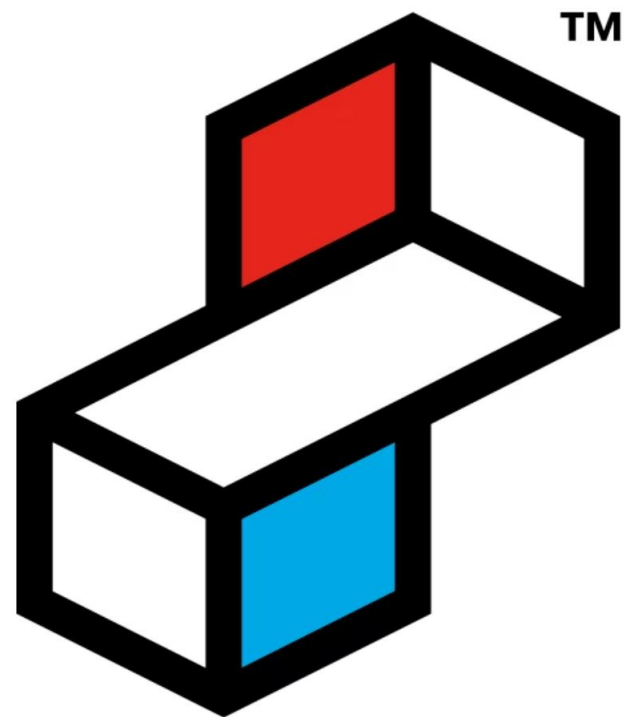


# ESG Standard Operating Procedure (SOP) Manual

Transport & Logistics Companies — Full Version: Operational, Audit-Ready, Enterprise-Grade

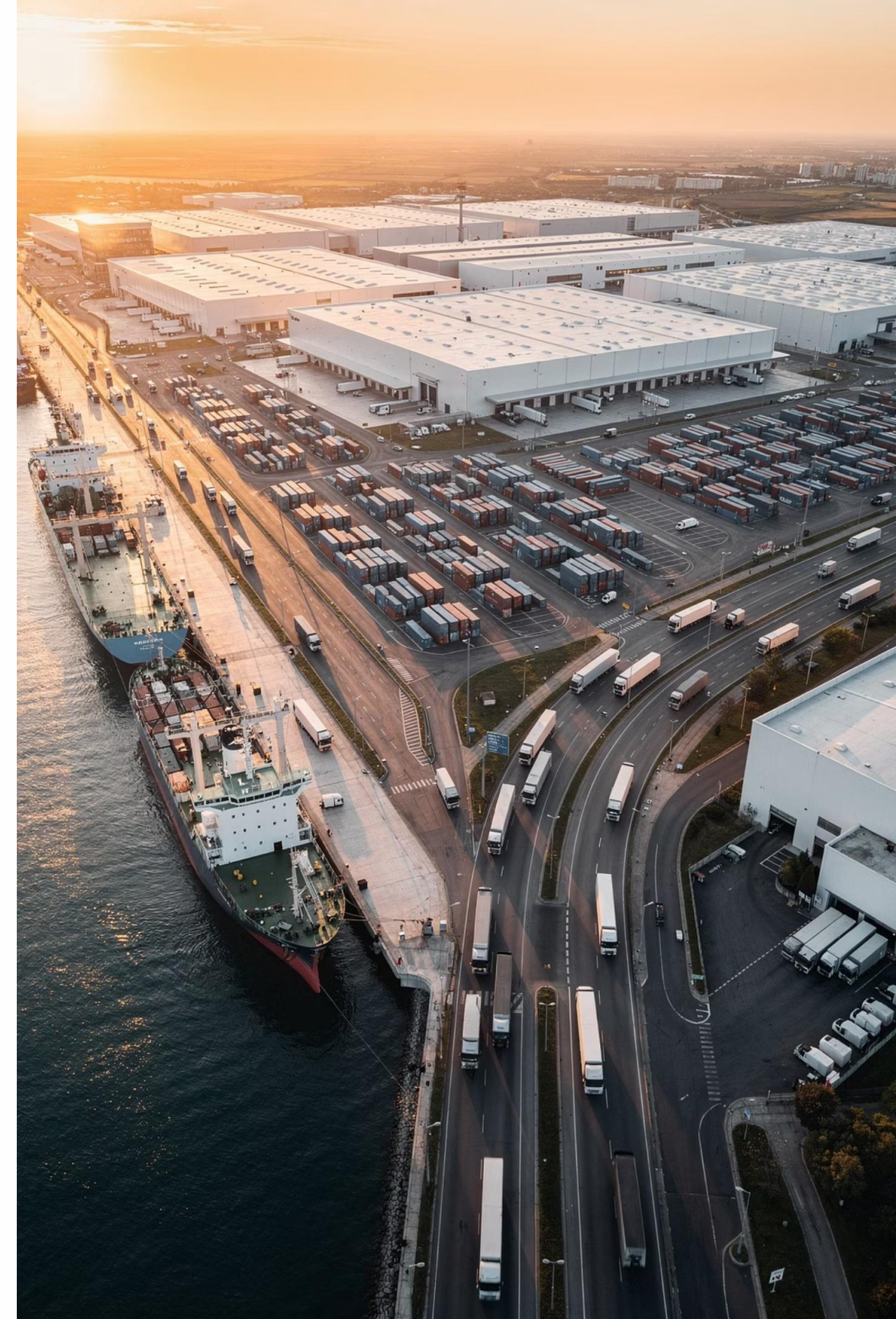
A comprehensive framework for embedding Environmental, Social, and Governance principles across every layer of transport and logistics operations — from fleet decarbonisation to supplier integrity.



