreement, helping to prevent the worst impacts of climate change and ensure sustainable growth.

Our commitment to SBTs, as an upgrade of our moonshot goal, demonstrates our concrete, public, and verifiable sustainability commitment, and shows that we are actively taking steps to reduce our environmental impact. To learn more about our commitment to SBTs, please [visit our website](#).



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Three Sustainability Objectives in Focus

Objective 1

We provide **superior visibility & enable sustainable decision making** for all Forto stakeholders.

Example Initiatives

Detailed emission reports give customers visibility on their transport emissions



Forto has full visibility over company emissions by calculating the company's footprint



Forto discloses sustainability and ESG data to investors and customers upon request



Objective 2

We offer & scale **market leading, value-driven sustainability products** that reduce emissions.

Example Initiatives

Biofuel allows Forto's customers to reduce 100% of their sea freight emissions



Climate compensation is selected by default when booking sea freight transports



Forto reduces on-carriage emissions of trains by opting for renewable electricity



Objective 3

We **lead by example** - taking impactful action, connecting & empowering people, and using our voice as a company.

Example Initiatives

Forto reduces company emissions as much as possible & compensates unavoidable emissions



Forties explore how sustainability can be integrated into their departments during workshops



Forto addresses sustainability topics in conversation, the media and at conferences



Sustainability and the development of Forto's sustainable logistics offering is at the heart of our strategy

The Team

Forto's Sustainability team is an integral part of the Strategy Department, led by our Director of Sustainability who reports directly to the Executive VP Strategy. The Forto Executive Leadership Team closely monitors sustainability KPIs and holds quarterly meetings with sustainability leadership for updates and decision-making. The EVP Strategy has a special responsibility for sustainability oversight within the Executive Leadership Team.

The Forto Sustainability Team covers three key areas of expertise. With expert knowledge in all three areas and a strong focus on collaboration, the team works towards creating maximum impact for our customers and the planet.

- **Sustainable Development** involves integrating sustainability across all departments, empowering stakeholders, and spreading the sustainability message both within and beyond Forto.
- **Sustainability Intelligence** focuses on measuring emissions, collecting sustainability data, and enabling data-driven decisions.
- **Sustainable Logistics Offering** aims to provide attractive sustainable alternatives for all transport services offered by Forto. Together, our Sustainability Team is dedicated to driving sustainable practices throughout our organization and delivering meaningful results.



Forto Sustainability Ambassadors

At Forto, sustainability is a responsibility shared by all, from executives to interns. We've appointed over 40 Sustainability Ambassadors throughout the company to integrate sustainability into all departments and levels of the organization. By empowering our employees to champion sustainability, we're creating a culture that drives positive change from the ground up.

Collaboration is the Only Way Forward

Fostering sustainable practices and slowing down climate change requires collaboration across individuals, companies, organizations, and governments. Change is usually initiated by a few and scaled by many. We see a growing trend of collaboration over competition in sustainability, with companies forming alliances and groups to accelerate emissions reduction. **Sustainability is about taking steps towards a better future and taking as many people and organizations as possible on that journey with you.**

At Forto, we're honored to collaborate with a growing network of people and organizations that share our vision and commitment towards sustainability. Our investors provide great advice and connect us to other companies facing similar sustainability challenges. Our visibility partners enable us to measure and understand our emissions and take data-driven decisions. Our partnerships for impactful climate action allow us to invest in climate projects to compensate for emissions or to facilitate fuel switches to biofuel to reduce emissions. Together, we're driving positive change towards a sustainable future.

Forto's Strong Sustainability Partner Network

You also want to benefit from a strong collaboration? Reach out to us via sustainability@forto.com



"It is so exciting to work with a company that so closely manages to link its mission with how they care for their employees, customers, our shared planet and future generations. Forto's work is a great example for our entire portfolio."

Anna Skarborg
Head of Impact & Sustainability at Northzone

98% of Forto's company climate footprint (CCF) consists of emissions from the transportation services offered to Forto's customers

Transport Emissions

Forto's transport emissions totalled to 230,879 t CO₂e in 2022. The majority of Forto's transport emissions stems from the sea freight services we offer to customers.

