



# Sustainability Report 2021



best solutions in bulk logistics

[WWW.SCHMIDT-heilbronn.de](http://WWW.SCHMIDT-heilbronn.de)

## About this report

GRI-102-45, GRI-102-46, GRI-102-50, GRI-102-51, GRI-102-52, GRI-102-54, GRI-102-56

### Content of the report

The content of the SCHMIDT Sustainability Report includes essential core topics and information on the subject of sustainability and corporate governance that affect Karl Schmidt GmbH & Co. KG (Group) directly or indirectly. This includes the presentation of the current situation, the definition of targets and goal values and the identification of opportunities and risks.

The core topics of the report result from the size of the company, the locations and the activities or the industry sector of the SCHMIDT GROUP as well as from external expectations of reporting, e.g. by organisations such as the Global Reporting Initiative (GRI) and EcoVadis as well as other external interest groups. When compiling the contents of the report, there are therefore sector-related focal points, e.g. on the environmental impact of CO<sub>2</sub> emissions, resource and energy consumption, as well as on various social practices. Due to the international nature of the company's activities, it is necessary to include cross-border aspects. The structure of the report is based on the GRI standards. The aim of the report is to cover the transparency interests of the main stakeholders. In addition, insights into relevant focal points of the SCHMIDT GROUP's sustainability performance are to be provided. Stakeholders have the opportunity to voice their concerns at any time in the form of feedback on the reporting.

### Reporting Scope

This report refers to the SCHMIDT-GROUP with all its locations and companies in Germany and abroad.

### Reporting period

The reporting period covers the year 2021 and follows the last informal report with the reference year 2020 (publication: end of 2021).

### Publication of the report

Schmidt's sustainability report is updated and published annually. The latest version of this report can be found on the company website (<https://www.schmidt-heilbronn.de/en/>) and is also available for download.

### GRI-Standard

This report is based on the GRI Standards 2016 and addresses the topics relevant to the SCHMIDT GROUP. The report makes no claim to completeness ("Comprehensive"), but is to be understood as a GRI-referenced claim. This report is not subject to an external audit.

### Note on the readability of the text

The generic masculine chosen in this report refers simultaneously to male, female and other gender identities. For better readability and for reasons of language simplification, the use of masculine and feminine forms of language is dispensed with. All gender identities are expressly included, insofar as the statements require this.

*SCHMIDT accepts no liability for errors or omissions in this publication.*

*This document is a translation of the original German language version. In the event of any conflict between the English language translation and the original German language version, the original German language version shall prevail.*

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## Foreword by the management

GRI-102-14

Dear Ladies and Gentlemen,

We are pleased to present our annual Sustainability Report 2021. In 2021, the SCHMIDT GROUP will continue to work resolutely to promote sustainability in all its facets within the company. The integration of a sustainable self-image with all its opportunities and challenges is a continuous process. Changes in the environment, global political events and conflicts as well as changing times make this task both demanding and necessary.

”Taking responsibility means perceiving sustainability as a whole. This includes understanding that each dimension of sustainability is inextricably linked and acting according to this understanding.

It is about going beyond the legal minimum standards and being a pioneer. It is not about having to, it is about wanting to. And we at the SCHMIDT GROUP want it. We want environmentally friendly processes, we want satisfied employees, we want secure jobs and economic growth. In short:

### **We. Want. Sustainability.**

Therefore, we are pleased to present our philosophy, our efforts and also our challenges and results for sustainability on the following pages.

*Thomas Schmidt*

*Sonja Többe-Schmidt*

*Susanne Schad-Schmidt*

*Horst Schmidt*



## The SCHMIDT-GROUP

GRI-102-01, GRI-102-02, GRI-102-03, GRI-102-04, GRI-102-05, GRI-102-06, GRI-102-07

### About the SCHMIDT-GROUP

Karl Schmidt GmbH & Co. KG was founded in 1948 by Karl Schmidt and has been family-owned ever since. With around 2,500 employees worldwide at 49 forwarding locations in Europe and the Middle East, more than 1,100 hauling units and around 7,000 bulk containers, the family-owned company has developed into one of the leading bulk logistics service providers.

In addition to the forwarding companies, the SCHMIDT GROUP consists of 14 other companies. These include companies in the gas sector such as SCHMIDT Gastransporte GmbH & Co. KG, but also consulting companies such as SLC Logistic Consulting GmbH. The various companies and holdings of the SCHMIDT GROUP are listed in more detail on the Schmidt website.

### Services and activities

The SCHMIDT GROUP offers its customers a comprehensive service portfolio. In addition to transport, storage and handling of bulk goods, medical and technical gases, the range of services also includes consulting, planning, construction and operation of logistics centres. In the realisation of these projects, our logistics experts apply their

know-how and extensive product knowledge for best possible results.

### Served Markets

SCHMIDT mainly serves the German and European market with transport and logistics services in the bulk goods sector and, with the SCHMIDT gas companies, the medical and technical gases sector. With consulting services, in the area of planning, construction and operation of logistics facilities, SCHMIDT is active worldwide with its engineering department.



approx. 2.500  
employees

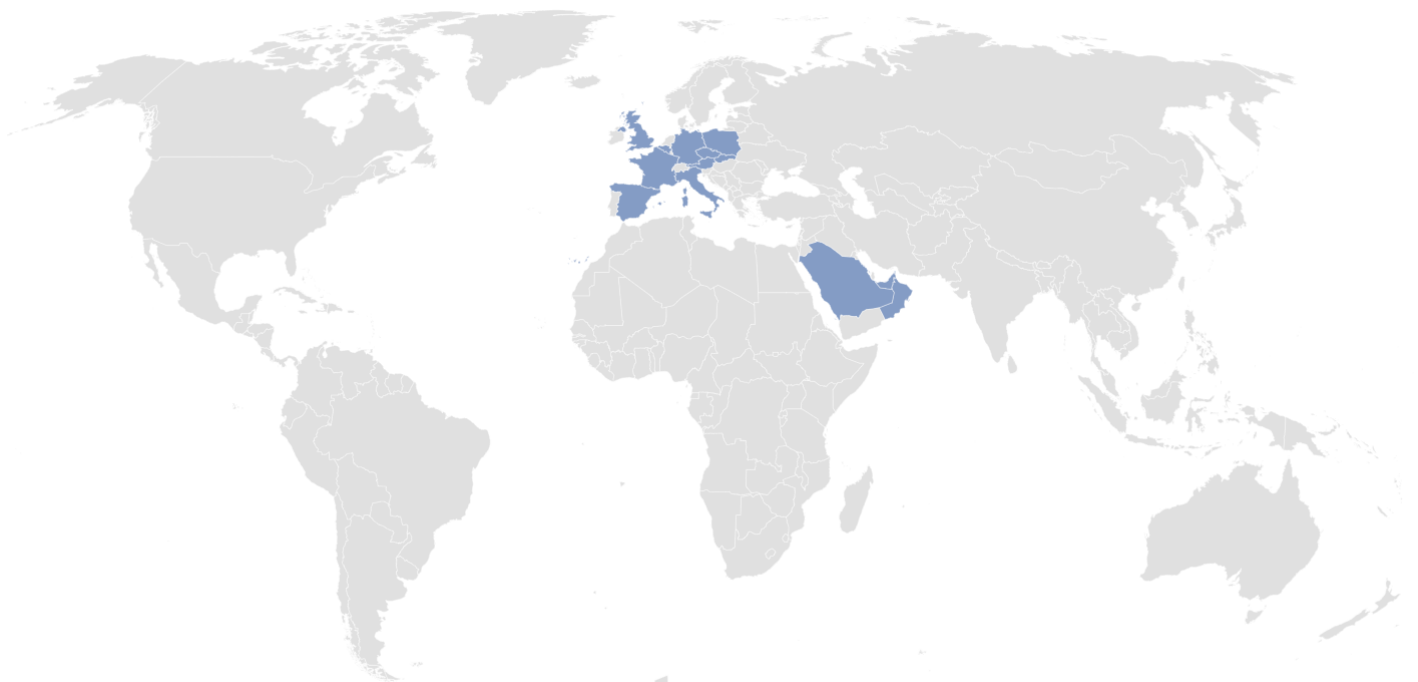


Headquarter:  
Rötelstraße 1, 74076  
Heilbronn



49 locations  
worldwide

### Countries with SCHMIDT locations



## The SCHMIDT-GROUP

GRI-102-05, GRI-102-18

### Company structure

A meaningful and integrated sustainability concept cannot exist only selectively in the company. Sustainability is a cross-sectional task that has to be supported and accepted by all divisions and members of the company. The employees are the foundation without whose support such a corporate orientation cannot and will not succeed. The managers and executives are leading this cooperation and control the implementation within their area of responsibility. They are responsible for their areas, employee concerns and an important interface to the management.

The responsibilities and tasks of the company members are transparently visible on the intranet so that every employee can find and contact the right person.

A specially created office for sustainability underlines its prioritisation and degree of integration in the company. It is also essential that the entire management stands behind the concept and consistently exemplifies its own values. Only in this way sustainability can be fully integrated into the company's values and culture.

#### Management

Thomas Schmidt / Susanne Schad-Schmidt / Sonja Többe-Schmidt

#### Strategic management circle

Division Management abroad / Transport Management / Division Management Marketing / Division Management Germany / Commercial Management

#### Departments / Divisions / Branches

#### Employees of the SCHMIDT-GROUP



In addition to the general structure of the various departments and the responsibilities in the areas of management, the management circle and the respective specialist departments, there is a superordinate structure at the SCHMIDT GROUP consisting of the individual companies of the group or family and the shareholdings. These include for example the companies Schmidt Gastransporte, SGT Schmidt Grewer Gastransporte, Service Center Wesseling, mst Mineral Spedition- und Transport GmbH, Mitra,

GasTransEurope and, of course, Karl Schmidt Spedition GmbH und Co. KG. In addition, transport services are also provided by so-called subcontractors. These subcontractors are in close contact with SCHMIDT in order to facilitate long-term business relationships and high-quality transport. The organisation of the SCHMIDT GROUP is thus very extensively subdivided.

