



2023 Sustainability Report



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ABOUT US:

Foreword

About the Report

About the Group

ABOUT US:
FOREWORD

DURING THE PAST YEAR, HEGELMANN GROUP HAS ACHIEVED SEVERAL SIGNIFICANT MILESTONES.

Broadening our environmentally conscious vehicle fleet, integrating intermodal network, and consistently allocating resources to advanced technologies are among the methods through which our company reaffirms its dedication to sustainable expansion. These efforts not only show our leadership role within the logistics sector but also underscore the broader potential for the industry to contribute positively to environmental and societal well-being. We extend heartfelt appreciation to the pivotal contributors to our sustainability agenda, as well as the entire team whose tireless efforts keep our operations running smoothly. Your commitment and diligence are pivotal in propelling us towards a more sustainable tomorrow.

The Group's robust sustainability strategy stands as a cornerstone of our enduring success, revealing our fundamental belief in harmonizing economic advancement with social and environmental stewardship. Our organizational values, anchored in family, respect, sustainability, progress, and motivation, seamlessly aligns with the principles of sustainable development, as we diligently pursue the creation of shared value across all stakeholders.



It is imperative for policymakers, businesses, and individuals to collaborate, translating their sustainability pledges into tangible actions that embody and enact sustainability principles. This necessitates fostering innovation in clean technologies, championing circular economy paradigms, and advocating for eco-friendly policies and regulations. Through the adoption of these strategies, we can pave the way towards a greener, more resilient future for all.

On a personal note, we find encouragement and inspiration in the Group's steadfast dedication to a sustainable trajectory. As we continue to evolve, we hold unwavering confidence that the Group will remain at the forefront of sustainability endeavors within the logistics domain, setting an example for others to follow. We eagerly anticipate celebrating forthcoming milestones collectively and witnessing the enduring positive imprint our company will continue to imprint on the global landscape.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read 'Siegfried'.

Siegfried Hegelmann
Managing Shareholder

A stylized, handwritten signature in black ink, appearing to read 'Anton'.

Anton Hegelmann
Managing Shareholder

ABOUT US: ABOUT THE REPORT

ANOTHER YEAR. ANOTHER ACHIEVEMENT.

Hegelmann Group and private limited companies within a group (hereinafter all together can be referred to as 'Group' or 'Hegelmann Group') have published this consolidated Sustainability Report on 22 May 2024 for the period from 1 January until 31 December 2023. The 2023 Sustainability Report covers 55 companies within the Hegelmann Group. However, due to the confidentiality policy in effect, part of the companies are published in the online version of the report.

The information contained in this Sustainability Report includes consolidated information of all Group companies. Sustainability report publishing date coincides with Group's annual financial statements.

For the first time, the Group's Sustainability Report is prepared in accordance with Global Reporting Initiative, GRI standards 2021 updated version.

The Sustainability Report presents the Group's achievements and aspirations in the environmental, social and governance (ESG) areas. The report is prepared in consultation with external sustainability experts but is not audited. The information contained in the Sustainability Report complies with the guidelines for non-financial reporting of the European Commission. This year, the Group has focused on carrying out a materiality analysis, conducting a stakeholder survey and developing a materiality matrix, which helped to identify the most important information for stakeholders.

This Sustainability Report contains the best data available at its publication, but, looking ahead, the Group will continue to improve the quality of the information in the sustainability reports by fully and accurately disclosing all relevant performance indicators.



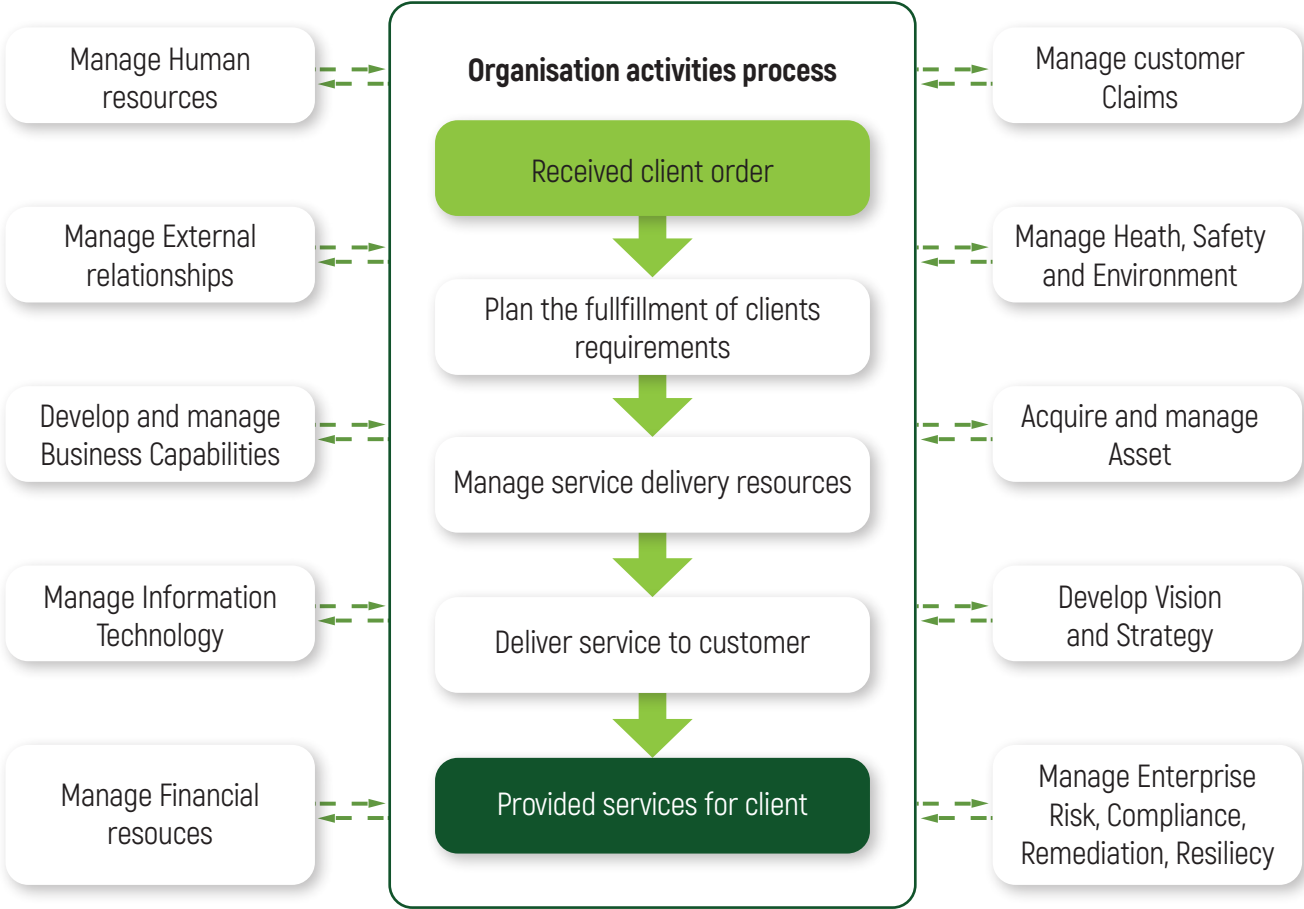
Questions or feedback on this report and the Group's sustainability activities can be submitted through the following contacts:

✉ info.lt@hegelmann.com

ABOUT US: ABOUT THE GROUP

LOGISTICS GLOBAL PLAYER

The Hegelmann Group is a global player in the logistics industry. Its largest market is Europe, but it also operates in North America, Asia and Africa. A wide range of services and partners enables the Group to find tailor-made solutions for all its customers. Services include not only road transport but also intermodal transport solutions, air freight, sea freight, logistics centres, etc.





