

DELIVERING WHAT MATTERS

2023 SUSTAINABILITY REPORT
MAY 2024




MARKEN
a UPS Company

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Our commitment to sustainability



Ariette van Strien
President, Marken



As a world leading clinical trial logistics provider, Marken’s commitment to driving sustainable change, in partnership with the wider pharmaceutical industry, has elevated our environmental, social and governance (ESG) policies and practices to top priority.

Last year we published Marken’s first formal sustainability report, in which we detailed four areas of focus within the United Nation’s Sustainable Development Goals and reviewed our substantial progress towards developing comprehensive ESG policies and plans. We were all pleased that Marken’s progress was recognized by our significantly improved Ecovadis Silver rating, which places us within the top 10% of businesses in our sector. And we are particularly proud of our excellent performance in the area of sustainable procurement, which reflects an unprecedented level of collaboration across many of our organisational divisions and the commitment made by our supply chain.

Throughout 2023, we aimed to further operationalise key initiatives and to refine the ESG metrics and targets against which Marken will hold ourselves accountable in the years to come. I would like to thank all our people and industry partners who have collaborated to realize so many further positive sustainability outcomes in 2023. We look forward to the challenges we’ve set in 2024 and to working with our customers and suppliers for the betterment of our communities.

Sustainability vision and commitment to UN SDGs

Marken is committed to designing and implementing **the world’s most sustainable clinical healthcare trial logistics solutions**. Over the coming years, we aim to offer our clients low emission, low impact solutions to their clinical trial logistics needs.

Guided by the UN’s global Sustainable Development Goals (SDGs) and informed by our materiality assessments, in 2022, Marken identified four SDGs to frame our sustainability program. These SDGs will guide our longer-term approach to sustainability. As a member of the United Nations Global Compact, Marken has committed to measure and demonstrate its progress to its stakeholders and the public on these Sustainable Development Goals and the Global Compact’s ten core principles.



Moving our world forward by delivering what matters.
Always finding a way to connect patients with new medicines, in all corners of the world.



Marken is a wholly owned subsidiary of UPS and is a part of UPS’s global Healthcare and Life Sciences (HCLS) unit.



	13	Climate Action	Work towards net zero clinical trial logistics solutions
	3	Good health and well-being	Deliver the world’s safest clinical trial logistics
	10	Reduced inequalities	Equally meet the whole world’s need to access new medical treatments
	17	Partnerships for the Goals	Partner with clients to help lead our sector towards ESG excellence

2023 Materiality assessment

Marken stakeholders (key clients, suppliers, Executive Committee and a selection of employees) were asked to prioritise ESG categories.



Critical areas of material risks

Four areas of material risks have been confirmed as top priorities for the focus Marken's sustainability efforts.

Information security and privacy

Marken's ability to defend itself against cyber-crimes and our industry leading practices around the storage and management of confidential personal and clinical trial data is the top priority for employees, second highest for both customers and suppliers and fourth by our executives, making it the top priority overall.

CO₂ emission reporting and reduction

Both our customers and executives' rate GHG emission reporting and reduction as the highest priority, while it is rated third highest by suppliers. Its overall rating is third because the employees survey rated it as its sixth priority.

Employee and community safety (EHS and OHS)

Safety of our employees, clinical trial participants and the wider community in our handling of hazardous materials, medicines and, at times, contagious materials. This is of top priority to suppliers, second highest for employees and third for both our customers and executives. The consistency across all demographics reinforces our focus on implementing policies and processes globally which align with ISO14001 Environmental Management Systems and pursuing accreditation.

Sustainable procurement (focus on packaging)

While acknowledging our wider challenge to manage all procurement in more sustainable ways, including 3rd party ESG compliance, the challenge to develop more sustainable packaging options has emerged as a primary area of focus, rated second highest by our executive, third by employees and fourth by suppliers.

This years' report details achievements and plans relating to these four primary areas of focus, while also providing high level summaries of key actions and outcomes across the next highest level of material risk, including employee happiness and well-being, human rights and modern slavery, anti-corruption, equal access to medical solutions, diversity and inclusion, and waste handling and recycling. All other ESG issues have been addressed in summary tables, and a GRI Indexed reference is provided in the appendices for ease of reference to specific areas.

Top 5 ESG issues by audience

Rank	Customers	Suppliers	Executive committee	Employees
1	GHG emission reporting, reduction targets & strategy	Occupational Health & Safety	GHG emission reporting, reduction targets & strategy	Privacy & Information Security
2	Privacy & Information Security	Privacy & Information Security	Sustainable packaging solutions	Occupational Health & Safety
3	Occupational Health & Safety	GHG emission reporting, reduction targets & strategy	Occupational Health & Safety	Sustainable packaging solutions
4	Organizational risk mitigation	Sustainable packaging solutions	Organizational risk mitigation	Employee Happiness & Well-being
5	Human Rights, International Labour Organization Standards and Modern Slavery	Human Rights, International Labour Organization Standards and Modern Slavery	Privacy & Information Security	Human Rights, International Labour Organization Standards and Modern Slavery

2023 Performance

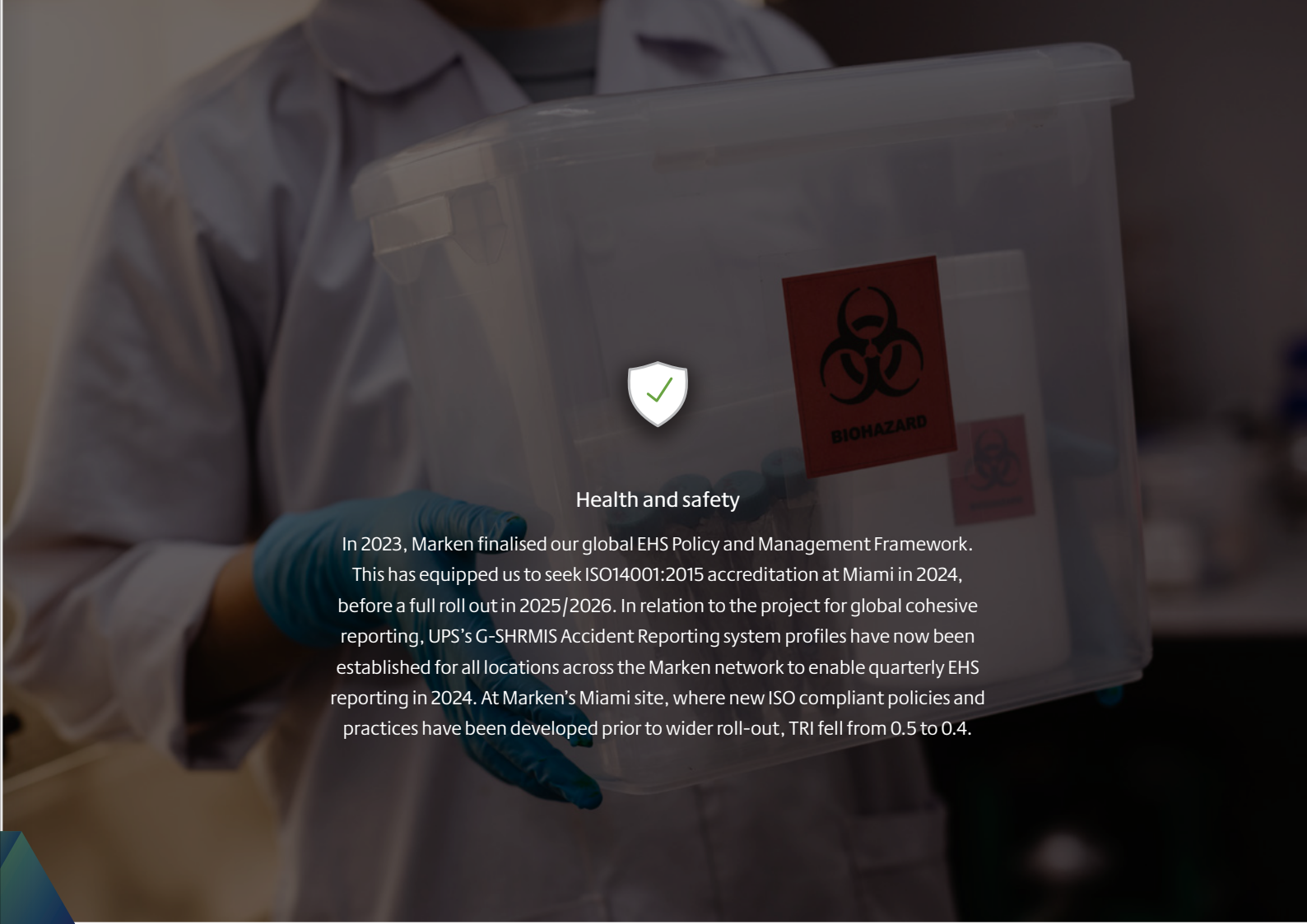
Summary of priority achievements in 2023




Information security and privacy

Our infosec focus has been on advancing policies and practices to enable global certification under the new ISO 27001:2022 standards. Key privacy achievements for 2023 have been to provide online access to privacy management tools, conducting an extensive privacy training and awareness program, and the introduction of “privacy by design” principles and practices across our operations.

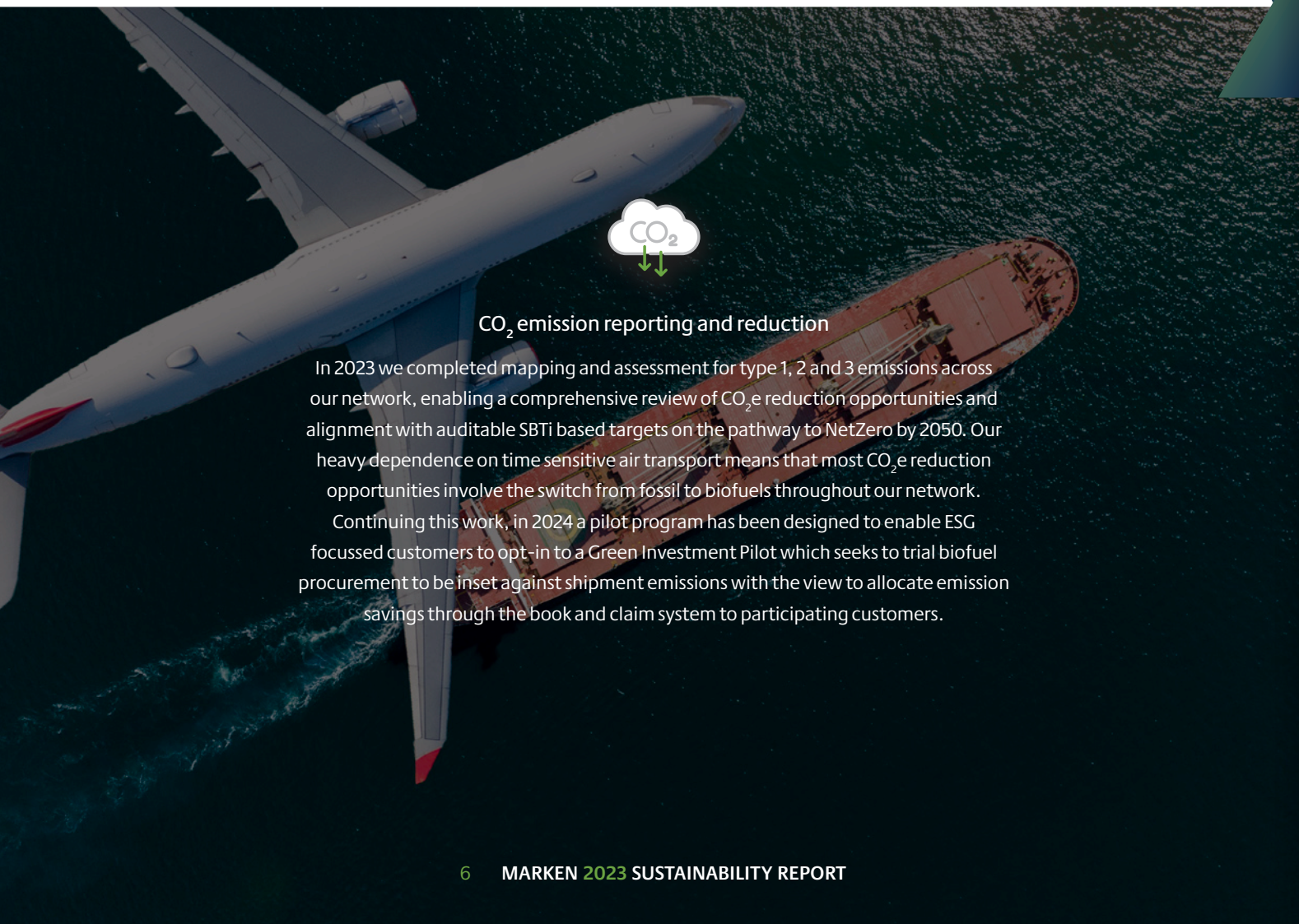
Most notably, and as a testament to our infosec and privacy program, there were no substantiated complaints reported in 2023.