## The SCHMIDT-GROUP

### Company governance and development

We are aware of the responsibility we bear as a link between producers and their end customers. The diverse experiences in our daily work and the resulting opportunities for improvement have led us to introduce rules of corporate management and control which guide our actions and goals. In accordance with our mission "Best solutions in bulk logistics", we want to present our actions transparently to our stakeholders and make clear that quality and the associated customer satisfaction, the facets of sustainability and our code of conduct are our essential philosophy. Wherever possible, all employees (through training and our Code of Conduct), suppliers (through supplier conditions), customers (quality management) and the public (CSR report, based on the GRI guidelines) are involved.

#### SCHMIDT-Code of Conduct

Ecology

Economy and  
quality  
management

Society, work  
and social  
affairs

Full integration into daily work processes through training and awareness-raising of employees as well as living the values in management.

Our internal quality management documents to us and our customers that we maintain an effective instrument that ensures compliance with our goals and requirements. Furthermore, it informs our employees about management goals, tasks, responsibilities and processes. All employees and managers at SCHMIDT receive our Code of Conduct as an orientation and guideline, which must be adhered to. The Code of Conduct is communicated to the employees in a targeted manner and is always available to them. It is a matter of great concern to the company management to always set the best example. Consistent adherence to quality standards and a corporate management that is geared towards the long term and value creation have resulted in a company that can not only look back on a long history, but has also constantly developed further.



## Strategy Development and Monitoring

GRI-102-16,, GRI 201/103

### Essential Objectives

According to our company mission:

#### "Best solutions in bulk logistics"

we strive to offer all customers a economical service, taking into account that quality and the associated customer satisfaction, occupational health and safety, environmental protection and the understanding of inviolable human rights are also important aspects of every activity.

Derived from this, we pursue the strategy of sensible, organic growth, which ensures the long-term preservation of the company, reconciles economy and ecology and makes them possible in the first place.

In addition to internally financed growth and development of the company, this means taking into account customer and legal requirements in the areas of quality management and environmental protection, ongoing certifications and, beyond that, participation in programmes such as European Chemical Transport Association, Responsible Care, Operation Clean Sweep and the independent sustainability rating EcoVadis.



This results in the short- and medium-term goals for the individual business units, which are internally reviewed annually, adjusted if necessary and pursued further. For example, the active reduction of CO2 and waste in the sense of environmental protection goals or the significant reduction of occupational accidents in order to provide our employees with a safe workplace. In addition, reliable performance plays a major role in economic objectives of healthy growth. Negative effects should thus be reduced and positive effects increased. Sub-goals have to be inter-linked in this process. This is not always easy to coordinate. One difficulty is to communicate the goals company-wide and to take into account the differences between the individual locations. Different perspectives, legislation, standards and environments have to be reconciled. However, the overarching goals apply company-wide. The sub-goals, the implementation and the strategy are tailored individually to the subsidiaries and locations.

### Strategy Development

The corporate strategy serves to realise the overriding corporate goals. It provides a route that serves the interests of the company and takes into account the circumstances of the environment. The identification of relevant stakeholders is essential for SCHMIDT's strategic sustainability orientation. Stakeholders are reference groups of a company that have a special interest in certain behaviours and activities of this company. The stakeholder approach describes the consideration of essential interests in management decisions. SCHMIDT identifies certain groups, which will now be explained more in detail.



## Strategy Development and Monitoring

GRI-102-40, GRI-102-42, GRI-206/103,

### Stakeholder identification

Important for strategy development and internal company processes is the identification of the relevant stakeholders for the company. They exert influence internally and externally and are thus relevant interest groups.

The largest internal stakeholder group are the employees, who are primarily interested in fair working conditions and a good working atmosphere. Also relevant at this point is occupational safety.

Suppliers and subcontractors demand good business relations at good conditions, punctual payment, clear communication and long-term commitment and planning security.

Customers are primarily interested in good prices and high quality.

Authorities have an interest in compliance with rules and regulations and transparent, clear communication.

The public is affected by pollutant and noise emissions - especially at the operating sites or on traffic routes - which is why there is an interest in reducing them. At the same time, the public benefits through the creation of jobs.

Fair competition with competitors is a matter of course. This includes complying with legal requirements and maintaining a factual and objective tone, especially in terms of communication.

A special external stakeholder is EcoVadis, an independent sustainability rating agency. The EcoVadis sustainability rating requires a high degree of transparency and broad data availability. A separate chapter in this report is dedicated to the sustainability rating of EcoVadis.

### SCHMIDT-Stakeholder



## Strategy Development and Monitoring

GRI-102-40, GRI-102-43, GRI-102-44

### Stakeholder communication

Cooperation and relationship management with stakeholders and the business environment requires targeted communication. Both internally and externally, communication makes it possible to set out one's own expectations and to identify the expectations of others.

In addition, the information content within a company increases, which is decisive for recognising and implementing opportunities and for noticing and assessing risks at an early stage.

Stakeholder	Stakeholder concerns	Communication channel
-------------	----------------------	-----------------------

#### Company and business environment

Employees	– Compatibility of career and family	– Company magazine
	– fair remuneration and working hours	– Intranet
	– a safe workplace	– Mail distribution list
	– equal treatment	– Notices
	– professional development	– Personal communication

#### Customers and business partners

Customers	– Reliability	– Website
	– High quality services	– Audits
	– good price/performance ratio	– Tenders
	– sustainability	– personal communication
	– transparency	– Trade fairs
Suppliers	– clear guidelines	– Website
	– long-term contractual relationships	– personal communication
	– punctual payment	– Trade fairs
Subcontractors	– Long-term contractual relationships	– Website
	– Clear guidelines	– Personal communication
	– Reliability	

Public	– Transparency	– Website
	– Avoidance of negative environmental impacts	– Posters
	– Safeguarding jobs	– Trade and career fairs
Legislator	– Acting in accordance with the law	– Legal register
Competitor	– Fair competition practices	– Website
	– Acting in accordance with the law	

## Strategy Development and Monitoring

GRI-102-44, GRI-102-46, GRI-102-47

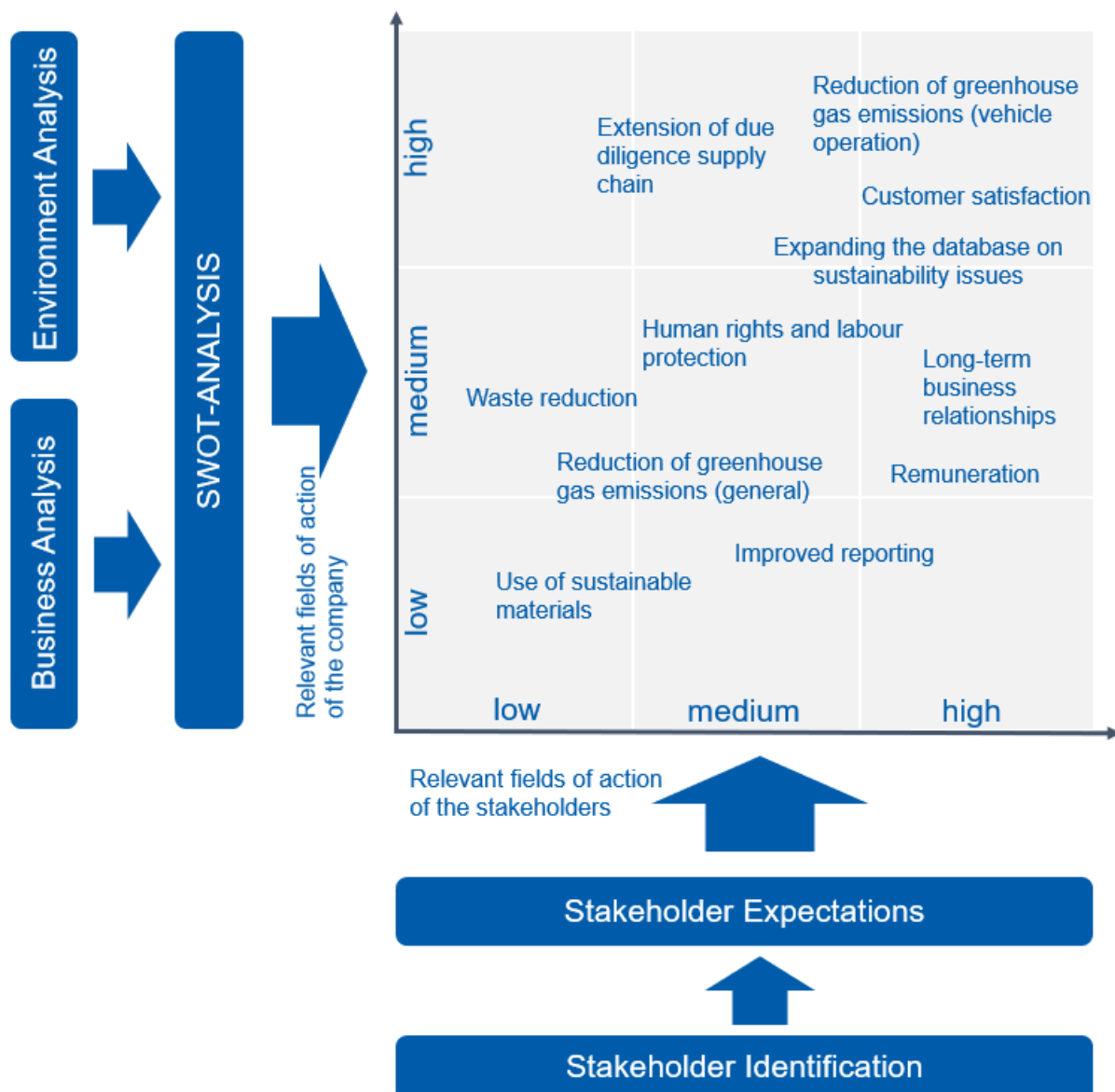
### Materiality Analysis

In addition to identifying stakeholders and communicating with them, a materiality matrix is a good tool for identifying and prioritising important sustainability decisions. The materiality matrix is based on both stakeholder and company interests and identifies relevant core sustainability fields. The resulting core fields are individually tailored to the company, its size, locations, environment and day-to-day activities. The results of a materiality analysis can therefore always change over time and are therefore regularly reassessed and reviewed.