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FOR  
LOGISTICS**

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**ADDING VALUE IS THE KEY.**



# 1. Purpose

This SOP defines the **end-to-end Environmental, Social, and Governance (ESG) management system** for Transport & Logistics companies. It serves as the authoritative operational guide for ESG programme delivery, ensuring accountability, traceability, and continuous improvement across all business units.



## Global Compliance

Align with CSRD, GRI, ISO 14001, ISO 45001, and SBTi requirements across all jurisdictions.



## Environmental Impact

Systematically reduce carbon emissions, energy use, waste, and water consumption at every operational node.



## Health & Safety

Protect every employee, contractor, and driver through robust safety protocols and risk controls.



## Ethical Conduct

Uphold transparent, ethical, and governance-compliant business practices across the entire value chain.



## Accurate Reporting

Deliver data-governed, audit-ready ESG disclosures with full traceability and quality assurance.



## Continuous Improvement

Drive sustained performance gains through CAPA cycles, management reviews, and target-setting.

## 2. Scope

This SOP applies universally across all operational modes, facilities, and partners within the enterprise. Every business unit – whether owned, leased, or subcontracted – is subject to the standards and procedures defined herein.



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- 1 **Road Transport**
- 2 **Airfreight**
- 3 **Ocean Freight**
- 4 **Rail & Barge**
- 5 **Warehousing & Fulfilment**
- 6 **Last-Mile Delivery**
- 7 **Corporate Offices**
- 8 **Subcontractors & Suppliers**

## 3. Roles & Responsibilities

Effective ESG governance depends on clearly defined ownership at every level. The following roles carry accountabilities that are embedded into performance objectives and subject to quarterly review by the ESG Steering Committee.

1

### ESG Steering Committee

Approves ESG strategy, reviews KPIs quarterly, oversees compliance & risk, and approves CAPA actions at the enterprise level.

2

### Sustainability Manager

Owens the ESG roadmap, manages ESG reporting cycles, coordinates audits, and leads decarbonisation initiatives across all modes.

3

### Fleet Manager

Implements fleet decarbonisation plans, tracks fuel & emissions data, and ensures eco-driving compliance across all drivers.

4

### Warehouse Manager

Manages energy, waste, and water performance at each facility. Ensures ISO 14001 compliance and oversees safety & wellbeing programmes.

5

### Procurement

Ensures supplier ESG compliance through assessments and audits, and enforces the Supplier Code of Conduct at onboarding and renewal.

6

### HR & Finance

HR manages training, wellbeing, and diversity; Finance handles ESG data for CSRD reporting and oversees carbon pricing & budgeting.

# 4. ESG Management System Structure

The ESG management system is built on three interlocking layers – Policies, Procedures, and Records – forming a documented, audit-traceable framework that meets the requirements of CSRD, ISO 14001, and ISO 45001.