However, comparing emissions of transport modes on an impact level, the emissions caused by transporting goods via air are by far the highest. On average, shipping one 20 ft container (10 t) from Far East Asia to Northern Europe via sea causes 1 t CO₂e, while rail causes 3 t CO₂e and air over 50 t CO₂e. While the exact difference in emissions between the transport modes depends on a variety of factors like fuel, age and capacity of the vessel, distance and speed, the general rule holds true: the lowest emissions for long distance are emitted by shipping via sea.

Methodology

Forto calculates all emissions in CO₂e (CO₂ equivalent), meaning all greenhouse gases are included. All reported emissions reflect well-to-wake (wtw) emissions. The transport emissions are calculated by our Global Logistics Emissions Council (GLEC) certified partner [Lune](#). All calculations are in line with the GLEC Framework 2019 and DIN EN 16258. The methodology is in accordance with the ISO 14083 standard.

Emissions are calculated for the full transport chain of a shipment, including pre-, main-, on-carriage and transshipments. Where available, vessel specific data is used.



Company Climate Footprint (excl. Transport Emissions)



- Purchased Goods & Services **70.4%**
- Employee Commuting **16%**
- Business Travel **7.5%**
- Fuel & Energy Related Activities **1.7%**
- Waste Generated In Operations **0.3%**
- Scope 1 **3%**
- Scope 2 (Market Based) **0.8%**

Deep Dive Remaining Emissions

Compared to Forto's transport emissions our remaining CCF may seem rather low. This is because we are a digital company operating in an emissions-intensive industry. **Once transports are excluded, most of Forto's remaining emissions stem from products and services purchased for daily operations.** This includes for example IT equipment, server usage, office furniture and materials, and catering for company events.

The second largest source of emissions is our employee's commute to work. 5% walk or bike to the office, 50% take public transport, and 15% a car or motorcycle. The remaining 10% work exclusively from home. Even the emissions caused by Forties working from home are included in our CCF.

Methodology

Forto calculates its CCF covering all relevant activities across its value chain, including scope 1, 2 and all relevant scope 3 categories with [Cozero](#). Cozero's methodology is fully aligned to the Greenhouse Gas Protocol standards. Forto's CCF is calculated using emission factors from internationally accepted databases such as DEFRA, ADEME, AIB, GEMIS, as well as supplier-specific emissions factors. The transport emissions calculated with [Lune](#) are integrated to allow for a full picture of all emissions.

Forto's Total Footprint = **236,480 t CO₂e**

70% of Forto's customers take climate action with Forto by understanding, reducing and compensating their transport emissions

Climate Visibility

Visibility is essential to prioritize impactful climate action. At Forto, we track and monitor greenhouse gas emissions generated by all transports. We calculate emissions per transport leg, broken down into pre-, main-, and on-carriage to identify emission hot spots and find low emissions alternatives for our customers.

Forto developed an accurate emissions calculation process with our partner Lune. Lune is Smart Freight Center accredited and calculates emissions based on the GLEC framework and Clean Cargo methodology. **Forto and Lune are able to calculate emissions of completed shipments more accurately by including vessel specific emissions factors and freight weight in the calculation.** Forto provides emissions data and detailed reports to customers via our platform.

4,000

Shipments Covered by Customer
Emission Reports in 2022

100%

Shipment Emissions can be Reduced via
Second Generation Biofuel

Emission Reduction

Reducing greenhouse gas emissions is necessary to halt the climate emergency we are facing. While zero emission fuels are not available at scale yet, one thing that can be done today to reduce main freight emissions is using biofuel.

Forto offers biofuel for sea freight since 2022, allowing our customers to fully reduce their transport emissions. By using second generation biofuels made from used cooking oil and other sustainable waste streams, we are able to reduce 100% of emission compared to transports executed with fossil fuels. Via the mass-balance principle, shipping with biofuel is possible for any shipment, without any operational implications.

As of 2023, Forto is also offering sustainable aviation fuel (SAF) to fully reduce air freight emissions. These transitory solutions will bridge the gap until zero emission fuels are available at scale.