For a company in the transport industry, this results in a strong prioritisation on the reduction of greenhouse gas emissions. Since SCHMIDT is not active in the manufacturing industry, material consumption is limited, which leads to a rather lower prioritisation at this point.

The materiality analysis is therefore an important instrument for strategy development. From it, measures can be derived whose success and progress can be checked in the further course.

### SCHMIDT-Materiality Analysis



## Strategy Development and Monitoring

GRI-102-11, GRI-102-15

### Chances and risk-assessment

Opportunity and risk assessment is an important tool to ensure the ability to act at an early stage and thus also an important basis for entrepreneurial decisions. This analysis must not be understood as static. Its contents and focal points are above all also geared to current events and occurrences.

#### Significant risks for SCHMIDT are:

- Business activities abroad: political risks, legal risks
- Natural risks (weather, natural disasters) that make transport activities difficult/bring them to a interruption or endanger employees and facilities
- Energy crisis and sharply rising fuel costs (especially LNG trucks)
- Disruption of information and communication systems due to e.g. cyber-crime (possible loss of data, loss of confidential information, disruption of business operations).

**Risks can never be completely avoided. However, risk analysis is an important tool to be able to react to potential risks at an early stage. It serves to reduce their impact and to ensure forward-looking and resilient corporate governance**

#### Key opportunities for SCHMIDT are:

- Economic developments could increase demand for transport
- Limited driver availability leads to higher transport prices

**Opportunities are seized at best. Early identification enables us to be prepared and, if implemented correctly, creates competitive advantages.**

### Nothing works without them - professional drivers at SCHMIDT



## Strategy Development and Monitoring

GRI 201—01

### Progress Dokumentation

A transparent and efficient strategy programme needs regular progress monitoring. This enables delays and problems to be identified at an early stage and countermeasures and adjustments to be initiated. It is important to regularly review the status of one's own objectives.

The following diagram illustrates the progress made in achieving the defined sustainability goals. Only an excerpt is shown. The various goals can be divided into the following three sustainability categories. Green is the ecologi-

cal sustainability, orange the social level and blue refers to the profitability of sustainable companies.

The economic result can be seen in the 2020 annual report in the Federal Gazette. The sales revenue for Karl Schmidt Spedition in 2020 was around 302 million euros.

Objective	Status	Classification SGD
Procurement LNG vehicles	100 %	
	LNG vehicles have been procured and are in use	
Conversion to LED	90 % of the branches have been converted	
Reduction of mixed municipal waste in DE branches by 10%.	100 %	
	Municipal waste reduced by 16.28	
Reduction of the accident rate (1000-man quota)	100 %	
	Rate reduced by just under 25 % on average	
Improving the training processes	Continuous optimisation through communication improvements	
Introduction of new fleet management system	70 %	
	- Master data adjustment	
Damage rate transport below 1	100 %	
	Rate is 0.8-1 ‰	
Introduction of claims software	0 % - Project start delayed	

## Implementation of Activities - Examples

GRI 201—04

### Project „Digitalisation of Accounting“

With the digitalisation of accounting, another cornerstone of sustainability was laid in the SCHMIDT company. Digital invoicing processes not only save paper resources, but also make work easier. In addition, errors and times are reduced and the efficiency of the work processes is increased.

### Project „Hydrogen Mobility“

Hydrogen mobility is currently a big topic. Produced "green" using renewable energies (electrolysis), it offers great potential to reduce greenhouse gas emissions to a minimum. Thanks to its fast refuelling and long range, it has considerable advantages over electromobility, especially in heavy-duty transport over long distances. SCHMIDT recognises this potential on the one hand with regards to the environment through a further reduction of its own emissions and on the other hand with regards to economic opportunities by entering a hydrogen market that creates new transport needs.

### Replacement of older vehicles with EURO VI - Vehicles

In the course of the goal to convert the entire SCHMIDT fleet to EURO VI standard, vehicles in the EURO V category and below were replaced with new vehicles in the EURO VI category. The ENF truck scrapping premium was used for this purpose.

## Corporate Governance and Compliance

GRI-102-11, GRI-102-17, GRI-205/103, GRI-205-02

### Objectives and activities

Responsible corporate governance is not an unfamiliar concept for us, even as an unlisted company. Ethical behaviour and legality naturally also play an important role for SCHMIDT. In this context, corporate governance at SCHMIDT goes beyond more compliance with legal requirements and includes voluntary commitments and principles that take into account the interests of all stakeholders and close gaps in trust.

An important core element is transparency. This is supported by our annual participation in various audits, including the EcoVadis sustainability assessment, and by the publication of this report.



The following aspects are particularly important:

- Confidential handling of information and data protection
- Ensuring professional qualifications
- Mediation in the event of conflicts of interest
- Motivation to act in a value-oriented manner
- Monitoring compliance with legal requirements
- Minimising the negative environmental impact of business activities
- consistent risk management
- avoidance of discrimination, money laundering and corruption

The implementation of responsible corporate governance is detailed work. It is based on internal company guidelines and directives as well as binding standards and laws. Compliance must be monitored by means of appropriate procedures. An essential component is compliance management with the associated risk analysis.

Instruments and measures include:

- Establishment of voluntary self-commitments in the corporate guidelines and code of conduct.
- Extension beyond the company's boundaries by means of supplier guidelines and random audits

- Implementation of the necessary structures and processes to control the guidelines and commitments
- Regular evaluation of managers within the regularly scheduled meetings of the management circle
- Continuous communication to promote transparency (internal company magazine, intranet, circulars,...)
- Training of employees on topics such as compliance and anti-corruption
- Clearly defined objectives such as the reduction of an internal gender-pay gap
- Anonymous whistleblower procedure and consistent action in the event of violations, up to and including termination without notice
- Risk management: Risk identification and control, if possible, at the place of action and use of indexes (e.g. corruption index) to determine and take into account country-specific risks.

An essential component here is the Code of Conduct. This is binding for all SCHMIDT employees and specifies which values and attitudes the company represents. In addition to defined legal regulations, SCHMIDT's responsible corporate governance includes further obligations and principles.

## Corporate Governance and Compliance

GRI-102-17, GRI-205-03, GRI-206-01, GRI-307-01, GRI-406-01, GRI-418-01, GRI-419/103, GRI-419-01,

### Whistleblowing System and Violations

SCHMIDT's central whistleblower system, which can be reached at the following contacts, deserves special mention:

#### Human Resource Department

Tel: 07131 / 947-208

#### Management

**Thomas Schmidt**

07131/947-272



An anonymous and confidential whistleblowing procedure is a matter of course.

The whistleblower is automatically protected from any kind of reprisals.

### Violations, lawsuits and reports

There were no reports for the year 2020 and 2021. Accordingly, no reactive processes had to be carried out - except for preventive measures. Of course, it is part of a goal-oriented whistleblowing system that hints are always taken seriously and are examined. The concrete procedure depends on the specific case. In the case of confirmed violations, e.g. in the area of discrimination, corruption or harassment, warnings, sanctions and dismissals are possible, depending on the severity.

In addition, there are no legal proceedings for anti-competitive behaviour or failure to comply with environmental legislation. There are also no known violations of the GDPR or complaints regarding the handling of customer data, as well as no known cases of money laundering.

## SCHMIDT-Code of Conduct

GRI-102-11, GRI-102-16, GRI-205-02, GRI-406/103

The Code is known and accessible to all employees. In addition, the values and behavioural instructions can be found in the respective standards. The management, executives

and employees have to review this Code of Conduct annually to ensure that it is up to date and to align all activities in the company accordingly.

### Compliance with applicable law & internal rules

Compliance with all applicable laws and legal regulations to be applied in the company serves as a guideline for us and our employees to act responsibly. Compliance is an inseparable part of SCHMIDT's corporate culture.

### Fighting corruption

We reject any form of corruption and expect the same from our suppliers, customers and partners.

### Conflicts of interest

We avoid conflicts between private interests (directly, indirectly or through related persons or companies) and the legitimate interests of the company. The use of company funds for any improper or unlawful purpose is not permitted.

### Acting in accordance with commercial business principles

We operate in accordance with sound commercial principles. This includes, for example:

- We only enter into transactions that are to the economic benefit of the company.
- We process and invoice customer orders completely and on time.
- We handle the company's financial resources prudently. We comply with the company's rules of procedure.
- We observe the dual control principle in all decisions.

### Customer relations

We respect our customer relationships and strive for long-term partnerships. We commit ourselves to always develop, offer and implement effective and sustainable solutions, true to our mission and in line with our values and in the interest of our customers.

### Supplier relationships

We respect our supplier guidelines and strive for long-term partnerships. We are committed to working with our suppliers in an honest, trustworthy, reliable and binding manner, in line with our mission and values. We expect our suppliers

to adhere to the values and behavioural measures of the Supplier Guide.

### Fair working conditions and social responsibility (CSR)

We live up to our social responsibility and ensure that our employees worldwide work under fair and acceptable working conditions. We treat all people fairly and respectfully and strictly reject any form of discrimination. We are transparent and report on our social responsibility in our sustainability report. We reject child and youth labour under the age of 13.

### Sustainability and environmental protection

We are committed to the sustainable and environmental friendly use of materials and resources.

### Fair competition

We face up to fair competition and see this as a challenge which we are happy to take on.

### Health and safety

We place the highest value on the safety and health of our employees. We adhere to the highest (certified) standards for occupational safety and ensure that our employees receive the appropriate training and information.

### Data protection and intellectual property

We protect the personal data of our customers and employees by complying with the relevant data protection regulations and also require our suppliers, partners and employees to comply with them. We respect and protect our own and our customers' intellectual property.