## 4.1 Policies

- Environmental Policy
- Climate & Energy Policy
- Waste & Circularity Policy
- Water Stewardship Policy
- Health & Safety Policy
- Human Rights Policy
- Anti-Corruption Policy
- Supplier Code of Conduct
- Data Privacy Policy
- Diversity & Inclusion Policy

## 4.2 Procedures

- Carbon accounting
- Energy management
- Waste management
- Water management
- Safety & wellbeing
- Ethical conduct
- Supplier ESG assessment
- ESG reporting

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## 4.3 Records

- CO<sub>2</sub> data & energy bills
- Waste manifests & safety incidents
- Training logs, supplier audits & ESG KPIs

# 5. Environmental — Carbon Footprint Management (Scope 1–3)

Carbon accounting across all three scopes is the cornerstone of the environmental programme. Data is collected at source, validated through a 4-eyes review, and calculated using **ISO 14083**, the **GLEC Framework**, and **EN 16258**.

## Scope 1 — Direct

- Diesel, LNG, HVO, electricity
- Refrigeration units
- Company vehicles



### Fleet Reduction Measures

EV trucks, HVO/biofuel blending, eco-driving programmes, and AI-powered route optimisation.

## Scope 2 — Energy Indirect

- Grid electricity (market & location-based)
- Heating & cooling systems



### Warehouse Decarbonisation

LED retrofits, rooftop solar PV, heat pumps, and smart HVAC controls to cut facility emissions.

## Scope 3 — Value Chain

- Subcontracted transport
- Air, ocean & rail freight
- Packaging, business travel, waste



### Packaging

Transition to reusable packaging systems and maximum recycled content to reduce embedded carbon.

## 5.2 Fleet Sustainability

Fleet operations represent the single largest source of direct emissions in transport & logistics. A structured programme spanning procurement, technology, and driver behaviour is required to deliver measurable, verifiable reductions year-on-year.

### Procurement Standards

- Prioritise low-emission and zero-emission vehicles at point of renewal
- Invest in EV charging infrastructure at all owned depots
- Specify refrigeration unit efficiency standards in procurement contracts

### Operational Controls

- Real-time telematics monitoring for speed, idling, and harsh braking
- Idle reduction targets embedded in driver performance scorecards
- Mandatory eco-driving training with annual refreshers
- Automated tyre pressure monitoring systems (TPMS) across all HGVs

# L/100km

Fuel Intensity KPI

Track fuel consumption per 100 km by vehicle class and route.

# Idle%

Idle Time Rate

Monitor idle time as a percentage of total engine-on time per driver.

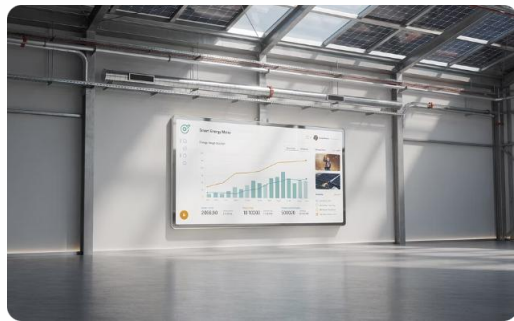
# EV%

EV Fleet Share

Report zero-emission vehicle utilisation as a percentage of total fleet kilometres.

## 5.3 Warehousing & Facility Sustainability

Warehouses and fulfilment centres are energy-intensive assets. A three-pillar approach – covering energy, waste, and water – drives down operational environmental impact whilst generating cost savings and improving asset resilience.



### Energy Management

- Smart meters with real-time dashboards
- Rooftop solar PV generation
- On-site battery storage systems
- LED lighting and smart HVAC controls



### Waste Management

- Source segregation by waste stream
- Recycling and composting programmes
- Certified hazardous waste disposal
- Packaging reduction targets



### Water Stewardship

- Automatic leak detection systems
- Rainwater harvesting for non-potable use
- Grey water recycling in wash bays

## 5.4 Noise & Air Quality

Urban logistics operations face increasing regulatory scrutiny over localised air quality and noise impacts. Proactive monitoring and mitigation not only ensures compliance with local authority requirements but also protects community relations and operating licences.

### Noise Monitoring

Continuous noise monitoring at depot boundaries; complaints log maintained and reviewed monthly. Night-time delivery operations restricted to low-noise vehicle classes.

### Anti-Idling Zones

Designated anti-idling zones enforced at all depots and customer sites. Automatic engine cut-off technology specified for new vehicle procurement.

### EV Vans for Last-Mile

Zero-emission electric vans prioritised for all urban last-mile and city centre delivery routes to eliminate tailpipe emissions at the point of delivery.

### PM<sub>2.5</sub> & NO<sub>x</sub> Monitoring

Ambient air quality sensors deployed at high-traffic depot entrances; monthly reporting against local authority thresholds with escalation protocols where limits are approached.