OUR COMMITMENTS

Sustainability at the Group
Priority Goals

OUR COMMITMENTS: SUSTAINABILITY AT THE GROUP



SUSTAINABILITY PRINCIPLES

The Group aims to integrate sustainability principles into the overall operational strategy and key performance indicators. Sustainability is understood as an integral part of the Group's activities, closely linked to its commitments to stakeholders and key strategic directions. The principles of sustainable, responsible and fair business practices applied in the Group are described in [Group's Sustainability Policy](#) and [the Code of Conduct for Business Partners](#).

For more information, please visit our website: hegelmann.com

Key sustainability principles in the Group:

To implement sustainability considering **environmental, social and governance** aspects of the relevant matters.

When making decisions on the sustainable development of the Group, to take into account the **stakeholders'** expectations, respect Group's obligations towards them, and cooperate in a transparent and honest way.

To keep Group's activities in line with **the European Green Deal** and **The Paris Agreement's** common objectives on climate change.

To implement the Organization for Economic Co-operation and Development (**OECD**) guidelines for good governance.

To contribute to the United Nations **Sustainable Development Goals**.

To support and implement United Nations **Global Compact** principles on human rights, employee rights, environmental protection and corruption prevention.

To conduct due diligence on environmental, social and economic impact management.

To apply the precautionary principle when setting sustainability targets: use the best currently available scientific advice for environmental protection.

The Group understands the importance of sustainable development and, in the future, seeks to refine the directions of its sustainability strategy even more, creating a framework for the consolidation of responsible business principles at all organizational levels, and their integration into the operational strategy, policies and procedures.

OUR COMMITMENTS: SUSTAINABILITY AT THE GROUP

SUSTAINABILITY MANAGEMENT

Sustainability management practices are embedded in the Group's Sustainability Policy as well as other related Group policies, such as:



Environmental Policy



Anti Corruption Policy



Quality Policy



Corporate Social
Responsibility Policy



Occupational Health
& Safety Policy



Human Rights Policy



Sustainable
Procurement Policy

All Group policies are applicable to all levels of employees and publicly available on Group's website. All documents are also approved by the highest governance bodies and training is performed to all employees in the related areas.

Management of the environmental, social and economic impact of the Group is supervised by the top management. The board (shareholders) reviews sustainable development strategy once a year to ensure the proper management of impact in each area but are not responsible for reviewing and approving the Sustainability Report or reported information.

Further sustainability management practices, including policy commitments, are embedded and delegated as follows:

i. Appointment of senior executives who hold specific responsibilities for the management of sustainability impacts. These leaders are instrumental in driving the Group's sustainability agenda and ensuring alignment with strategic goals. These are also the people who review annual Sustainability Reports and reported information.

ii. Delegation to responsible managers and employees: responsibility for sustainability is integrated into the day-to-day activities of our board. The highest governance body delegates key sustainability topics to responsible managers and employees across the organization. This ensures a distributed approach, with various departments and teams actively contributing to the management of sustainability impacts.

The appointed responsible persons report on the results of environmental, social and economic impact management to the board regularly, during weekly, monthly and annual meetings, and present activity reports as required.

The Group' board shall immediately be informed about critical sustainability matters. In 2023, the Group's companies had no critical sustainability concerns.

OUR COMMITMENTS: SUSTAINABILITY AT THE GROUP

GROUP MANAGEMENT STRUCTURE AND COMPOSITION

According to the Articles of Association of the Hegelmann Group, the governing bodies are shareholders, the CEO and the executive directors of the companies. All decisions at the Group are made by shareholders and the CEOs, while executive directors perform supervisory and control functions.

EAST DIVISION:

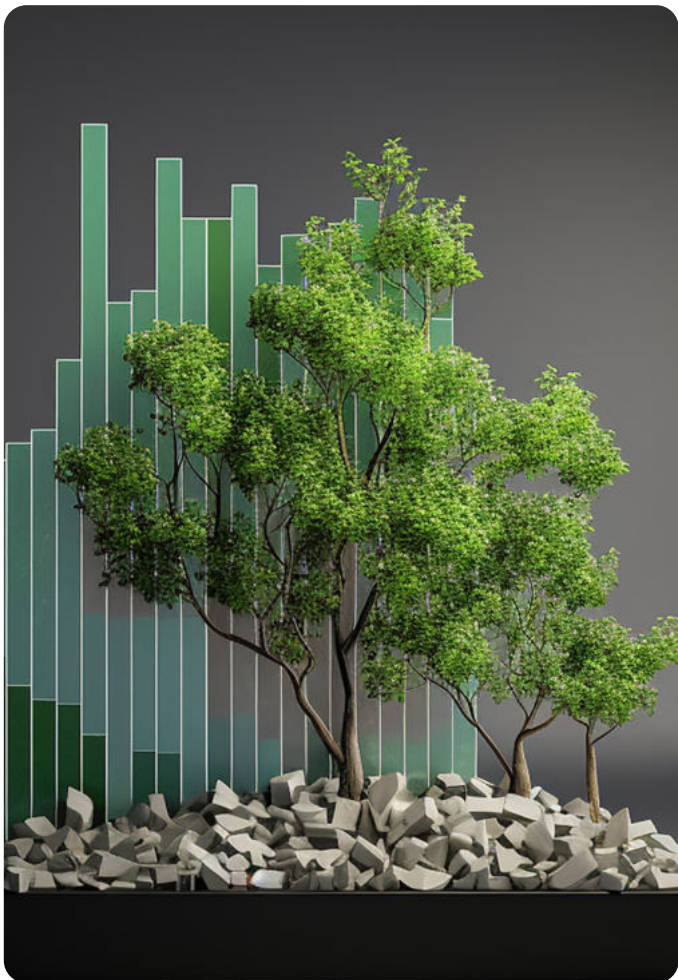
East division (29 companies) is managed by 29 directors and 6 executives who are all employees of the company, of which 3 are women and 3 are men, representing all parties. All executives have competencies relevant to the position and the sector.