## Social Sustainability

### Human Rights

A central component of social sustainability is the observance and enforcement of human rights in all SCHMIDT locations and the SCHMIDT supply chain. They are therefore a central component of the SCHMIDT Code of Conduct and the supplier self-commitments. Informing all employees about the Code of Conduct and regular training via the ILIAS training tool are obligatory in order to make this topic constantly present. Random audits of suppliers also serve to ensure compliance with human rights.

SCHMIDT does not tolerate any form of forced labour or servitude. All work is done on a voluntary basis and can be terminated at any time with reasonable notice.

Employees and business partners are encouraged to report identified human rights violations in order to enable early identification and correction of abuses.

Fundamental human rights are to be respected irrespective of the length of service and the understanding and protection of compliance is to be consistently promoted.

## Social Sustainability

GRI-102-08, GRI-102-41, GRI 401/103, GRI-405/103, GRI-405-01,

### Employee diversity, equal opportunities and tolerance

In our owner-managed family business, the focus is on the people who work for our company and for our multiple customers every day.

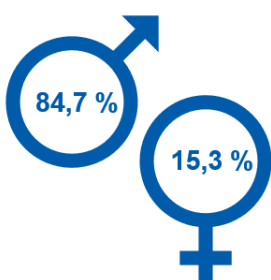
Only through the professional and efficient working methods and the high motivation of our employees do we succeed in realising customer requirements and thereby creating secure jobs for all employees and their families in the long term. Feedback from our employees is therefore always welcome.

SCHMIDT currently employs 2,495 people. 1,391 of them are in Germany, the remaining 1,104 are distributed among SCHMIDT's foreign locations.

The proportion of women in management positions at SCHMIDT is currently 27%. Two thirds of the management board are female.

The proportion of women in the total workforce at SCHMIDT is currently 15.03% for Karl Schmidt Spedition Germany. The low percentage at first glance is mainly due to the fact that the number of female applicants in the forwarding and warehousing sector is significantly lower than in other sectors due to the nature of the work. It is our concern to make these professions more attractive for women. This can be achieved, for example, through family-friendly working time models and understanding management. It is a determined goal to improve the attractiveness of the different professions for all genders to the same extent and,

#### Gender distribution (01.10.2022) Total workforce Germany



especially in the field of transport, to increasingly recruit female drivers in the future. In the context of the international orientation of our transport and warehouse logistics business, we are dependent on a diversified and diverse workforce. Internationality, communication

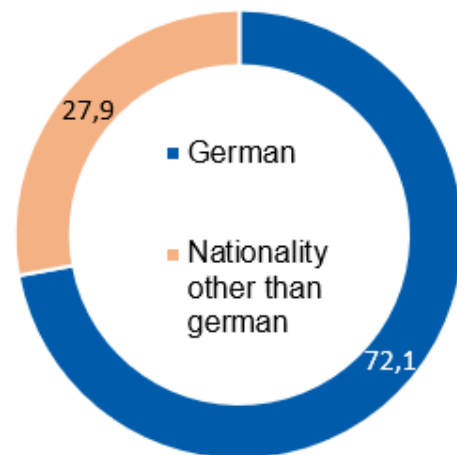
in many languages and respect for all employees regar

dless of their ethnic origin, gender or gender identity, religion or world view, disability or age are among SCHMIDT's fundamental values.

SCHMIDT also applies the principle of equal pay. Performance is paid regardless of gender and origin or other characteristics of the General Equal Treatment Act. No collective agreements apply.

As a cosmopolitan family-owned company, diversity is not just a buzzword for us, it is lived practice. In total, employees from 33 different nations work successfully together in the SCHMIDT GROUP in Germany. By way of example, the percentage of foreign employees for Germany is given because, of course, nationalities other than the nationality of the considered country must be indicated for each country. Since the majority of SCHMIDT employees work in Germany, it is important to differentiate here.

#### Employees SCHMIDT Germany by nations in percent (as of 30.06.2021)

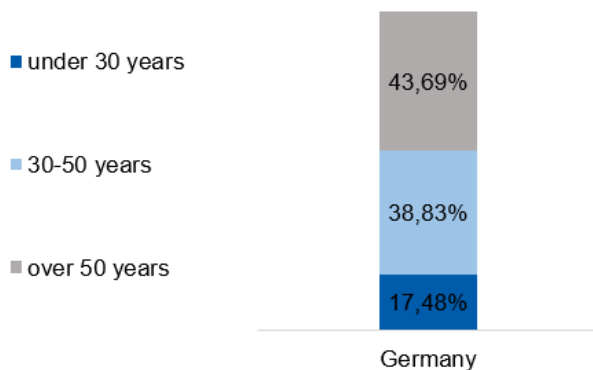


## Social Sustainability

GRI-102-08, GRI-202-01, GRI 401/103, , GRI-401-01, GRI-401-02, GRI-405/103, GRI-405-02,

This diversity also includes a mixed age structure within the company. Young employees benefit from the experience of long-standing company members, while they themselves bring a breath of fresh air and new ideas.

### Total workforce by age group Germany (31.10.2022)



Of course, SCHMIDT also employs people with disabilities according to their capabilities. Currently, 2.9% of the employees of Karl Schmidt Spedition GmbH & Co. KG are handicapped.

### Employer attractiveness

#### Remuneration principles and remuneration equity

"Work must be worthwhile". SCHMIDT stands for performance-related and fair remuneration. This includes that no gender-related distinctions are made in remuneration. The level of remuneration is not based on the minimum wage, but aims to secure the livelihood of the employees in any case. This is against the background that in many countries the minimum wage is not enough to live on and that confirming the minimum wage can be misleading in terms of fairness of remuneration. At SCHMIDT, remuneration consists of fixed and variable factors. In order to establish comparability, you can see below the comparison of the average earnings of an administrative employee at SCHMIDT and the industry average broken down by gender. The data refers to Germany and 2021. An evaluation of the wages of industrial employees in Germany has shown that the SCHMIDT average wage is € 3,106/month. In relation to the minimum wage, this is 159 %. A comparison of the average wages of women and men employees

showed that the average wage of women is 98 % of the average wage of men and thus there is no significant wage gap between the genders.

#### Flexible working hours

A variety of working time models also enable employees to reconcile the demands of their private lives with the requirements of the company. Whether it is parental leave to look after children, care for or look after family members or, for example, to bridge the time gap or take care of private matters.

#### Safe workspace

SCHMIDT wants to offer its employees a secure job in the long term. Both employees and employers benefit from long-term relationships.

## Social Sustainability

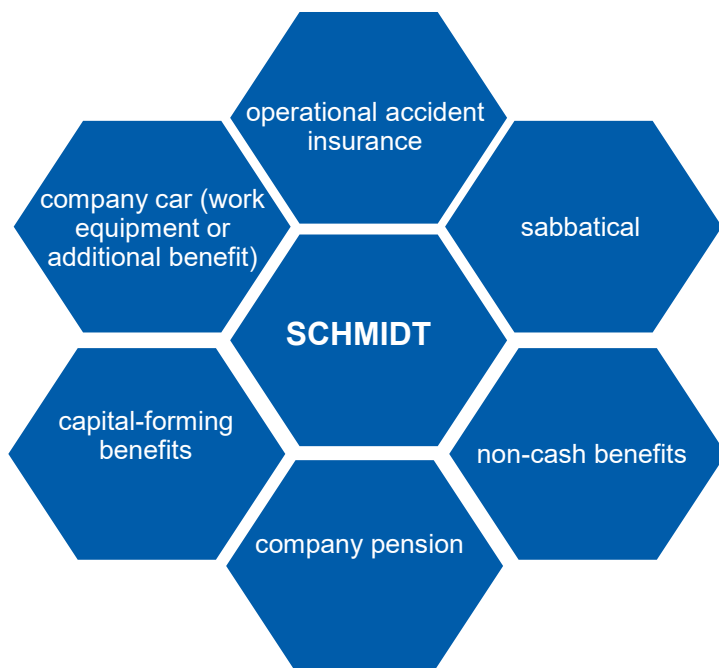
GRI-102-08, GRI-401-01, GRI-401-02

### Other additional services

In addition to flexible working hours and job security, SCHMIDT also grants its employees various company benefits. These include, for example, the company accident insurance, which also covers accidents that have occurred during free time. Another benefit is the company pension. SCHMIDT also supports the development of its employees. Sabbaticals make it possible for the job not to get in the way of life's adventures. In addition, professional and personal development is provided with training and internal job changes.



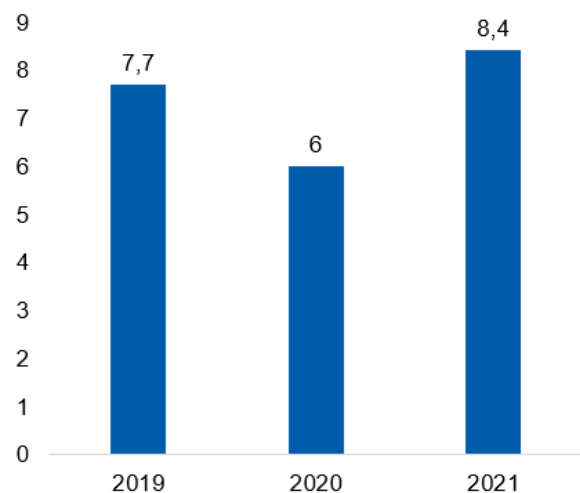
These activities have a positive effect on voluntary fluctuation, which is not only an indicator of employee satisfaction in the company, but also has a positive effect on fluctuation costs and thus on the profitability of a company. In Germany, 185 employees were hired in 2020 and 251 employees in 2021.



The working atmosphere is of course also an important point that speaks for SCHMIDT as an employer. Internally, opportunities and activities are identified that can increase employer attractiveness. Participation in sporting events, the possibility to purchase voucher blocks at a reduced price, health days and company celebrations are among them.

In addition, there are the diverse occupational fields themselves. Motor vehicle driver, mechanic, dispatcher, warehouse clerk, office clerk, to name just a few of the fields of work and activities.