SOCIAL

## 6. Social — Health & Safety (ISO 45001)

The company is committed to zero serious injuries and zero occupational fatalities. The health & safety programme is certified to **ISO 45001** and covers all workers, contractors, and visitors across every operational site.

### 6.1 Risk Assessments

- Warehouse hazards & manual handling
- Forklift operations & working at height
- Driver fatigue & road accident risk
- Emergency scenario planning

### 6.1.2 Controls

- PPE specification and compliance audits
- Safety signage and visual management
- Traffic management plans at all sites
- Emergency response procedures
- Near-miss and incident reporting system

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### Key KPIs

**LTIFR** (Lost Time Injury Frequency Rate) · **Near-miss rate** · **Safety training completion %**



## 6.2 Workforce Development

A skilled, aware, and engaged workforce is the foundation of ESG delivery. All training programmes are mandatory, tracked in the HR system, and subject to annual refresh requirements. Completion rates are reported as KPIs to the ESG Steering Committee.



### ESG Awareness Training

All staff complete ESG induction training upon joining, covering environmental targets, governance standards, and the company's sustainability commitments.



### Safety Training

Role-specific safety training delivered at induction and annually. Includes manual handling, forklift awareness, fire safety, and emergency procedures.



### Dangerous Goods (DG) Training

Certified DG training (ADR, IATA, IMDG) for all staff handling, packaging, or documenting regulated materials. Compliance tracked per individual.



### Leadership Development

ESG leadership modules embedded in management development programmes to build internal capability and succession depth.



### Diversity & Inclusion Training

Unconscious bias, inclusive leadership, and cultural competency training for all managers and people leaders.

## 6.3 Employee Wellbeing

Driver and warehouse worker wellbeing directly impacts safety, productivity, and retention. The company takes a holistic approach – addressing mental health, physical wellbeing, and ergonomic risk as integral components of the ESG programme, not afterthoughts.



### Mental Health Support

Employee Assistance Programme (EAP) providing confidential counselling, financial advice, and mental health resources, available 24/7. Mental health first aiders trained at every site.



### Fatigue Management

Fatigue risk management system aligned with Hours of Service regulations. Telematics alerts for driving hour compliance; driver rest break scheduling enforced through the transport management system.



### Ergonomics

Workstation ergonomic assessments conducted annually for all warehouse and office-based roles. Manual handling aids and height-adjustable equipment specified in new facility design standards.



### Health Screenings

Annual occupational health screenings for drivers (including vision and hearing) and warehouse operatives exposed to noise or vibration. Results tracked in the HR system with referral pathways.

## 6.4 Community Impact

Transport & logistics companies operate within and depend upon the communities in which they are based. A structured community engagement programme reinforces the social licence to operate and delivers tangible local benefit.

### Local Hiring

Prioritise recruitment from local communities within a defined radius of each depot, tracked as a percentage of total new hires annually.

### Apprenticeships

Structured apprenticeship programmes in HGV driving, warehouse operations, and logistics management, with targets for annual enrolment.

