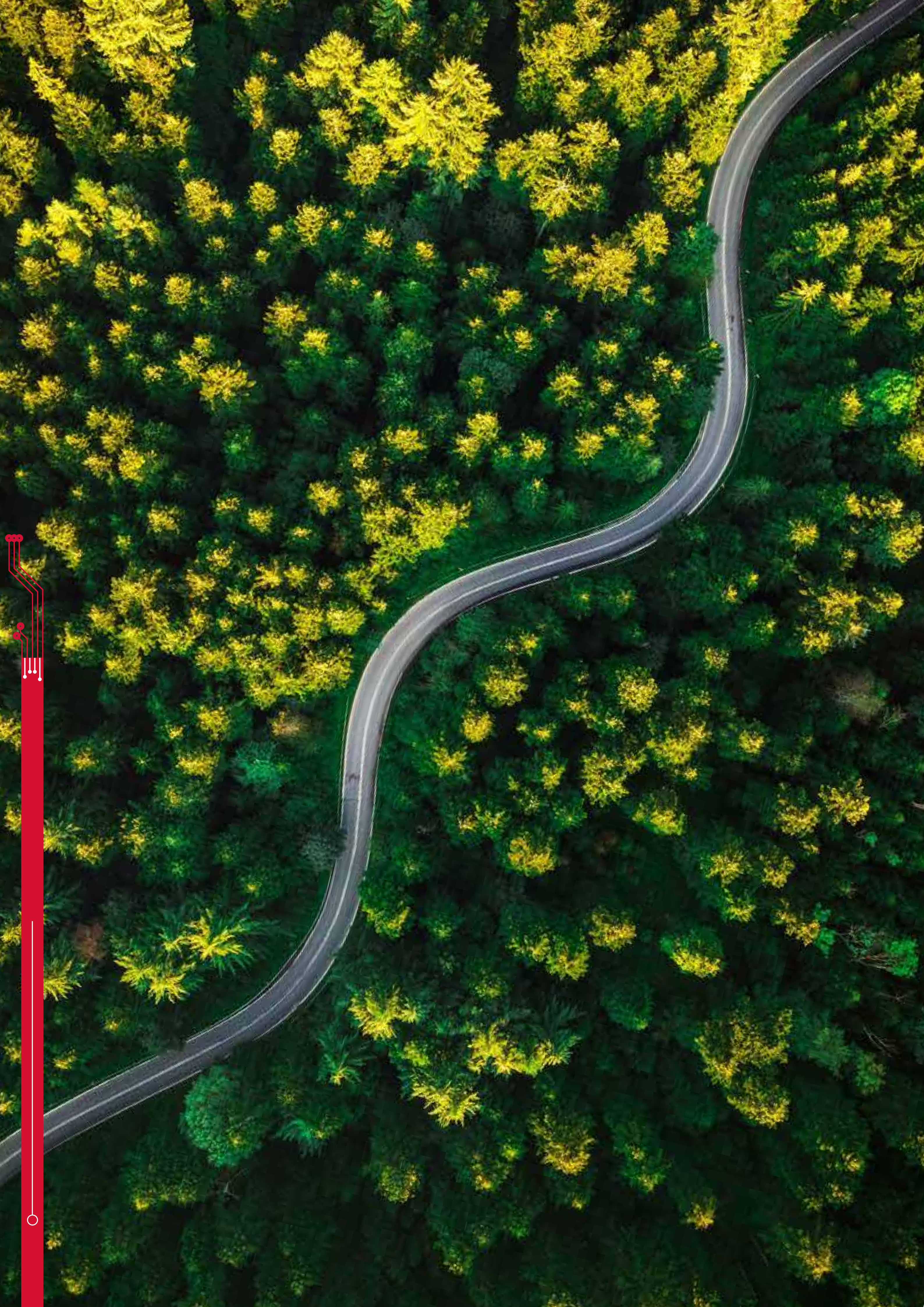
Sustainability Report

people in logistics

HÖDLMAYR INTERNATIONAL

Sustainability Report 2023



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Driving sustainability

Sustainability thrives among people who courageously drive change. This drive manifests itself in our corporate values and accompanies our day-to-day activities.

We are very pleased to be able to present to you in our new sustainability report on how we are actively shaping sustainability and with it, our future, and how we are tackling this with tremendous determination to see it implemented. In the spirit of accepting the challenge, we have already decided to prepare our report in accordance with the European Sustainability Reporting Standards (ESRS). This report represents a significant step in our ongoing journey towards enhanced transparency, accountability and sustainability.

Sustainability rooted in our corporate strategy

Our commitment to sustainable development is based on the principles of environmental integrity, social justice and economic viability.

As a group of companies, we have clearly recognised the strategic component of sustainability: given that we adopted a sustainability strategy back in 2021, we have worked tirelessly on integrating it into our corporate strategy in recent years and, above all, actively embracing it in everything we do.

One of our sources of strategic impact is to shift our transport volumes to rail. We have set ourselves the clear target of further expanding our rail wagon fleet.

Nevertheless, we are aware that we will always be dependent on lorries for distribution operations. For this reason, we are focussing on the use of alternative fuels and alternative drives.

Together, we are breaking new ground and creating solutions!

We can only solve the numerous sustainability challenges we face by working in partnership with our stakeholders. Our discussions with employees, customers and suppliers have confirmed this once again. Partnerships throughout our entire value chain are important to us – Hödlmayr stands for reliability and continuity. We want to be a reliable partner for our stakeholders in order to work together on sustainable and innovative solutions in the spirit of "Partnerships for the Goals".

A year of progress

The milestones that we have achieved in successful collaboration with our partners in the 2023 reporting year include the planning of our new photovoltaic system at the company's site in Schwertberg, which is unique in terms of its dimensions, as well as the ordering of our first electric lorry. We are going to put Austria's first fully-fledged electric car transporter into operation. This innovation has only been possible thanks to close collaboration with two suppliers. This underscores once again that we are living up to our aspiration: we break new grounds and create access to new opportunities.

We have also made significant progress in terms of climate protection, resource efficiency and social responsibility. We were able to further reduce our Scope 1 & 2 environmental footprint and, simultaneously, make our business activities more efficient. For the calculation of our footprint in Scope 3, we have expanded our reporting thresholds and, by doing so, achieved a more precise CO_2 footprint.

Solidarity: You and Me = We^2

All of this is only possible thanks to the dedicated commitment of our "people in logistics". A big thank you goes to our employees! With this in mind, we are particularly proud not only to have further developed our sustainability targets and measures with regard to the environment, but also to have now set ourselves clear targets regarding key social issues.

We are aware that we find ourselves at the beginning of a long journey, in terms of sustainable transformation, and see the ESRS sustainability report as a great opportunity for joint further development. Simply because: in tomorrow's world, one thing is certain – *We are a team, we shape, tackle and embrace the source of unending fascination — mobility.*

Johannes Alexander Hödlmayr, MA
CEO
DI (FH) Robert Horvath, MBA
CFO
Andreas Sundl
COO

General disclosures [ESRS 2]

Fundamentals behind the creation process

General principles for the creation of our sustainability declaration

This sustainability report covers the 2023 financial year and was prepared on a consolidated basis. This comprises all fully consolidated companies of the Hödlmayr Group, and the scope of consolidation corresponds to that of the annual financial statement.

In accordance with prevailing legal requirements set out under the ESRS, the upstream and downstream value chain, in particular, was included in the materiality analysis. The value chain represents a highly relevant factor for Hödlmayr through franchisees. This is discussed in more detail in the chapter entitled "Workers in the value chain" (see chapter S2).

[BP-1]

Information pertaining to specific circumstances

Time horizons

The time horizons considered in this report correspond to the ESRS specifications. The following deadlines, therefore, apply:

Short-term = 1 year (corresponds to the reporting period in the annual financial statement);

Medium-term ≥ 1 year to 5 years;

Long-term > 5 years.

Use of estimated data from the value chain

Data estimates were used in some cases for the calculation of the company's Scope 3 CO_2 footprint (see E1-6).

Naturally, there is a level of measurement-related uncertainty in the calculation of Scope 3 emissions. Firstly, it concerns the calculation of categories 3.2 Investments and 3.5 Waste. In accordance with the specifications permitted in the GHG Protocol, the investments in 3.2 were calculated using a conversion factor based on the investment volume. In 3.5., the measurement-related uncertainty can also be attributed to the conversion factor utilised.
Secondly, it should be noted that the assessment of the materiality analysis was carried out to the best of the knowledge and belief of the experts who participated. The assessment of some probabilities of occurrence is, therefore, inevitably accompanied by a certain degree of measurement-related uncertainty.
Changes in the presentation of sustainability information are limited to the creation and presentation of the CO_2 footprint. Scope 3 was calculated more precisely in comparison to the previous reporting period by mapping additional categories and applying a more precise method in the calculation of CO_2 emissions from rail transport. Furthermore, updated conversion factors were used.
Information that is only shown by way of reference is not included in this report.
Only the comments on SBM-1 contain supplementary references to the Group management report, and in some paragraphs, there are cross-references within the sustainability report to provide additional information.

[BP-2]

Governance

The role of the administrative, management and supervisory bodies

The composition of the administrative, management and supervisory bodies

The presentation of the following information in connection with administrative, management and supervisory bodies relates to Hödlmayr International.

In the 2023 reporting period, the Executive Board of Hödlmayr International consisted of two members: Robert Horvath as CFO and Andreas Sundl as COO.
Hödlmayr International AG was converted into a limited liability company (legal form: "GmbH") towards the end of the 2023 reporting year, which is why, in the following, reference is no longer made to an "Executive Board" ("Vorstand") but rather a "Management Board" ("Geschäftsleitung").

Top-level management also includes three other members as authorised signatories. These are: Markus Formann, Markus Welser and Wolfgang Kragl. The top-level management body, therefore, consists of five persons and is made up to 100% of male members.

In 2023, the Supervisory Board consisted of six persons none of whom had an executive role. One of the members of the Supervisory Board is female. This means the Supervisory Board is 17 % female and 83 % male.

Three members of the Supervisory Board can be described as "independent" members. Family members and employees of Hödlmayr are not labelled as "independent".
One member of the Supervisory Board retired during the 2023 reporting year and was, therefore, counted as "independent".

Markus Formann, in particular, ensures the expertise of the company's management With regard to sustainability, Markus Foremann, A valid certificate from TÜV Austria as a Sustainability Officer confirms this knowledge.

Role and responsibilities of the administrative, management and supervisory bodies with regard to sustainability

As CFO, Robert Horvath is responsible for all sustainability agendas of the Hödlmayr Group. He is informed about sustainability issues in regular consultation with Markus Formann, who bears responsibility for operational sustainability management as an authorised signatory – as part of the "Jour Fixes" – and exerts active (or committed) influence through direct decision-making processes. The decision was also made in favour of early, voluntary reporting in accordance with ESRS.
Hödlmayr attaches real importance to the holistic anchoring of sustainability, thereby avoiding the creation of organisational silos.

The position "CSR" is anchored – in organisational terms – within Hödlmayr International in a direct reporting line to Robert Horvath.

The Management Board promotes direct interaction between corporate strategy and sustainability aspects. The reduction of greenhouse gas emissions, in particular, is closely linked to the business model.
This is reflected, among other things, in the focus on rail transport and transport by electric HGV.

Targets relating to material topics are developed by the company's Sustainability Management function with the involvement of Markus Formann, and are approved by the Management Board.

Monitoring sustainability aspects remains the ultimate responsibility of the Management. This is supported in operational terms by the Compliance and Risk department and the Internal Control System (ICS).
In addition to Sustainability Management, these departments provide regular updates to the Management. The subsidiaries and locations are also included.

Input during site visits and presentations at Group events is utilised, in order to raise awareness of the key issue of sustainability throughout the Group.

There is clear transparency within the Group as to which bodies are competent and authorised to make decisions with regard to sustainability.

[GOV-1]

Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies

As previously mentioned, Robert Horvath is responsible for the Hödlmayr Group's sustainability agendas. Nevertheless, numerous sustainability issues also fall within Andreas Sundl's scope of responsibility. While Robert Horvath is informed about sustainability agendas at fortnightly meetings (including ad-hoc ones where necessary), Andreas Sundl is consulted and informed about specific topics on a case-by-case basis.
In the 2023 reporting year, both members of the Executive Board dealt with sustainability agendas – including the doubling of rail transport capacities and the expansion of photovoltaic systems.

The topics of alternative drive systems and social sustainability in connection with the company's own workforce are also on Robert Horvath's agenda. Andreas Sundl has the lead with regard to reducing fuel consumption and sustainability aspects within the value chain.

In addition, the Management was informed of the sources of impact, as well as risks and opportunities identified in the dual materiality analysis (these are listed below in the respective topic chapters; see ESRS 2-IRO 1).

[GOV-2]

Inclusion of sustainability-related performance in incentive systems

Throughout the Group, there are no incentive systems directly linked to sustainability aspects which are offered to members of the administrative, management and supervisory bodies.

Indirectly, however, sustainability aspects are included in the variable remuneration to the extent that topics – such as diesel consumption or the preparation of a sustainability report – are anchored in the individual targets of the Management.

Discussions pertaining to future variable targets in connection with sustainability aspects are based on a common understanding and endeavour to define these not only according to their contribution to the monetary budget, but also to ensure that, among other things, a contribution to CO_2 reduction is achieved.

[GOV-3]

Declaration on due diligence

A continuous process to ensure the fulfilment of due diligence obligations is currently being developed. At the moment, the Hödlmayr Group manages potential and actual effects on a situational basis. As soon as negative effects occur (or otherwise become known), Markus Formann – who bears responsibility for sustainability as an authorised signatory (see also information on GOV-1) – addresses the question of appropriate countermeasures.

Action is currently focussed on the topic of CO_2 reduction. Furthermore, correlating budgeting with the climate pathway is also guaranteed.

Core elements of due diligence	Listed in the following sections of the sustainability report
Integration of due diligence into the company's governance, strategy and business model	See this chapter: » GOV-2 Information and sustainability aspects addressed by the company's administrative, management and supervisory bodies » SBM-3 Significant sources of impact, as well as risks and opportunities and their interaction with strategy and business model
Involvement of affected stakeholders in all key due diligence steps	The clear target of the entire Hödlmayr Group is to shape sustainable forms of business together with the relevant stakeholder groups. The basis is formed by close relationships and an institutional exchange with central stakeholders. This institutional-level exchange occurs at the following "touchpoints" with stakeholders: in the course of sales and customer meetings; supplier meetings as part of coordination efforts within purchasing; regular meetings with banks and the HR department during regular meetings with its own employees and the works council. See also these chapters: » GOV-2 Information and sustainability aspects addressed by the organisation's administrative, management and supervisory bodies » SBM-2 Stakeholders' interests and positions » IRO-1 Description of the process underpinning the identification and assessment of significant sources of impact, as well as risks and opportunities See further chapters: » ESRS E1: E1-2 Strategies relating to climate change mitigation and adaptation » ESRS S1: S1-1 Strategies/policies relating to the own workforce » ESRS S1: S1-2 Procedures for involving the organisation's own work-force and employee representatives in relation to sources of impact » ESRS S2: S2-1 Policies/strategies relating to the workers in the value chain » ESRS S2: S2-2 & S2-3 Involvement of the workers in the value chain in relation to sources of impact and procedures for remediation » ESRS G1: G1-1 Strategies/guidelines in relation to business conduct and culture » ESRS G1: G1-2 Management of relationships with suppliers

Identification and assessment of negative sources of impact	See these chapters: » SBM-3 Significant sources of impact, as well as risks and opportunities and their interaction with strategy and business model » IRO-1 Description of the process underpinning the identification and assessment of significant sources of impact as well as risks and opportunities See in addition the following chapters on the topic – each under IRO-1 and SBM-3
Measures to counter these negative effects	Situational measures are currently being adopted in consultation with the relevant specialist departments. See also the following chapters on the topic: » ESRS E1: E1-1 Transition plan for climate protection » ESRS E1: E1-3 Measures and resources relating to the climate strategies » ESRS S1: S1-4 Taking action on significant sources of impact and approaches to managing significant risks, as well as capitalising on significant opportunities relating to the company's own workforce » ESRS S2: S2-4 Taking action on significant sources of impact and approaches to managing significant risks, as well as capitalising on significant opportunities » ESRS G1: G1-2 Management of relationships with suppliers » ESRS G1: G1-3 Prevention and detection of corruption and bribery
Tracking the efficacy of these efforts and communication	Detailed information on climate protection can be found under ESRS E1: Parameters and targets. Hödlmayr is currently working on other key areas.