### Voluntary fluctuation SCHMIDT-Germany



## Social Sustainability

GRI-102-08, GRI-401-01, GRI-404/103, GRI-404-01, GRI-404-02, GRI-404-03

### Educational opportunities at SCHMIDT

#### Education and study

Employees are the heart of every company. For this reason, SCHMIDT not only offers apprenticeships in commercial or technical areas, but also the opportunity to find an attractive job during or after their studies in the form of internships, practical student work or student trainee and graduate positions.

**Apprentices 2021**  
(01.01.2022)

**51**

In 2021, 80% of the apprentices who completed their training were finally employed by SCHMIDT.

#### Qualification and further education

Qualified employees are the cornerstone of every company's success. The promotion and further training of employees is therefore an essential component for good company performance in the long term. To ensure qualified company personnel and to enable personal development, employees are regularly trained. Various training opportunities are available for special development needs, which can be individually coordinated with the employee. If an employee identifies a need for training, she or he can indicate this at any time. About 10 % of SCHMIDT managers have also started their professional career with an apprenticeship or a dual study programme at SCHMIDT and have developed into qualified managers.

The constantly growing demands on our employees are recorded by regular training needs assessments, which take place at least once a year, and are implemented in specific training and further education measures.

The satisfaction of our employees is a major concern of the management. In addition to external training courses, in-house training courses are regularly held by an external consultancy company. Within the framework of these trainings, not only technical skills are trained and deepened, but also soft skills such as teamwork and conflict manage

ment. Soft skills in particular are often neglected. It is therefore important to focus on these as well.

#### Important competences

Entrepreneurial competence

Leadership competence

Ability to work in a team and communication

Expertise and knowledge

A core element of qualification and further training is the training tool Ilias. Digital training can be conducted via Ilias.

#### Training hours

Target group	2020	2021
Driver	4.030	4.350
Warehouse	891	915
Employee	2.359	1.715
New entrants	555	753
<b>Total</b>	<b>7.835</b>	<b>7.733</b>

For 2021, an average of 8 training hours per employee was conducted.



## Social Sustainability

GRI-403-05, GRI-403-09

### Occupational safety and health protection

The guiding principle of our sustainable and contemporary occupational safety is a comprehensive, holistic understanding of the safety and health of our employees. The declared goal in the SCHMIDT GROUP is to avoid accidents. Unfortunately, we have not yet fully succeeded in this with a total of 36 accidents in 2020. The 1,000-man quota in Karl Schmidt Spedition, for example, was 31.8 in 2020, which was significantly better than the industry average of 42.8 (1,000-man quota BG Verkehr).

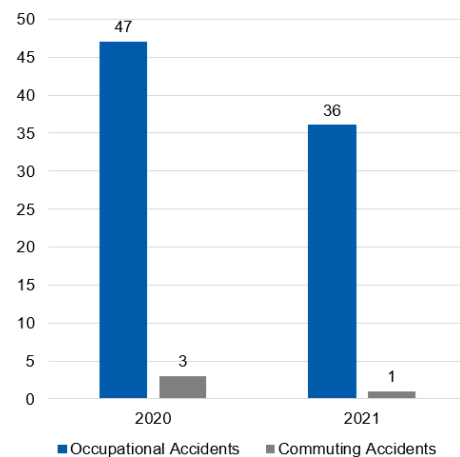
Occupational safety and health is an integral part of all operational tasks and functions. It is a fundamental ethical, humanitarian, business management and ecological concern. Occupational safety is the preservation of life and health. This includes protection against work-related accident hazards and work-related health hazards, the preservation of health resources through active health promotion in the sense of influencing physical, mental and social well-being.

This includes human-centred design and continuous improvement of work as well as safe and healthy work systems. Ergonomic workplaces prevent physical illnesses and complaints. Fair working hours and a good working atmosphere motivate, reduce stress and thus ultimately also serve the health and well-being of our employees.

In order to assess the current situation and to measure the success of actions, safety indicators are collected and continuously documented.

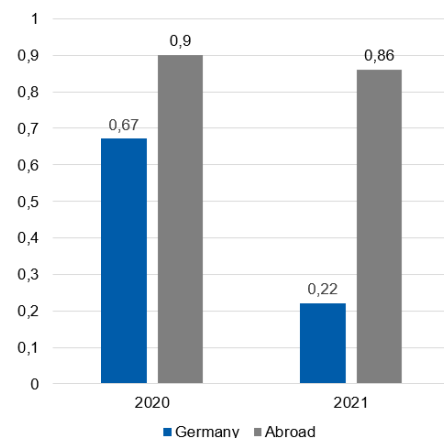
These safety indicators include accident frequency and accident severity. In 2020, 47 occupational accidents and 3 commuting accidents were recorded across the entire SCHMIDT GROUP. In 2021, both accident frequencies were reduced. The goal is, of course, to continue this trend and further reduce accident frequency and severity through preventive and reactive occupational safety measures in the company, such as training.

### Occupational and commuting accidents of SCHMIDT



The accident severity index (LTI) not only takes into account the absolute number of accidents, but is also a measure of accident severity, as it puts accidents in relation to accident-related downtime. Accordingly, a serious occupational accident with a long period of absence leads to an increased LTI. The LTI at SCHMIDT decreased significantly from 2020 in Germany and slightly abroad.

### LTI Unfallschwere der Firma SCHMIDT



One means of reducing accidents is safety training. In 2020, SCHMIDT employees completed around 678 days of training in Germany and around 87 days abroad. In 2021, there were 709 training days in Germany and 101 abroad. The goal is to further increase these figures.

## Social Sustainability

GRI-403-02

### Health Management

Systematic hazard assessments and risk assessments for existing conditions and situations, but also for new ones to be created in advance (planning of construction projects, procurement of work equipment, redesign of workplaces and work environment) are prepared by the internal occupational safety department. Regular safety training is mandatory.

Preventive hazard identification and assessment is carried out in planning and procurement phase. Safe and healthy working conditions are assessed through a holistic design of work systems with all their elements (work task, work equipment, workplace/site, work process as well as work environment in cooperation with our internal FASI).

Point solutions are not sustainable. Occupational safety and health is sustainable because it is comprehensively integrated into the operational organisation. Our guiding principle of modern occupational safety and health is based on a holistic understanding of safety and health at work.

The personal responsibility of our company, the managers and the employees, emphasises the management task of "occupational safety and health"!



### SARS-CoV-2 ( Corona)

One of the central aspects of occupational health and safety is a comprehensive Corona hygiene concept. The safety and health of our employees is a top priority for us in our group, especially in times of the Corona pandemic.

We have implemented comprehensive and individually tailored Corona hygiene concepts. These include, among other things, the mandatory testing of employees for the Corona virus twice a week and regular Corona updates for all employees. These have proven to be very effective and enable us to guarantee safety. Due to the great care and quick reaction of all employees, but also the cooperation of our partners, corona outbreaks have been effectively prevented or minimised so far.

## Ecological Sustainability

GRI-201-02

### Climate change as a fundamental issue

Climate change as such is a completely natural phenomenon. When we speak of it and its effects here and below, it is important to differentiate between natural and man-made climate change. The existence of man-made (anthropogenic) change is the scientific consensus today. Its causes are manifold. The destruction of natural greenhouse gas reservoirs (e.g. peatlands), the damage to greenhouse gas processing ecosystems (oceans, forests,...) and the active introduction and release of climate-relevant gases and substances have significantly accelerated the warming of the Earth. Our activities act like a fire accelerator on this world.

Yet the negative effects of climate change are not equally pronounced everywhere. While especially the cold regions are warming up more, people in the southern regions of Africa are suffering because of extreme weather conditions and record heat is measured every year in other parts of the world. The European population feels the effects more indirectly. This circumstance also means that industrialised nations, as the main drivers of climate change, and economically weak regions, as areas increasingly suffering from climate change, are moving even further apart economically.

### Chances and risks due to climate change

Climate change is the central topic of today and of course its effects do not go unnoticed at SCHMIDT. The direct effects of climate change on logistics and thus on our business activities are manifold. The accumulation and increase in intensity of extreme weather events can make transport impossible, damage infrastructure and expose employees to a safety risk. Heat waves and droughts sometimes make waterways impassable, increase the risk of fire damage and have a negative impact on the well-being of employees.

These direct effects can only be countered with limited preventive measures. Examples of measures would be shifting transport away from waterways where possible, effective fire protection systems and investing in air conditioning units to create a pleasant working environment in warehou

ses and buildings which increases employee satisfaction. Insurance could also become increasingly important for the physical impacts of climate change, while leading to further financial burdens. Furthermore, it can be assumed that the operating costs of diesel vehicles will increase due to political-regulatory measures (CO<sub>2</sub> taxation, toll exemptions/emission-dependent toll rates, etc.), which could exceed investment costs in lower-emission energies in the future. Passing on investment costs in the area of "green logistics" is currently only possible to a limited extent, as increased prices are hardly enforceable on the market. SCHMIDT must take this into account in its internal analyses.

At the same time, the demands for transparency are increasing. The reporting and control of CO<sub>2</sub> emissions will take up company resources. At the same time, they open up opportunities, as they enable the identification of saving potentials and the offering of climate-optimised transports on the market. Early investment in climate-friendly technologies can lead to a competitive advantage. In this context, the political promotion of commitment in this area should also be seen as an opportunity.

## Ecological Sustainability

GRI-302/103, GRI-302-01,, GRI-302-04, GRI-305-05

### Analysis of ecologically relevant energy consumption

In order to optimise one's own environmental performance, minimise negative impacts and thus commit to environmental sustainability, it is important to know one's own negative and positive impacts on the environment and to track developments and control them with the help of measures. For this purpose, it is necessary to deal with the relevant aspects.

### Energy consumption

A key issue is energy consumption. This is not only a consumption of resources, but also an emission of greenhouse gases. Recording this is therefore of great importance for sustainability management. The objective is to identify major energy consumers and actively reduce consumption through energy-saving technologies, responsible use and, where possible, a reduction in demand. Energy consumption is broken down into different energy sources. Large energy consumers at the SCHMIDT GROUP are dishwashing halls, workshops and the consumption of mechanical equipment and warehousing.