### Employee Volunteering

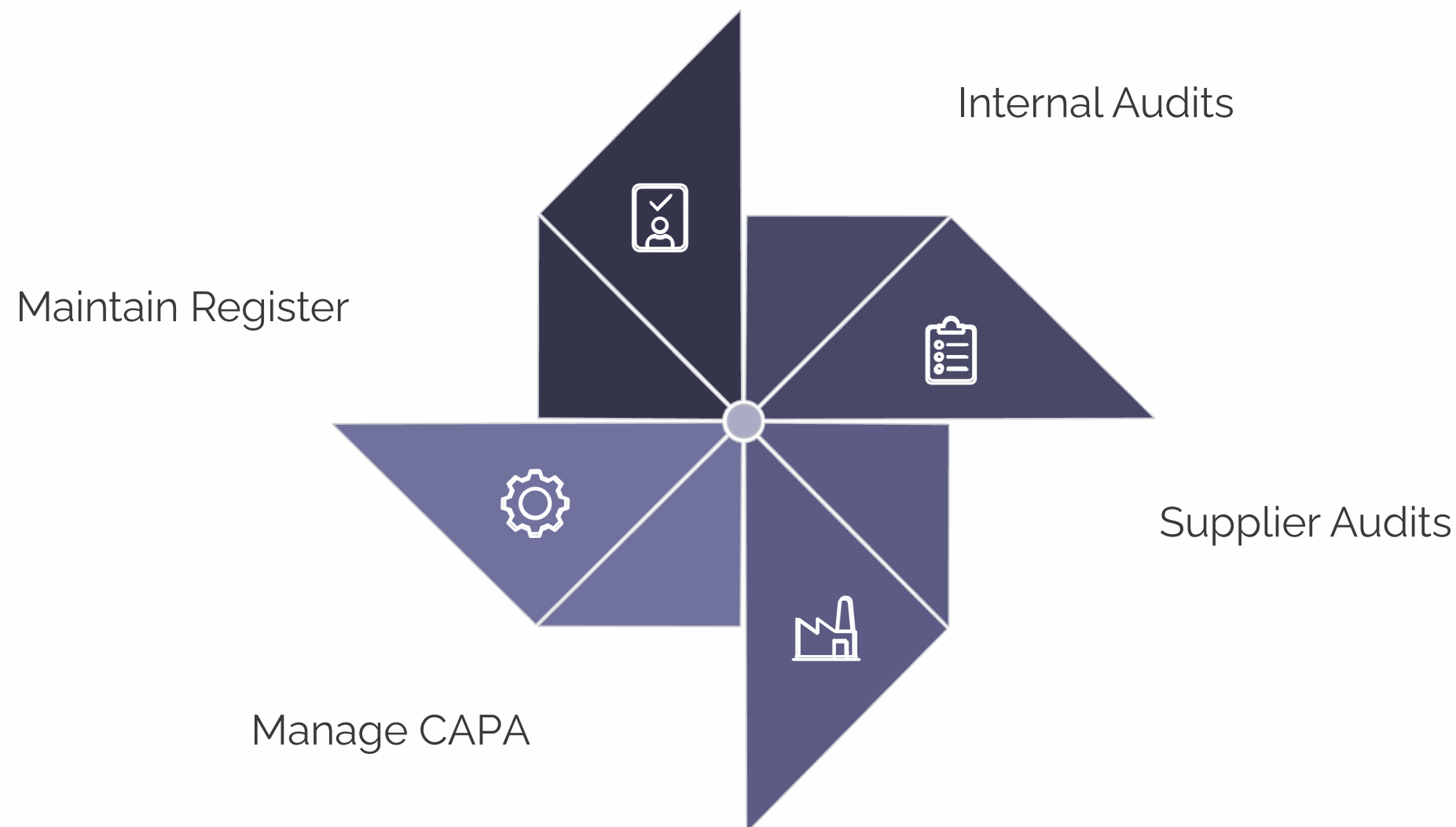
Each employee is entitled to two paid volunteering days per year. Volunteering hours are tracked and reported as part of the Social chapter of the annual ESG report.

### Charitable Donations

Company matched-giving scheme for employee fundraising. Community investment budget allocated annually by the ESG Steering Committee to local and national causes.

## 7. Governance — Compliance Management

A robust compliance management framework underpins the credibility of the entire ESG programme. It provides systematic assurance that legal obligations, regulatory requirements, and internal policy commitments are being met — and that failures are identified and resolved rapidly.



The compliance register is reviewed quarterly by the Sustainability Manager and annually by the ESG Steering Committee. Internal audits are scheduled on a risk-based frequency, with high-risk sites audited at least annually. All findings are logged in the CAPA system and tracked to closure.

## 7.2 Ethics & Integrity

Ethical conduct is non-negotiable across all operations, geographies, and business relationships. The ethics programme creates structural safeguards against corruption and conflicts of interest, and provides every employee with a safe, confidential channel to raise concerns.



### Anti-Corruption Training

Mandatory annual anti-bribery and corruption training for all staff, with enhanced modules for procurement, finance, and senior management.



### Whistleblower Hotline

Independent, 24/7 confidential whistleblower hotline operated by a third party. All reports investigated within 30 days; outcomes reported anonymously to the Audit Committee.



### Conflict of Interest

Annual conflict of interest declarations required from all managers and directors. Undisclosed conflicts treated as a disciplinary matter under the company code of conduct.



### Supplier Code of Conduct

All suppliers must sign and adhere to the Supplier Code of Conduct as a condition of doing business. Breaches trigger a formal CAPA or contract termination process.

## 7.3 ESG Risk Management

ESG risks are integrated into the enterprise risk register and assessed using a probability-impact matrix. Physical and transition climate risks are evaluated under **TCFD** scenarios; supply chain and human rights risks are assessed in line with the EU Corporate Sustainability Due Diligence Directive (CSDDD).