Health and safety

In 2023, Marken finalised our global EHS Policy and Management Framework. This has equipped us to seek ISO14001:2015 accreditation at Miami in 2024, before a full roll out in 2025/2026. In relation to the project for global cohesive reporting, UPS's G-SHRMIS Accident Reporting system profiles have now been established for all locations across the Marken network to enable quarterly EHS reporting in 2024. At Marken's Miami site, where new ISO compliant policies and practices have been developed prior to wider roll-out, TRI fell from 0.5 to 0.4.

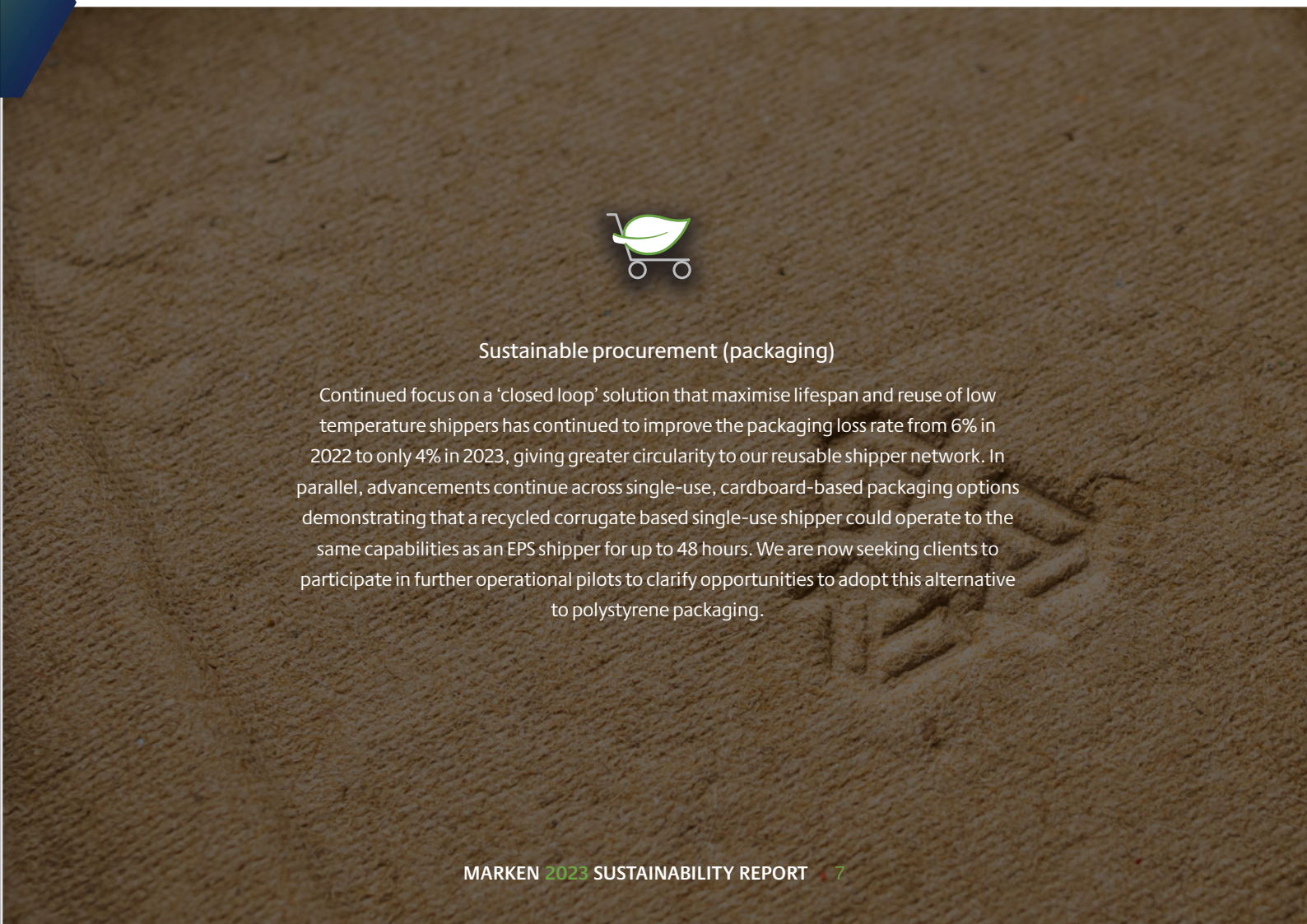




CO₂ emission reporting and reduction

In 2023 we completed mapping and assessment for type 1, 2 and 3 emissions across our network, enabling a comprehensive review of CO₂e reduction opportunities and alignment with auditable SBTi based targets on the pathway to NetZero by 2050. Our heavy dependence on time sensitive air transport means that most CO₂e reduction opportunities involve the switch from fossil to biofuels throughout our network.

Continuing this work, in 2024 a pilot program has been designed to enable ESG focussed customers to opt-in to a Green Investment Pilot which seeks to trial biofuel procurement to be inset against shipment emissions with the view to allocate emission savings through the book and claim system to participating customers.





Sustainable procurement (packaging)

Continued focus on a ‘closed loop’ solution that maximise lifespan and reuse of low temperature shippers has continued to improve the packaging loss rate from 6% in 2022 to only 4% in 2023, giving greater circularity to our reusable shipper network. In parallel, advancements continue across single-use, cardboard-based packaging options demonstrating that a recycled corrugate based single-use shipper could operate to the same capabilities as an EPS shipper for up to 48 hours. We are now seeking clients to participate in further operational pilots to clarify opportunities to adopt this alternative to polystyrene packaging.

Overview of focus areas, goals and achievements

The table below lists Marken's 2023 sustainability goals and achievements efforts across all focus areas. A separate summary of relevant employee training levels is provided in Appendix B. For each of the four high priority areas a more detail summary of activities and goals planned for 2024 is provided in subsequent sections.

Key focus area	Subcategory	Target	Achievement level	Reference
Environmental Impacts	CO ₂ emission measurement	Reduce scope 1 and scope 2 GHG emissions by 5% per annum	2.9% net emission reduction 2022 to 2023	POL-SUS-002 Marken Sustainability Policy, Clause 6.1.2
	IT infrastructure and software	Move Marken Solo to Microsoft Azure (carbon neutral cloud service provider)	In progress	POL-SUS-002 Marken Sustainability Policy, Clause 6.1.6
	Waste (facilities)	Track facilities waste (paper, recycling, ink cartridges) with a view for longer term reduction	In progress	Waste pilot completed for 7 locations in 2023 to ensure recycling and waste tracking setup.
		Reduce the reliance on printing documents through use of DocuSign	195,371 pieces of paper saved	POL-SUS-002 Marken Sustainability Policy, Clause 6.1.6
		Include ESG as a consideration in IT decision making	Complete	See here: POL-SUS-003 Marken Sustainable Procurement Policy, Clause 3.1
	Procurement: suppliers and Outside Service Providers (OSPs)	Achieve 50% compliance with Marken's Vendor Code of Ethics by existing procurement suppliers and ensure all new suppliers complied with the policy	84% compliance	POL-SUS-003 Marken Sustainable Procurement Policy, Clause 7.1.2
		All OSPs onboarded in 2023 to have signed contracts with Marken incorporating and agreeing to key ESG principles and commitments	Complete	POL-SUS-002 Marken Sustainability Policy, Clause 6.3.1(a)
	Procurement: packaging	80% of prospective procurement suppliers of packaging solutions shall complete the Marken Sustainable Packaging Assessment *	Target to be updated in 2024	POL-SUS-003 Sustainable Procurement Policy, Clause 7.1.2
		By the end of 2023, create a network of track and traced reusable shippers	Complete	POL-SUS-003 Sustainable Procurement Policy, Clause 5.2
		By the end of 2025, provide a closed loop reusable packaging solution for all temperature ranges	In progress	POL-SUS-003 Marken Sustainable Procurement Policy, Clause 5.1
		Embed sustainability within the packaging procurement process	In progress	POL-SUS-003 Sustainable Procurement Policy, Clause 5.3

* Note that in early 2024 we determined that requiring packaging suppliers work to produce ISO 14025 Tier III Environmental Product Declaration (EPD) for any packaging supplied to Marken would better meet this requirement than an internal assessment.

** ISO14001: 2015 gap analysis was completed in Frankfurt and Belgium as planned, however, halfway through the year it was decided to move the analysis to our Miami location due to EHS presence.

Key focus area	Subcategory	Target	Achievement level	Reference
Employee and Community Safety (Environmental Health & Safety, Occupational Health & Safety)	Goals (general)	ISO14001:2015 gap analysis to be undertaken in 2023 in FRA and BRU with intention to certify in 2024**	Complete	2022 Sustainability Report page 12
		ISO14001:2015 certification at Miami Branch (early 2024)	Complete	N/A
		Formalize the Core EHS Team and embed EHS coordinators across business	Complete	Core EHS Team Established and EHS Coordinators identified in 80% of locations
		Create and implement a Global EHS Commitment Statement	Complete	MCD-SHE-002 Global EHS Commitment Statement
		Establish internal communication process to publish EHS News, updates and relevant information (Marken EHS Website)	Complete	N/A
		Create an ISO14001:2015 Implementation Manual	Complete	POL-SHE-001 ISO14001:2015 Implementation Manual
		Create Global EHS Framework Policy	Complete	POL-SHE-002 Global EHS Framework Policy
		Create Global EHS Risk Framework Policy	Complete	POL-SHE-004 Global EHS Risk Framework Policy
		50% of branches to complete EHS Management System Self-Audit	86%	POL-SUS-002 Marken Sustainability Policy, Clause 6.2.1
		Site completion of EHS Induction Training	In progress	TR-SHE-004 EHS Induction Training
		Screen IT suppliers for ESG to understand emissions reduction opportunities such as DocuSign	Complete	DocuSign has been integrated and is the primary solution to obtain a signature
		Transition ISO2015:27001 Certification to ISO2022:27001 Certification	Complete	Completed March 2024
Ethics, Anti-Corruption and Crime	Goals (general)	Agreement to Marken Vendor Code of Ethics (POL-SUS-001) by 50% of existing OSPs	85%	N/A
		Completion of Vendor Anti-Corruption Questionnaire (CTF-310) by 100% of existing OSPs	96%	N/A
Diversity and Inclusion	Goals (general)	Minimum 35% female and 35% male representation in senior management	42% female	POL-HRS-014 Diversity and Inclusion Policy, Clause 5.2
Employee Wellbeing	Goals (general)	Completion of the voluntary and anonymous employee survey	86%	POL-HRS-015 Employee Happiness and Wellbeing Policy, Clause 6
		10% increase year on year of staff joining the Virgin Pulse Programme	Complete	POL-HRS-015 Employee Happiness and Wellbeing Policy, Clause 6
		90% completion of the performance evaluation process.	92%	POL-HRS-015 Employee Happiness and Wellbeing Policy, Clause 6

Information security and privacy

Our 2023 materiality assessment revealed that, across all demographics, infosec and privacy are Marken’s highest rated area of focus. The tables below summarise the substantial progress made on both fronts in 2023, plus our key objectives and plans for 2024.