In addition, the largest emission of greenhouse-relevant gases occurs during transport itself. This will therefore be discussed in more detail.

### SCHMIDT-Energy consumptions

	2020	2021	Diff. 2020/2021
Gas	6.046.817 kWh	6.422.639 kWh	+ 6,22 %
Heating oil	387.152 l	406.790 l	+ 5,07 %
Electricity	4.639.337 kWh	4.696.866 kWh	+ 1,25 %

The associated emissions are expressed in CO<sub>2</sub> equivalents and are calculated from consumption and individual emission factors. They are an essential indicator for assessing the impact of a process or activity on climate change. For the above-mentioned energy sources, the following CO<sub>2</sub> emissions have resulted.

### SCHMIDT-Emissions per energy source

	2020	2021	Diff. 2020/2021
Gas	1.330.300 kg	1.412.981 kg	+ 6,22 %
Heating oil	1.130.484 kg	1.187.827 kg	+ 5,07 %
Electricity	1.860.374 kg	1.883.443 kg	+ 1,25 %

The CO<sub>2</sub> calculation is based on the following emission factors:

Gas: 1 kWh equivalent to 0,22 kg CO<sub>2</sub>  
Heating oil: 1 l equivalent to 2,92 kg CO<sub>2</sub>  
Electricity: 1 kWh equivalent to 0,401 kg CO<sub>2</sub>

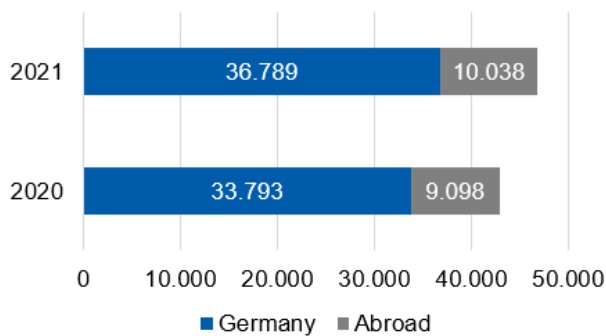
## Ecological Sustainability

GRI-302-01, GRI-302-04, GRI-302-05, GRI-305-05

### Fuel consumption transport management

As a transport company, fuel consumption is a large component of our energy consumption. The transport sector is one of the main sources of greenhouse gas emissions, and road transport in particular is responsible for the largest share of emissions. Therefore we see great potential for savings here.

### CO<sub>2</sub>-Emissions of SCHMIDT– Trucks (t)



With a total kilometre performance of 54.3 million km, 17,670,390 litres of diesel were consumed in 2021 and thus a total of 46,826 t of CO<sub>2</sub> emissions were released. The underlying calculation factor assumes CO<sub>2</sub> emissions of 2.65 kg per litre of diesel. The increased emission figure is also due to the increase in transport kilometres. In 2020, 4.5 million kilometres less were driven.

### Fuel consumption warehousing

In the area of forklift trucks, diesel consumption was reduced by around 45.5%. While diesel consumption was 205,024 litres in 2020, it was 105,529 litres in 2021. This was achieved primarily through the use of electric forklifts.

Thus, the total CO<sub>2</sub> emissions of the forklifts in 2021 were 279 tonnes and could be reduced compared to the previous year.

### Energy management and climate protection

For several years now, we have been stepping up our efforts in the area of energy conservation and the associated saving of carbon dioxide emissions. In addition we are reducing consumption by equipping all branches with LED lights, using the latest production equipment and using in

telligent timers. In view of the sharp increase in greenhouse gas emissions worldwide, the SCHMIDT GROUP has committed itself to reducing its carbon footprint through appropriate measures.

The goal is to further reduce greenhouse gas emissions significantly by the year 2030.

### Electricity Management

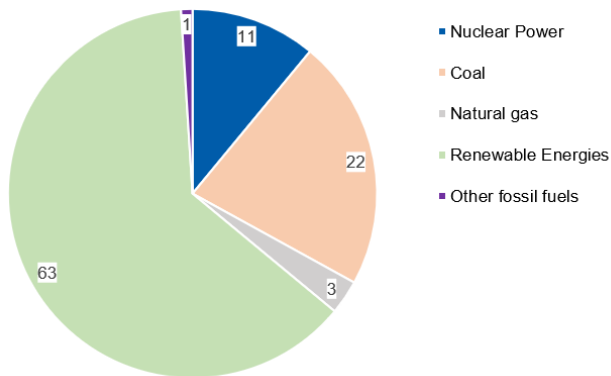
The conversion to LED lamps and targeted measures and training in the area of environmental awareness among our employees, which focused on the topics of energy saving and climate measures, helped to reduce electricity consumption and, in connection with this, the decrease in total CO<sub>2</sub> emissions. Total CO<sub>2</sub> emissions from electricity consumption have slightly increased from 1,860 tonnes in 2020 to 1,883 tonnes in 2021.

## Ecological Sustainability

GRI-302-01, GRI-302-04, GRI-305-05

Relevant for the calculation of CO<sub>2</sub> emissions and a starting point for reductions is above all the electricity mix and its development.

### Electricity Mix SCHMIDT



Since the electricity mix makes a significant contribution to climate protection and renewable energies are of the greatest relevance in reducing the CO<sub>2</sub> footprint, SCHMIDT has set itself the goal of further increasing the share of renewable energies.

### Fleet Management and modal split

In order to reduce greenhouse gas emissions in the area of road transport, we have adopted an action plan that initially provides for the use of state-of-the-art EURO-VI diesel technologies in the entire fleet. We have already converted 90% of the fleet to EURO-VI vehicles by the end of 2021. By the end of 2022, this figure will be around 99 %. But the conversion to Euro VI vehicles will not stop there. SCHMIDT continues to look for alternative drive technologies for its vehicle fleet. LNG vehicles, which have been successfully tested in day-to-day business in the form of a pilot project, are already being used here and are now supplementing the fleet.

To stay up to date in this area, we work closely with our vehicle suppliers, our customers, and initiatives such as H2-Süd.

### SCHMIDT– LNG-Truck



As an operator of modern container terminals, we use combined transport as an alternative wherever possible, as this already brings significant CO<sub>2</sub> savings from a distance of 500 km. In addition, we use inland waterway vessels and the rolling road as an alternative to pure road transport. In the area of dispatching, state-of-the-art IT supports us in finding the best route.

In the warehouse area, we are replacing diesel forklifts with modern electric forklifts. These can already be charged in many branches by the self-generated solar power.

In addition, we have established a Steering Committee in the SCHMIDT GROUP, whose goal is to anchor the avoidance of greenhouse gases in the company management and to ensure this across all company divisions. This committee is made up of our managing, the head of the forwarding division, who is also the waste management officer, the head of QM, the head of administration and the head of marketing.

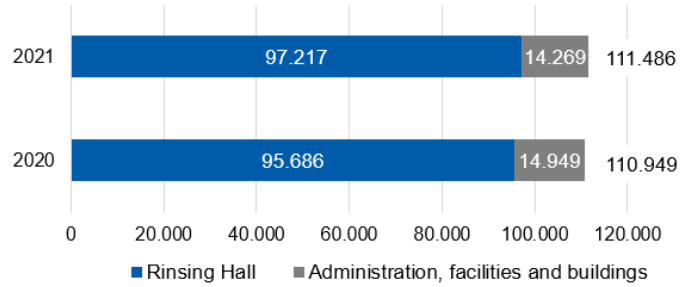
## Ecological Sustainability

GRI-303/103, GRI-303-01, GRI-303-02, GRI-303-03

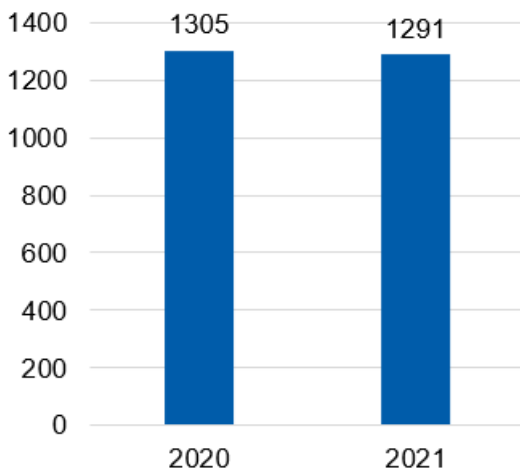
### Waterconsumption and management

At SCHMIDT, water is mainly consumed in the office buildings and rinsing halls and is accordingly discharged again as wastewater.

#### Waterconsumption SCHMIDT (m<sup>3</sup>)



#### Average consumption per rinse



We were able to further reduce the water consumption in our cleaning plants by optimising the cleaning process.

SCHMIDT uses 100 % fresh water from public or private waterworks. There is no use of surface water.

Sustainable water management means identifying approaches to save water. This begins with the training of employees on sustainable water consumption and extends to the large-scale use of efficient technologies.

The majority of the water consumption takes place through the careful cleaning in the SCHMIDT rinsing halls.



For wastewater management, the filter and cleaning technologies of the rinsing hall are particularly relevant. Here it is ensured that no hazardous wastewater is released into the environment.

## Ecological Sustainability

GRI-306/103, GRI-306-01, GRI-306-02

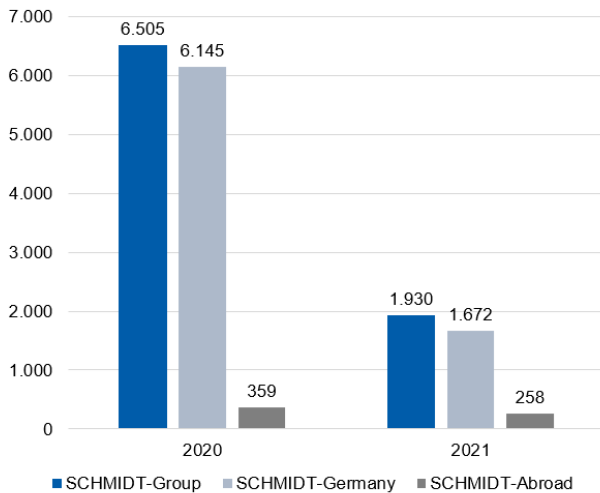
### Waste management

In the area of waste management, SCHMIDT has a waste officer since many years who centrally coordinates and monitors waste management activities for the group.