Forto additionally collaborates with rail transport providers to reduce emissions via renewable energy transports for pre- and on carriage.

Climate Compensation

By default, Forto offers customers the option to compensate transport emissions that they cannot yet reduce. If customers do not wish to compensate their transport emissions, they must actively opt-out from the offering. Through high quality offsetting credits, we support verified climate projects such as renewable energy and conservation. Investing in these projects not only has environmental benefits, but also supports the local communities surrounding the projects.

There are five criteria that Forto pays special attention to when selecting high quality projects. These are permanence (long lasting impact), additionality (the impact would have not been achieved without the investment), no double counting (only one party is able to claim the credits), verifiability & environmental integrity, and that a reliable baseline and correct valuation are in place.

In 2022, over 70% of Forto's customers compensated their transport emissions. Furthermore, **Forto automatically compensates for all LCL shipments at no additional cost for customers.**

53,775

t CO₂e Compensated with Certified
Climate Projects in 2022

We are reducing emissions in our workspace by including sustainability in every detail of the company

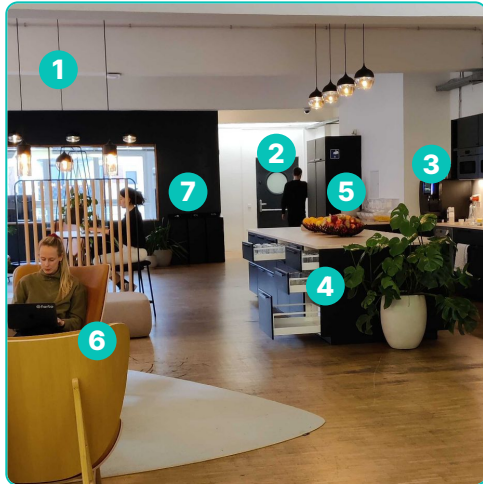
Sustainability in our Offices

1. Forto's offices rely on 72% **renewable electricity**. We are reducing our energy consumption by using energy-efficient LED light bulbs throughout our offices.

7. **The waste in all offices globally** is being sorted according to waste streams for optimal recycling.

6. Forto has a **no paper policy** - everything is digital. Signing our contracts digitally via DocuSign has already saved 8 t CO₂e and 82,000 l of water.

5. Forto's **food-related emissions** are reduced by up to 47% through only offering vegetarian options in the office and at company events. Additionally, our snacks and drinks in the offices are organic and locally sourced.



2. **Water saving mechanisms in our urinals** save up to 100,000 liters of water per device per year. Additionally, electric hand dryers eliminate the need for paper towels & significantly reduce Forto's waste.

3. Forto's **coffee machines** are filled with oat milk, which causes 55% less emissions compared to cow milk, thereby saving over 1.8 t CO₂e in 2022. The coffee used in our offices is organic and B Corp certified.

4. **No single use utensils**, like plates, cups, or cutlery are used in Forto's offices.

Additional Sustainability Measures

Our sustainability efforts extend beyond the offices to commuting and compensation.

- Forto offers a **public transport subsidy** to incentivise Forties to choose public transport over private vehicles for commuting and in their free time. Over 110 Forties already make use of this.
- Forto's **travel policy** states that any distance below 600 km should be completed by train. In Germany and most of Europe this means traveling on 100% renewable electricity.
- Forto has partnered up with **Jobrad**, allowing Forties to lease bikes for a reduced rate. Additionally, every Fortie gets a one year e-bike subscription for their 5-year company anniversary.
- Forto **plants a tree** for every Fortie that uses renewable electricity in their private home.
- Forto compensates for all unavoidable emissions by investing into **high quality climate action projects**.



"Sustainability is integral to Forto's identity. When selecting our new headquarters in Berlin, we made a conscious choice to prioritize a green building with numerous certifications (such as WELL and LEED). Our commitment to sustainability is reflected in the materials used for interior design, with a strong preference for sustainable raw materials like rubber and wood. Furthermore, we ensure that our furniture is produced fairly and sustainably in Germany, adhering to the highest environmental and social production standards.

