Fracht GROUP
Fracht AG

SUSTAINABILITY REPORT 2024

Aligned with Voluntary standard for non-listed micro-, small- and medium-sized undertakings (VSME).

LEGAL INFORMATION

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Nace sector classicfication codes:**
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H52.2.9 - Other transportation support activities

[1]AG – Aktiengesellschaft - Company limited by shares or public limited company
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*** EU list of Nace codes -Europa https://ec.europa.eu/competition/mergers/cases/index/nace_all.html*

EDITORIAL

Ruedi Reisdorf
OWNER OF FRACHT AG

STRENGTH IN CONNECTION: REFLECTING ON OUR JOURNEY AT FRACHT

The past year has been a profound and inspiring chapter in the ongoing story of Fracht. With deep-rooted values, an unwavering commitment to integrity, and a forward-thinking approach, we continue to strengthen our role as a global freight forwarding leader. Every day, our dedicated teams collaborate across borders, ensuring that businesses and communities around the world remain seamlessly connected. This ability to bridge distances and overcome logistical complexities is the heart of what we do.

Since its founding in Basel, Switzerland, in 1955, Fracht has championed a family-oriented approach to business. Today, our commitment to sustainable growth and operational excellence is stronger than ever. *Fracht Forward*, our sustainability-driven framework, is not just a programme - it is an intrinsic part of our corporate DNA. *Fracht Forward* drives global change and local actions, guided by the United Nations' Sustainable Development Goals (SDGs), in over 150 cities in 70 countries. We recognise that sustainable logistics is the way forward, ensuring not only the smooth movement of goods but also making meaningful contributions to both people and the planet.

CHALLENGES AND OPPORTUNITIES IN AN EVOLVING INDUSTRY

The logistics industry is facing a rapidly shifting landscape, marked by geopolitical tensions, technological advancements, and economic volatility. While these changes present challenges, they also drive innovation and push us to redefine what is possible in freight forwarding.

At Fracht, sustainability is deeply embedded in our practices, from reducing environmental impact to fostering a diverse and inclusive workplace. We acknowledge that businesses today must meet higher expectations, not only delivering results but also embodying values that resonate with employees, customers, and society. As we navigate new digital frontiers, optimise our multimodal transport solutions, and support local SDG initiatives, we do so with a focus on environmental and social responsibility.

THE STRENGTH OF FRACHT: A UNIFIED VISION

Our greatest asset remains our people - the dedicated individuals who work every day to uphold the highest standards of logistical excellence. With a presence in numerous countries, we have built an ecosystem that thrives on collaboration, respect, and expertise. Our operational success is defined not only by efficiency but by the trust we cultivate with partners and clients alike.

Fracht's philosophy is anchored in the belief that logistics is more than just transport - it is about enabling success for others. Whether helping businesses expand globally or empowering local communities through sustainable initiatives, we take pride in the impact we create. Our guiding principle, "liberté, égalité, fraternité," combined with the Brazilian motto "ordem e progresso," truly defines our approach: harmonising reliability with innovation, tradition with transformation, and business with humanity.

SUSTAINABLE PROGRESS: OUR COMMITMENT TO THE FUTURE

The future of logistics demands environmental awareness and accountability. That's why *Fracht Forward* is central to how we shape the next phase of our company. ESG principles are now integrated into our operations, ensuring that sustainability metrics are aligned with financial performance. Through decarbonisation and optimised transport strategies, we are actively working towards a more responsible industry.

Our sustainability framework is strengthened by the engagement of every team member, from local ambassadors to our Sustainability Board. We understand that achieving lasting change requires systemic action - both internally and externally. By fostering awareness, innovating in freight solutions, and leading by example, we strive to make sustainability not just an aspiration but a measurable reality.

LOOKING AHEAD: A FUTURE BUILT ON VALUES

As we step into the next era, we do so with optimism, determination, and purpose. Logistics connects the world, and Fracht is committed to ensuring that these connections are built on trust, expertise, and sustainability. Our legacy is not just about what we transport, but about the impact we make – helping businesses succeed, communities thrive, and the planet remain protected for generations to come.

United by our values, driven by innovation, and strengthened by a global network, we continue to evolve. The road ahead is filled with challenges, but we are ready to embrace them as opportunities to redefine the future of freight forwarding.

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EXECUTIVE SUMMARY

FRACHT'S 2024 SUSTAINABILITY JOURNEY AT A GLANCE

'A SHARED COMMITMENT FOR A MOVING WORLD'

1. ABOUT THIS REPORT

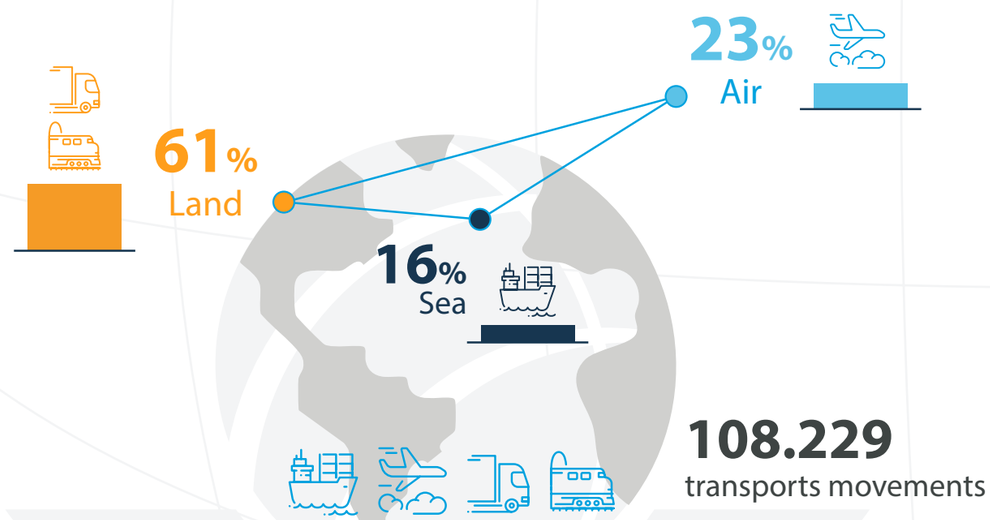
> Scope:
Fracht AG

> Period covered:
January 1 – December 31, 2024

> Frameworks applied:
- *Voluntary Sustainability Reporting Standard (VSME)*
- *CSRD-readiness aligned with ESRS*
- *GHG Protocol (Scopes 1, 2, 3)*
- *SDG mapping*

> First-time milestone:
consolidated company reporting across multiple entities

2. KEY IMPACT HIGHLIGHTS 2024*



108.229
transports movements

Modal distribution in number of transport movements

**Based on Carbon Analysis 2024*

GHG emissions breakdown

Scope 1
396,79 t CO_2e

Scope 2
84,96 t CO_2e

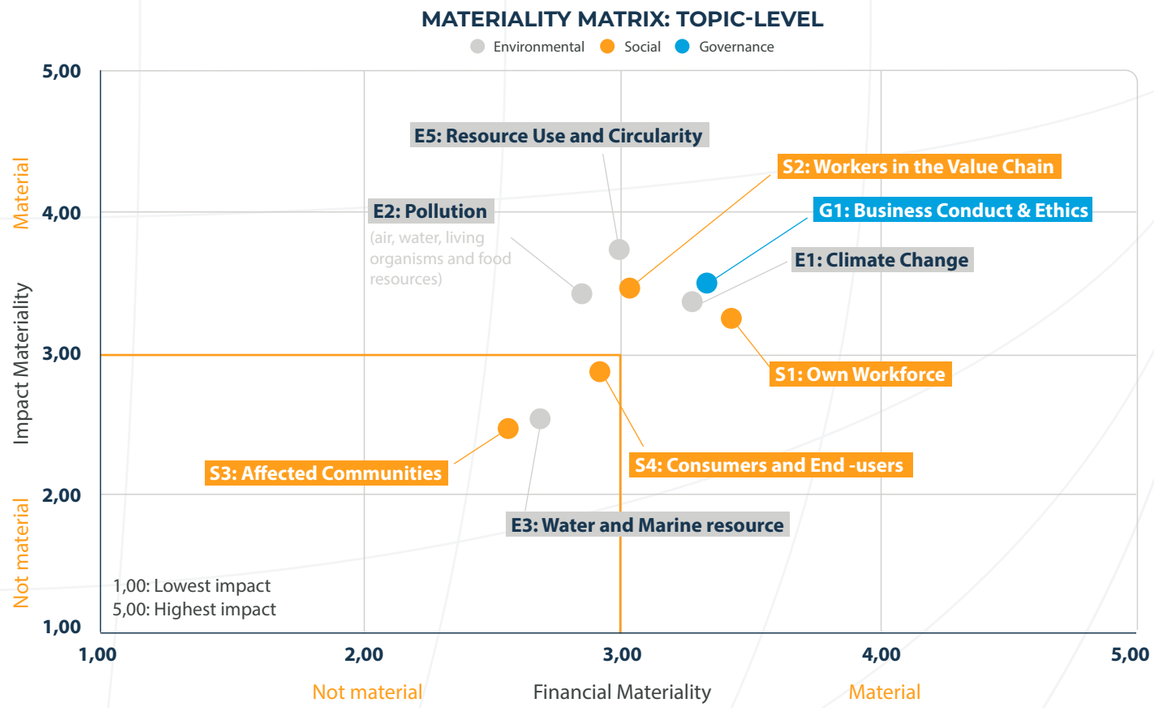
Scope 3
185.649,44 t CO_2e

TOTAL EMISSIONS REPORTED
186.131,19 t CO_2e

79%
of the electricity purchased is sourced from green energy

6%
of the electricity purchased is sourced from nuclear energy

0,95 tCO_2e
Carbon intensity (Scope 1 and 2) per €1M turnover



3. STRATEGIC PILLARS & 2024 PROGRESS

27
SDG actions tracked

PEOPLE

- 6 HR and Sustainability policies
- Enhanced employee working conditions and safety
- Mental wellbeing support across all entities

RESPONSIBILITY

- Supply chain screening through Responsible Purchasing Policy
- Adoption of ISO practices
- Ecovadis standards adoption continues (Platinum and Gold additions)
- Zero incidents reported

PLANET

- Scope 1 & 2 baseline year established
- 98% of emissions originate in Scope 3 — supplier engagement prioritised
- EcoTransIT tracking system integrated
- Green modal shift & alternative fuels piloted
- SBTi commitment ready

PROSPERITY

- Enhanced SDG data collection through Power BI dashboard
- Onboarding of new compliance tools (Whistleblower platform)

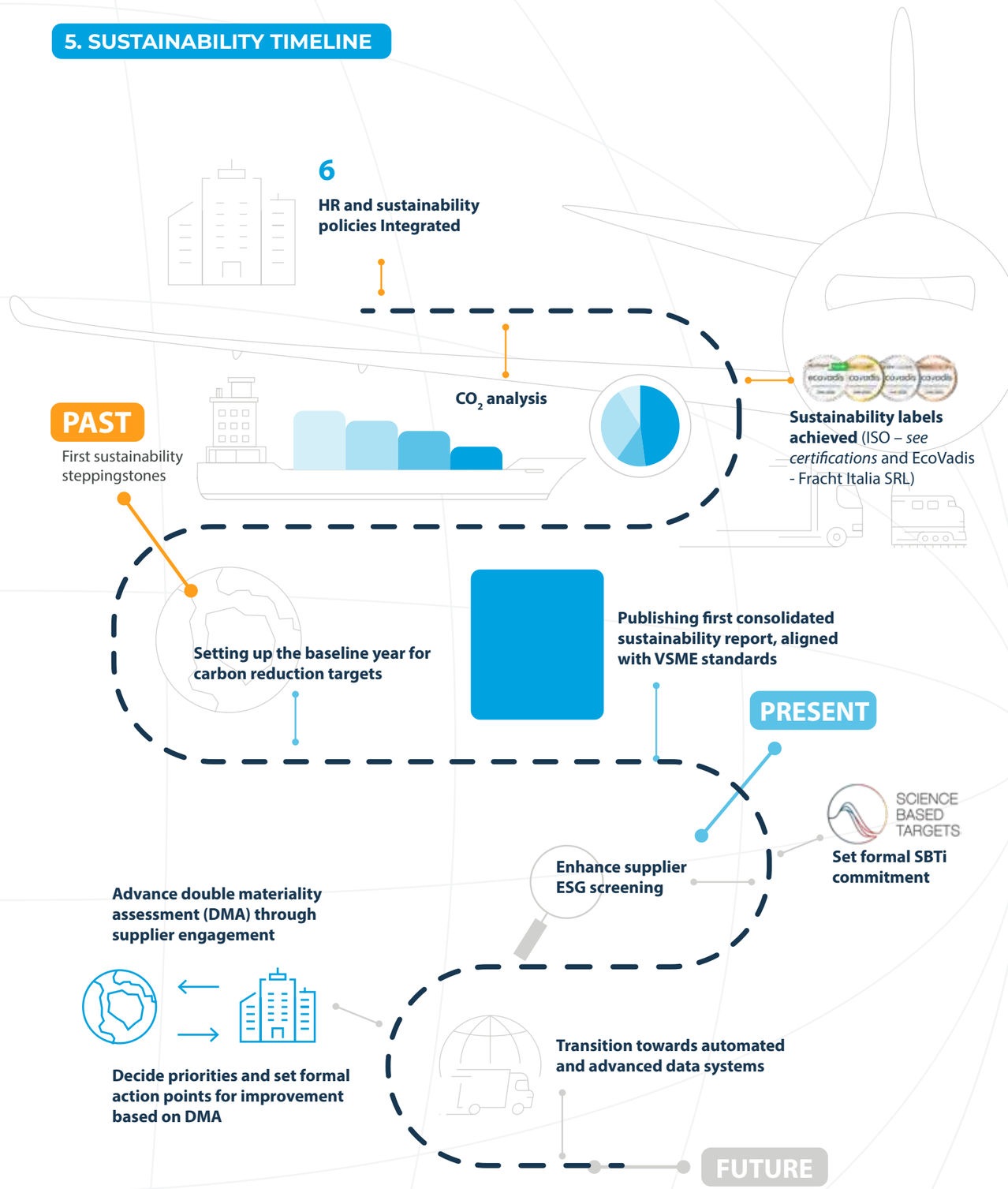
4. KEY PARTNERSHIPS & COLLABORATIONS

BASF — We create chemistry
50 years of Partnership with BASF

Inter Miami CF Main Partner

United Nations Global Compact
UN Global Compact

5. SUSTAINABILITY TIMELINE



1 | WE ARE FRACHT AG

Fracht AG is a global leader in freight forwarding, offering both general and specialised logistics solutions. Fracht AG is an NVOCC (Non-Vessel-Operating Common Carrier) as well as a traditional freight forwarder, registered in Switzerland as AG – Aktiengesellschaft, (Company limited by shares or public limited company), providing multimodal transport and tailored logistic services across industries.

Fracht has been pioneer in logistics long before it emerged as a modern business trend. With our expertise, we have established ourselves as key player in major international projects. We are driven by our commitment to developing logistics in every direction.

Fracht operates through various departments:

OCEAN FREIGHT

The ocean freight department primarily focuses on ocean transport, handling a diverse range of cargo, from general freight to breakbulk and RORO, as well as reefer and dangerous goods. Fracht's services include door-to-door deliveries, with an emphasis on utilising rail and barge transport whenever possible.

AIR FREIGHT

In addition to sea freight, Fracht also manages airfreight operations. We handle the import and export of all types of commodities, including pharmaceutical products, general cargo, and dangerous goods on PAX or CAO flights.

TRUCKING SERVICES

Managing the movement of cargo before or after the main transportation is also part of our scope, with dedicated teams, specialised in national and international trucking solutions for full loads (FTL) and partial loads (LTL). We have established ourselves as leader in trucking, and we offer the reliability and expertise from Europe to the Middle East and the Maghreb states.

RAIL FREIGHT

Fracht combines engineering expertise with innovation to provide top-notch rail transport services. Railcars are specially designed using T1 steel, making them lighter and more efficient when carrying heavier loads, accommodates taller cargo. We offer innovative solutions such as counterweights and turntables for unconventional dimensions. Fracht brings 70 years of experience in rail freight logistics, delivering large cargo with a proven track record of reliability and precision across complex routes.

PROJECT CARGO

Project cargo refers to the specialised transportation of large, heavy, or oversized items that require tailored planning, handling, and logistics. These items are often components of larger projects like construction, energy, or infrastructure. It's distinct from general cargo due to its size, weight, and potential need for specialised equipment and routing. Whether it's ocean, air, heavy haul, barge, or rail transport, we have the expertise and resources to deliver cargo safely – anywhere in the world.

4PL

4PL, or Fourth-Party Logistics, is a logistics model where a company outsources its entire supply chain management and logistics to a single external provider. Unlike 3PLs (Third-Party Logistics), which manages specific aspects of the supply chain, Fracht's 4PL services oversee the entire process – from planning to implementation – serving as a single point of contact for the client. Focusing on visibility and control - while making use of state-of-the-art IT systems 4PL gives clear visibility of complete supply chain with the focus on efficiency increase and continuous improvements.

CUSTOMS BROKERAGE

The customs process is often regarded as the most critical aspect of international transportation due to the high complexity of its operations. Fracht offers expert customs brokers, capable of clearing goods at most international ports and airports, as well as handling local clearance processes directly at the shipper's premises. Extensive Fracht customs brokerage services cater to importers and exporters worldwide. Services include:

- Landed Cost Analysis
- Duty Management
- Audit Evaluations
- VAT Deferment
- Classification Assistance
- Duty Drawback Assistance

WAREHOUSING ACTIVITIES

Fracht also offers warehousing services to enhance the supply chain operations. Our own warehouses, though limited, are equipped with advanced infrastructure and staffed by a dedicated team, ready to provide a wide range of services tailored to your needs. These include storage, in-and-out services, and inventory control, container loading and unloading, block and brace, palletising, crating, pick and pack, line-item checking, and cargo consolidation.

VALUE ADDED SERVICES

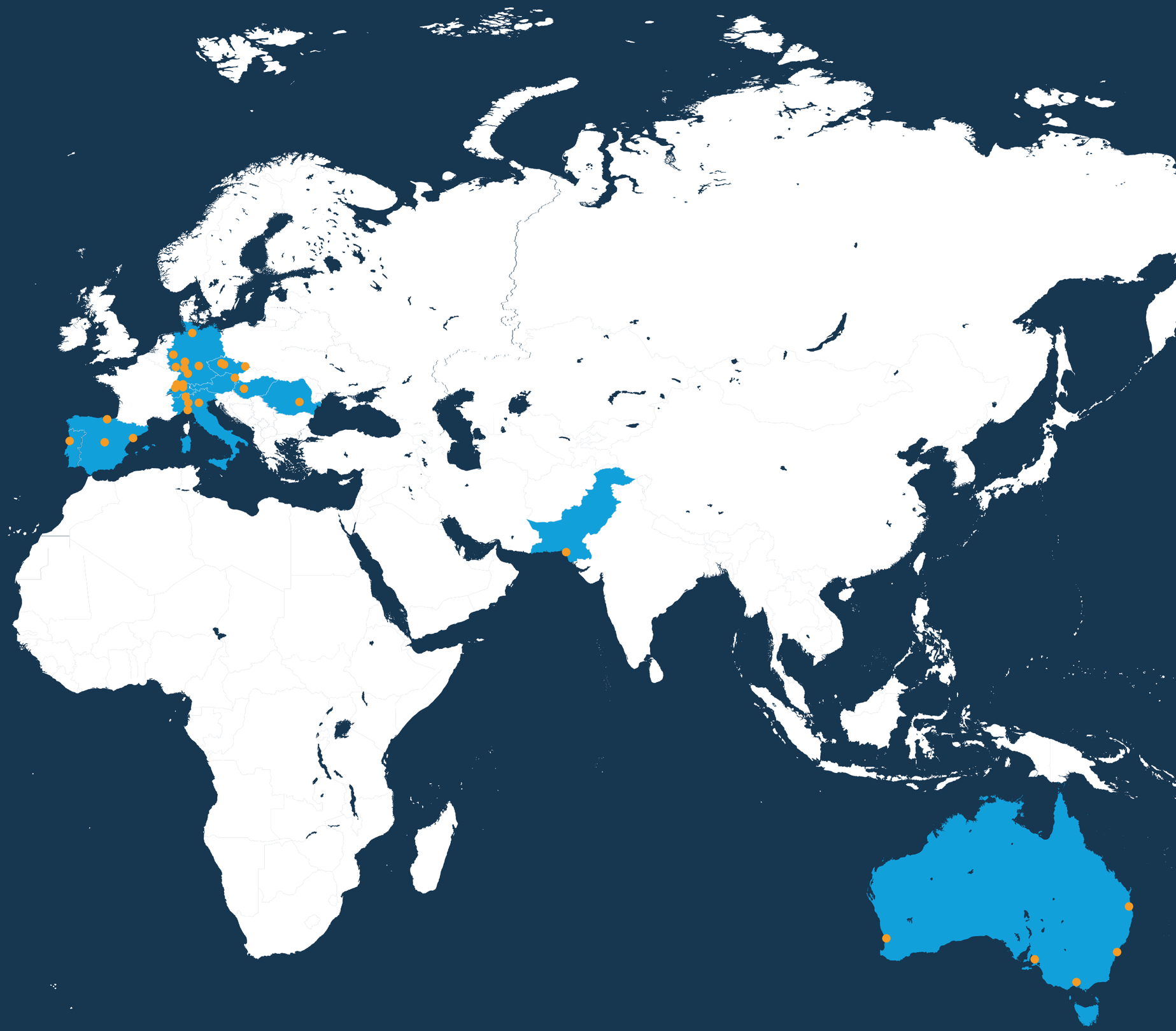
Recognising that every business faces unique operational challenges, Fracht provides customised consulting support through impartial analysis and hands-on expertise. Services include supply chain design, IT system integration, and project management for logistics transformation. Additionally, we deliver specialised training in areas such as international trade compliance, Incoterms, and customs procedures. Through transport engineering, we also enhance safety and efficiency in freight movement.

ENTITIES COVERED UNDER THIS REPORTING
Fracht AG

- **Fracht Project Logistics SL**
- **Schober International Speditions- und Logistik GmbH**
- **Fracht FWO AG**
- **Fracht Portugal Unipessoal Lda**
- **Fracht Italia SRL**
- **Fracht Romania SRL**
- **Fracht FWO GmbH**
  Billitz GmbH
  Billitz Hungaria & Partner KFT
- **Fracht AG Switserland**
  Log Connect AG
- **Fracht FWO Czech s.r.o.**

Fracht AG, headquartered in Basel, oversees entities, in Switzerland, Germany, Austria, Italy, the Czech Republic, Hungary, Romania, Portugal, and Pakistan. This region is marked by high industrial density, advanced multimodal infrastructure, and complex regulatory frameworks. With strong capabilities in project logistics, customs handling, and temperature-controlled transport, Fracht AG plays a pivotal role in supporting manufacturing, automotive, chemical, and pharmaceutical clients. Its presence in these diverse markets enables local agility and cross-border integration - both essential for delivering tailored, compliant, and efficient logistics solutions.

Find out about our solutions
Follow the link or scan the QR code
https://www.frachtgroup.com/en/solutions



2 | MANIFESTO

Since 1955, Fracht has been redefining logistics - not only as a service, but as a strategic advantage. In today's fast-paced and increasingly fragmented global market, seamless coordination, advanced technology, and innovative freight solutions are more critical than ever. Efficient logistics drives business success, ensuring that companies remain competitive, agile, and resilient.

At Fracht, we don't just move goods; we connect industries, empower businesses, and facilitate growth. Long before logistics became a buzzword, we were pioneering tailored, high-impact solutions that create measurable value for international projects of all sizes. Our legacy is built on expertise, precision, and an unwavering commitment to excellence.

What sets Fracht apart is our ability to design and implement intelligent freight solutions that anticipate challenges and optimise entire supply chains. We leverage a dynamic blend of **dedicated personnel, decades of experience, global presence, and cutting-edge IT systems** to ensure our customers receive logistics solutions tailored to their specific needs.

Beyond efficiency, sustainability is part of our core DNA. As global logistics evolves, so does our responsibility - to minimise environmental impact, embrace digitalisation, and enhance supply chain resilience. With decarbonisation efforts and collaborative initiatives, we are actively working towards a more sustainable, inclusive future for logistics.

At Fracht, we don't just meet expectations - we exceed them. We innovate, adapt, and drive progress, ensuring that logistics is not just about movement but about creating lasting, strategic impact.

Amaury Luyckx, head of sustainability
BOARD MEMBER

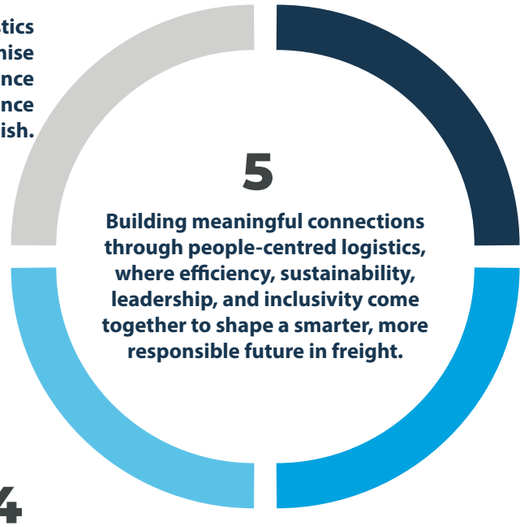
Conducting our business in a sustainable way is our primary goal. Looking forward sometimes also means looking back. Our organisation was one of the first to emphasise on the importance of sustainability.

Back in 2000, we published our first environmental report, outlining the need for sustainable transport and proposing solutions. Our organisation was also among the first to achieve ISO 14001 certification. We continue to lead by example, always putting our values first.

Our four core pillars are the environment, people, prosperity and philanthropy. They inform how we work and live, day in, day out.

Etienne Seiler, Board Member
BOARD MEMBER

3 | STRATEGY TOWARDS A SUSTAINABLE TOMORROW



1

Seamless logistics solutions that optimise efficiency and enhance customer experience from start to finish.

2

Advancing decarbonisation in global freight.

3

Empowering leadership and personal development

4

Fostering a diverse, inclusive, and adaptable workplace

5

Building meaningful connections through people-centred logistics, where efficiency, sustainability, leadership, and inclusivity come together to shape a smarter, more responsible future in freight.

OBJECTIVE

Reduce emissions across all freight modes by improving data transparency, promoting greener transport options, and engaging suppliers in low-carbon innovation.

TARGETS

1. Submit SBTi commitment (2025)*
2. Achieve 58,8% reduction in Scope 1 and 2 by 2034
3. Supplier engagement covering 70% of scope 3 upstream transportation suppliers, within 5 years of target submission.
4. Expand use of SAF and multimodal low-emission options
5. Establish carbon invoicing system for clients by 2026

OBJECTIVE

Strengthen internal capabilities and leadership pipelines to foster innovation, accountability, and a future-ready logistics workforce.

TARGETS

1. Establish a network of sustainability ambassadors
2. Promote international exchanges via FIEP to build cross-cultural competence
3. Reach 100% Code of Conduct and global policy sign-off for all new hires by 2025**

OBJECTIVE

Create a workplace culture that values equity, wellbeing, and inclusive growth, while ensuring psychological safety and representation at all levels.

TARGETS

1. Maintain ≤10% turnover rate across all operating entities
2. Ensure all entities have an assigned employee wellbeing lead

Andrea Reisdorf represents the third generation of leadership in Fracht, a proudly family-owned company founded in 1955. Currently in training to take on future responsibilities, she brings a next-generation perspective to the company's long-standing values and evolving sustainability vision.

"As I was growing up, the conversation around climate change and the need for action became increasingly urgent. For a long time, I felt like no one was doing enough to address it and it was hard to accept. But my father always reminded me that people care—he does, and so does the company. In fact, Fracht has been taking steps toward sustainability since as early as 2001.

In our family—and by extension, at Fracht—caring for our surroundings has always been part of who we are. And that care goes beyond the environment. It's about people too. Whether it's friends, employees, suppliers, or partners, we've always believed in working with respect, integrity, and responsibility.

Now that I'm part of the company myself, I can see first-hand the efforts being made to operate more sustainably. The drive is there, and the purpose is clear. But there's still a challenge: while clients and society often express a desire for sustainable solutions, that commitment doesn't always translate into actual actions. That gap between what's said and what's done must be closed.

I hope that in the near future, more companies will not only say they care - but show it. Because real progress will only come when we work together—for each other and for the planet."

**Fracht plans to formally commit to SBTi in 2025*
***Fracht Code of coduct*

Fracht GROUP
Fracht AG

Over the past years, Fracht, as a company, has transitioned from intention to implementation, integrating sustainability more deeply across its operations, governance, and reporting. What began as a foundational principle has become a strategic focus, *Fracht Forward* is aligned with international standards, stakeholder expectations, and regulatory developments.

Sustainability is a key pillar of Fracht's operations, ensuring that global freight forwarding aligns with environmental, social, and governance (ESG) principles. The *Fracht Forward* programme is the company's dedicated sustainability framework, built around three strategic roles – **Motivator, Innovator, and Differentiator** – to drive meaningful change in logistics.

FRACHT FORWARD STRATEGIC ROLES

MOTIVATOR

MOTIVATOR:
A STRUCTURED APPROACH TO SUSTAINABILITY

Under this role, we have developed the *Fracht Four* strategy-a structured framework that integrates the UN *Sustainable Development Goals* (SDGs) and promotes collective progress.

The strategy is built on four interconnected pillars:

1. People
2. Planet
3. Prosperity
4. Responsibility

Each pillar supports specific sustainability objectives, ensuring that Fracht's global activities contribute positively to social, economic, and environmental challenges. By motivating teams, partners, and clients, we foster a forward-thinking culture where sustainability is embraced at every level.

SUSTAINABLE DEVELOPMENT GOALS

RESPONSIBILITY
Ensuring **ethical standards, compliance, and integrity** across all operations through robust **systems of control and measurement**; reinforced by partnerships and policies such as Fracht's Code of Conduct, Supplier Code of Conduct, and social and environmental guidelines to drive accountability and sustainable business practices.

PEOPLE
Enhancing **working conditions**, safety, equity, and **training**; embedding sustainability in HR and leadership culture.

PLANET
Reducing **environmental** impact across scopes 1, 2, and 3; developing green logistics solutions; investing in data systems to support **climate action**; and advancing **sustainable procurement** to ensure responsible sourcing throughout the supply chain.

PROSPERITY
Fostering strategic **partnerships and long-term collaboration** to drive innovation and resilience in global supply chains; shaping industry standards through proactive **policy development**; ensuring ethical governance and compliance; and promoting sustainable growth that balances economic success with social and environmental responsibility.

FRACHT FORWARD STRATEGIC ROLES

INNOVATOR

INNOVATOR:
ADVANCING GREEN LOGISTICS

As an Innovator, we prioritise cutting-edge solutions that improve the efficiency and environmental footprint of logistics. This includes optimising transport networks, cutting carbon emissions, and integrating emerging technologies into freight management.

Fracht is committed to collaborating, promoting, and growing our S**ustainable Supply Chain Solutions**. Leveraging our extensive global ecosystem of like-minded partners and clients, we strive to leave less of an impact on the environment. It is our mission to lead innovation in global logistics through **Sustainable Operations** and client solutions—particularly through the development of **"Green Lanes"**, supporting our customers' **Net Zero** goals.

