

## BACKGROUND

EmergeVest created EV Cargo in 2018, combining a number of different portfolio companies within EmergeVest's funds. EV Cargo is a Hong Kong-headquartered global logistics and technology business with revenue of \$1.4BN per annum. It operates across 22 countries and has more than 3,000 active customers.

## ESG INITIATIVES

- EV Cargo became a signatory to the UN Global Compact in May 2021. It commits to uphold the compact's 10 principles, covering human rights, labour, environment and anti-corruption.
- EV Cargo has committed to partnering with the United Nations to support the UN Sustainable Development Goals (SDGs). EV Cargo is making positive contributions to many SDGs, focusing on: Gender Equality; Affordable and Clean Energy; Decent work and economic growth; Industry innovation and infrastructure; Sustainable cities and communities; Responsible production and consumption; and Climate Action.
- EV Cargo has also joined the Science Based Target Initiative and the Net Zero Race. The company recently became a Friend of the Global Logistic Emissions Council Framework, part of the Smart Freight Centre, and has adopted the GLEC Framework methodology to calculate our Scope 3 emissions using the EcoTransIt World accredited tool.
- EV Cargo is focused on becoming Carbon Neutral (Scope 1 and Scope 2) by 2030 and on significantly reducing Scope 3 emissions. EV Cargo is in the process of calculating its 2019 and 2020 baseline to understand its emission reduction targets in line with SBTi and its Sustainability strategy.
- Endorsed Memorandum of Understanding signed in Glasgow at COP26 committing a 30% of new Zero Emissions Mid and Heavy Duty vehicles by 2030 and 100% by 2040 to decarbonise logistics in the road transport sector.

## ESG PROGRESS

Progress has been made across multiple areas:

1. Created the position of **Chief Sustainability Officer** to improve sustainability governance and implement sustainability globally at EV Cargo across all divisions and countries.
2. **Monthly Sustainability Committee** meetings to check performance and monitor progress.
3. EV Cargo has taken steps to **increase energy efficiency** at all facilities.
4. Joined the **Arctic Pledge** – a voluntary pledge that invites companies to avoid intentionally routing ships or sending goods through the region as part of a potential new global trans-shipment route.
5. Invested in **electric vehicles**.
6. **Upgraded fleet** to EURO 6.
7. Obtained **ISO14001 certification**, which will underpin EV Cargo's strategy to **reduce carbon emissions**.
8. Implemented a **customer-facing CO2 e calculator**.
9. Introduced a single-use **plastic policy** and replaced single-use plastic vehicle seals with **re-usable electronic combination seals** across the fleet.
10. Producing an **inaugural sustainability report** in 2021 in accordance with the Global Reporting Initiative framework.
11. Published Diversity and Inclusion Policy, **trained 150 staff** on DE&I and in the past 6 months has **improved the gender ratio** at the company from 19% to 25%.
12. Part of the **Climate Accelerator Program** and **Target Gender Equality Program** of UN Global Compact.

EV Cargo also can tailor customer projects to drive supply chain initiatives and optimisation, reducing CO2 emissions. Examples are the conversion of air freight to eco-air, reductions in 20ft containers, route-to-market optimisation and a packaging optimisation solution.

## SUSTAINABILITY PLAN

GOAL: BE SCOPE 1 & 2 CARBON NEUTRAL BY 2030

PLANET			PEOPLE		
Emissions	Waste	Supply chain	Diversity	Compliance	Community
<b>Objective:</b> Cut overall GHG emissions every year in line with SBTi targets.	<b>Objective:</b> Minimise waste and water usage.	<b>Objective:</b> Only work with suppliers who share our values.	<b>Objective:</b> Create a diverse, inclusive workplace.	<b>Objective:</b> Embed culture of employee safety and regulatory compliance.	<b>Objective:</b> Fully engaged in our communities, making a positive impact.
<b>Key measures:</b> Our direct Scope 1 & 2 emissions.	<b>Key measures:</b> Volume of unrecycled waste to landfill.	<b>Key measures:</b> % procurement spend with suppliers with a verified ESG policy and GHG target.	<b>Key measures:</b> Average gender pay gap. Employer Net Promoter score on diversity, equality & inclusivity.	<b>Key measures:</b> Reportable injuries per 100,000 FTE vs industry benchmarks. Number of prosecutions, fines & warnings.	<b>Key measures:</b> Money raised for charities/ community initiatives. Hours of volunteer work per year.
Our indirect Scope 3 GHG emissions.	Amount of single-use plastic in workplace.				

## PRACTICAL PROGRESS: CASE STUDIES

### MARKS AND SPENCER

M&S had over 3,800 carton sizes and very limited standardisation, adding significant cost and complexity throughout the supply chain. The range of sizes meant it was difficult to achieve high load-fill rates.

#### EV CARGO SOLUTION

EV Cargo worked with M&S to reduce the number of different carton types from 3,800 to just 12 – a **99% reduction** – in a bid to increase load fill in order to cut the number of container units needed.



#### RESULTS

- Improved shipping container load by 15%, to a market-leading 95%.
- **Reduction of 1,000 TEUs** (20ft equivalent container units) shipped a year.
- **Reduction of 1,070 million tonnes of CO2 emissions**.
- Carton confirmation lead time reduced from three days to minutes.
- More than **15% reduction in costs for M&S**.
- Improved container and carton fill reduces freight and haulier costs and reduces total miles travelled for the contract.

### PRIMARK

EmergeVest created the PAC-D team, based in Hong Kong, within EV Cargo to provide eco-friendly packaging solutions. PAC-D worked with Primark to develop a programme to train its factories to accurately measure products and efficiently package them into shipping cartons, eliminating waste.

#### RESULTS

- **3.8% reduction in packaging volume** (more than 90,000 cubic metres) of shipped and received goods.
- **4% reduction in corrugate material** (2.26 million square metres) produced and shipped.
- A reduction of **9 million kilograms CO2 equivalent**.

#### REACTION

- 'We are delighted with the results of this programme, which has reduced our overall volumes of packaging and greenhouse gas emissions.' **Simon Luxmoore, head of central supply chain at Primark**.
- Primark's packaging optimisation programme won the **Environmental Improvement award** at the 2019 Supply Chain Excellence Awards in London, 2019.