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# Forto Sustainability Report 2023

We drive sustainable transformation  
[#fortomorrow](#)

May 2024

## **Imprint**

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Responsible for the content:

Forto Logistics SE & Co. KG („Forto“), HRA 59162 B, local court Charlottenburg represented by its general partner Forto SE, HRB 252891 B, local court Charlottenburg, the latter represented by its Managing Directors Michael Wax and Dr. Michael Ardelt with sole power of representation.

The Chairman of the Administrative Board of Forto SE is Michiel Kotting.

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## Thoughts from our CEO

Forto's sustainability journey significantly advanced throughout 2023, and I am proud to share the details with you through our 2nd annual sustainability report. This year, our report goes beyond emissions and covers all areas of sustainability. We highlight Forto's contributions to a better future for all people and the planet by giving insights into our company culture and governance processes and demonstrating substantial progress in Forto's environmental initiatives.

2023 was a year filled with milestones that we achieved as a team. Forto has committed to science-based net-zero targets aligned with the 1.5°C trajectory - by now validated through the Science Based Targets initiative (SBTi). We have also driven a significant increase in the adoption of biofuels to address the emissions of maritime transportation. To go beyond greenhouse gas emissions, we have initiated an ocean plastic prevention program, underlining our holistic commitment to environmental stewardship.

These achievements are the culmination of our dedicated work for people and the planet as well as our outstanding collaboration with customers and partners. Together, we are enthusiastically walking the path towards a sustainable transformation within the freight industry.

We are determined to continue this momentum, recognizing the urgent need for action in the face of global sustainability challenges. We recognize that sustainability is a critical aspect of our business, integrated into every facet of our operations. Today, our efforts in sustainability are bold, measured, and deeply woven into our strategic planning and Forto's vision to enable global prosperity. A vision that we'll only be able to achieve with an intact global ecosystem.

*Michael Wax*



**Michael Wax**

CEO

# About Forto

The leading European digital freight forwarder



Forto combines technology, data, and deep industry expertise to enhance the freight forwarding experience, offering unparalleled supply chain visibility, a tech-powered, customer-centric team, and a leading sustainability approach for reliable, transparent, and sustainable logistics. Leading manufacturers and e-commerce firms are among Forto's 2.500 digitally-focused supply chain customers.



Founded in  
**2016**



**2500+**  
customers



**17**  
office locations  
globally



Headquarter  
**Berlin**

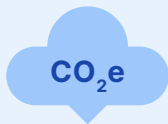


**750+**  
Employees



# Impact Highlights

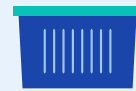
This sustainability report details our steadfast dedication to integrating sustainable practices into the core of our business strategy and operations for a resilient future. Here, we share our 2023 journey, achievements, and commitments towards driving sustainable transformation #fortomorrow.



**154,009 t CO<sub>2</sub>e**  
Total emissions in 2023



**70%**  
of our customers take climate action with us



**5 t**  
of waste recovered



**< 1%**  
Adjusted gender pay gap



**33%**  
of our leadership team is female



**84%**  
of our employees commute by foot, bike or public transport or exclusively work from home

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# Our Approach

Sustainability is our joint responsibility.

# Sustainability is our Purpose

The escalating climate crisis demands urgent attention, with **global average temperatures exceeding 1.2C** above pre-industrial levels - a seemingly modest rise with profound implications for our planet's future. This situation requires collective action to mitigate further shifts in our climate, in line with the Paris Agreement's goals. The transportation sector stands as a critical area for intervention. Now responsible for **8% of global greenhouse gas emissions**, without decisive action, freight transport could become the largest source of emissions by 2050.

The **2023 IPCC report** underscores the accelerating pace of climate change, emphasizing the transportation industry's imperative to adopt innovative and sustainable practices urgently. Notably identified as a "hard to abate sector", addressing the decarbonization challenges in the transportation sector requires significant investment and time to develop and implement sustainable technologies. Against this backdrop, we at Forto are ready to proactively seize the urgent need for climate action as a prime opportunity for impactful engagement.

Forto's strategy extends beyond delivering sustainability solutions for climate action that are effective, simple and cost-effective. We aim to spearhead the industry's sustainable transformation, underpinned by a holistic commitment to environmental responsibility and fostering a community dedicated to substantial change. Through our efforts to promote sustainable supply chain practices, Forto wants to rethink the logistics industry's operational models, and prove that environmental sustainability and a flourishing business are mutually reinforcing objectives.

With this report, we invite our customers, employees, and stakeholders to look back at 2023 and forward into the next few years and discover how Forto is working to challenge the status quo, champion sustainable innovation, and introduce business and supply chain practices that aim to create a legacy of sustainability for future generations.



**DID YOU KNOW?**

## Paris Agreement

The **Paris Agreement** is an international treaty on climate change adopted in 2015, aiming to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. It seeks to substantially reduce global greenhouse gas emissions and to enhance the ability of countries to deal with the impacts of climate change. Each participating country must submit plans for environmental action known as nationally determined contributions (NDCs), which are intended to be improved upon every five years.



# From Responsibility to Action

Forto is deeply committed to sustainability, going beyond the usual idea of responsibility. We take active steps towards making a positive impact on our planet, its people, and their well-being. Recognizing the different ways people contribute to our community, we respect everyone's role and work together towards common goals.

## Sustainability Objectives 2023



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

- ✓ Emission reports directly accessible for customers on Forto's digital platform SHIP

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- ✓ Annual ESG data disclosure to investors



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

- ✓ Launching the new ocean plastic prevention product

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- ✓ Sustainable logistics offering is externally audited



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

- ✓ Setting science-based net-zero targets

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- ✓ Publishing an annual sustainability report

## Promise to our Customers

### Enhance Transparency

We offer a clear understanding of emissions data, empowering our customers with the knowledge to make informed decisions.

### Provide Emission Reduction Products

We introduce practical services for reducing the emissions of logistics operations, leading the industry towards more sustainable practices.

### Foster Industry-wide Collaboration

We advocate for collective action within the logistics sector, understanding that transformative change is achieved through unity and shared vision.

Forto is dedicated to facilitating this transformation, offering digital tools, transport services and support to reduce the environmental footprint of logistics operations and create a lasting positive impact on our world.