[GOV-4]

Risk management and internal controls pertaining to sustainability reporting

In the 2023 reporting period, a comprehensive, structured risk management system – including an internal control procedure – had not yet been established. This is currently under construction. In order to evaluate compliance risks, a compliance risk analysis was performed at all locations in 2023 (see G1).

Furthermore, individual locations were included in risk evaluations on a case-by-case basis.

In the course of a dual materiality analysis, sustainability risks and opportunities were identified from the perspective of financial materiality (see IRO-1).

[GOV-5]

Strategy

Strategy, business model and value chain

Hödlmayr International is an globally active, owner-managed family business with the core competence in "vehicle logistics". Johann Hödlmayr founded the company 70 years ago. Today, the company is in its third generation.

The Hödlmayr Group is headquartered in Schwertberg/Upper Austria. Hödlmayr has locations and branches in 16 countries and employs a total of 1,634 people (as at 31/12/2023). A detailed list of employees by geographical area can be found in the "Own workforce" section (see S1-6).

Company	Abbreviations	Headquarters	Parent company
Hödlmayr International GmbH	HIG	Schwertberg, AT	Private foundation
Hödlmayr Logistics GmbH	HLA	Schwertberg, AT	HIG
Hödlmayr Logistics Germany GmbH	HLD	Garmisch-Partenkirchen, DE	HIG
Hödlmayr High& Heavy GmbH	HHH	Schwertberg, AT	HIG
Hödlmayr Rail Logistics GmbH	HRL	Schwertberg, AT	HIG
Hödlmayr Logistics Belgium N. V.	HLB	Tongeren, BE	HIG
Hödlmayr Logistics Netherlands B.V.	HLN	Raamsdonksveer, NL	HIG
Hödlmayr Hungaria Logistics Kft.	HHL	Győr, HU	HRL
Hödlmayr logistika d.o.o.	HLS	Logatec, SI	HRL
Hödlmayr Logistics Czech Republic a.s.	HLC	Jenec, CZ	HIG
Hödlmayr Zastava d.o.o.	HZS	Kragujevac, RS	HRL
Hödlmayr - Lazar Romania SRL	HLR	Bascov, RO	HIG
Hödlmayr Logistics Ukraine, TOV	HLU	Kyiv, Ukraine	HRL
Hödlmayr Development Ukraine	HDU	Kyiv, Ukraine	HLU
Hödlmayr Logistics Slovakia s.r.o.	HSK	Bratislava,SK	HIG
Hödlmayr Lojistik Ltd. sti.	HLT	Istanbul,TR	HIG
Hödlmayr Logistics Bulgaria EOOD	HBU	Sofia, BG	HIG
Hödlmayr Logistics Georgia LLC	HLG	Rustavi, GE	HIG
Hödlmayr Urban Logistics	HUL	Vienna	HLA

* These concern joint ventures. The key figures in this report do not include the data for the joint ventures.
** Hödlmayr d.o.o. is not included in the consolidated financial statements

Approx. 1.9 million vehicles are delivered every year. Hödlmayr remains active as a releasing agent in five car factories and handles 684,000 new vehicles per year. This makes Hödlmayr one of the most important European players in the automotive branch and, in 2023, it's earned revenue was Euro 410.6 million.

This can be broken down as follows:

The company specialises in the entire supply chain – from transfer of the vehicles from the factory or entry port to delivery to the vehicle dealer or fleet owner. In addition to this, the Hödlmayr Group offers its automotive customers various specialised services for the "refinement" of vehicles – such as conversions.

Total sales HIG	**2023**
Turnover: Transport	329,652,784
Turnover: Production + Releasing	50,265,086
Other income	30,669,142
Total sales	**410,587,012**

Multimodal vehicle transport concepts offer corresponding flexibility in the range of services.

HGV transport

The HGV bodies adapted for car and minivan transport enable mixed loads to be put together and load combinations to be optimised.

Specially designed HGVs are available for the transport of lorries, construction machinery or agricultural vehicles (including tractors or combine harvesters).

Hödlmayr also offers the service of transporting commercial vehicles using its own axles.

The transport of vehicles with excess lengths or widths is performed with the support of an escort vehicle. In addition to planning, Hödlmayr also organises the necessary transport permits.

Rail transport

Hödlmayr Rail Logistics GmbH transports in excess of 250,000 vehicles per year by rail. Vehicles are transported to Germany, Hungary, Slovakia, Slovenia, Belgium, Austria, Romania and Italy for international customers. The Barcelona (Spain) <> Schwertberg (Austria) railway line has been part of the Hödlmayr logistics network since 2022. Block trains with double-decker and flat wagons are in use.

Mobile logistics centre

Hödlmayr operates vehicle logistics centres throughout Europe. The cars, commercial vehicles and agricultural machinery can be delivered to dealers, fleet owners or end customers after completion in the Hödlmayr workshops.

The following services are offered in the company's logistics centres:

- Vehicle storage
- Vehicle care
- Vehicle technology
- Vehicle conversion
- Bodywork and paintwork
- Agricultural and construction machinery
- Fleet services
- Vehicle remarketing
- Smart Repair - Fix & Save
- Presentation and handover area
- Vehicle evaluations
- Refuelling and charging facilities
- 360° vehicle photography

Hödlmayr's most important customer groups are OEMs in the main markets of Europe and Turkey.

Strategic sustainability targets of the Hödlmayr Group

Climate targets

-55 %*

We will reduce our specific CO_2 emissions (CO_2/vehicle) by 2030 by 55 per cent.

(*compared to 1990)

2030

By 2030, all of our compounds will be CO_2 free.

CO_2 NEUTRAL

2040

By 2040, we will be a CO_2-neutral company.

2050

By 2050, we will be a CO_2-free company.

We will double our rail share by **2030.**

We will reduce our proportion of "empty run kilometres" to **14 per cent by 2030.**

By 2030, we will reduce our diesel consumption to **31 litres/100 kilometres.**

By 2030, the proportion of our trucks powered by renewable energy sources will be **10 per cent.**

By 2040, the proportion of our trucks powered by renewable energy sources will be **90 per cent.**

Social targets

Reduction of **the work accident rate by -10%** by 2030 (basis 2023) and a further -15% by 2040 (basis 2030).

We will expand our **training portfolio** by 2025 to include content that strengthens **the mental fitness** of our employees.

A performance dialog* will be held with each employee every year by 2026.

By **2027**, 30% and by **2035** 50% of management **positions** will be filled from within the organization.

We set **two training priorities** across the group each year.

50% of the available places in the annual Hödlmayr High Potential Program will be reserved for **female employees**.

Specific coaching for our employees who are interested in a management position as of 2025.

Elements of the strategy that relate to sustainability aspects

In 2023, the company's holistic corporate strategy was revised, and the existing sustainability strategy was integrated into the Group-wide corporate strategy. Subsequently, the corresponding targets and the implementation measures derived from this have been included in the relevant divisional strategies. Room for improvement also exists here in that although the divisional strategies refer to the sustainability targets, these are still not very binding in nature. Hödlmayr recognises the need to integrate the targets in greater depth and will do so in 2024.

As far as the strategically relevant services and markets are concerned, it can be stated that the vehicle transport service as well as the neighbouring European markets are of fundamental importance. The use of HGVs powered by renewable energies in the adjacent local area and the shift of transport operations to rail on long-distance routes are particularly relevant for achieving the goal of de-carbonisation. Major challenges lie in the limited range of a lorry powered by renewable energies and the lack of a comprehensive charging infrastructure as well as the significantly higher investment sums involved. Under certain circumstances, it can also be assumed that fewer vehicles can be transported on a number of routes. This can lead to an increase in the number of HGV journeys required.

Other strategic and operational challenges in connection with key sustainability aspects concern the lack of drivers in international transport, on the one hand, and rail transport, on the other. Fortunately, there is a high-level customer demand for climate-friendly rail transport operations. In operational terms, however, there remain capacity restrictions due to long delivery times for new wagons, the availability of rail logistics providers and general congestion afflicting the European rail network (see also comments on this in the Group management report).

Inputs/materials used

Hödlmayr utilises the following materials and raw materials to provide the services in accordance with the business model described above:

- HGVs: More than 95% of the fleet consists of EURO-6 class vehicles. The HGVs are fitted with transport bodies produced specifically for Hödlmayr.
- Tyres: Where possible, retreaded tyres are deployed, as well as models with optimised rolling resistance and noise levels. All HGV tyres contain natural rubber.
- Diesel, AdBlue (to reduce nitrogen oxides), lubricants (only synthetically manufactured products are used), refrigerants, workshop materials and cleaning materials.
- Energy (a list of the energy sources used can be found in the chapter on environmental information, see E1-5)
- Water for cleaning the vehicles.

Long-term procurement contracts exist at Group level for all of these materials. This does not apply to energy contracts (electricity & gas), which are concluded at the respective locations. These also concern long-term supply contracts.

Hödlmayr International's value chain extends primarily across Europe and Turkey. Sourcing is essentially managed using European suppliers. In addition to the manufacturers of the vehicle transporters – upon whom a high level of dependency exists due to the separately manufactured transport superstructures – and suppliers of the above-mentioned materials, IT service providers who ensure the provision of the telematics system, for example, remain indispensable for the core business. Furthermore, the suppliers of fuels are systemically relevant to the Hödlmayr Group's business.

On the customer side, regional expansion efforts also extend primarily across Europe, including Turkey. Customers are mainly OEMs (vehicle manufacturers) and importers, for whom the vehicles are in turn transported to their customers.

To a lesser extent, vehicle dealers are also customers.

Through its membership of associations such as the ECG (Association of European Vehicle Logistics), Hödlmayr provides the industry with the expertise it has accumulated over decades, and it advocates those infrastructure adjustments deemed necessary.

[SBM-1]

Sustainability initiatives and ratings

Since 2021, Hödlmayr International has been subject to both the EcoVadis sustainability rating and the CDP (Carbon Disclosure Project) initiative, as requested by customers.

The EcoVadis methodology is rooted in international sustainability standards – including the Global Reporting Initiative, the United Nations Global Compact and ISO 26000 – and covers more than 200 expenditure categories. The scorecard highlights performance on the basis of 21 indicators. The EcoVadis ratings for Hödlmayr are issued by branch and are above-average both regionally and in the industry.

The CDP initiative is an independent non-profit organisation that evaluates companies on an annual basis in terms of their commitment to climate and environmental protection.

The CDP report is now common practice for over 13,000 companies. The rating for Hödlmayr is currently in Score D, which corresponds to the standard for transport companies. Hödlmayr is also subject to "NQC Supplier Assurance", which specialises in risk and due diligence management throughout the automotive supply chain. Of the nine certified locations, eight have achieved a B rating.

Stakeholder interests and viewpoints

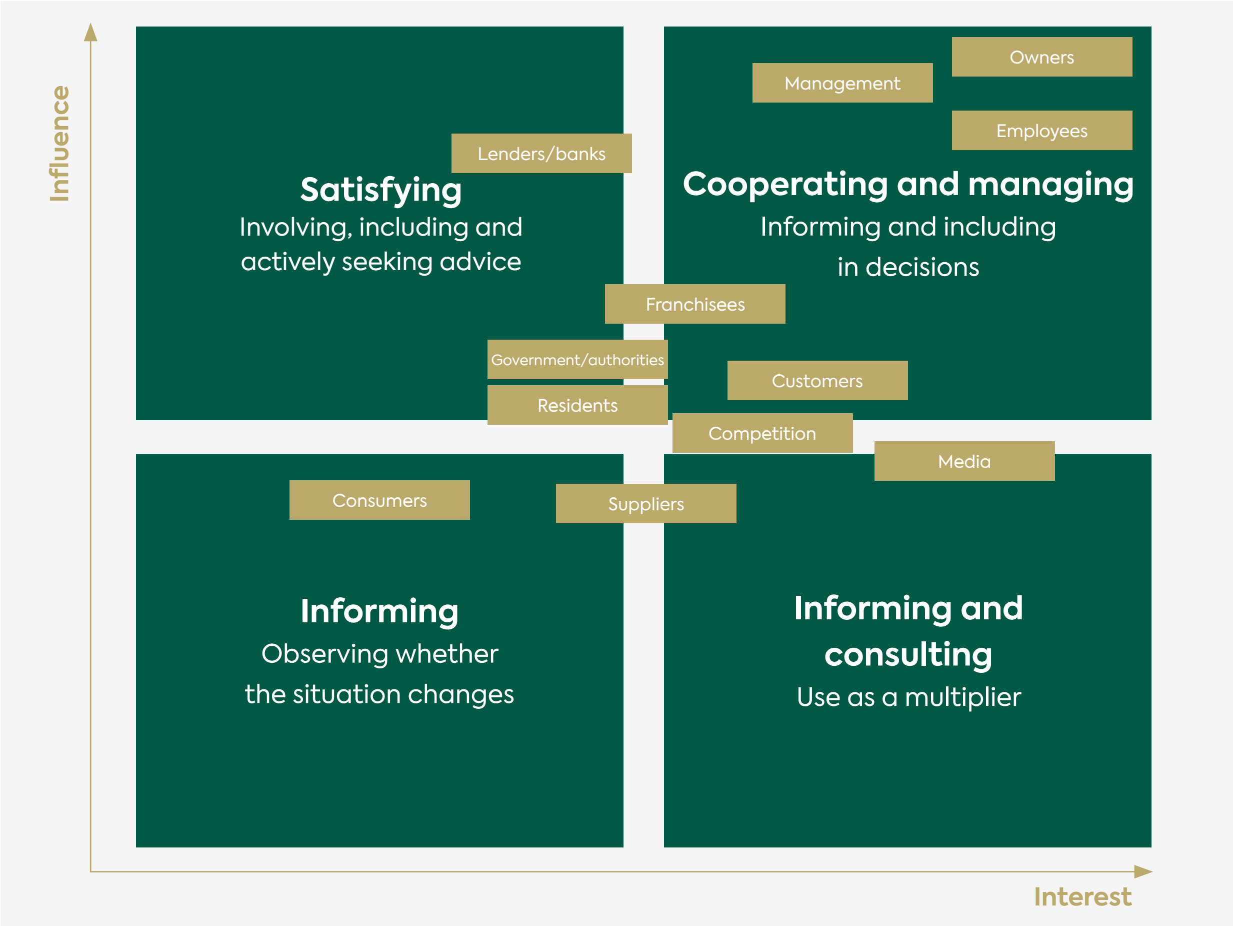
Stakeholder involvement

Understanding the views and interests of stakeholders represents a quintessential requirement for sustainable management and the associated reporting needs.

Stakeholder involvement is understood as a continuous process within the Hödlmayr Group in the form of ongoing, intensive dialogue. It is essential to ascertain the needs of stakeholders, which are constantly evolving, not only for sustainability initiatives, but also for the core business and corresponding further development.

In particular, within the scope of sustainability, challenges arise that can only be addressed in the long term in cooperation with stakeholders. These include topics such as the development of a nationwide charging infrastructure, structural framework conditions for rail transport, the development (and availability) of alternative drive systems and fuels, working conditions and environmental sources of impact within the value chain, availability of HGV drivers, etc.

The most important stakeholders are shown in the matrix below. These were identified for the 2021 Sustainability Report as part of externally organised workshops. These have been validated for this report.



Organisation of stakeholder engagement

In 2022, Hödlmayr launched the "Meet & Learn" format as a form of stakeholder participation for employees (including apprentices). This proved very popular and was, therefore, continued in 2023. All employees enjoyed access to these meetings, which were held on site at all locations, on a voluntary basis. In sessions lasting approximately two hours, employees were presented with details of the corporate carbon footprint, the sustainability targets, the measures to achieve the targets and an outlook for the next steps in the sustainability strategy.

Stakeholder dialogues are also held regularly with Group suppliers.

An additional dialogue with stakeholders takes place in the context of sales and purchasing meetings, which are held both directly with customers and at the respective locations. Dialogue is also sought with banks, which is conducted in the form of direct discussions.

Dialogue with potential employees takes place at careers fairs, while exchanges with local residents are held on a case-by-case basis on specific topics – such as renovation measures.