CENTRAL DIVISION:

Central division (4 companies) is managed by 4 directors who are all employees of the company, all of which are men, representing all parties. All executives have competencies relevant to the position and the sector.

WEST DIVISION:

The West division is managed by shareholders and the CEOs, executive directors perform supervisory and control functions.



NOMINATION AND SELECTION OF HIGHEST GOVERNANCE BODY

Executive directors are appointed by Shareholders. The highest governance body is also a senior executive in the organization. Their functions within the Group are defined in the Group's Business Conduct.

The performance of the highest governance bodies in overseeing the management of impacts is reviewed once a year – during the annual interviews. All evaluations are based on internal procedures and no independent evaluations are performed.

During the reporting period there were no actions taken in response to the evaluations as there were no matters identified that would imply the need for such actions.

All highest governance bodies occasionally participate in various relevant sustainability training sessions to gain a deeper understanding about the relevant subject matters.

OUR COMMITMENTS: SUSTAINABILITY AT THE GROUP



CONFLICTS OF INTEREST

All governing bodies as well as employees, suppliers and representatives of the Group are obliged to disclose information about any situation that may lead to a conflict of interest that may prejudice the Group's interests in favor of his/her or those close to him/her. Situations, where employees' personal, family or financial interests could clash with the interests of the Group, must be avoided.

Any conflicts of interest are prevented and mitigated as outlined in Group's Business Conduct.

In 2023, no conflicts of interest were identified.

WHISTLEBLOWING CHANNELS AND PROCESSES TO REMEDIATE NEGATIVE IMPACTS

Stakeholders can seek advice and report a wide range of cases and concerns, such as possible or actual misconduct in office or employment, or other breaches that threaten or undermine the public interest, by completing the form on the Group's website.

Depending on the nature of the violation, the Hegelmann Group shall, by the Group's procedures, investigate the breach, report it to management and the responsible authorities, and undertake to remedy and/or repair the damage. In the absence of a described process, the Group and companies within shall act by the law.

Effectiveness is measured through key performance indicators, such as the resolution time for reports and the rate of successful remediation. Stakeholder feedback, gathered through surveys, consultations, and other channels, also serves as a valuable metric to evaluate the perceived effectiveness of the mechanisms and processes.



OUR COMMITMENTS: SUSTAINABILITY AT THE GROUP



COMMUNICATION OF CRITICAL CONCERNS

Any critical concerns are communicated to the highest governance body during the emergency meeting. During this meeting The Emergency Management Plan is activated – the plan of action is outlined and discussed.

During the reporting period no critical concerns have been reported.

MEMBERSHIP ASSOCIATIONS

Hegelmann transporte UAB is a member of the Chamber of Industry and Crafts and the Association of Car Carriers “Linava”. The CEO of Hegelmann transporte UAB is a member of the Board of the Transport and Logistics Alliance (TTLA). This helps to continue to provide and receive industry information and the latest insights.



KAUNO PREKYBOS,
PRAMONĖS IR
AMATŲ RŪMAI



STAKEHOLDER INVOLVEMENT

Continuous engagement with stakeholders, assessing and responding to their expectations, is crucial for the Group's success in ensuring sustainable operations. The Group's strategy defines 8 main stakeholder groups:



Clients



Employees



Shareholders
and board members



Business
partners



Suppliers



Associations



Governments
(incl. ministries,
municipalities)



Future
generations

Stakeholders are defined as groups that find Group's activities highly relevant and/or are significantly affected by its actions, as well as individuals and organizations that significantly influence the Group and its activities. The Sustainability Report's content is based on key stakeholders' views, needs and expectations.

OUR COMMITMENTS: PRIORITY GOALS

MATERIALITY ANALYSIS

In 2023, the Group carried out its first materiality analysis of sustainability topics in accordance with GRI standards. The purpose of this assessment was to identify the Group's key environmental, social and governance topics, and to review the Group's sustainability strategy based on these topics. This also serves as a base to provide detailed information on such topics and its management in Sustainability Report.

The results of the materiality analysis are summarized later in this report.

KEY STEPS IN ASSESSING MATERIALITY:

1. Identification of relevant topics for sector peers.

Topics of interest to companies in the logistics sector were reviewed, and a list of potential sustainability topics was compiled. Topics recommended by other widely used sustainability standards were also assessed.

2. Assessment of the topics that are most important to stakeholders.

An anonymous survey was conducted to compile information on the most important sustainability topics for stakeholders. The survey was carried out in December 2023 by sending a questionnaire to targeted contacts from each stakeholder group. A total of 467 responses were received.

3. Impact and risk assessment.

Each sustainability topic has been assessed in terms of its potential impact on the environment and society, as well as its impact on the Group's performance. At this stage, the Group also discussed the main risks and opportunities related to sustainability and the potential financial impact on Group companies. The final result is a materiality matrix presented further.



OUR COMMITMENTS: PRIORITY GOALS

MATERIALITY MATRIX

The materiality matrix outlines the social, environmental and governance topics most relevant to the Group's sustainability. All of these topics are important, but to set sustainability priorities, they are ranked according to their importance to stakeholders and their impact on society, the environment and the Group's performance. Material topics are those that are very important to the stakeholders and have a very significant impact on society, the environment and the Group's results. The management principles for all material topics are described in accordance with GRI requirements in this report, in chapters arranged by topic.

		IMPACT ON SOCIETY, ENVIRONMENT AND THE GROUP'S PERFORMANCE		
		Moderately significant	Significant	Very significant
IMPORTANCE FOR STAKEHOLDERS	Very important	(E) Waste management	(E) Air quality	(E) Reducing carbon emissions (E) Energy management (S) Employee wellbeing and satisfaction (G) Road safety and accident management
	Important	(G) Innovation & Digitalisation (S) Equality, diversity & Inclusion (incl. Human rights)	(E) Effective fleet management	(S) Employer attractiveness and employee development (G) Business ethics and compliance (incl. anticorruption)
	Moderately important	(G) Responsibility in the supply chain	(S) Social initiatives (G) Corporate governance	(S) Employer attractiveness and employee development (G) Business ethics and compliance (incl. anticorruption)



OUR ACTIONS

Environmental impact

Social impact

Governance (economic) impact

OUR ACTIONS: ENVIRONMENTAL IMPACT



EMISSIONS

In this report, Hegelmann Group publishes its estimated (GHG) emissions from its activities in CO2 equivalent. The sources of emissions and the methodologies used to calculate them are identified, including the Scope to which the emission source belongs. The knowledge and methodologies of market-based financial institutions and energy suppliers were used to calculate GHG emissions. The emissions calculation was based on the Greenhouse Gas Protocol (GHG) and Global Reporting Initiative (GRI) standards and recommendations. The calculation of emissions includes not only CO2 but also all other greenhouse gases (CO2, N2O, CH4, HFCs) emitted in the activity, converting them to CO2 equivalents using standard factors and naming the final total number as CO2-eq.