Our approach is grounded in three core actions:

WE ANALYSE
We provide visibility into carbon footprint and Scope 3 emissions through integrated CO_2 reporting on shipments we manage. Data collection and analysis are performed through partners accredited by the Global Logistics Emissions Council (GLEC), ensuring transparency and credibility in our reporting.

WE REDUCE
- **Increased efficiency**
  In logistics, the greatest environmental impact comes from improving the efficiency of transport solutions. By combining our market expertise with our clients' needs, we deliver the most efficient and low-impact options available.

- **Alternative transport means**
  Green logistics isn't just about one solution—it's a corporate culture. We emphasise offering alternative modes of transport, including strategic rail solutions globally, to reduce CO_2 emissions and drive sustainable logistics forward.

- **Innovations**
  Green Logistics is evolving rapidly, with new technologies and solutions emerging constantly. As a family-owned company, we have the flexibility to adopt and deploy innovations quickly to meet sustainable development goals.
  This includes sustainable fuel solutions—in collaboration with our suppliers, we're developing programs for carbon footprint reduction across air, road, and sea transport.

WE CAN OFFSET WHAT'S LEFT
After maximising all emissions-reduction strategies, Fracht Forward empowers our customers to offset remaining CO_2 emissions through a variety of targeted offsetting investments, aligned with technologies and locations that matter most.
Fracht's commitment to green logistics has already gained industry recognition—our sustainable and innovative transport solutions earned the prestigious Breakbulk Award for Best Renewable Energy Project of the Year. These innovations highlight how logistics providers can reduce their ecological impact while maintaining operational excellence.

FRACHT FORWARD STRATEGIC ROLES

DIFFERENTIATOR

DIFFERENTIATOR:
LEADING THE SUSTAINABILITY STANDARD

As a Differentiator, we ensure our sustainability efforts go beyond compliance - setting benchmarks for responsible logistics. We actively engage with leading sustainability frameworks, including **EcoVadis assessments, the writing of VSMEs (Voluntary standard for non-listed micro-, small- and medium-sized undertakings), and the implementation of global policies** that standardise sustainability practices across operations.

Fracht entered a new phase of maturity. While this is only our second formal sustainability report and a first on the consolidated company level, it reflects growing internal capabilities, and deeper engagement with our partners. Through the VSME reporting cycle, we have worked towards mapping our impacts, risks, and opportunities and committed to applying the principle of double materiality as we advance towards our vision for the future.

By strengthening ESG compliance and environmental reporting, Fracht differentiates itself as a leader in sustainable freight forwarding. Our approach aims for suppliers, partners, and stakeholders to be aligned with ambitious sustainability goals, contributing to industry-wide transformation.

Through *Fracht Forward*, we are shaping the future of logistics—motivating, innovating, and differentiating to make sustainable freight a reality. Whether driving decarbonisation efforts, or setting industry standards, Fracht's sustainability strategy reinforces our commitment to a responsible, forward-thinking global supply chain.

OUR DOUBLE MATERIALITY ASSESSMENT (DMA)

At Fracht, we understand that sustainability is no longer peripheral to business—it's integral. As a global freight forwarder, our ability to anticipate and adapt to environmental, social and governance (ESG) challenges directly impact our ability to serve clients, maintain operational resilience, and secure long-term value.

In 2024, we proactively initiated a Double Materiality Assessment (DMA), ahead of formal reporting obligations. This assessment aligns with the evolving requirements of the EU Corporate Sustainability Reporting Directive (CSRD), which mandates companies to disclose sustainability-related impacts as well as risks and opportunities that could materially affect their business.

The CSRD mandates comprehensive sustainability reporting for a range of companies. It requires companies to disclose information on their sustainability strategy, policies, targets, and progress, integrating it into their annual reports. On April 3rd, 2025, the European commission voted to postpone the CSRD's application timeline by two years for most companies, except for those in the first wave, through the proposed Omnibus regulation. For Fracht, this means that we will have to publish our CSRD-compliant sustainability report in 2028 (about fiscal year 2027) instead of 2026 (about fiscal year 2025).

Fracht initiated the DMA despite this regulatory uncertainty because we recognise that sound ESG practices are not just a legal requirement—they are a strategic imperative. Conducting a DMA allows us to future-proof our reporting, anticipate market and stakeholder expectations, and ensure that we are building a sustainability roadmap based on substance, not just form.

Together, these two lenses ensure we identify not only what we do that matters to the world, but also what in the world could matter to us.

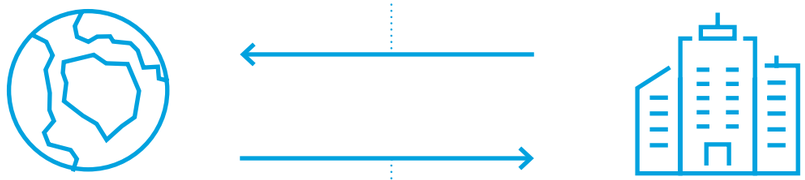
IMPACT & FINANCIAL DIMENSIONS

Double Materiality requires companies to assess sustainability matters from two distinct but complementary perspectives:

IMPACT MATERIALITY

This perspective considers how our operations, supply chain, and services affect people and the environment. A sustainability matter is impact material if it causes, contributes to, or is directly linked to:

- Environmental degradation (e.g. emissions, pollution, water stress)
- Social impacts (e.g. working conditions, community harm)
- Governance challenges (e.g. ethics, anti-corruption)



FINANCIAL MATERIALITY

This angle looks at how sustainability matters can influence Fracht's financial health — including revenue, operating costs, access to capital, and license to operate. A matter is financially material if:

- It could generate a direct or indirect financial effect (positive or negative)
- It poses a regulatory, reputational, operational, or client-related risk or opportunity

OUR DMA METHODOLOGY: FROM MAPPING TO MATERIALITY

We undertook a structured DMA in accordance with the guidelines described in the CSRD and the Materiality Assessment Implementation Guidance developed by EFRAG (European Financial Reporting Advisory Group).

Our aim was not just to comply but to meaningfully understand where our business intersects with environmental and social sustainability, and where sustainability risks and opportunities may influence our performance. We followed the methodology, consistent with both ESRS requirements, while tailoring the assessment to the freight forwarding and logistics sector. This included mapping our value chain, consolidating relevant sustainability topics, reviewing contextual and stakeholder inputs, and applying defensible thresholds for impact and financial materiality.

HOW DID WE VALIDATE THE MATERIALITY SCORES?

All ratings were justified qualitatively and validated through internal and external sources for consistency. Topics scoring high or medium in either axis were classified as material.*

**Details on the sources used for DMA can be found in the annex.*

OUR DMA METHODOLOGY: FROM MAPPING TO MATERIALITY

We developed a consolidated inventory of sustainability topics by drawing from multiple credible sources, ensuring full alignment with EU regulation and industry dynamics:

- The complete list of ESRS topical standards (Annex I, Delegated Act)
- Sector-specific risks and disclosures from SASB TR-AF (Transportation & Logistics)
- Emerging frameworks such as TCFD, TNFD, and SBTi for forward-looking alignment
- Benchmarking of peer disclosures, including Kuehne+Nagel, Deugro, and Fiege
- Internal materials: EcoVadis criteria, Fracht's environment and sustainability policy, and other internal policies

This helped refine a list of sustainability matters relevant to both freight forwarding as a sector, and Fracht's own position within the value chain.

Based on the mapped value chain and consolidated topic list, we systematically identified actual and potential Impacts, Risks, and Opportunities (IROs). These were documented under each relevant ESRS topic, and further differentiated into:

- Positive vs. negative effects
- Actual vs. potential
- Environment, people, and governance domains

Following this, each IRO was clearly linked to an operational context- upstream, own operations, or downstream operations.

1 MAPPING OUR VALUE CHAIN

We began by mapping our full operational footprint across the logistics value chain — upstream and downstream activities and our own operations. This value chain view allowed us to pinpoint where sustainability impacts and dependencies are most relevant.

- **Upstream**: including subcontracted transport providers (road, sea, air), warehousing and port infrastructure, and operational suppliers.
- **Own operations**: Fracht's owned offices and internal business systems across the company.
- **Downstream**: clients in various industries (e.g. pharmaceuticals, chemicals, electronics, etc.), and their final freight recipients.

This foundation ensured that materiality would be assessed based on real operational touchpoints, not abstract assumptions.

2 BUILDING A RELEVANT TOPIC INVENTORY

3 INTEGRATING STAKEHOLDER & CONTEXTUAL INPUT

Although no formal interviews were conducted in this phase, stakeholder expectations were integrated through credible proxies:

- Employee priorities were derived from HR data, policy reviews, publicly available information, management interviews and engagement initiatives.
- Regulatory and market trends were assessed using applicable EU legislation: EU ETS 2, CBAM, ReFuelEU, Energy Performance frameworks, etc.
- Operational exposure was mapped using internal data: subcontractor coverage, facility footprint, and known environmental incidents.

This ensured that even in the absence of direct engagement, the voices of key stakeholders were embedded into our analysis.

4 IDENTIFICATION OF IRO'S (IMPACTS, RISKS, AND OPPORTUNITIES)

5 SCORING IRO'S AGAINST DEFINED MATERIALITY THRESHOLDS

To ensure consistency, we applied clear thresholds for both impact materiality and financial materiality. Each topic was scored based on:

Impact Materiality
(How Fracht affects people and/or the planet?)

- Scale of the effect: How grave is our impact for people or the environment?
- Scope across operations or geographies: How widespread are the impacts?
- Irremediability: Can the damage be reversed? To what extent is it impossible to restore the affected environment or people to their prior state (only considered for negative impacts)?

Financial Materiality
(How sustainability factors affect Fracht?)

- Likelihood: How probable is the risk or opportunity?
- Magnitude: What is the potential impact on costs, revenues, or contracts?

While the **impact thresholds** were adapted for Fracht operations, the **financial thresholds** were developed in consultation with Fracht's senior management to reflect realistic business sensitivities.

FRACHT'S MATERIAL TOPICS

Following the initial identification of potentially relevant ESG topics, we proceeded to assess each one in greater detail through the lens of actual and potential Impacts, Risks, and Opportunities (IROs) with a **4-step methodology:**

Based on these 4 steps, the following environmental, social, and governance topics on were identified as material for Fracht, representing the areas where our business activities, sustainability goals, and stakeholder expectations most clearly converge.

1.

EVALUATE

Every IRO was evaluated using structured impact and financial materiality criteria, such as scale, scope, irremediability, likelihood, and financial magnitude.

2.

SCORE

Each criterion was scored and supported with contextual reasoning, ensuring both qualitative insight and methodological consistency.

3.

CONSOLIDATE

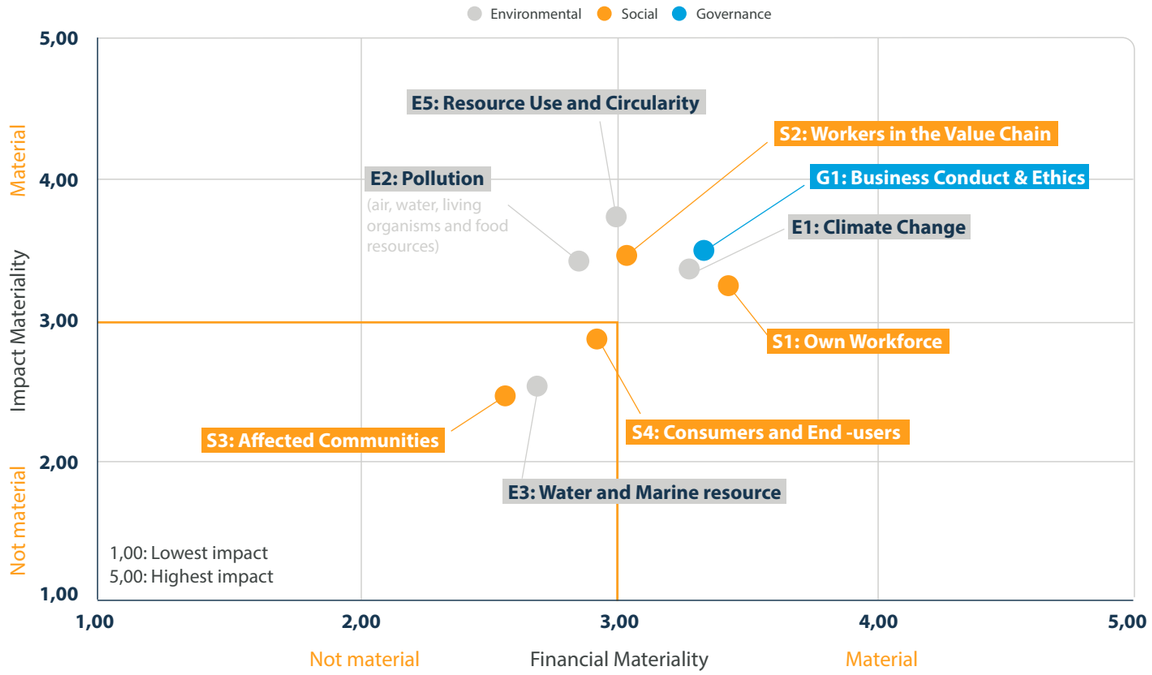
The scores were consolidated to determine the materiality level of each topic.

4.

CLASSIFY

The final materiality determination was based on a dual-threshold approach: if a topic was found to be material under either perspective, impact or financial, it was classified as material overall.

MATERIALITY MATRIX: TOPIC-LEVEL



WHAT COMES NEXT: STAKEHOLDER ENGAGEMENT AND INTEGRATION

STEP 1: ENGAGING OUR STAKEHOLDERS

Having established a clear understanding of our most material sustainability topics through a structured Double Materiality Assessment, our next step will be to validate these outcomes through deeper engagement with internal and external stakeholders.

WHY?

1. This phase will serve to **verify the relevance and completeness** of the material topics identified and ensure alignment with stakeholder perspectives.
2. Simultaneously, it will help **refine our understanding** of:
   - stakeholder priorities
   - sectoral expectations
   - regional nuances

This ensures that our materiality landscape remains aligned with evolving standards and client needs.

Internal Stakeholder	External Stakeholder
Employees	Customer Industries
Management team	Suppliers - Energy
CEO's	Service providers
Department Manager	Infrastructure providers
Board	Regulatory & Governmental Bodies
Owner	Customers
Business partners	
Work councils	

STEP 2: DEFINE PRIORITIES

We will then begin to assess and prioritise the specific risks and opportunities identified across our value chain. Specific focus will be placed on strategies that can help us reduce the negative impacts and enhance the positive outcomes, both for people and the environment.

STEP 3: INTEGRATION

Once we've determined our IRO priorities, these will be further integrated into our management approach, performance targets, and disclosures — laying the groundwork for more resilient and transparent sustainability governance.

A LONG-TERM COMMITMENT

As part of this integration phase, we recognise the importance of doing this work thoroughly. Implementing a Double Materiality framework is a long-term transformation. While the process demands significant time and resources, Fracht remains committed to getting it right.

TIMELINE

- Throughout 2025, we will continue to build on the assessment's insights.
- In 2026 we plan to initiate structured stakeholder engagement and thereafter begin integrating priority actions into our strategic and operational planning.

ACHIEVEMENTS, KEY INTENTIONS AND CHALLENGES

ACHIEVEMENTS

Green World Breakbulk Awards 2025

The refurbishment of the **INGA hydroelectric power plant** stands as a landmark achievement in sustainable infrastructure development. As the largest renewable energy generation facility in Sub-Saharan Africa, the project has prioritised environmental responsibility, demonstrating that large-scale energy initiatives can integrate sustainability at every stage.

Fracht played a pivotal role in ensuring the transport of key components was both efficient and environmentally conscious, leveraging its deep expertise in African logistics to support the successful execution of the project. By implementing innovative transportation techniques, we enabled the seamless movement of equipment while minimising environmental impact, reinforcing our commitment to sustainable freight solutions.

Recognising Fracht's dedication to sustainable logistics, we won **The Renewable Energy Project of the Year 2025 by Green World Breakbulk**[2]. This award highlights the industry's acknowledgment of Fracht's commitment to responsible transport, innovation, and environmental stewardship in the renewable energy sector.

Upon completion, the INGA power plant refurbishment will significantly enhance the region's renewable energy capacity, addressing immediate electricity needs in the Democratic Republic of Congo and fostering long-term sustainable development. Beyond energy production, this initiative sets a precedent for future infrastructure projects, proving that responsible logistics can help drive Africa's transition to cleaner energy while safeguarding ecosystems and communities.

Our involvement in this project underscores our leadership in **sustainable transport**, demonstrating how logistics can be a force for positive change in global energy transitions.

Investments and divestments

We are actively researching future-oriented technologies including blockchain, drones, and alternative shipping solutions to address challenges such as low-water conditions and climate adaptation. All investments remain strictly focused within the logistics and transport domain, reinforcing our core mission while preparing the business for a resilient, tech-enabled, and sustainable future.

[2]*Breakbulk Europe Awards. (2025, May 13). Winners 2025 - Breakbulk Europe Awards. https://breakbulkeuropeawards.com/winners-2025/*
[4]*Ruedi Reisdorf: "You Don't Buy a Project Cargo Company to Slice It" (https://podcasts.apple.com/us/podcast/ruedi-reisdorf-you-dont-buy-a-project-cargo-company/id1804927734?i=1000706519764)*

KEY INTENTIONS (2034 AND 2050 SUSTAINABILITY GOALS)

At Fracht, we are committed to driving sustainable transformation in global freight forwarding by aligning our operations with **science-based decarbonisation pathways**. We have set a **net-zero emissions target for 2050**, with interim milestones to ensure measurable progress by **2034**. These ambitions are fully aligned with the Science Based Targets initiative (SBTi), reinforcing our commitment to climate action through a **data-driven, scientifically validated approach**. In 2025, we intend to formally submit our commitment to SBTi - an essential step in integrating emissions reductions into business strategy.

The *Science Based Targets initiative* (SBTi), led by CDP, the *United Nations Global Compact*, the *World Resources Institute* (WRI), *WWF*, and the *We Mean Business Coalition*, has become a leading global framework for corporate climate targets. By 2025, more than 10,000 companies will have set or committed to **science-based climate goals** under this initiative, shaping the future of sustainable business.

Achieving these targets requires a **dual approach**: reducing emissions from owned and controlled operations (scope 1 and 2) while actively **collaborating across the supply chain** to address the more complex **scope 3 emissions**, which currently account for nearly **99% of Fracht's total footprint***. While internal energy efficiency and modal shift strategies are being implemented, the **most significant challenge lies in scope 3 supplier engagement** - an area where Fracht is developing a **cross-functional strategy** to accelerate action.

FRACHT'S PRELIMINARY SCIENCE-BASED TARGETS*

58,8%

reduction in scope 1 and 2 emissions by 2034, from a 2024 base year.

70%

Supplier engagement coverage of scope 3 upstream transportation suppliers, within 5 years of target submission.

Expanding reporting, analysis, and advisory capabilities for scope 3 transport emissions, enabling data-driven carbon intensity reduction.

**Calculated through carbon analysis for year 2023-2024.*
***Fracht plans to formally commit to SBTI in 2025*

Guiding Principles:

ESG ENVIRONMENT, SOCIAL & GOVERNANCE

Fracht's sustainability strategy is driven by a clear set of intentions that shape decision-making across all levels of the organisation. These **key intentions** are embedded in our **global operations, policies, and partnerships**, ensuring impact in three core areas: ENVIRONMENT, SOCIAL & GOVERNANCE

Our sustainability ambitions are built on **innovation, accountability, and collaboration**. With structured emissions reduction targets, transparent supplier engagement, and **industry-leading sustainability certifications**, we are committed to advancing sustainable logistics while ensuring economic, environmental, and social prosperity. By working alongside partners, policymakers, and industry leaders, we will continue shaping a logistics system that **drives meaningful climate action and supports a net-zero future.**

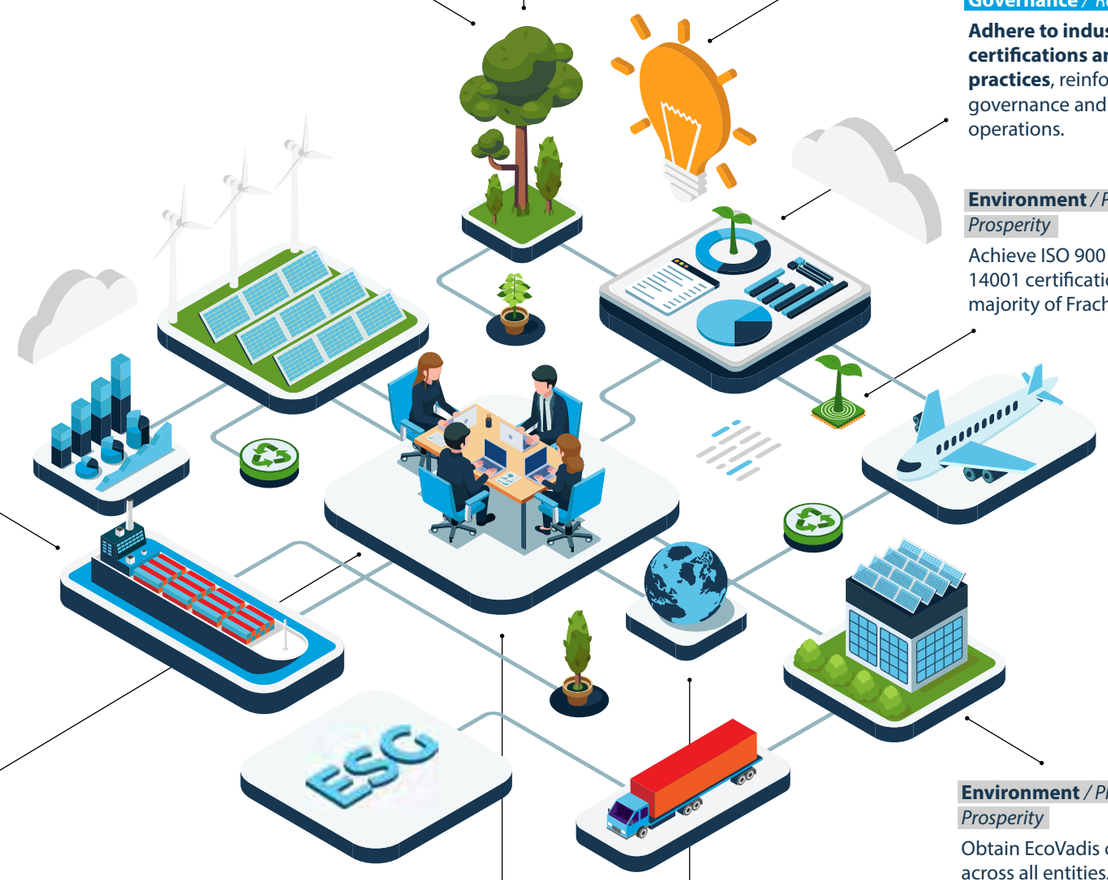
Environment / *Planet & Prosperity*
Engage 70% of scope 3 suppliers in carbon reduction initiatives, within 5 years of target submission.

Environment / *Planet & Prosperity*
Research the potential of carbon compensation projects

Environment / *Planet & Prosperity*
Develop "Green Logistics Solutions"

Governance / *Responsibility*
Adhere to industry certifications and best practices, reinforcing ethical governance and responsible operations.

Environment / *Planet & Prosperity*
Achieve ISO 9001, 45001, and 14001 certifications for the majority of Fracht entities.



Environment / *Planet & Prosperity*
Advance sustainable procurement practices to drive responsible sourcing.

Social / *People*
Strengthen employee engagement and diversity efforts, ensuring an inclusive and people-centred approach to sustainable business.

Governance / *Responsibility*
Implement a Supplier Code of Conduct for all current and new collaborations.

Environment / *Planet & Prosperity*
Obtain EcoVadis certification across all entities.

Environment / *Planet & Prosperity*
Achieve 58,8% reduction in scope 1 and 2 emissions by 2034.

Social / *People*
Foster a unified Fracht culture through a framework with local adaptations, structured by international sustainability initiatives.

Governance / *Responsibility*
Monitor compliance with international standards through the **Fracht whistleblower platform.**

NAVIGATING THROUGH FREIGHT CHALLENGES

The global freight sector is undergoing a profound transformation as climate commitments intensify and regulatory demands expand. Fracht faces the dual imperative of maintaining service excellence while accelerating decarbonisation.

The complexity of freight operations spanning ports, multimodal infrastructure, supply chain interdependencies, and subcontracted transport, creates unique challenges. Yet, these complexities also offer an opportunity to reimagine freight operations through innovation, cleaner technologies, and partnerships.

At Fracht, sustainable freight forwarding is considered more than a necessity—**it's a strategic priority**. Through expertise, integrity, and innovation, we are actively exploring viable pathways to reduce emissions while ensuring a resilient, future-proof supply chain – yet there are several structural challenges that lie ahead.

A.

TECHNOLOGY AND INFRASTRUCTURE TRANSITIONS

Meaningful decarbonisation requires a deep transformation of freight technologies and the infrastructure that supports them. From scaling clean fuels to rethinking propulsion systems and urban freight logistics, these shifts present both opportunities and long-term challenges. The table below outlines key objectives and the hurdles we must collectively overcome to drive sector-wide progress:

	The Objective	The Challenge
MARITIME & AVIATION DECARBONISATION	Alternative fuels including hydrogen, ammonia, methanol, and e-fuels (such as e-diesel and e-methane).	Requires global infrastructure investments and fuel production scaling.
WIND-ASSISTED PROPULSION FOR SHIPPING	Reduce fuel consumption and emissions from maritime freight.	Adoption rates remain low due to infrastructure constraints and limited industry experience.
AIR QUALITY & EQUITY IN FREIGHT TRANSPORT	Electrification of urban freight routes and port operations can significantly improve public health outcomes.	Transitioning existing fleets and infrastructure requires long-term investment and policy support.
HYDROGEN & CLEAN FUELS AS A LONG-TERM SOLUTION	Hydrogen fuel cells and hydrogen-derived fuels (ammonia, methanol) offer promising decarbonisation solutions. These fuels can enable deep emissions reductions.	The current rate of development of hydrogen is slow for short-term realistic uptake.
THE ROLE OF BIOFUELS IN DECARBONISATION	The growth of HVO does promise potential, has limited scale and requires new infrastructure.	Global supply constraints and competition with other energy sources make widespread adoption difficult.

B.

SCOPE 3 EMISSIONS CHALLENGES

At Fracht, we recognise that the majority of our emissions fall under scope 3, especially those linked to upstream and downstream transportation. While scope 1 and 2 emissions are within our operational control, scope 3 emissions present a more complex landscape.

As a freight forwarder working with a diverse and global network of carriers, we come across industry-wide challenges such as inconsistent data availability, varying methodologies, and fragmented reporting standards. However, we are actively tackling these barriers through strategic investments and collaboration across our value chain.

1. Data collection and quality: investing to close the emission gaps
Data collection and quality improvements remain a challenge when reliant on the third parties. With the aim to bridge this gap we have taken strategic decisions to invest in our own assets in selected markets and industries—particularly where data collection infrastructure is lacking or not aligned with Fracht's standards.

2. Leading with accountability
We actively choose to take ownership of emissions accounting, even when we are not the direct source of those emissions. That's why we are committed to working collaboratively across the logistics chain to promote shared standards, transparent data exchange, and collective climate responsibility.

3. Navigating through double accounting in emission calculation
The decentralised nature of freight forwarding creates a high risk of double accounting. Fracht mitigates this nature of freight forwarding by aligning its reporting systems with the GLEC Framework and integrating with recognised tools like EcoTransIT in our operations.

4. Mapping the geographical scope of our operations
We remain committed to making emission tracking across our network adaptable, precise, coherent and financially viable. Fracht has deployed a GLEC-accredited carbon calculation tool to improve precision and traceability. As newer regulations demand greater precision, closing these gaps remains our priority.

C.

SUPPLY CHAIN LABOUR STANDARDS

As a global logistics provider, ensuring consistent adherence to Fracht's Supplier Code of Conduct across this diverse supplier base is our priority particularly in emerging markets where labour rights risks may be heightened. We are committed to not engage with any supplier, subcontractor or entity that fails to uphold these standards.

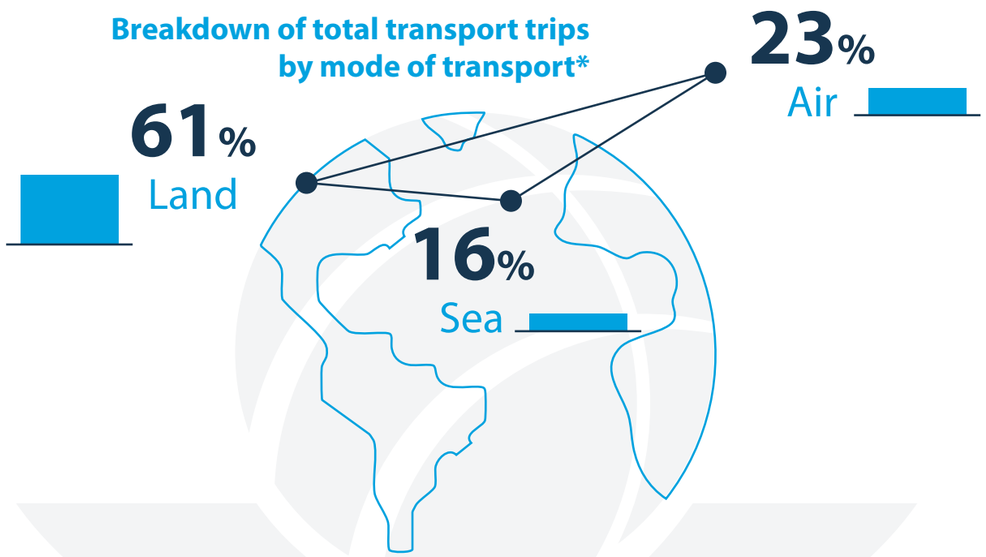
Addressing this is critical not only to uphold human rights and fair labour conditions, but also to ensure our long-term ESG values, business resilience, and reputational integrity.