Ongoing dialogue with the owners is ensured through their integration into the management level and the Supervisory Board.

As part of the most recent materiality analysis, focus groups were chosen as a form of dialogue with stakeholders. The following focus groups were conducted: with employees, suppliers and customers.
A process of exchange with banking institutions takes place in bilateral form, most recently in November 2023 and June 2024.
On the one hand, the insights gained in the focus groups help to identify and confirm the key issues. On the other, these insights also identified the measures that are required. Specific examples of this are that drivers would like more training, suppliers have expressed a desire for cooperation, and

a need for information on sustainability has been identified with customers.

It is also strategically relevant to know how customers feel about rail transport and the reduction of CO_2 in relation to potentially rising costs.

Outlook

The plans for future stakeholder integration are not yet specific – as mentioned above, "Meet & Learn" will probably be continued in a different format. Information on the results of the Company Carbon Footprint is provided at separate meetings throughout the Group.

Informing the administrative, management and supervisory bodies with regard to the views and interests of the stakeholders concerned in relation to the company's sustainability-related sources of impact

As a member of the Management and Head of Sustainability, Markus Formann is present at the stakeholder dialogues and provides the Management with key information about the insights gained and the next steps derived from them. Regular coordination efforts take place in the form of periodically recurring "Jour Fixes".

[SBM-2]

Significant effects, risks and opportunities and their interaction with strategy and business model

The following material effects, risks and opportunities were identified for the Hödlmayr Group in the course of the materiality analysis in accordance with ESRS:

Overview of the Hödlmayr Group's key topics

E – **Environment**

E1: Climate change
- Energy
- Climate protection
- Adaptation to climate change

E2: Pollution
- Air pollution
- Microplastics
- Company-specific noise emissions

E4: Biodiversity and ecosystems
- Effects on the extent and condition of ecosystems

S – **Social**

S1: Own workforce –
- Working conditions
- Equal treatment and equal opportunities for all
- Other labour-related rights

S2: Workers in the value chain
- Working conditions
- Equal treatment and equal opportunities for all
- Other labour-related rights

G – **Governance**

G1: Business conduct
- Management of relationships with suppliers
- Protection of whistleblowers
- Corporate culture
- Corruption and bribery

A detailed list and description of the material effects, risks and opportunities that are subsumed under the topics mentioned here, as well as their allocation to time horizons, can be found in the respective topic chapters (see ESRS 2 - IRO 1/ SBM 3 in each case).

Changes to the material topics compared to the 2021 reporting period

In view of the fact that the materiality analysis for the 2021 Sustainability Report was implemented in accordance with the GRI, and the new materiality analysis in the current report complies with the dual materiality requirements of the ESRS, the results are only comparable to a limited extent.

Nevertheless, the following can be stated: all topics identified as material in accordance with the GRI are also included as material topics in the current report. New topics that have also been identified include:

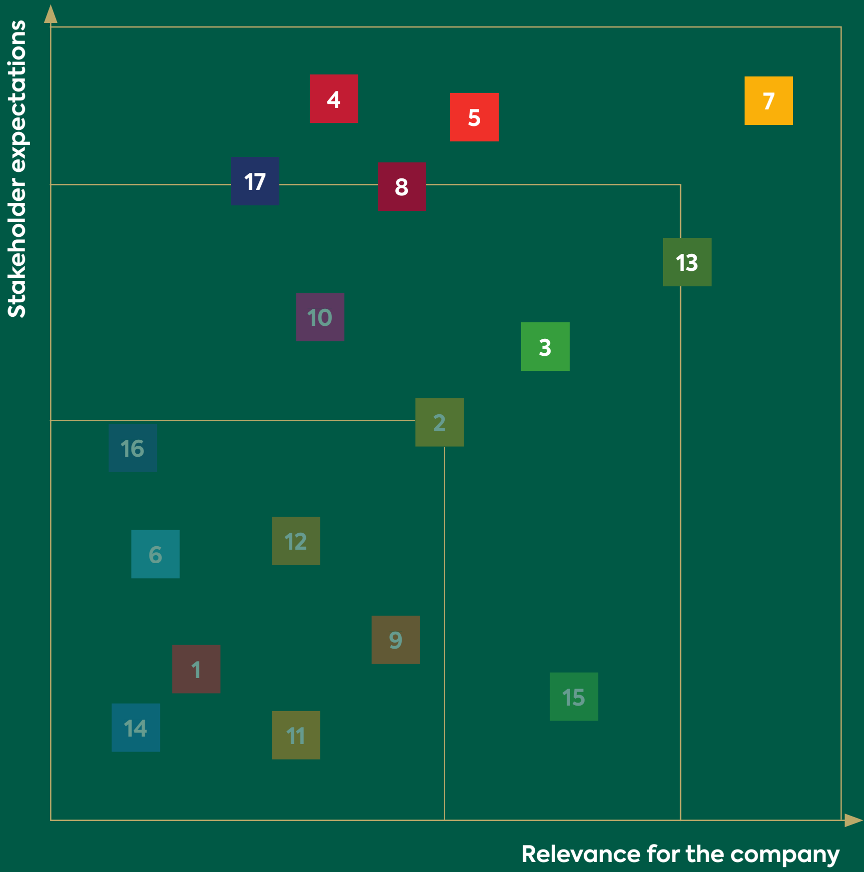
- Business conduct (relating primarily to supplier relations, whistleblower protection and corporate culture)
- Environmental pollution (primarily relating to noise emissions and microplastics) and sources of impact on biodiversity and ecosystems (due to soil sealing).

Comparison of material topics 2021 according to GRI vs. material topics 2023 according to ESRS:

Material topics 2021 according to GRI		are reflected in the key topics according to ESRS:
Ecology	Emissions	E1: Climate change – Energy
	Energy	E1: Climate change – Energy
	Materials	E2: Pollution – Air pollution E2: Pollution – Microplastics
Social	Occupational health & safety	S1: Own workforce – Working conditions
	Working conditions for drivers/franchisees	S1: Own workforce – Working conditions S2: Workers in the value chain – Working conditions
	Employment	S1: Own workforce – Working conditions, S1: Own workforce – Equal treatment and equal opportunities for all S2: Workers in the value chain – Other labour-related rights
	Corporate culture, respectful interaction	G1: Business Conduct – Corporate culture
	Education & training	S1: Own workforce – Working conditions
Economy	Economic performance	S1: Own workforce – Equal treatment and equal opportunities for all
	Anti-competitive conduct	G1: Business Conduct – Corruption and bribery

One of the company specific sources of impact that have been identified as material and which has not been assigned to a sub-topic in the ESRS is the issue of noise emissions.
In this report, it is, therefore, dealt with in the chapter on pollution.

[SBM-3]



Prioritised SDGs:

E1: Climate change

Energy, climate protection, adaptation to climate change

E2: Pollution

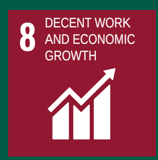
Air pollution, microplastics, company-specific noise emissions

E4: Biodiversity and ecosystems

Effects on the extent and condition of ecosystems

G1: Business conduct

Management of relationships with suppliers, protection of whistleblowers, corporate culture, corruption and bribery



S1: Own workforce –

Working conditions, equal treatment and equal opportunities for all, other labour-related rights

S2: Workers in the value chain

Working conditions, equal treatment and equal opportunities for all, other labour-related rights

Managing sources of impact, risks and opportunities

Information on the materiality analysis process

Process of dual materiality analysis

When preparing this report, Hödlmayr performed a materiality analysis in accordance with the requirements of the ESRS with external support.

The starting point for the materiality analysis was an analysis of the context and system thresholds of the Hödlmayr Group. To this end, the subsidiaries belonging to the Group and the value chain were subjected to analysis. The most important input and output flows, as well as the core processes, were summarised.

Based on these preparatory actions, the main effects, risks and opportunities were collected in a multi-part series of workshops. The individual workshops began with a thematic introduction to dual materiality. Positive and negative sources of impact, risks and opportunities were then collated using the sustainability aspects listed in ESRS 1. The workshop participants were explicitly instructed to consider the upstream and downstream value chain in the collection of sources of impact, risks and opportunities, and to assign a time horizon that extends over the short, medium and long term.

This collection was summarised in the follow-up work and supplemented by aspects that emerged in the course of the subsequent benchmark analysis.
The assessment of those sources of impact, risks and opportunities took place in separate assessment meetings with the respective experts in the company.

In line with the Hödlmayr Group's core business, the geographical focus of the analyses was on Europe, and on the core business of vehicle logistics. As a result, those sources of impact identified as well as risks and opportunities are largely located in the areas of emissions, environmental pollution, working conditions in the company's own workforce and in the value chain. The global, strategic challenges of the core business – namely the shortage of skilled labour (drivers) and the use of low-emission drives and fuels from renewable energies (HVO diesel and e-trucks) are closely linked to this as well as the increasing shift of transport to rail.

Please refer to the previous chapter (SBM-2, ESRS 2) regarding the consultation of affected stakeholders in the materiality analysis process.

Assessment of sources of impact, opportunities and risks

Hödlmayr has assessed the effects, opportunities and risks pursuant to the requirements of the ESRS.
In accordance with prevailing legal requirements, the assessment criteria were extent, scope, irreversibility and probability of occurrence, using a scale of 0 - 5 in each case.

In order to assess all pertinent risks and opportunities, Risk Management has developed a 6-part scale in consultation with Controlling, according to which the financial impact was evaluated. The probability of occurrence was also assessed. The financial impact scale is also being incorporated into risk management, which is currently being developed.

The assessment of those sources of impact, opportunities and risks was performed together with the head of Risk Management and Controlling, thereby ensuring a professional assessment of the financial effects and risks.

Risks that were identified in the materiality analysis process, but which have no clear connection to the topic of sustainability (and which are purely economic or financial in nature), for example, were not pursued further for the time being.

Internal monitoring and control processes for significant effects, opportunities and risks are currently being established.

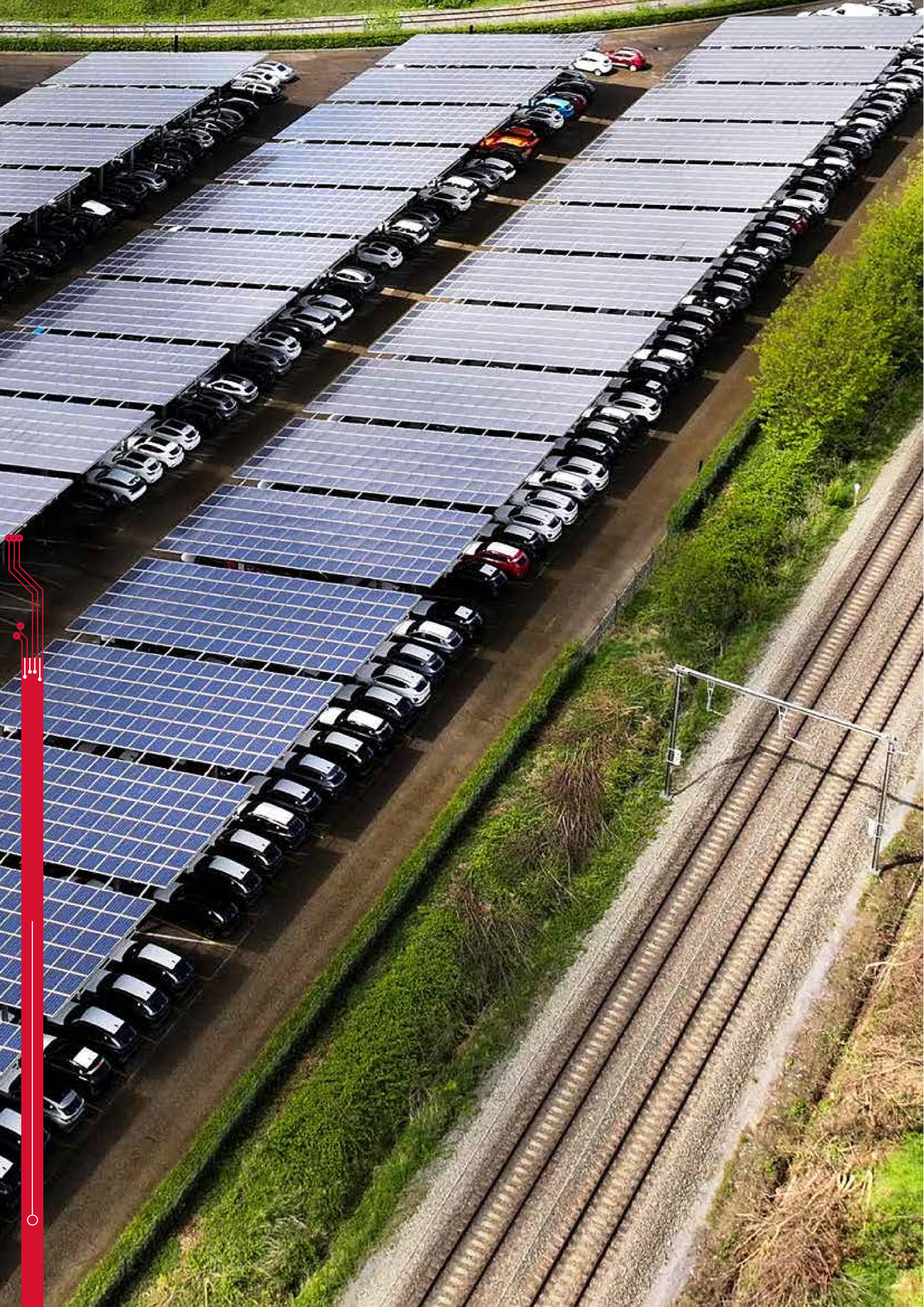
The same applies to the Hödlmayr Group's standardised, comprehensive risk management system. Risks are currently managed on a situational basis, and subsidiaries are involved case-by-case. The primary sources of impact, opportunities and risks are worked out in close consultation with the Head of Corporate, Legal, Risk & Insurances. In this respect, the requirements for analysing sustainability risks in accordance with ESRS are known and can be taken into account when establishing the corresponding corporate processes.

An evaluation on how the monitoring of sustainability opportunities will be integrated further into the general management process going forward and how integration into the strategy process and the above-mentioned risk management will proceed, will be part of the annual update to the corporate strategy.

Changes in the process when compared to the previous reporting period

As this report is the Hödlmayr Group's first report in accordance with ESRS, the development of standardised processes is just commencing, as mentioned above. It was, however, possible to create awareness that the ongoing monitoring of key issues and their appropriate management are indispensable and that adequate structures must be created. This materiality analysis will be revised once more by the next reporting period. A review by the auditor of the annual financial statement is planned, and any findings are to be incorporated into the next reporting period.

[IRO-1]



Climate change [E1]

Hödlmayr International is aware of its responsibility for climate protection.
Most of the CO_2 emissions in vehicle logistics are generated due to the high energy and resource requirements.
The primary target is, therefore, to achieve a significant and continuous reduction in greenhouse gas emissions. Details on the associated projects and initiatives, as well as the exact dates, can be found in this chapter.

Strategy and managing sources of impact, risks and opportunities

Transition plan for climate protection

Climate protection, in particular, the reduction of CO_2 emissions, is directly linked to the core business of the Hödlmayr Group. In this regard, there is a clear commitment within the Group to make a significant contribution to climate protection and thus to limiting global warming to 1.5 °C.

One of the core elements of Hödlmayr's sustainability strategy is the reduction of CO_2 emissions. To this end, clear targets and an associated climate pathway have been developed (see E1-4) in order to become a CO_2-free company by 2050.

The following sources of leverage have been identified in order to achieve these goals: doubling transport operations by rail; increasing alternative drives (to 10% in 2030, to 90% in 2040); reducing diesel consumption; reducing the number of empty kilometres driven and expanding the company's own photovoltaic systems.

In order to achieve the company's de-carbonisation targets, Hödlmayr currently expects additional costs of kEUR 300 per HGV. As a time frame of 10 to 15 years is being discussed here, a more precise estimate of the investments to be made is not yet possible at this time.

Targets, measures and the resulting climate pathway form part of the overall strategy and have, therefore, also been approved by the Management. A "climate pathway" was already determined in 2023. This reveals the efficacy of the individual measures per year over the course of time until 2024.

De-carbonisation measures as part of the company's overall strategy will continue to be expanded in the coming years and ongoing monitoring will take place.