## Science-Based Targets

Forto is committed to reducing greenhouse gas emissions in line with the Paris Agreement through science-based net-zero targets (SBTs). At the time of publication, Forto’s SBTs have been validated by the **Science Based Targets initiative (SBTi)**.

We calculated our net-zero targets using the most ambitious designation available through the SBTi process. Forto has set both near- (until 2030) and long-term (until 2050) science-based emission reduction targets, covering **scope 1, 2, and 3 emissions**. The base year for all targets is 2021. All targets are aligned with the more ambitious 1.5C scenario of the Paris Agreement and can be summarized under our net-zero target: Forto commits to reach net-zero greenhouse gas emissions across the value chain by 2050. By 2050, we will neutralize remaining emissions in line with SBTi criteria in order to reach net-zero.

The target can be broken down into the below sub targets.

Target Year	Scope	Target	Emissions (t CO <sub>2</sub> e)		% Change	
			Base Year (2021)	Current Year (2023)	Since Base Year (2021)	Required Change
2030 (near term)	1 & 2	Forto commits to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.	308	389	+ 26.5%	- 42%
	3 (maritime transport)	Forto also commits to reduce absolute well-to-wake scope 3 GHG emissions from subcontracted container shipping operations 35.6% within the same timeframe.	166,490	133,678	- 19.7%	- 35.6%
	3 (remaining emissions)	Forto finally commits to reduce all other absolute scope 3 emissions 42% within the same timeframe.	21,588	19,943	- 7.6%	- 42%
2050 (long term)	1, 2, & 3	Forto commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2021 base year. Forto also commits to reduce absolute scope 3 GHG emissions 90% within the same timeframe.	188,386	154,009	- 18.2%	- 90%



**Company Emissions**

100%

**Emissions include:**  
transport emissions from air and rail freight, electricity, heating, fleet, purchased goods & services

-42%

-90%



**Maritime Transport Emissions**

100%

**Emissions include:**  
transport emissions from maritime container shipping

-35.6%

-90%

2021

Base Year

2030

Near Term Target

2050

Long Term Target

**DID YOU KNOW?**

**Science-Based Targets**

Science-based targets **translate the global temperature goals** of the Paris Agreement into an actionable emission reduction roadmap for individual companies. Companies can set both near- (5-10 years) and long-term (until 2050) targets, aligned with either 1.5C or well-below-2-degrees of global warming compared to pre-industrial levels. These targets then get third-party verified by the Science-Based Targets initiative (SBTi) and progress is tracked on the SBTi website, as well as annually reported on by the company.



# Planet

A healthy planet is the foundation for thriving people and businesses.



# Emissions Insights

Forto has been analyzing its company emissions since its foundation in 2016. True to the phrase ‘you cannot reduce what you do not measure’, we consider visibility to be the first step to creating a structured and impactful emission reduction roadmap.

In our annual analysis, we include emissions from all relevant activities across Forto’s value chain, including scope 1, 2 and 3 categories according to the Greenhouse Gas Protocol and GLEC standard. All emissions are calculated in CO<sub>2</sub>e (CO<sub>2</sub> equivalent), meaning all greenhouse gasses<sup>1</sup> are included. We use emission factors from internationally accredited databases such as DEFRA, ADEME, AIB, GEMIS, as well as supplier-specific product climate footprints where accessible. Where possible, activity data is used (e.g. fuel consumption of company fleet, business travel, utilities in the offices). The assessment of working from home and commuting emissions of employees is based on internal quarterly surveys. The remaining emissions are calculated based on expenses or, if data is missing, assumptions are made.

Transport emissions reflect well-to-wake (WtW) emissions. They are calculated by our GLEC (Global Logistics Emissions Council) certified partner **Lune** and are in line with the GLEC Framework 2023 (V3.0) and the ISO 14083 standard. Emissions are calculated for the full transport chain of a shipment, including pre-, main-, on-carriage and transshipments. We use vessel specific emission factors where available.

In 2023, Forto has set its by now validated **science-based emission reduction targets**.

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<sup>1</sup> Carbon dioxide (CO<sub>2</sub>) emissions (fossil); Carbon dioxide (CO<sub>2</sub>) emissions (biogenic); Methane (CH<sub>4</sub>) emissions (fossil); Methane (CH<sub>4</sub>) emissions (biogenic); Nitrous oxide (N<sub>2</sub>O) emissions; Hydrofluorocarbon (HFC) emissions; Perfluorocarbon (PFC) emissions; Sulphur hexafluoride (SF<sub>6</sub>) emissions; Nitrogen trifluoride (NF<sub>3</sub>) emissions



## Emissions Breakdown

Find here a detailed overview of Forto's emissions, including historic values for comparison in accordance with the Greenhouse Gas Protocol.

Emissions Category <sup>1</sup>	2023 <sup>2</sup>		2022 <sup>3</sup>		2021 <sup>3</sup>	
	#	%	#	%	#	%
<b>Scope 1</b>	<b>334</b>	<b>0.22%</b>	<b>172</b>	<b>0.08%</b>	<b>260</b>	<b>0.14%</b>
Heating & facility fue	46	0.03%	51	0.02%	37	0.02%
Mobile combustion	288	0.19%	121	0.06%	222	0.12%
<b>Scope 2</b>	<b>55</b>	<b>0.04%</b>	<b>46</b>	<b>0.02%</b>	<b>48</b>	<b>0.03%</b>
District heating	6	0.00%	25	0.01%	11	0.01%
Electricity	49	0.03%	20	0.01%	37	0.02%
<b>Scope 3</b>	<b>153,620</b>	<b>99.75%</b>	<b>205,177</b>	<b>99.89%</b>	<b>188,077</b>	<b>99.84%</b>
1 Purchased goods & services	2,119	1.38%	3,943	1.92%	1,719	0.91%
2 Capital goods	239	0.16%	0	0.00%	709	0.38%
3 Fuel and energy related activities	78	0.05%	100	0.05%	72	0.04%
4 Upstream transportation & distribution	150,188	97.52%	200,338	97.54%	184,660	98.02%
5 Waste generated in operations	2	0.00%	2	0.00%	9	0.00%
6 Business travel	649	0.42%	420	0.20%	408	0.22%
7 Employee commuting	346	0.22%	374	0.18%	496	0.26%
13 Downstream leased assets	0	0.00%	0	0.00%	4	0.00%
<b>Total Emissions</b>	<b>154,009</b>	<b>100.00%</b>	<b>205,395</b>	<b>100.00%</b>	<b>188,385</b>	<b>100.00%</b>
Emissions addressed via <b>Insetting</b>	2,276	1.48%	1,021	0.50%	0	0.00%
Emissions addressed via <b>Offsetting</b>	48,205	31.30%	52,978	25.79%	41,548	22.05%