Emission Scope	Units	Total (2023)	Data coverage (2023)
Direct (Scope 1)	t CO2e	970,893.88	All divisions
Indirect (Scope 2)*	t CO2e	1,546.95	East division
Other indirect (Scope 3)	t CO2e	378,295.05	East & partial coverage in West & Central
Total		1,350,735.88	

Note:

Emission consolidation method: operational control. The base year for calculating GHG emissions is 2023, as this is the first year in which the Group has estimated its emissions. Due to this data coverage for Scope calculation varies between Company divisions (due to limited data availability) and is to be improved over time.

In 2023, the biogenic direct CO2 emissions amounted to 46.7 t CO2-eq and the indirect CO2 emissions amounted to 1,030.7 t CO2-eq.

* Calculated using the market-based method, based on actual electricity purchases. If calculated using the location-based method, based on the country-specific nature of energy production, the Company's indirect GHG emissions in 2023 would be 318,470.54 t CO2-eq.

EMISSIONS AND ENERGY MANAGEMENT

The Group and its activities are responsible for a significant amount of greenhouse gases (GHGs) emitted into the atmosphere. Therefore, this topic is identified as one of the key impact areas to manage. Reducing emissions and increasing energy efficiency is an important part of the Group's strategy and will be the focus of future annual targets and impact reduction. The management of this topic is also embedded in Group's Environmental and Sustainability policies as well as ISO 14001 standard.

In 2023, Hegelmann Express GmbH was audited by SMETA and received an EcoVadis Gold rating (top 4%) for its excellent sustainability management efforts, and an 80-point environmental rating. Hegelmann Autotransporte UAB also has an EcoVadis Gold rating.

Additionally, Hegelmann Express GmbH has committed to the SBTi Near-term Target to further strengthen its commitment to reducing carbon emissions.

OUR ACTIONS: ENVIRONMENTAL IMPACT

To get a better picture and set specific and measurable targets on this topic, Hegelmann Group aims to carry out measurements for the year 2024, which will lead to establishing an emission reduction plan.

GHG EMISSIONS INTENSITY

Metric	East division 2023	Note:
t CO2e / 1 M Eur Revenue	293.69	The emission intensity ratio has been calculated for the total Scope 1, 2 and 3 GHG emissions. The calculation intensity ratios include all GHG emissions, converting them into CO2-eq. Emissions intensity metrics are being calculated only for divisions with complete GHG data coverage.
t CO2e / employee	304	

ENERGY MANAGEMENT

ENERGY CONSUMPTION WITHIN THE GROUP

Units: GJ	2023
Fuel consumption from non-renewable resources:	2,162,480.60
Diesel	2,144,573.9
CNG	10,212.3
Natural gas	4,941.7
Petrol	2,747.7
LPG	5.0
Fuel consumption from renewable resources:	0
Unspecified	0
Energy, heating, cooling and steam consumption:	13,873.78
Electricity	11,566.89
Heating	2,274.73
Cooling	32.16
Steam	0
Total	2,176,354.38

Note:
The emissions calculated based on data provided from East and Central locations and the base year for calculation is 2023.

GHG EMISSIONS INTENSITY

Metric	East division 2023
t CO2e / 1 M Eur Revenue	2,046.38
t CO2e / employee	211.79

Note:
Energy intensity metrics are being calculated only for divisions with complete Energy data coverage.

During the reporting season, Hegelmann Group installed a solar power plant at Pirklių str. 5 Kaunas district Žemaitkiemis in Lithuania, which helps to save 298 tCO2e a year. Additionally, automatic cranes to save water as well as electrical sensors in corridors and offices were installed.

In 2024, the main focus will be a move to a new office building in Prague as well as further ongoing projects to install solar panels in all Czech Republic facilities. Throughout the selection of office fitout, energy management has been a key focus and it is expected to increase an overall energy efficiency value.

Additionally, the Group explores further partnerships with eco-friendly suppliers and anticipates launching initiatives to further enhance energy efficiency and reduce emissions across our operations. These efforts align with the Group's overarching objective to continuously improve our environmental performance and contribute to a sustainable future.

OUR ACTIONS: ENVIRONMENTAL IMPACT

EFFECTIVE FLEET MANAGEMENT AND AIR QUALITY

Effective fleet management is key to both improving air quality and reducing carbon emissions. The Group is guided by Environmental and Sustainability policies in their daily operations followed by ISO 14001:2015 Environmental standard to further ensure the management of the relevant specific processes. Further management systems and procedures include: ISO 45001, IFS Certification, SQAS Report.

The Group performs rigorous vehicle maintenance and driver training programs to ensure that the negative effect on the environment is minimal. This includes:



Optimization of routes and implementation of real-time monitoring systems to track the location and performance of trucks



Strict procedures on cargo securement



Proper weight distribution monitoring



Telematic systems to monitor driver behavior



Strict compliance with regulations to prevent driver fatigues

Each year, targets are set to reduce air pollution including how many drivers are trained to drive on economic driving. During the reporting period, 2041 drivers were trained.

Hegelmann Group is also in the process of introducing fuel efficiency programs to further improve air quality as well as training materials for both drivers and disponents to ensure high levels of safety.

During the reporting period, the Group has made several steps towards improving efficiency within its operations which in turn leads to reduced carbon emissions and improved air quality:

- 550 pieces of new Schmitz refrigerators and 400 pieces of Kogel tunic semi-trailers have been purchased
- 10 pieces of Iveco LNG gas-powered trucks, 200 pieces of Mercedes-Benz trucks, and 500 pieces of MAN trucks were purchased
- Over 250 trucks, comprising 170 Mercedes-Benz and 80 MAN vehicles, all meeting the highest ecological standards
- Project on procurement of eTrucks and establishing of charging infrastructure in Karlsdorf (still ongoing)
- Procurement of the first Hydrogen Truck and 2 electric long haul trucks, including the procurement of Bio-LNG Trucks

Group's dedicated efforts in effective fleet management resulted in a noteworthy 1.26% reduction in the 'Empty KM' key performance indicator (KPI), amounting to a decrease of 822,706 kilometers. This KPI measures the distance traveled without goods, reflecting Group's commitment to optimizing operational efficiency and minimizing environmental impact by maximizing the utilization of fleet resources.

In 2024, Hegelmann Group plans to renew the transport fleet, which has a direct impact on CO2e emissions and air quality.

By 2035, the Group plans to have 45% of its fleet consisting of alternative fuel vehicles.