LOOKING FORWARD, WE ARE WORKING TO BROADEN OUR VALUE CHAIN MANAGEMENT STRATEGY BY:

- **Enhancing our traceability**
- **Promoting supplier engagement**
- **Integrating labour standards monitoring**

4 | FRACHT AG IN FIGURES

Breakdown of total transport trips by mode of transport*



GHG emissions breakdown*

Scope 1	Scope 2	Scope 3
396,79 t CO_2e	84,96 t CO_2e	185.649,44 t CO_2e

55
% People

41
% Planet

4
% Responsibility

Social data***

421,83
Total number of colleagues

37
% Female

63
% Male

13,79
Average annual hours of training

14,21
Average annual hours of training

8/10
Employees are happy to work for Fracht (average score)

Presence

12
Countries

21[2]
Entities

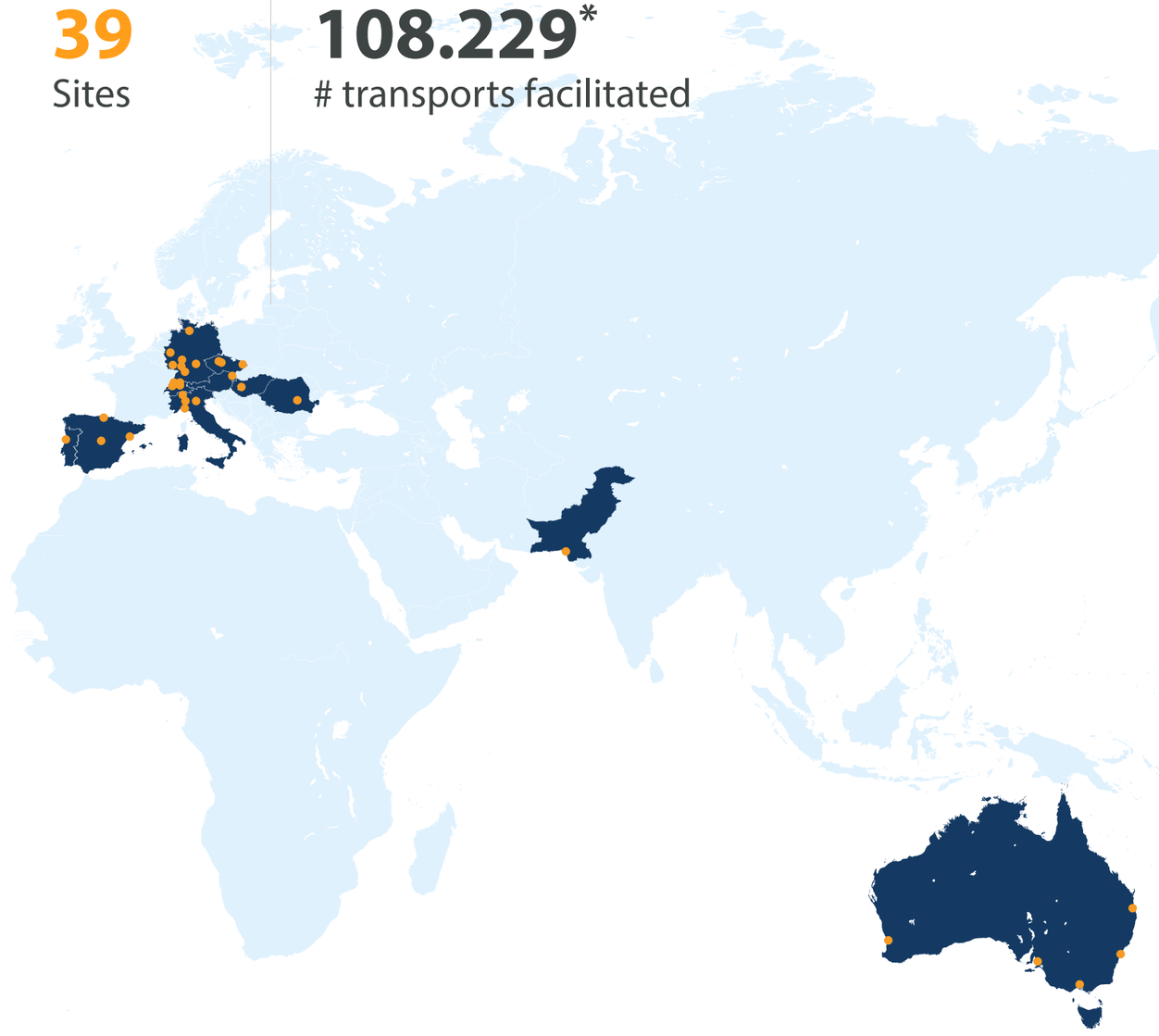
39
Sites

Turnover /net revenue:

€505.513.004,30
Turnover

€85.132.092,57
Net revenue

108.229*
transports facilitated



Currently excluded entities: Fracht Pakistan, Fracht Property Unit Trust, Fracht Australia Property Holdings Pty LtdFinancial information of 2023 for Schober International Speditions- und Logistik GmbH and Fracht FWO AG and Fracht Czech s.r.o is included.
**Based on Fracht Carbon analysis 2024*
***Fracht SDG dashboard – Power BI tool*
**** Based on the response received from a data gathering exercise conducted in May 2025*

5 | 2024 HIGHLIGHT

PEOPLE

ROLLED OUT **6 GLOBAL HR AND SUSTAINABILITY POLICIES** ACROSS THE NETWORK

CONDUCTED **GLOBAL HR SURVEY**; 84% OF EUROPEAN EMPLOYEES REPORTED FEELING SAFE AND RESPECTED

IMPLEMENTED LOCAL **WELLBEING PROGRAMMES** (E.G. WALK2TALK, PINK OCTOBER, MENTAL HEALTH TRAINING)

STRENGTHENED DIVERSITY AND INCLUSION EFFORTS THROUGH CAMPAIGNS AND LOCAL EQUITY EVENTS

PROSPERITY

CONDUCTED **TRAINING AND AWARENESS** INITIATIVES

DELIVERED A POWER BI DASHBOARD TO **TRACK SDG PROGRESS**, LOGGING OVER 100 LOCAL INITIATIVES

PARTICIPATED IN GLOBAL SUSTAINABILITY EVENTS SUCH AS WORLD CLEANUP DAY AND HUNGER DAY

ENHANCED EMPLOYEE ENGAGEMENT THROUGH SUSTAINABILITY AMBASSADORS AND SDG-FOCUSSED CAMPAIGNS

PLANET

CALCULATED BASELINE EMISSIONS IN LINE WITH THE GHG PROTOCOL

TRANSITIONED TO **100% RENEWABLE ENERGY** ACROSS ALL OWNED FACILITIES

INVESTED IN **SUSTAINABLE AVIATION FUEL** (SAF) AND **DIRECT AIR CAPTURE** (DAC) TECHNOLOGIES FOR AIR FREIGHT (E.G. WITH SWISS WORLD CARGO)

PILOTED **LOW-EMISSION TRUCKING SOLUTIONS** INCLUDING BIOFUELS AND ROUTE OPTIMISATION

RESPONSIBILITY

PUBLISHED FIRST **INTEGRATED VSME REPORT** IN ACCORDANCE TO THE VOLUNTARY REPORTING STANDARD FOR NON-LISTED MICRO-, SMALL-, AND MEDIUM SIZED UNDERTAKINGS

COMPLETED FRACHT'S FIRST **DOUBLE MATERIALITY ASSESSMENT** (DMA) INTRODUCED WHISTLEBLOWER PLATFORM ACCESSIBLE ACROSS ALL COUNTRIES

ADVANCED ALIGNMENT WITH LEADING FRAMEWORKS INCLUDING ESRS, GLEC, AND SBTI

FROM VISION TO CONSISTENT IMPLEMENTATION OF OUR POLICIES

Throughout 2024 and into early 2025, we **implemented a suite of global policies**, supported by leadership and stakeholders across entities and functions. This process included:

- **Endorsement by the Owner, CEO, and Board**
- **Translation and contextualisation at company and local level**
- **Employee awareness sessions**
- **Integration into existing management systems (e.g. HR, procurement, environmental management)**
- **Phased adoption across all company holdings and operational sub-entities**

Today, these policies are being implemented across the company. This foundation will support ongoing harmonisation of practices and standards across the network.

These policies were not developed in isolation, but as part of a comprehensive approach to embed sustainability into the core of Fracht's governance—extending across the entire value chain, from internal operations to suppliers, procurement, and social practices.

ADVANCING FLEET EFFICIENCY AND FUEL SWITCHING IN 2024

In 2024, at Fracht, we further strengthened our decarbonisation strategy through targeted investments in fleet efficiency, fuel-switching initiatives, and data-enabled emissions tracking. A key milestone was the deployment of a fully integrated carbon calculation system developed with **CargoWise** and **EcoTransIT**, enabling automated emissions reporting across all transport trajectories. This system, once fully implemented, aims to provide clients with granular, route-specific emissions data — laying the foundation for climate-conscious logistics decisions.

In parallel, we expanded our portfolio of Green Solutions, proactively offering lower-emission routes, modal shifts, and alternative fuel options, including *FAME biodiesel* and *SAF-ready air freight*. These efforts are intended to enhance transparency around transport-related emissions and support closer alignment between Fracht's operations and its *Science-based emissions reduction targets* (SBTi targets).

EcoTransIT World

cargowise

OVERVIEW OF THE SIX POLICIES

6 | OUR VALUES

Fracht aims to lead the freight forwarding industry through a model of value creation that is people-centred, sustainability-focused, and performance-oriented. Built on decades of global logistics expertise, our approach recognises that long-term success depends not only on operational excellence, but also on embedding responsibility, strong leadership, and stakeholder trust throughout our organisation.

At the heart of this model is our commitment to our core values—**Respect**, **Integrity**, **Passion**, **Positivity**, **Leadership**, and **Empathy**—which shape our culture, partnerships, and client relationships.

These values are integrated into a sustainability framework that aims to:

Mitigate environmental impact through innovation in green logistics

Uplift people and communities by fostering a people-first culture

Drive economic resilience through responsible growth and global collaboration

R — RESPECT

We promote a culture of mutual **respect** — across hierarchies, entities, regions, and relationships.

I — INTEGRITY

Integrity at Fracht means acting with honesty, transparency, and accountability — even when no one is watching.

P — PASSION

Driven by **passion** for logistics and problem-solving, Fracht teams go beyond routine execution to deliver value and innovation.

P — POSITIVITY

We believe in the power of optimism and **positivity**. A positive mindset empowers teams to adapt to change and face challenges with creativity and resilience.

L — LEADERS

We value initiative, accountability, ownership and continuous improvement. Our **leaders** set high standards through example, cultivating a culture of growth and development.

E — EMPATHY

Empathy enables us to build meaningful relationships both internally and externally. It drives inclusion, attentive client service, and a supportive workplace culture.

PURPOSE OF FRACHT:

‘BIG ENOUGH TO HANDLE, SMALL ENOUGH TO CARE’

‘Big Enough to Handle, Small Enough to Care,’ perfectly captures our dual commitment to comprehensive logistics solutions and personalised service. We manage even the most complex logistical challenges, ensuring efficiency and reliability across our extensive network.

Despite our global reach, we remain dedicated to **providing individualised attention to each client**. This means understanding the unique needs of its clients and tailoring its solutions accordingly. Our client-centred approach promotes strong relationships, ensuring that every interaction is characterised by flexibility, responsiveness, and genuine care.

Fracht’s commitment to sustainability and community further embodies this ethos. We actively engage in initiatives that promote environmental stewardship and social responsibility, reflecting our dedication to making a positive impact.

In essence, ‘Big Enough to Handle, Small Enough to Care’ is **a promise to combine global capabilities with a personal touch**—delivering excellence in logistics with heart and integrity.

Our business model revolves around providing comprehensive logistics solutions, including freight forwarding, project and general cargo management, customs services, and 4PL services. Fracht serves a wide array of industries, including automotive, energy, pharma, and consumer goods, by coordinating the movement of goods through air, sea, land, and rail transport.

The upstream value chain includes the essential partners and providers that support Fracht’s logistics operations and downstream value chain includes the clients and industries that use our services and logistics solutions to move goods.

Public authorities and silent stakeholders; governments, banking, investors, insurance, auditing, etc.

Upstream | **Own operations** | **Downstream**

1. **Freight and logistic services**
2. **Type of projects**
3. **Full service & value add**

Energy providers

- Electricity
- Gas
- Fuel suppliers

Software & technology service

- Service providers who provide tech solutions.

Carriers

- Major carriers of freight in air, trucking, sea
- Blue collar workers

Infrastructure

- Global ports & airports
- Warehouses from third parties
- Customs

1.
- Freight forwarding
- Customs
- Project Cargo & General logistics
- Tracking & reporting
- Warehousing
- Operations

2.
- Project Cargo
- General Cargo

3.
- 4PL
- Consultancy

Workers

- Employees
- White collar workers (Admin, Hr, Finance, Booking, sales, ...)

Clients / various

- Industry
- 3rd Party Booking providers
- Direct Bookings
- Clients

GREEN LOGISTICS: SUSTAINABILITY THROUGH INNOVATION

With nearly 99% of our environmental impact linked to the value chain and transport partners, we have placed **sustainable logistics at the core of our innovation agenda**. Through strong collaboration with carriers and strategic partners, we are advancing a suite of solutions aimed at reducing emissions across the freight lifecycle.

A key enabler is Fracht's advanced carbon footprinting system, which measures emissions across scopes 1, 2, and 3. This digital tool, integrated with platforms such as CargoWise[7] and aligned with the GLEC Framework, allows for granular, route-specific emissions tracking. The system supports targeted emissions reduction through fuel-efficient vehicle selection, intelligent route planning, and the integration of alternative fuels, including FAME biodiesel and electric vehicles.

Plan:

Offer green solutions and alternatives to our clients

Do:

Increase efficiency - Find alternative transport means - Innovate – by Transitioning to fuels that drastically cut emissions - SAF

Check:

CO_2 calculator adaptations - Sustainability KPIs implementation

Act:

Engage our clients - Engage our partners - Engage our people

Our goal is to provide sustainable supply chain solutions through our '*Green Logistics Service*' offerings, built around these key approaches

Find out about our solutions
Follow the link or scan the QR code
https://www.frachtgroup.com/en/solutions

[7] *Centralize global logistics operations on a single platform solution, CargoWise. (n.d.). CargoWise. https://www.cargowise.com/*

REDUCING EMISSIONS THROUGH INNOVATION AND COLLABORATION[8]

As part of Fracht's commitment to climate action and sustainable transport, we continue to implement innovative **green logistics solutions** across our operations. From alternative fuels and zero-emission deliveries to multimodal transport optimisation, these initiatives demonstrate how sustainability can be embedded directly into the core of freight operations. In 2024, several projects across our network exemplified best practices and measurable emissions reductions.

Case Study 1
Decarbonising the Last Mile

To reduce emissions from inland transport, Fracht has adopted a multimodal strategy for containers arriving from Rotterdam and Antwerp to Basel via barge on the Rhine. Since August 2023, we have paired this water-based freight with electric truck deliveries on the final 40 km between Weil am Rhein and destinations like Bad Säckingen and Blotzheim. This solution aims to reduce the footprint of Fracht's last-mile delivery segment without compromising efficiency.

Case Study 2
Green Air Freight – SAF & DAC Integration

In collaboration with airline partners such as Swiss, Lufthansa, and KLM, Fracht has begun leveraging Sustainable Aviation Fuel (SAF) for selected routes, drastically cutting emissions in the air freight segment. Swiss World Cargo has taken this a step further by combining SAF with Direct Air Capture (DAC) technology from Climeworks, achieving up to 80% emissions reduction for selected air shipments. Residual emissions are offset using DAC, setting a new benchmark in climate-smart aviation logistics.

However, the decarbonisation of air freight through SAF and DAC integration is not a challenge we can solve alone. Progress in this space relies heavily on supplier-led innovation and fuel infrastructure transformation. Our role is to act as an enabler and partner, facilitating responsible carriers, advocating for SAF adoption, and offering clients low-emission options where available.

Case Study 3
Zero-Emission Urban Delivery via Overnight Rail

In Switzerland, we are working with our road freight partner Camion Transport to implement a low-emission, multi-step distribution model. Groupage sea freight is transferred by overnight rail to regional hubs, followed by last-mile delivery using electric trucks, cargo e-bikes, and scooters. This model enables fully emissions-free delivery in city centres, supporting both carbon reduction goals and improved urban air quality.

FAME Biodiesel in Swiss Road Transport
Fracht Basel has prioritised investment in alternative fuels for ground transport. In collaboration with Stella Brandenberger AG, the team has introduced trucks powered by FAME (Fatty Acid Methyl Esters) biodiesel. Derived from waste fats and vegetable oils, FAME fuel reduces CO_2 emissions by approximately 83% per delivery. These biodiesel-powered vehicles are now being used on select container routes across Switzerland, helping us transition toward a cleaner, more sustainable road freight system.

FRACHT'S COMMITMENT TO THE UN SDG'S

As part of our global sustainability approach, we support the advancement of the United Nations *Sustainable Development Goals* (SDGs) not only through policies and partnerships, but also through active involvement in globally recognised action days. These moments serve as catalysts for employee engagement, awareness, and tangible impact across entities.

Five major global actions are recognised across the Fracht network, each highlighting different dimensions of sustainable development and demonstrating Fracht's operational and cultural commitment. Together, they reinforce our focus on the pillars of *Fracht's Four (People, Planet, Prosperity, Responsibility)*.

WORLD CLEANUP DAY
SDG 13 – CLIMATE ACTION

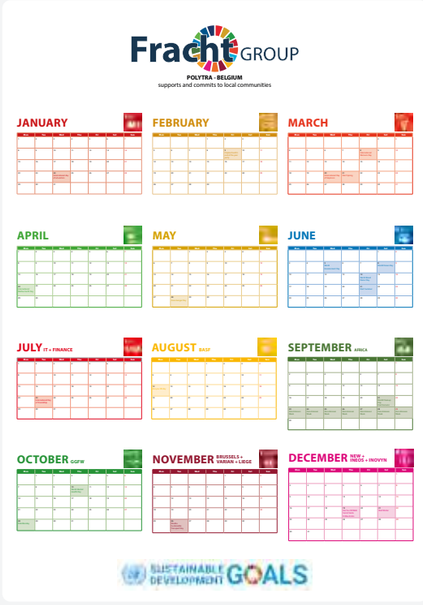
World Cleanup Day is a flagship environmental engagement moment across Fracht. Teams across the company organised clean-up events targeting beaches, riverbanks, city centres, and parks. These activities directly supported SDG 13 of climate action. Through hands-on participation, employees demonstrated that sustainability begins at the local level with collective responsibility for the environment we operate in.

MOVEMBER & THINK PINK CAMPAIGNS
SDG 3 – GOOD HEALTH AND WELL BEING

Health equity and gender awareness took centre stage through Fracht's annual support of *Movember* in November and *Think Pink* during *Pink October*. Offices across Fracht entities marked these campaigns with awareness walks, pink dress days, quizzes, and health talks—raising visibility around Good health and well being (SDG 3), Gender equality (SDG 5). These campaigns helped open space for dialogue and reinforced our commitment to wellbeing beyond compliance—rooted in empathy and inclusiveness.

WOMEN'S DAY
SDG 5 – GENDER EQUALITY

Fracht entities came together to celebrate International Women's Day, recognising the contributions of women across all areas of the company. Offices hosted breakfasts, workshops, awareness sessions, and internal campaigns to amplify voices and advocate for equal opportunities. This initiative helped spotlight female leadership, address gender stereotypes in logistics, and reaffirm Fracht's inclusive culture and commitment to SDG 5.



Find out about how we support the UN SDG's
Follow the link or scan the QR code
https://www.frachtgroup.com/en/sustainability

Whether addressing climate change, hunger, gender equity, or health, the SDGs provide a shared language and ambition across all Fracht entities. In addition to key global events, Fracht has implemented a unique approach by dedicating each month of the year to a specific SDG. This creates a rhythm of awareness, education, and local action across entities—from clean-ups and food drives to health campaigns and biodiversity initiatives—ensuring that sustainability becomes a continuous, lived practice within our community.

WORLD HUNGER DAY
SDG 2 – ZERO HUNGER

Fracht entities recognised World Hunger Day through both advocacy and action. Fracht's efforts supported access to nutritious food and underscored the interconnectedness supply chains, equity, and food security—all central to SDG 2: Zero Hunger.

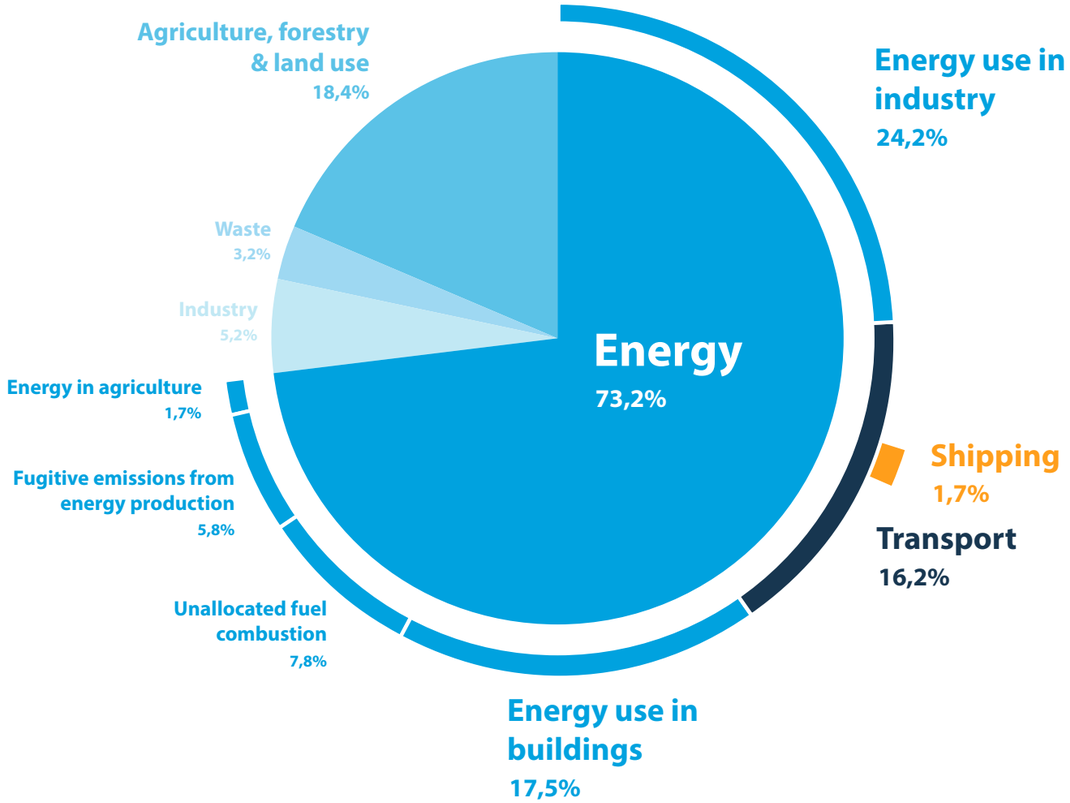
WORLD EARTH DAY
SDG 15 – LIFE ON LAND

World Earth Day is a high-impact event within Fracht's sustainability calendar. Entities across the network marked the day with actions ranging from tree planting, clean-ups, nature walks, and sustainability-themed workshops across multiple countries. These actions addressed a broad range of environmental goal — SDG 15 - life on land. Beyond symbolic participation, these initiatives are embedded in the broader *Fracht Forward* strategy and reflect the company's systemic approach to environmental leadership.

7 | CONTEXT & TRENDS IN SUSTAINABLE FREIGHT

EMERGING CLIMATE POLICIES AND COMPLIANCE REQUIREMENTS

In 2024, the **global transportation sector** remained one of the largest contributors to greenhouse gas emissions, with mobility from **land, air, and sea** emitting more than **eight billion metric tonnes of CO_2 equivalent ($GtCO_2e$)**[10]. Freight and logistics industry is undergoing a significant transformation, driven by the need to **reduce greenhouse gas** (GHG) emissions, to comply with stricter environmental regulations, and to adopt new technologies that enhance efficiency while reducing environmental impact. Freight transport across the company is being reshaped by EU regulations such as **the Emissions Trading System (ETS2), the Fit for 55 Package, the Corporate Sustainability Reporting Directive** (CSRD), and Carbon Border Adjustment Mechanism (CBAM).



The expansion of EU Emissions Trading System (ETS2)
Separate from the current existing EU ETS (or also called ETS1), a new system was created in 2023. This system will address emissions from fuel combustion in buildings, road transport and additional sectors (mainly small industry not covered by the existing EU ETS[11]. EU ETS2 will be fully functional starting 2027, increasing operational costs for companies that rely on fossil-fuel-powered freight. For Fracht, this presents both challenges and opportunities:

EFFECTIVE COST MANAGEMENT

Carriers will implement ETS surcharges or carbon adjustment mechanisms, which reflect allowance costs. The rise in carbon costs per tonne of CO_2 emitted means Fracht must investigate integrating carbon pricing into freight pricing models.
The implementation of EU ETS2 allowances is still pending. As a result, providing an accurate estimate of the financial impact per TEU remains impractical at this stage. The first traded EU ETS2 futures were valued at €73,57 per tonne[12], while forecasts indicate that prices could rise significantly as the system becomes fully operational.
However, the EU has established a mechanism to maintain price stability in the initial years. If allowance prices exceed €45 per tonne (adjusted for inflation from 2020 benchmark), additional allowances may be released from the market stability reserve to prevent excessive increases[13]. This suggests that the EU anticipates prices to hover around €40–€45 per tonne, although market dynamics are likely to cause some fluctuations[14].

DECARBONISATION STRATEGY

To mitigate the financial impact, Fracht must accelerate the transition to low-emission alternatives, such as biofuels, LNG, and hydrogen-powered fleets.

INVESTING IN CARRIER PARTNERSHIPS

With shippers and manufacturers facing similar regulatory pressures, we aim to strengthen our market position by offering low-carbon transport solutions that help clients reduce scope 3 emissions.

[10]Statista. (n.d.). Transportation emissions worldwide. https://www.statista.com/topics/7476/transportation-emissions-worldwide/
[11]Climate Action – European Commission. (n.d.). EU ETS 2: Buildings, road transport and additional sectors. https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/ets2-buildings-road-transport-and-additional-sectors_en
[12]EU ETS2. (n.d.). https://www.eex.com/en/markets/environmentals/eu-ets2

[13]ETS2: buildings, road transport and additional sectors. (n.d.-b). Climate Action. https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/ets2-buildings-road-transport-and-additional-sectors_en
[14]Carboneer. (2024). The EU ETS 2: Pricing emissions in buildings and road transport. https://carboneer.earth/en/2024/07/the-eu-ets-2-pricing-emissions-in-buildings-and-road-transport

Impact of CBAM on trade flows

The *Carbon Border Adjustment Mechanism* (CBAM)[14], fully operational by 2026, will impose carbon tariffs on imported goods from non-EU countries with weaker emissions regulations. The introduction of CBAM will ensure the carbon price of imports is equivalent to the carbon price of domestic production, and that the EU's climate objectives are not undermined. This policy is particularly relevant for Fracht's European operations, which handle international trade flows, including Africa-Europe, Asia-Europe and Australia-Europe logistics.

For Fracht, this means that additional costs and compliance obligations must be integrated into charter agreements, freight contracts, and other legal documentation to prevent disputes and mitigate liability.

Premiums for transporting CBAM-regulated goods, such as steel, aluminium, cement, and fertilizers — are expected to increase, driven by greater compliance risks and emissions reporting requirements. Delays due to incomplete documentation or misalignment with CBAM protocols may lead to contractual, financial, operational and strategic consequences, including the following:

COST IMPACT

Materials such as steel, aluminium, and cement (which are covered under CBAM) will need supply chain partners that can track, and report embedded emissions.

SUPPLY CHAIN OPTIMISATION

Fracht can gain a competitive advantage by offering emissions-compliant logistics solutions that help customers navigate CBAM-related cost increases.

TRANSPARENCY & REPORTING

Digitalisation of emissions tracking will be crucial, requiring data integration between Fracht, its partners, and its customers.

Fracht may need to reassess and optimize supply chains, favouring lower-carbon routes and partners to minimize CBAM-related costs.

[14] *Taxation and Customs Union – European Commission. (n.d.). Carbon Border Adjustment Mechanism (CBAM). https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en*

CONTRACTUAL IMPLICATIONS

CBAM introduces new responsibilities for importers, requiring explicit clauses in contracts to define duties related to emissions reporting and the procurement of CBAM certificates.

Contracts may also need to incorporate provisions addressing liabilities for non-compliance, including penalties or delays due to inaccurate emissions data.

FINANCIAL IMPLICATIONS

Importers will incur additional costs from purchasing CBAM certificates, which must reflect the embedded emissions of the imported goods.

Administrative costs may rise, as Fracht will need to collect, verify and report emissions data on behalf of clients.

OPERATIONAL IMPLICATIONS

Robust data collection and emission management systems will be required, likely prompting Fracht to invest in digital infrastructure.

Employee training will be necessary to ensure accurate documentation and effective communication with clients and authorities.

CBAM compliance processes must be integrated into day-to-day logistics operations, potentially affecting timelines and workflows.

STRATEGIC IMPLICATIONS

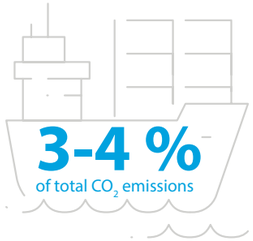
Expertise in sustainability and regulatory compliance can enhance brand reputation.

THE ROLE OF FuelEU AND ReFuelEU (ALTERNATIVE FUELS) IN FREIGHT

In EU waterborne transport

In the EU, waterborne transport generated 3 - 4 % of total CO_2 emissions in 2021[16]. FuelEU Maritime aims to decarbonise the maritime transport sector by setting maximum limits on the yearly greenhouse gas intensity of the energy used by a ship above 5.000 gross tonnage calling at European ports, regardless of flag. Targets will ensure that the greenhouse gas intensity of fuels used in the sector will gradually decrease over time, starting with a 2% reduction by 2025 and reaching up to 80% by 2050[17].

We will need to adapt by re-evaluating carrier partnerships, incorporating fuel types and emissions performance into procurement criteria. Over time, Fracht may need to integrate vessel-level emissions insights into service offerings to maintain a competitive edge.



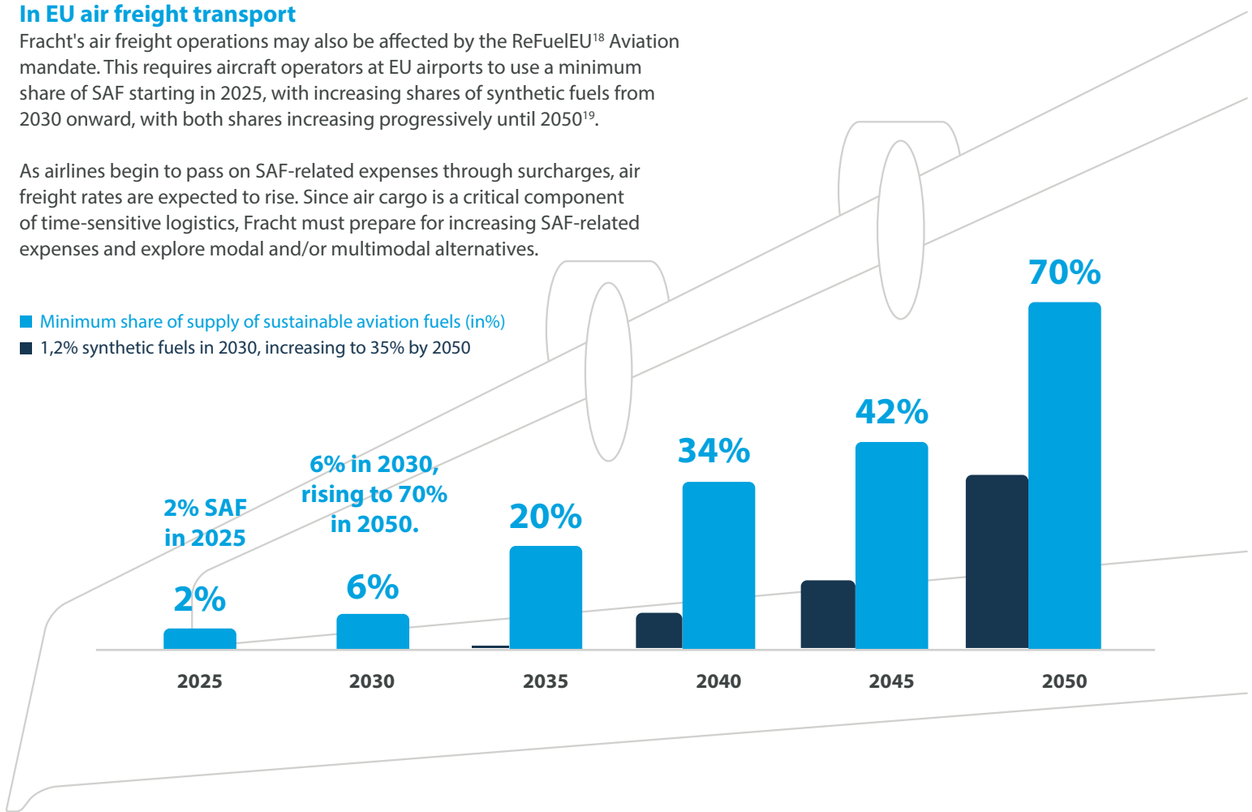
2% by 2025
Initial reduction target

80% by 2050
Final reduction target

In EU air freight transport

Fracht's air freight operations may also be affected by the ReFuelEU[18] Aviation mandate. This requires aircraft operators at EU airports to use a minimum share of SAF starting in 2025, with increasing shares of synthetic fuels from 2030 onward, with both shares increasing progressively until 2050[19].