The climate target of CO_2-free compounds by 2030 implies phasing out fossil fuels for heat and electricity.

In 2024, work began on creating a reporting system that will enable data on CO_2 emissions to be monitored throughout the year.
This will enable continuous control measures to be implemented.

[E1-1]

Significant effects, risks and opportunities and their interaction with strategy and business model

The effects, opportunities and risks that were assessed as material in the dual materiality analysis and were, therefore, above the defined threshold are presented below.

Energy

All material sources of impact relating to energy were identified as actual sources of impact. Potential sources of impact are not above the threshold for materiality.

Actual positive effects

- Promotion of renewable energies through the purchase or in-house production of sustainable electricity in our own hydropower plants and photovoltaic systems
- Efficient vehicle logistics: energy efficiency is achieved by bundling and optimising transport routes as well as through capacity planning.

Actual negative effects

- Use of raw material-intensive capital goods: HGVs, locomotives, rail tracks – these represent important capital goods of the Hödlmayr Group, which have a high raw material intensity and thus high energy requirements in production (upstream value chain).
- Greenhouse gas emissions through the use of refrigerants: refrigerants are used both in vehicles and in company buildings.
- Greenhouse gas emissions from diesel consumption (AdBlue): the consumption of diesel and AdBlue is directly related to the company's core activities.
- Greenhouse gas emissions from business trips (flights): flights for business trips are used, on the one hand, by administrative and management workforce members. In addition, HGV drivers also fly to and from the respective locations on a case-by-case basis.
- Greenhouse gas emissions due to energy (electricity and heating): even if electricity consumption is relatively low throughout the company, greenhouse gas emissions are still generated.
- Employee travel: greenhouse gas emissions from commuting. Due to the significant amount of space required, the locations are mostly on the periphery or in rural regions. Commuting by public transport is, therefore, usually only possible with difficulty and can rarely be utilised.
- Need to estimate Scope 3 emissions due to lack of primary data from subcontractors: no primary data on subcontractors' CO_2 emissions can be collected with reasonable effort; the data is calculated on the basis of the company's own consumption (the same diesel/ AdBlue consumption is assumed for subcontractors and franchise partner suppliers as for our own consumption).

Financial opportunities

No financial opportunities were assessed as material in connection with the topic of energy.

Financial risks

- Risk of operational continuity and higher costs due to unavailable fuel (diesel)
  Maturity: long-term
  Transition risk

- Risk of operational continuity and higher costs due to unavailable electricity
  Maturity: long-term
  Physical risk, as well as transition risk (the risk of a blackout or power failure represents a physical risk, indirectly associated with a transition risk)

- Risk to business continuity and higher costs attributable to the unavailability of gas (gas currently remains highly relevant in the paint boxes for drying and in the operation of heating systems, the continuity of the core business is not covered by this risk)
  Maturity: long-term
  Physical as well as transition risk

- High-level costs due to the phase-out of fossil fuels
  Maturity: long-term
  Transition risk (due to necessary customisation solutions)

Climate protection

Actual positive effects

Promoting sustainable mobility by expanding rail transport operations: Hödlmayr is actively working to maximise rail transport operations and has also anchored this within its corporate strategy.

- No other negative sources of impact, opportunities or risks relating to climate protection are above the materiality threshold.

Adaptation to climate change

No positive or negative sources of impact related to adaptation to climate change were assessed as material.

Financial opportunities

- Expansion of new business areas: climate change offers the opportunity to expand new business areas (e.g. repairs, smart repairs, hail damage, e-car transport).
  Maturity: medium-term

- Expansion of combined road and rail transport: new contracts and the offer of combined services could lead to a doubling of the business area.
  Maturity: medium-term

- Cost savings due to milder winters: milder winters result in lower costs for snow clearance at the compound.
  Maturity: medium-term

- Increased PV electricity production due to an increase in sunny days/opportunity for energy self-sufficiency: climate change can lead to an increase in sunny days in certain regions, accompanied by the opportunity to increase production at the photovoltaic systems that Hödlmayr has in the form of operator models.
  Maturity: long-term

Financial risks

- Costs due to extreme weather events (hail, storms, flooding): this risk is also associated with additional costs if the compounds cannot be utilised due to extreme weather events.
  Maturity: medium-term
  Physical risk and resulting transition risks

- Risk of operational continuity and higher costs attributable to the unavailability of key components (tyres, trucks).
  Maturity: long-term
  Physical risk as well as transition risk

In addition to analysing the risks identified in the materiality analysis with regard to physical or transition risk, Hödlmayr has not yet conducted a separate resilience analysis. Climate risk and vulnerability analyses – as provided for in the EU Taxonomy Regulation – are in preparation.

No reliable statement can currently be made regarding a long-term change in the business model with regard to climate change. Fundamental short and medium-term adjustments – such as the use of alternative fuels, electric lorries, shifting to rail – are deemed essential, and have already been initiated.
Due to the fact that the Hödlmayr Group is family-owned and long-term, generation-oriented thinking has always been in place, the company has a solid foundation which, from today's perspective, ensures long-term access to funding.

[E1 in connection with ESRS 2 IRO-1 & SBM 3]

Strategies related to climate protection and adaptation to climate change

In addition to the materiality analysis (where the primary sources of impact, risks and opportunities in relation to climate protection and adaptation to climate change were identified and assessed) and the calculation of the Scope 3 footprint (where the main Scope 3 categories were analysed), the Hödlmayr Group has developed a climate strategy and a climate pathway with the help of external support and the involvement of internal stakeholders.

The greatest sources of leverage in the emission of greenhouse gases are directly related to the Group strategy (kilometres driven, diesel consumption, empty runs, switch to rail, etc.) and are, therefore, directly integrated into the management of day-to-day business.

SWOT analyses are performed annually at location level, with ESG issues also being analysed. The strategy review also takes place annually.

The following areas are taken into account as part of the strategy:

» Growth strategy in rail transport

» Climate protection (taken into account in the climate targets, shown in the climate pathway)

» Energy efficiency (by reducing empty-run kilometres and diesel consumption)

» Adaptation to climate change and the use of renewable energies (through the operation and planning of additional photovoltaic systems and the deployment of alternative fuels).

The materiality workshops held as part of the preparation of the sustainability report have sharpened the risk awareness within the Hödlmayr Group's Management.

Processes for managing and monitoring the material effects are expected to be in place as of the 2025 reporting year.

[E1-2]

Measures and resources in connection with the climate strategies

State-of-the-art engine technology, track & trace systems, optimum tyre pressure, load factor optimisation, regular eco-training for drivers and well-thought-out intralogistics represent elementary building blocks for keeping vehicle transport in its current form as low-emission as possible.

Route optimisation is also very important, which is why Hödlmayr has one of the most modern telematics systems in use.

LOIs for the use of green hydrogen (fuel cells) have been concluded with both an oil company and an HGV supplier. The combined expertise will, in turn, flow into comprehensive test series.

One important milestone in connection with renewable energies is the project planning for the new photovoltaic system at the Schwertberg site. This complements the generation of sustainable energy alongside the two existing hydropower plants at the company's Schwertberg location and the existing photovoltaic plants in Schwertberg, the Belgian subsidiary in Tongeren and the Hungarian subsidiary in Györ.

A new PV system is envisaged in Schwertberg and – from today's perspective – will have around 5.6 MWp and cover around 2,000 parking spaces. The system thus serves to generate renewable energy, as well as to provide hail protection for storage vehicles.

In its climate strategy, XXX has defined the following additional measures to reduce CO_2 emissions and, as a result, contributed to climate protection and adaptation to climate change, and is working on further implementation in 2023:

- The proportion of rail transport operations has increased (Hödlmayr has 20 block train systems, eight locations maintain their own rail connections; work is also underway to win customers over to the added value of rail transport operations with innovative rail round-trip concepts).
- Emissions at the compounds being reduced, e.g. by successively converting warehouse lighting to LED and procuring BEV company vehicles
- Order of the first electric lorry.

The corresponding targets for the measures mentioned here are listed below under E1-4.

[E1-3]

Parameters and targets

The Hödlmayr Group's climate targets consist of four main targets, which are underpinned by five sub-targets:

-55 % (comparative year 1990): reduction of specific CO_2 emissions (CO_2/vehicle) by 55 per cent by 2030.

2030: All compounds are CO_2-free by 2030.

2040: Hödlmayr will be a CO_2-neutral company by 2040.

2050: Hödlmayr will be a CO_2-free company by 2050.

These main targets are achieved with the following sub-targets:

» Doubling the proportion of rail by 2030.

» Reducing the proportion of empty kilometres to 14 per cent by 2030.

» Reduction of diesel consumption to 31 litres/100 kilometres by 2030.

» By 2030, the proportion of our own HGVs powered by renewable energy sources will be 10 per cent.

» By 2040, 90 per cent of our own HGVs will be powered by renewable energy sources.

The baseline is the data from 2021.

In this reporting year, total greenhouse gas emissions amounted to 143,385 tonnes of CO_2 eq.

General assumptions made for the calculation of the targets:

» Fundamentally static view
» Constant business volume
» Starting value of GHG emissions: 143,385 t CO_2 eq.
» Emission factors remain constant
» Constant number of vehicles transported
» Constant number of kilometres driven (total mileage is constant)
» Breakdown of vehicle fleet (own/external) remains constant
» No further optimisations: Rail share, empty kilometres, diesel consumption after 2030
» No cost consideration
» No compensation of CO_2 emissions through certificates taken into account

By formulating the targets in relative values and defining sub-targets (e.g. "per vehicle" or "%"), it is possible to scale these targets to a different business volume.

The climate targets and the careful calculation of the climate pathway were developed with the help of external support. Stakeholders were not consulted in the preparation of the report.

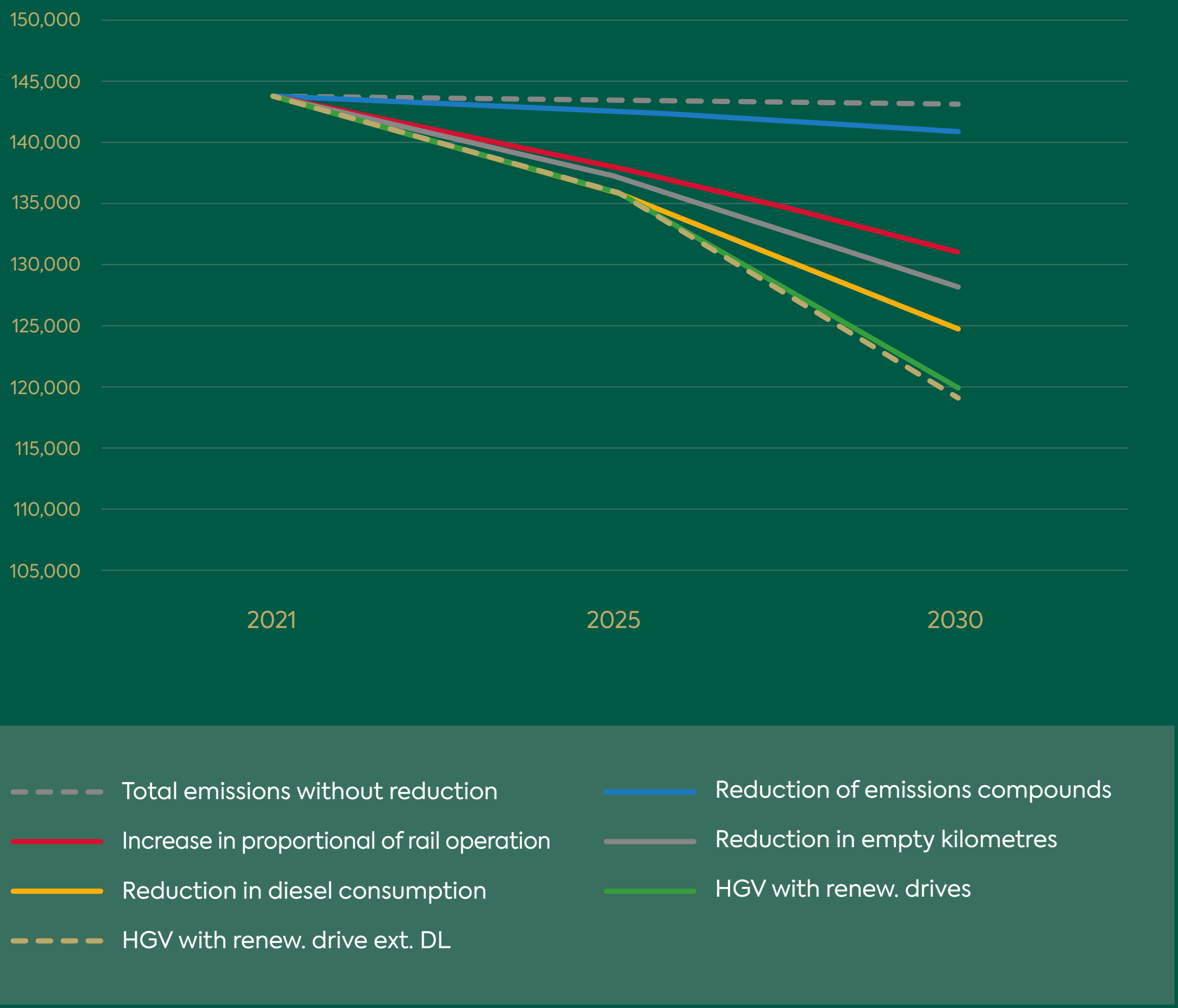
In order to ensure that the values for the base year can be considered representative, 2021 was used as the base year. 2021 was the first "normal" financial year after the COVID crisis.

Secondly, the calculation was performed in accordance with the principles of the GHG Protocol and all relevant Scopes were taken into account. This ensures both consistency and continuity.

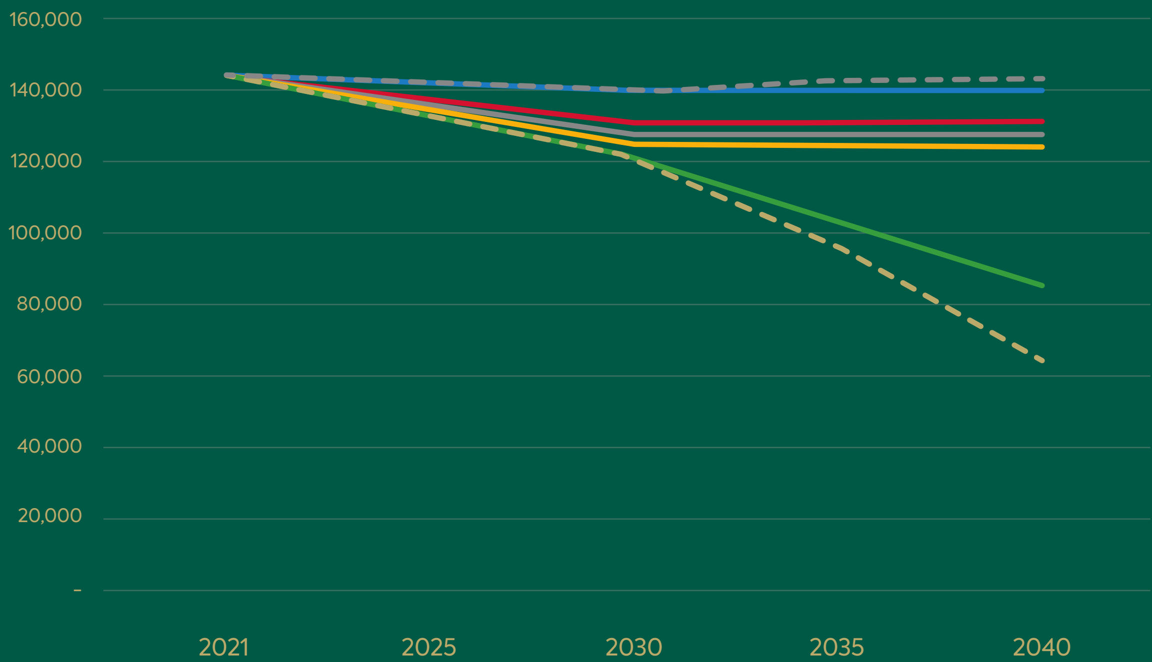
The market-based method is used to calculate Scope 2.

The defined targets are based on the EU Green Deal. In some cases, Hödlmayr has set itself a more ambitious target than the EU (e.g. climate neutrality by 2040, not 2050).