In our daily operations we use renewable electricity, paperless office practices, and rely on local suppliers. As a testament to our efforts, our new Berlin office was awarded the world's first Pre-Certified Good Mobility award in Platinum, setting a new standard for sustainable transportation."

Marvin Grässer
Head of Real Estate & Workplace

Empower, Engage & Educate: All Forto employees are invited to engage in sustainability initiatives via workshops, educational sessions and hands-on projects

02 Sustainability Insight Sessions

To broaden sustainability knowledge beyond the transport industry, external sustainability experts are invited to share and discuss insights with Forties on a regular basis. In 2022, the topics covered were fairstainability in the supply chain with one of our customers and how to differentiate high quality offsetting projects together with our partner Lune.

12 Sustainability Roundtables

The Sustainability Roundtable is a monthly session held by the Sustainability Team to update Forties on current projects and progress. The Roundtable gives space to dive deeper into and exchange on sustainability topics. Forties are encouraged to ask questions, share ideas and give feedback.

25 Sustainability Workshops

We are channeling our Forties' creativity in all departments and on all levels across the company by holding customized sustainability workshops with different teams across Forto. In the workshops, we brainstorm how the different departments and teams can implement and foster sustainability within their daily work. It's also a space for challenging each other and continuously improving our work.

26 Sustainability Working Group Meetings

The Sustainability Working Group consists of passionate Forties coming together as a voluntary group to develop their own projects to promote sustainability within Forto. In 2022, they created a vegan cookbook with recipes contributed by Forties, organized a bike to work day initiative, and participated in the world clean-up day. The working group is open to any Fortie interested in sustainability.

Forto for Future - Supporting Climate Strikes

Forto encourages all Forties to support the Fridays for Future movement. Forties participate in Global Climate Strike events on Fridays or promote topics dear to their heart via Forto's #sustainability Slack channel. We already struck together in Berlin, Hamburg and Munich to raise awareness for the importance of taking climate action now, so we will globally achieve the targets set out in the Paris Agreement.



Mangrove Planting in Vietnam

Together with MangLub, Forties in Vietnam engaged in a local reforestation project. They planted over **2,200 mangrove trees** on one hectare in the Tra Vinh province in Vietnam in July 2022. On average the trees planted by Forto will absorb 37 to 47 t CO₂e per year. Additionally, the mangroves function as a blockade for Tsunamis. To ensure long lasting effects, the planted trees are regularly checked on by MangLub and will eventually be managed by the Vietnamese government.



"I believe a long-term plan is better for the environment. That is how we take care of future generations. It is also a wonderful feeling when we see the seedlings planted by our own hands growing up day by day. We save the mangroves now, then the mangroves save us in the future!"

Nhung To
Senior Manager People & Culture

Letter from the Sustainability Team

Dear Reader,

Whether you are an employee, investor, partner, customer or simply interested in Forsto and/or sustainability: Thank you for taking the time to get informed on Forsto's climate actions. It was a pleasure to share some details on what we have initiated and achieved in 2022. We are thankful for everyone who has supported us on this journey so far - from investors, company leadership and colleagues to partners, consultants and customers. Yes, we live in challenging times and there are equally challenging times ahead of us, but we find comfort in knowing that we are all sitting in the same boat, weathering these storms together.

2023 will be another year filled with sustainability milestones. Forsto will join industry conferences to connect with others, set Science Based Targets, improve and extend our sustainable logistics offering, and collect and disclose more sustainability data than ever before. We strive to learn something new everyday, inspire others and be inspired. We are ready to take bold actions, course correct when presented with new facts, and grow as individuals, as teams, as a company and as an industry.

Thank you for being part of our sustainability journey so far and in the future. We could not (and would not want to) do it without you.

Your Forsto Sustainability Team

P.S.: If you would like to share any feedback or ideas with us, or if you want to connect with Forsto on sustainability matters, please reach out via sustainability@forsto.com. We are always happy to hear from you.

Subscribe to the Forsto newsletter and join an ever-growing community of like-minded individuals who are passionate about sustainability and logistics.

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