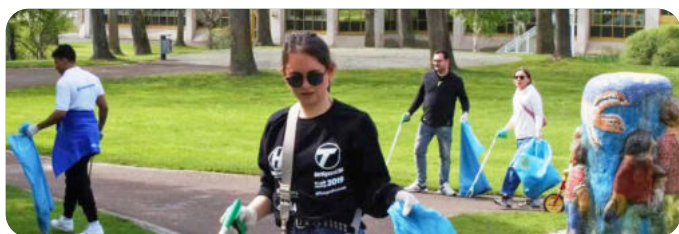
OUR ACTIONS: ENVIRONMENTAL IMPACT

WASTE MANAGEMENT

The Group aims to ensure the responsible management of all waste associated with its operations, continuously increase recycling and ensure responsible resource management. The Company's approach to waste reduction is specifically defined in the Hegelmann Group's Environmental Policy.

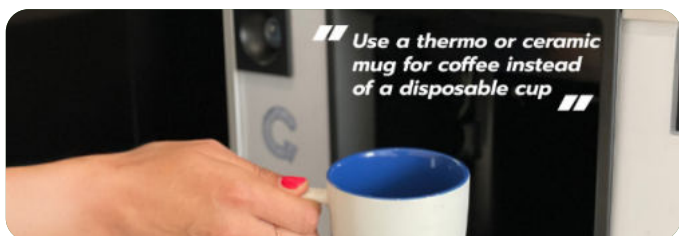
To successfully manage this topic, the Group has implemented an Environmental Management System in accordance with LST EN ISO 14001:2015. Waste reduction targets are set each year, describing the proportion of waste sorted to be achieved.

In 2023, the Group has initiated a couple of activities related to external waste management and recycling to encourage both employee education and action in the local communities:



CLEAN CITY CAMPAIGN

to commemorate International Earth Day on Saturday, April 22, 2023, some dedicated colleagues gathered to support Bruchsal City Council's "Clean City" campaign in Germany. Garbage was collected in a local park area and an adjacent playground.



GREEN HEGELMANN MONTH

#HegelmannTeam in Lithuania participated in a sustainability related challenge where the employees were encouraged to use less plastic (e.g. by bringing lunch in a reusable box, using a reusable cup instead of the disposables, etc.)



THE RIVER CLEANUP INITIATIVE

colleagues in Poland participated in an event where waste was picked up from the local river and the surrounding areas of Częstochowa and Poznań.



KYIV'S PARK

Ukrainian colleagues helped clean the green area of the park for even more pleasant walks and warm meetings.

In total, during the reporting period 90 Group employees took part in waste reduction related activities.

In 2024, the Group plans to further improve the efficiency of waste sorting and recycling ratio within a company through the installation of more waste sorting points and related staff training. The Hegelmann Group Waste Management Project is currently in progress to reorganize the internal system and centralize the collection of necessary relevant information.

WASTE GENERATED

Waste by composition	2023, t
Hazardous, total:	69098
20 01 21 01* Daytime running lamps	25
16 06 01 01* portable lead-acid batteries	107
13 02 08* other engine, gear and lubricating oils	9892
13 05 07* oily water from oil/water separators	3500
13 05 08* grit traps and waste oil/water separator mixtures	16200
15 01 10* packaging containing or contaminated with residues of dangerous substances	389
15 01 11* metal packaging, including compressed air containers, containing dangerous solid porous binding agents (e.g. asbestos), including empty pressure containers	38
15 02 02* absorbents, filter materials (including grease filters not otherwise specified), cloths, protective clothing contaminated with dangerous substances	1333
16 01 07* oil filters	1320
16 01 14* coolants containing dangerous substances	5137
08 01 17* paint or varnish disposal waste containing organic solvents or other dangerous substances	281
16 01 21 01* fuel filters 765	765
16 01 21 02* intake air filters for internal combustion engines	801
16 01 21 03* shock absorbers for motor vehicles	43
16 06 01 02* lead-acid batteries for automobiles	7208
20 01 35 02* screens, monitors and equipment containing screens with a surface area greater than 100 cm2	6
16 06 01 lead-acid batteries 22036	22036
Non hazardous, total:	560006
15 01 01 paper and paperboard packaging	95206
15 01 02 02 other plastic packaging	56419
20 01 36 04 large equipment (at least one external dimension greater than 50 cm)	265
20 01 99 fractions not otherwise specified	70
20 01 36 06 small IT and telecommunications equipment (none of the external dimensions exceeding 50 cm)	1513
16 01 03 used tyres	22160
16 01 12 brake pads other than those mentioned in 16 01 11	1346
16 01 17 ferrous metals	6640
16 01 20 glass	21866
17 04 02 aluminum	1950
17 04 05 iron and steel	5900
16 01 22 02 other constituents not otherwise specified	1591
20 01 99 fractions not otherwise specified	44927
20 01 25 edible oils and fats	180
15 01 06 mixed packaging	6530
15 01 03 wooden packaging	1150
17 02 01 Wood	35000
12 01 01 ferrous metal grinding and turning wastes	4860
Household waste, total:	252433
Note: Data taken from platforms Unified Product, Packaging and Waste Record Keeping Information System to the extent that it was actually given to the waste manager and Invoices, BDO.	

OUR ACTIONS: SOCIAL IMPACT

SOCIAL IMPACT

Professional, competent and responsible employees are the Group’s greatest asset. The Group aims to ensure a respectful and caring relationship, a sustainable working environment and foster well-being as well as development of their workforce. In 2023, Hegelmann Group initiated a number of projects to increase employee engagement and satisfaction, retain and attract talent. The management of this area is embedded in several specific documents:



Sustainability policy



Human Rights policy



ISO standard 45001
safety standard



Health and Safety policy



Equal opportunities
policy and the procedure
for its implementation



HUMAN RIGHTS

The Group respects the principles of human rights protection, do not tolerate any violation of human rights, advocate a fair and transparent remuneration policy, comply with the laws on overtime and working time, respect the right of workers to rest and do not tolerate any form of harassment and violence.

Hegelmann Group opposes discrimination and forced labor of any kind. Employees of the Group have equal rights and opportunities regardless of gender, nationality, social or marital status, membership of a social or political organization or personal characteristics. In 2023, the Group did not record any human rights violations or complaints in relation thereto.

EMPLOYEES

GRI 2-7:	Total number	Permanent employees	Temporary employees	Full-time employees	Part-time employees	Non-guaranteed hours employees
Total number, of which:	10 274	5 548	966	9 967	307	0
By gender:						
Women	1 679	823	310	1 576	161	0
Men	8 595	4 725	656	8 391	146	0
During the reporting period Hegelmann Group welcomed 6904 new employees.						