Total climate pathway [t CO_2 eq.]
2030



Total climate pathway [t CO_2 eq.]
2040



Progress – Target achievement

In the 2023 reporting year, the footprint in Scope 1 and Scope 2 was reduced compared to the 2021 reporting year.

	2023	2021	Change
Scope 1 in tonnes CO_2eq	60,588.62	66,530.24	- 8.93%
Scope 2 in tonnes CO_2eq	278.3	604.79	- 53.98%

The calculation thresholds have been extended in Scope 3. This shows an increase.
(see also E1-6).

	2023	2021	Change
Scope 3 in tonnes CO_2eq	99,965.75	76,242.69	31.12%*

* Due to the extension of the system thresholds in the calculation, there is only limited scope for comparability.

[E1-4]

Energy consumption and energy mix

Information on the energy mix:

Energy consumption and mix	2023
Total energy consumption (MWh)	246,875
Fuel consumption from coal and coal-related products (MWh)	0
Fuel consumption from crude oil and petroleum products (MWh)	217,858
Fuel consumption from natural gas (MWh)	5,082
Fuel consumption from other fossil sources (MWh)	44
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	952
Total consumption of fossil energy (MWh)	223,937

Energy consumption and mix	2023
Share of fossil fuels in total energy consumption (%)	91%
Consumption from nuclear energy sources (MWh)	0
Share of consumption from nuclear energy sources in total energy consumption (%)	0%

Energy consumption from renewable sources:

Fuel consumption from renewable sources

HVO 100 - 10% residual emission	220,280 l
OMV EcoMotion – 75% residual emission	178,2675 l

Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources

Procurement of green electricity	2,084,867 kWh

Consumption of self-generated renewable energy without fuel

Self-consumption of self-generated electricity (hydropower, solar power)	459,978 kWh

Information on energy intensity:	2023
Total energy consumption (MWh)	246,875
Net sales (EUR)	410,587,012*
Energy intensity	0.06%

*Sales also includes hydropower (generated at the main site in Schwertberg).
However, this corresponds to a marginal share of total sales and was, therefore, not eliminated in terms of climate-intensive sectors.

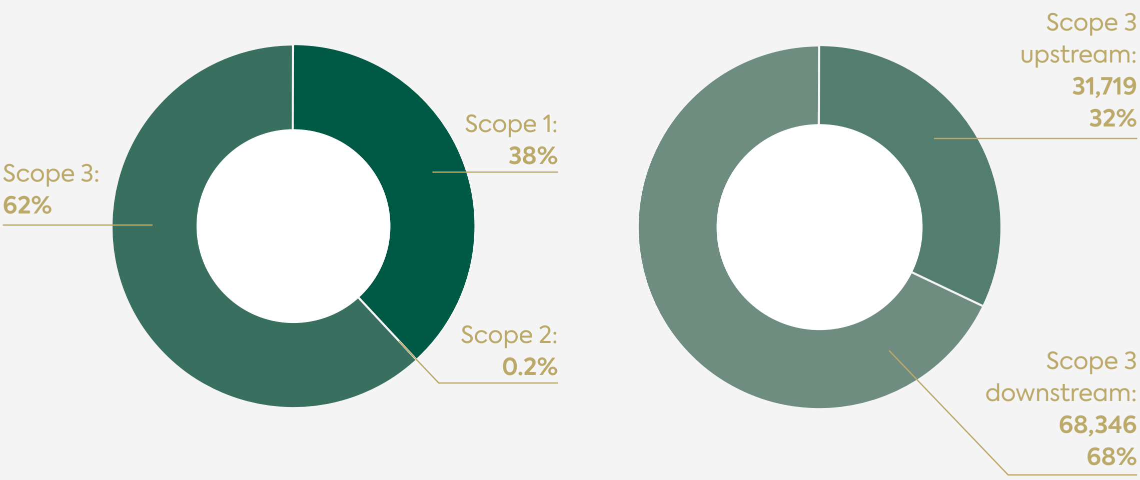
[E1-5]

Gross GHG emissions in Scope 1, 2 and 3 categories and total GHG emissions

Total emissions in tonnes of CO_2e:

Scope 1 emissions	60,588.63
Scope 2 emissions	278.30
Scope 3 emissions	99,965.75
Total emissions	**160,832.67**

All Scope 1-2-3 emissions in $toCo_{2eq}/a$



Results of the calculations in detail

Total GHG emissions **Location-based** = 60,588.6 t CO_2e Scope 1 + 854.75 t CO_2e Scope 2 location based + 99,965.7 t CO_2e Scope 3 total

Total GHG emissions **Market-based** = 60,588.6 t CO_2e Scope 1 + 278.3 t CO_2e Scope 2 market based + 99,965.7 t CO_2e Scope 3 total

Scopes	Source factor	Total to CO_2eq 2023	Total to CO_2eq 2021
Total Scope 1-2-3		**160,832.67**	**143,384.83**
Direct emissions Scope 1		60,588.63	66,530.24
Natural gas	UBA 2023	1,018.59	1,059.67
Heating oil	UBA 2023	11.99	628.13
Refrigerant	Refrigerant calculator	364.40	86.44
Diesel normal	UBA 2023	55,782.47	64,684.55
HVO 100 - 10% Residual mission	Data sheet	55.29	
OMV EcoMotion – 75%	Data sheet	3,355.89	
Diesel compensation	Climatepartner	- 4,806.09	
Indirect emissions Scope 2		278.30	604.79
Market-based	contracts / electricity maps	278.30	
Self-generated electricity		- 92.00	
Self-generated electricity		- 75.84	

The following methodological notes apply:

- Diesel compensation is reported but not deducted from Scope 1.
- Self-generated electricity (own consumption) is recognised as a positive contribution, but is not included in the "market-based" assessment.
- Self-generated electricity (sales) is reported as a positive contribution, but is not included in the "market-based" assessment.

Scopes	Source factor	Total to CO_2eq 2023	Total to CO_2eq 2021
Scope 3 total		**99,965.75**	**76,242.69**
Upstream emissions Scope 3		31,719.48	–
Tyres (replacement)	Tyre study	712.60	973.86
Lubricants	eew info sheet 2021	12.63	119.55
AdBlue	Data sheet	1,342.34	388.57
Cleaning agents/solvents	eew info sheet 2021	10.67	–
Purchased HGVs	ADEME	8,389.50	–
Major investments on site	ADEME	670.32	–
Indirect emissions from natural gas	UBA 2023	249.65	181.37
Indirect emissions from heating oil	UBA 2023	3.23	130.58
Indirect emissions from diesel after measures	UBA	17,687.35	19,310.13
Total waste	PROBAS	426.21	27.62
Business trips/Employee commuting	UBA	1,045.00	161.70
General aviation	UBA	8.71	–
Commuting of employees (type taken into account)	UBA	1,161.28	–
Downstream emissions Scope 3		**68,246.26**	–
B0-Diesel passenger car	UBA 2023	185.25	–
Eurosuper	UBA 2023	47.73	–
Goods train, franchisee, subcontractor	UBA 2023	52,625.08	55,040.76
Indirect emissions Diesel Sub&Franchiser	UBA 2023	15,388.21	–

Comparability with the previous period:

In Scope 3, the results from 2021 are not directly comparable with those from 2023. This is for the following reasons:

- In 2023, additional Scope 3 categories were included (e.g. investments, car refuelling, employee commuting).
- Furthermore, the accuracy of data collection was improved (flights, alternative fuels, rail routes with green electricity, distance sub-carriers/franchisers).
- The calculation factors have been updated (UBA 2023; ADEME and new studies)

Scope 1 and Scope 2 are comparable. There has been a significant reduction here (-9 % in Scope 1 and -54 % in Scope 2).

The measures introduced to increase efficiency and opportunities to procure alternative types of diesel have had an impact on Scope 1. This has enabled Hödlmayr to save 5,942 tonnes of CO_2eq in comparison to 2021.

It is also clear that considerable savings can be achieved through rail transport operations. According to the Federal Environment Agency (Umweltbundesamt), transport by HGV (40 t articulated lorries) is calculated at 69.3 g/km, while rail transport is calculated at 4.4 g/km.

The total value of 160,832.67 tonnes of CO_2 emitted corresponds to a reduction of 7.8% per transported vehicle compared to the 2021 reporting period.

Percentage share of Scope 1 from regulated emissions trading system (ETS):

Table I: Ratio of Scope 1 GHG emissions from regulated emissions trading systems (ETS)	2023
Scope 1 emissions	60,588.63
GHG emissions in (tonnes in CO_2eq) from EU ETS installations	-
National ETS systems	-
Non-EU ETS installations	-
Percentage of Scope 1 from the ETS	0%

Scope 2 Market-based vs location-based:

	Market-based method	Location-based method
Scope 2 total	278.30	854.75

Procedure for calculating the CO_2eq footprint:

In order to calculate Hödlmayr's comprehensive CO_2eq footprint, all locations and activities of the entire Group were taken into account and all emissions in Scope 1 and Scope 2 as well as relevant emissions from Scope 3 were recorded.

The calculation was performed in accordance with the methodological approach of relevant standards. The climate accounting and the report are based on "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition" (GHG Protocol) and the supplement "Corporate Value Chain (Scope 3) Accounting and Reporting Standard".

For the purposes of data collection, directly usable units (kg, m^3, litres, kWh) were accounted for on the one hand, and economic parameters from the balance sheet in accordance with the Austrian accounting framework, on the other.

Emission factors from various data sources were utilised to convert the source values into emission values for the corresponding scopes (categories). These are preferably factors from recognised sources, such as the Federal Environment Agency's emission factor database (UBA2023) and current studies on materials, auxiliary and operating materials, products and processes.

The use of conversion factors based on economic values to calculate CO_2eq emissions also adheres to established standards and is based on recognised databases (EEW information sheet; BEIS; ADEME; Ecoinvent).

The individual scopes were calculated as follows:

Scope 1:
Emissions from this group play the most significant role at Hödlmayr because – as described above – as a logistics service provider, transport by lorry leads to "Direct emissions from mobile sources" (Scope 1.1).

The calculation was based on the exact records of diesel consumption with factors from the UBA 2023.

Emissions from stationary plants only play a subordinate role here. Emissions from coolants were also caused. The compensation is recorded but not subtracted.

Scope 2:
Electricity consumption and district heating were determined from utility bills. In accordance with the GHG Protocol, the result is presented both as a "market-based" approach (CO_2eq values from contracts with energy suppliers that also offer "green electricity", for example) and a "location-based" approach (CO_2eq values from the countries where the electricity is purchased) in Scope 2.

In-house generation and the emissions avoided as a result are also presented. The calculation was performed using factors from the UBA 2023, from the "Electricity Map" and on the basis of information from the electricity suppliers.

Scope 3:
The relevant material purchases (tyres, AdBlue, cleaning agents, etc.) in the reporting year were analysed and converted into their footprint. Various databases and current studies as well as specialist publications with information on conversion factors for material weights/volumes in tonnes of CO_2eq were used for this purpose.

The same approach was used to calculate the emissions of transport service providers (subcontractors and franchisors) as was used for the company's own vehicle fleet. The quantities of diesel and AdBlue required by the transport service providers were calculated from their total kilometre performance, along with the average fleet consumption determined by Hödlmayr.

For the calculation of emissions in rail transport, the rail kilometres were divided into those with a national electricity mix and routes with green electricity, and only those without green electricity were taken into account.

Factors from ADEME were used to convert the economic values into CO_2eq tonnes.

Greenhouse gas intensity on the basis of net revenue

The total GHG emissions of the Hödlmayr Group converted to sales amount to: 0.0003 (tCO_2e/EUR).

For the calculation, the total emissions in tonnes of CO_2e were set in relation to total sales of EUR 410.6 million.

[E1-6]

Reduction of greenhouse gases and projects to reduce greenhouse gases, financed via CO_2 credits

Hödlmayr indirectly supports CO_2 compensation projects by purchasing "bio-diesel" from a supplier – a blend of biodiesel, HVO and fossil diesel. The supplier offsets the fossil fuel share of the quantity purchased by Hödlmayr with certificates.

[E1-7]

Internal CO_2 pricing

The Hödlmayr Group does not currently use any internal CO_2 pricing systems.

[E1-8]

Information on the EU taxonomy

In preparation for the mandatory disclosure of information on the EU taxonomy as of the 2025 financial year, Hödlmayr has already begun to review the regulations and perform initial analyses.

The following ordinances were used for this purpose:

» (EU) 2020/852 of the European Commission of 18 June 2020,
» (EU) 2021/2139 of the European Commission of 4 June 2021,
» (EU) 2021/2178 of the European Commission of 6 July 2021,
» (EU) 2022/1214 of the European Commission of 9 March 2022,
» Adaptation of the delegated environmental acts (EU) 2023/2485 and 2023/2486 as of 27 June 2023

Upon ascertaining the prevailing legal requirements, Hödlmayr began the first phase by defining internal company responsibilities for the survey.

In a second step, the economic activities eligible for taxonomy were identified. For this purpose, the Hödlmayr Group's sales were compared with the descriptions of economic activities in the ordinances and the corresponding values for the financial year were collected.

The following economic activities of environmental targets one and two ("climate protection" and "adaptation to climate change") were identified as taxonomy-capable for the Hödlmayr Group:

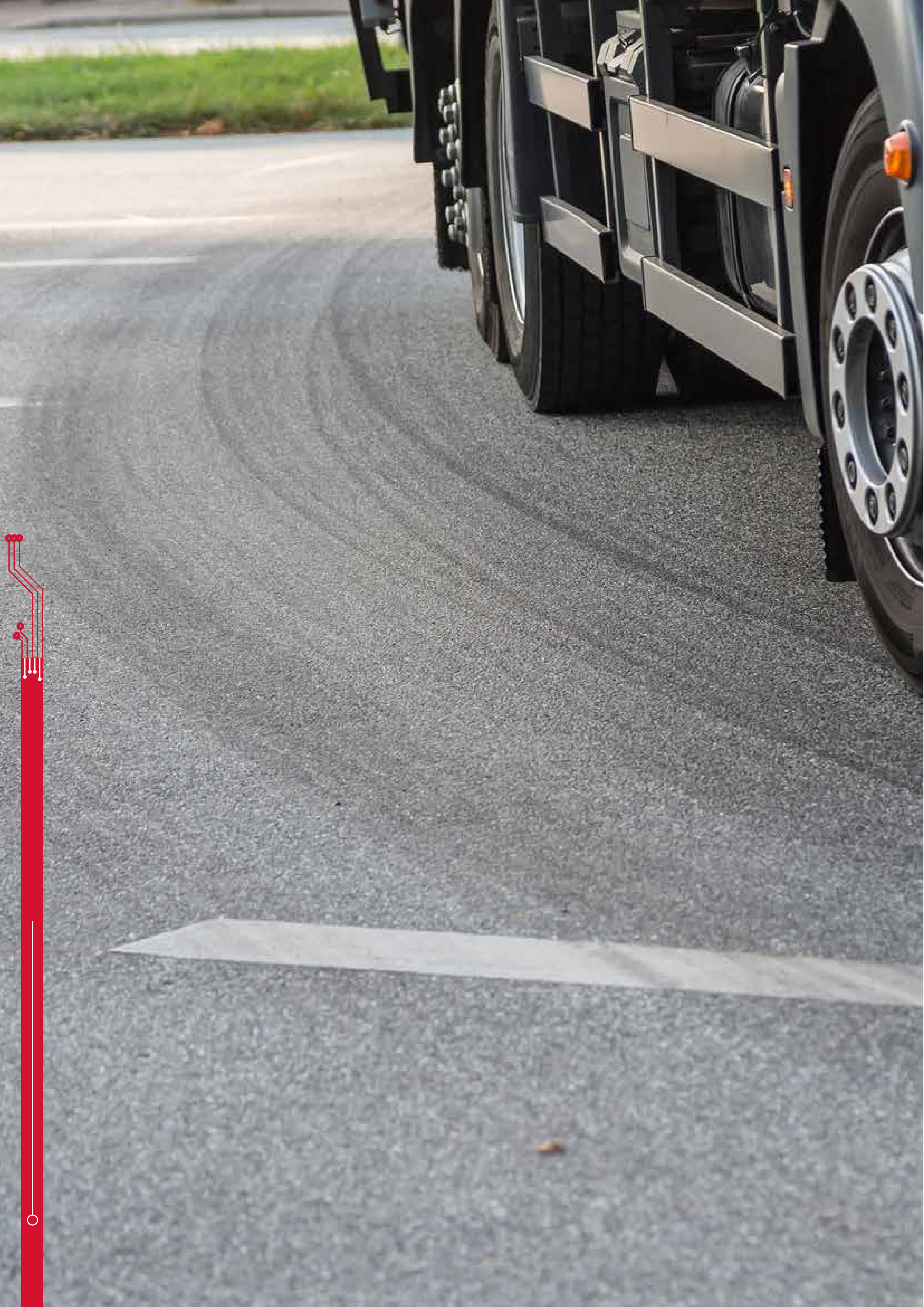
4.5. Power generation from hydropower
6.2. Freight transport by rail
6.6. Transport of goods by road
Hödlmayr also generates revenue from electricity generation using photovoltaic technology (economic activity 4.1.). However, given that these are achieved jointly with external partners in "operator models", they do not fulfil the requirements for taxonomy eligibility.