As airlines begin to pass on SAF-related expenses through surcharges, air freight rates are expected to rise. Since air cargo is a critical component of time-sensitive logistics, Fracht must prepare for increasing SAF-related expenses and explore modal and/or multimodal alternatives.



Fit for 55: EU Green deal plans for cleaner maritime fuels

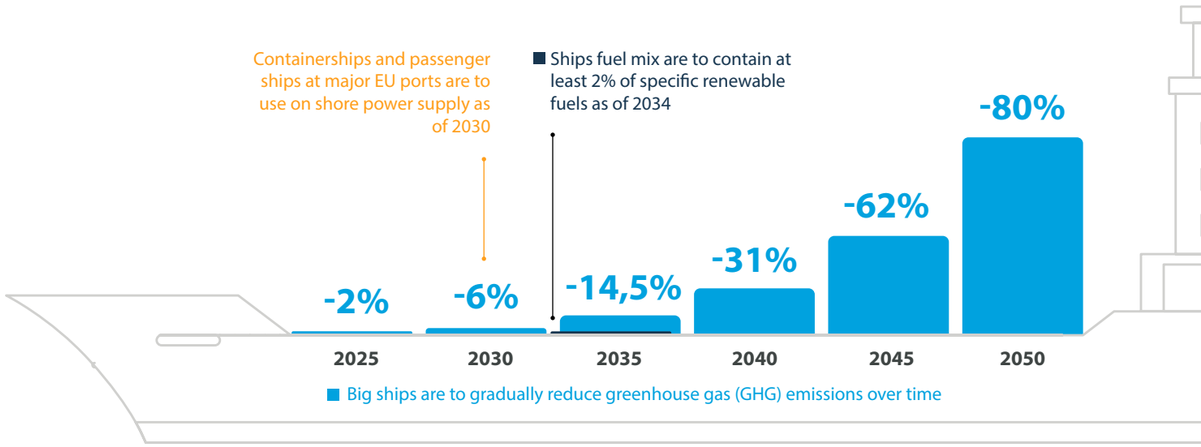
As part of the European Commission's Fit for 55[20] legislative package, the FuelEU Maritime Regulation (Regulation (EU) 2023/1805) promotes the use of renewable, low-carbon fuels and clean energy technologies for ships, essential to support decarbonisation in the maritime sector[21].

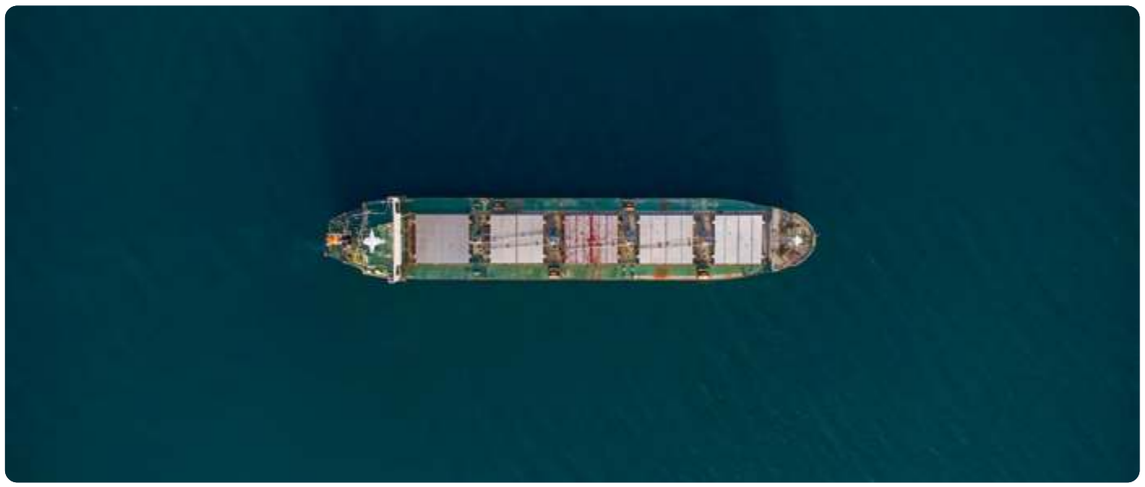
Fracht will need to adapt by transitioning to alternative fuels like biofuels or LNG, re-evaluating carrier partnerships, incorporating fuel types and emissions performance into procurement criteria, and supporting clients with updated routing and emissions data.

Vessels more than 5.000 gross tonnes

55%
of all ships

90%
of of CO_2 emissions from the maritime sector





[16] *Climate Action – European Commission. (2023). SWD/2023/54 final – Impact assessment for CBAM. https://climate.ec.europa.eu/system/files/2023-03/swd_2023_54_en.pdf*
[17] *European Commission. (2023, June 21). New proposal strengthens sustainability reporting. https://ec.europa.eu/commission/presscorner/detail/en/ip_23_1813*
[18] *Transport – European Commission. (n.d.). RefuelEU Aviation. https://transport.ec.europa.eu/transport-modes/air/environment/refueleu-aviation_en*
[19] *European Council. (2023, October 9). RefuelEU Aviation: Council adopts new law to decarbonise the aviation sector. https://www.consilium.europa.eu/en/press/press-releases/2023/10/09/refueleu-aviation-initiative-council-adopts-new-law-to-decarbonise-the-aviation-sector/*

[20] *European Council. (n.d.). Fit for 55: Delivering the EU's 2030 climate targets. https://www.consilium.europa.eu/en/policies/fit-for-55/*
[21] *Transport – European Commission. (n.d.). FuelEU Maritime: Decarbonising maritime transport. https://transport.ec.europa.eu/transport-modes/maritime/decarbonising-maritime-transport-fueleu-maritime_en*

EU SUSTAINABILITY FRAMEWORKS: CSRD, CSDDD, AND THE OMNIBUS ADJUSTMENT

The European Union continues to expand and refine its regulatory framework governing sustainability reporting and responsible business conduct. In this context, three key legislative instruments—the *Corporate Sustainability Reporting Directive* (CSRD), the *Corporate Sustainability Due Diligence Directive* (CSDDD), and the recent *Omnibus I Simplification Package*—define the evolving expectations placed on companies operating within the EU. These directives not only reinforce the urgency of environmental and social responsibility but also introduce more structured and standardised requirements for disclosure, due diligence, and stakeholder engagement across the value chain.

CSRD

CORPORATE SUSTAINABILITY REPORTING DIRECTIVE

WHAT IT IS

A mandatory EU regulation requiring large companies to disclose standardized, audited ESG information, including scope 1–3 emissions, double materiality, and sustainability risks.

WHO IT AFFECTS

EU and certain non-EU companies meeting two of three thresholds: €50M turnover, €25M assets, or 250+ employees.

The Corporate Sustainability Reporting Directive (CSRD) requires large companies to disclose comprehensive ESG (Environmental, Social, Governance) data using standardised, verifiable metrics effective 2024. Unlike previous voluntary reporting frameworks, CSRD mandates in-depth sustainability reporting.

Companies meeting two of the following three conditions will have to comply with the CSRD regulation:

Fracht AG

1. **€50+ million in net turnover**
2. **€25+ million in assets**
3. **250+ employees**

In addition, non-EU companies that have a turnover of above €150 million in the EU will also have to comply.

We must report detailed emissions data across scope 1, 2, and 3 emissions, meaning both direct operational emissions and supply chain carbon footprint for most of the entities on regional level. Fracht AG falls under the scope of the Corporate Sustainability Reporting Directive (CSRD) as its meet two out of the three criteria outlined in the directive for large undertakings.

CSDDD

CORPORATE SUSTAINABILITY DUE DILIGENCE DIRECTIVE

WHAT IT IS

A new legal requirement for large companies to identify, prevent, and mitigate adverse environmental and human rights impacts across their value chains.

WHO IT AFFECTS

EU and non-EU companies with 1,000+ employees and €450M+ turnover.

As part of the European Union's evolving regulatory landscape, the *Corporate Sustainability Due Diligence Directive* (CSDDD) is designed to ensure that large companies operating in the EU identify, prevent, and mitigate adverse human rights and environmental impacts throughout their value chains both upstream and downstream.

- Applies to EU companies with 1.000+ employees and €450 million+ turnover
- Also applies to non-EU companies active in the EU meeting the same thresholds
- Requires mandatory human rights and environmental due diligence processes
- Obligates companies to address risks related to child labour, forced labour, unsafe working conditions, biodiversity loss, and pollution
- Enforcement mechanisms include civil liability and fines imposed by national authorities

For Fracht, the CSDDD represents formalisation of supplier due diligence, deeper value chain risk mapping, and active engagement with subcontractors and logistics partners. This regulation reinforces the importance of supplier due diligence, screening, the *Supplier Code of Conduct*, and ESG surveys.

OMNIBUS

SIMPLIFICATION PACKAGE

WHAT IT IS

A legislative adjustment aimed at easing the compliance burden by deferring deadlines and revising applicability thresholds for CSRD and CSDDD.

KEY CHANGES

- CSRD threshold raised to 1,000 employees (pending formal adoption)
- Reporting postponed to 2028 for newly scoped entities
- CSDDD application deferred; due diligence limited to high-risk areas

Navigating the Omnibus regulation

On 3 April 2025, the Council of the European Union formally adopted the Stop-the-clock Directive as part of the *Omnibus I Simplification Package*[22]. This legislative intervention aims **to adjust the timeline and scope of corporate sustainability obligations** under the *Corporate Sustainability Reporting Directive* (CSRD) and the *Corporate Sustainability Due Diligence Directive* (CSDDD). The package responds to concerns from businesses and Member States regarding regulatory complexity, overlapping compliance obligations, and the capacity of companies—especially smaller or non-listed firms—to meet ambitious reporting timelines and administrative expectations. Omnibus package aims to alleviate immediate pressures while preserving the integrity of the EU Green Deal.

The most substantial proposed change under the Omnibus Package is an **increase in the employee threshold** for determining whether a company falls under CSRD scope—from **250 to 1.000 employees**, aligning with CSDDD thresholds. The revised criteria would therefore apply to companies with both:

- ☑ **≥1.000 employees**
- ☑ **Either €50 million in turnover or €25 million in total assets**

Affected companies, including Fracht, would now begin reporting for financial years starting on or after 1 January 2028, instead of 2026. This delay is intended to prevent companies from investing in full CSRD compliance efforts only to be exempted later, thereby avoiding unnecessary costs and legal burden. If the proposed threshold increase is formally adopted in the future, Fracht's scope status will be re-evaluated. However, until such changes are enacted, **Fracht AG remains in scope** under the current CSRD definition.

THE OMNIBUS PACKAGE ALSO INTRODUCED KEY CHANGES TO THE CSDDD, MOST NOTABLY:

- Postponing its first application phase to July 2028, with guidelines expected by mid-2026.
- Limiting full due diligence to indirect suppliers only when companies have plausible evidence of adverse impacts.
- Simplifying stakeholder engagement and assessment timelines, and reducing data demands on SMEs.
- Removing the EU-wide civil liability clause, deferring enforcement to national legal systems.
- Aligning CSDDD climate transition plan requirements with the CSRD, ensuring coherence.

In this evolving context, voluntary reporting under the VSME framework remains highly relevant for Fracht during the 2024–2026 transition period. The VSME structure provides a proportionate and recognisable reporting model for stakeholder communication, ensuring continuity and readiness for full CSRD compliance in 2028.

After a significant internal restructuring, Fracht has reaffirmed its commitment to sustainability reporting regardless of regulatory uncertainty. Under the leadership of CEO Rudolf Reisdorf, we have enhanced our ESG reporting capabilities by gathering consolidated company level sustainability data for the first time. This approach aligns directly with the **Voluntary Sustainability Reporting Standards** (VSME) and reflects our goal to **move beyond compliance,** using structured data to support long-term sustainability performance. Through this expanded reporting effort, we are better equipped to measure, manage, and reduce our environmental impact, while reinforcing our position as a responsible and future-ready freight partner.

Challenges arising from the Omnibus Regulation

Organisations that prepared for the original CSRD framework now face the risk of their efforts being partially stranded. The elevation of the reporting threshold diminishes the scope of mandatory disclosure, leading to potential inefficiencies and wasted investments. Furthermore, the reduction in required data points across the market raises questions against initiatives like the *Science Based Targets initiative* (SBTi), which rely on full value chain visibility to measure and manage emissions effectively. The weakening of data availability may fragment scope 3 emission reduction strategy initiatives and compromise the quality and comparability of ESG information across industries.

In addition, the evolving nature of the Omnibus discussion prolongs regulatory uncertainty, forcing companies to balance between advancing voluntary sustainability efforts and awaiting final legislative clarity. This may result in organisational hesitation to commit resources amid fluctuating compliance requirements, thereby resulting in diluting market trust and stakeholder expectations.

Omnibus Challenges

EMERGING CONCERNS

Disrupted preparations:
Firms already preparing for CSRD may find investments stranded.

Data dilution:
Reduced reporting obligations can hinder scope 3 emission strategies and data comparability.

SBTi alignment risks:
Less upstream data could weaken science-based climate goals.

Strategic hesitation:
Prolonged uncertainty may delay internal sustainability decisions.

[22] *Omnibus package. (2025, April 1). Finance. https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en*

INDUSTRY BENCHMARKING AND MAJOR STRATEGIC SHIFTS

In recent years, Fracht has observed a fundamental shift in how consumers, suppliers, and demand dynamics are reshaping global supply chains. **Customers are demanding greener and more transparent supply chains**, suppliers are adapting to stricter ESG requirements, and digitalisation is accelerating the move toward data-driven logistics operations.

TRANSPARENCY ON CARBON IMPACT

Fracht's core services focus on logistics, and reducing GHG-emissions from logistics related transport requires close collaboration with our clients and suppliers.

To drive this reduction, we have implemented a dual approach:

Green Logistics Offers:
Last year Fracht committed to including the most sustainable option in at least 10% of all Fracht's offers.

Cargowise Implementation:
In 2024 to accurately measure and report the carbon impact of each transport globally Fracht introduced Cargowise, enhancing transparency and awareness.

Through *Fracht Green Logistics strategy*, we focus on analysing and minimising the environmental impact of transport. This involves harmonising data collection and analysis in collaboration with Global Logistics Emissions Council (GLEC) accredited partners.

THE SHIFT TOWARDS SUSTAINABLE AND ETHICAL SUPPLY CHAINS.

Fracht's implementation of its *Responsible Purchasing Policy* is a **shift towards sustainable and ethical supply chains**. The policy embeds environmental, social, and governance (ESG) criteria into procurement decisions, ensuring that suppliers are not only evaluated on cost and quality, but also on their **alignment with international labour standards and human rights principles**.

The policy requires suppliers to respect the 10 principles of the United Nations Universal Declaration of Human Rights, the Fundamental Conventions established by the International Labor Organisation (ILO) and asses the suppliers based on Qualitative goals and Quantitative targets by the set year.

Customers are demanding greener and more transparent supply chains

8 | FRACHT'S COMMITMENT TO SUSTAINABILITY

PATHWAY TO NET-ZERO FREIGHT

Fracht has aligned its climate strategy with the *Science Based Targets initiative* (SBTi), one of the most globally recognised frameworks for corporate climate action. The company is currently in the process of submitting its formal SBTi commitment. Preliminary targets include a **58,8% reduction in Scope 1 and 2 emissions** and a plan to engage **70% of major scope 3 suppliers** by 2030 to set science-based targets*. This early alignment reflects our recognition of the logistics sector's role in decarbonisation and our ambition to serve as a credible supply chain partner. These goals support compliance, long-term stakeholder trust, and broader climate responsibility — themes explored in depth in chapter 16: Emissions Reduction in Freight & Logistics.

58,8%

reduction in scope 1 and 2 emissions by 2034, from a 2024 base year.

70%

Supplier engagement coverage of scope 3 upstream transportation suppliers, within 5 years of target submission.

**Fracht is currently in process of formally committing to SBTi*

CERTIFICATIONS AND MEMBERSHIPS: STRENGTHENING STANDARDS AND TRUST

1. ISO CERTIFICATIONS

In line with its long-term commitment to operational excellence and sustainable growth, Fracht is aligning entities with **three key international management standards**: ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety). These certifications provide a unified framework for driving continuous improvement, reducing environmental impact, and safeguarding employee wellbeing. Following strong adoption in previous years, all sub-entities in the company are now actively working toward certification.

ISO 9001
Sets the global benchmark for quality management systems. For Fracht, this standard ensures that processes are efficient, customer expectations are consistently met, and continuous improvement is embedded across all service areas.

ISO 14001
Provides a structured framework for identifying, managing, and reducing environmental impacts. In the context of Fracht's logistics operations, this includes waste reduction, emissions monitoring, and resource efficiency.

ISO 45001
Focuses on creating safe, healthy, and supportive work environments. For a logistics company with diverse operational settings, this standard helps Fracht prevent work-related injuries, manage health risks, and foster a strong safety culture.

FRACHT AG - ISO CERTIFICATIONS*

**Fracht Czech s.r.o,Log connect AG and Schober Int - data not available*

Entity	ISO 9001	ISO 14001	ISO 45001
Fracht Project Logistics SL	☐	☑	☐
Schober International Speditions- und Logistik GmbH	☐	☐	☐
Fracht FWO AG	☑	☑	☐
Fracht Portugal	☐	☐	☐
Fracht Italia SRL	☑	☑	☑
Fracht Romania SRL	☑	☑	☑
Fracht FWO GmbH	☑	☑	☑
Fracht AG Switserland	☑	☑	☑
Log Connect AG [SE Fracht AG Switzerland]	☐	☐	☐
Fracht FWO Czech s.r.o.	☐	☐	☐

2. ECOVADIS - CURRENT STANDING AND FUTURE AMBITIONS

EcoVadis is a leading **global sustainability rating platform** that evaluates companies on their environmental, social, and ethical performance across key criteria such as labour practices, environmental impact, ethics, and sustainable procurement.

Fracht is actively pursuing EcoVadis certification for its entities to promote sustainability practices. While entities in some countries have led this initiative, by earning silver and bronze medals, other are actively working on their engagement and commitments. To support certification across the entire region, an **EcoVadis manual** was developed last year to provide a detailed roadmap for achieving this certification. The manual includes **policies, measures, and reporting frameworks** necessary for a successful assessment, with templates and examples to ensure a unified approach to sustainability.

Key steps outlined in the manual include setting up the EcoVadis platform, understanding the assessment questionnaire, and gathering and documenting data.

GOLD | Top 5%
ecovadis
Sustainability Rating
FEB 2025

Fracht Italia SRL

As of 2024, Fracht Italy holds a **gold** EcoVadis rating. With the launch of a Fracht wide EcoVadis manual, all Fracht entities are now working towards getting their efforts recognised, demonstrating measurable progress in embedding sustainability into daily operations and management systems.

3. UNGC MEMBERSHIP

United Nations Global Compact

In 2024, Fracht officially joined the United Nations Global Compact (UNGC), reinforcing Fracht's commitment to **responsible business conduct and sustainability**. Fracht's union with the world's largest corporate sustainability initiative, unites us with a global community dedicated to advancing universal principles and sustainable development.

AS A PARTICIPANT OF THE UNGC, WE HAVE COMMITTED TO INTEGRATING *THE TEN PRINCIPLES* INTO FRACHT'S STRATEGY, OPERATIONS, AND CORPORATE CULTURE.

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and

2. make sure that they are not complicit in human rights abuses.

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4. the elimination of all forms of forced and compulsory labour;

5. the effective abolition of child labour; and

6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and

9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Find out about sustainability at Fracht
Follow the link or scan the QR code
https://www.frachtgroup.com/en/sustainability/strategy-and-approach

9 | MAIN NON-FINANCIAL RISKS

PHYSICAL RISKS -

EXTREME WEATHER IMPACT ON FREIGHT INFRASTRUCTURE

In today's complex global landscape, **non-financial risks have become as critical as financial risks** in shaping the stability, resilience, and long-term success of the logistics industry. Climate shifts, extreme weather events, evolving regulatory frameworks, reputational pressures, and geopolitical instability are all factors that directly impact Fracht's network, customer, operations, and investor confidence.

At Fracht, by taking a forward-thinking and a strategic approach, **we continue to provide reliable, efficient, and future-proof logistics solutions** in an uncertain world.

STRENGTHENING INFRASTRUCTURE RESILIENCE IN RESPONSE TO CLIMATE RISKS

The logistics industry is increasingly exposed to physical climate risks, including extreme weather events, rising sea levels, and infrastructure vulnerabilities. In 2023 alone, the World Economic Forum (WEF) identified extreme weather as the number one global risk for supply chains, with disruptions costing the industry billions in lost revenue.

MARKET RISKS -

EMBRACING REGULATORY & MARKET CHANGES AS GROWTH OPPORTUNITIES

As sustainability regulations evolve, **Fracht plans to stay ahead of market and compliance requirements in carbon pricing, emissions trading schemes (ETS2), and alternative fuel mandates** not as obstacles, but as catalysts for innovation, investment, and long-term competitiveness.

Turning regulations into opportunities:
Investing in alternative fuels: scaling up the use of biofuels, green hydrogen, and LNG-powered freight solutions to reduce carbon exposure and maintain cost competitiveness. As a service provider, **we aim to promote sustainability and sustainable solutions**, but this still comes with a significant extra cost. This extra cost needs to be approved by our clients.

Offering carbon-optimised logistics solutions: providing clients with real-time emissions tracking options thereby helping them comply with their own ESG goals.

Proactively adapting to EU ETS2 and CBAM[23]: integrating carbon cost forecasting into Fracht's pricing models, ensuring financial predictability for customers. We are in process of implementing systems to track and report emissions accurately, ensuring compliance with the EU ETS. This requires investment in software, data systems, and staff training to maintain the necessary documentation and transparency.

THE FINANCIAL IMPACT OF CARBON PRICING AND ETS SCHEMES

Global logistics providers are facing increasing regulatory risks as governments introduce carbon pricing mechanisms, emissions trading schemes (ETS), and stricter compliance requirements. Carbon pricing is emerging as **one of the most significant cost factors** for logistics providers. Governments worldwide are implementing **cap-and-trade systems, carbon taxes, and mandatory emissions reductions** to accelerate decarbonisation.

2025

- **FuelEU Maritime Regulation**
- **Sets limits on GHG intensity for shipping fuels, enforcing penalties for non-compliance.**

2026

- **Carbon Border Adjustment Mechanism (CBAM)**
- **Applies carbon tariffs on imported goods, impacting logistics costs in high-carbon trade lanes.**

2027

- **EU Emissions Trading System (ETS2)**
- **Includes road transport, requiring companies to purchase allowances for every tonne of CO_2 emitted.**

TURNING CARBON PRICING INTO A COMPETITIVE ADVANTAGE

At Fracht, we are turning carbon pricing into a **driver of competitive advantage** by investing in low-emission transport solutions and alternative energy sources.

- Shifting to biofuels, green methanol, and LNG to reduce emissions and lower allowance costs.
- Optimising multimodal logistics (rail, inland waterways) to bypass high-carbon transport modes.
- Optimising transport routes and fuel sources to maintain cost efficiency in a regulated carbon market.

[23] *European Commission. (2022, December 7). Fit for 55: EU agrees to general approach on CBAM. https://ec.europa.eu/commission/presscorner/detail/en/ip_22_7796*

GEOPOLITICAL RISKS -

INSTABILITY, WAR, SHIPPING AND POLITICAL SHIFT

The past years have been marked by an intensification of geopolitical risks, with direct consequences for the logistics and freight forwarding industry. **We actively monitor these developments and adapt our operations and risk management strategies** to ensure continuity, resilience, and compliance across our global network.

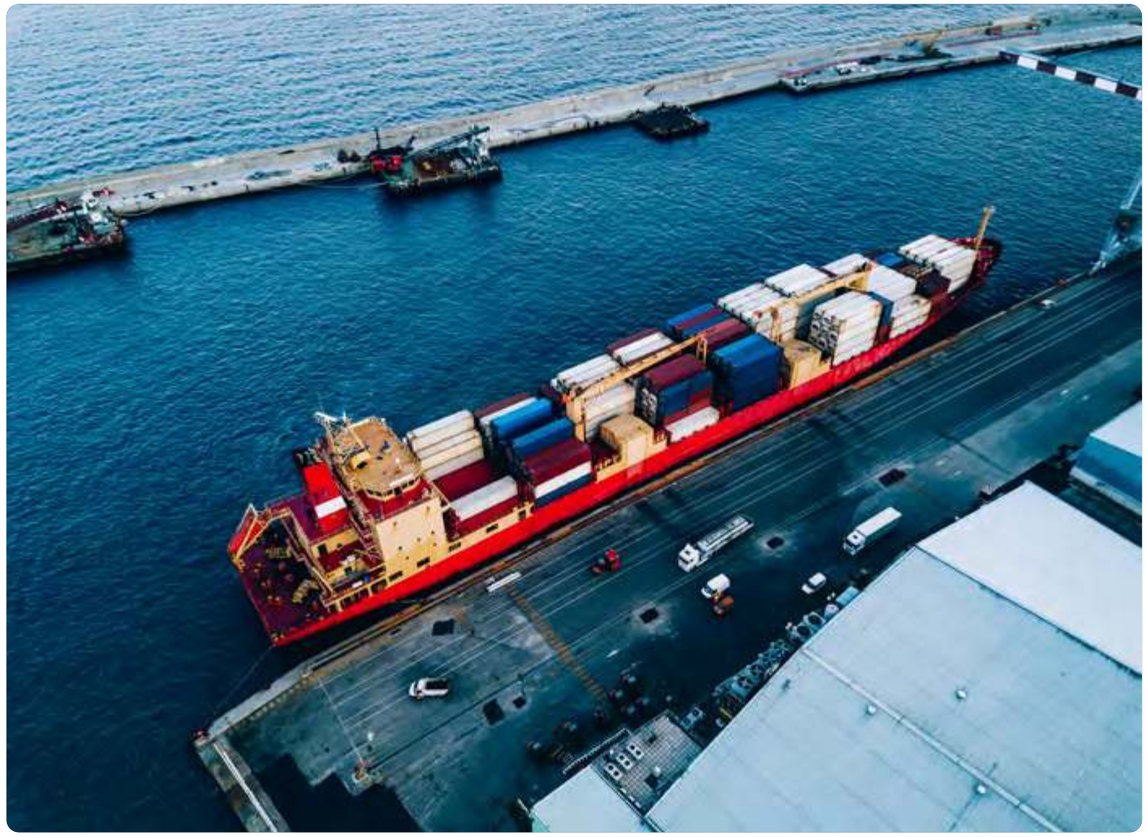
SEVERAL KEY DEVELOPMENTS CONTINUE TO SHAPE OUR EXTERNAL OPERATING ENVIRONMENT:

ONGOING WAR IN UKRAINE:

The conflict in Ukraine has disrupted traditional overland and air freight corridors in Eastern Europe and triggered long-term changes in customs procedures, sanctions enforcement, and energy supply chains. We have adjusted routing strategies and client support models in affected regions while adhering to EU sanctions and humanitarian obligations.

GLOBAL SHIPPING DISRUPTIONS:

Events such as the Red Sea security crisis, Suez Canal delays, and congestion in key ports (e.g. Singapore, Los Angeles, Rotterdam) have exposed the fragility of global supply chains. These incidents have led to rerouting, extended transit times, cost volatility, and increased insurance and fuel surcharges. We continuously update routing models and work closely with clients to provide transparent timelines and mitigate delays.



POLITICAL SHIFTS AND TRADE POLICY VOLATILITY:

From the impact of Brexit and transatlantic trade tensions to regulatory shifts in the Middle East and Asia, global political developments affect customs regimes, market access, and compliance frameworks. Changes in leadership in key economies (such as the U.S., India, Türkiye and EU member states) have also influenced regional priorities and global logistics demand patterns.

These risks are reviewed regularly as part of our materiality and risk assessment process, supporting long-term business continuity and enabling us to act as a reliable partner even under shifting geopolitical conditions.

PEOPLE & SOCIAL IMPACT

Fracht Forward strategy pillars
PEOPLE

10 | WORKFORCE DEVELOPMENT & WELLBEING

Our commitment to people-centred logistics lies at the heart of our operations. The success of our services extends beyond logistics and directly impacts the lives of our employees and clients.

Collaboration, efficiency, and effectiveness are not merely goals; they are integral aspects of our daily interactions with clients and suppliers. To drive our people-centred approach, we focus on two fundamental areas: the wellbeing and development of our employees, and the ongoing enhancement of training and development programmes. We are committed to continuous improvement, recognising that empowering our team members is essential for both individual and organisational success.

People are at the heart of our purpose and progress. Across the network, our teams turn global commitments into local impact — championing inclusion, health, dignity, and learning. Whether addressing social inequality, supporting women in logistics, or promoting mental wellbeing, we demonstrate that **sustainability starts with people**. Through our collective actions, we bring to life the first and most fundamental pillar of its strategy — people — by advancing SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 3 (Good Health and Wellbeing), SDG 4 (Quality Education), and SDG 5 (Gender Equality).

152,66
Female employee count

258,43
Male employee count

13,79***
Average annual training hours per Female

0,59
Female to Male employee ratio

14,21***
Average annual training hours per Male

2,09
Hours of safety training per employee

421,83
Full time equivalents (FTE)*

0
Temporary workers

100%
(European entities)
Percentage of employees covered by collective bargaining agreements

13**
Female managers

0

- Number of recordable work-related accidents
- Number of fatalities as a result of work-related injuries and work-related ill-health

**Log connect AG - data not included, Fracht Czech s.r.o FTE count data used from 2023 other data not included.*
*** Female managers data not available for Fracht Project logistics SL & Fracht FWO subentities - Billitz GmbH and Billitz Hungaria & Partner KFT*
****Fracht Fracht AG Switzerland annual training data not included.*

EMPLOYEE WORKING CONDITIONS AND SAFETY

We recognise that the health, safety, and overall wellbeing of our employees are fundamental to delivering high-quality services and maintaining operational resilience. Our approach is guided by the principles outlined in the Social Policy, which apply across all entities and functions and is committed to maintaining a safe, healthy, and respectful working environment for all employees. This includes both preventive measures and structural safeguards, aligned with international standards and national occupational health and safety regulations.

Key elements of our approach include:

PREVENTIVE HEALTH AND SAFETY CULTURE

The health, safety and wellbeing of our employees is paramount. We are committed to a safe and healthy working environment in which employees feel good and this in accordance with all applicable laws and regulations.