<sup>1</sup> Categories where Forto does not have any emissions are omitted

<sup>2</sup> Reduction was reached both through more sustainable transports and significant changes in the methodology and improved data quality

<sup>3</sup> Subject to restatement

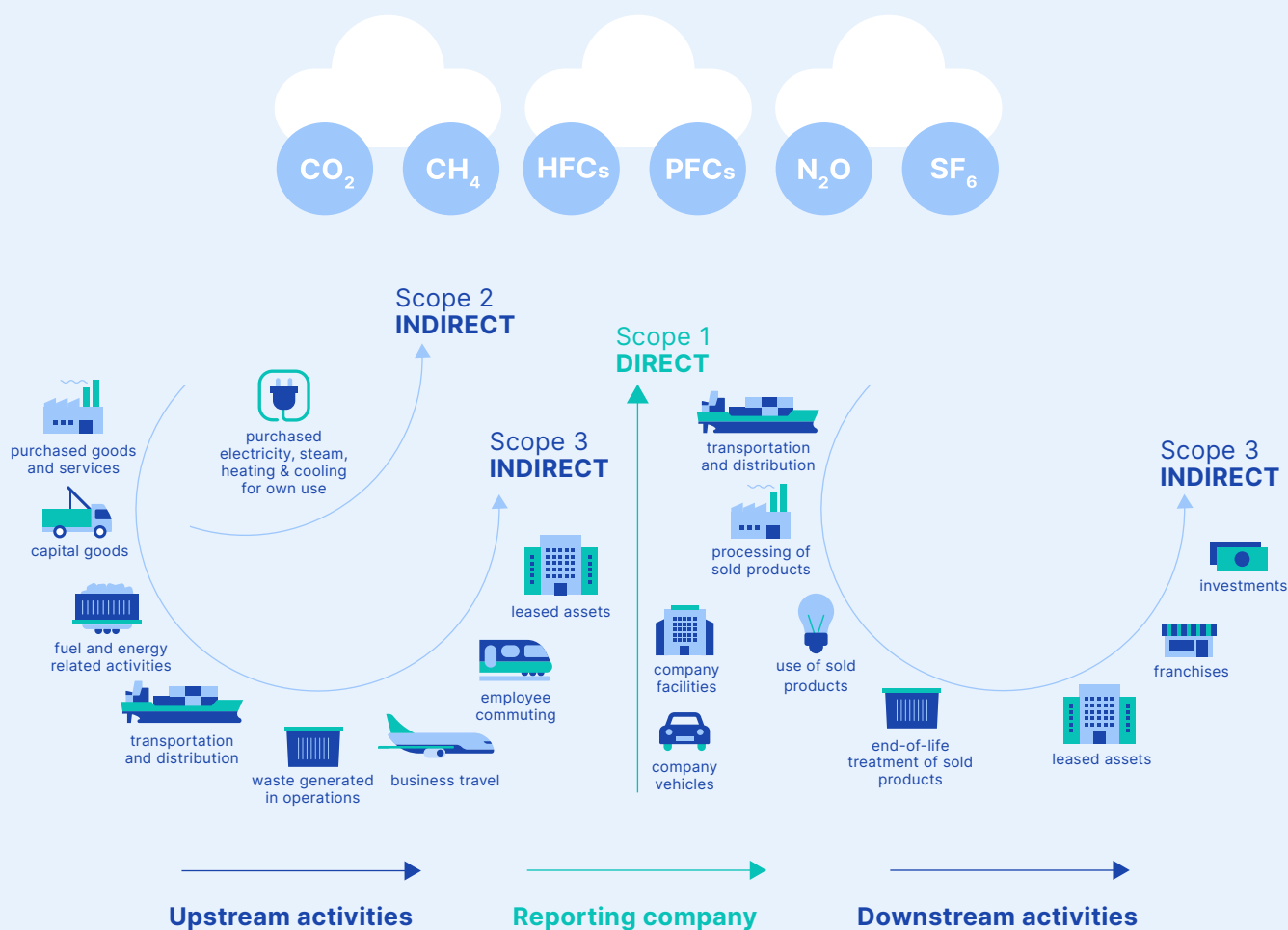
**DID YOU KNOW?**

## Scope 1, 2, and 3 Emissions

**Scope 1** emissions consist of direct emissions that occur from sources that are owned or controlled by the company.

**Scope 2** emissions consist of indirect emissions of the company, which come from the generation of purchased electricity, steam, heat and cooling consumed by the company. The operational control still lies with the company, but the emissions are released somewhere else.

**Scope 3** emissions consist of indirect emissions along the value chain that are the consequence of company activities but occur from sources not owned or controlled by the company. Here, the company has neither operational control nor are the emissions released within the company's assets.



Source: GHG Protocol

## Transport Emissions

In 2023, Forto's transport emissions made up 98% of our total emissions. 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 feet container (10 tons of freight weight) from Far East Asia to Northern Europe via sea causes 1 t CO<sub>2</sub>e, while rail causes 2.5 t CO<sub>2</sub>e and air over 50 t CO<sub>2</sub>e. 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.

To address transport emissions, Forto is taking climate action together with customers, either through **insetting** or **compensating** for the emissions across all transport modes.



Average emissions of shipping one 20 ft container (10 tons of freight) from Far East Asia to Northern Europe





## Non-Transport Emissions

Forto's remaining emissions are rather low, as 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 materials, and catering for company events.

Business travel also makes up a significant share of Forto's non-transport emissions. To reduce emissions here, Forto has implemented a travel policy, banning short flights and always preferring train travel, if possible.