InfoSec / IT

Focus area	2023 Achievements	2024 Plans
Evolve our current ISO27001:2015 certification to meet global ISO27001:2022 certification standards	<ul style="list-style-type: none"> Undertook a surveillance audit to identify areas for improvement and implemented efforts for remediation Prepare France operations for ISO2001 : 2022 audit in order to increase certification footprint 	<ul style="list-style-type: none"> Engage Certification Europe to undertake the ISO 27001:2022 recertification audit beginning in February 2024, and aiming for completion by March 2024
Establish and evolve a Global ISMS Governance forum and process for our ISO certifications	<ul style="list-style-type: none"> Defined a detailed scope of activities and vendor expectations to achieve this objective by 2025 	<ul style="list-style-type: none"> Commence a 15 month, 3-phased ServiceNow program in April 2024 to formalize Information Security Governance, Risk and Compliance functions, to begin by establishing the Configuration Management Database that will allow us to properly manage our assets and instantly improve compliance
Evolve Marken’s Information Security and Risk Culture	<ul style="list-style-type: none"> Established comprehensive policies and procedures in line with ISO27001:2022 guidelines 	<ul style="list-style-type: none"> Focus on integration of new policies and procedures throughout the many facets of IT, as well as other at-risk parts of the business Promote the message that InfoSec is the responsibility of all employees through a global Cybersecurity Campaign in October 2024

Privacy

Focus area	2023 Achievements	2024 Plans
Strengthen our privacy culture	<ul style="list-style-type: none"> Conducted privacy awareness days involving over 250 participants Delivered new KnowB4 privacy training Reviewed and updated Privacy policies and procedures, and updated key privacy guidelines 	<ul style="list-style-type: none"> Further operationalize records retention and disposal, including the accountabilities of information owners Identify and deliver of opportunities to increase current awareness of privacy across Marken Continue to embed and publicize Marken’s Privacy by Design policy and other privacy SOPs across Marken
Strengthen our privacy program	<ul style="list-style-type: none"> Launched new SOPs for Privacy Risk Management including Privacy by Design Assessment process Undertook gap analysis to assess steps required for Binding Corporate Rules readiness Updated Marken’s Privacy Risk Register 	<ul style="list-style-type: none"> Conduct test of Personal Data Incident Response Plan Evaluate use of AI solutions to assist personal data mapping across Marken systems Integrate privacy risk management into the InfoSec GRC Framework
Support growth in scope of services and jurisdictions	<ul style="list-style-type: none"> Reviewed and assessed impacts of global privacy regulatory changes Chinese Data Protection law compliance planning 	<ul style="list-style-type: none"> Develop readily available sub-processor list for controllers for GPCS Assess whether APEC Privacy Recognition for Processors (PRP) certification is beneficial for Marken and, if so, undertake certification process Review requirements of EU-US Data Privacy Framework and determine whether to certify Assess commercial GPCS service offering for impact on Marken’s data privacy obligations

Raising awareness boosts privacy assessment rates and efficiency

Thanks to a combination of increased privacy awareness, along with an increase in IT and process development, the number of privacy screenings and impact assessments rose from 32 in 2022 to 100 in 2023. Meanwhile, the average days to complete privacy screenings reduced from 25 to 16 days.

Throughout 2023, there were no substantiated complaints* received by or notified to Marken.

	2022		2023
PRIVACY SCREENING AND IMPACT ASSESSMENTS	32	↑	100
AVERAGE DAYS TO COMPLETION	25	↓	16

* Substantiated complaints as defined by GRI is a written statement by a regulatory or similar official body addressed to the organisation that identifies breaches of customer privacy, or a complaint lodged with the organisation that has been recognised as legitimate by the organisation

2023 CO₂e emissions

Rated as the most important ESG issue by our customers and executives, reducing greenhouse gas emissions remains a top priority for Marken, as evidenced by our commitment to join the Science Based Targets initiative (SBTi) in September 2023.

2023 achievement

Measuring Marken's CO₂ Emissions

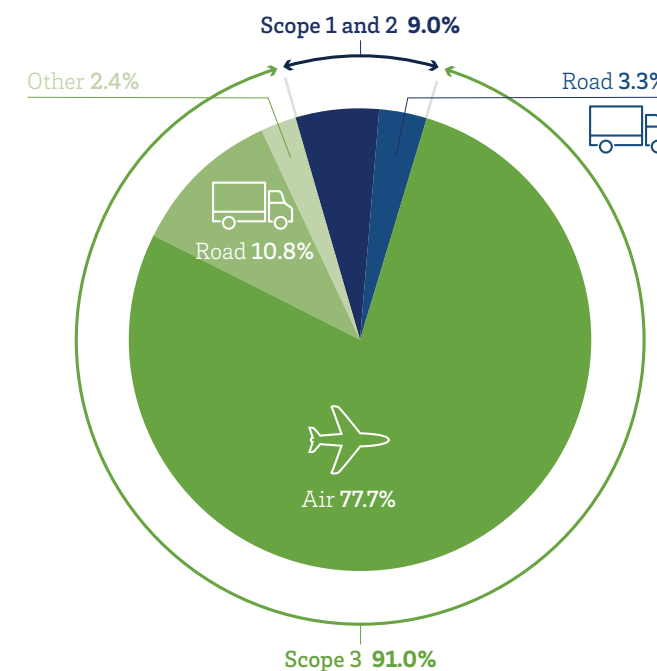
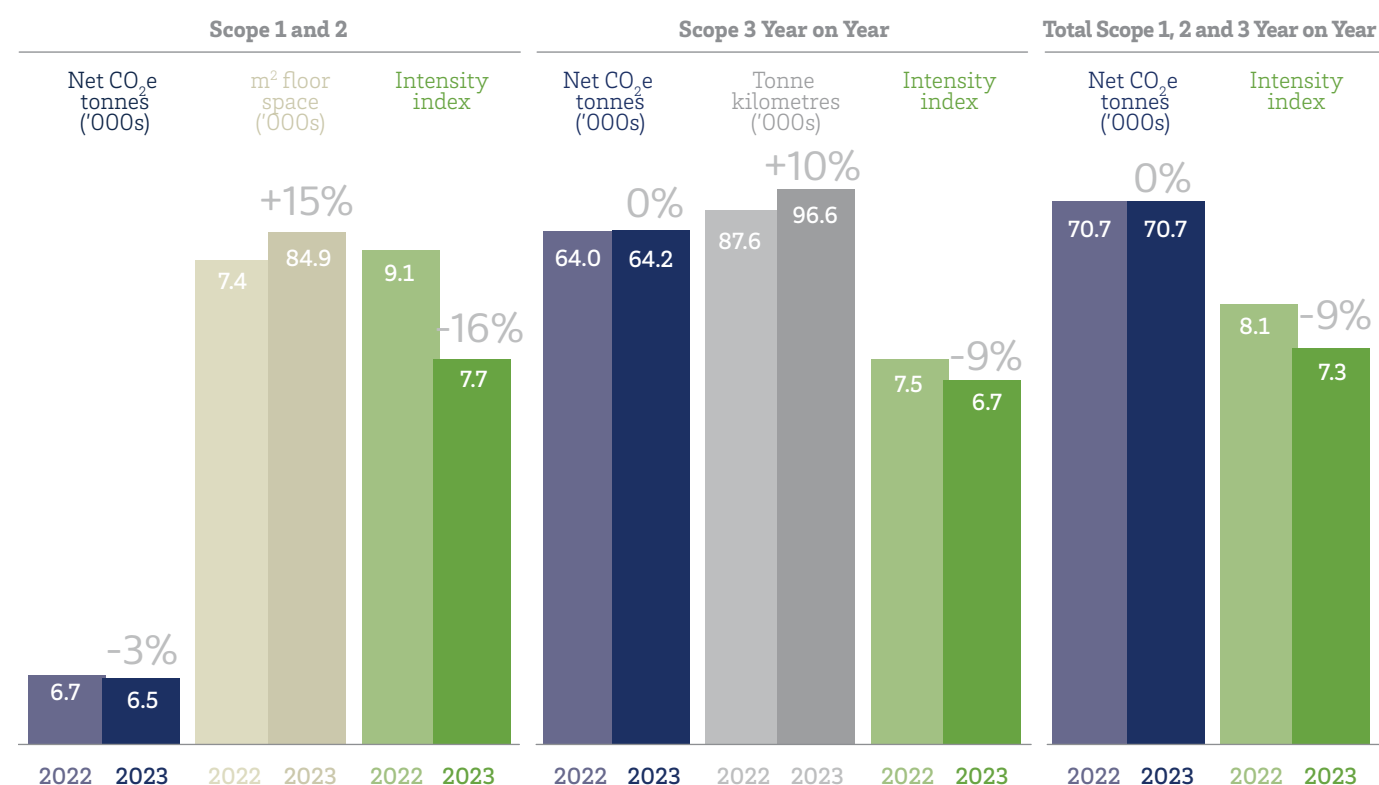
Building on work undertaken in 2022, our key focus for 2023 was to gain a more complete picture of Marken's Scope 1, 2 and 3 emissions in order to establish auditable reduction targets and to determine how these can be operationally achieved. This allowed us to take lessons learnt during 2023 to refine and restate our 2022 emissions.

Significantly, we have transitioned the framework for calculating emissions from GLEC Version 2 to GLEC Version 3. Combined with a more rigorous process for collecting and analysing local office data in relation to gas consumption, this has significantly impacted the reportable tonnage for 2022, as detailed in Appendix C. One consequence of this has been to dilute the impact of the positive steps taken to reduce Scope 1 and 2 emissions by 5% from 2022 to 2023, as anticipated in the 2022 Sustainability Report.

While further progress may be made to refine our CO₂e emissions measurement, the achievement of 2023 targets will be assessed in terms of the current methodology. Ultimately, as reported in detail below, our commitment to join the Science Based Targets Initiative (SBTi) will involve submission our final methodology for approval in 2025, at which time the longer-term (2030 and 2050) baselines will be formally confirmed.

This year we have also been able to calculate our emission intensity, using our facility square meterage as a denominator for Scope 1 and 2 emissions, and tonne kilometres (TKM), which reflects the number of tonnes carried by the length of each journey, for Scope 3 and Total Global emissions.

The charts below and top right highlight the key findings from our substantially enhanced CO₂e analysis.



Marken 2023 CO₂ Emissions

The table below summarises Marken's recalculated 2022 and newly calculated 2023 CO₂e emissions and intensities.

The scale of Marken's operations has increased significantly year on year, as reflected in a 15% increase in facility square meterage and an 10% increase in Tonne Kilometres (TKM) of freight transported.

Despite increase in business activities, through reduction strategies described on pages 14 and 15, Marken has achieved significant reductions in the absolute intensity of energy consumption and net CO₂ emissions, with a 16% decline on Scope 1 and 2 and a 9% decline in Scope 3 emission intensities based on a comparable year on year set of Scope 3 categories.

It also reveals that the more than 13 times increase to renewable sources of Scope 1 and 2 electricity effectively negated the impact of the increased activity in terms of net Global CO₂ emissions.