PHYSICAL AND MENTAL WELLBEING

We promote a work context that enhances resilience and prevents work-related mental or physical strain by continued focus of employee wellbeing. Our approach focuses on avoiding overburden, reducing stress factors, and balance — including policies on disconnection, telework and flexible work.

INFRASTRUCTURE AND ERGONOMICS

Office and operational spaces are reviewed for ergonomic safety and accessibility. Many sites are equipped with height-adjustable desks, natural light optimization, and other features to reduce physical strain.

TRAINING AND AWARENESS

All employees receive regular wellbeing, health and safety and other training, including specific topics such as emergency preparedness, workplace safety, and incident reporting. Internal systems are in place to track compliance and identify improvement areas.

LABOUR RIGHTS

To be an attractive employer, we respond to the needs and expectations regarding the work organisation of our current employees through an employee portal and internal network.

To further align workplace policies with employee needs, we conducted a HR survey in 2024. Key insights from respondents include:

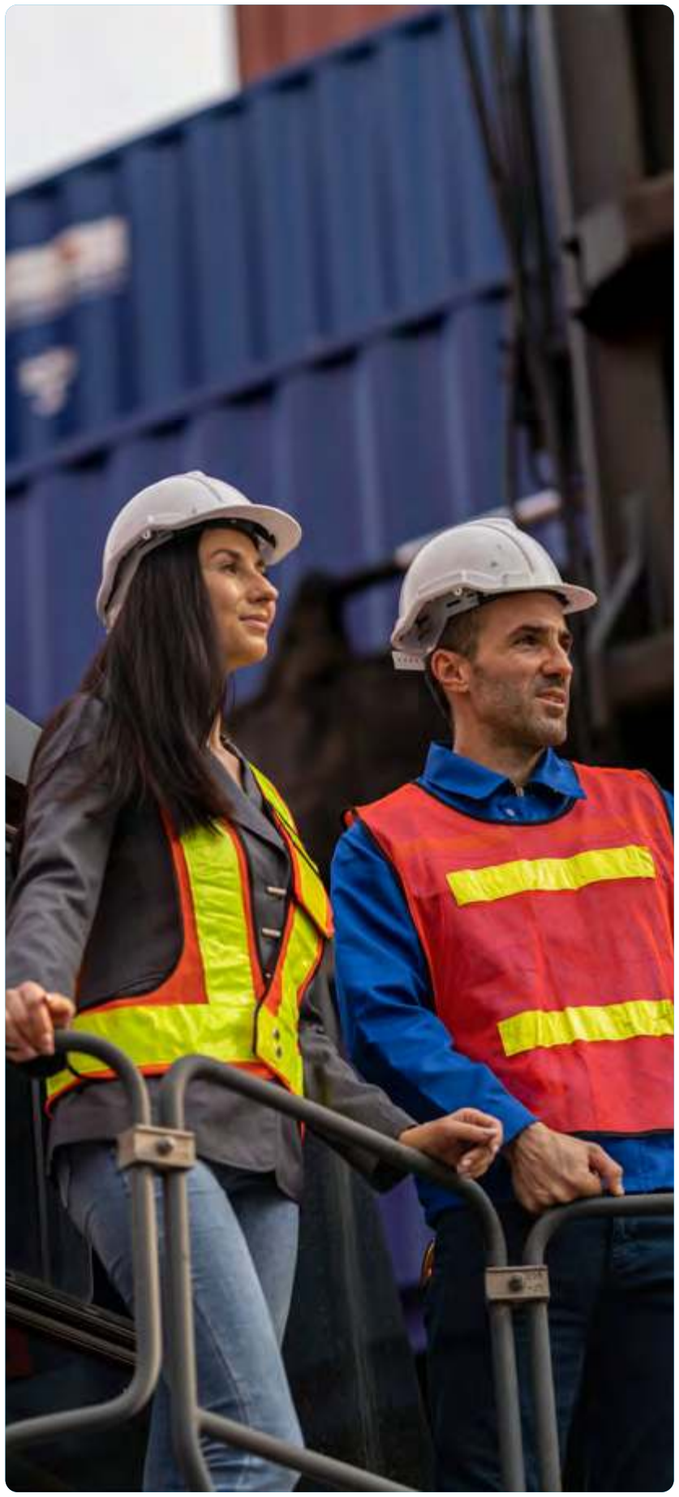
88% of employees indicated they feel physically safe at their workplace

84% agreed that we promote a culture of respect and psychological safety

79% of employees indicated they feel physically safe at their workplace

76% reported satisfaction with health and safety-related communication and support

70% noted that mental wellbeing is acknowledged as part of our workplace policies



TEMPORARY WORKERS AND STAFF TURNOVER RATES

In 2024, Fracht AG entities reported **0% temporary staff***, reflecting a commitment to stable, long-term employment. However, **staff turnover remains a challenge** in specific countries, with percentages from **Spain (12,5%), Switzerland (10%)**, and **Romania (26,66%)** exceeding more than 10%. Reducing these figures will be a key focus area in 2025 through strengthened engagement, training, and development strategies.

PRIORITISING MENTAL HEALTH AND WELLBEING

We strive to cultivate a welcoming and inclusive workplace where everyone feels respected, supported, and empowered. Our dedication to fostering a positive work culture places equal emphasis on **mental and physical wellbeing**. Here are some of the key initiatives we have implemented to uphold this commitment:

"ARE YOU OKAY?" DAY

A dedicated day to check in on colleagues and promote open conversations about wellbeing.

OPEN-DOOR POLICIES & TOWN HALL MEETINGS

Encouraging transparency and open communication across all levels of the organisation.

SATISFACTION SURVEYS

Gathering feedback to continuously improve workplace culture and employee experience.

WELLBEING COMMITTEES

Groups focused on enhancing workplace wellness, offering support, and driving health-related initiatives.

In 2024, our commitment to creating a safe, inclusive, and supportive work environment, was also reflected in numerous company initiatives aimed at enhancing physical, mental, and emotional wellbeing across our European operations.

EMPLOYEE ENGAGEMENT ACTIONS ACROSS THE COMPANY

At Fracht, the commitment to employee and community wellbeing is lived through hands-on action, local partnerships, and moments of meaningful connection. Throughout 2024, teams across the company took a proactive approach to promoting health, compassion, and inclusion, guided by the principles of SDG 3: *Good Health and Wellbeing*.

1.

In **Frankfurt**, the Fracht team turned community care into a celebration. By organising a charity wine stand, they raised €4,500 for the *Idstein Hospice Association*, which supports individuals in need of end-of-life care. The funds will contribute to building a peaceful and supportive hospice environment, helping people spend the final phase of their lives with dignity, love, and medical care. The initiative embodied the spirit of community solidarity, with the reminder that, "It takes many hands to create something great."

2.

Meanwhile, in **Chemnitz**, the team hosted a vibrant **Cake Against Cancer** event in support of local children's health charities. With 22 different cakes, muffins, and tarts baked by hand, the team engaged residents from their 14-storey office building in a cause that brought both awareness and financial support to the *Chemnitz Parents' Association* for Children with Cancer and the *Chemnitz Children's Hospice*.

3.

In **Italy**, the Fracht team aligned with global health advocacy by participating in *World No Tobacco Day* on May 31st. The initiative focused on raising awareness of the dangers of tobacco and encouraging healthier lifestyles—reinforcing the value of preventive health action as part of workplace wellbeing.

4.

Fracht Portugal introduced a new daily wellbeing initiative called *Walk 2 Talk*, where colleagues step outside together to engage in light physical activity and casual, non-work-related conversations. The initiative supports mental clarity, stress relief, and team connection.

5.

The Lisbon office also joined a 5km run & walk, raising funds for the ***Portuguese Association for the Support of Women with Breast Cancer*****, demonstrating its continued commitment to women's health and empowerment.**

6.

Christmas campaigns: **Fracht Basel and Zurich** contributed 40 packed cartons containing long-lasting food-items, hygiene products, and everyday necessities, which were distributed to individuals and families in need.

RENUMERATION AND WORK LIFE BALANCE

We are committed to ensuring fair, competitive, and transparent remuneration practices across all entities. In line with our social policy and code of conduct, we promote equal pay for equal work, without discrimination based on gender or background.

Beyond fair compensation, we recognise the importance of creating a supportive and flexible work environment that enables employees to maintain a healthy work-life balance. To this end, several structural policies and **services have been implemented across our operations:**

DISCONNECT

Employees are encouraged to disconnect outside of working hours to support mental wellbeing and reduce work-related stress. The application of this policy is adapted to the operational needs of each function.

TELEWORK

Employees are offered the opportunity to work remotely one day per week, subject to role requirements. This policy is reviewed annually to reflect evolving workforce expectations and operational realities.

COUNSELLOR ACCESS

A designated internal contact point is available to provide confidential support, address workplace concerns, and assist in follow-up actions where needed.

HEALTH FOCUS

To promote healthy habits, we provide free fresh soup during winter months and seasonal fruit in summer to all employees.

Fracht AG ensures that all employees across its operating regions in Europe are compensated at or above the applicable national minimum wage, in accordance with local laws or collective bargaining agreements (CBAs). In cases where formal declarations were not submitted, it is important to note that all such entities operate within jurisdictions covered by EU or EEA regulations, which mandate baseline wage protections*.

For entities that did not explicitly report on collective bargaining or statutory wage levels, legal coverage by national and European labour laws provides sufficient assurance of compliance.

11 | DIVERSITY, EQUITY & INCLUSION

Fracht remains committed to promoting an inclusive and respectful workplace environment. In line with the Fracht Code of Conduct and the Social Policy introduced in 2024, we continue to strengthen efforts across the network to ensure that diversity, equity, and inclusion are embedded in everyday practices.

We promote a culture where **diversity is valued, and discrimination is not tolerated**. This includes respecting differences in gender, age, background, disability, religion, and sexual orientation. All employees are expected to contribute to a safe and supportive work culture where every individual feels recognised and empowered.

In 2024, Fracht expanded Fracht's internal implementation by:

- **Formalising inclusive recruitment processes, ensuring equal access to all vacancies.**
- **Reinforcing access to internal and external support services, including confidential counsellors.**
- **Maintaining accessible office spaces, including adjustable desks and inclusive design standards.**
- **Promoting work-life balance through flexible work arrangements across entities.**

Gender diversity in Fracht AG***

152,66
Total Female Employees*

36,19%
Female Percentage

0,59:1
Female to Male ratio

13
Female managers

To protect against potential violations, employees have access to a global **whistleblower platform**. This system provides a secure and confidential channel to report any instances of discrimination, misconduct, or non-compliance with international labour standards. The reported incident is processed by designated Ethics and Compliance team, which receives and records all reports made in good faith and then processes them on a secured platform in complete confidentiality.

International Women's Day is more than a symbolic gesture, it's a platform to celebrate women's achievements, acknowledge persistent gaps, and commit to workplace inclusion. Offices across the company held awareness campaigns, appreciation events, client recognitions, and educational workshops to spotlight gender equality and women's rights.

** Female count data for not available for all entities*

WORKFORCE LEARNING: COMPANY PROGRESS AND INSIGHTS

As outlined in Fracht's **internal training policy**, all employees are expected to maintain relevant qualifications for their roles and are supported in acquiring new skills as business needs evolve. The policy encourages both **structured learning and on-the-job development**, with a strong emphasis on individual empowerment and team collaboration.

Fracht AG - Training Data*	Female	Male
Total annual training hours	1.288,78	2.204,94
Average annual training hours	13,79	14,21

** Fracht Czech s.r.o, Log connect Ag and Fracht AG Switzerland - data not available*

FRACHT TRAINS: INTERNAL AND EXTERNAL TRAINING

Employees are offered access to technical and regulatory courses (e.g. customs, BAZL, IT, GDP, QM), as well as external seminars standard by professional bodies such as SSC and Sped log Swiss.

FRACHT DEVELOPS: SYSTEM-SPECIFIC TRAINING

Given that Fracht uses custom-developed logistics software, systems training is provided by internal experts to ensure employees can operate tools efficiently and securely.

YOUR CAREER YOUR PATH: PERSONALISED LEARNING PATHS

Employees can propose individual training requests to their supervisor. If aligned with team and company needs, Fracht may cover costs or allocate time for development on a case-by-case basis.

LEARN BY DOING: ON-THE-JOB LEARNING

Employees, particularly younger team members, are encouraged to take part in cross-branch projects and outsourcing assignments, returning to their original positions with enhanced skills and broader business insight.

CAREER GROWTH OPPORTUNITIES

We are committed to providing our employees meaningful career paths and long-term professional development. We believe that investing in people leads to stronger performance, higher motivation, and a more resilient organisation. Career growth is underpinned by a decentralised, people-centred culture where initiative, expertise, and responsibility are actively encouraged across all levels.

In 2024, several initiatives across our network reflected this commitment, linking personal growth to sustainability and team engagement.

In Portugal, the Lisbon team celebrated its first full year of operations by hosting a special event for employees and their families. The day featured a boat ride and a communal lunch, creating space for connection and reflection. During the lunch, CEO Pedro Moreira awarded recognition certificates to team members, honouring their contributions during a foundational year. "This initiative strengthens Fracht's internal bonds, promoting a collaborative and respectful work environment," Pedro shared, echoing our belief that employee recognition is core to long-term retention and wellbeing.

Meanwhile in Germany, Fracht AG in Nuremberg welcomed Amanda Pabst, a sustainability intern from the University of Graz. Amanda's six-month internship is focused on exploring and enhancing green logistics solutions—an area of increasing importance to our industry and business. Her work integrates environmental, social, and economic lenses to identify practical improvements in freight operations. Amanda's presence highlights the value of cross-disciplinary learning and demonstrates our dedication to supporting the next generation of sustainability leaders.

One standout example is the **Fracht International Exchange Programme (FIEP)**, which enables employees to immerse themselves in new work environments, broaden their industry understanding, and contribute to cross-border collaboration.

FRACHT CI implemented internal policies that promote gender equality by ensuring that recruitment, promotion, and training processes are fair, offering all female employee's equal opportunities to access leadership positions. This includes quotas or targets for female representation in leadership roles.

12 | HUMAN RIGHTS IN LOGISTICS & SUPPLY CHAINS

SUPPLIER DUE DILIGENCE

We recognise that ensuring human rights is not limited to internal operations but must extend to its supplier network. We formalised **supplier due diligence processes** including a *Supplier code of conduct* and *Responsible purchasing policy* that aligns with international human rights standards and emerging regulatory expectations. This included verifying that suppliers meet minimum ethical, labour, and safety standards.

We operate within complex, multi-tiered supply chains involving subcontractors, carriers, port agents, and service providers many of which operate in regions with differing labour standards and regulatory oversight. As regulatory frameworks such as the EU *Corporate Sustainability Due Diligence Directive* (CSDDD) and client expectations grow, addressing human rights is no longer optional.

As part of our ongoing efforts to enhance responsible sourcing and comply with emerging regulatory frameworks, we are currently in process to introduce a standardised *Know Your Counterpart* (KYC) document. This document will serve as a standardised supplier questionnaire and data collection form, developed to support sustainability due diligence and to ensure that Fracht's business partners align with the values and requirements outlined in our *Code of Conduct, Supplier Code of Conduct,* and *Responsible Purchasing Policy.*

The KYC document covers the following areas:

ETHICS AND INTEGRITY

Including existence of a Code of Ethics, anti-corruption practices, and legal compliance.

HUMAN RIGHTS

Focused on child labour, fair working conditions, and non-discrimination.

ENVIRONMENTAL PRACTICES

Including carbon emissions tracking (scopes 1, 2, and 3), certifications (e.g. ISO, EcoVadis), waste and biodiversity policies, and green logistics practices.

DATA PROTECTION

Alignment with data privacy regulations (e.g. GDPR).

SOCIAL RESPONSIBILITY

Assessment of employee wellbeing, health and safety practices, and community engagement.

GOVERNANCE

Transparency, accountability, and audit mechanisms.

FAIR COMPETITION

Compliance with competition laws and declarations regarding legal proceedings.

HUMAN RIGHTS POLICIES, PROCESSES AND ACTIONS

Our human rights policies embedded in *Code of conduct, Supplier code of conduct and responsible procurement* aim to ensure that every individual, whether employee, customer, or community member is treated with **dignity, fairness, and equality**.

We focus our efforts on creating a safe and inclusive workplace, upholding non-discrimination, promoting equal opportunities, and fostering diversity at all levels. In line with **SDG 5: Gender Equality**, to highlight the importance of representation, respect, and empowerment of women in the workplace, and communities in the value chain. The employees are encouraged across the company to celebrate colleagues irrespective of gender, race and religion.

0

- Human rights related incidents (child labour/ forced labour/human trafficking/discrimination)
- Misconduct related incidents
- Whistle blower incidents reported

IN LINE WITH OUR RESPONSIBILITY TOWARDS LOCAL COMMUNITIES, OUR TEAMS ALSO MOBILISED TO SUPPORT SOCIAL INCLUSION AND POVERTY AWARENESS.

In **Portugal,** the Fracht team marked International Women's Day with a thoughtful gesture to celebrate the strength, resilience, and leadership of women in business. Key female clients were surprised with massage vouchers, to express appreciation and recognition for their continued trust and collaboration. The initiative not only reinforced external relationships but also sent a clear message of respect and value.

Meanwhile in **Romania**, the team took a more internal focus, celebrating the women within their own team on March 8th. The day was used to reflect on the global progress made in advancing gender equality while recognising the extraordinary contributions of women in shaping their communities and workplaces.

Category / Entity Information	Employee turnover rate	Percentage of employees covered by collective bargaining agreements
Fracht Project Logistics SL	12,50%	
Schober International Speditions- und Logistik GmbH	0%	77%
Fracht FWO AG	7%	
Fracht Portugal	0%	0%
Fracht Italia SRL	2,80%	0%
Fracht Romania SRL	26,66%	100%
Fracht FWO GmbH	0%	100%
Fracht AG Switserland	10%	0%
Log Connect AG [SE Fracht AG Switzerland]	#	#
Fracht FWO Czech s.r.o.	#	#

LAUNCH OF THE WHISTLEBLOWER PLATFORM

Fracht Group is widely recognised for its strong reputation in the Freight Forwarding sector, built on a foundation of ethical business practices and compliance with national and international laws and regulations. To preserve this reputation, we have established an Ethics and Compliance Group, alongside a comprehensive Code of Conduct, ensuring that all employees and collaborators actively maintain and cultivate a culture of integrity.

In **2024**, we launched a **dedicated whistleblower platform** to reinforce transparency and accountability across our operations and supply chain. This platform allows **employees, subcontractors, and business partners** to confidentially report concerns related to **human rights, labour practices, corruption, or other misconduct—without fear of retaliation.**

Managed by the **Group Ethics and Compliance team**, all reports submitted in **good faith** are processed **securely and confidentially** via an encrypted platform. This system **complements existing reporting channels** (such as management, human resources, and staff representatives) while offering an optional and protected avenue for those needing further discretion.

The whistleblower platform aligns with **EU Directive 2019/1937**[24] , guaranteeing anonymity, **GDPR-compliant data handling, and clear response timelines**. Reports are thoroughly **reviewed by an internal ethics team**, with measures in place to ensure **whistleblowers are shielded from professional disadvantage**.

This initiative strengthens **Fracht's commitment to ethical supply chain management**, ensuring that potential risks are **identified early and resolved through fair, transparent processes**. To support this, **management and the Ethics Committee** provide employees with a **whistleblower's guide**, facilitating a clear understanding of reporting procedures.

By **upholding integrity and accountability**, Fracht continues to lead with **ethical business practices**, ensuring compliance and trust remain at the core of its global operations.

Find out about Whistle blowing platform
Follow the link or scan the QR code
https://app.twixyapps.fr/whistleblower/fracht/

[24] *European Union. (2019). Directive (EU) 2019/1937 of the European Parliament and of the Council. https://eur-lex.europa.eu/eli/dir/2019/1937/oj/eng*

13 | HEALTH & SAFETY

SAFETY CULTURE

At Fracht, the health, safety, and wellbeing of employees, subcontractors, and logistics partners are non-negotiable priorities. Owing to the complex nature of international freight forwarding, our safety framework is designed to balance **global consistency** with **local autonomy**. This enables each site to respond to its specific risks while upholding a unified commitment to vigilance, care, and continuous improvement.

Each entity is responsible for implementing and monitoring its own health and safety programme, in line with **national legislation, operational risk levels, and Fracht's overarching safety principles**. This encompasses safety management in warehouses and offices, and the promotion of risk awareness among employees and contracted personnel.

A MULTI-TIERED SAFETY GOVERNANCE MODEL

TO ENSURE CONSISTENTLY HIGH STANDARDS ACROSS THE ORGANISATION, WE OPERATE AS A TWO-TIERED SAFETY GOVERNANCE STRUCTURE:

1. LOCAL LEADERSHIP & AUTONOMY

Each entity appoints a local health and safety leader, who is accountable to the board. These leaders oversee preventive actions, manage training, report on incidents, and tailor Fracht's safety principles to local regulatory and cultural contexts.

2. EXECUTIVE GUIDANCE & ASSESSMENT

The executive Health, Safety and Environment (HSE) coordination team is responsible for evolving tools, metrics, and policies in response to emerging risks, including climate-related events, geopolitical instability, and digital transformation. The team also facilitates knowledge-sharing, sets minimum expectations, and carries out internal safety audits.

0

- Number of recordable work-related accidents
- Number of fatalities as a result of work-related injuries and work-related ill-health

ACHIEVING ISO 45001 CERTIFICATION

As part of its ongoing safety commitment, several entities have successfully achieved **ISO 45001 certification** – the internationally recognised standard for **occupational health and safety management systems**. ISO 45001 provides a framework for identifying workplace hazards, reducing risks, and implementing proactive safety culture practices. It is particularly relevant in high-risk logistics environments, where staff and subcontractors regularly interact with physical infrastructure, machinery, and multi-modal transport systems.

Certification to ISO 45001 demonstrates that these entities have embedded health and safety into their core operations – not only complying with regulations but striving for **continuous improvement and incident prevention**. It also reinforces client and partner trust in our ability to maintain safe working environments across its logistics value chain.

BUILDING PROACTIVE PREVENTION AND AWARENESS

Beyond compliance, we are cultivating a culture of preventive safety and shared responsibility. In 2024, a variety of local initiatives were introduced, including:

- **Mandatory safety trainings**
- **Mental health and stress resilience workshops at high-pressure operational sites**
- **Emergency simulation exercises and evacuation drills**

Safety training Fracht AG*

883,64
Total hours of safety training (for 421,83 employees)

2,09
Hours of safety training per employee

There is a growing emphasis on **psychosocial risk prevention**, in recognition of increasing awareness of mental health, changing work dynamics, and mobility demands across the network.

NEXT STEPS: FROM COMPLIANCE TO OWNERSHIP

In the next years, at Fracht, we intend to expand our international health and safety network through several targeted actions:

- Deployment of **local risk registers and standardised audit tools** across all operational entities
- Harmonisation of incident reporting and root cause analysis frameworks
- Broadening of training content to include topics such as **climate resilience, fatigue management**, and **digital ergonomics**
- Enhanced crisis preparedness and **travel risk management protocols** for employees operating in higher-risk areas

These initiatives align with our broader mission to deliver not only efficient logistics, but also **safe, secure, and supportive working environments** throughout our global value chain.

14 | SKILLS DEVELOPMENT & TRAINING

At Fracht, we recognise that achieving long-term sustainability and operational goals requires not just technological investments, but a continuous commitment to **people development**. With logistics becoming increasingly data-driven, decentralised, and low-carbon, we are scaling up training and learning opportunities across our global workforce.

Employees working in operations and customer service are introduced to tools such as **EcoTransIT** and **carbon footprinting platforms** to better support clients' decarbonisation goals and comply with regulations like *CBAM* and *FuelEU Maritime*.

1.288,78*
Total Hours of Training (female)

2.204,94*
Total Hours of Training (male)

2,09
Hours of safety training per employee

**Fracht AG Switzerland, Fracht Czech s.r.o,Log connect Ag data not available*
Based on the response received from a data gathering exercise conducted in May 2025

DIGITAL TRANSFORMATION & CYBERSECURITY AWARENESS

Digital transformation is reshaping freight forwarding—and with it comes a growing need for digital fluency and cyber resilience. To address this, we have launched a structured programme focused on **digital upskilling and information security**.

Key training areas include:

DATA PRIVACY AND GDPR COMPLIANCE

Employees are trained to handle sensitive client and operational data in line with European regulations.

RECOGNISING CYBER THREATS

Staff are trained to identify social engineering attempts and respond appropriately, with integrated response buttons built into email systems.

ONGOING EDUCATION AND REINFORCEMENT

Employees receive regular reminders, toolkits, and simulations to embed secure behaviours and minimise insider threat risks.

INFORMATION SECURITY AS A STRATEGIC PRIORITY

We acknowledge the rising importance of information integrity and digital trust in logistics. To meet growing client expectations and manage cybersecurity risks effectively, our entities are working toward **ISO 27001 certification** by 2027. This internationally recognised standard ensures the implementation of robust Information Security Management Systems (ISMS) and offers a consistent framework for managing risks, protecting data, and ensuring business continuity.

Key training areas include:

- ☑ **Enhancing internal control systems for data security**
- ☑ **Protecting client and partner information**
- ☑ **Demonstrating transparency and trustworthiness in digital operations**

RISK MANAGEMENT TRAINING

To equip employees with the skills needed to navigate today's complex logistics landscape, we are embedding **risk awareness and scenario planning** into team learning. From operational risks and geopolitical volatility to ESG-related disruptions, teams are trained to **anticipate, escalate, and act**. This is particularly relevant for roles in procurement, compliance, and customer-facing teams, where risk decisions have direct impact on service continuity and client confidence.

A CULTURE OF LIFELONG LEARNING

Our training approach is built on the belief that learning must be continuous, accessible, and responsive. Whether through classroom workshops, digital platforms, or hands-on project immersion, employees across levels are encouraged to **upskill, reskill, and contribute** to our transformation journey.

The result is a global logistics workforce that is more digitally confident, safety-conscious, and sustainability-oriented—and ultimately, better prepared to deliver trusted, secure, and future-ready services.

ENVIRONMENT & CLIMATE IMPACT

Fracht Forward strategy pillars

PLANET

At Fracht, we understand that, as a service company, we are dependent on the planet to continue our business operations. As a logistics provider, we rely daily on waterways, airways, and land to deliver services to our clients. However, this does not mean we have complete control over the impact on these facilities.

We expanded our approach and have developed a comprehensive, strategy centred around two key principles: 'what we can do' and 'what we can enable.' This strategy focuses on our direct actions as well as empowering others through sustainable practices. The approach is divided into three main pillars:

1. Climate Change:
Mitigating our carbon footprint.

2. Environmental Issues:
Actively addressing environmental concerns.

3. Sustainable Procurement:
Ensuring responsible sourcing and procurement that aligns with our sustainability goals.

This structure allows us to lead with both immediate impact and long-term solutions.

Throughout the year across our network, Fracht teams also turn global environmental goals into concrete, local impact. From clean-ups and waste reduction to biodiversity education and innovative awareness campaigns, our employees led a diverse range of initiatives aligned with the second pillar of the *Fracht Forward* strategy – **The Planet** inspired by the *United Nations Sustainable Development Goals* —SDG 6 (Clean Water), SDG 12 (Responsible Consumption), SDG 13 (Climate Action), SDG 14 (Life Below Water), and SDG 15 (Life on Land).

15 | CLIMATE STRATEGY & STAKEHOLDER ENGAGEMENT

SCIENCE-BASED TARGETS INITIATIVE (SBTI) ALIGNMENT

We are actively progressing toward our *Science Based Targets initiative* (SBTi) commitment, currently in the registration phase with the intention of fully completing the process. While formal validation is still underway, we are already aligning our sustainability strategy with SBTi principles, ensuring that our emissions reduction efforts are grounded in climate science.

This initiative aligns with the *Paris agreement*, aiming to **limit global warming to well below 2°C**, with an ambition to reach 1.5°C. By integrating science-based targets into its operations, we are reinforcing our credibility and leadership in sustainable logistics.

As a large, decentralised organisation, we consolidated carbon data of all our entities to establish our 2024 emissions baseline. This data is instrumental in tracking progress, refining strategies, and ensuring long-term environmental stewardship.

Beyond internal commitments, we are also engaging our suppliers, encouraging them to adopt science-based targets and contribute to collective decarbonisation efforts. By fostering transparency and accountability across the value chain, Fracht is driving industry-wide sustainability while strengthening our position as a trusted partner in responsible logistics.

FRACHT'S PRELIMINARY SCIENCE-BASED TARGETS*

58,8%

reduction in scope 1 and 2 emissions by 2034, from a 2024 base year.

70%

Supplier engagement coverage of scope 3 upstream transportation suppliers, within 5 years of target submission.

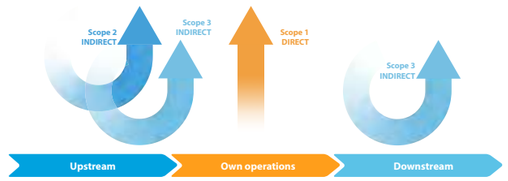
Expanding reporting, analysis, and advisory capabilities for scope 3 transport emissions, enabling data-driven carbon intensity reduction.

GHG PROTOCOL

Fracht AG has conducted **carbon footprint analysis** for both 2023 and 2024, following the methodology outlined in the **Greenhouse Gas Protocol**, reinforcing our commitment to transparent emissions reporting and sustainability. The GHG protocol provides the standards and tools that help countries and cities track their progress toward the goals of the Paris Agreement. This protocol served as the foundational framework for calculating the greenhouse gas emissions for scope 1, 2 and 3. This widely recognised standard ensures a comprehensive and consistent approach to emissions accounting.

The calculation process involved **detailed data collection** on energy consumption, refrigerant usage, and other relevant activities across all operational levels. Emission factors were applied to convert activity data into CO_2 equivalents, enabling a thorough quantification of the carbon footprint. This approach ensured a transparent and accurate measurement of emissions, providing a solid foundation for tracking progress and setting reduction targets.

THE METHODOLOGY ADHERED TO THE GHG PROTOCOL'S GUIDELINES, CATEGORISING EMISSIONS INTO THREE DISTINCT SCOPES:



Scope 2

Indirect emissions from the generation of purchased electricity.

Upstream

Scope 1

Direct emissions from owned or controlled sources.

Own operations

Scope 3

All indirect emissions that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Upstream

Downstream

ESRS AND THE GHG PROTOCOL: ENSURING CONSISTENT CLIMATE REPORTING

The *European Sustainability Reporting Standards* (ESRS), introduced under the *Corporate Sustainability Reporting Directive* (CSRD), establish a **unified framework for sustainability disclosures** across EU-based and EU-operating companies. A core component of the ESRS is **climate-related reporting**, which mandates detailed and auditable disclosure of greenhouse gas (GHG) emissions across **scopes 1, 2, and 3**.

The ESRS is built on—and explicitly aligned with—the internationally recognised **GHG Protocol**, ensuring methodological consistency and comparability with global standards such as the *Science Based Targets initiative* (SBTi).

For Fracht, this alignment allows us to integrate our emissions calculations and reduction strategies seamlessly into possible future CSRD-compliant reporting. It reinforces the importance of robust, traceable data systems across the value chain and strengthens our **climate transition plans**.