Hödlmayr also provides services that are mentioned in the environmental target of the circular economy in economic activities 5.1 and 5.3. The extent to which a taxonomy-compliant classification can be established here was being clarified at the time this report was being prepared and will be analysed for the next reporting period. The analysis of the above-mentioned sales in economic activities 4.5, 6.2 and 6.6 yields the following overall result for the 2023 financial year:

	EUR	%
Taxonomy-compliant sales revenue	98,438,916	24%
Revenues not eligible for taxonomy	312,148,096	76%
TOTAL sales	410,587,012	100%

Outlook

On the one hand, Hödlmayr is working on collecting taxonomy-capable OPEX and CAPEX. In addition to these, analyses of taxonomy conformity have commenced. Here, it is essential to ensure that both the technical assessment criteria for a significant contribution and those for avoiding significant adverse effects are met as well as compliance with the minimum safeguards.



Pollution [E2]

The Hödlmayr Group's core business has an impact on the environment. Hödlmayr is aware of its responsibility; the company remains clearly committed to environmental protection and will initiate further steps in this direction.

Managing sources of impact, risks and opportunities

Significant effects, opportunities and risks

The sources of impact, opportunities and risks that were assessed as material in the dual materiality analysis in connection with the topic of pollution and which, as a result, exceeded defined threshold are presented below.

Air pollution

Actual negative effects:

» Emission of particulate matter due to tyre and brake abrasion from trucks

Microplastics

Actual negative effects:

» Emission of microplastics through tyre and brake abrasion from trucks

Company-specific – Noise emissions

Actual negative effects:

» Noise emissions due to transport

Financial risks

» Costs due to noise emissions
Maturity: long-term

No positive effects or financial opportunities above the materiality threshold were identified for the sub-topics mentioned here. No significant sources of impact were categorised as potential.

Other sub-topics listed in ESRS E2 (water pollution, soil pollution, pollution of living organisms and food resources, substances of concern and substances of very high concern) were identified as not material. In this respect, these sub-topics are not covered by this chapter.

The sources of impact, risks and opportunities listed here, which were identified in the course of the materiality analysis (see chapter ESRS 2 – IRO 1), relate to Hödlmayr's core business activities. As the HGVs operate on the road throughout Europe, individual locations were not checked for identification. Many Hödlmayr sites are certified in accordance with ISO 14001, and these results have been included in the analysis.

The negative effects pertain to the upstream value chain in equal measure through franchise and subcontractors that execute transport operations throughout Europe on behalf of Hödlmayr.

[E2 in connection with ESRS 2 IRO-1 & SBM 3]

Programmes and strategies in connection with pollution

Although Hödlmayr currently has a general "Quality, Environmental and Energy Policy", it has not yet derived a dedicated strategy in connection with the above-mentioned sources of impact, risks and opportunities relating to pollution. However, this will be prepared for the 2025 reporting period.

There are several reasons for this: on the one hand, the occurrence of noise emissions and particulate matter correlates directly with the core business as well as with the measures to reduce CO_2. This means that the topic is subject to indirect control. Many of the measures already taken also contribute to the reduction of noise emissions and particulate matter pollution (see E2-2).

Secondly, the Group-wide implementation of ISO 14001 certification covers many topics relating to pollution.

The following locations are certified in accordance with the international environmental management standard ISO 14001:

Location	Status
HLA	certified
HHH	certified
HHL	certified
HLB	certified
HLN	certified
HLC	certified
HLS	certified
HLR	certified
HZS	certified
HLT	Plan 2024
HBU	certified

It is openly recognised that the essential importance of the topic of microplastics has not yet been sufficiently acknowledged. Hödlmayr will develop a corresponding monitoring system with associated measures.

[E2-1]

Measures and resources in connection with pollution

As mentioned in the previous paragraph, many of the Co_2-reducing measures (see E1) also contribute to a reduction in environmental pollution caused by particulate matter, noise and microplastics.

The most important elements in this context include:

- Increasing the proportion of transport operations by rail
- Replacement of conventional diesel with alternative drive energies/purchase of the first electric HGV and use of low-noise lorries: noise emissions can be significantly reduced as a result. The first e-truck was ordered in 2023 and is expected to be put into operation in the course of 2024. Plans and a correspondingly calculated budget for the procurement of further electric HGVs are available.
- Continuous increase in the load factor: this means that fewer kilometres have to be covered and noise, particulate matter and microplastic emissions are reduced accordingly. However, the trend towards vehicles with larger dimensions and vehicle weights makes this more difficult.
- Continuous upgrading and the use of a state-of-the-art HGV fleet (EURO 6 standard).
- Tyre pressure regulations that comply with the manufacturer's specifications and aim for the best possible mileage, low fuel consumption and the lowest possible microplastic emissions. This is accompanied by regular inspections of the company's HGVs.
- Regular coordination with suppliers to reduce noise emissions and tyre wear. This measure extends across the upstream value chain.

The early-stage ordering of the electric HGV was also only possible thanks to intensive cooperation with two suppliers. Know-how transfer, joint coordination of requirements and, ultimately, joint development of the e-HGV have taken place. The transport superstructures of the electric lorry are developed and manufactured in customised form for Hödlmayr.

It should also be noted that speed limits of 20 km/h apply on the compounds, which helps to minimise air pollution.

[E2-2]

Parameters and targets

Targets in connection with pollution

In a similar fashion to the strategy in connection with pollution (see E2-1), attentions turn to the associated targets. For the reasons mentioned above, Hödlmayr has not yet set any measurable, results-orientated targets for microplastics.

The following goals, which were set in connection with climate protection, also contribute to the reduction of particulate matter, noise and microplastics:

» We will double our share of rail transport operations by 2030.

» We will reduce our proportion of empty kilometres to 14 per cent by 2030.

The first specific goals that Hödlmayr has set itself in connection with environmental protection are to collect data and calculate noise, particulate matter and microplastic emissions by the next reporting period, and to evaluate ways of reducing them on this basis.

[E2-3]

Information on air pollution

The following calculations of the Hödlmayr Group's air emissions are rooted in the total distance travelled by all Hödlmayr trucks (including franchisees and subcontractors) on the road in 2023.

Fine dust due to brake wear and particulate matter

According to relevant studies, brake wear in heavy commercial vehicles ranges from around 5 to 9 grams per 100 kilometres (influencing factors: vehicle weight, braking time, composition of brake discs and pads, rotor temperatures, sliding speed and contact pressure). The calculation results in the following brake wear for the Hödlmayr Group for 2023:

Brake wear 9.41 to/a

Particulate matter is also produced by combustion. The calculations result in the following annual volume for Hödlmayr:

Particulate matter (PM) 3.09 to/a

Other sources of air emissions:
Nitrogen oxides are not categorised as greenhouse gases according to GHG and are, therefore, listed separately here.
For Hödlmayr, the calculation for 2023 results in a value of:

Nitrogen oxides (NOx) 237.37 to/a

Microplastics from tyre abrasion

The German Federal Highway Research Institute (Bast) states a tyre abrasion rate per vehicle of up to 1,500 mg/km for articulated HGVs, depending on driving style, road type, etc. For the Hödlmayr Group, the calculation for the year 2023 results in the following microplastic quantity:

Tyre abrasion 161.38 to/a

[E2-4]

Biodiversity and ecosystems [E4]

The example of biodiversity and ecosystems underscores just how far-reaching the environmental impact of a company can be. For Hödlmayr, this is an issue that has not received much attention to date. Hödlmayr recognises the impact of large, sealed compound areas – which are operated throughout Europe – on biodiversity and will continue to address the issue in the coming years.

Strategy

Significant effects, opportunities and risks

In relation to the topic of biodiversity and ecosystems, one significant source of impact above the threshold was identified in the course of the dual materiality analysis (see ESRS2-IRO 1 for a description of the process). No disruption of ecosystem services was identified in this context.

Effects on the extent and condition of ecosystems

Actual negative impact:

» Soil sealing in the compound

Neither potentially negative nor positive effects, as well as financial risks and opportunities, were assessed as material in connection with this topic.

Other sub-topics listed in ESRS E4 (direct causes of a loss of biodiversity, sources of impact on the status of species, sources of impact and dependencies on ecosystem services) were identified as not material. In this respect, these sub-topics are not covered by this chapter.
One risk associated with the sealing of soil by compounds pertains to the authorisation of further compound areas. However, this was not subject to a materiality analysis.

Hödlmayr operates large, sealed compound areas at the following locations, which are used for the temporary storage of transported vehicles: HLB, HLC, HLA (incl. Graz and Wr. Neustadt), HHL, HLR, HLS.

Neighbouring parties to the compounds are consulted on a case-by-case basis.

[E4 in connection with ESRS 2 IRO-1 & SBM 3]

Transition plan and consideration of biodiversity and ecosystems in strategy and business model

As the issue of soil sealing in connection with biodiversity and ecosystems was identified as material for the first time in the course of the newly conducted dual materiality analysis, Hödlmayr does not yet have a specific transition plan. A detailed resilience analysis in relation to biodiversity and ecosystems has not yet been performed, but will be implemented in the next few years (planned completion by 2030).

Following an initial evaluation of the topic, it can be stated that there is a direct connection with Hödlmayr's core business. The Hödlmayr Group operates large compound areas throughout Europe, which are indispensable for the provision of its core service. Most of these areas are sealed with asphalt and concrete.

The country-specific laws and regulations regarding asphalting and concreting are complied with. Possible equalisation measures are being examined and considered for the future development of new compounds.

[E4-1]

Managing sources of impact, risks and opportunities as well as parameters and targets

Strategies, measures and targets related to biodiversity and ecosystems

As mentioned above, the dual materiality analysis has raised awareness within the Hödlmayr Group for an in-depth examination of the issue of soil sealing in connection with biodiversity and ecosystems. There are currently no corresponding strategies, measures or targets. These will be developed over the next two years. It is also not yet possible to issue a statement on the level of ambition aimed for by 2030.

[E4-2, E4-3, E4-4]

Impact parameters related to biodiversity and ecosystem change

On balance, the Hödlmayr Group manages parking spaces for 55,000 cars, which corresponds to a sealed area of around 110 hectares.

[E4-5]







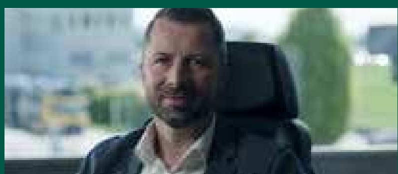
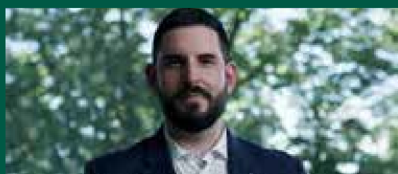




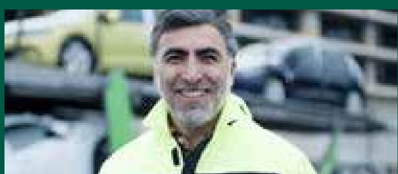










Own workforce [S1]

Our "people in logistics" remain our top priority and are the key to driving innovation. We combine team spirit with a down-to-earth attitude, collegiality and a sense of openness.

Strategy

Open culture of dialogue

The dialogue with our employees is particularly important to us. We have launched various initiatives to foster and actively embrace the importance of dialogue. As part of the materiality analysis process, we organised a focus group with employees from various locations in order to take their views into account. Our DIALOG Intranet renders it possible to regularly inform a large part of the workforce about various topics.

Many of the identified sources of impact, opportunities and risks can only be managed if all of our locations are considered equally and an active dialogue between the management team and the workforce is ensured. We have, therefore, introduced various dialogue formats:

- **Weekly Report:**
  Information from the various departments and all locations is collected on a weekly basis and made available to the Management.
  This enables a standardised level of knowledge among managers.
- **Meetings at Management level:**
  Group-wide meetings are organised three times a year at which strategic topics and developments are presented.

  Hödlmayr "Summits":
  Furthermore, we want to ensure a cross-border exchange and transfer of knowledge in the central divisions. To this end, the departments from the respective branches come together for several days at least once a year. Examples of this include: Sales & Transport, Insurance, Quality, HR, Controlling & Finance.

  Regional Strategy Days & Group Convention:
  Presentation of the strategies underpinning the individual companies, the business divisions and the overall strategy.
  It remains the task of managers to subsequently pass this content on to the workforce.

  New Year's reception:
  Review of the past year and outlook for the coming year.
- **Management Talks:**
  The "Management Talks" initiative is set to be launched in 2024. The aim is to promote regular and open dialogue with the Management.

[SBM-2]

Significant effects, opportunities and risks

The company's own workforce was a central aspect in the analysis of dual materiality. The Hödlmayr Group is a service company in which its own employees play a very important role. This section covers all employees who have a direct employment contract with the company. No potential sources of impact were assessed as material.

Working conditions:

The sub-topic of working conditions is very broad and covers areas such as fair pay, health and safety, a social welfare dialogue, working hours, safe employment, freedom of association, work-life balance and collective bargaining. The key areas identified for the Hödlmayr Group are as follows:

Actual positive effects:

- Promotion of occupational safety: occupational safety is represented in the corporate strategy in the form of a separate workforce unit.
- Promoting financial stability and continuity: the reliable payment of wages and salaries contributes significantly to the financial stability of employees.
- Promoting an open corporate culture by providing various communication channels. This includes a large proportion of the workforce.

Actual negative effects:

- Risk of accidents at work during loading/unloading: the loading and unloading of vehicles on vehicle transporters harbours a certain risk of accidents for all employees at all locations who perform this activity.
- Risk of road accidents: despite every safety precaution being taken, there is a risk of road accidents for all drivers when transporting vehicles.
- Group-wide health management: health management varies from location to location and country to country.
- Deployment of HGV drivers: international assignments of up to four weeks put physical and psychological strain on drivers.
- Physical strain due to prolonged sitting: sitting motionless for long periods of time places considerable physical strain on drivers.
- Group-wide strategy to promote mental health: in the reporting year, there was no Group-wide system in place, and the support offered to promote mental health depends on the location.
- Difficult working conditions and effects on health and safety due to extreme weather events: heat, cold, hail and snow make working conditions more difficult and affect health and safety.

Financial risks:

- Rising wages due to increasing collective agreements and market-driven pay: rising wages can pose a financial risk for Hödlmayr. ***Maturity: medium-term***
- Rising costs due to regulation: compliance with future regulations potentially increases the costs associated with driving operations.
  Maturity: long-term

- Higher costs due to increased employee demands: the desire for a better work-life balance and other benefits can lead to higher costs.
  Maturity: medium-term

- Costs and risk due to strikes or strike threats: there is an industry-related risk of strikes or the threat of strikes. If necessary, the causes are identified and dialogue is sought with the striking parties.
  Maturity: medium-term

- Labour shortage in the transport sector (finished vehicle sector): the lack of qualified labour poses a major challenge and source of financial risk.
  Maturity: medium-term

No financial opportunities were assessed as material for the Hödlmayr Group in this sub-topic.

Equal treatment and equal opportunities for all

The sub-topic of equal treatment and equal opportunities for all includes topics such as equal pay for equal work, vocational training, inclusion of people with disabilities and measures to combat violence in the workplace and promote diversity.
The key areas identified for the Hödlmayr Group are as follows:

Actual positive effects:

- Promotion of knowledge: our training programme extends across all levels of the company and promotes the importance of continuous learning and development among our employees.