	Global CO ₂ Emissions tonnes			Global CO ₂ Emission intensity indices* (CO ₂ e/intensity denominators)		
	Re-stated baseline (2022)	2023	Change	2022	2023	Change
Facility square meterage				73,561	84,869	15.4%
Scope 1	2,842	3,271	15.1%	3.9	3.9	-0.2%
Scope 2 (location-based)	3,916	4,133	5.5%	5.3	4.9	-8.5%
Gross Scope 1 and 2	6,758	7,403	9.6%	9.2	8.7	-5.0%
Total Renewable / REC credits	68	908	1,241.4%			
Net Scope 1 and 2	6,690	6,496	-2.9%	9.1	7.7	-15.8%
Tonne kilometres (TKM) ('000s)				87,569	96,552	10.3%
Scope 3 Total**	64,048	65,953		7.3	6.8	
Scope 3 Year on Year***	64,048	64,211	0.3%	7.3	6.7	-9.1%
Gross Scope 1, 2 and 3	70,805	73,357	3.6%	8.1	7.6	-6.0%
Net Global CO ₂ e Emissions Total**	70,738	72,449	2.4%	8.1	7.5	-7.1%
Net Global CO ₂ e Emissions Y on Y***	70,738	70,707	0.0%	8.1	7.3	-9.3%

* Scope 1 and 2 = tCO₂e / Facility m² x 100; Scope 3 and Scope 1, 2 and 3 = tCO₂e / TKM x 10,000

** Includes additional categories calculated for 2023 *** Excludes additional categories calculated for 2023

CO₂e reduction focus on biofuels and renewable energy

Comprehensive assessment of Marken's CO₂ emissions during 2023 (inclusive of Marken's own Scope 1 and 2 transport emissions plus Scope 3 Transport and Distribution emissions) identified that 92% of Marken network emissions were created through air and road transport. Of this 92%, approximately two thirds could be reduced through replacing fossil fuels with currently available bio-fuels in our transport-related operations. This assessment reflects our status as a time critical carrier

constrained by customer requirements associated with:

- Time and temperature sensitivity of the shipments
- Client driven modal choice
- Routing and distance travelled (and lack of options for modal switch to reduce emissions)
- Safety

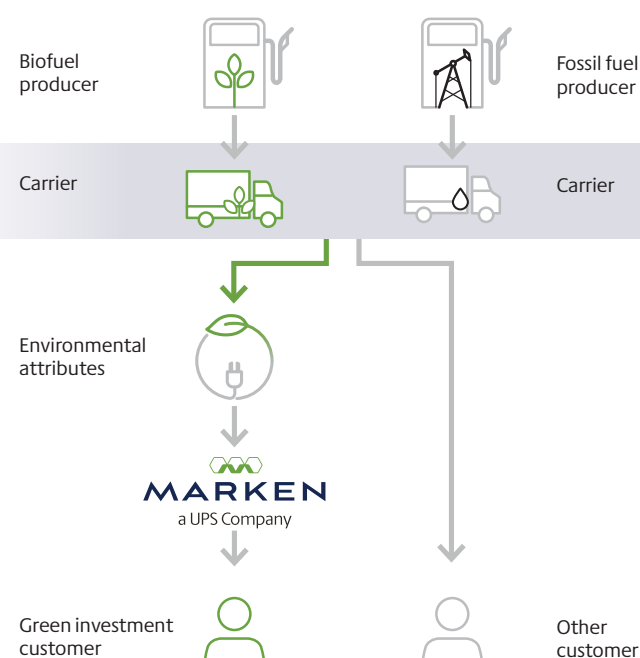
Green investment

In light of these findings, Marken has established emission reduction targets and decarbonisation strategy targets primarily lead by a transition to biofuels and other lower greenhouse gas emission intensity energy sources through a collaborative program of Green Investment.

Marken proposes to implement this through a 'book and claim' or 'carbon insetting' program which is in alignment with the guidance from the Smart Freight Centre. This allows the transfer of environmental attributes (carbon reductions), separate from the actual transport activity. A three month green investment pilot program will be run from June to August 2024, where selected ESG focussed Marken customers will pay a fee which will be spent on the price premiums for biofuels and renewable energy. These customers will receive the lower carbon emission profiles associated with the biofuel and renewable electricity usage within a claim statement attached to their emissions report.

We look forward to analysing the results of the pilot with a view to implementing a longer-term strategy based on lessons learnt.

Example



Commitment to Science Based Targets initiative



In 2023, Marken embraced the call from the Sustainable Markets Initiative Health Systems Taskforce and other ESG focussed clients to commit to the Science Based Targets Initiative (SBTi). In joining SBTi, Marken commits to a reduction pathway in line with the Paris Agreement, including net zero carbon emissions by 2050.

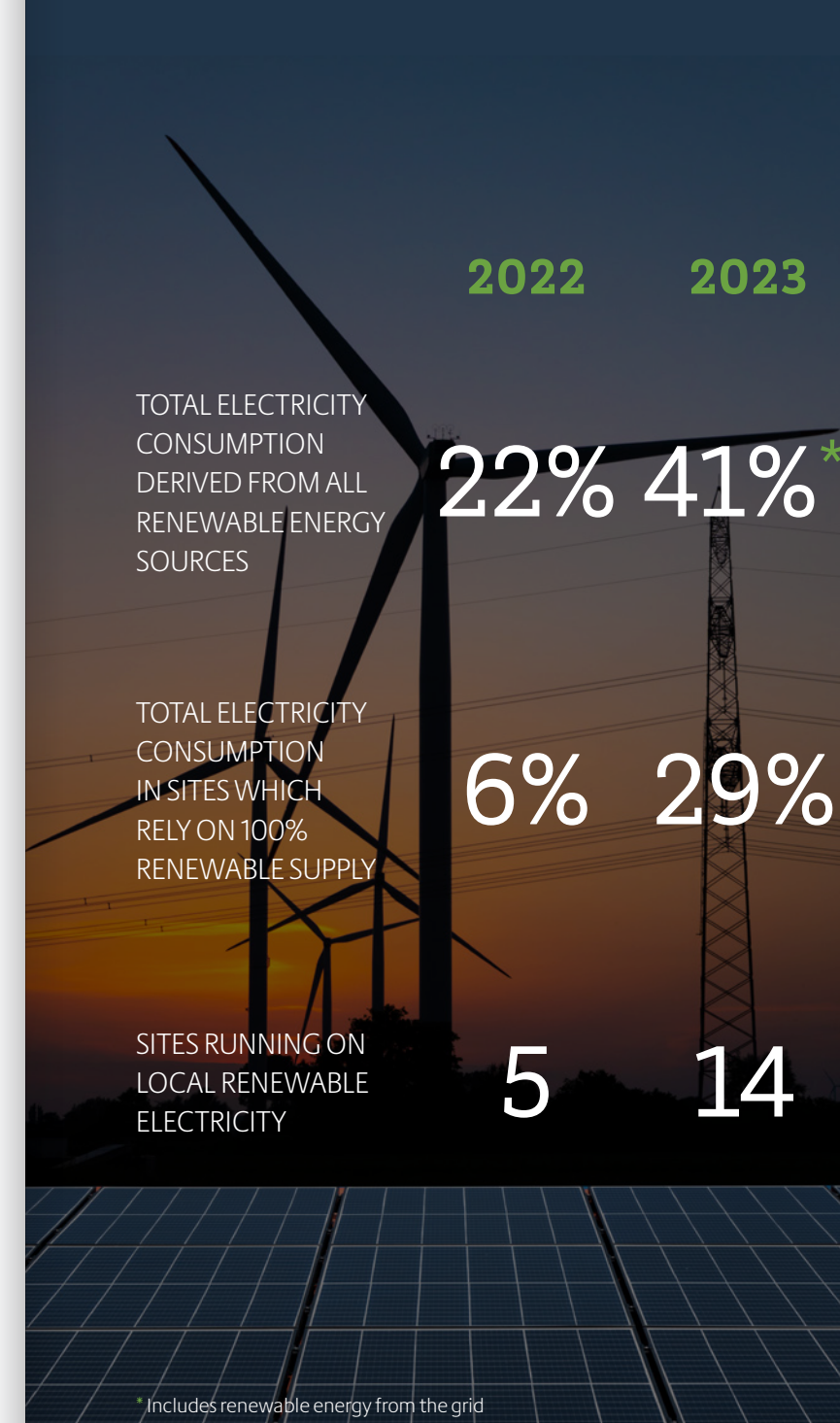
Marken is currently reviewing its proposed SBTi based CO₂e emission reduction targets against SBTi guidance and aims to submit these targets for approval in 2025. Currently proposed targets are shown in the chart below and are based on this analysis and the emission reduction strategy developed in light of our findings.

Marken's decarbonization targets

	Scope 1 	Scope 2 	Scope 3**
Target 2030*	60 - 80% absolute emission reduction	60 - 80% absolute emission reduction	50% emission intensity reduction
Target 2050*	100% emission reduction	100% emission reduction	100% emission intensity reduction
Yearly reduction 2025 to 2030	Up to 11%	Up to 11%	Up to 8%

* In-line with SBTi target and currently in the process of formally setting a SBT target

** Scope 3 includes emissions of all our carriers including UPS



Renewable Energy

In 2021, Marken set out to achieve a 5% Scope 1 & 2 year-on-year emissions reduction from 2023 onwards (see Sustainability Policy POL-SUS-002 clause 6.1). Our main decarbonisation focus for 2023 was to develop and implement a strategy to convert Marken's electrical energy sources from fossil to renewable energy sources and trial procurement of renewable energy contracts.

This effort has increased Marken's share of renewable electricity procured through 'green' local electricity providers and unbundled renewable electricity credits. A total of 14 sites, up from 5, are now running on local renewable electricity contracts (10.9% of total electricity) and our procurement of 1.9 million kwh of Green-e RECs (17.8% of total electricity) which has increased the share of Marken electricity consumption from renewable sources from 22% to 41%.

While the 2022 restated figures show a net absolute decline of only 3.0% from 2022 to 2023 for net Scope 1 & 2 emissions, this is an impressive achievement considering a 15% year-on-year increase of total facility area.

Moving forward

The relative impact of our renewable energy shift has therefore been less than anticipated. With the improved reporting process and biofuel pilot within our own vehicle base in 2024, we expect to see targeted reductions year on year for both scope 1 and 2 from 2024 onwards against the revised baseline,

Battery Electric Vehicles – Piloting within our network

While the opportunity to drive significant carbon reductions in our network through battery electric vehicles (BEVs) is much lower than the impact of switching to biofuel, we will continue to assess the feasibility of BEVs as part of our fleet, and plan to transition to these vehicles wherever they do prove viable.

In 2023, we partnered with Sovereign Speed™, an independent transport and handling company, to trial an 'EVito' electric vehicle for Marken's last mile and first mile shipments (collection and delivery) in and around Berlin. Analysis in its first week of implementation, based on 35 deliveries, revealed a 96.5% reduction in CO₂ emissions in comparison to a diesel vehicle (emissions calculated via market-based approach with energy from renewable energy sources (hydropower). An in-depth case study on this trial will be done in 2024 to gain further insights on this transition.

In light of this success there are continuing plans with Sovereign Speed™ to expand the electric vehicle fleet transporting our shipments throughout other European countries in 2024. In parallel, we are also inquiring about sustainable fuel card solutions in 2024.



Employee and community safety (OHS and EHS)

Rated in the top 2 priorities by suppliers and employees, our intensive focus on health and safety in 2023 has led to Marken's first ISO14001 certification in 2024. With globally consistent, comprehensive reporting to be established in 2024 we expect significant improvement to be driven by best practice guidelines published in 2023.

2023 achievements

Whilst complying locally with various regional Environmental, Health and Safety (EHS) reporting requirements, Marken's main EHS challenges have been to develop globally consistent policies and practices in line with ISO 14001:2015 and ISO45001 standards and procedures, while also enabling consistent internal reporting through a centralised information management system.