OUR ACTIONS: SOCIAL IMPACT

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

GRI 405-1:	All employees	Board	Top management team
All employees, of which:	10 274	3	31
By gender:			
Women	1 679	0	5
Men	8 595	3	26
By age:			
Up to 30	2 296	0	1
30-50	6 272	3	26
More than 50	1 706	0	4

EMPLOYEE WELLBEING AND SATISFACTION

Employee wellbeing and satisfaction is an essential part of the Group's culture. To find out more about employee needs, the Group conducts employee surveys which helps to get a better understanding of improvement areas. The Group encourages regular two way communication via 1:1 meetings, yearly reviews and The Hegelmann Group Newsletter.

In 2023, for a second year in a row, Hegelmann Group received the Top Employer Lithuania certificate awarded by the Top Employers Institute. The certificate is awarded for excellent workplace management which also demonstrates that the Group follows best international practices.

There were no recorded incidents of discrimination during the reporting period.

In 2024, the Group plans to revise an event plan by adding initiatives for staff development.

SOCIAL INITIATIVES

Social initiatives are part of the Group's yearly events which greatly contribute to an overall sense of belonging to a wider community. A number of Hegelmann Group colleagues attend such events on behalf of the company or individually. During the reporting period 553 employees took part in 49 social initiatives. The Group donates money and human aid to the following community centers and events:

- A charitable center for families in need
- Initiative for people in need
- Paralympics for children
- Blood donation centers
- Sports initiatives (such as marathons, kayaking, FC Hegelmann football academy for children)

OUR ACTIONS: SOCIAL IMPACT



EMPLOYEE BENEFIT PACKAGE

There are a number of benefits provided to a full-time employees including:

The benefit package is available for employees after the trial period and some limitations may apply for the employees who are employed part-time. Some benefits are only available in specific Group divisions or in companies.



A day off on Birthday



Company pension plan



Partner discounts



Zalgiris Arena VIP Lodge (in Lithuania)



Parental leave financial support



Retirement provision



Gifts for job anniversaries at 5, 10, 15, 20, and 25 years

REMUNERATION

Remuneration is described in Remuneration Policy and defined when signing employment contracts. The Remuneration Policy does not apply to members of the highest governing body and senior executives. Annually, a shareholder meeting is convened to establish guidelines and objectives for the upcoming year. This gathering entails a comprehensive review of the achievements and progress of ongoing projects from the previous year. Within this session, the assessment of executive compensation considers the success and returns generated by implemented projects, coupled with an evaluation of the overall economic health of the company.

401-3 Parental leave	Women 2023	Men 2023
Total number of employees that were entitled to parental leave	27	7
Total number of employees that took parental leave	27	7
Total number of employees that returned to work in the reporting period after parental leave ended	11	5
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	5	6
Return to work rate for workers on parental leave, %	41%	71%
Ratio of workers returning from parental leave to those still working 12 months after return, %	18%	86%

OUR ACTIONS: SOCIAL IMPACT



OCCUPATIONAL HEALTH & SAFETY

The Group is committed to providing a safe working environment for its employees as safety is one of its highest priorities.

In addition to national and international health and safety regulations and legal requirements, an Occupational Health and Safety Policy, Health and safety manual and ISO 45001 procedures are in place to help manage this topic. To ensure the successful and effective implementation of safety and health procedures, the Group regularly evaluates the effectiveness of it by performing internal external audits (such as ISO). This helps to ensure the ongoing identification and assessment of related risks, the definition of risk management measures, and the monitoring of their implementation.

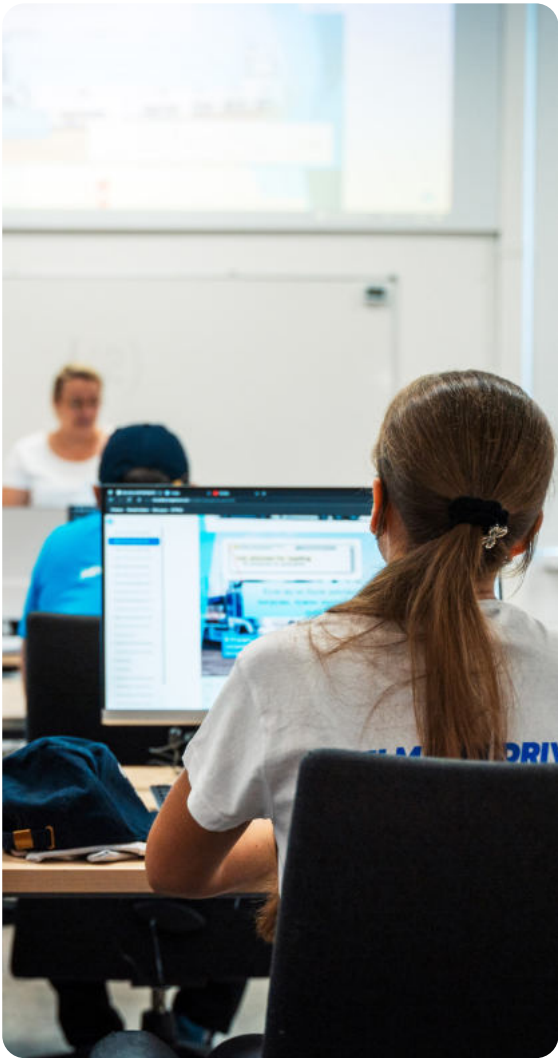
The occupational health and safety system and practices cover all employees, operational activities and workplaces.

403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

Hazard identification and risk assessments are performed annually by the Health and Safety department and have been evaluated in all workplaces and related areas. Should there be any associated risks identified, the corrective action plan is then implemented and followed. In addition to this, external inspections are also conducted and the results are presented to the Health and Safety department committee.

All interested parties can report threats and/or dangerous situations to their supervisors or Occupational health & safety officers by talking to them, via email or internal SharePoint System. Should there be a confirmed threat or risk the corrective action plan (including an internal 5 Why Method) is then implemented and followed.

As part of our commitment to safety, the HR department educates all employees during onboarding on the use of the system, ensuring a comprehensive understanding of reporting procedures. This proactive approach aims to empower our workforce, fostering a culture of safety and reinforcing our commitment to the well-being of our employees.



OUR ACTIONS: SOCIAL IMPACT



403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

When it comes to training, Hegelmann Group follows a procedure for training of workers. An approved training plan defines training for each specific group of co-workers based on their job area. Periodic health and safety training is mandatory (based on national regulations in countries that the Group operates) and carried out by an external training provider every year.

During the reporting period, the Group implemented an electronic health and safety system which led to increased efficiency as well as positively impacted health and safety culture within the Group.

In 2024 the Group plans to review training plans for all employees.

WORK-RELATED INJURIES FOR ALL EMPLOYEES:

Disclosure requirements	2023	Rate*
Number of fatalities as a result of work-related injury	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0
Number of recordable work-related injuries	10	7.67
The main types of work-related injury	slips, trips and falls; broken legs and arms, car accident	N/A
The total number of hours worked per year by all employees together	9015862.23	N/A

Note:
The rates have been calculated based on 1,000,000 hours worked.