The third largest source of non-transport emissions is our employee's commute to work. While 25% of employees walk or bike to the office, 46% take public transport, and 16% go by car or motorcycle. The remaining employees work exclusively from home. The emissions caused by our employees working from home are also included in Forto's footprint. In order to further decrease commuting emissions, Forto is offering a public transport subsidy. 164 employees already make use of this. Additionally, 83 employees currently lease their bikes through Forto.

We compensate for our entire non-transport emissions through investing into **high quality offsetting projects**.

# In our Offices

Forto has 17 office locations in 7 different countries, with our headquarter in Berlin, Germany. All office space is either leased or rented. In 2023, we established a global sustainable procurement policy to ensure all our purchases are completed with sustainability in mind. This includes choosing long lasting products and preferring those offered by small and minority owned businesses.



We have a no paper policy to reduce our consumption and waste - we print as little as legally possible as everything is digital. For example, signing our contracts digitally via DocuSign has saved 32,500l of water and 3.1t CO<sub>2</sub>e in 2023, the equivalent to 8 fully grown trees. To further reduce our waste, we do not use any single-use utensils. All food and drinks in our offices and at company events are either vegetarian or vegan. This **reduces our food emissions by 47%**. All coffee machines in Forto Offices are filled exclusively with oat milk.



## Utilities

Forto is committed to reduce its electricity consumption in all locations and to procure renewable electricity in all operational locations, if possible. In 2023, at least 58% of our procured electricity came from renewable energy sources. Additionally, 20% of Forto's fleet already transitioned to electric vehicles. The share among company cars driven by Forto Leadership (Director level and above) is even higher at 69% electric and 15% hybrid.

The waste in our offices is sorted and recycled according to the waste streams of the respective countries. All waste consists of normal household waste. In 2023, Forto purchased **waste credits for 5t of waste**.

Utility	2023	2022 <sup>1</sup>
<b>Electricity</b>	<b>278,494 kWh</b>	<b>205,352 kWh</b>
Renewable Electricity	162,722 kWh	148,647 kWh
Non-renewable Electricity	115,772 kWh	56,705 kWh
<b>Heating</b>	<b>346,985 kWh</b>	<b>380,400 kWh</b>
District Heating	94,798 kWh	100,328 kWh
Gas	252,187 kWh	280,072 kWh
<b>Water</b>	<b>0.28 mL</b>	<b>0.26 mL</b>
<b>Waste</b>	<b>86.46 t</b>	<b>74.95 t</b>
Household	86.46 t	74.95 t
Hazardous / radioactive	0 t	0 t

<sup>1</sup> Subject to restatement





## Together with our Customers

We believe in the power of collaborative efforts, whether that is with our customers or partners. Through joint effort we can create change and effectively reduce emissions, forging a path towards a more sustainable industry. In 2023, more than 70% of Forto's customers actively participated in taking climate action with us. This achievement not only highlights our shared dedication to environmental responsibility but also emphasizes the collective impact we can make when collaborating on emission reduction strategies.

The processes and evidence for the sustainable logistics offering for 2022 have been independently reviewed by TÜV Rheinland. The review concludes conformity with the defined test criteria (comprehensibility, transparency, consistency as well as existing limitations of the developed concept and corresponding documentation).

## Transport Emissions Visibility

Emissions visibility is a vital part of our sustainable logistics offering since 2021. Today for our customers, understanding and managing the greenhouse gas emissions of their supply chain is crucial for making more sustainable decisions. With Forto, they gain insight into their transports' greenhouse gas emissions including detailed calculations for each transport leg, including pre-carriage, main carriage, and on-carriage.



Customers can access emissions data, dashboards, and detailed reports through our platform, allowing them to pinpoint emission hotspots easily, report on their sustainability KPIs and explore low emission alternatives.

Our partner for emissions calculation is third party accredited by the Smart Freight Center, complies with the Global Logistics Emissions Council Framework and is consistent with the Greenhouse Gas Protocol and the ISO 14083 standard.

## Transport Emissions Reduction

Reducing greenhouse gas emissions is necessary to halt the climate emergency we are facing. At the moment, biofuel is the only solution available at scale to effectively reduce main-carriage sea and air freight transport emissions over long distances. Forto additionally collaborates with rail transport providers to reduce emissions via renewable energy transports for pre- and on carriage.

In 2022, Forto started offering its customers the service to fully reduce their sea freight transports' emissions via **second-generation biofuel**. This is possible for shipments carried out through Forto, as well as through third-parties. From 2023 on, Forto is offering end-to-end shipment coverage of the emissions reduction, including pre-, main- and on-carriage. By using second generation biofuels made from used cooking oil and other sustainable waste streams, we are able to reduce 100% of emissions compared to transports executed with fossil fuels. Since biofuel has an emissions savings potential of 84%, more biofuel is allocated than would be necessary for pure transport in order to achieve a 100% reduction in emissions. Via the mass-balance principle, shipping with biofuel is possible for any shipment, without any operational implications. In 2023, our customers booked biofuel for almost 7% of Forto's sea freight volumes. 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.



“By shipping with biofuel, we are effectively reducing 100% of greenhouse gas emissions of our self-routed maritime transport. Our partnership with Forto supports our vision of a simple, sustainable and cost-efficient transition to renewable energy,”

said Henning Rath, Chief Supply Chain Officer at Enpal.



**DID YOU KNOW?**

## How Biofuel Works

Second-generation biofuel can be sourced from multiple feedstocks. Find here an exemplary process of how biofuel from used cooking oil is procured and applied.



## Transport Emissions Compensation

Forto offers customers the option to compensate for 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, Forto supports verified climate projects such as renewable energy transition and biogas projects. 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 and environmental integrity, and that a reliable baseline and correct valuation are in place.

In 2023, almost 35% of Forto's transport emissions were compensated by our customers. Forto automatically compensates for all LCL sea freight shipments at no additional cost for customers.

### Update for 2024

At the time of publication, Forto has advanced its sustainability offering with Insetting Light as the new standard for all shipments, replacing our previous emissions compensation offering. Insetting Light is an innovative and cost-conscious solution that by default integrates a percentage of alternative fuels into any shipment and thereby partially reduces its freight emissions. Customers have the flexibility to opt out, ensuring choices align with individual preferences. With this shift Forto intends to foster the reduction of emissions closer to their point of origin and drive sustainable change within the logistics industry itself.