COLLABORATION WITH CUSTOMERS

At Fracht, we aim to reduce the carbon emissions of our entire logistics value chain by advancing science-based climate targets and collaborating closely with suppliers, customers, and regulatory stakeholders. In line with our SBTi commitment, we are working to **reduce scope 3 emissions by 2030**, from a 2024 baseline—a key step in our ambition to align with the and become a net-zero enabler in global freight.

TARGETING SCOPE 3 EMISSIONS

Fracht aims to **reduce the carbon emissions of its entire logistics value chain** by advancing science based climate targets and collaborating closely with suppliers, customers, and regulatory stakeholders. In line with our plans for SBTi commitment, Fracht plans on working to **reduce scope 3 emissions by engaging 70%** of scope 3 suppliers in carbon reduction initiatives, within 5 years of target submission.

THE KEY DRIVERS OF VALUE CHAIN EMISSION REDUCTION

1. Collaboration with carriers and logistics partners:

Working closely with global transport providers to influence emissions at the source

- Promoting low-emission vehicles and fuels. E.g., biofuels, electric trucks, etc.
- Encouraging emissions data sharing and transparency through supplier onboarding and KYC (know your customer) based supplier assessment
- Prioritising modal shifts to rail or barge wherever feasible to lower the intensity

2. Low-carbon logistics solutions

Offering clients green logistics services that reduce their logistic footprint

- Carbon footprint calculation and automated rerouting tools via EcoTransit
- Emissions reporting and transparency on quotes and invoices
- Route designing and packaging optimisation to cut avoidable emissions

3. Customer and policy engagement

Collaborating with customers and policymakers to align on carbon regulations and shared goals.

- Support client readiness for CBAM (Carbon Border Adjustment Mechanism) and other climate-related disclosures
- Engaging industry for transformation and policy consultations
- Developing guidance for customers to choose lower-impact logistics options

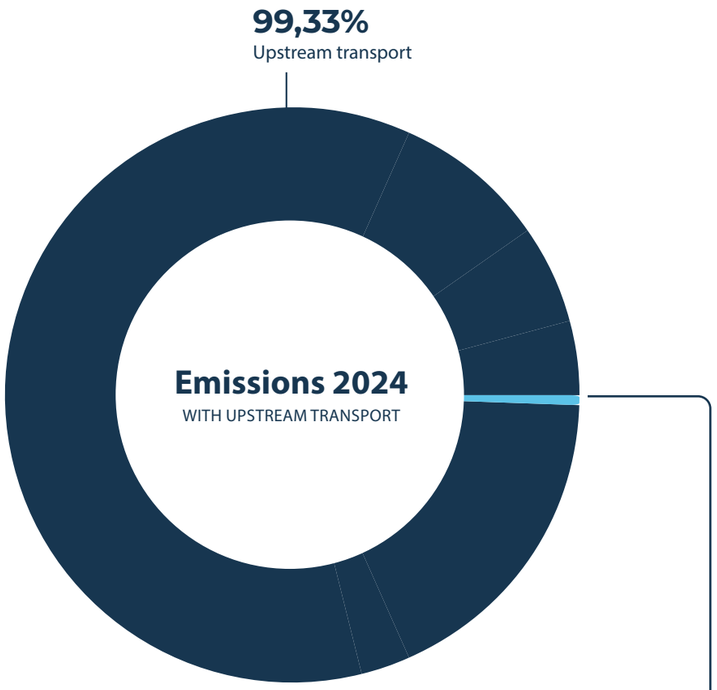
16 | EMISSIONS REDUCTION IN FREIGHT & LOGISTICS

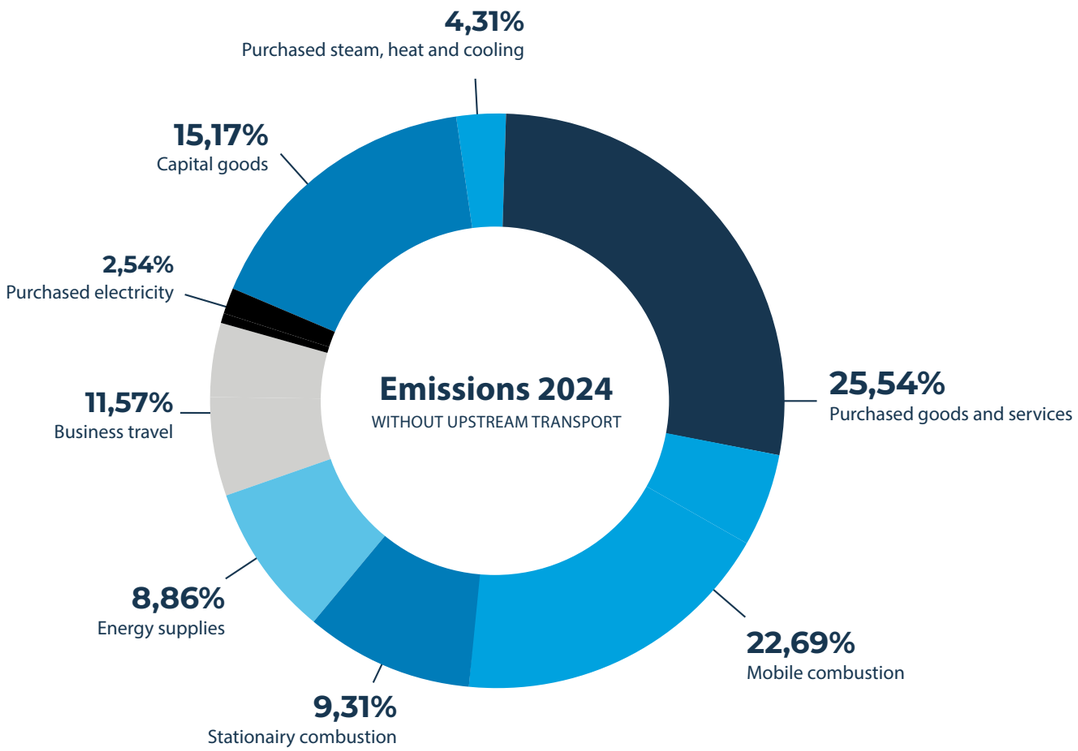
CARBON ANALYSIS AND REDUCTION STRATEGIES

At Fracht, we conducted our first **carbon footprint analysis** in 2023 and have recently performed our second carbon analysis for 2024, following the methodology outlined in the **Greenhouse Gas Protocol**. This assessment provides a structured understanding of emissions across **scope 1, scope 2, and scope 3**, revealing our primary sources of carbon impact and helping to shape future decarbonisation strategies.

As part of its *Science Based Targets initiative* (SBTi) commitment, we are implementing **structured carbon reduction strategies** across scope 1, scope 2, and scope 3 emissions. With a target to reduce scope 1 and 2 emissions by 58,8% by 2034 and an ambitious supplier engagement programme for scope 3, we are taking decisive steps toward a low-carbon logistics future.

While each entity is responsible for developing their own tailored sustainability strategy and implementing reduction measures suited to their operational context, we will provide central oversight **through a structured control system**. This system will ensure accountability, track key performance indicators (KPIs), and standardise reporting methodologies, allowing local entities to drive impactful change while remaining aligned with our broader sustainability goals as a company.





	Fracht AG		Fracht AG - without upstream transport	
	t CO_2 e	% Share	t CO_2 e	% Share
Scope 1	**396,79**	**0,21%**	**396,79**	**32,00%**
Stationary combustion	115,39	0,06%	115,39	9,31%
Mobile combustion	281,40	0,15%	281,40	22,69%
Fugitive emissions	0,00	0,00%	0,00	0,00%
Scope 2	**84,96**	**0,05%**	**84,96**	**6,85%**
Purchased electricity	31,48	0,02%	31,48	2,54%
Purchased steam, heat and cooling	53,48	0,03%	53,48	4,31%
Scope 3 - Upstream	**185.649,44**	**99,74%**	**758,22**	**61,15%**
Purchased goods and services	316,74	0,17%	316,74	25,54%
Capital goods	188,16	0,10%	188,16	15,17%
Energy supplies	109,91	0,06%	109,91	8,86%
Business travel	143,42	0,08%	143,42	11,57%
Upstream transport	184.891,22	99,33%	/	/
Total	**186.131,19**	**100%**	**1.239,97**	**100%**

SCOPE 1
DIRECT EMISSIONS FROM OPERATIONS

Scope 1 emissions represent direct sources of carbon output from Fracht's owned and controlled assets, including **stationary combustion (115,39 t CO_2e) and mobile combustion (281,40 t CO_2e).**

Within scope 1 emissions, mobile combustion represents the vast majority—**281,40 t CO_2e, or 71% of direct emissions**—arising entirely from the use of company-owned or leased vehicles allocated to employees. In 2024, mobile combustion across this vehicle category totalled **1.210,10 MWh**, indicating a notable reliance on fossil fuel-based mobility.

2024 TOTAL:

396,79 t CO_2e

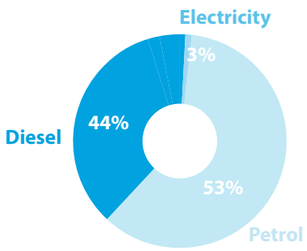
(0,13% of total emissions)

MOBILE COMBUSTION (MWh)

88%
Petrol-fuelled cars dominate the fleet
comprising 88% of all company vehicles (49 out of 56 cars).

9%
Electric vehicles represent 9%
(5 vehicles), showing a small but emerging shift toward low-emission alternatives.

4%
Diesel accounts for 4%
(2 vehicles), and hybrids are currently absent from the vehicle pool.



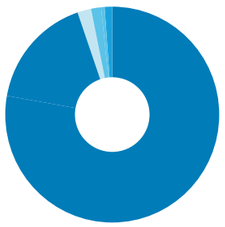
	Cars	Percentage
Electric	5	9%
Hybrid	0	0%
Diesel	2	4%
Petrol	49	88%
TOTAL	56	100%

This fuel mix highlights an urgent opportunity for transition. While the presence of electric vehicles is a positive indicator, the overwhelming dominance of petrol vehicles points to significant untapped potential in reducing emissions through fleet electrification.

To align with our broader sustainability ambitions and Science-Based Targets initiative (SBTi) alignment, this category offers a practical and impactful decarbonisation lever. Recommended actions include revising fleet procurement policies to favour electric and hybrid options, introducing CO_2-based car allowances, and offering incentives for employees to choose lower-emission transport.

In tandem, promoting flexible work arrangements (e.g., telecommuting), encouraging carpooling, and supporting active commuting infrastructure could contribute to long-term behavioural and emissions change. As we continue its ESG journey, tackling employee vehicle emissions presents a visible and achievable milestone toward a lower-carbon, future-ready business model.

STATIONARY COMBUSTION



94%
Natural gas

3%
District heating

2%
Fuel oil

1%
Diesel

As Fracht moves forward with **decarbonisation efforts**, initiatives such as fuel-efficient fleet management, electrification strategies, and reduced on-site energy consumption could drive scope 1 reductions.

SCOPE 2
INDIRECT EMISSIONS FROM PURCHASED ENERGY

Scope 2 accounts for emissions stemming from **purchased electricity (31,48 t CO_2e) and purchased steam, heat, and cooling (53,48 t CO_2e)**. Although relatively small in contribution, this category highlights opportunities for **energy efficiency improvements** and **renewable energy adoption** within facilities.

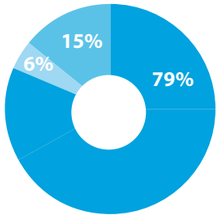
Future strategies focus on transitioning to **low-carbon energy suppliers**, improving building efficiency, and increasing on-site renewable energy generation to lower scope 2 emissions.

In 2024, our scope 2 emissions totalled **462,55 MWh** of purchased electricity. Although scope 2 accounts for a relatively small share of our total emissions, it remains a critical area for decarbonisation due to its direct link to office-level energy sourcing and facility operations.

The electricity consumption profile for the region shows that **79% of the electricity purchased is sourced from green energy**, reflecting a strong commitment to clean energy sourcing across many offices.

Grey energy (15%) still represents a sizeable portion of the energy mix. This refers to electricity generated from conventional, non-renewable sources such as coal or natural gas and is the primary driver of emissions within this category. In addition, **6% of electricity is nuclear**, which, while low carbon, carries other environmental and social considerations.

2024 TOTAL:
84,96 t CO_2e
(0,03% of total emissions)



462,55 MWh
Purchased electricity

79%
Green electricity

15%
Grey electricity

6%
Nuclear energy

0%
Unknown origin

GIVEN THIS ENERGY PROFILE, FUTURE SCOPE 2 REDUCTION STRATEGIES WILL INCLUDE:

- **Phasing out grey energy through procurement from certified green electricity providers.**
- **Continuing to prioritise green contracts, especially in countries where the grid mix remains fossil heavy.**
- **Exploring opportunities to increase on-site renewable energy generation (e.g. rooftop solar installations), particularly in locations with high energy usage.**
- **Working with property owners and facility managers to enhance energy efficiency, through lighting upgrades, insulation improvements, and smart systems.**

The current high share of green energy is an encouraging sign. However, eliminating grey electricity usage entirely will be key to achieving a fully decarbonised scope 2 footprint in line with SBTi-aligned targets.

SCOPE 3
INDIRECT UPSTREAM EMISSIONS

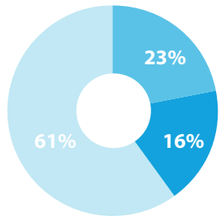
Scope 3 upstream emissions dominate our carbon footprint, reflecting indirect emissions across the supply chain. The largest contributor is **upstream transport** (184.891,22 tCO_2e,) **99,33% of scope 3 emissions**. Given the nature of our operations—coordinating shipments across various carriers and modes—we are inherently reliant on external transport providers, making upstream transportation the most significant factor in our overall emissions profile. This underscores the **critical role of supplier engagement** in decarbonisation efforts, as collaboration with transport partners is essential for reducing emissions across the logistics network.

To effectively tackle scope 3 emissions, we must **engage suppliers in emissions reporting and reduction efforts**, prioritise **lower-carbon transport solutions**, and enhance **scope 3 data transparency** through invoice-based carbon calculations.

Our upstream transport emissions stem from **108.229 transport movements** coordinated as part of our freight forwarding operations. While only 23% of these shipments were carried by air, this mode represented the highest share of transport-related emissions, contributing **52%** of the total emissions. This underscores the disproportionately high carbon intensity of air freight, despite its lower volume.

Land transport, comprising the majority of movements (**61%**), accounted for **19%** of modal emissions, reflecting the sector's balance between accessibility and relatively moderate emission intensity. Sea freight, though comprising just **16%** of shipments, contributed **29%** of total emissions, demonstrating the lower carbon footprint per tonne-kilometre associated with maritime transport.

2024 TOTAL:
185.649,44 t CO_2e
(99,74% of total emissions)



108.229
Total transports

% transports

16%
Sea 29% of emissions

23%
Air 52% of emissions

61%
Land 19% of emissions

These findings reinforce the importance of modal shift strategies in decarbonising Fracht's value chain. A targeted reduction in air freight—where feasible—and increased use of multimodal and low-emission alternatives (such as sea, rail, and barge transport) will be crucial. We continue to work with carriers and clients to explore optimised routing, emissions reporting partnerships, and the expansion of our Green Solutions programme to embed climate-conscious decision-making across all stages of the transport lifecycle.

- **Strengthening partnerships with lower-carbon carriers**
- **Offering clients emission-efficient routing alternatives**
- **Implementing invoice-level carbon calculations using GLEC-aligned methods**
- **Supporting a modal shift strategy that prioritises sea and rail over air and road freight where feasible**

Engaging transport suppliers and clients remains critical for implementing meaningful emission reduction strategies in line with our SBTi-aligned targets.

LOOKING BACK

Between 2023 and 2024, our measured carbon intensity for scope 1 and 2 emissions increased from 0,71 tCO_2e per €1M turnover in 2023 to 0,95 tCO_2e per €1M turnover in 2024—an apparent rise of 0,24 tCO_2e.

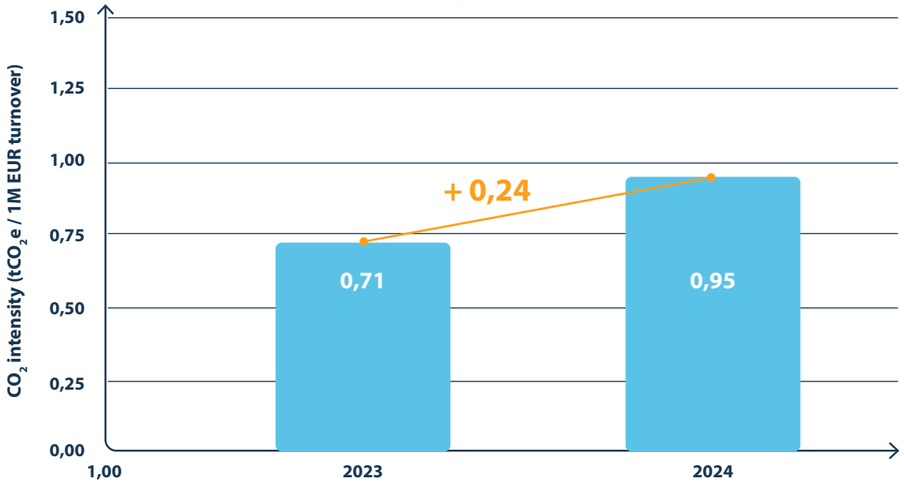
While this may appear as a worsening of performance at first glance, it is important to interpret these results within the broader context of our carbon accounting maturity. Over the past year, we have significantly enhanced our emissions tracking systems, improved data availability, and refined our methodology—particularly by increasing the coverage of reported emissions across our entities.

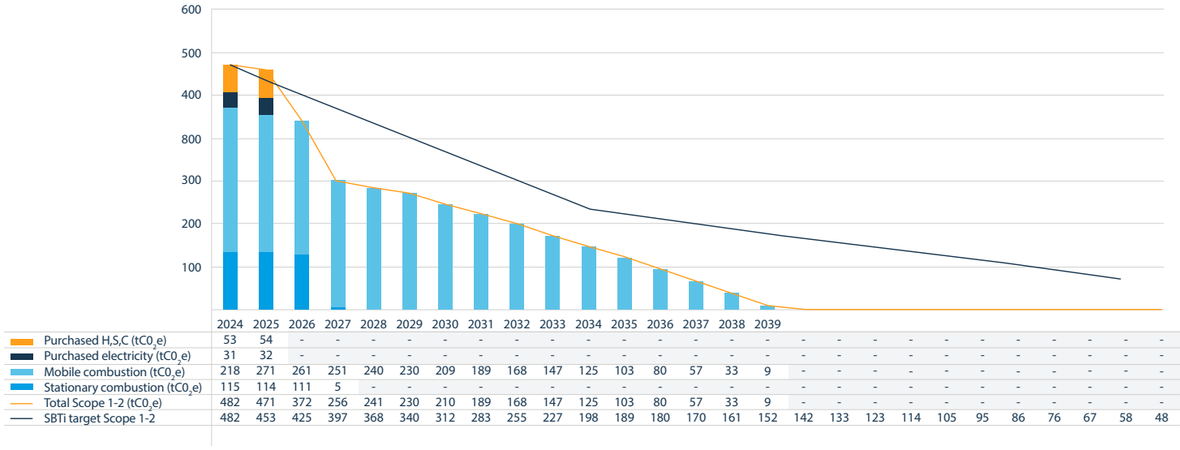
As a result, this increase does not necessarily reflect a real growth in emissions, but rather an improved ability to detect and report emissions that were previously unmeasured.

Disclaimer: Carbon accounting remains a challenge across Fracht entities, particularly due to decentralised operations and limitations in upstream data access. Although the carbon intensity metric offers a valuable ratio between emissions and turnover, it should be viewed with caution during the early stages of reporting maturity. Comparisons between 2023 and 2024 should not be considered conclusive.

We remain committed to calculating our carbon footprint on an annual basis, with a clear roadmap to integrate automated internal systems and refine data collection protocols. The ongoing improvement of emissions tracking is a foundational step toward reliable benchmarking and long-term decarbonisation.

Evolution in tCO_2e intensity scope 1 & 2





	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Purchased H,S,C ($tC0_2e$)	53	54	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased electricity ($tC0_2e$)	31	32	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mobile combustion ($tC0_2e$)	218	271	261	251	240	230	209	189	168	147	125	103	80	57	33	9
Stationary combustion ($tC0_2e$)	115	114	111	5	-	-	-	-	-	-	-	-	-	-	-	-
Total Scope 1-2 ($tC0_2e$)	482	471	372	256	241	230	210	189	168	147	125	103	80	57	33	9
SBTi target Scope 1-2	482	453	425	397	368	340	312	283	255	227	198	189	180	170	161	152

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Purchased H,S,C ($tC0_2e$)	-	-	-	-	-	-	-	-	-	-	-
Purchased electricity ($tC0_2e$)	-	-	-	-	-	-	-	-	-	-	-
Mobile combustion ($tC0_2e$)	-	-	-	-	-	-	-	-	-	-	-
Stationary combustion ($tC0_2e$)	-	-	-	-	-	-	-	-	-	-	-
Total Scope 1-2 ($tC0_2e$)	-	-	-	-	-	-	-	-	-	-	-
SBTi target Scope 1-2	142	133	123	114	105	95	86	76	67	58	48

LOOKING FORWARD

As part of our commitment to climate action and responsible logistics, we are setting clear emission reduction targets across our operations. These targets span Scope 1, 2, and 3 emissions and reflect a comprehensive approach to decarbonisation. From transitioning company-owned fleets and facilities to low-emission alternatives, to engaging suppliers and supporting carbon-conscious customer decisions, we are dedicated to driving measurable progress toward a low-carbon future. The initiatives outlined below represent key pillars of our commitment.

SCOPE 1

- **Fleet decarbonisation:** Transitioning company-operated vehicles to **low-emission and electric alternatives**
- **Energy efficiency in owned facilities:** Implementing l**ow-carbon heating, ventilation, and air conditioning (HVAC) systems**, alongside **facility retrofits** to reduce energy consumption.

SCOPE 2

- **Renewable energy procurement:** Transitioning offices and facilities to **renewable electricity providers** where possible.
- **Energy efficiency initiatives:** Improving facility energy efficiency with **LED lighting, smart energy controls, and optimised HVAC systems.**
- **Carbon-neutral offices:** Exploring options for **certified carbon-neutral workplaces** through off-grid renewable energy solutions.

SCOPE 3

- **Supplier Engagement Programme:** Ensuring that 70% of upstream suppliers set science-based targets, in alignment with SBTi guidance.
- **Carbon Data Transparency:** Implementing carbon footprint calculations on invoices, enabling customers to make informed sustainability decisions.
- **Sustainable Transport Procurement:** Encouraging suppliers to adopt low-carbon fuels, electrification, and optimised logistics networks.
- **Modal Shift Strategies:** Supporting a transition to lower-emission transport modes, including rail and maritime freight where feasible.
- **Data-Driven Emissions Reductions:** Developing a supplier emissions tracking system, ensuring transparent reporting and accountability.

SCOPE 3 REDUCTION ACTIONS

GREEN LOGISTICS: A ROUTE OFFERED BY FRACHT TO ENSURE THE MOST CARBON EFFICIENT ROUTE AND TRANSPORT MODE IS CHOSEN.

We want to enable clients to become more sustainable, by choosing the best option for organising their transport, both economically and ecologically.

The offer *Green Solution* has been created for this, against which both Fracht itself and the client can report.

How does it work?

The operator chooses the best offer for the client, a way of transport, which needs to adhere to certain standards: price, speed, environmental efficiency, security, certainty.

The operator currently has four defined versions of green logistics:

- **Air transport:** Direct flights are considered green solutions, as they consume—in relation to the volume transported— the least energy and carbon. Much air transport is routed indirectly for cost reasons.
- **Rail & Barge transport:** 'Full Container Load' (FCL) is considered a green solution, when transported via rail or barge.
- **Barge & Rail:** Barge & Rail is considered green logistics solution, but clearly dependent on the location of the office to be able to organize this.
- **Addition of SAF or BIO-diesel:** For certain flights or other transports, SAF and BIO-diesel are added, which contributes reducing the carbon footprint of the transport.

These four strategies have been developed to be recognised and logged as *green solutions*. Currently, this means that about 14% of offers qualify as a green solution. This is a good start, but the aim is to increase this percentage year on year.

UNDERSTANDING AND MANAGING EMISSION FACTORS

Each freight mode carries a unique carbon footprint. Air freight emits the most CO_2 per tonne-kilometre, followed by road, rail, and sea. We use recognised methodologies such as the GLEC Framework and EcoTransIT to calculate and report emissions accurately.

This data-driven foundation enables:

- Consistent emissions reporting across transport modes and geographies
- Informed planning and goal setting
- Performance benchmarking and client reporting

CARBON TRANSPARENCY ON INVOICES

As part of its commitment to transparency and client empowerment, we are implementing carbon footprint reporting on transport invoices. This initiative increases awareness of transport-related emissions and fosters more sustainable logistics decisions.

We are currently integrating Cargowise—our booking and freight management platform—with EcoTransIT , an advanced emissions calculator aligned with the GLEC Framework . This integration ensures that:

- Each shipment's environmental impact is calculated using globally accepted standards
- Carbon data is readily available at the point of service
- Clients can track emissions alongside other performance metrics

This capability makes sustainability measurable and actionable, supporting not only compliance, but transformation across the logistics value chain.

ADDRESSING RESIDUAL EMISSIONS

While reduction remains our priority at Fracht, we recognise that eliminating all emissions is not always feasible. To tackle the remaining CO_2 emissions, we are currently looking to offer offsetting solutions to our clients. These solutions will involve investing in certified carbon offset projects like reforestation and renewable energy initiatives.

EMPLOYEE CONTRIBUTIONS AND ACTIONS

At Fracht, sustainability is not just a corporate priority—it's a shared responsibility embraced by employees at every level. Local teams actively contribute **to environmental progress by initiating and participating in grassroots actions** that make a difference. **From clean-up campaigns and biodiversity workshops to energy and water-saving ideas**. Through creativity, collaboration, and local ownership, our employees help drive meaningful change across all five key environmental SDGs shaping a solid foundation to the Planet pillar of the Fracht strategy.

Clean waterways were a major priority for teams in Germany and Switzerland this year.

In Stuttgart, the Fracht team joined 100 volunteers in the Marbacher NeckarCleanUp, removing nearly a ton (900 kg) of waste from the Neckar River, including tyres, bottles, and even garden furniture—highlighting the global issue of plastic pollution in freshwater systems.

Earlier in the year, the same team participated in a riverbank clean-up in Kelsterbach along the River Main, collecting harmful waste with support from city representatives, local clubs, and even children. The initiative served as a powerful community-led effort to protect local biodiversity and preserve public recreation areas.

In Düsseldorf, the team participated in RhineCleanUp 2023, contributing to the preservation of one of Europe's most important rivers. Their work supports efforts to reduce ocean pollution, given that 70% of ocean plastic originates from rivers. Their efforts directly protect aquatic life and help maintain the ecological balance of this major waterway.

Tree planting and biodiversity protection were major themes across the company:

In Italy, the team partnered with WOWnature and the Global Sustainable Tourism Council to plant over 30 native trees in Parco Regionale Oglio Sud, a sensitive habitat just south of Lake Garda. The initiative contributes to habitat restoration, biodiversity conservation, and long-term ecosystem health.

In Portugal, the team combined sustainability and team spirit by spending a day in the City Park, discussing environmental goals and concluding the day with a beach clean-up—protecting both terrestrial and marine life.

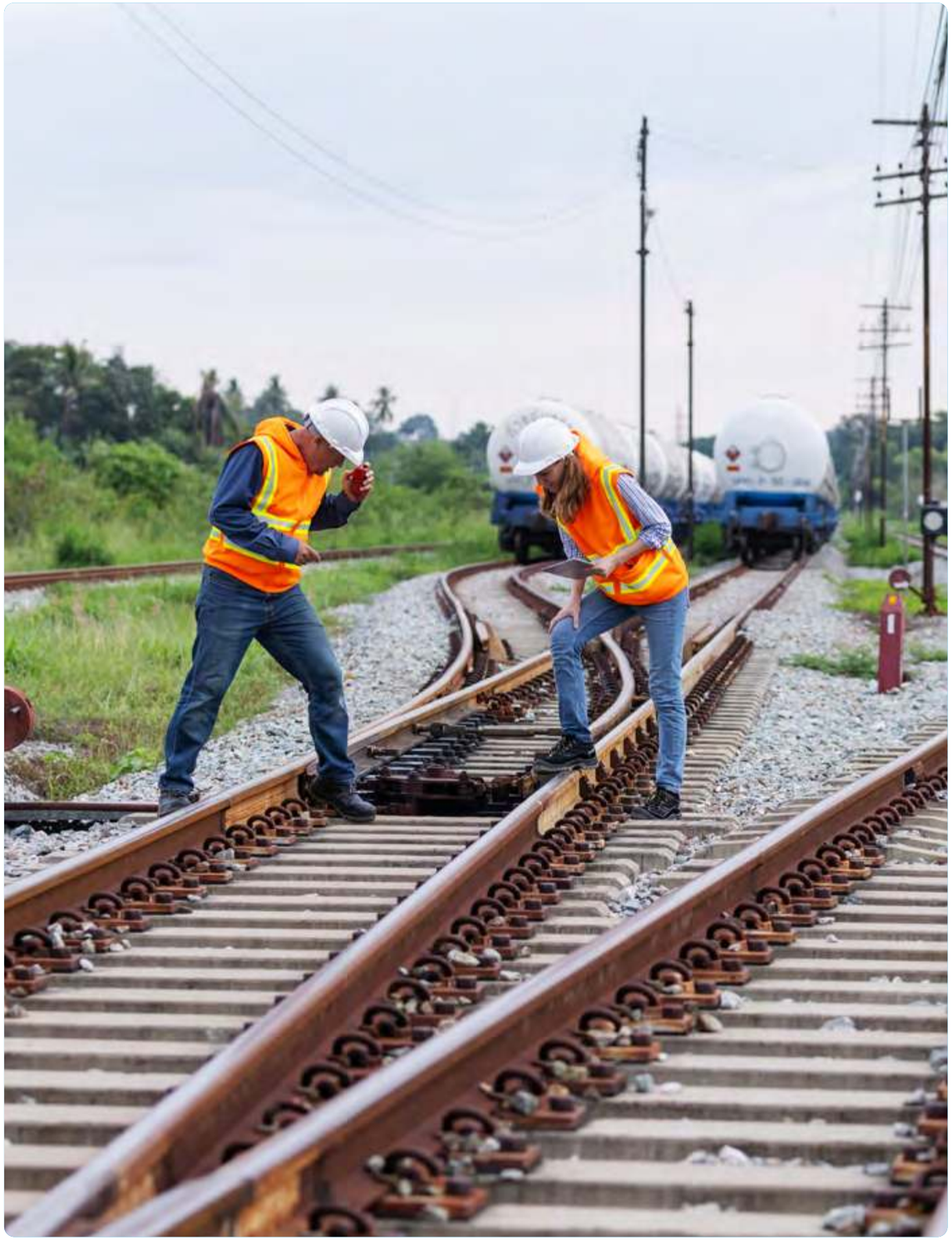
In the Czech Republic, Fracht employees raised more than €2,500 by participating in a charity run supporting animal welfare, aligning community health and environmental protection with action for biodiversity.