OUR ACTIONS:
SOCIAL IMPACT



EMPLOYER ATTRACTIVENESS
& DEVELOPMENT

Hegelmann Group provides continuous professional development for its employees including but not limited to internal and external training to ensure that they have all the necessary certificates, develop the competencies they need to do their job, and are able to strengthen their teams. Employees are given the opportunity to develop their professional skills according to their individual needs and yearly employee surveys are conducted for this purpose.

In 2023, there were 276 different training courses for employees, which means that on average 1 employee attended 0,0269 training sessions per year.

During the reporting period, the Group has also implemented a Drivers' Academy project in Poland (which aims to educate drivers on work related matters) and strengthen relationships with universities (to further enhance their relationships with students who are also Group's potential employees). The Group plans to expand the university network in 2024.

Hegelmann Group is proud to consistently be rated as a TOP Employer in Lithuania.

GRI 401-1:	New employees			Employee turnover	
	Total number per category	Number of new employees	Share by category (%)*	Number of employees who left the company	Change by category (%)*
By gender:					
Women	1 679	819	48, 78	918	54, 68
Men	8 595	6 085	70, 80	6 269	72, 94
By age:					
Up to 30	2 296	1 394	60, 71	1 296	56, 45
30-50	6 272	4 307	68, 67	3 749	59, 77
More than 50	1 706	1 180	69, 17	1 649	96, 66

There were no significant fluctuations in the number of employees during the reporting period and between reporting periods. The Group also has 9 trainees (workers who are not employees). They perform work based on Tripartite agreement (Objective of the internship - to analyze the Group's activities, describe the characteristics of the services, assess the Group's internal and external environment, and present a summary of the knowledge acquired during the internship).

OUR ACTIONS: GOVERNANCE (ECONOMIC) IMPACT

ROAD SAFETY & ACCIDENT MANAGEMENT

Due to the nature of Hegelmann Group's business road safety and accident management is at the highest priority. The Group takes all possible precautions and continuously invests in new technologies to mitigate potential risks associated with this area.

Several activities are in place to ensure safety on roads:

Technical vehicle maintenance.	Follow ISO 14001, ISO 45001, ISO 9001 Standards requirements.	Fuel efficiency programs.
Training materials for both drivers and dispatchers to ensure safety.	Route optimization and real-time monitoring system to track the location and performance of trucks.	Strict procedures on cargo securement to ensure proper weight distribution.
Telematics systems that monitor driver behavior and strict compliance to prevent driver fatigue.	Active breaks' system which protects vehicles from an accident. When a sudden obstacle appears in front of the tow truck, the tow truck automatically stops the tow truck if the driver himself fails to do so.	IFS Logistics certificate (ensures a relevant standard of quality and safety of logistics activities, including transport, storage, distribution, loading and unloading, etc.).



In 2023, Group's company Hegelmann Autotransporte, UAB received a Safety and Quality Assessment System (SQAS) Report score of 94% for environmental, security and quality performance of logistics service.



There were 1394 road accidents recorded during the reporting period.



All relevant information regarding employee health and safety can be found in the Occupational Health and Safety section of this report.



In 2024, the Group plans to implement fuel efficiency programs, introduce aerodynamic parts to save fuel costs and AI-based Tire Management System (currently at a testing phase) and work on tire reprofiling to increase the lifespan of tires and save costs.

OUR ACTIONS:

GOVERNANCE (ECONOMIC) IMPACT

BUSINESS ETHICS & COMPLIANCE

Business ethics is integral to Hegelmann Group business activities. The Group aims to create and foster ethical business culture, prevent corruption and bribery and compete fairly.

The Group's position and broader approach to business ethics is described in the following documents which are accessible to all stakeholders:



Environmental Policy



Anti Corruption Policy



Ethical Rules for Business Partners

RISK MANAGEMENT AND MITIGATION

Hegelmann Group does not tolerate corruption of any kind and is committed to open competition, ethical business conditions and adequate transparency in their operations. The Group does not tolerate fraud, extortion, the creation of unofficial accounts, the execution of unofficial and improperly documented transactions, the recording of fictitious expenses, the use of false documents and other forms of corruption. The anti-corruption provisions apply to all employees of the Group, members of the management and supervisory bodies and third parties acting on behalf of the Group.

The risk is mitigated by having complex internal control mechanisms in place to identify potential corruption risk factors. The Group continuously monitors and improves their business processes. Following the provision of the Whistleblower Protection Directive No (EU) 2019/1937, Hegelmann Group has implemented both an internal and external channel for the handling of complaints.

There were no significant cases of non-compliance during 2023. There were also no fines for non-compliance with laws and regulations. The Group complies with the law as defined by government regulations in countries that the Group companies operate in.

No cases of corruption were reported in 2023. During the reporting period, all relevant employees received anti corruption training, internal and external ISO audits were also carried out to review operational procedures.

GRI 205-2 COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Employees that the Group's anti-corruption policies and procedures have been communicated to 2023			Employees that have received training on anti-corruption 2023	
	Total number	Sharage in %	Total number	Sharage in %
Total	1742	17	1742	17
Data regarding anti corruption policies and procedures in relation to business partners is not collected at this stage but the Group plans to start collecting it in the near future.				



STANDARDS & RECOGNITION:

GRI Index

Standards & Certifications

Contact details

STANDARDS & RECOGNITION: GRI INDEX

Statement of use	Hegelmann Group has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

1. THE ORGANISATION AND ITS REPORTING PRACTICES

GRI 2: General Disclosures 2021

GRI STANDARD	DISCLOSURE	PAGES
2-1	Organizational details	5
2-2	Entities included in the organization's sustainability reporting	5
2-3	Reporting period, frequency and contact point	5
2-4	Restatements of information	5
2-5	External assurance	5

2. ACTIVITIES AND WORKERS

GRI STANDARD	DISCLOSURE	PAGES
2-6	Activities, value chain and other business relationships	6
2-7	Employees	21
2-8	Workers who are not employees	21

3. GOVERNANCE

GRI STANDARD	DISCLOSURE	PAGES
2-9	Governance structure and composition	10
2-10	Nomination and selection of the highest governance body	10
2-11	Chair of the highest governance body	10
2-12	Role of the highest governance body in overseeing the management of impacts	9
2-13	Delegation of responsibility for managing impacts	9
2-14	Role of the highest governance body in sustainability reporting	5
2-15	Conflicts of interest	11
2-16	Communication of critical concerns	9, 12
2-17	Collective knowledge of the highest governance body	10
2-18	Evaluation of the performance of the highest governance body	23
2-19	Remuneration policy	23
2-20	Process to determine remuneration	23
2-21	Annual total compensation ratio	Not applicable