## Ocean Plastic Prevention

Ocean Plastic Prevention, launched in 2023, is Forto's first sustainability offering to go beyond transport emissions and allows shippers to tackle ocean waste. Waste is a material topic for many of our customers and as we are a stakeholder of the ocean, this offering allows us to address its pollution.

Companies purchase plastic credits equivalent to a kg of waste being recovered and processed by our partner Plastic Fischer. The project is located at the Citarum river - one of the world's most polluted rivers - close to the city of Bandung in Indonesia, which is the home of many of Forto's customers' factories.

**Plastic Fischer** is the world's first organization to tackle ocean plastic pollution already in rivers. Using the award-winning TrashBoom technology, Plastic Fischer has installed 10 systems in the Citarum river and has already stopped, collected and managed over 200 tons of river plastic. In 2023, Plastic Fischer recovered and processed 5 tons of waste for Forto and our customers.



### DID YOU KNOW?

#### Global Plastic Pollution

There are **5.25 trillion pieces of plastic waste in the ocean** with more tons of plastic being added every year and no globally binding agreement to reduce plastic waste. If current trends continue, the amount of plastic entering the oceans is **set to double** in the next ten years. The majority of ocean plastic spills out from rivers with **1% of rivers being responsible for 80% of plastic in the oceans**. Intercepting plastic in rivers is much more cost-effective than dealing with the consequences downstream.



# People

We are all in this together.



# Diversity, Equity, and Inclusion

Forto is proud to shape a workplace where everyone is treated with dignity, courtesy, and respect. As an equal opportunity employer, we do not tolerate any form of discrimination, bullying, intimidation or harassment - especially regarding employment, salary or promotion. We expect everyone associated with Forto to be inclusive, considerate, respectful, and kind. Forto employees are encouraged to report any suspicion of inappropriate behavior to their leader, the People and Culture Team, or anonymously via our **Whistleblowing** form.

Forto is committed to fostering diversity, equity, and inclusion across all levels of the organization. Our understanding of diversity goes beyond country of origin, religion, gender, sex, age, educational background, socioeconomic status and sexual orientation, extending to factors like neurodivergence and individual opinions. A diverse workforce is essential to our mission. In fact, we believe that it is one of our greatest assets to solve today's complex challenges together as a team. To attract diverse talent, we focus on **skill-based and culture-adding hiring**.

Fostering diversity, equity and inclusion in an organization requires more than good intentions. Implementing processes to monitor and improve diversity, equity and inclusion is a challenge that we are approaching with a can-do attitude. In 2022, Forto's Executive Leadership Team started monitoring gender representation throughout different levels at Forto on a monthly basis. Additionally, all salary and promotions decisions are reviewed by the People and Culture team with regards to equity. We now maintain a diversity, equity and inclusion dashboard that is visible to all Forto employees, showing the gender distribution in different levels and teams. We are excited to continue improving our internal processes in order to further pursue diversity, equity and inclusion in 2024.

In 2023, Forto had no known cases of discrimination.

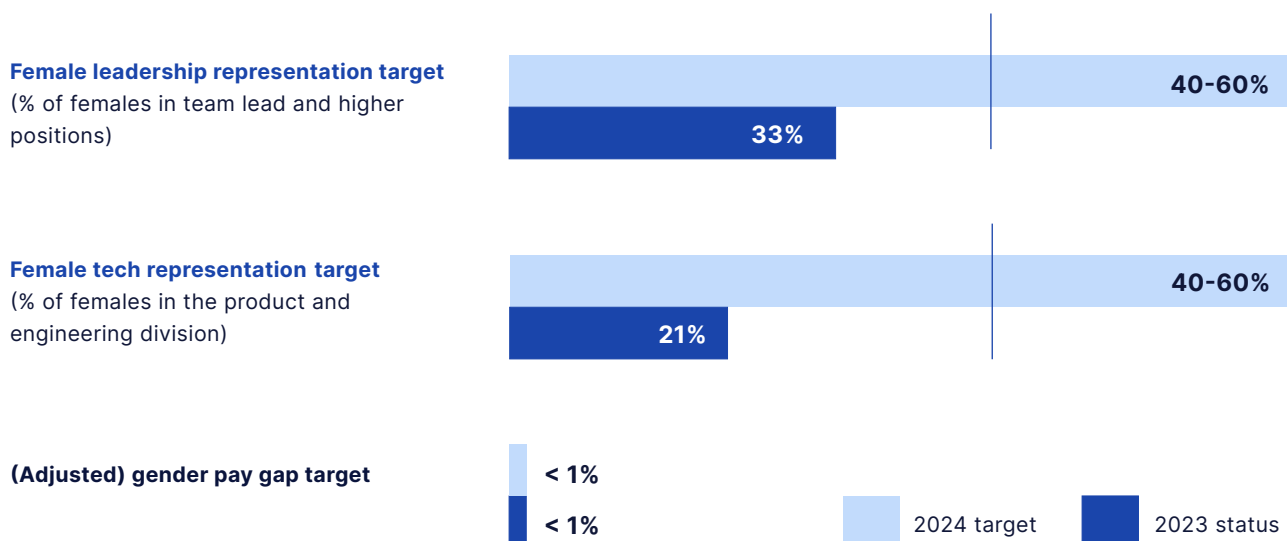


## Gender Diversity

Our commitment to fostering an inclusive environment goes beyond policy. By fostering gender diversity, we are not just elevating individual voices; we are amplifying the collective power of our organization to tackle challenges with creativity and insight.

		2023		2022	
		#	%	#	%
<b>All Employees</b>	Male	432	56.6%	500	55.1%
	Female	323	42.3%	407	44.8%
	Non-binary	2	0.3%	1	0.1%
	Other	6	0.8%	0	0.0%
<b>Leadership</b> (Team Lead and up)	Male	112	65.1%	127	69.4%
	Female	60	34.9%	56	30.6%
	Other	0	0.0%	0	0.0%
<b>Executive Leadership Team</b>	Male	8	100.0%	10	100.0%
	Female	0	0.0%	0	0.0%
	Other	0	0.0%	0	0.0%

Forto has multiple targets to foster a wide representation of people of all genders within our organization. Female representation is especially important to us, as the average female representation in both **tech** and **logistics** companies is between 20% - 22%. While the target year is 2024 for all targets, Forto is committed to maintain these in future years as well.