Global accident reporting

Full year TRIR reporting was available for 24 out of 63 Marken locations in 2023, compared to 18 out of 54 in 2022. Marken's global TRI for 2023 calculated on the basis of this increased sample of locations was 2.8, slightly higher than the figure reported for 2022. This reflects both a change in the reporting base and continuing efforts to improve the reliability of incident reporting. In 2024, we expect to be able to provide a global TRIR based on reporting from all Marken locations, which will finally provide us with a consistent basis for reporting trends and setting targets for improvement.



Global EHS policies and plan

Continuing the 2022 EHS plan, which was described in detail in last year's sustainability report, Marken's EHS team has worked throughout 2023 towards the publication of a Global EHS Policy and Management System Framework. Supported by eight Marken employees who completed a three-day ISO 14001 implementation and internal auditing training course in April 2023, the ISO Project Planning and Framework for EHS management system was established in November 2023, including a framework for EHS self-assessment.

By the end of 2023, 80% of locations had completed the EHS management system self-assessment, with a self-reported global average score of 85%.



ISO Certification

Based on Marken global EHS framework and the strong leadership and knowledge held locally, Miami Branch successfully obtained ISO14001:2015 accreditation in March 2024. Plans for more expansive roll out will be made for 2025/2026.



PSCI Audits in Paris by Bureau Veritas

As a further display of Marken's strong EHS practices, in 2023, Marken's two Paris locations were audited by Bureau Veritas in line with the PSCI* framework, which covers EHS as well as Ethics, Labour & Human Rights, Governance and Management Systems. Assessed against a total of about 150 criteria, our Parisian locations emerged with very positive scores across the 5 areas of assessment, with 0 critical, only 1 major and 6 minor risks identified. Those relevant to risk assessment and EHS have been noted and will be addressed via the Global EHS framework and CAPAs have been documented to remediate the highlighted risks.

* The Pharmaceutical Supply Chain Initiative (PSCI) was established in 2013 by 6 of the world's leading pharmaceutical companies and now comprises 82 (this is our current membership figure as of April 24) independent pharmaceutical and healthcare companies. The initiative provides a framework for EHS audits through the PSCI Principles for Responsible Supply Chain Management to enable audit sharing, while minimising the impacts of multiple audits on suppliers. Once audited by a PSCI approved audit firm or qualified internal auditor from a PSCI member company, that audit report can be shared with the wider PSCI membership.



Goals for 2024

The following EHS KPIs have been established for 2024:

- MCD-SHE-002 Global EHS Commitment Statement to be communicated to all employees.
- TR-SHE-004 EHS Induction Training for all new employees.
- MF-SUS-004 EHS MS Self-Assessment Audit to be completed annually by each location.
- EHS Scores based on quarterly audits to be issued for each location.
- MF-SHE-012 Monthly EHS Inspection Report to be completed by all US locations.
- MF-SHE-011 EHS Risk Assessment Template to be completed by all US locations and key locations globally.
- Consistent, complete, reporting and recording of workplace and auto accidents occurs within 24 hours of notification.

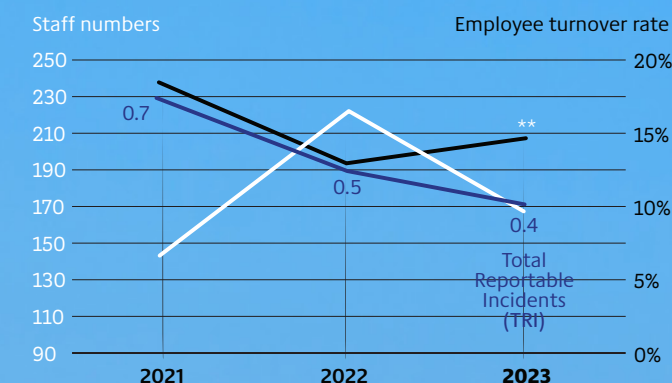
EHS progress in Miami

Our Miami facility remained a focal point for developing best-practice EHS policies and practices in 2023, leading to its successful completion of ISO14001:2015 accreditation in March 2024.

The success of these efforts to implement best practice EHS was reflected in a further reduction in Marken Miami's TRIR, from 0.5 in 2022 to 0.4 in 2023.

Compared to the overall TRIR of 2.8, the relatively low level of Miami Marken's TRIR is indicative of the long-term goals to be set across the network, once new policy and practice standards are rolled out with appropriate resources and training in place.

** Voluntary rate. Total rate in 2023 including non-voluntary is 16.3%



Sustainable procurement

Marken’s commitment to more sustainable procurement continued to focus on finding ways to minimise loss of reusable packaging, ensure packaging lifespan is accurate (to avoid premature decommissioning and destruction), decrease reliance on non-recyclable single-use packaging and, where feasible, shift from single-use to closed-loop packaging options.

We have also implemented an Outside Service Provider (OSP) ESG Framework to assess and ensure compliance with our Code of Ethics and commitment to more sustainable operations.

2023 at a glance (packaging sold and dry ice consumption)

Consumption	2023		2022		2021	
	units	%	units	%	units	%
Re-usable packaging (shippers)	221,931	29%	227,387	29%	164,079	29%
Single use EPS packaging *	537,040	71%	542,997	71%	401,407	71%
Total	758,971	100%	770,384	100.0%	565,486	100%

* Single use packaging includes BioSystem and BioTherm packaging only, as the focus of our project is to replace single use products with more environmentally friendly options or transition to reusable shippers.

Dry ice consumption **	2023	2022
	Tonnes	Tonnes
Supplied	6,049	4,642
Replenished	1,712	1,397
Total	7,761	6,039

** Excludes dry-ice used for re-icing by handling agents or airlines while in transit that was not recorded in Maestro.

2023 achievements and 2024 goals

Single-use recyclable corrugate packaging

A major achievement in 2023 was Marken’s internal trial of a recyclable alternative for the single-use packaging for shipments that requires deep freeze temperatures to be sustained up to 48 hours. As the next stage in the pilot process, Marken has approached key customers to pilot this packaging solution within Europe as an alternative to the expanded polystyrene packaging (EPS) options. Positive feedback has been received from customers wanting to pursue more sustainable packaging options and we are working hard to expand sizing and supplier options for clients throughout 2024.



Improving sustainability commitments from our Outside Service Providers (OSP)

During 2023, 51% of all Marken OSPs responded to the first Marken ESG Questionnaire, which gathered key information on their ESG capabilities. This helped us gain a better understanding of our supply chain maturity in the ESG space and provided key insights on how we can work together with OSPs to advance our overall sustainability strategy which will be analysed in 2024 with the aim to develop key OSP initiatives and KPIs for improvement in 2025 onwards.

See table on pages 8-10 for more information on OSP compliance with key ESG policies and metrics.

2023 achievements and 2024 goals *continued*

Improved management and lifespan of reusable shipping assets

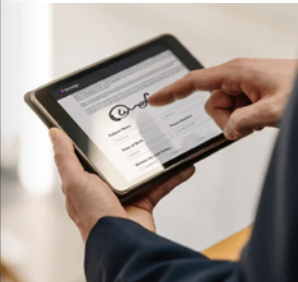
In 2023, Marken established a Global Assets Community to ensure cross-functional collaboration around defining and assessing processes, problems and KPIs. Increased focus on effective tracking of resource intensive reusable shippers using Asset Panda technology has further reduced the loss rate from 6% in 2022 to 4% in 2023.

Marken has further improved close-loop efficiency by:

- Working with our key suppliers to revalidate the lifespan of reusable packaging. This year, we have identified that 96L credo boxes, pallet shippers, and TIC plates have a ten-year lifespan instead of the previously validated lifespan of five years. This means that we will no longer be required to decommission perfectly good credo boxes and TIC plates prior to their actual ‘end of life’ and benefit from further reuse.
- Establishing global distribution centres in 3 of our regions for storing and handling bulk materials. A key benefit has been to reposition more than 16% of our durable packaging from international air freight to sea freight shipments in 2023, significantly reducing the CO₂ emissions associated with circular shipping requirements.

Throughout 2024, our aims are to:

- Reduce loss rates of reusable packaging to <2%. In addition, a target for asset utilization has been set at 0.6 x per month to provide better customer service and increased quality assurance.
- Investigate active pallet solutions that weigh around 250kg less than the standard option, which can be charged by solar panels. This will open up opportunities for pallet solutions where the Marken Monarch™ is either not currently available or on lower volume lanes.



IT Supplier Screening

Marken’s IT team has implemented steps to Screen IT suppliers to understand emission reduction opportunities, options for recycling and paper reduction through technology. They have also integrated DocuSign into Marken’s environment as the primary solution to obtain required signatures, minimizing the need for paper.

Since 2022, our increased use of DocuSign for both GxP and non-GxP Marken users has resulted in 14.37 tonnes of carbon emissions saved from being emitted to the atmosphere (6.12 tonnes of wood from being harvested), while saving almost one tonne of waste from going to the landfill.

Central procurement (business consumables)

In 2023, our procurement function identified that the top 25 consumables across our business are managed centrally at one storage hub in the UK and distributed to Marken facilities on an ‘as needed’ basis. This provided an opportunity to reduce emissions through local sourcing and storage opportunities as well as to re-think the products consumed to determine if there are more sustainable alternatives.

In 2024, we will continue to find regional solutions to global consumables and also gain broader visibility on local procurement across the organization. Further, we expect to hold a global RFP in 2024 for all consumable packaging suppliers to ensure the most cost effective and sustainable products are being used. Within this process, we will introduce a new requirement that all packaging suppliers work to produce an ISO 14025 Tier III Environmental Product Declaration (EPD) for any packaging supplied to Marken. This will enable us to compare packaging and select the most sustainable options for the needs of each client.

2023 pilot of water activated tape

From the top 25 consumables that we aim to switch with sustainable alternatives, the first focus is to replace the current polypropylene Marken tape with fully recyclable water activated tape. In 2023, regional suppliers were identified, and facility testing was completed in NORAM and Australia with positive feedback received.

We are currently in the approval and implementation phase of this sustainable alternative, planning to replace around 80% of the current taping solution (where feasible) by Q4 of 2024.



Other high priority areas

The 2022 Sustainability report provides extensive details about the many policies and programs in place to address other high priority areas of material risk. The following summaries provide an update on Marken's progress towards compliance and involvement with these policies and programs in 2023.

Human rights and modern slavery

This topic emerged as a top 5 material risk for Customers, Suppliers and Employees and is broadly addressed in Marken's Code of Ethics, which all vendors are now required to sign. It is further communicated by the UPS slavery and human trafficking statement, made pursuant to section 54 of the Modern Slavery Act 2015 (UK), which covers all UPS subsidiaries including Marken.

Marken adheres to the UPS Anti-Trafficking in Persons Policy (www.about.ups.com/us/en/ourcompany/governance), which strongly condemns trafficking and strictly prohibits the use of any of its assets or resources for any purpose that would enable the trafficking of persons, including forced labour, debt bondage, involuntary servitude, sex trafficking or commercial sex acts. This policy governs the UPS enterprise as a whole, including its employees, suppliers, consultants, third party representatives and subcontractors. Additionally, our recruiting and hiring activities must not knowingly include misleading or fraudulent practices, charge employees recruitment fees, or use recruiters or recruiting companies that do not comply with local labour laws or do not pay wages that meet the host-country's legal requirements.

Recognising the need to progress efforts around this issue, in 2024 we plan to develop more specific references to human trafficking in our Code of Ethics, and in 2025 to adopt the US NGO Truckers Against Trafficking 'local drivers' training course to raise our US based drivers' awareness and empower them to report incidents of human trafficking to authorities.

Employee happiness and well-being

86% of Marken employees completed the voluntary and anonymous annual Employee survey in 2023, which was put on hold in 2020 due to the COVID pandemic. Both the completion rate and the overall satisfaction score of 79% were significantly higher than ever before. While not directly comparable to the 72% overall employee satisfaction score recorded in 2019 because of changes to the mix of questions, the trend is undoubtedly positive. The aim is to sustain or improve this score in our 2024 survey.