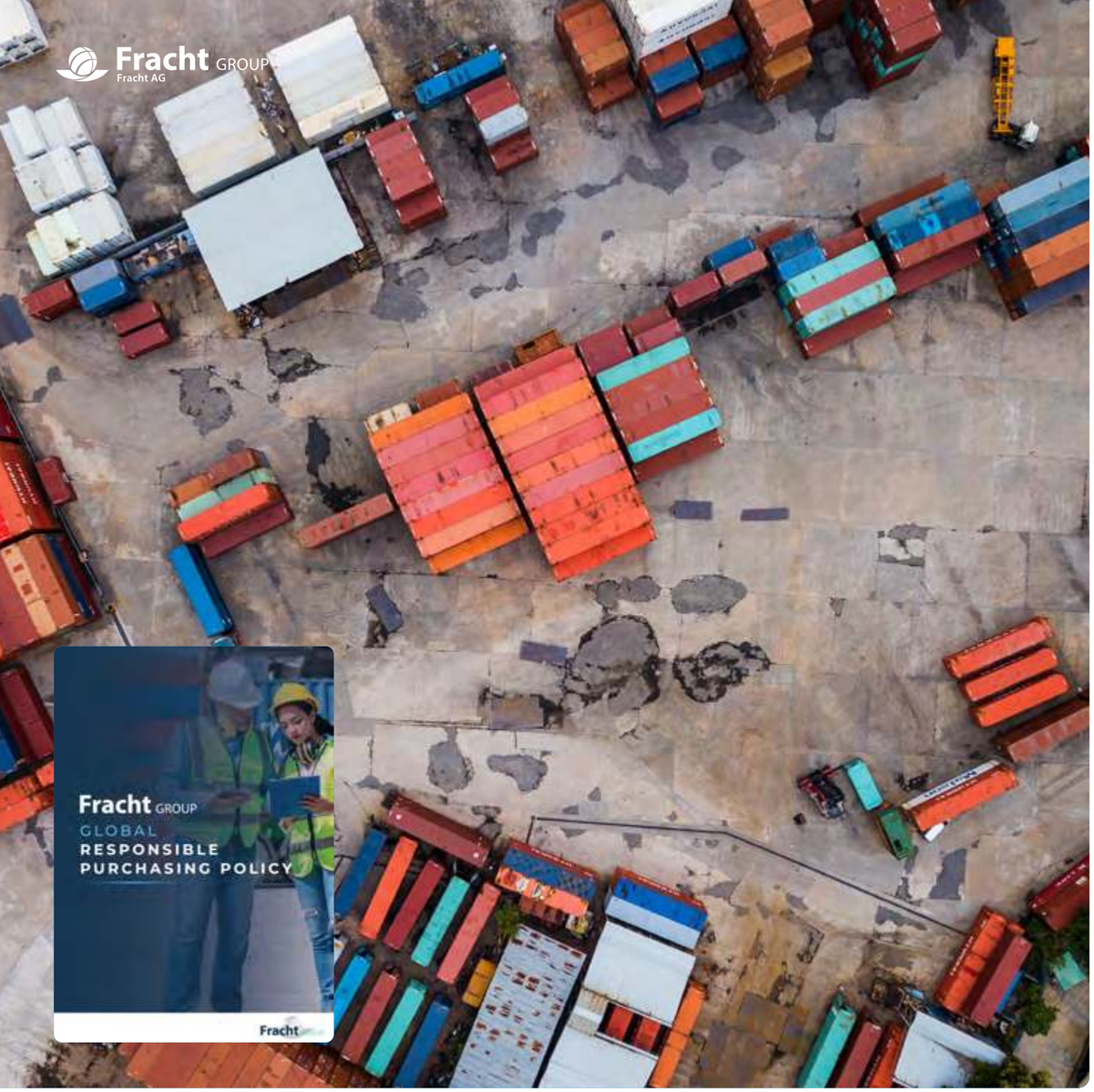
Members of the Fracht Austria team successfully completed the rigorous nine-day European Customs Professional training including modules on Corporate Social Responsibility.

17 | Building for prosperity

Fracht Forward strategy pillars

PROSPERITY





18 | SUSTAINABLE SUPPLY CHAINS

FRACHT'S POLICY COMMITMENT

As a global freight forwarder, Fracht's business is deeply embedded in an international network of suppliers, subcontractors, and agents. Recognising the environmental and social risks associated with outsourced logistics, we have formalised a comprehensive approach to responsible procurement to ensure our supply chain contributes positively to our sustainability objectives.

In 2024, we implemented a Responsible Purchasing Policy, which defines **ethical, environmental, and social expectations** for all procurement activities. This policy complements the *Supplier Code of Conduct*, which is a mandatory requirement for all contracted third parties.

SUPPLIER DUE DILIGENCE

In line with upcoming CSRD and CSDDD obligations, Fracht has begun integrating due diligence into supplier selection and monitoring. This includes:

- **Rolling out the KYC (Know Your Counterpart) verification for ESG risk screening**
- **Evaluating suppliers based on ISO standards, ESG certifications (EcoVadis), emissions data and reduction commitments.**
- **Encouraging subcontractors to align with our climate goals and social responsibility standards**

SUPPLIER ENGAGEMENT IN SCOPE 3 EMISSIONS REDUCTION

Under the **Science Based Targets initiative** (SBTi), companies must include scope 3 emissions in their near-term targets if they represent **40% or more of total emissions**. These targets must cover at least **67% of total scope 3 emissions**, ensuring that indirect emissions reductions are prioritised.
For Fracht, the **largest contributor to scope 3 emissions is upstream transport**, as emissions originate from all freight. While we do not operate our own transport fleet, we play a critical role in influencing emissions reductions through **supplier engagement, procurement policies, and data-driven decision-making.**

TRACKING PROGRESS & FUTURE CONSIDERATIONS

Supplier engagement targets must be achieved within **five years of target setting**, requiring **substantial time and resources** for implementation.
By integrating **supplier engagement into our broader sustainability strategy**, we are reinforcing our commitment to **responsible procurement, emissions transparency, and industry-wide decarbonisation.** This initiative strengthens our position as a **leader in sustainable logistics**, ensuring that our supply chain contributes to a **net-zero future**.

19 | BIODIVERSITY & ENVIRONMENTAL PROTECTION

As a global freight forwarder, Fracht facilitates international trade and mobility across complex logistics networks. While we do not own or operate most transport assets—such as vessels, trucks, or aircrafts—and therefore have limited direct impact on biodiversity, we recognise that our decisions around routing, partnerships, and supply chain structure may carry indirect environmental implications. Biodiversity is not a primary focus area for Fracht at this stage, as our ability to influence it is inherently limited. However, we remain committed to responsible logistics practices and collaborates with partners who align with broader sustainability principles.

DIRECT IMPACTS: INFRASTRUCTURE, WASTE & OPERATIONAL INFLUENCE

Though Fracht operates primarily as a freight coordinator, regional logistics activities, including office and warehouse operations, multimodal planning, and subcontractor management, contribute to several **direct environmental pressures**:

LOCAL LAND USE AND INFRASTRUCTURE PRESSURE

In regions where Fracht entities lease or manage facilities, warehousing and cross-docking operations may contribute to land use changes or habitat fragmentation if not carefully managed.

LOGISTICS PARTNER SELECTION

While Fracht does not operate ships or trucks, the choice of subcontractors affects environmental performance. Partnerships with carriers using polluting fuels or lax waste protocols can increase our direct footprint.

OPERATIONAL WASTE AND PLASTIC USE

In regions where Fracht entities lease or manage facilities, warehousing and cross-docking operations may contribute to land use changes or habitat fragmentation if not carefully managed.

WATER AND OCEAN DEPENDENCY

Fracht's logistics network depends heavily on global waterways and maritime infrastructure. With **nearly 90% of cargo managed by sea**, we are committed to taking responsibility for ocean stewardship, even in the absence of direct marine operations.

As part of this commitment, Fracht continues to support initiatives like *#TeamSeas*, a global campaign aimed at removing ocean-bound waste. This collaboration has helped fund two leading NGOs—*Ocean Conservancy* and *The Ocean Cleanup*—and reinforces our intent to address marine pollution at scale.

INDIRECT IMPACTS: EMISSIONS, ECOSYSTEM STRESS & SUPPLY CHAIN INFLUENCE

The majority of our biodiversity impact is **indirect** – linked to the emissions, environmental risks, and supply chain behaviours that result from the global transport services we arrange.

GREENHOUSE GAS EMISSIONS AND CLIMATE DISRUPTION

Freight transport is a major source of emissions, contributing to climate change that alters habitats, disrupts species migration, and increases the frequency of extreme weather events—all of which degrade biodiversity.

POLLUTION AND MARINE DEGRADATION

In regions where Fracht entities lease or manage facilities, warehousing and cross-docking operations may contribute to land use changes or habitat fragmentation if not carefully managed.

INVASIVE SPECIES TRANSMISSION

Global trade is a primary pathway for the spread of invasive species. Through container shipping and port transfers, goods can inadvertently carry non-native flora and fauna, threatening regional biodiversity and requiring costly management efforts.

LAND-BASED ECOSYSTEM FRAGMENTATION

The growth of transport corridors and logistics hubs, while not directly led by Fracht, is facilitated by global supply chain demand. As a central logistics actor, we influence these patterns through our network design and modal choices.

GOVERNANCE & TRANSPARENCY

Fracht Forward strategy pillars

RESPONSIBILITY

20 | GOVERNANCE & OVERSIGHT

In the dynamic and ever-evolving landscape of global logistics, the secret of the Fracht's success lies in its **leadership**. Rudolf Reisdorf together with the strategic board—a collective of seasoned professionals—bring together a wealth of experience, vision, and a commitment to sustainability and ethical practices. Each member plays a pivotal role in steering the company towards its goals of operational excellence, innovation, and environmental stewardship.

As of 2025, this leadership body provides oversight across Fracht, supporting the governance model and advancing the integration of the *Fracht Forward* strategy at all levels.

BOARD MEMBERS

1. **Rudolf Reisdorf – Owner**
2. **Etienne Seiler – Head of the strategic board**

ESG LEADERSHIP STRUCTURE

The Regional Ambassadors provide decentralised leadership bringing the strategic board's vision and *Fracht Forward* strategy to life across the company.

Ralph Gisler serves as a key link between the board's vision and local actions across Fracht AG, ensuring that sustainability is not only a corporate priority but also a lived reality within every business unit, playing a central role in promoting engagement, aligning activities with the *UN Sustainable Development Goals (SDGs)*, and supporting entity-level integration of our policies and commitments.

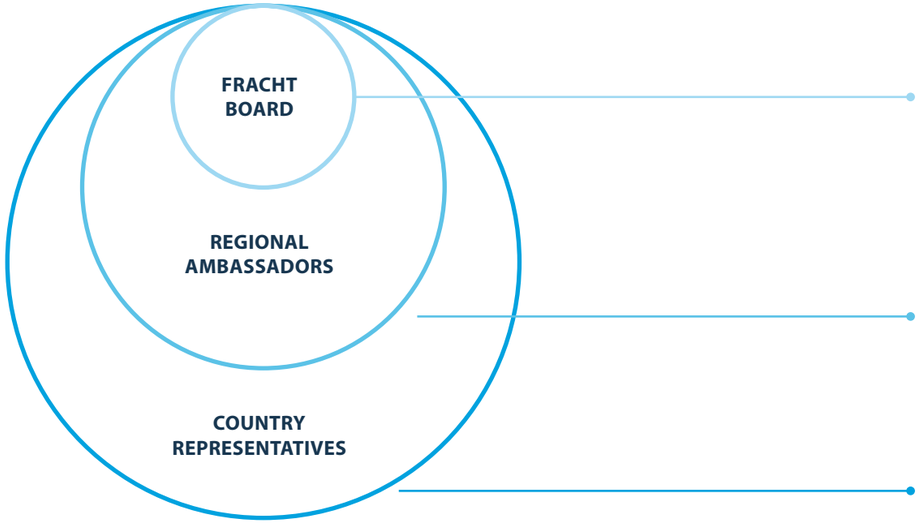
ACCOUNTABILITY FOR SUSTAINABILITY

The fourth pillar of *Fracht Forward* is **Responsibility**, reflecting our belief that sustainability extends beyond operational boundaries. Grounded in SDG 16 and SDG 17, this pillar guides our efforts to foster ethical governance, uphold integrity, and contribute to meaningful, community-focused collaboration.

Fracht's responsible approach is expressed through both policy and practice. Its *Code of Conduct, Supplier Code of Conduct*, and commitments to frameworks like the *UN Global Compact* promote **transparency, anti-corruption, human rights, and equality** across all levels of its operations. At the same time, we build and support partnerships that generate social value and promotes local community involvement.

Our sustainability governance model ensures that accountability is embedded throughout the organisation. At the centre of this structure is the *Global Board*, which provides leadership and direction on sustainability strategy, policy alignment, and regulatory compliance. Surrounding the board are the *Regional Ambassadors*, who play a pivotal role in operationalising the *Fracht Forward* strategy within their respective regions. They are responsible for forming sustainability teams, sharing SDG-focused actions, producing monthly updates, and engaging teams through training and motivation.

At the local level, *Country Representatives* are tasked with translating these strategic objectives into actionable initiatives that align with national priorities and realities. This tiered approach allows us to combine strong central governance with flexible, region-specific execution, ensuring consistency, responsiveness, and full integration of sustainability into daily operations.



Role of the Board focuses on:

- The organisation and coordination of global SDG actions, including World Cleanup Day, World Hunger Day, Pink October, and Earth Day
- The management of the Sustainability Policy and the (Supplier) Code of Conduct
- The sustainability content of the website
- Leading and inspiring by example

Role of the Ambassador focuses on:

- Composing a sustainability team for their region
- Coordinating and sharing SDG actions
- Creating a sustainability newsletter every month.
- Engaging the country representatives through training, education, and motivation
- Leading by example

Role of the Country Representatives focuses on:

- Local actions
- Engaging the local teams and inspiring by example
- Increasing awareness among employees in their country
- Sharing global and local relevant sustainability information about legislation and expectations
- Involving and engaging with clients and suppliers

21 | ETHICS & COMPLIANCE

In 2024, at Fracht, we continued to strengthen our ethics framework, expanding our reach and deepening employee and supplier engagement across the network. To ensure consistent adherence to ethical business practices, we have established a robust set of global policies. This lays foundation and integration of ethics and compliance standards across entities, aligning with broader sustainability and ESG goals.

1. GLOBAL SUSTAINABILITY POLICY

Our Global Sustainability Policy defines the vision, the structure, and the direction of our sustainability strategy. It articulates the company's core commitments across our four foundational pillars—**Planet, People, Prosperity, and Responsibility**—and serves as the guiding framework for all other policies. Acting as Fracht's strategic compass, the policy ensures coherence across entities and anchors our approach to sustainability in alignment with the *UN Sustainable Development Goals* (SDGs), *the Greenhouse Gas* (GHG) Protocol, and other European frameworks.

2. CODE OF CONDUCT

Fracht's Code of Conduct codifies **ethical behaviour and legal compliance standards** for all our employees, regardless of region or role. It reinforces expectations around anti-corruption, fair competition, human rights, and responsible business conduct. It is also the foundation for promoting an inclusive workplace culture based on integrity, transparency, and mutual respect.

3. SUPPLIER CODE OF CONDUCT

Recognising our indirect impact through subcontracted logistics and partnerships, the Supplier Code of Conduct outlines environmental, labour, and governance expectations for all our suppliers and agents. It covers topics such as forced labour, anti-bribery, health and safety, and environmental protection, ensuring that our supply chain reflects our values and compliance standards.

4. RESPONSIBLE PURCHASING POLICY

The Responsible Purchasing Policy focuses on how we make procurement decisions; it embeds the ESG criteria into the selection, evaluation, and engagement of suppliers. Suppliers are assessed for compliance with the requirements of the standards such as ISO—particularly those relating to social and environmental responsibility—as well as their relationship with the employees.

In contrast to the Supplier Code of Conduct—that sets out the minimum standards that suppliers themselves must uphold. In essence, the purchasing policy governs how and from whom Fracht buys; the supplier code governs what is expected of those it buys from.

The policy covers key areas:

1. Fair working conditions
2. Enivronmental responsibility
3. Ethics and transparency
4. Continuous evaluation

5. GLOBAL SOCIAL POLICY

The Fracht Social Policy puts **people at the centre of our operations**. It outlines our commitments to employee wellbeing, inclusion, fair wages, leadership development, flexible work, and social dialogue. It provides a framework for creating a work environment that is safe, supportive, and enabling, aligned with ILO conventions and human rights principles.

6. GLOBAL ENVIRONMENTAL POLICY

Focused on **environmental impact reduction**, this policy governs how we manage energy use, emissions, water, waste, and mobility. It outlines Fracht's ambition to align with ISO 14001 and the *Science Based Targets initiative* (SBTi) in the long term, while already requiring action at entity level to reduce scope 1 and 2 emissions and advance sustainable logistics practices.
Following our official registration as a UN Global Compact member, we formally integrated the Compact's Ten Principles—focused on human rights, labour, environment, and anti-corruption—into our governance and operational systems.

To further embed these principles:

- Designated employees across all business units completed mandatory UN Global Compact anti-corruption training in 2024.
- These efforts support our broader risk prevention measures and promote ethical decision-making at every level.

ANTI-CORRUPTION/ BRIBERY & RESPONSIBLE BUSINESS PRACTICES

At Fracht, we expect all suppliers and business partners to uphold the **highest standards of ethical conduct and legal compliance**. These expectations are clearly defined in our *Code of conduct* and *Supplier Code of Conduct,* which forms part of our integral framework and due diligence process.

In alignment with international conventions, including the *UN Global Compact, the OECD Guidelines for Multinational Enterprises*[25], and the *Foreign Corrupt Practices Act* (FCPA)[26], we require both employees and suppliers to:

- **Comply with all applicable national and international anti-bribery and anti-corruption laws and regulations.**
- **Refrain from offering, promising, or accepting any form of undue advantage, including gifts, travel, entertainment, financial contributions, or other benefits that may influence or appear to influence business decisions.**
- **Ensure that no facilitation payments or improper incentives are made through direct or third-party channels, including consultants or intermediaries.**

We provide **internal reporting mechanisms**, including a global whistleblower platform, through which employees and stakeholders can raise concerns confidentially and without fear of retaliation. Breaches of these standards may lead to disciplinary or contractual consequences.

Together, these measures help ensure that all parts of the Fracht network—both internal and external—conduct business responsibly, ethically, and in accordance with our values.

CARBON MARKET COMPLIANCE & FRAUD PREVENTION

As the logistics industry becomes more deeply embedded in the global carbon economy, **carbon market compliance** is now a strategic priority for us at Fracht. With mechanisms such as the *EU Emissions Trading System* (EU ETS) and the *Carbon Border Adjustment Mechanism* (CBAM) expanding in scope, we must ensure that our services, data systems, and supplier networks can support clients in meeting regulatory obligations.

Equally critical is our **commitment to fraud prevention**, particularly in the context of expanding ESG disclosures and green service offerings. With the rise of voluntary carbon markets, offset-based logistics, and ESG-linked contracts, the risk of greenwashing, false claims, or vendor misrepresentation is real. We have taken key steps, including a *Code of Conduct*, a robust *Supplier Code of Conduct*, and a confidential *whistleblower platform* available to all employees. To further strengthen fraud prevention, we plan to expand our safeguards by:

- **Applying enhanced due diligence in regions with elevated ESG or corruption risks.**
- **Conduct regular fraud and ethics risk assessments across operations and procurement.**
- **Maintain a vendor risk classification system with periodic re-evaluations based on compliance and performance.**
- **Introduce targeted training for employees to detect red flags (e.g. phantom shipments, fake vendors, documentation fraud, customs falsification).**

[25] Guidelines for MNES - Organisation for Economic Co-operation and Development. (n.d.). https://mneguidelines.oecd.org/
[26] Foreign Corrupt Practices Act Unit. (2025, January 9). https://www.justice.gov/criminal/criminal-fraud/foreign-corrupt-practices-act

CYBER-ATTACK AND DATA SECURITY

At Fracht, the **protection of data and information systems** is a fundamental aspect of our commitment to operational integrity, regulatory compliance, and stakeholder trust. As outlined in our internal and external policies, cybersecurity and data privacy are responsibilities shared across our employees, suppliers, and partners.

Employees are encouraged to adhere to strict internal policies regarding the **handling of confidential and proprietary information**. These policies include:

- **Regular backups and cloud-based redundancy systems to ensure data recovery in the event of loss.**
- **Encryption of all sensitive data and secure communication protocols with customers and authorities.**
- **Advanced malware protection, anti-phishing technology, and regular security software updates to reduce the risk of cyber threats.**

For Fracht's suppliers, compliance with applicable data protection regulations (e.g., GDPR) is mandatory. The *Supplier Code of Conduct* specifies that all vendors must implement appropriate information security controls, ensure confidentiality of customer data, and report breaches or incidents in a timely and transparent manner. Suppliers are also encouraged to maintain updated cyber risk management protocols and ensure that their teams are trained in basic cybersecurity awareness.

At Fracht, we aim to ensure a secure operating environment for:

CUSTOMERS
who entrust us with shipment and business data.

EMPLOYEES
whose information and work tools must be protected from unauthorised access or misuse.

SUPPLIERS AND BUSINESS PARTNERS
who must demonstrate equivalent safeguards as part of our due diligence and compliance processes.

BUSINESS CONDUCT AND GOVERNANCE: EMPLOYEE PERCEPTION

The Fracht HR survey conducted in 2024 offered valuable insights into how our employees perceive the company's ethical standards, leadership accountability, and internal governance. Among respondents:

87%
indicated that they feel our leadership demonstrates ethical behaviour and clear values.

84%
agreed that the company operates with transparency and integrity across its departments.

82%
reported confidence in the company's handling of compliance-related issues and ethical concerns.

78%
confirmed awareness of the *Code of Conduct* and knew how to report any business conduct violations.

72%
felt empowered to speak up or raise concerns without fear of retaliation.

0
NUMBER OF CONVICTIONS, AND THE TOTAL AMOUNT OF FINES INCURRED FOR THE VIOLATION OF ANTI-CORRUPTION AND ANTI-BRIBERY LAWS

These results suggest that our internal culture strongly supports **ethical conduct, rule compliance, and open communication**—foundations of good governance. While there is room to improve awareness and confidence further, particularly regarding reporting mechanisms, the overall sentiment indicates a **healthy compliance culture** that supports our *Code of Conduct* and *Supplier Code of Conduct* implementation.

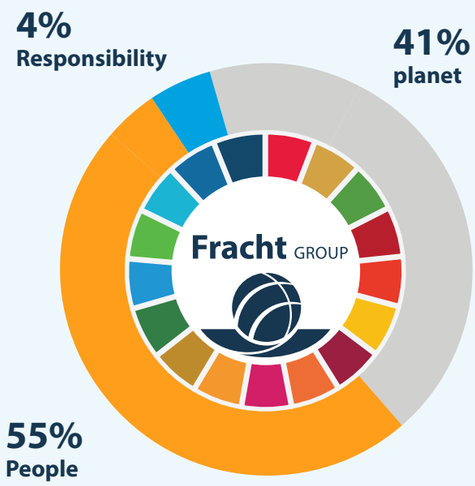
22 | LOCAL IMPACT & COMMUNITY ENGAGEMENT

SDG ACTIONS ACROSS THE NETWORK: TURNING GLOBAL GOALS INTO LOCAL COMMITMENT

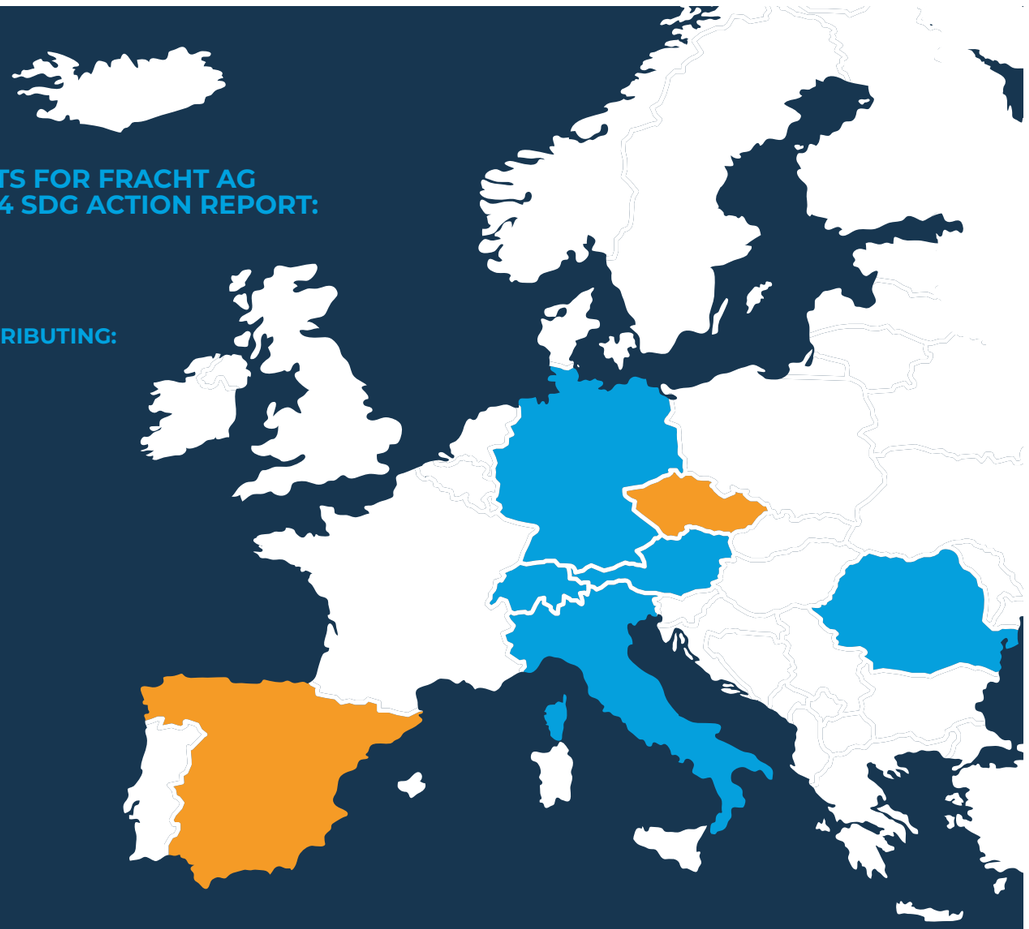
In line with our commitment to the *United Nations Sustainable Development Goals* (SDGs), we have mobilised teams across our network to deliver meaningful local initiatives. From health awareness to biodiversity preservation, these decentralised actions reflect the core values embedded in the Fracht Forward strategy—People, Planet, Prosperity, and Responsibility.

For the first time, a structured tracking system—visualised through Power BI—was used to map, monitor, and analyse SDG-aligned initiatives across multiple Fracht entities. The following results reflect data collected from 2024, covering contributions made across Europe and parts of Africa.

TOP PILLARS REPRESENTED:



KEY HIGHLIGHTS FOR FRACHT AG FROM THE 2024 SDG ACTION REPORT:



COUNTRIES CONTRIBUTING:

- Austria
- Germany
- Italy
- Portugal
- Romania
- Switzerland

YET TO REPORT FOR THIS CYCLE

- Spain
- Czech Republic

27
Total Verified SDG-Aligned Actions

TOP SDG AREAS BY ACTIVITY:

- **SDG 3 – Good Health and Wellbeing**
- **SDG 5 – Gender Equality**
- **SDG 12 – Responsible consumption and Production**
- **SDG 15 – Life on Land**

These actions demonstrate that our global ambitions are actively translated into community-led progress, with each entity encouraged to take ownership of SDG contribution.

NATURE OF ENGAGEMENTS

- Health-focused initiatives such as anti-smoking campaigns, cancer support events, and children's hospital engagement
- Environmental actions including tree planting, beach clean-ups, and low-emission fuel trials
- Employee and community-led programmes addressing gender equality and workplace safety
- Educational partnerships and participation in global awareness campaigns like World Cleanup Day and Pink October

LOOKING AHEAD: STRENGTHENING IMPACT TRACKING AND INCLUSION

This 2024 cycle represents an important milestone in operationalising local ESG engagement. Countries including Czech Republic and Spain within the Fracht network are still in the process of data submission and integration. Moving forward, we plan to enhance internal coordination through:

- **Regional ambassador/country representative trainings**
- **Simplified SDG data collection tools embedded in the SDG dashboard**
- **More frequent reporting cycles to track engagement in real time**
- **Greater use of Power BI visualisations for internal and external communication**

The introduction of the Power BI dashboard has marked a pivotal step in systematising and scaling our sustainability engagement across our regional entities. Beyond tracking SDG actions, the dashboard provides a transparent foundation for monitoring local progress, identifying areas for additional support, and maintaining alignment with our broader ESG commitments. In the coming years, we plan to continue to use this tool to enhance accountability, celebrate impact, and ensure that sustainability is not only reported—but lived locally.

ADVANCING IMPACT THROUGH DIGITAL ACCESSIBILITY: INTRODUCING WHATSAPP SDG REPORTING

As part of our efforts to modernise and simplify sustainability engagement, a new WhatsApp-based reporting tool is currently being rolled out across the network. This mobile-first innovation will make it easier for employees to take part in shaping a more sustainable future. With just a few taps, employees across all levels and entities will soon be able to log and share SDG-aligned actions directly from the field, whether it's community engagement, clean-up drives, donations, or awareness events.

The launch of the WhatsApp tool aims enhance reporting speed and accuracy and promote a stronger sense of involvement and ownership among employees. Further supporting our long-term ambition: to connect people, purpose, and progress through smart digital solutions that scale impact transparently and inclusively across the network.

23 | FREIGHT COMPANY FOUNDATION & PHILANTHROPY

WAYS OF GIVING BACK THROUGH PARTNERSHIPS

Our commitment to SDG 17 —*Partnerships for the Goals*—is rooted in the belief that **collaboration is essential for solving complex social and environmental challenges**. Through trusted partnerships with local organisations, non-profits, and international initiatives, we expand the reach and depth of our impact.

These partnerships allow us to give back in ways that are locally relevant, globally aligned, rooted in long-term relationships and support the company's strategy. Whether supporting community development, education, or health initiatives, our goal is to contribute not only resources, but also trust, visibility, and shared purpose.

SUPPORTING YOUNG TALENT

FRACHT INTERNATIONAL EXCHANGE PROGRAMME (FIEP)

The *Fracht International Exchange Programme* (FIEP) fosters **international collaboration and professional development** within the company, enabling employees to gain firsthand experience in global logistics while strengthening cross-border knowledge-sharing.
With decades of successful exchanges, FIEP empowers employees to relocate to international offices, enhance their expertise, and contribute to our sustainability goals by promoting innovative, efficient, and globally integrated logistics practices.

We prioritise talent development as a key pillar of sustainable business growth, ensuring that employees in diverse markets gain exposure to local logistics solutions, regulatory frameworks, and best practices. By embracing international mobility, we not only invest in our workforce but also enhance supply chain resilience and operational excellence on a global scale.
Through FIEP, we strengthen our commitment to sustainability, innovation, and responsible leadership, reinforcing our position as a forward-thinking logistics provider dedicated to driving global industry collaboration.

FRACHT YOUNG TALENT

As part of its **long-term workforce development strategy**, Fracht invests in identifying and nurturing the next generation of logistics professionals through the *Fracht Young Talent Programme*. Designed for early-career individuals and graduates with an interest in international freight forwarding, sustainability, and innovation, the programme offers a structured entry point into the logistics sector, while embedding our values of leadership, respect, and continuous learning.