As a matter of principle, the corresponding management goals regarding waste avoidance and waste reduction are set each year and reviewed at the end of the year. The top priority for SCHMIDT is waste avoidance. To this end, we make use of various possibilities. In the area of purchasing, we dispense with packaging material wherever possible. In the area of administration, we try to avoid paper as far as possible through the use of IT.

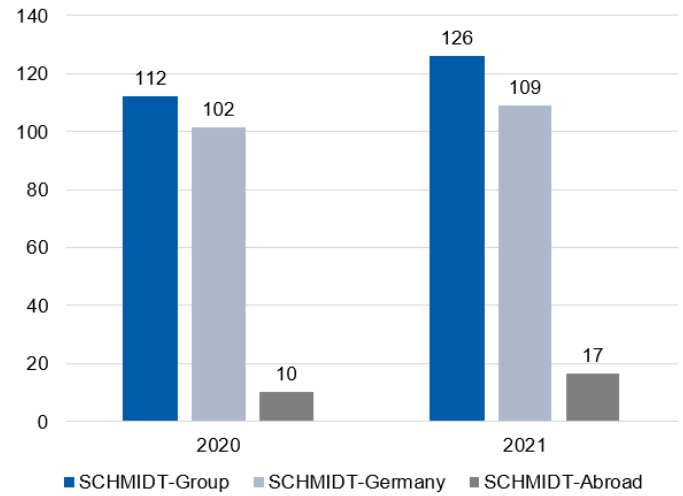
Should waste nevertheless arise, we pursue a concept of waste separation and work with renowned companies in the area of waste management on the recycling of reusable waste.

### Non-hazardous waste in tonnes



Besides non-hazardous waste, hazardous waste is also generated. Responsible handling is obligatory for this waste. It must be stored, recycled and/or disposed of according to its properties and must not be released into the environment.

### Hazardous waste in tonnes



## Ecological Sustainability

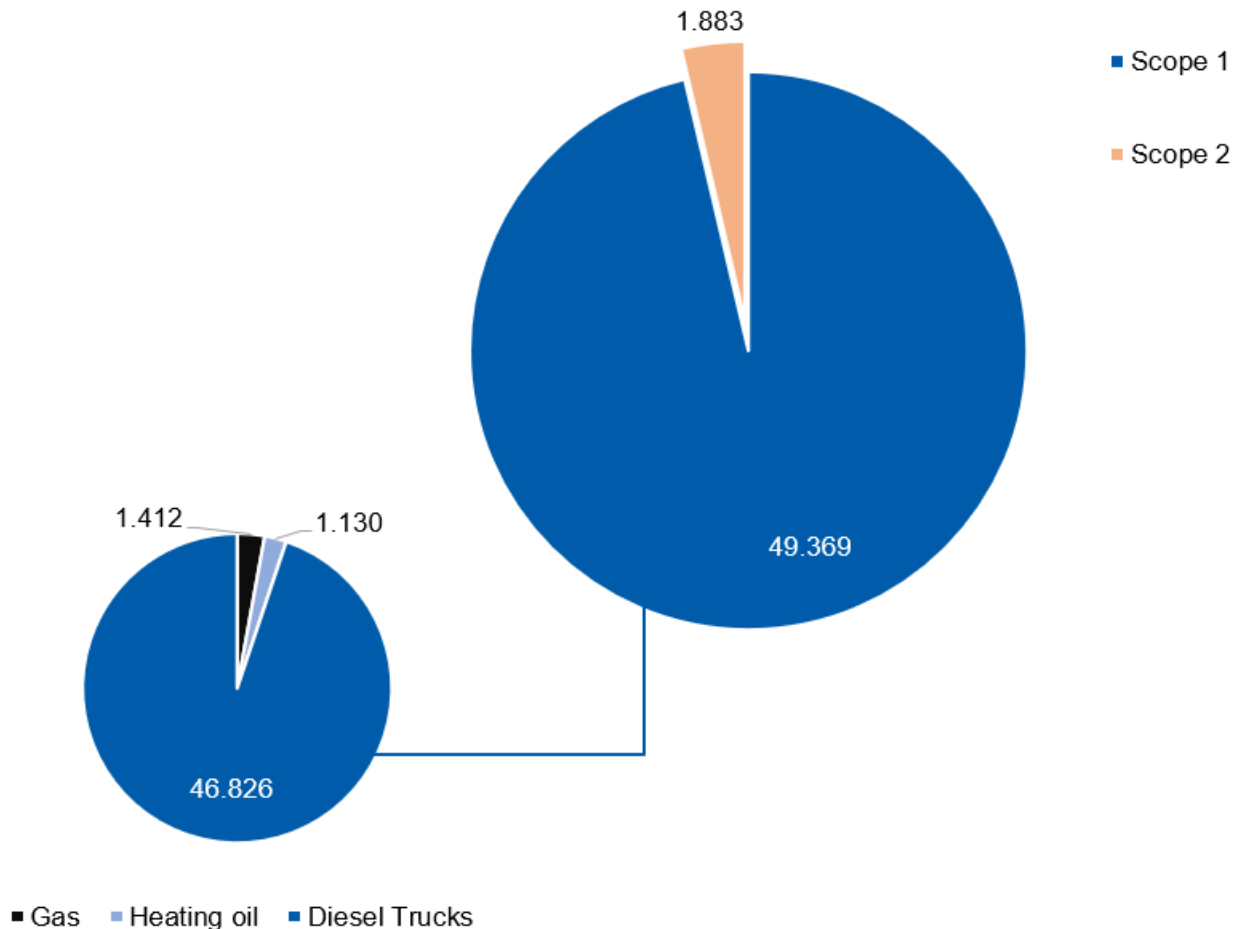
GRI –305/103, GRI-305-01, GRI-305-02, GRI-305-04

### Emissions management according to the GHG Protocol

The Greenhouse Gas Protocol is a way to make CO<sub>2</sub> emissions transparent. It distinguishes between three scopes. Scope 1 refers to the direct emissions of the company. These are, for example, stationary and mobile combustion. As a freight forwarder, the emissions of the vehicle fleet are particularly relevant here. Scope 2 refers to energy-related indirect emissions, which are caused, for example, by the energy used, such as gas and electricity. Scope 3 is the last and most comprehensive scope. It relates to all other indirect emissions, e.g. to the upstream supply chain through the purchase of goods and raw material purchases or downstream emissions that occur during product use.

Unlike a production company, SCHMIDT as a service provider has no high material purchases and also no downstream emissions from products. Scope 3 therefore plays a rather subordinate role in the holistic view in relation to Scope 1 and 2. For this reason, SCHMIDT focuses on the first two scopes, which are relevant for the company's activities.

### GHG-Emissions Scope 1 and 2 in tonnes (2021)



## Ecological Sustainability

GRI-301/103, GRI-301-01, GRI-301-02

### Consumption of material resources

Even though we, as a transport and logistics company, do not belong to the manufacturing industry, we can still make our contribution to a lower consumption of material resources.

Ever since the company was founded, we have seen ourselves as specialists in the storage, transport and handling of loose goods (bulk). This allows the handling of larger quantities and saves enormous amounts of packaging material.

We market our know-how worldwide and try to convince potential customers of these solutions. Especially in markets such as the Arab countries, where 95 % of plastic granulate is still transported and stored as packaged goods in 25 kg bags or big bags, a change to silos can significantly reduce packaging waste.

In addition, we are investing in digitalisation projects in all areas to speed up processes and reduce paper and packaging consumption. This applies to both transport and administration. Today, our transport and warehouse orders can already be entered, processed and invoiced without paper. The workshop and vehicle fleet will also be converted to a paperless system.

The introduction will be accompanied by the implementation of electronic incoming and outgoing invoice processing in the accounting department and a digital document management system, which will enable us to save paper.

SCHMIDT also uses recycled materials. These are, for example, paper and toilet paper on a large scale, but also cleaning cloths in the workshops are collected by SCHMIDT and recycled by specialised companies and then reused. This is a particular advantage for the environment, as these textiles are considered hazardous materials after use in the workshop, thus avoiding costly disposal.

### Land use and biodiversity

Schmidt consumes land with its branches and locations and thus restricts biodiversity. The necessary transport infrastructure such as roads or railway stations as well as port facilities also take up larger areas of land. In order not

to disturb biodiversity excessively, the principle of minimising and avoiding noise, air pollutants and vibrations applies.

#### Schmidt Iberica



At locations near bodies of water, such as Cologne, Frankfurt or the combined transport terminal in Heilbronn, there is also a risk to water protection areas if, for example, toxic liquids are released into the water due to damage to the vehicles. In the event of damage, employees are instructed to act quickly and involve external third parties (e.g. fire brigades) to minimise the impact on the environment and especially on water systems.

#### Schmidt Frankfurt am Main



## Responsibility

### UN Global Goals for Sustainable Development

The Sustainable Development Goals (SDGs) were adopted by the United Nations in September 2015. The concept pursues the goals of ending poverty, hunger, AIDS and discrimination against women and girls, protecting the planet and ensuring that all people enjoy peace and prosperity by 2030. Building on the principle of "leaving no one behind", this holistic approach aims to achieve sustainable development for all.

Of course, all SDGs of Agenda 30 are of great importance. Nevertheless, in the interest of an environmental analysis, it is relevant to identify and present the UN points that are essential for the company. For example, high-quality education is supported by the personnel development and qualification of our employees and quantified by training quota and training days. Naturally, this is independent of gender. Decent work includes fair working conditions and remuneration as well as transparency. All of this, in turn, pays off in terms of economic growth.