## Diverse Hiring

Forto promotes diversity, equity, and inclusion within the recruiting and hiring process. We seek talents with diverse perspectives and experiences who can drive innovation and collective growth within our teams. We look for people who provide a culture-add and not just a culture-fit to Forto. All Forto employees involved in the hiring process are required to conduct an unconscious bias training. In the training, interviewers learn to reflect and mitigate their unconscious biases, ensuring fair and equitable hiring decisions.

In 2022, we implemented the Rooney Rule to ensure gender diversity for hiring new talents in leadership roles. The Rooney Rule mandates that recruiters focus all active sourcing efforts on a particular gender for the first four weeks of sourcing to counteract a gender imbalance in a team or area. This is applied from a lead position up and based on the overall team composition. Our passive sourcing remains always open to all genders, ensuring we maintain an inclusive hiring process.

It is important to us to create a pleasant experience for all potential future employees interacting with Forto. We believe in clear communication with candidates about the status of their application, the steps in our hiring process, and what they can expect from us as an employer. This openness builds trust and respect with potential employees, and has received great appreciation by the interviewees.







## The Forfo Community

Forfo employees describe our company culture as young, open-minded, and ready to challenge the status quo. We are reliable, ambitious, and driven, always looking for new ways to innovate and improve. We value open communication, enjoy giving and receiving constructive feedback and are serious about continuous personal growth. Collaboration and flexibility underpin our work approach, and we also place a high value on building strong, friendly relationships among colleagues.

We host various cultural and team events throughout the year, providing opportunities for employees to connect and learn from each other. Such events range from neurodivergent roundtables, over team outings and pizza-Thursdays to cleaning up our neighborhoods. In 2023, Forfo also organized two hackdays for our engineering department. Hackdays are a great way to foster creative problem solving and create team spirit. Here, employees come together during work hours and create cross-functional groups to work together on a challenge outside their scope of work. Additionally, we participated in the 2023 GCP hackathon and scored 3rd place overall on their sustainability themed challenge. All these elements contribute to a culture that's focused on growth, inclusivity, and innovation.

## Connecting with Local and Global Communities

We also love to engage with our local and global communities, whether that is through collaborating with other industry players or planting mangrove trees in Vietnam.

### World Clean-Up Day

The **world clean-up day** is an annual event bringing millions of people together to collect trash and spread awareness on pollution. In 2023, Forto participated for the second year in a row. In total, 85 employees (plus kids) from 8 different offices participated, collecting over 35 bags of trash. We are already looking forward to taking part again next year!



### Battery Recycling in Vietnam

A used battery, if not handled properly, is highly pollutive. Forto employees in Vietnam have collected over 200 used primary batteries to exchange for office items such as water glasses, spoons and chopsticks, coasters, tote bags, desktop plants. They were then sent to an environmental company to process the toxins in the batteries and be recycled into ecological bricks. This project aims to raise the community's awareness on recycling expired battery products as well as sorting e-waste, contributing to environmental protection.







## Smart Freight Center

Forto is part of the **Smart Freight Center**, an international collaboration of transport industry players. The goal is to reshape sustainable supply chains today and drive transformation in the industry for a better tomorrow. During the Smart Freight Week in April 2023, representatives of key industry players came together in Amsterdam to share best practices, learn about latest sustainability developments and look for opportunities to collaborate.



## Berliner Schulpaten

Forto employees volunteer for the **Berliner Schulpaten**. They regularly visit different schools in Berlin to introduce students aged 10-12 to their jobs. We also regularly invite the students to our Office to give them insights into a typical workday of Forto employees. The goal of the initiative is to broaden the students' horizons and introduce them to as many different jobs as possible. This exchange enables the students to learn how a company works and provides them with real life examples on how certain skills translate into a job or career.

## CDTM University Project

In 2023, Forto supported a university project of the **CDTM**, Center for Digital Technology and Management, to give back to the university and support the success of future entrepreneurs. During the project, about 25 selected students of various disciplines, such as Business Administration, Psychology, Medicine, Computer Science, Electrical Engineering, and others, worked together on a relevant topic of our time: The Future of Maritime Shipping. They conducted trend research, in-depth market research, generated ideas for innovative products or services, and developed them into concrete business concepts.



## Feedback in all Directions

Open communication and constructive feedback are key pillars of daily interactions at Forto. Every fortnight, we collect anonymous employee-feedback through a software tool. This feedback covers a wide range of topics, resulting in an employee net promoter score (eNPS). Next to the quantitative rating, there is also an option to add qualitative comments. The eNPS score development is reviewed by the Executive Leadership Team on a monthly basis. With the support from the People and Culture Team as well as other leaders they additionally assess the qualitative comments and engage with employees through follow-up questions and discussions. These discussions are crucial for understanding employees' experiences, ideas and concerns and creating an action plan to address them.



Internally, Forto maintains open channels of communication at all levels. We hold monthly company-wide and department-specific all-hands meetings for updates and discussions. Our CEO hosts monthly meetings on Forto's financial and operational performance, as well as roundtable discussions, providing a platform for open conversations and idea sharing. On a bi-weekly cadence, we have dedicated all-hands meetings during which significant news and projects are presented to the company. Relevant sustainability updates are integrated in the company-wide all-hands and performance meetings. Additionally, there is a monthly deep-dive session on current sustainability projects open for all Forto employees to attend.



# Fair Pay and Individual Growth

## Compensation

Forto compensates all roles at Forto competitively and fairly. Every role in every geographical market is benchmarked against the Technology and Logistics industries as we are convinced that the best talent can only be attracted and retained with a competitive and fair compensation offering. Following the first extensive benchmarking of compensation back in 2022, Forto eliminated all structural compensation gaps across the company and can today ensure that employees are paid fully in line with our industries. All benchmark data is updated on an annual basis and in preparation of the performance and compensation review process, in order to ensure fair and objective compensation decisions across the company.



Furthermore, every salary at Forto is compliant with the different applying national minimum wage standards, most far exceeding these minimums to provide employees with the financial resources to lead a good life.