Actual negative effects:

- No full access to internal communication: the lack of access to the Intranet for individual groups of employees (e.g. for some drivers) and language barriers impair internal communication. A specific Group-wide rollout plan was drawn up in the 2023 reporting year. The language barriers vary greatly depending on the branch.

- Employment of people with disabilities: the employment of people with disabilities as HGV drivers is considered difficult to impossible, depending on the degree of disability and suitability as a professional driver.

- Remuneration in line with the market: there is currently no standardised approach across the Group for analysing whether wages are in line with the market. Market conformity is currently assessed at location level.

No financial risks and opportunities were identified as material for the Hödlmayr Group in this sub-topic.

Other labour-related rights

The sub-topic of other labour-related rights covers areas such as child and forced labour, reasonable accommodation and data protection. The key areas identified for the Hödlmayr Group are as follows:

Positive effects:

- Compliance with human rights: our Code of Conduct guarantees compliance with human rights and explicitly excludes child and forced labour.

No negative effects or financial risks and opportunities were identified as material for the Hödlmayr Group in this sub-topic.

[SBM-3]

Managing sources of impact, risks and opportunities

Guidelines in connection with the company's own workforce

The Hödlmayr Group's Guiding Principles for its own employees encompass our vision, mission and values. They are at the centre of everything we do and all company decisions are geared towards this. In principle, all guidelines and strategies are valid for the entire workforce of the Hödlmayr Group and are communicated by the company's Management. Implementation is monitored by the respective department manager.

The Code of Conduct also plays a central role for the entire workforce. The Code of Conduct is made available to new employees and can be accessed on our DIALOG Intranet, among other places. The Code of Conduct covers the following topics:

- Compliance with laws and other regulations
- Fair competition
- Money laundering
- Compliance with human rights, prohibition of discrimination
- Conflicts of interest
- Dealing with company information/ intellectual property
- Working hours and remuneration for working hours
- Occupational safety
- Environmental protection
- Data protection
- Dealing with authorities

The Hödlmayr Group respects internationally recognised human rights and bases its actions on the United Nations Guiding Principles on Business and Human Rights.

Particular importance is attached to the rights of the International Bill of Human Rights and the core labour standards of the International Labour Organization (ILO). The Hödlmayr Group rejects all forms of discrimination in employment and occupation – such as slavery, child labour, servitude, forced labour, human trafficking, threats against people who defend human rights and other violations of human rights. If a violation is noticed, a point of contact is available in the Code of Conduct for reporting.

The Hödlmayr Group has agreed on the ISO 45001 standard with regard to occupational health and safety. The management system supports the company's endeavour to meet the requirements of modern occupational health and safety.

An overview of the individual locations and the status of certification can be found in the following table:

Location	Status
HLA	certified
HHH	certified
HHL	certified
HLB	certified – Q1 2024
HLN	certified – Q1 2024
HLC	certified – Q1 2024
HLS	certified
HLR	certified
HZS	certified
HLT	Plan 2025
HBU	2024

[S1-1]

Procedures for involving the company's own workforce and employee representatives in relation to sources of impact

The previous chapter already emphasised that Hödlmayr has an open culture of dialogue and feedback. Employees can submit suggestions, ideas and feedback via various channels and thus render a significant contribution to improving the identified sources of impact. The Human Resources department and the line manager act as the initial point of contact for any concerns that arise.

» **Employee appraisal**
Workforce appraisals are held once a year at all locations for specific groups of employees. These are in no way intended to replace regular communication between managers and employees, but rather to supplement it. The HR department provides the respective manager and the employee with an interview form for preparation. The aim of the meeting is to create space for feedback, openness, improvements and support options as well as to define target agreements and training and support measures. Mutual respect and attentive listening form the basis.

» **Intranet DIALOGue**
Our DIALOG Intranet serves as our central communication platform, which is also available in App format. All news, changes and other important information are disseminated via the platform. Unfortunately, not all employees currently have access. However, this is to be ensured in the future. Simultaneously, the multilingualism of the Intranet is to be expanded.

» **CSR Meet and Learn**
Our "CSR Meet and Learn" initiative is open to all employees, and provides insight into the sustainability strategy in terms of its targets, measures and their impact.

» **Employee representation**
Employees of the Hödlmayr Group can seek advice from the employee representatives at any time. At present, not all employees at the locations have established a works council.

» **Whistleblower platform**
Should an employee prefer to remain anonymous when reporting an incident or problem, the whistleblower platform can be used. Concerns about misconduct can be reported in accordance with legal requirements. It provides support in the detection of fraud, unethical behaviour, discrimination, bullying and much more. Employees were informed about the existence of the whistleblower platform via the DIALOG Intranet. More information on the whistleblower platform can be found in the Business conduct section [G1].

[S1-2]

Procedures for addressing negative sources of impact and channels for raising concerns

The previous chapter presented all the channels used to involve employees.
At the same time, certain channels also allow existing concerns to be expressed in confidence and anonymously. A close process of exchange between employees and managers is particularly desirable In order to recognise and improve problems at an early stage, a close. The Human Resources department is always available should an employee not want to discuss a concern with his/her line manager. In any case, concerns and

problems are addressed individually. These are analysed, and steps are then taken to improve or eliminate them.

[S1–3]

Taking action on significant sources of impact and approaches to managing significant risks as well as capitalising on significant opportunities

The human resource strategy already comprises a number of measures that address the identified sources of impact, risks and opportunities. Within this year, further measures will be defined to address the identified areas even more specifically.

Measures taken to date:

- Where possible, introduction of flexible working hours for employee categories
- IT solutions to promote and expand the vocational training programme
- Leadership development programmes for different levels
- Establishment of a succession planning process
- Introduction of an employee App for internal communication
- Hödlmayr High Potential Programme (HRD Programme) for the promotion of high potential candidates as an initial step on the way to future key and/or management positions

Measures planned as of 2024:

- Training of managers in the areas of strengthening autonomy, new work/new leadership
- Promotion of communication
- Prepare regular meetings for succession planning
- Implementation of a competence matrix
- Evaluation of additional IT solutions
- "Management Talks" to promote open dialogue with the Management
- Derivation of further measures that specifically address identified sources of impact and risks

[S1–4]

Parameters and targets

Targets related to managing significant negative sources of impact, promoting positive sources of impact and managing significant risks and opportunities.

The following targets were defined so that the efficacy of the defined measures can be measured:

- Reduction of the occupational accident rate by 10% by 2030 (basis 2023) and a further 15% by 2040 (basis 2030)
- We will have expanded our vocational training portfolio by 2025 to include content that strengthens the mental fitness of our employees
- A performance dialogue* will be conducted annually with each employee by 2026.
- We support our employees in their professional development, and focus on qualified succession planning. By 2027, 30% and by 2035, 50% of managers will be recruited from within the company.
- We set two training priorities across the Group each year.
- We actively support women in taking up management positions. As of 2024, 50% of the places available in the annual Hödlmayr High Potential Programme (HRD Programme) are reserved for female employees.
- From 2025, we will offer specific coaching for our employees who are interested in a management position.

* Differs depending on the specific requirements and targets of each employee group.

[S1-5]

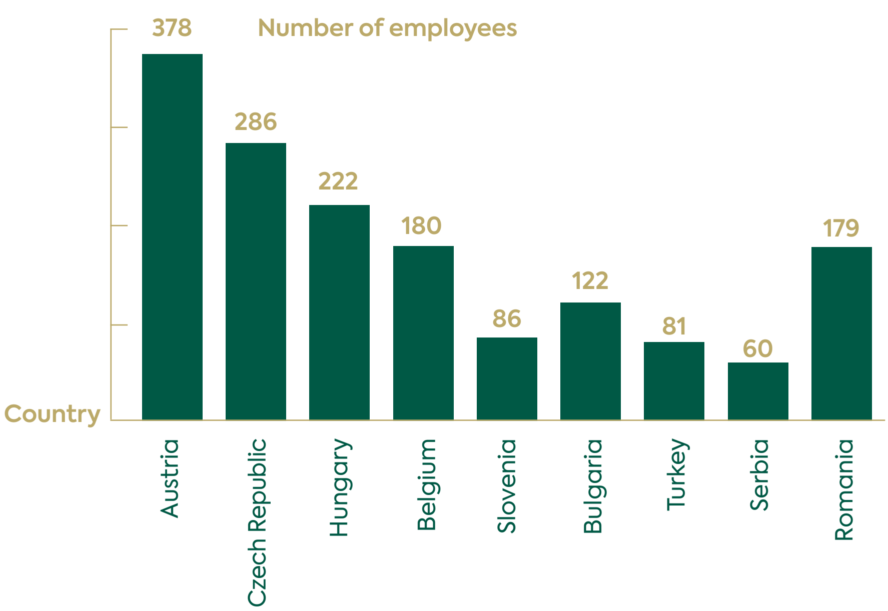
Profile of our labour force

The figures provided are based on headcount and as at 31/12/2023

Overview of the workforce at Group level:

	Female	Male	Non-binary	Total number of employees
Number of employees	266	1,368	0	**1,634**
Number of permanent employees	263	1,355	0	**1,618**
Number of temporary employees	12	44	0	**56**
Number of employees without guaranteed working hours	0	0	0	**0**
Number of full-time employees	207	1,337	0	**1,544**
Number of part-time employees	59	31	0	**90**

Overview of countries in which Hödlmayr has 50 or more employees:



Overview of the workforce per country:

	AT	DE	CZ	HU	BE	NL	SI	BG	TR	RS	RO	UA
Number of employees	378	16	286	222	180	10	86	122	81	60	179	14
Number of permanent employees	378	16	286	222	176	10	82	122	78	55	179	14
Number of temporary employees	0	0	0	0	4	0	4	0	3	5		0
Number of employees without guaranteed working hours	0	0	0	0	0	0	0	0	0	0		0
Number of full-time employees	331	13	282	221	155	5	86	122	78	60		14
Number of part-time employees	47	3	4	1	25	5	0	0	3	0		0

Fluctuation rate:

- Number of employees who left the company during the reporting period: **365**
- Number of employees who started at the company during the reporting period: **421**
- Employee fluctuation: **18%**

[S1-6]

Characteristics of non-salaried workers

Hödlmayr had 93 non-salaried employees in the reporting period (head count, reporting date: 31/12/2023).

[S1-7]

Collective agreement coverage and social welfare dialogue

Hödlmayr employs all members of its workforce in accordance with prevailing legal regulations and properly registers all employment relationships with the responsible authorities. 54.59 % of employees are covered by a collective labour agreement and 53.98 % are covered by way of employee representation.

	Collective agreement coverage	Social welfare dialogue
Coverage rate	Employees – EEA (for countries with > 50 employees)	Representation at the workplace (EEA only)
0 - 19 %	Czech republic	Czech Republic, Hungary
20 - 79 %		
80-100 %	Austria, Hungary, Belgium	Austria, Belgium

With the exception of Serbia, Turkey and Ukraine, the company has no employees outside of the European Economic Area.

[S1-8]

Diversity parameters

The top management level at Hödlmayr includes COO and CFO, Managing Directors and Head of Corporate Functions.

Top management level		
Female	5	19%
Male	21	81%
Total	26	100%

Employees		
Under 30 years	215	13.1%
30 - 50 years	873	53.4%
Over 50 years	546	33.4%

[S1-9]

Appropriate remuneration

The collective agreement was used to determine the appropriate remuneration in accordance with applicable reference values. In those countries where there are no collective agreements in place, the following reference value applies: 60% of the median income (national, gross) or 50% of the national average income (gross).
According to this definition, 7 employees (0.44%) at the company's location in Serbia did not receive appropriate remuneration in line with the applicable reference values in the 2023 reporting year.
This was corrected in the 2024 financial year and a corresponding salary adjustment was made. All non-salaried employees receive appropriate remuneration.

[S1-10]

Social protection

At all locations, all employees in all categories are legally protected by social security against loss of earnings due to significant life events (illness, unemployment, accidents at work and disability, parental leave, retirement):

[S1-11]

People with disabilities

Employees with disabilities		
Female	5	0.31%
Male	11	0.67%
Total	16	0.98%

[S1-12]

Training and skills development

At Hödlmayr, 11.4% of female employees and 27.5% of male employees took part in a performance and career assessment in the 2023 financial year. An overview of the average number of vocational training hours per employee can be found in the following table:

Employees	Hours
Female	12.24
Male	7.35
Total	8.14

[S1-13]

Health protection and safety

82.71% of Hödlmayr's employees are covered by an ISO 45001 health and safety system. At all Hödlmayr Group locations, the statutory requirements relating to the health and safety of employees are strictly adhered to.

Type	
Number of deaths due to work-related injuries and work-related illnesses	0
Number of reportable accidents at work	61
Rate of reportable accidents at work	22%
Number of notifiable diseases	1
Days lost due to work-related injuries and fatalities as a result of occupational accidents, work-related illnesses and fatalities due to illnesses	6,076

[S1-14]

Work-life balance

	Female	Male	Total
Percentage of employees entitled to leave for family-related reasons	95%	85%	87%
Percentage of eligible employees who have taken leave for family-related reasons	29%	10%	13%

[S1-15]

Remuneration parameters

Gender pay gap:

Total	Drivers	Direct employees	Indirect employees
11%	9%	15%	23%

The data shown concerns unweighted averages of the data from the individual locations. For the next report, we will work on improving the accuracy of the data and endeavour to achieve a weighted presentation.

The definition of the employee categories can be found in the section entitled "Social protection".

Due to different currencies, tax systems and purchasing power parities, the key figure on the income spread within the company is only of limited significance, which is why the company refrains from disclosing it.

[S1-16]

Incidents, complaints and serious sources of impact related to human rights

No cases of discrimination were reported in the reporting year and no fines, sanctions or compensation payments were incurred.

[S1-17]

Workers in the value chain [S2]

In addition to Hödlmayr's own employees, the labour force throughout the entire value chain is also of crucial importance. The drivers of third-party companies receive the same working conditions as the drivers in the company's own workforce. Hödlmayr attaches great importance to ensuring that everyone involved is treated fairly and equally, irrespective of whether they are employed directly by the company or work for external partners.

Strategy

Inclusion of interests

Hödlmayr maintains a close business relationship with the franchise companies. There is a dedicated manager in place who acts as franchise supervisor and is responsible for organisational matters. The franchise supervisor always remains in close contact with the partners and has an open ear for questions, issues or other matters. The exchange with the subcontractors and other suppliers is not as close as that with the franchise partners. This is because the franchise companies have a long-term contractual relationship with Hödlmayr. An exchange takes place during contract negotiations or on an ad hoc basis.

[SBM-2]

Significant effects, opportunities and risks

The workers in the value chain played a similarly important role in the dual materiality analysis as the company's own workforce, given that many sources of impact, opportunities and risks overlap. No potential sources of impact or opportunities were assessed as material.

Working conditions:

Actual positive effects:

» Utilisation commitments in the spirit of a partnership-based cooperation: the franchisers benefit from Hödlmayr's expertise through the active exchange of knowledge. The capacity utilisation commitments ensure predictability and stability in our business.

Actual negative effects:

» Mental strain on drivers due to traffic volume and stress due to uncertainties (e.g. parking space free/available for rest breaks).

- Mental stress for drivers due to a lack of social interaction during the journey: the long journey time without social interaction can lead to isolation and mental stress.
- Physical strain on drivers due to prolonged, motionless sitting and heavy lifting during loading and unloading: drivers suffer from the health consequences of sitting motionless for long periods and heavy lifting during loading and unloading.
- Driving and rest times: Hödlmayr possesses no insight into (and no possibility of) influencing compliance with the driving and rest times of the personnel of the subcontracted companies. This is exclusively within their sphere of influence.
- Risk of road accidents: despite all safety precautions (including assistance systems), there is a risk of road accidents for all drivers of franchisors and subcontractors.
- Difficult working conditions due to extreme weather: heat, cold, hail and snow can affect working conditions and the health and safety of drivers.
- Difficulty in reconciling work and family life: the professional field of drivers is difficult to reconcile with family life, and part-time models are difficult to implement in international transport.
- Due to the impossibility of monitoring, there may be potential working time violations in the upstream value chain that are not recognisable to Hödlmayr.