STANDARDS & RECOGNITION: GRI INDEX

4. STRATEGY, POLICIES AND PRACTICES

GRI STANDARD	DISCLOSURE	PAGES
2-22	Statement on sustainable development strategy	8
2-23	Policy commitments	8-9
2-24	Embedding policy commitments	8-9
2-25	Processes to remediate negative impacts	11
2-26	Mechanisms for seeking advice and raising concerns	11
2-27	Compliance with laws and regulations	12
2-28	Membership associations	12

5. STAKEHOLDER ENGAGEMENT

GRI STANDARD	DISCLOSURE	PAGES
2-29	Approach to stakeholder engagement	12
2-30	Collective bargaining agreements	Not applicable

GRI 3: Material Topics 2021

GRI STANDARD	DISCLOSURE	PAGES
3-1	Process to determine material topics	13
3-2	List of material topics	14
3-3	Management of material topics	14

GRI 201: ECONOMIC PERFORMANCE 2016

GRI 205: ANTI-CORRUPTION 2016

GRI STANDARD	DISCLOSURE	PAGES
205-3	Confirmed incidents of corruption and actions taken	28

6. ENVIRONMENTAL TOPICS

GRI 302: ENERGY 2016

GRI STANDARD	DISCLOSURE	PAGES
302-1	Energy consumption within the organization	17-18
302-2	Energy consumption outside of the organization	17-18
302-3	Energy consumption outside of the organization	17-18



STANDARDS & RECOGNITION: GRI INDEX

GRI 305: EMISSIONS 2016

GRI STANDARD	DISCLOSURE	PAGES
305-1	Direct (Scope 1) GHG emissions	16
305-2	Energy indirect (Scope 2) GHG emissions	16
305-3	Other indirect (Scope 3) GHG emissions	16
305-4	GHG emissions intensity	17

GRI 306: WASTE 2020

GRI STANDARD	DISCLOSURE	PAGES
306-3	Waste generated	19-20

7. SOCIAL TOPICS

GRI 401: EMPLOYMENT 2016

GRI STANDARD	DISCLOSURE	PAGES
401-1	New employee hires and employee turnover	26
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	23
401-3	Parental leave	23

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

GRI STANDARD	DISCLOSURE	PAGES
403-1	Occupational health and safety management system	24
403-2	Hazard identification, risk assessment, and incident investigation	24
403-3	Occupational health services	24
403-4	Worker training on occupational health and safety	25
403-5	Work-related injuries	25

GRI 404: TRAINING AND EDUCATION 2016

GRI STANDARD	DISCLOSURE	PAGES
404-2	Programs for upgrading employee skills and transition assistance programs	26

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI STANDARD	DISCLOSURE	PAGES
405-1	Diversity of governance bodies and employees	22

GRI 406: NON-DISCRIMINATION 2016

GRI STANDARD	DISCLOSURE	PAGES
406-1	Incidents of discrimination and corrective actions taken	21

STANDARDS & RECOGNITION: STANDARDS & CERTIFICATIONS



AEO STATUS AUTHORISATION

Hegelmann Multimodal UAB, Hegelmann Transporte UAB and Hegelmann Logistics UAB pleased to have achieved the internationally recognised AEO status authorisation, certifying compliance with high safety and security standards.



GMP+ FEED SAFETY ASSURANCE

The GMP+ Feed Safety Assurance scheme confirms a company's compliance with the highest industry standards of feed safety risk management systems. Hegelmann Special Transporte UAB, Hegelmann Transporte s.r.o (CZ) and Global Transporte Czechia achieved this certification for 2023.



TÜV NORD CERTIFICATION – ISO 9001, ISO 14001, AND ISO 45001

Meeting these ISO standards proves a company's dedication to environmental management and good occupational health practices, and we are proud that ten businesses within Hegelmann Group have achieved these. Companies in compliance with these ISO standards are:

- HTRFS Solutions GmbH
- HT Trucks & Parts GmbH
- Hegelmann Express GmbH
- Hegelmann Logistics UAB
- Hegelmann Special Transporte UAB
- Hegelmann Transporte UAB
- Hegelmann Transporte s.r.o (CZ)
- Hegelmann Transporte sp. z o.o.
- Ivetra ir Ko UAB
- Express Heroes UAB



BUREAU VERITAS CERTIFICATION – ISO 9001, ISO 14001, ISO 45001

The following companies have had their ISO standard compliance certified by the Bureau Veritas:

- HG Intermodal UAB
- Hegelmann Autotransporte UAB
- Hegelmann Multimodal UAB

STANDARDS & RECOGNITION: STANDARDS & CERTIFICATIONS

LITHUANIA TOP EMPLOYERS 2023



The Top Employers institute is the global authority on recognising excellence in people practices. The following companies have been recognised in Lithuania for their commitment to accelerating positive impact in the workplace:

- HT Ferry Service UAB
- H Brokers UADBB
- Hegelmann Autotransporte UAB
- Hegelmann Logistics UAB
- Hegelmann Special Transporte UAB
- Hegelmann Transporte UAB
- Express Heroes UAB

ECOVADIS

Ecovadis is an internationally recognised certification system designed to help companies manage their sustainability management systems, and award bronze, silver, and gold certifications to those who achieve the best scores when reviewed.

GOLD

This year, Hegelmann Express GmbH and Hegelmann Autotransporte UAB are proud to have achieved Ecovadis Gold, placing the company in the top 4% of all assessed companies.

SILVER

Hegelmann Transporte UAB are proud to achieve Ecovadis Silver for 2023, placing them within the top 25% of all assessed companies.



GDP – GOOD DISTRIBUTION PRACTICE



This code of standards ensures that the quality of medicine is maintained throughout the distribution network, and the following companies are proud to have achieved compliance for 2023:

- Hegelmann Transporte UAB
- HTRFS Solutions GmbH

IFS LOGISTICS STANDARD



Hegelmann Express GmbH met the IFS Logistics transportation standard for 2023. The standard assesses the quality and safety of logistics activities, the company is proud to have been recognised as high quality operator.

STANDARDS & RECOGNITION: STANDARDS & CERTIFICATIONS



TRANSPORTED ASSET PROTECTION ASSOCIATION CERTIFICATION

HTRFS Solutions GmbH are pleased to have been certified by the TAPA institution, proving clear dedication to a resilient supply chain and high-quality security



SAFETY & QUALITY ASSESSMENT FOR SUSTAIN- ABILITY (SQAS)

SQAS is a system of uniform third party assessments, serving to evaluate the performance of Logistics Service Providers. Hegelmann Express GmbH and Hegelmann Transporte UAB are proud to have passed the assessment, demonstrating commitment to high standards within our logistical operations.

STANDARDS & RECOGNITION: CONTACT DETAILS

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