We generally do not believe in cash bonuses linked to individual short-term bonus targets, and aim for broad-based equity participation in the long-term company success instead. However, we have dedicated bonus schemes for more short-term focused and strongly KPI-driven roles in Commercial as well as in Forto's Sea Freight organization. Here, variable bonuses are also linked to sustainability performance in order to foster sustainability business and ensure that sustainability considerations are embedded in the commercial decision making processes. In 2023, sustainability performance affected compensation for 13% of employees.

Fairness matters to us as much as competitiveness. Following our regular compensation review processes, we have established fair-pay-checks for every Forto business division in order to ensure fair and consistent compensation decisions. As a result, we have achieved our target of an adjusted gender pay gap below 1%, a standard we are going to maintain.

Next to competitive and fair cash salaries, Forto offers a broad-based equity participation through VSOP (Virtual Stock Option Program). Building the backbone of global trade and making shipping products as easy as sending emails is a marathon and not a sprint. Consequently, we want to align compensation with our long-term vision and have doubled the share of employees with equity ownership in the past two years from 20% in 2021 to 40% in 2023.



## Benefits

At Forto, we recognize that employee benefits are a vital part of our commitment to our employees. We are offering a range of benefits. Though specific benefits differ by country, we are actively working towards further harmonizing our benefit offerings with a view on internal fairness and consistency. We conduct annual compliance checks to ensure Forto's benefits meet the legal requirements in every country we operate in.



Flexible working is central to Forto's working culture. We offer flexible hours, hybrid, and remote work options, allowing up to four weeks of working abroad from various countries per year, with unlimited remote work options within an employee's home country.

Forto has partnered with **Nilo Health**, a comprehensive mental well-being platform. The content includes self-guided learning programs, an extensive resource library as well as roundtables. Additionally, employees can book up to ten fully confidential sessions with a therapist, which are covered by Forto. 28% of our employees made use of the platform in 2023.

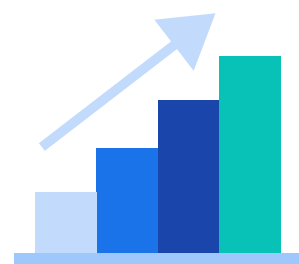
We offer public transport subsidies to encourage sustainable commuting. In 2023, 164 Forto employees held a public transport ticket. In Germany, Forto also offers employees to lease a bike via Jobrad at a subsidized rate. 83 employees made use of this offering in 2023.

Forto also offers company pension and retirement plans, along with private health insurance plans based on the statutory provisions. For parents, we offer child sickness leave beyond legal requirements in the respective country to allow for flexibility and catering to the needs of caring parents. Forto also complies with the legal requirements for maternity and parental leave and ensures that expectant or new parents can devote themselves fully to their new baby.

Our offices contain a large variety of vegetarian and vegan snacks and drinks for employees to enjoy.

## Training and Development

At Forto, employees are invited to grow and develop within and beyond their role in the company over time. We conduct regular performance reviews between leaders and employees, focusing on the individual persons' skills, targets, and work related behavior. Within these performance reviews, employees also have the option to give structured bottom-up feedback to their leader. In 2023, we transitioned from biannual to quarterly reviews, conducting three review cycles in total. All reviews are prepared, held and documented within a software tool to ensure a structured process across different teams and leaders. The tool for Performance also serves as a Learning Management System that has enabled over 100 different training courses for all employees to use.



As a fast growing company, Forto established an extensive onboarding process to provide new employees with an optimal start to their role at Forto. The onboarding process starts with a broad introduction to all Forto tools, processes and teams, facilitating connections with relevant colleagues. This is followed by role-specific training, providing the necessary tools and knowledge for each job. This comprehensive approach ensures new hires are well-prepared for their roles at Forto.

Forto has allocated a learning budget, managed centrally by the Learning and Development Team. Opportunities include but are not limited to internal and external training to foster various skills, such as leadership, data visualization, communication and a broad catalog of digital training that employees could take on demand. Additional trainings that are regularly conducted by Forto include data security and the awareness of unconscious bias. Through a language learning software tool, employees can further develop foreign languages at their own pace. In 2023, 431 language journeys were taken by Forto's employees.





# Processes

Continuously challenging the status quo.

# Governance Structure

## Board and Investors

Forto is owned by its founders, its employees and a variety of external investors. Among the co-founders (four men) are Forto's current CEO, Michael Wax, and former CTO, Erik Muttersbach, who transitioned into a non-executive role as a member of the Board of Directors in mid 2023. Some of our top investors include SoftBank, Northzone, Unbound and Cherry Ventures, amongst others. So far, we have raised more than \$ 500 million in funding.

Forto's Board of Directors consists of six members (5 men, 1 woman), including two of the co-founders, Michael Wax and Erik Muttersbach, along with four other non-executive Board members, representing some of Forto's largest investors. During quarterly meetings, the Board discusses financial performance, macroeconomic conditions and KPIs, and approves key strategic decisions where necessary. The Board also has a compensation committee that approves promotions and salary increases from the VP level and up (and / or above a certain materiality threshold).

Forto has a monthly investor reporting in place to share updates on the financial and operational performance. Forto goes through a rigorous Accounting close every month, and reports monthly to its investors consolidated financials according to IFRS Accounting standards. Our commitment to transparency ensures all stakeholders are kept informed about Forto's performance and strategic direction. Forto additionally provides relevant sustainability metrics to investors on an annual basis upon request. Investors collect this data from their portfolio companies to act in line with the Sustainable Finance Disclosure Regulation (SFDR).

## Internal Reporting

Forto's Executive Leadership Team (ELT) monitors sustainability KPIs on a weekly basis and holds regular 60-minute meetings with sustainability leadership for updates and decision-making every quarter. Our Chief Commercial Officer (CCO) holds a special responsibility for sustainability oversight within the Executive Leadership Team, with the Sustainability Team reporting directly to him.

Additionally, an internal sustainability dashboard is available to all employees for live updates on sustainability metrics and performance.

## Audit

Forto conducts multiple types of audits, including financial and security, on an annual basis. A global audit is conducted at the IFRS level to ensure adherence to international financial reporting standards. Our **sustainable logistics offering** is third party reviewed.