We have seen a further 10% of employees sign up to our Virgin Pulse program, in line with the goal for 2023. With 48% signed up to the program by the end of 2023, the goal for 2024 is to increase this by a further 10%.

We have continued to promote and support employee participation in volunteer programs, recording a total of 23 programs undertaken by employees across 20 locations around the world. More details about these activities are highlighted on the next page.

We have also focussed on increasing employee engagement levels via the Marken Hub, with the number of posts increasing by 155% in 2023 compared to the previous year and higher overall levels of engagement. For example, the most popular Employee Engagement posts included an International Cat & Dog Pet Parade, The Great Marken Ghost Hunt and our Employee Health and Fitness month. We aim to substantially increase the average unique engagement post views by 50% in 2024 from an average of 124 unique views in 2023.



Marken team volunteering

Marken has actively promoted the opportunity for local teams to develop and/or participate in voluntary programs that contribute to socially and environmentally positive outcomes. In 2023, 20 teams or individual team members participated in 23 different volunteering activities, all benefiting from the positive experience of helping their local communities while bonding with their team.

Socially positive volunteers

In Asia, many teams volunteered to visit community supported orphanages and an aged care home, bringing food and practical items to share with the children and elderly people in the homes. They often played games and spent time interacting with the residents in a variety of other ways.

In the US, local teams contributed food packages to help those affected by fires in Hawaii and collected toys for a toy drive to give to children with disabilities during the December holiday season.

Other team members participated in blood donations, shaving hair for cancer awareness and fundraising, a race to raise funds for children in need and took part in a community-based Heritage event.

Environmentally positive volunteers

On the environmental front, many offices committed to cleaning up local beaches and rivers and, in two cases, combined this with employee health enhancing exercise in a process known as plogging, which combines jogging with picking up litter.

Other team members participated in an Earth Day Marathon and set up a community tree planting event in a local park.

Motivating sustainable thinking

While aiming to enhance local teamwork and team members' well-being, our efforts to promote, share and celebrate these activities have also helped to highlight the need for and value of Marken's organisational commitment to sustainability. This has contributed significantly to the wider team's acceptance and engagement with the multiplicity of efforts to realise best practice in this relatively new area of business focus.



Waste handling and recycling

E-waste

IT waste including monitors, laptops and cell phones are recycled via our regional IT departments through local vendors, who are responsible for destroying hard drives before recycling excess materials and providing us with a collection and destruction report.

In 2023 we signed a global contract with a leading electronics manufacturer that has made major strides in ESG, through which all old printers, parts, and toner or ink cartridges are now recycled. All newly supplied devices feature smart energy use technology, including overnight sleep mode, that minimise electricity consumption.

Recycling arrangements for all temperature logging electronic units (TTUs) were set up with manufacturers in 2022 to maximise rates of return for refurbishment or recycling. The procurement team created instruction sheets for each region / brand on how to recycle the units from start to finish. In 2023, more than 90% of the 54,830 units returned to their manufacturers were refurbished for reuse, with the remainder being recycled. In 2024, we are working with suppliers to understand the feasibility of using returned or repurposed TTUs as they are more sustainable than producing new units, continue to uphold quality and functional testing, and will reduce overall costs.

Operational waste

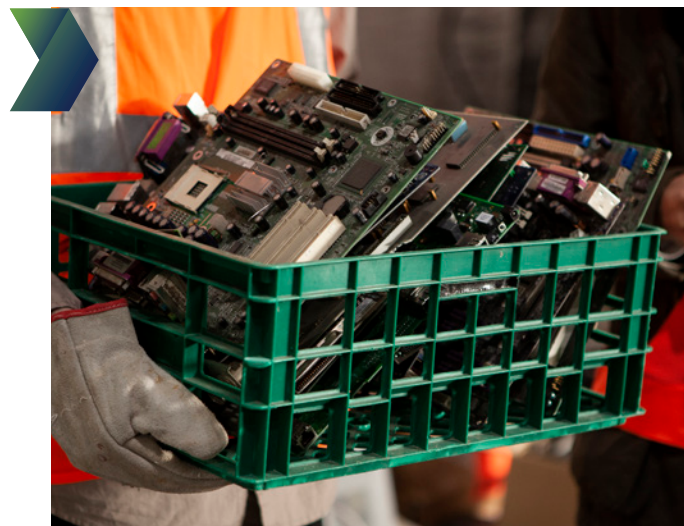
A pilot to assess and develop standard facility waste metrics and reporting protocols commenced in February 2023 with 7 locations. This revealed that almost all locations required direct assistance in determining an adequate recycling setup and waste measurement, reflecting the widely differing local options offered by 3rd party waste managers. The pilot will be extended to another 10-12 locations in 2024, aiming to develop a manual that spells out how best to implement waste recycling and reporting dependant on local circumstances.

In addition, in 2023 we created a mandatory maintenance/ service reporting process for on-site refrigeration aimed at capturing data on the fugitive emissions associated with servicing this equipment. This way, we can better analyse fugitive emission data and create a plan for remediation.

Anti-corruption

In 2023, we continued to drive our anti-corruption compliance program to maturity through the introduction of the Anti-Corruption Risk Management Framework Policy (POL-HRS-023) and the Anti-Corruption Risk Register. Using the opportunity to thoroughly review our administration and operations for anti-corruption risks, the risk framework ensures that Marken can plan, manage and assess risks associated with corruption and bribery.

In line with our new OSP ESG Governance Framework, we achieved our 2023 targets for at least 50% compliance by all existing OSPs on the Code of Ethics (84%) and ESG Form (51%), and at 95% came close to achieving our goal of 100% compliance on the Anti-Corruption Questionnaire by all OSPs.



Equal access to medical solutions

Marken continued to expand into sub-Saharan Africa in 2023, establishing a new location in Nigeria and actively working towards opening a Gambia office in 2024. Along with our offices in South Africa, Ghana, Kenya and Uganda, these new facilities can play a critical role in global efforts framed by the World Health Organisation to tackle 20 neglected tropical diseases that affect more than 1 billion people globally and will enable Marken to support clinical trials amongst diverse African populations that would not otherwise be possible.

We continue to partner with not-for-profit organisations in clinical research and trials that focus on bringing sustainable healthcare solutions to communities that are disadvantaged by poverty and/or inaccessibility via mainstream supply chains. For example, Marken has played a critical role in the Burkina Faso study detailed below, which demonstrated the potential for nutritional supplements to prevent poor foetal development and related infant mortality rates in areas affected by food insecurity.

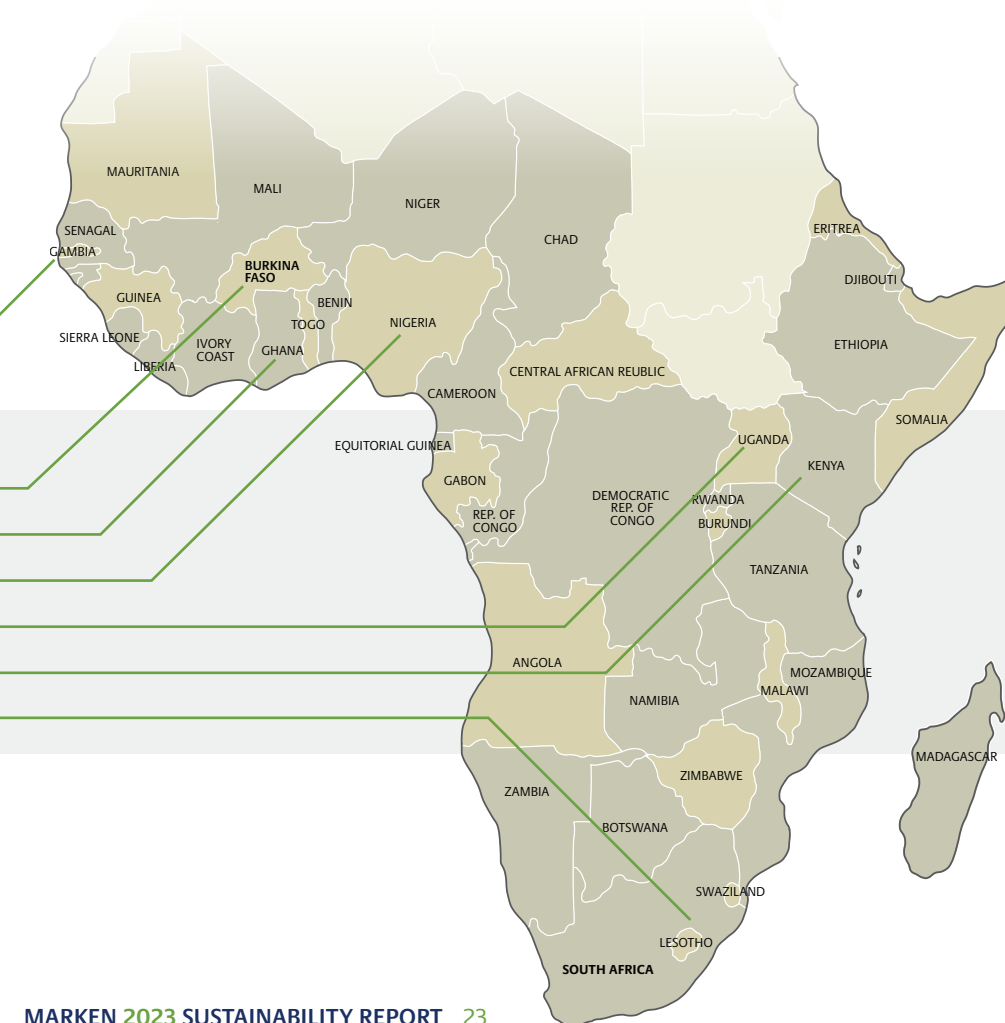
Diversity and inclusion

At the end of 2023, 42% of our senior management were female, which is well within our minimum boundaries of 35% for either gender. We are also pleased to note that a new question relating to Diversity and Inclusion added to the annual Employee Survey early in 2023 revealed very high levels of employee satisfaction (83%) in this area.

In 2024, Marken aims to create a Justice, Equity, Diversity and Inclusion (JEDI) Committee which provides employees with a safe space and the opportunity to work together to propose DEI projects to the ESG Steer Co for consideration. The intention is to increase awareness and connectivity between members and give those who are passionate about DEI a voice.

Another focus for 2024 will be to make UPS's wider Supplier Diversity Program more accessible to Marken suppliers, extending our commitment to working with small and minority-owned businesses. This program enables prospective suppliers to become certified in relation to their diverse ownership and size. By registering these certifications with UPS, Marken will be able to better assess and report on our supplier diversity.

GAMBIA ➤
BURKINA FASO ➤
GHANA ➤
NIGERIA ➤
UGANDA ➤
KENYA ➤
SOUTH AFRICA ➤



Supporting the MISAME-III Trial in Burkina Faso

Burkina Faso is an African nation where severe economic and social instability has resulted in a long-standing history of food insecurity. A key consequence has been maternal under-nutrition, leading to poor foetal development and contributing to high rates of infant mortality.

Led by Dr. Trenton Dailey-Chwalibóg and team at Ghent University (Belgium), Institut de Recherche en Sciences de la Santé (IRSS) and the Agence de Formation de Recherche et d'Expertise en Santé pour l'Afrique (AFRICSanté), and funded by the Bill & Melinda Gates Foundation, the biospecimen sub-study of the MISAME-III trial's primary objective was to assess the physiological effect of a ready-to-use micronutrient-fortified, nutritional supplement on foetal development and infant growth. Already impacted by the failure of other specialist logistics companies, including the loss of a full year's worth of blood samples, the research team turned to Marken to ensure seamless transport of biological samples from hundreds of expectant mothers and newborns on a consecutive basis over several years.