As a service provider, this includes working with and advancing new propulsion technologies and supporting infrastructure development, for example through refuelling stations and flushing stations. Goal 13 also ties in here. Emission and waste reduction as well as energy-efficient transport solutions should be mentioned here. Long-term and



close partnerships are important success factors. For example, SCHMIDT is a member of H2 Süd to promote hydrogen technology as an environmentally friendly drive technology and participates in the Operation Clean Sweep, ECTA, Responsible Care and Ecovadis programmes. A major topic area for a logistics company is, of course, SDG 13 - i.e. the contribution to climate protection. There is great potential here, as the transport industry demonstrably contributes a very large share to global greenhouse gas emissions.

The Global Goals for Sustainable Development therefore provide a direction. The concrete design and the selection of suitable aspects are individual to each company. In addition, various measures can affect and promote several SDGs. Access to better education also increases gender equality. Synergy effects can thus be used efficiently.



## Responsibility

GRI-102-09, GRI-102-10, GRI 204/103, GRI-204-01, GRI-308-01, GRI-414/103, GRI-414-01

### Responsibility within the supply chain

As a logistics company, we see ourselves as the central hub of the supply chain between our clients and their customers. To implement customer requirements, we use contractors and suppliers. We are aware of this responsibility and try to integrate our entrepreneurs and suppliers into our value structure through our supplier guidelines.

The main points of the supplier guidelines are environmental and climate protection through the conservation of resources and the reduction of emissions, and social issues such as human rights, the prohibition of child and forced labour, equal opportunities and fair conduct, good working conditions including a minimum remuneration standard that is above the minimum wage if required, and occupational health and safety.

Sustainable business management also includes the realisation that a company can only be as sustainable as its supply chains. Therefore, suppliers play a major role in sustainability. The goal is to maintain long-term business relationships with suppliers based on partnership. This also includes honest communication. The SCHMIDT-supplier - guideline is one way of transparently disclosing values and attitudes to suppliers and at the same time clarifying expectations.

These expectations include not only the guarantee of quality and adherence to delivery dates, but also sustainability aspects such as the avoidance of packaging material, fair and safe working conditions (remuneration in accordance with legal standards, but at least at a level that is sufficient to live on, as well as decent working hours and health protection measures) and the observance of human rights (freedom of assembly, avoidance of forced or child labour and discrimination).

Environmentally relevant aspects would be measures to reduce emissions and waste. This also includes the circular economy and the preference for recycling measures instead of disposal. Of course, the principles of "good businessman" with regard to fair competition, data protection

and the protection of intellectual property are also a matter of course.

New suppliers apply to SCHMIDT starting with a self-disclosure. After an examination and assessment, a trial order is placed and, in the best case, long-term cooperation. In the event of violations, we reserve the right to demand improvement measures or to terminate the business relationship. Random audits are not a sign of general mistrust, but serve the interest of SCHMIDT stakeholders to secure a sustainable supply chain and to identify grievances at an early stage.

The purchasing department is trained to enquire informations about sustainability issues from suppliers, to enforce them and to take them into account in the selection process. For larger purchases or orders, the four-eyes principle serves to ensure fair and decent business practices.

Local and smaller suppliers are taken into account wherever possible. For example, company clothing is purchased from a company in Bad Rappenau.

However, the SCHMIDT GROUP is also grateful for suggestions and proposals for improvement from suppliers. All in the spirit of a partnership relationship. Of course, the possibility of using the established whistleblower system also applies to supplier relationships.

## Responsibility

GRI-416/103, GRI-416-01

### Customer responsibility and social responsibility

SCHMIDT customers depend on smooth transport processes. This includes, on the one hand, fast and punctual transport handling and close communication and, on the other hand, clean handling of the transported goods themselves. In the case of granulates, it only takes one granulate grain of a different colour to contaminate an entire production unit. This is not only leading to costs, but also to wasted resources and waste, responsible handling is essential. For other products, such as medical gases and foodstuffs as well as animal feed, there are also safety-relevant aspects in case of contamination. Proper rinsing in the rinsing halls, a controlled transport process and GMP+ certification ensure responsibility towards customers and end consumers.

Another factor is the transports themselves. As a road user, every SCHMIDT vehicle bears great responsibility on roads. Vehicles that are state of the art and configured with safety-relevant special equipment are obligatory. Furthermore, driver training is essential to reduce the potential for accidents and hazards as much as possible. If a hazard should occur, comprehensive procedural instructions and competent personnel ensure that negative effects, e.g. from leaking of hazardous substances, are reduced as far as possible.

## Initiatives, Associations und Organisations

GRI-102-12, GRI-102-13, GRI-415-01

### Member Initiatives

Together you achieve more! That is why SCHMIDT is involved in external initiatives that are committed to sustainability and want to drive it forward.

#### H2 Süd

This includes, for example, the H2-Süd initiative, which aims to promote sustainable mobility. Hydrogen produces no emissions in direct operation and - when produced green - is emission-free. H2-Süd wants to make use of this principle. SCHMIDT is involved in this as a specialist for transport mobility in order to be able to offer green transport services in the long term.



### Responsible Care

SCHMIDT is also a member of the Responsible Care initiative, which obliges to achieve constant improvements in the areas of environment, safety and health in the chemical trade environment. As a transporter of chemical goods, SCHMIDT undertakes to comply with the highest safety measures, such as the qualification of employees through training, the regular inspection of technology and vehicles and the resulting appropriate handling of hazardous goods in particular. SCHMIDT thus assumes responsibility and ensures that the transport of chemical goods does not cause any harm to people or the environment.



Operation Clean Sweep

This program has set itself the goal of preventing the loss of plastic granulates and thus the discharge of plastics into the environment. Plastics and waste are a major problem, especially in the sea. SCHMIDT, as part of the transport chain and as a specialist in the transport of such bulk goods, is committed to take measures together with other players in plastics production, transport, storage and further processing to minimise the input into the environment and thus contribute to the cleanliness of our environment.



### Political influence

SCHMIDT does not donate to political parties and their members.

## Audits

### Certifications

The SCHMIDT GROUP not only attaches importance to complying with its own standards internally, but also regularly takes part in external audits to obtain numerous external certificates. The SCHMIDT GROUP currently has the following standards and certifications.

The certifications of the ISO standards are site-related and not company-wide, which is why, for example, a certification according to ISO 14001:2015 does not apply to all sites. This does not mean that other sites do not achieve the required level, but that no auditing was carried out.

Certification/Evidence	Validity
ISO 9001: 2015	until 08.05.2025
ISO 14001: 2015	until 04.05.2023
AOE	since 08.01.2016
GMP+ B4 / B3 (Transport / Lagerung)	until 20.07.2023
Energieaudit DIN EN 16247 – 1	since 25.03.2020 (4 years)
ACEP-D-HH-45	since 14.08.2014 (10 years)

### SQUAS

In addition, the SQUAS reassessments listed in the table were carried out at SCHMIDT in 2021. SQUAS stands for (Safety and Quality Assessment System)

Evaluation	Location	Percent
SQUAS Transport Service (TS) 2021	SCHMIDT Iberica	87 %
SQUAS Tank Cleaning (TC) 2021	SCHMIDT Iberica	94 %
SQUAS Warehouse (WH) 2021	Duisburg	84 %
	SCHMIDT Iberica	93 %

## EcoVadis

### The EcoVadis Sustainability Assessment

The EcoVadis sustainability rating is a globally recognised assessment of company's sustainability performances. Every year, SCHMIDT is asked to complete a questionnaire tailored to the company's individual needs on the four EcoVadis sustainability criteria "Environment", "Labour and Human Rights", "Ethics" and "Sustainable Procurement". For each area, questions are asked in the questionnaire and supporting documents are requested from the company. For the evaluation, the various criteria are weighted depending on the sector and assessed with a score depending on their fulfilment. This score is based on aspects such as the existence of guidelines and certificates, reporting, measures and the extent of implementation in the company. In addition to the overall score, SCHMIDT thus also receives an evaluation of its current sustainability performance. In addition to feedback on positively striking performance, EcoVadis also shows potential for improvement. SCHMIDT sees this potential for improvement as an opportunity and evaluates possible corrections and improvements after each EcoVadis assessment. In this way, gaps are gradually closed, the company's sustainability performance is continuously improved and ultimately its performance in the EcoVadis ranking is also improved. As an example of this improvement process, measures for one improvement area per sustainability criterion from the 2021 assessment are now mentioned.

#### Corrective action plan 2021

##### Sustainable Procurement

To close the gaps in the monitoring and control of the supply chain, the issuing of a voluntary commitment to suppliers was identified as a measure. The recording of the return rate of signed and thus confirmed voluntary commitments serves as transparent documentation. Suppliers who do not agree to the voluntary commitment are eliminated as SCHMIDT suppliers.

##### Environment

Since CO<sub>2</sub> emissions in particular are a major environmentally relevant issue for a company in the transport sector and the data situation here is still expandable, SCHMIDT

has set itself the goal of comprehensively surveying Scope 1 and 2 emissions. This includes both the emissions from the operational activities of the vehicles and emissions that occur directly or indirectly in the consumption of energy, heating oil, gas and other fuels.

##### Labor & Human Rights

One of SCHMIDT's goals is to increase its presence among potential employees and to create career opportunities. In order to significantly improve transparency for interested parties, concepts and procedures for career and employee development have been established.

##### Ethics

Corporate governance and compliance are becoming increasingly important. In order to discover grievances at an early stage and to always create a trustworthy point of contact for employees, SCHMIDT's whistleblowing procedure was fundamentally changed. Previously, the management or supervisor was responsible for employee concerns in this area. However, as concerns about the necessary anonymity and possible discrimination could act as a deterrent in this constellation, an anonymous, external whistleblowing office was created. Of course, employees can still turn to the internal offices in confidence.

##### General

Expansion of data collection across all SCHMIDT sites and consistent collection of relevant data.

## Appendix

GRI-102-55

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GRI 102—11	Precautionary Principle or approach		p.9,12,14
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GRI102—49	Changes in reporting	As this is the first report based on the GRI standards, there are no changes compared to previous reports.	-
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#### Procurement practices

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#### Anti-Corruption

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