## Business Ethics

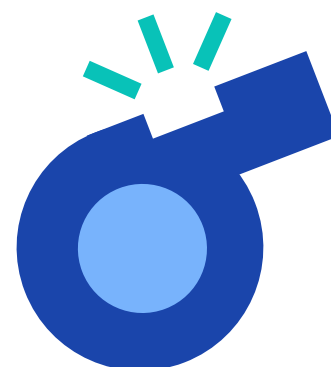
Forto's Chief Financial Officer (CFO), part of the Executive Leadership Team (ELT), oversees business ethics and compliance at Forto. We have appointed a Chief Compliance Officer, who is supported by a Compliance Manager and a Data Privacy Manager to ensure ethical, regulatory and data protection standards. Forto's Code of Conduct covers all necessary topics, including corruption and bribery, demonstrating our commitment to ethical business practices.

- ✓ Whistleblowing Procedure (internal & external)
- ✓ Anti-Corruption & Anti-Bribery Policy
- ✓ Information Security Policy
- ✓ Third-Party Risk Management Policy
- ✓ Code of Conduct for Business Partners
- ✓ Compliance Monitoring with UNGC Principles
- ✓ Compliance Monitoring with OECD Guidelines for Multinational Enterprises

## Whistleblowing Procedure

At Forto, we understand the importance of integrity and trust. Our whistleblowing process is designed to empower individuals, whether part of our team or external stakeholders, to report potential violations. This system is structured to accommodate both anonymous and identified submissions, ensuring that every voice can be heard in the manner they find most comfortable.

In 2023, we introduced a new system for whistleblowing, developed with privacy and security at its core. Operated externally, this system is specifically designed to protect personal data, enabling users to raise concerns without fear of compromise.



## Protective Measures and Non-Retaliation



### Anonymity

For those who prefer to remain anonymous, our system ensures that privacy is safeguarded. Even with the option for chat communication, the option of anonymity is a priority unless the user decides otherwise.



### Confidentiality

When reports are made with identification, the process incorporates every precaution to protect the privacy of the reportee. Access to these reports is strictly limited to a dedicated few who are committed to confidentiality.



### Comprehensive Protection

Our non-retaliation policy is robust, protecting not just the whistleblower but also all individuals involved, from the accused to witnesses. This policy is a cornerstone of our ethical framework, ensuring that the process is safe and fair for everyone.

Our approach underscores Forto's unwavering commitment to upholding the highest standards of transparency and ethical conduct. It provides a secure avenue for reporting concerns, reflecting our dedication to fostering a culture of openness and accountability. In 2023, we addressed and promptly resolved all five reports, demonstrating our proactive stance in maintaining an ethical workplace and business practices.

## Anti-Corruption and Anti-Bribery

Forto is committed to preventing corruption and bribery, ensured via a multitude of processes. **We screen our partners** thoroughly, have clear policies covering corruption, conflicts of interest, fraud, money laundering, anti-competitive practices, sanctions compliance, and ensure tight information security.



Furthermore, we educate our employees about these issues through regular training. If someone sees something that does not seem right, we have set up a **whistleblowing procedure** to report it anonymously. Forto also conducts regular audits of our control procedures to ensure they are working as they should. We also have a specific approval procedure for sensitive transactions to add an extra layer of control.

We're proud to say that so far, Forto has reported no cases of corruption or bribery since its foundation in 2016. And we are committed to keeping it that way.



## Information Security

A crucial part of Forto's commitment to information security is our annual security audit and penetration test. This check of our infrastructure, programming, and systems allows us to identify and address any vulnerabilities.



All our data is held securely in data centers located in Europe, ensuring that we meet stringent data protection standards. We have established globally standardized processes for data protection, which are periodically reviewed to maintain effectiveness and adapt to any changes in legal requirements.

Our processes are designed to fulfill obligations under all applicable laws, even those that are specific to certain territories. This commitment to legal compliance is underpinned by an extensive logging system that records all activities within our systems.

We've conducted an annual comprehensive data protection compliance assessment to ensure our data handling practices respect user privacy and comply with all regulatory requirements. This commitment extends to our employees, who receive regular training on data security to foster a culture of vigilance and awareness.

Additionally, we have a variety of policies in place covering information security, global data protection, retention and archival, and the usage of personal devices in the work context. We also have guidelines in place to help employees navigate through the proper and secure usage of AI-enhanced tools, including GenAI.

In 2023, we encountered six minor, low-risk data breaches, none of them involving external/customer information. Each was swiftly addressed within hours, with immediate actions taken to prevent future occurrences. The last of these incidents took place in August 2023.

## Supplier Relations

Next to our digital platform, supplier relationships are key to Forto's operations. We build and maintain a diverse supplier network of various transport and geographical partners. Transport partners include carriers, airlines, rail and trucking companies. Our geographical partners function as agents in countries where we do not have active operations. This global network of transport partners enables us to offer extensive, reliable logistics services to our customers.

Forto has thorough screening processes for potential new partners in place, including checking for sanctions and compliance violations and ensuring they hold relevant and up-to-date licenses. This vetting process helps us maintain a high standard of service and identify potential risks. Before we finalize a partnership contract, we conduct trial shipments with potential new partners. This gives us firsthand experience of their service quality and reliability.

We also have a Code of Conduct for Business Partners that all our partners must sign and adhere to. The Code of Conduct also includes sustainability requirements. Additionally, we integrate social and environmental clauses into supplier contracts where needed. We believe in providing exceptional service to our customers in a socially responsible and environmentally conscious way.





# Letter from the Sustainability Team

Dear Reader,

Whether you are an employee, investor, partner, customer or simply interested in Forto and/or sustainability: Thank you for taking the time to get informed on Forto's sustainability actions. It was a pleasure to share some details on what we have initiated and achieved in 2023. 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.

2024 will be another year filled with sustainability milestones. Forto will further upgrade its sustainable logistics offering, enhance its sustainability actions beyond climate, 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 Forto Sustainability Team*

P.S.: If you would like to share any feedback or ideas with us, or if you want to connect with Forto on sustainability matters, please reach out via [sustainability@forto.com](mailto:sustainability@forto.com). We are always happy to hear from you.



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