Marken took a proactive, strategic approach to expediting critical ancillaries and medical equipment from Europe to Burkina Faso, streamlining the supply chain process through planning and state-of-the-art tracking technology. In addition, we implemented a new, integrated supply chain to deliver the dry ice needed to ship bio samples at temperature below -80°C from a myriad of remote locations in Burkina Faso to various universities around the world, involving transport across 100s of kilometres on poor and hazardous roadways where seasonal, catastrophic flooding often prohibits road access and soaring temperatures require increased precautions for temperature-sensitive material. All these factors combined to make this one of the most challenging projects that we have ever undertaken.

Initial findings of the study indicate the potential for shelf-stable micronutrient-fortified nutritional supplements to improve fetal development and infant growth. Marken is proud of our contribution to enabling this research and look forward to working across our relatively new distribution facilities in Ghana, Kenya, Uganda, and Nigeria to support further studies and trials that will help to improve more equitable access to healthcare around the world.



APPENDICES

BILL & MELINDA
GATES *foundation*


MARKEN
a UPS Company

APPENDIX A

GRI reporting references

As a fully owned subsidiary of UPS, many of the governance requirements associated with the GRI are addressed in our parent corporation’s comprehensive GRI report. This report addresses of specific ESG issues that are material to our focused area of operations, which arise from factors such as:

- our key clients’ strong commitment to the Science Based Targets initiative (SBTi) arising from their alignment with the Sustainable Markets Initiative Health Systems Taskforce
- the unique logistical challenges associated with transporting highly sensitive biological samples at very low temperatures from widely distributed and sometimes remotely inaccessible locations
- the requirement for efficient tracking and circular management of highly sophisticated, reusable low temperature shippers
- the potentially hazardous nature of biological samples associated with, for example, treatment of virulent tropical diseases
- personal data collected and managed by us in the context of clinical trial sample collection, storage and tracking

The following GRI reference table identifies Marken-specific issues, initiatives and objectives detailed in this report, plus a range of relevant information available from other sources, indexed as follows :

UPS AR 2023	UPS Notice of AGM 2024 (including UPS AR 2023 Form 10K) www.investors.ups.com/_assets/_4676445c57b1696c1103187279d14ed1/ups/db/1110/10784/annual_report/DOCS_LEGL-_604963-v1-Final_2024_Proxy_and_10K_Web-Ready_Version.pdf
UPS GRI 2023	www.about.ups.com/content/dam/upsstories/images/social-impact/reporting/2023-reporting/UPS%202023%20GRI.pdf
Marken AR 2022*	www.find-and-update.company-information.service.gov.uk/company/01485138
Marken Sustainability Policy	www.marken.com/wp-content/uploads/2023/06/POL-SUS-002-Marken-Sustainability-Policy.pdf
Marken Code of Ethics	www.marken.com/wp-content/uploads/2023/06/POL-SUS-001-Marken-Code-of-Ethics.pdf

* This report refers to a subset only of Marken owned entities, but provides a comprehensive explanation of the Marken’s activities, value chain and other business relationships.

GRI Standard	Disclosure	Response
GRI 2 General Disclosures 2021	Legal name	Marken Limited (UK) and Marken LLP (US) and their respective subsidiaries
	Nature of ownership	Wholly owned subsidiary of United Parcel Service, Inc.
	2-1 Location of Marken headquarters	Ground Floor, 107 Power Road, Chiswick UK W4 5PY / Suite 120, Stratford Hall, 1009 Slater Road, Durham, NC 27703
		Global
	Entities	While Marken has various entities and branch offices globally, Marken operates as a Group and this sustainability report covers all its operations.
	2-2 Financial reporting	As a wholly owned UPS subsidiary, Marken Group’s financial reporting is undertaken by UPS.
	Current reporting period	January 2023 to 31 December 2023
	Frequency of sustainability reporting	Annual, calendar year
	2-3 Frequency of financial reporting	(UPS) Annual, Marken Limited PLC, Annual.
		Yes – Publication date - 24 May 2024
	Alignment with financial reporting	
	Contact point	Senior Legal Counsel & Director of Sustainability; Deahne Baker, Deahne.Baker@marken.com
	2-4 Restatements of information	Revisions to previously reported information have occurred in 2 instances: Dry Ice consumption – update in measurement approach; Green House Gas emissions - improvements to data capture and modelling approach for 2022 / 2023
	2-5 External assurance	This report has been reviewed and approved by the President and Chief Administrative Officer of Marken. No external entity has been engaged to provide independent assurance

Note – all subsequent items to be addressed via references cited above.

Statement of use Marken has reported the information cited in this GRI content index for the period from 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI Standard	Disclosure	Location
GRI 1 used	GRI 1: Foundation 2021	Appendix A
	2-6 Activities, value chain and other business relationships	Appendix A
	2-7 Employees	2500
	2-8 Workers who are not employees	Omitted
	2-9 Governance structure and composition	UPS AR 2023
	2-10 Nomination and selection of the highest governance body	UPS AR 2023
	2-11 Chair of the highest governance body	UPS AR 2023
	2-12 Role of the highest governance body in overseeing the management of impacts	UPS AR 2023
	2-13 Delegation of responsibility for managing impacts	UPS AR 2023
	2-14 Role of the highest governance body in sustainability reporting	UPS GRI 2023. Page 10
	2-15 Conflicts of interest	UPS GRI 2023. Page 10
	2-16 Communication of critical concerns	UPS GRI 2023. Page 11
	2-17 Collective knowledge of the highest governance body	UPS GRI 2023. Page 11
	2-18 Evaluation of the performance of the highest governance body	UPS GRI 2023. Page 11
	2-19 Remuneration policies	UPS AR 2023
	2-20 Process to determine remuneration	UPS AR 2023
	2-21 Annual total compensation ratio	UPS AR 2023
	2-22 Statement on sustainable development strategy	Page 3
	2-23 Policy commitments	Pages 3, 8-9
	2-24 Embedding policy commitments	Marken Sustainability Policy
	2-25 Processes to remediate negative impacts	Pages 12-15
	2-26 Mechanisms for seeking advice and raising concerns	Omitted
	2-27 Compliance with laws and regulations	UPS GRI 2023
	2-28 Membership associations	UPS GRI 2023
	2-29 Approach to stakeholder engagement	UPS GRI 2023
	2-30 Collective bargaining agreements	UPS GRI 2023
GRI 3	Material Topics 2021	3-1 Process to determine material topics
		Page 4
		Pages 4-5
GRI 201	Economic Performance 2016	3-3 Management of material topics
		Pages 8-23
		201-1 Direct economic value generated and distributed
		Omitted
GRI 202	Market Presence 2016	201-2 Financial implications and other risks and opportunities due to climate change
		Pages 12-15
		201-3 Defined benefit plan obligations and other retirement plans
		UPS GRI 2023, pp 36-37
GRI 203	Indirect Economic Impacts 2016	201-4 Financial assistance received from government
		None
GRI 204	Procurement Practices 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage
		Omitted
GRI 203	Indirect Economic Impacts 2016	202-2 Proportion of senior management hired from the local community
		Omitted
GRI 203	Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
		Omitted
GRI 204	Procurement Practices 2016	203-2 Significant indirect economic impacts
		Omitted
GRI 204	Procurement Practices 2016	204-1 Proportion of spending on local suppliers
		Omitted

APPENDIX A

GRI reporting references *continued*

GRI Standard		Disclosure	Location
GRI 205	Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Pages 8, 22
		205-2 Communication and training about anti-corruption policies and procedures	Pages 8, 22
		205-3 Confirmed incidents of corruption and actions taken	None
GRI 206	Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	None
GRI 207	Tax 2019	207-1 Approach to tax	UPS AR 2022
		207-2 Tax governance, control and risk management	UPS AR 2023
		207-3 Stakeholder engagement and management of concerns related to tax	UPS AR 2023
		207-4 Country-by-country reporting	Omitted
GRI 301	Materials 2016	301-1 Materials used by weight or volume	Pages 18-19
		301-2 Recycled input materials used	Pages 18-19
		301-3 Reclaimed products and their packaging materials	Pages 18-19
GRI 302	Energy 2016	302-1 Energy consumption within the organization	Pages 12, 27
		302-2 Energy consumption outside of the organization	Page 27
		302-3 Energy intensity	Omitted
		302-4 Reduction of energy consumption	Pages 12, 27
		302-5 Reductions in energy requirements of products and services	Omitted
GRI 303	Water and Effluents 2018	303-1 Interactions with water as a shared resource	Omitted
		303-2 Management of water discharge-related impacts	Omitted
		303-3 Water withdrawal	Omitted
		303-4 Water discharge	Omitted
		303-5 Water consumption	Omitted
GRI 304	Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
		304-2 Significant impacts of activities, products and services on biodiversity	None
		304-3 Habitats protected or restored	Page 19
		304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	None
GRI 305	Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 12
		305-2 Energy indirect (Scope 2) GHG emissions	Page 12
		305-3 Other indirect (Scope 3) GHG emissions	Pages 12, 27
		305-4 GHG emissions intensity	Page 12
		305-5 Reduction of GHG emissions	Pages 12-15
		305-6 Emissions of ozone-depleting substances (ODS)	Omitted
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None
GRI 306	Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 8, 22
		306-2 Management of significant waste-related impacts	Pages 8, 22
		306-3 Waste generated	Pages 8, 22
		306-4 Waste diverted from disposal	Pages 8, 22
		306-5 Waste directed to disposal	Pages 8, 22
GRI 308	Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Pages 8, 18
		308-2 Negative environmental impacts in the supply chain and actions taken	Pages 8, 18
GRI 401	Employment 2016	401-1 New employee hires and employee turnover	485 new hires 16.7% turnover
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	UPS GRI Index 2023, Page 36
		401-3 Parental leave	Omitted

GRI Standard		Disclosure	Location
GRI 402	Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Omitted
		403-1 Occupational health and safety management system	Pages 9, 16-17
		403-2 Hazard identification, risk assessment, and incident investigation	Pages 9, 16-17
		403-3 Occupational health services	Pages 9, 16-17
GRI 403	Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 9, 16-17
		403-5 Worker training on occupational health and safety	Pages 9, 16-17
		403-6 Promotion of worker health	Pages 9, 16-17
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 9, 16-17
		403-8 Workers covered by an occupational health and safety management system	Pages 9, 16-17
		403-9 Work-related injuries	Pages 9, 16-17
		403-10 Work-related ill health	Pages 9, 16-17
		404-1 Average hours of training per year per employee	~26 hours
		404-2 Programs for upgrading employee skills and transition assistance programs	Appendix B
		404-3 Percentage of employees receiving regular performance and career development reviews	Page 9
GRI 405:	Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 9, 23
		405-2 Ratio of basic salary and remuneration of women to men	UPS GRI 2023, Page 46
GRI 406	Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Omitted
GRI 407	Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Omitted
GRI 408	Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Omitted
GRI 409	Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 20
GRI 410	Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Omitted
GRI 411	Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Omitted
GRI 413	Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 21
		413-2 Operations with significant actual and potential negative impacts on local communities	Omitted
GRI 414	Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 8-9
		414-2 Negative social impacts in the supply chain and actions taken	Pages 8-9, 20
GRI 415	Public Policy 2016	415-1 Political contributions	Omitted
GRI 416	Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Pages 16-17
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 417	Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Omitted
		417-2 Incidents of non-compliance concerning product and service information and labelling	Omitted
		417-3 Incidents of non-compliance concerning marketing communications	Omitted
GRI 418	Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 11