### Climate Risks

Physical risks (flooding, extreme heat) and transition risks (carbon pricing, fuel regulation) assessed annually under 1.5°C and 2°C scenarios.

### Supply Chain Risks

Concentration risk, single-source dependency, and ESG non-compliance in the supplier base reviewed quarterly through the procurement risk framework.

### Human Rights Risks

Modern slavery, forced labour, and unsafe working conditions assessed through supplier due diligence, site audits, and third-party screening tools.

### Operational Risks

Business continuity risks linked to environmental incidents, regulatory non-compliance, or safety failures managed through the CAPA system.

### Cybersecurity Risks

ESG data systems and telematics platforms subject to annual penetration testing and aligned with ISO 27001 information security standards.

## 7.4 ESG Reporting

The company publishes a comprehensive annual ESG report aligned with multiple international frameworks. Reported data is subject to third-party limited assurance. The reporting calendar is managed by the Sustainability Manager with input from Finance, Operations, HR, and Procurement.



### CSRD

Corporate Sustainability Reporting Directive – mandatory double materiality assessment and ESRS-aligned disclosures for EU-regulated entities.



### GRI

Global Reporting Initiative standards applied for comprehensive, stakeholder-focused sustainability disclosure across all material topics.



### SBTi

Science Based Targets initiative – validated near-term and long-term emissions reduction targets aligned with a 1.5°C pathway.



### Customer ESG Questionnaires

Standardised responses maintained for key customer ESG questionnaires (CDP, EcoVadis, customer-specific), managed centrally by the Sustainability team.



### TCFD

Task Force on Climate-related Financial Disclosures – climate risk and opportunity reporting across governance, strategy, risk management, and metrics.



### ISO 14001

Environmental Management System certification, with annual surveillance audits and triennial recertification by an accredited third-party body.

## 8. Supplier ESG Management

Scope 3 emissions and supply chain social risks represent the most significant ESG exposures in transport & logistics. A structured three-stage supplier ESG management process – Qualification, Audit, and Improvement – ensures that the value chain meets the same standards applied internally.

1

### 8.1 Supplier Qualification

- ESG questionnaire at onboarding
- ESG scoring against minimum thresholds
- Risk classification (high / medium / low)

2

### 8.2 Supplier Audits

- Environmental compliance checks
- Labour conditions assessment
- Safety standards verification
- Anti-corruption screening

3

### 8.3 Improvement Plans

- CAPA issued for non-conformances
- Re-audit within 90 days of closure
- Ongoing performance monitoring



## 9. ESG Data & Systems

Data integrity is the foundation of credible ESG reporting. The ESG data architecture is designed for **auditability, accuracy, and scalability** – supporting both internal management decisions and external disclosure requirements.

### 9.1 Data Architecture

- Automated data ingestion from telematics, utilities, and TMS
- Manual data entry with dual-approval controls
- Supplier data integration via portal or API
- Automated data validation rules and outlier flags
- Full audit trail with version history for all entries

### 9.2 ESG Dashboards

- **CO<sub>2</sub> Dashboard** – Scope 1, 2, and 3 emissions by mode and lane
- **Fleet Dashboard** – fuel, idle time, EV utilisation, eco-driving scores
- **Warehouse Energy Dashboard** – kWh per m<sup>2</sup>, renewable generation, consumption trends
- **Safety Dashboard** – LTIFR, near-miss trends, training completion
- **Social Impact Dashboard** – community hours, diversity metrics, wellbeing indicators
- **Governance Dashboard** – audit findings, CAPA status, compliance register currency

# 10. Audit & Continuous Improvement

The ESG management system operates a continuous improvement cycle anchored by regular internal audits, a structured CAPA process, and formal management reviews. This ensures that the programme is not static – it evolves in response to performance data, regulatory change, and stakeholder expectations.

## Internal Audits

Environmental, safety, supplier, and ESG data audits conducted on a risk-based schedule. Findings rated by severity and logged in the CAPA register.

## Management Review

Quarterly ESG Steering Committee review of KPI performance; annual sustainability report publication; annual ESG target update and roadmap refresh.



## Root Cause Analysis

Every significant finding triggers a formal root cause analysis before corrective action is defined. Five-why methodology applied as standard.

## CAPA & Verification

Corrective and Preventive Actions assigned, time-bound, and tracked to closure. Effectiveness verified at 30, 60, or 90 days post-implementation.

This SOP is a living document. It must be reviewed and updated annually as a minimum, or following any significant regulatory change, material ESG incident, or change in business scope.