Financial risks:

The cost and risk of strikes or the threat of strikes by various groups of employees within the supply chain can lead to increased costs.
Maturity: Short term

Equal treatment and equal opportunities for all

Actual negative effects:

- Infrastructure (such as showers and rest rooms), which is primarily geared towards male needs due to the nature of the industry, leads to discrimination against women in the industry.
- Employment of people with disabilities: depending on the degree of disability and suitability as a professional driver, it can be difficult or even impossible to employ people with disabilities as HGV drivers, which leads to limited inclusion of this group.

  No positive effects were identified as material for the Hödlmayr Group for this sub-topic.

Other labour-related rights

Negative effects:

- Limited transparency in the supply chain for raw materials: it is often not possible to monitor fair labour conditions in the supply chain for raw materials, which leads to insufficient insight into working conditions.

No positive effects were identified as material for the Hödlmayr Group for this sub-topic.

[SBM-3]

Managing sources of impact, risks and opportunities

Guidelines in connection with the workers in the value chain

For Hödlmayr, the quality of services enjoys centre stage. Safe working conditions for everyone involved are essential. Existing guidelines and contracts do not currently address the identified sources of impact and risks in detail. These aspects will be fine-tuned by the 2025 financial year.

Franchise agreement

A franchise agreement is concluded with each franchiser, which, among other things, sets out the framework conditions for drivers and creates fair and safe working conditions. This contract regulates organisational aspects – such as contract duration, contractual objects and general conditions. In addition to this, the franchiser undertakes to pay employees at least the current statutory minimum wage upon signing the agreement.

Subcontractor declaration

Collaboration with a subcontractor only takes place after the subcontractor declaration has been signed. This defines general conditions and framework agreements. The subcontractor must pay its drivers at least the statutory minimum wage and undertakes to do so by signing the declaration. Furthermore, reference is made to Hödlmayr's Code of Conduct, which must be complied with.

Supplier Code of Conduct

Hödlmayr does not currently have a Supplier Code of Conduct that must be signed by suppliers. Its introduction is due to be completed by the end of 2024. The Supplier Code of Conduct will include the following content:

- Respect for human rights
- No child labour
- No forced labour
- Modern slavery
- Appropriate remuneration (with minimum requirement collective agreement and/or minimum wage law)
- Fair working hours (exclusively within the legal framework)
- No discrimination, protection of minority rights
- Ensuring safe working conditions
- De-carbonisation (targets)
- Careful use of resources
- No corruption and bribery
- Fair competition
- Data protection
- Occupational safety
- Health in the workplace
- Violations of the Code of Conduct
- Freedom of association and collective bargaining

The following suppliers are to commit to the contents of the Supplier Code of Conduct in future:

- All Group-wide suppliers who sign a contract through International Procurement.
- All site suppliers with sales > EUR 300,000 p.a.
- All suppliers with whom long-term contractual relationships (one year or longer) are entered into.

[S2-1]

Inclusion of the labour force in the value chain in terms of impact

There is currently no process in place to include the workers in the value chain in terms of sources of impact. In certain instances, drivers are actively involved in the process, for example, in the selection of work clothing and safety clothing. Hödlmayr will evaluate – by the 2025 financial year – as to whether (and to what extent) there is a need for action, taking practicability into account.

[S2-2]

Procedures for addressing negative sources of impact and channels for raising concerns

Hödlmayr has introduced an online-based whistleblower platform to provide everyone – including workers in the value chain – the opportunity to voice their concerns. Individuals can report problems such as discrimination, conflicts of interest, etc. anonymously via the platform. Once the reports have been received, the content is checked and evaluated and measures for improvement are derived. Further details can be found in the section on Business conduct [G1].

[S2-3]

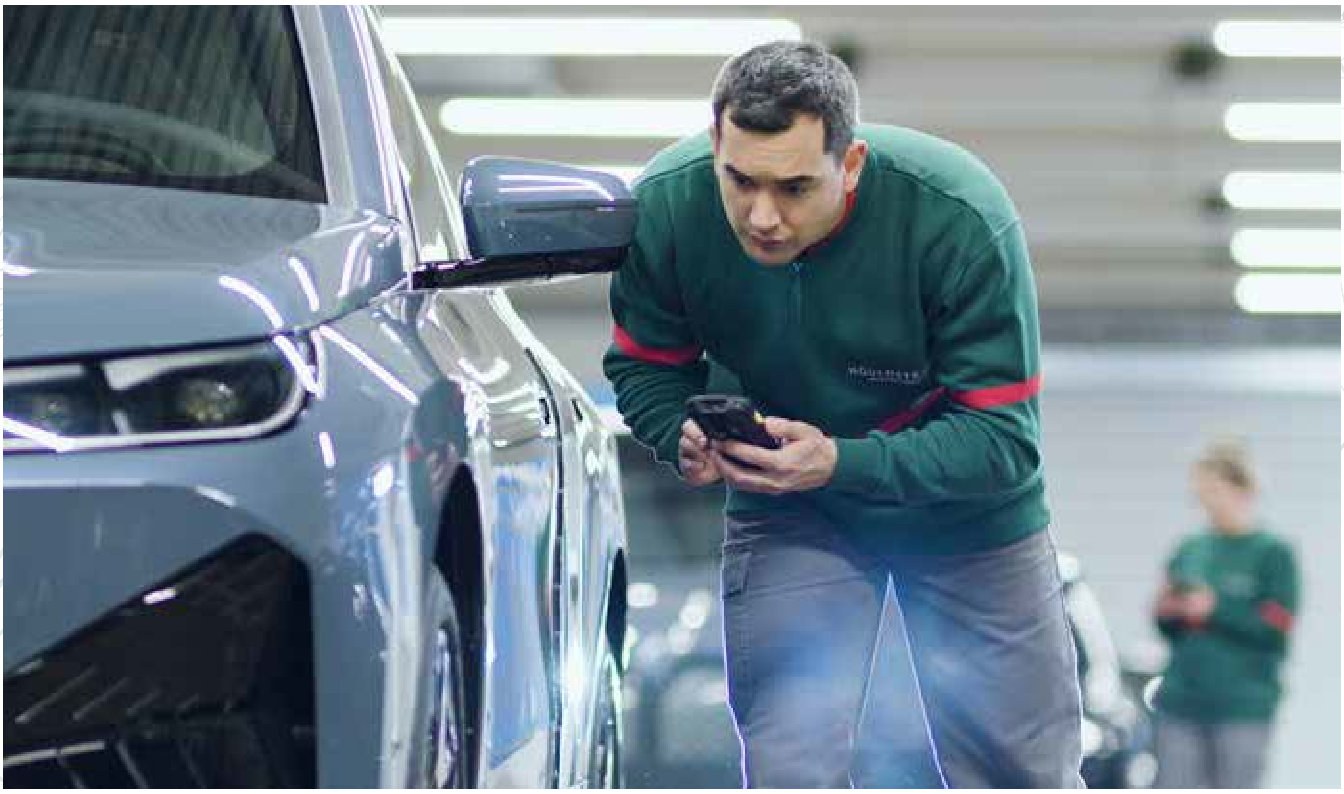
Taking action on significant sources of impact and approaches to managing significant risks as well as capitalising on significant opportunities

The measures adopted and planned always contribute to all three sub-topics – working conditions, equal treatment and equal opportunities for all, and other labour-related rights.

Measures taken to date:

Audits at third-party companies: drivers from third-party companies undergo the same audit procedures as our own drivers.
The following factors are reviewed during the audits: checking driving authorisation, existing service contracts, documentation for international posting, driver card and proper positioning in the truck, in order to check driving and rest times, as well as safety aspects.

If defects or deviations are identified, instructions are issued and corrective action is taken. Non-compliant HGVs from third-party companies will no longer be used throughout the Group until the situation has been rectified. All safety-related guidelines (e.g. high visibility vest, safety shoes, use of footpaths, maximum speed of vehicles…) are on notice-boards in vehicle distribution centres and apply equally to the company's own (and external) drivers as well as all other external parties. If an infringement is detected, instructions will be issued.



Planned measures:

- Creation of Supplier Code of Conduct by Q3/2024
- Dispatch to all defined suppliers and service providers by Q4/2024
- Publication on the website after completion
- Acceptance of suppliers' own codes of conduct, provided that these (largely) correspond in terms of content

[S2-4]

Parameters and targets

Targets related to managing significant negative sources of impact, promoting positive sources of impact and managing significant risks and opportunities.

The following targets were defined so that the efficacy of the defined measures can be measured:

- 70% of the suppliers contacted should have confirmed compliance with the Supplier Code of Conduct by Q2/2025.
- 90% of the new suppliers included in the definition from Q4/2024 will have confirmed the Supplier Code of Conduct at the end of each year.

[S2-5]

Business conduct [G1]

Responsible behaviour is understood as a central pillar of Hödlmayr's corporate culture and is reflected in the corporate strategy. Compliance with social, political and legal framework conditions forms the basis for the successful realisation of the Hödlmayr Group's international business activities.

Governance

Corporate responsibility

As an internationally active company, it is a matter of course for Hödlmayr to act in a compliant manner. The Code of Conduct and the Anti-Corruption Guideline contain all the specifications on the central topics in which Hödlmayr is committed to compliant behaviour. The Code and guidelines form the basis for impeccable behaviour throughout the company and support employees in exercising their own responsibility. A specially appointed Group Compliance Officer brings the necessary expertise to the company, and this person is responsible for communication, training, the ongoing updating of guidelines and reporting to the Management of the holding.

[ESRS 2 GOV-1]

Managing sources of impact, risks and opportunities

Compliance Management System

The Compliance Management System is constantly being developed and updated, in order to ensure that compliance violations are avoided in the first instance. Should an offence occur, the system reacts in the best possible way and takes the necessary steps. This minimises liability risks and reputational damage.

The sources of impact, risks and opportunities identified in the dual materiality analysis are integrated into the ongoing process and processed accordingly. A compliance risk analysis was performed at all Hödlmayr locations in. This was to ensure that all Hödlmayr locations are taken into account and trained. The weaknesses subsequently identified were analysed on a site-specific basis and measures were derived.

The managing directors of the locations prepare a monthly compliance report for the Group Compliance Officer.

[ESRS 2 IRO-1]

Significant effects, opportunities and risks

Corporate culture

Actual positive effects:

- Family-run company structure: this structure leads to long-term decisions aimed at sustainability and consistency.
- Promoting compliance through continuous awareness training: continuous awareness training promotes compliance with regulations and guidelines.

Actual negative effects:

- Short-term cost savings due to non-compliance with transport regulations can lead to legal consequences in the long term.

No negative effects, opportunities or risks were identified as material for the Hödlmayr Group in this sub-topic.

Protection of whistleblowers

Actual positive effects:

- Protection of whistleblowers through a GDPR-compliant system

No negative effects, opportunities or risks were identified as material for the Hödlmayr Group in this sub-topic.

Management of relationships with suppliers

Actual positive effects:

- Individually defined payment terms with suppliers and customers: this enables flexible liquidity planning and can lead to improved business relationships.

Actual negative effects:

- No comprehensive Supplier Code of Conduct compliance in the supply chain in the 2023 reporting year

Financial risks

- Rising costs due to regulation: compliance with new regulatory requirements can entail considerable costs as the company must invest in systems and processes in order to fulfil essential due diligence obligations (e.g.: Supply Chain Due Diligence Act [Lieferkettensorgfaltspflichtengesetz]). *Maturity: Medium-term*

No opportunities were identified as material for the Hödlmayr Group in this sub-topic.

Corruption and bribery

Financial risks

- Risk of fines or damage to the company's reputation due to possible compliance violations: in view of different degrees of enforcement regarding legal requirements in the market, there is a risk of different interpretations of the regulations. *Maturity: Medium-term*

No positive actual effects or opportunities were identified as material for the Hödlmayr Group in this sub-topic.

The two sub-topics of "animal welfare" and "political commitment" are not listed as no sources of impact, risks and opportunities of the sub-topics were assessed as material. None of the potential positive or negative effects were categorised as material.

[SBM-3]

Guidelines in connection with business conduct and corporate culture

All publicly accessible Hödlmayr guidelines are available on the company's website. The three most important guidelines are the Code of Conduct, the Anti-Corruption Guideline and the "Compliance Report" circular. The Group Compliance Officer, the Management of the holding company and the managing directors of the individual locations are responsible for the guidelines. In addition, the Whistleblower Directive has been properly implemented.

Code of Conduct

Detailed information on the Code of Conduct can be found in the chapter on "Own workforce" [S1].

Anti-Corruption Guideline

The Anti-Corruption Guideline is intended to support the responsible behaviour of the Hödlmayr Group, and contains all regulations on the key topics of anti-corruption, gifts, invitations, sponsoring and donations. It also describes how to act in the event of violations.

The guideline applies to all managers and employees of the Hödlmayr Group – without exception. Furthermore, the primary business partners (customers, suppliers, consultants, etc.) are informed of this. The following contents are set out in the Anti-Corruption Guideline:

» Fight against corruption
» Gifts and invitations
» Sponsoring and donations
» Reporting misbehaviour
» No tolerance of misbehaviour

Compliance Report Circular

A monthly Compliance Report is sent by all managing directors to the Group Compliance Officer. The report must include the following topics:

» Relevant penalties imposed by domestic and foreign authorities (or other state bodies) due to serious violations of the law, e.g: driving and rest period regulations etc.

» Potential penalties for violating European minimum wage legislation, laws against "social dumping", laws to prevent child and forced labour, laws to prevent the illegal employment of foreigners and significant violations of data protection.

» Criminal/police investigations against managers in connection with their professional activities.

» Gifts given/offered or invitations to events, etc. from customers, competitors or business partners that significantly exceed the value limit (currently EUR 100/quarter) of the Anti-Corruption Guideline.

» Cash transactions over EUR 15,000

» Unfair business practices communicated or offered by customers, competitors or business partners.

» Requests from customers or business partners for personal compliance audits at the respective location.

» Theft by employees.

» Incidents of sexual assault or violence against employees at the respective location.

Whistleblower platform

The aim of the whistleblower platform is to provide a global opportunity to anonymously report possible violations of laws, the Code of Conduct or other internal rules and principles. The GDPR-compliant implementation protects whistleblowers and lays the foundation for deriving any necessary measures. Each report is treated individually, and steps are defined to help improve the situation and prevent similar incidents in the future. The platform is freely accessible to everyone on the website, and not only employees – but also customers, suppliers and other third parties – can report concerns.

Structured communication, training and handling of the individual systems and guidelines are seen as key to ensuring responsible behaviour. In addition to the monthly Compliance Report Circular sent to the Group Compliance Officer, a written Compliance report is provided to the Management of the holding company and the Supervisory Board twice a year. The global whistleblower system also makes it possible to report external, anonymous concerns. The Group Compliance Officer audits the local sites twice a year, and so-called "risk dialogues" are held with the Managing Directors.

[G1-1]

Management of relationships with suppliers

A Group-wide Supplier Code of Conduct is currently being developed. Detailed information on this can be found in the chapter on workers in the value chain [S2]. Risk dialogues on the topic of corporate governance are held annually with the suppliers with the highest sales. In some cases, the Code of Conduct is sent to suppliers.

There is no specific directive to prevent late payment, especially to SMEs. The most common payment term is 60 days. No specific social and ecological criteria are currently taken into account when selecting suppliers.

[G1-2]

Prevention and detection of corruption and bribery

The aforementioned guidelines and the Code of Conduct serve as a basis for the prevention of corruption and bribery. The whistleblower platform serves as a channel for anonymous reporting of incidents and thus supports detection. Compliance training is organised once a year for the Management of the holding company, as well as Managing Directors, divisional management and departmental management. 100% of the employees in high-risk functions receive annual training. A weekly meeting is held between the Group Compliance Officer and the CFO, at which any issues are discussed and measures are derived.

[G1-3]

Parameters and targets

Confirmed cases of corruption and bribery

There were no cases of corruption or bribery during the reporting year.

[G1-4]

Political influence and lobbying activities

Hödlmayr is a member of the Association of European Vehicle Logistics (ECG), and has one board member. Employees are sent to the ECG Academy for training and further education. Hödlmayr also attends various conferences every year and is represented in working groups on a case-by-case basis.

[G1-5]

Payment practices

The contracts with suppliers have individually agreed payment terms, and the average time taken to settle supplier invoices was 40.7 days in 2023. No legal proceedings for late payment are currently pending.

[G1-6]

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