APPENDIX B

Training programs and statistics

	Training Name	Average Time for Training	Compliant Employees	Total Assigned	Completed	Total Time Trained	Coverage
		Minutes	Number	Number	%	Hour	
ZenQMS	Diversity & Inclusion Policy (POL-HRS-014)	15	2570	2642	97%*	643	Global
	Employee Wellbeing & Happiness Policy (POL-HRS-015)	15	2567	2642	97%*	642	Global
	Marken Expenses, Hospitality and Gifts Policy (POL-HRS-002)	15	2668	2786	96%*	654	Global
	Marken Whistle Blowing Policy (POL-HRS-004)	15	2591	2662	97%*	648	Global
	Marken Code of Ethics (POL-SUS-001)	15	2568	2642	97%*	642	Global
	Marken Code of Ethics Test (POL-SUS-001 Test)	10	2516	2627	96%*	420	Global
	Sustainability Policy (POL-SUS-002)	25	2565	2642	97%*	1,068	Global
	Sustainability Test (POL-SUS-002 Test)	5	2352	2455	96%*	196	Global
Data Protection	Sustainable Procurement Policy (POL-SUS-003)	15	16	16	100%*	4	Procurement
	Global Privacy & Data Protection Policy (POL-DAT-001)	40	2035	2094	97%*	1,357	Global
	Data Protection & Privacy Training (TR-ALL-013)	35	2548	2670	95%*	1,486	Global
Anti-Corruption	Data Protection Test (TR-ALL-013 Test)	10	2565	2645	97%*	428	Global
	Anti-Corruption Awareness Training (TR-HRS-001)	50	2630	2702	97%*	2,192	Global
	Anti-Corruption Awareness Training Test (TR-HRS-001 Test)	10	2565	2684	96%*	428	Global
	Anti-Corruption Policy (POL-HRS-001)	50	2622	2711	97%*	2,185	Global
KnowB4	Anti-Corruption Employee Certificate (POL-HRS-001a)	15	2683	2777	97%*	671	Global
	Disrupting Our Unconscious Bias	10	2344	2492	99%	391	Global
	2023 Cybersecurity Fundamentals	38	2605	2633	99%	1,650	Global
	2023 Cybersecurity Fundamentals #2 – ISO 27001	38	2249	2255	100%	1,424	Global
	Privacy Training: Part 1	10	2087	2089	100%	348	Global
	Privacy Training: Part 2	10	2176	2180	100%	363	Global
	Privacy Training: Part 3	10	2374	2383	100%	396	Global
Cyber-Security	Privacy Training: Part 4	10	2517	2561	98%	420	Global

* Data recorded from 12 December 2023

Employee skills upgrade and transition assistance programs	Marken facilitated Leadership Essentials Program (6 sessions)
	USP U Leadership Skills Training
	Onboarding bootcamps for employees moving to a new role

APPENDIX C

CO₂ emission methodology and performance

Methodology

Scope 1&2:

- Collect consumption data (actual) from local branches;
- Cross check with financial & historic data;
- Apply local emission factors from energy providers for electricity consumption in CO₂e; these have been updated to reflect latest figures were available.
- Quality control measures for data (actual) supplied by local branches by collecting invoice records. Apply upscaling factors (calculated from actual values) where data is unavailable (i.e., branches without separate metering, utilities are included as outgoings or values were not supported by evidence); and
- Aggregate data on global level.

Scope 3:

- Transportation and Distribution calculations are based on the GLEC Framework Version 3 methodology created by the Smart Freight Centre, which is in line with the recently released ISO 14083 global standard on logistics emissions calculations. Emissions calculations are completed using the Smart Freight Centre accredited data platform ShipZero. Emissions are calculated on a distance-based method of the physical route legs of all Marken shipments.
- Note that a minority share of Marken shipment emissions are caused by Marken operated vehicles (<5%). Given that emissions from Marken operated vehicles are calculated using a fuel-based method and reported in Scope 1 and 2 respectively, these emissions are removed from the Scope 3 upstream transportation and distribution emissions calculated for Marken shipments to avoid double-counting.
- In 2023 Marken has extended Scope 3 reporting categories to include Business Travel and Employee Commuting. Scope 3 business travel emissions reported for 2023 include road travel emissions based on kilometres for which Marken employees are reimbursed by Marken. Marken plans to expand reporting of business travel emissions to air and train travel in 2024.
- Marken is cognizant that Scope 3 emissions associated with procured packaging are not currently reported. As such, Marken plans to initiate ISO 14044 compliant life cycle assessment pilots with its largest packaging suppliers in 2024 in order to be able to commence reporting on these packaging emissions in 2024 / 2025.

In 2026, Marken plans to extend our scope 3 reporting categories to comprehensive cover all Purchased Goods and Services in our annual emission calculations by no later than 2025.

- See **Table C5** for more details about the non-availability of other GRI standard Scope 3 elements

Restatement of 2022 emissions.

- A** Scope 1 emissions attributable to Natural Gas consumption were re-calculated for 2022 because a significant number of sites did not report gas used for heating in that year. 2022 emissions were re-calculated based on the amount of natural gas (m³) used per sqm of facility space in 2023, scaled to the total sqm of facility space occupied in 2022.
- B** Scope 2 electricity related emissions were re-calculated to reflect improved methodology and raw data from facilities. In the data reported in 2022, Scope 2 emissions for locations unable to provide primary electricity data were calculated based on total facility size. 2022 data reported in 2023 was recalculated to cover only Marken operated and controlled spaces in multi-tenant facilities. This led to a material reduction requiring the re-restatement of 2022 Scope 2 emissions for those sites.
- C** Total voluntary renewable electricity credits were recalculated as we found branches which had procured renewable electricity in 2022 without being classified as such.
- D** Upstream transportation and distribution emissions for 2022 were re-calculated because methodological changes to the distance-based calculations resulted in a substantial reduction in emissions.

The cumulative total effect of our 2022 emission recalculations is a reported Gross Total Scope 1-3 GHG Emissions decrease of 10,834 tCO₂e, which is 13.3% less than previously reported. Compared to figures reported in 2022, this revision reflects the following changes up by section:

- Increase of 484 tCO₂e in reported gas emissions
- Decrease of 4466 tCO₂e in reported electricity emissions
- Increase of 28.7 tCO₂e in reported renewable electricity consumption
- Decrease of 6823 tCO₂e in reported Scope 3 Transportation and Distribution emissions.

APPENDIX C

CO₂ emission methodology and performance *continued*

Performance

Table C1 – Renewable Energy

	Reported in 2022	2022 Restated	2023
Number of locations using renewable electricity	5	5	14
% Renewable out of total energy grid mix	18.1%	21.6%	41.4%
% of 100% local renewable contract branches and unbundled RECs	5.5%	5.5%	28.7%

Table C2 – Summary of Branch Emissions

	Reported in 2022 tCO ₂ e	2022 Restated tCO ₂ e	2023 tCO ₂ e
Total Electricity emissions	8,382	3,916	4,133
Total Petrol emissions	976	976	1,093
Total Diesel emissions	1,574	1,574	2,043
Total Natural Gas emissions	240	724	835
Gross Total Branch Emissions	11,173	7,190	8,104
Renewable Electricity / REC Credits	39.3	67.7	908
Net Total Branch Emissions	11,134	7,122	7,196

Table C3 – Summary of Consumption

	Reported in 2022	2022 Restated	2023
Total Electricity Used (kWh)	18,871,396	10,691,756	10,742,441
Total Petrol Used (litres)	339,050	339,050	350,808
Total Diesel Used (litres)	485,916	485,916	596,066
Total Natural Gas Used (m³)	118,941	354,899	409,456
Renewable Electricity / REC Credits (kWh)	361,515	361,515	3,079,007

Table C4 – Global CO₂e Emissions

Scope	Emission cause	Reported in 2022 tCO ₂ e	2022 Restated tCO ₂ e	2023 tCO ₂ e
1.1	Petrol Fuel (Owned and Leased)	821	821	828
1.2	Diesel Fuel (Owned and Leased)	1,297	1,297	1,568
1.3	Natural Gas / Heating <i>see A p31</i>	240	724	835
1.4	Employee Commuting (Owned/ Leased Assets)	~	~	39
Gross Scope 1		2,358	2,842	3,271
2.1	Electricity <i>see B p31</i>	8,382	3,915.6	4,132.6
Gross Scope 1 and 2		10,740	6,758	7,403
2.2	Total voluntary renewable electricity credits <i>see C p31</i>	39	67.7	907.8
Net Scope 1 and 2		10,701	6,690	6,496
% Change Net Scope 1 and 2		0%	-37%	-2.9%
3	Upstream			
3.1	Purchased Goods and Services	Table C5	Table C5	Table C5
3.2	Capital Goods	Table C5	Table C5	Table C5
3.3	Fuel and Energy – Related (not incl. Scope 1 and 2)	433	433	740
3.4	Transportation and Distribution	70,438	63,615	63,511
3.5	Waste Generated in Operations	Table C5	Table C5	Table C5
3.6	Business Travel	Table C5	Table C5	51
3.7	Employee Commuting	Table C5	Table C5	1,652
3.8	Leased Assets	Table C5	Table C5	Table C5
3	Downstream			
3.9	Transportation and Distribution <i>see D p31</i>	Table C5	Table C5	Table C5
3.1	Processing of Sold Products	Table C5	Table C5	Table C5
3.11	Use of Sold Products	Table C5	Table C5	Table C5
3.12	End-of-life Treatment of Sold Products	Table C5	Table C5	Table C5
3.13	Leased Assets	Table C5	Table C5	Table C5
3.14	Franchises	Table C5	Table C5	Table C5
3.15	Investments	Table C5	Table C5	Table C5
Gross Scope 3		70,871	64,048	65,953
Gross Scope 1, 2, and 3		8,1611	70,805	73,357
Net Global CO ₂ e Emissions		81,572	70,738	72,449
% Change Net Global			-13%	2%
Net Global CO ₂ e Emissions excluding new 2023 reporting categories:		81,572	70,738	70,707
% Change			-13%	0%

Table C5 – Scope 3 Categories Not Reported

			Why	Explanation
Upstream	3.1	Purchased Goods and Services	Not reported	There is currently not enough information to accurately report this value. As part of an internal materiality analysis Marken identified significant Scope 3 emissions associated with its procured packaging. As such, Marken plans to initiate ISO 14044 compliant life cycle assessment studies with its largest packaging suppliers in 2024 in order to be able to commence reporting on these emissions in its 2024 report.
	3.2	Capital Goods	Not relevant	An investigation was conducted in 2023 whether this reporting category applies to Marken operations. No material capital goods, currently not included in our Scope 1 and 2 emissions, were identified to date. Marken will continue to scan its operations for material emissions associated with Capital Goods.
	3.5	Waste Generated in Operations	Not reported	Waste pilot has been implemented in 2023 as base data thus far has been insufficient for reporting. The waste pilot will continue in 2024 with 10-12 more locations in addition to the locations already participating. The goal from this pilot is to create an instruction manual that can be used by all locations for proper waste tracking and reporting starting 2025.
	3.6	Business Travel	Partially reported	Business Travel emission reporting has commenced in 2023. Currently this covers road travel emissions for which Marken employees are reimbursed by Marken. Marken will include business travel emissions associated with air and train travel in 2024.
	3.8	Leased Assets	Not relevant	Marken does not lease any products/assets outside of the company. Leased company cars granted to employees for commuting have been included in our Scope 1 emissions.
Downstream	3.9	Transportation and Distribution	Not relevant	As a logistics company, all of Marken's transportation and distribution is accounted as upstream.
	3.1	Processing of Sold Products	Not relevant	No products are manufactured or sold by Marken.
	3.11	Use of Sold Products	Not relevant	This category is not relevant to Marken operations as a logistics company.
	3.12	End-of-life Treatment of Sold Products	Not reported	Not enough data was available to report this value for 2023 as there was not sufficient tracking in place. This will be reported as more information becomes available.
	3.13	Leased Assets	Not relevant	Marken does not lease any products/assets outside of the company.
	3.14	Franchises	Not relevant	Marken does not have products to franchise.
	3.15	Investments	Not relevant	No investments have been made on behalf of Marken.




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