Participants are given the opportunity to gain hands-on experience across operational and strategic areas of the business, often contributing to live projects in areas such as digitalisation, and process optimisation.

A standout feature of the initiative is the annual *Young Talent Workshop*, where selected participants come together to **co-develop and pitch a strategic idea** that addresses a real-world opportunity or challenge for the business. The workshop culminates in a formal presentation to the Board, allowing young talents to directly contribute to our company's strategic thinking. This not only fosters innovation and a sense of ownership among emerging professionals, but also ensures the company benefits from fresh perspectives and bottom-up ideas that support long-term transformation.

The *Fracht Young Talent Programme* exemplifies how workforce development can be leveraged not just for capacity building, but as a driver of innovation, engagement, and cultural cohesion across a global logistics organisation.

Find out about how we support the UN SDG's
Follow the link or scan the QR code
https://www.frachtgroup.com/en/sustainability

LAYING THE GROUNDWORK: METHODOLOGY, BOUNDARIES, AND REPORTING SCOPE

In 2024, we undertook a step forward in our ESG and emissions data collection initiative as a company across Fracht AG entities. This effort was initially aligned to report for CSRD but later adapted for Basic Module of the VSME reporting framework and aimed at building a foundation for consistent, comparable, and verifiable climate-related disclosures.

All relevant entities were contacted and guided through the VSME reporting structure, through info sessions, and management lead workshops. While some regions were data-ready, others encountered challenges in accessing and structuring the required information. Despite these variations, the initiative represented a critical step toward increasing data maturity across the network. Although comprehensive data from Denmark and Czech Republic could not be provided during this cycle, reporting is expected to begin in future iterations.

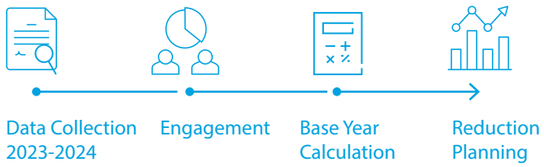
Collaborative support and structured follow-up

Following the initial request, regular coordination calls were held to address data gaps, clarify technical questions, and ensure reporting alignment. Given the short timeline, this process required significant engagement across teams—supported by strong **management-level motivation** and local initiative. The collaborative structure helped raise awareness and improve internal readiness for sustainability data processes.

Future integration and strategic use

This 2024 cycle forms the basis for our **first carbon footprint calculation** at Fracht at entity level and establishes a **baseline year** for future monitoring. As data systems improve, we intend to embed these insights into its **scope 3 reduction roadmap**, enhance supplier engagement, and support data-informed decision-making across the value chain. Moving forward, the focus should be on translating this growing transparency into measurable climate action.

Fracht's Data Maturity Journey



24 | SUSTAINABILITY ENGAGEMENT & AWARENESS

FOSTERING OWNERSHIP THROUGH AWARENESS AND ACTION

At Fracht, sustainability is not only a strategic goal but a cultural commitment that begins from within. As we advance our ESG ambitions, **internal engagement, shared responsibility, and clear communication** have proven essential to turning strategy into action—across offices, warehouses, and leadership teams.
In 2024, we invested in strengthening awareness and participation around sustainability. From structured campaigns to informal initiatives, the focus was on enabling employees to **understand, contribute to, and own our climate journey**.

INTERNAL ENGAGEMENT AND AWARENESS

A strong sustainability report starts with strong internal awareness. Throughout the reporting year, a range of initiatives was implemented to build climate literacy and empower employees to take ownership of sustainability within their roles.

Key initiatives included:

- **Distribution of SDG-themed communications** and calendar-linked campaigns throughout the year.
- The launch of the **SDG Dashboard**, an interactive tool, designed to track and visualise sustainability activities across the global network.
- Hands-on participation in events such as **World Cleanup Day, World Hunger Day**, and **Think Pink**, aligned with our People and Planet pillars.
- **Informal workplace engagement campaigns** focused on topics like eco-consciousness, waste reduction, and responsible transport choices in logistics.

These initiatives supported decentralised participation and enabled local entities to align their actions with company-wide goals. They also helped improve the quality and accuracy of data submitted for this report, by encouraging transparency and knowledge-sharing.

UNDERSTANDING EMPLOYEE ATTITUDES

Results from our HR survey revealed important insights:

- There is **strong internal alignment** with our sustainability mission. A majority of respondents view sustainability as an **investment rather than a cost.**
- Employees are **confident about the strategic role of green logistics**, with widespread agreement that it will be a key differentiator in the future.
- Views on the **effectiveness of Fracht Forward** are generally positive, though some teams expressed a desire for more visibility and relevance at the local level.
- The perception of our current efforts in green logistics is **mixed,** suggesting the need for better communication or visible local actions in certain areas.

These insights show that while the foundation is strong, **operational-level awareness and feedback loops can be further improved**—particularly in making sustainability tangible across teams and countries.

KEY IMPLICATIONS FOR FUTURE ENGAGEMENT

Key implications included:

MAINTAIN HIGH-LEVEL ALIGNMENT

Including existence of a Code of Ethics, anti-corruption practices, and legal compliance.

INCREASE LOCAL RELEVANCE

by showcasing more real-world case studies and best practices from within the network.

EMPOWER MIDDLE MANAGERS

and operational leads as sustainability messengers and facilitators.

LEVERAGE FEEDBACK

to adapt awareness campaigns, especially in entities where employees are looking for greater clarity or involvement.

Together, these efforts form a cornerstone of Fracht's long-term climate strategy —not just through carbon targets and emissions data, but by **embedding sustainability into culture, communication, and day-to-day behaviour**.

25 | STAKEHOLDERS & PARTNERSHIPS

As a service provider, **we work in collaboration with customers, suppliers, and many other stakeholders**. It is of utmost importance to us to invest in and maintain good relationships with all parties. All are expected to respect the principles outlined in the *United Nations Universal Declaration of Human Rights*, the *International Labor Organisation's Fundamental Conventions*, and all relevant laws and regulations. More information can be found in our *Supplier Code of Conduct*.

Our **external stakeholders play a key role** in shaping the company's business model hence they also play a critical role in our Financial and Impact materiality. They provide crucial inputs, affects operational performance and hence associated with both direct and indirect ESG impacts.

1. CUSTOMER INDUSTRIES:

We serve a broad range of customers and industries, each with unique needs and expectations. These industries rely on us to provide tailored logistics solutions and project cargo management. These industries include but are not limited to:

- **Alternative & Renewable Energies**
- **EPC Contractors**
- **Pharma & Health care**
- **Mining**
- **Commodity & Trading**
- **Railway & Rolling stock**
- **Chemical industry**
- **Consumer Goods & Retail**
- **Defence & Government**

2. SUPPLIERS / SERVICE PROVIDERS:

Suppliers and service providers are essential to our ability to deliver seamless logistics solutions. From customer transportation requirement to packaging needs, these **external partners help provide critical infrastructure, transportation capacity, and technological solutions.**

- **Airlines**
- **Shipping lines**
- **Rail operators**
- **Trucking & last-mile delivery companies**
- **Technology & software providers**
- **Packaging & container manufacturers**

3. INFRASTRUCTURE PROVIDERS:

Our operations are dependent on various infrastructure providers that facilitate **the movement of goods and services**. These providers support our operation by enabling freight transport, facilitating international logistics, providing storage facilities, ensuring the clearance process for both import and export operations and accelerating the land, sea and air transportation needs.

- **Ports**
- **Airports**
- **Third-party warehouse**
- **Customs Authorities**

4. REGULATORY AND GOVERNMENTAL BODIES:

Governments and regulatory bodies set the standards and compliance requirements that we must adhere to in our operations. In EU, Governments also influences our sustainability efforts by setting environmental targets, such as the EU Green Deal, which requires transportation sector to reduce our emissions largely affecting us and our operations.

- **Customs authorities**
- **International trade organisations**
- **Transportation safety & regulatory agencies**
- **Environmental agencies**

Apart from the competitors and industry peers influence market dynamics, pricing strategies, and service expectations, driving us to continuously innovate and improve our logistics offerings. Additionally, clients both existing and potential, such as BASF, Siemens, Nestlé, and Hyundai rely on us for specialised logistics solutions.

USERS OF SUSTAINABILITY STATEMENT

Our sustainability statements act as tools for both internal and external stakeholders, these statements provide valuable insights into our company's environmental impact, social responsibility, and governance practices.

These reports are **used by internal stakeholders**, such as employees, shareholders, and the management team, to assess our company's alignment with strategic goals, employee wellbeing, and overall business performance. To align with the overall company strategy and ensure that operational decisions reflect corporate values and sustainability commitments. These internal stakeholders include:

Externally, the sustainability statements are **useful for clients, investors, regulatory bodies, and other external parties** (including Government agencies, Non-Governmental Organisations, advocacy groups, financial institutions, credit rating agencies and competitors) who rely on clear communication about our compliance with laws, risk management, and corporate sustainability efforts. These stakeholders use the reports to evaluate our performance against industry standards, market demands, and global sustainability goals.

- **Business partners**
- **Existing employees**
- **Potential employees**
- **Shareholders**
- **Board members**
- **Management teams**

CELEBRATING FIVE DECADES OF COLLABORATION

In 2024, we celebrated our 50th years of strategic partnership with BASF[27], the world's largest chemical company. This event not only honoured the past but also **reinforced the partnership's forward-looking vision**, emphasising a continued dedication to excellence and innovation in the logistics and chemical industries. Long-standing collaboration with BASF emphasises on the shared commitment to innovation, adaptability, and mutual growth.

TWO FAMILIES, ONE VISION - FRACHT IS A MAIN PARTNER OF INTER MIAMI CF

Fracht Group has become the Official and Exclusive Right Jersey Sleeve Partner, as well as the Official Logistics Services Partner of Inter Miami CF. This marks a milestone partnership, with Fracht Group becoming the club's **first-ever Main Partner** in its new era—highlighted by the arrival of the legendary Lionel Messi.

Fracht's extensive global footprint, combined with the world's admiration for Inter Miami CF, will prove to be the platform for meaningful impact on a global scale. With a shared mission and commitment to multiple sustainability and CSR (Corporate Social Responsibilities) initiatives, the partnership aims to support education, our environment, and community development.

This collaboration inspires pride and belonging in being part of the Fracht family, reinforcing the company's mission to connect people and ideas across borders — both logistically and culturally. As Fracht continues to grow and transform, the partnership with Inter Miami CF represents more than a marketing decision; it's a declaration of intent: to be visible, modern, and committed to excellence — both on the field and in the field of freight.

Find out about our partnership with InterMiamiCF
Follow the link or scan the QR code
https://www.frachtgroup.com/en/about/inter-miami-cf-partnership

[27] *Flows. (2024, June). Polytra and BASF celebrate 50 years of cooperation with big party. https://en.flows.be/people/2024/06/polytra-and-basf-celebrate-50-years-of-cooperation-with-big-party/?gdpr=accept*

"The joining of our two family organisations is a remarkable full-circle event in my life. The love of fútbol was instilled in me by my father, who started Fracht in 1955, and to join with another family-owned organisation gives me great pride. We are united not only by our shared love of the game, but also by a common vision to create a meaningful and lasting impact on society."

Ruedi Reisdorf,
OWNER, FRACHT AG

26 | COMPANY PROFILE

This report focuses on Fracht AG, which oversees operations with headquarters in Switzerland. For the first time, we have consolidated, reported, and disclosed sustainability data at a regional level, marking a significant step forward in our commitment to transparency, accountability, and continuous improvement across our global network.

Founded by Rudolf Reisdorf in Basel, Switzerland

1955

1990

Invested in digital and technological capabilities

Today, we operate globally, delivering specialised logistics solutions to clients across industries including:

- **Alternative & Renewable Energies**
- **Pharmaceutical & Healthcare**
- **Mining and Heavy Industry**
- **Chemical and Consumer Goods**
- **Railway & Rolling Stock**
- **Defence, Government, and Humanitarian Aid**
- **Industrial, Engineering, and EPC projects**

Find out about the industries we serve
Follow the link or scan the QR code
https://www.frachtgroup.com/en/industries

Due to non-availability of data, entities below not included in this report will be covered in upcoming cycles in alignment with CSRD phased applicability (Fracht AG)

Allsped AG
F-Logistik GmbH
Peace Line (Shipping GmbH)
Fracht Pakistan
Fracht Property Unit Trust
Fracht Australia Property Holdings Pty Ltd

Additonal notes:
Fracht FWO GmbH - Includes all the entities in Austria and Hungary (Billitz GmbH [SE Fracht FWO GmbH] & Billitz Hungaria & Partner KFT [SSE Fracht FWO GmbH]) Fracht FWO Czech s.r.o. – Data was not available for 2024 cycle, FTE data used from 2023.

Log Connect AG [SE Fracht AG Switzerland] - Data was not available for 2024 cycle.

ON THE NEXT PAGES THE ENTIRE LIST OF LEGAL ENTITY NAMES, HEAD OFFICES AND SITES CAN BE FOUND.

Country	Legal Entity HQ	Entity (and SE + SSE)	Site details
Switzerland	Birsigstrasse 79 4054 Basel Switzerland	Fracht AG Switserland	Basel
			Basel-Wolf
			Baden
	Birsigstrasse 79 4054 Basel Switzerland	Allsped AG	Embrach (Zürich)
			Pratteln
			Mendrisio
			Geneva
			Zürich (Wallisellen)
			Rapperswil
Germany	Birsigstrasse 79 4054 Basel Switzerland	Fracht FWO AG	Berlin
			Chemnitz (Sachsen)
			Düsseldorf
			Frankfurt (Kelsterbach)
			Mannheim
			Nürnberg
			Stuttgart
			Biberach (Warthausen)
Switzerland	Birsigstrasse 79 4054 Basel Switzerland	Log Connect AG	
Germany	Piet Heinstraat 7, 3115 JC Schiedam Netherlands	Log Connect Benelux [SE Log Connect AG]	
Netherlands	Piet Heinstraat 7, 3115 JC Schiedam Netherlands	Log Connect Benelux B.V. [SSE Log Connect Benelux]	
Germany	Zollstrasse 5 78239 Rielasingen-Worblingen Germany	Log Connect AG [SE Log Connect AG]	
	Gotenstraße 14 20097 Hamburg Germany	Schober International Speditions- und Logistik GmbH	Hamburg
	Gewerbepark Bliesen 1 66606 St. Wendel Germany	F-Logistik GmbH	Sankt Wendel

[5] *Austria and Hungary data was reported together on Entity level (Fracht FWO GmbH)*

Country	Legal Entity HQ	Entity (and SE + SSE)	Site details
	Hauswiesenweg 3-5 2463 Gallbrunn Austria	Peace Line (Shipping GmbH)	Hamburg
Austria[5]	Hauswiesenweg 3-5 2463 Gallbrunn Austria	Fracht FWO GmbH	Gallbrun
			Vienna (Airport)
	Hauswiesenweg 3-5 2463 Gallbrunn Austria	Billitz GmbH [SE Fracht FWO GmbH]	Gallbrun
			Hirtenberg
Hungary	Fő tér 24 8500 Papa Hungary	Billitz Hungaria & Partner KFT [SSE Fracht FWO GmbH]	Papa
Italy	Via G. Verga 22 20045 Lainate, MI Italy	Fracht Italia SRL	Genova
			Verona
			Milano (Lainate)
Portugal	Aviz Trade Center, Rua Engenheiro Ferreira Dias No. 924 - L3 4100-246 Porto Portugal	Fracht Portugal	Porto Lisbon
Spain	Gran Vía Don Diego López de Haro 17-6°, 613 48001 Bilbao, Vizcaya Spain	Fracht Project Logistics SL	Bilbao (Abando)
			Barcelona
			Madrid
Czech Republic[6]	Zdebradska 72 251 01 Ricany-Jazlovice Czech Republic	Fracht FWO Czech s.r.o.	Ricany
			Valasske Mezirici
Romania	Calea Turzii 178K, Floor 1 400491 Cluj Napoca Romania	Fracht Romania SRL	Bucharest
			Cluj Napoca
			Constanța
			Timișoara
Pakistan*[7]	34-A/3 Lalazar Drive M.T.Khan Road, Karachi, Pakistan, 74000	Fracht Pakistan	Karachi
Australia*[8]		Fracht Property Unit Trust	
		Fracht Australia Property Holdings Pty Ltd	

[6] *Data not reported for this report, this data would be integrated in subsequent reports.*
[7] *Excluded from the analysis*
[8] *Excluded from the analysis*

27 | METHODOLOGICAL NOTE

GHG ACCOUNTING APPROACH

Our carbon analysis is conducted in alignment with the Greenhouse Gas (GHG) Protocol, the globally recognised standard for measuring and managing greenhouse gas emissions. This framework provides a comprehensive and systematic approach to identifying, calculating, and reporting emissions, ensuring consistency, transparency, and credibility.

THE GHG PROTOCOL DIVIDES EMISSIONS INTO THREE DISTINCT SCOPES:

Scope 1

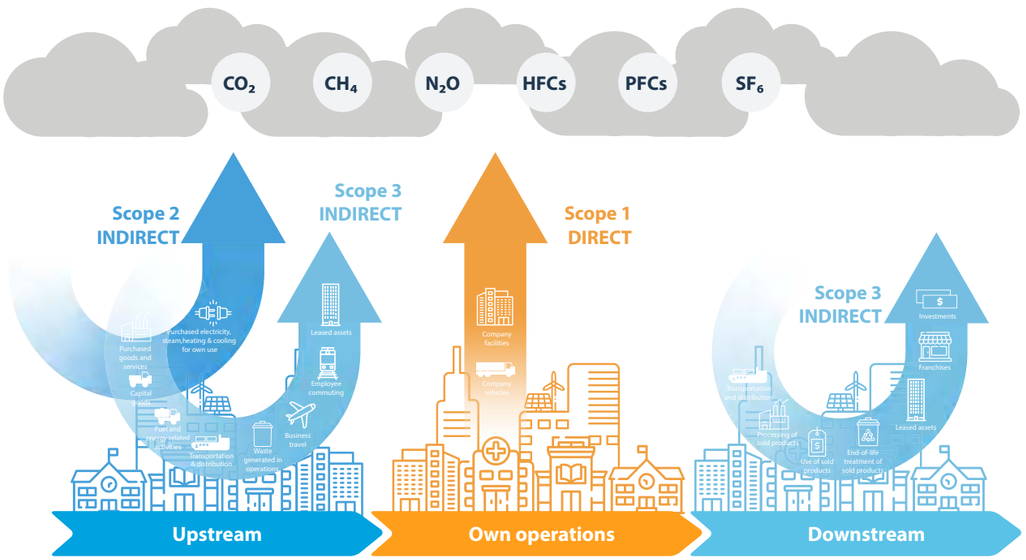
Direct emissions from sources owned or controlled by the company, such as fuel combustion in facilities or vehicles.

Scope 2

Indirect emissions from the generation of purchased electricity, steam, heat, or cooling consumed by the company.

Scope 3

Other indirect emissions that occur across the value chain, including upstream and downstream activities such as procurement, waste management, business travel, and product use.



This methodology allows us to measure our carbon footprint holistically, identify key drivers of emissions, and prioritise reduction strategies effectively. By adhering to the *GHG Protocol*, we ensure our reporting meets industry standards and aligns with stakeholder expectations, supporting our commitment to transparency and accountability in addressing climate change.

To calculate emissions high-quality activity data from internal and external sources were used, applying scientifically validated emission factors provided by authoritative databases such as the *Intergovernmental Panel on Climate Change* (IPCC) and national inventory reports. Where direct data were unavailable, well-documented estimation methods aligned with *GHG Protocol guidelines* were used, to ensure accuracy and comparability.

VSME

At Fracht, we are voluntarily preparing a sustainability report in accordance with the VSME Standard, a framework tailored for small and medium-sized enterprises. This initiative supports our proactive alignment with the upcoming Corporate Sustainability Reporting Directive (CSRD) requirements, which will apply to many of our partners and stakeholders across regions.

While the VSME standard is not legally binding, it offers a structured and proportionate way for us to disclose key environmental, social, and governance (ESG) information. It mirrors the core principles of the European Sustainability Reporting Standards (ESRS) but is scaled to fit the realities of SMEs operating globally.

THE VSME STANDARD CONSISTS OF TWO COMPONENTS:

The Basic Module
which includes essential sustainability disclosures B1-B11, across environmental, social, and governance topics that cover topics as under:

- General: basis for preparation, sustainability practices (B1–B2)
- Environment: energy, emissions, pollution, biodiversity, water, waste (B3–B7)
- Social: workforce demographics, health & safety, pay, training (B8–B10)
- Governance: anti-corruption incidents (B11)

The Comprehensive Module
provides additional in-depth data points for businesses responding to investor or large client requirements. It adds nine additional disclosures, labelled C1 to C9, covering the following topics:

- Strategy & Transition (C1–C2)
- Advanced Climate Data: scope 3 emissions, climate risks, GHG targets (C3–C4)
- Expanded Social Metrics: human rights policies, severe incidents (C5–C7)
- Governance: sectoral revenue transparency, board diversity (C8–C9)

This first report has followed the *Basic Module principle and includes additional data points under the Comprehensive module*. It acts as a proportionate starting point, **focused on the most material indicators such as energy and emissions (scope 1, 2 and 3), workforce data, health and safety, diversity, and governance integrity.**
Additionally, it enables us to meet **growing transparency expectations while laying the groundwork for future expansion** of our reporting scope.

GRI (GLOBAL REPORTING INITIATIVE)

The Global Reporting Initiative (GRI) is the world's most widely adopted sustainability reporting framework, used by over 10,000 organisations in more than 100 countries. Developed by the *Global Sustainability Standards Board* (GSSB), the GRI Standards provide **a globally recognised structure for disclosing an organisation's impacts on the environment, society, and the economy**. The standards help companies respond to growing stakeholder expectations by delivering transparent, comparable, and decision-useful. Although this report is not yet formally aligned to the GRI Standards, its content and structure are informed by key GRI principles, especially around impact-based materiality and disclosure on topics such as climate, labour, and governance. GRI is methodologically aligned with the GHG Protocol, which forms the basis of Fracht's emissions reporting, and is also broadly compatible with the *European Sustainability Reporting Standards* (ESRS) under the *Corporate Sustainability Reporting directive*.

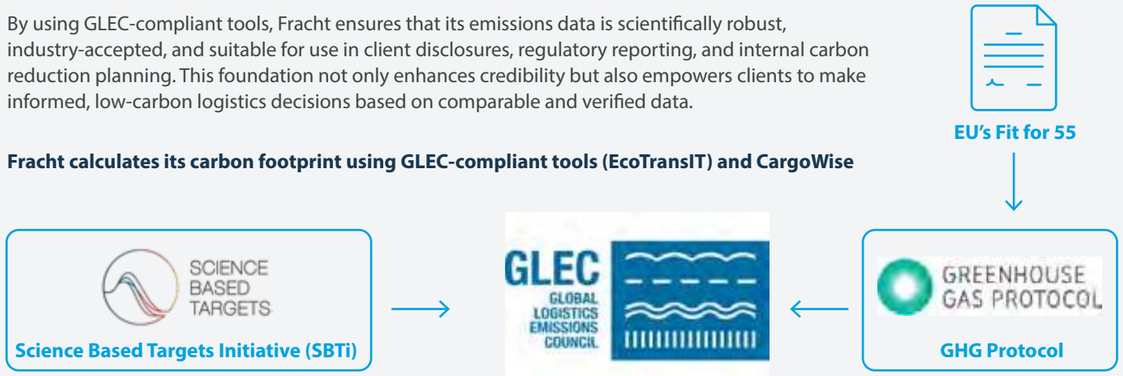
ALIGNMENT WITH THE GLEC FRAMEWORK

Fracht's upstream transport carbon footprint calculations are conducted using EcoTransIT and integrated into its operational workflows via CargoWise, both of which are aligned with the *Global Logistics Emissions Council* (GLEC) Framework. Developed by the Smart Freight Centre, GLEC is the only globally recognised methodology for the consistent calculation and reporting of greenhouse gas emissions across all modes of freight transport—including road, rail, air, sea, and inland waterways.

GLEC plays a critical role in logistics by providing a harmonised standard that enables logistics providers, shippers, and regulators to compare emissions across supply chains, modes, and geographies. Its adoption promotes transparency, accelerates decarbonisation, and supports alignment with initiatives such as the *Science Based Targets initiative* (SBTi) and the EU's Fit for 55 policy package.

By using GLEC-compliant tools, Fracht ensures that its emissions data is scientifically robust, industry-accepted, and suitable for use in client disclosures, regulatory reporting, and internal carbon reduction planning. This foundation not only enhances credibility but also empowers clients to make informed, low-carbon logistics decisions based on comparable and verified data.

Fracht calculates its carbon footprint using GLEC-compliant tools (EcoTransIT) and CargoWise



ESRS ALIGNMENT AND FUTURE COMPLIANCE

The *European Sustainability Reporting Standards* (ESRS) are the mandatory reporting framework under the *Corporate Sustainability Reporting Directive* (CSRD), adopted by the European Union to ensure standardised, comprehensive, and comparable sustainability disclosures across companies operating in the EU. Developed by EFRAG (European Financial Reporting Advisory Group), the ESRS covers both impact and financial materiality, requiring companies to disclose not only how sustainability topics affect them, but also how their operations impact people and the planet.

This report does not claim full alignment with the ESRS, it has been structured to reflect core ESRS principles. The report aims to reference the *GHG Protocol*, draw on the VSRS framework, and facilitate a formal double materiality assessment. Fracht is actively preparing to meet the upcoming *CSRD requirements*, and this report aims to build reporting readiness and improve data maturity for future compliance readiness.

MATERIALITY AND SCOPE DEFINITION

This report serves as a foundation for double materiality integration. A formal Double Materiality Assessment (DMA) is underway and will be finalised in a future phase. The material topics identified in this report reflect a preliminary internal prioritisation based on stakeholder relevance and management input. The current DMA is not audit-ready, as stakeholder interviews and formal scoring have not yet been completed.

METHODOLOGY AND VERIFICATION LIMITATIONS AND DISCLOSURES

This report has been prepared in alignment with emerging sustainability reporting requirements under the Corporate Sustainability Reporting Directive (CSRD) and informed by the European Sustainability Reporting Standards (ESRS). While formal compliance will begin in future reporting cycles, this report reflects a readiness exercise to progressively integrate the expectations of double materiality, reporting relevance, and supply chain transparency.

REPORTING SCOPE AND BOUNDARY

This report covers data for the calendar year 2024, with selected historical data referenced where available. The scope includes:

Fracht AG

- Austria and Hungary (have been considered as a single entity under Fracht FWO GmbH)
- Financial data for Fracht FWO Czech s.r.o., Schober International Speditions- und Logistik GmbH & Fracht FWO AG has been used form 2023
- No current data included for Log Connect AG, Fracht FWO Czech sro, nor Fracht Pakistan.
- No data included for Fracht Property Unit Trust – Australia or Fracht Australia Property Holding

The boundary is defined based on **operational control**, meaning entities are included if Fracht has management authority over operations and data reporting. The reporting includes only owned and not third-party managed logistics and service sites, where operational influence allows for data collection.

DATA SOURCES AND VERIFICATION APPROACH

Primary data was collected through a combination of:

- Standardised surveys distributed across entities
- Direct input through interviews & email communications from the Board, sustainability ambassadors, country representatives, and departments including marketing, finance, and HR
- Workshops, interviews, observations, and review of the internal Power BI - SDG dashboard

Secondary data sources included:

- Desk-based research using peer reports, public census data, regulatory datasets, industry publications, and Fracht's internal documentation including Fracht Network & Yload – Internal communication network.

Data was validated through multiple internal review cycles, including coordination with local teams and management-level review. Final figures and narratives were cross-checked by the core reporting team and validated with key stakeholders before inclusion. No external assurance has been conducted at this stage, though this may be considered in future reporting cycles, in line with company priorities.

FORWARD-LOOKING DISCLAIMER

This report represents Fracht's first consolidated disclosure. As data systems improve and internal processes mature, certain indicators and methodologies may be revised in future cycles. The 2024 reporting year has been established as the baseline year for emissions calculations and sustainability data consolidation across the covered entities. Subsequent reports will reflect enhanced accuracy, broader coverage, and progress toward reduction targets.

28 | VSRS CROSS-REFERENCE TABLE

BASIC MODULE - GENERAL INFORMATION

B1. Basics for preparation	Remark	Chapter
Disclose which option has been selected for reporting: - OPTION A: Basic Module - OPTION B: Basic Module and Comprehensive Module	Option A - Basic module additonal data points disclosed from the Comprehensive module	Chapter 27, p149 - Methodological Note
If applicable, disclose the data points that are not reported as it is deemed classified or sensitive information		
Is the sustainability report prepared on an individual basis or on a consolidated basis?	Consolidated basis	Chapter 1, p10 - We are Fracht AG
If case of a consolidated sustainability report, list of subsidiaries including registered address	Included in the report	Chapter 26, p146 - 147 - Company profile
Undertaking's legal form	AG – Aktiengesellschaft - Company limited by shares or public limited company	Chapter 1, p2 - We are Fracht & Cover page
NACE sector classification code(s)	52.2.5.0 - Logistics services H52.2.9 - Other transportation support activities	Cover page, p2
Size of balance sheet (in Euro)	€ 253.982.323,18	Chapter 4, p39 - Fracht in figures
Turnover (in Euro)	€ 505.513.004,30	Chapter 4, p39 - Fracht in figures
Net revenue (in Euro)	€ 85.132.092,57	Chapter 4, p39 - Fracht in figures
Number of employees in headcount or full time equivalents	421,83	Chapter 4, p39 - Fracht in figures
Country of primary operations and location of significant asset(s) (addresses from all locations)	Included in the report	Chapter 26, p146 - 147 - Company profile
Geolocation of sites owned, leased or managed	Included in the report	Chapter 32, p170 - 171 - Geolocation of all the offices/ sites
When applicable, brief description of sustainability-related certification or label (including the issuers of the certification or label, date an rating score)	ISO 9001; ISO14001; ISO 45001 Ecovadis ratings	Chapter 8, p65 - Fracht's commitment to Net zero

B2. Practices, policies and future initiatives for transitioning towards a more sustainable economy	Remark	Chapter
Explanation if the undertaking has put in place specific **practices** for transitioning towards a more sustainable economy.	• SBTi commitment • SDG allignment • Fracht Four strategy • Fleet decarbonisation efforts • Energy efficiency • Procurement practices • Supplier engagement • Employee training	Chapter 16, p108 - 111 - Emission reduction in logistics
Explanation if the undertaking has put in place specific **policies** for transitioning towards a more sustainable economy.	Global policy implementation • Global sustainbility policy • Code of conduct • Supplier code of conduct • Global social policy • Global environment policy • Responsible purchasing policy	Chapter 5, p42 - 43 - 2024 highlight
Explanation if the undertaking has put in place specific **future initiatives** for transitioning towards a more sustainable economy.	Sustainability practices • Global sustainbility policy • Ecovadis manual • Carbon calculation using GHG protocol principles • Green logistics • Managing emission factors • Carbon transparency on invoices • Employee engagement and community activities	Chapter 16, p42 - 43 - Emission reduction in logistics Chapter 5, p108 - 111 - 2024 highlight
Explanation if the undertaking has put in place specific **targets** for transitioning towards a more sustainable economy.	• SDG PowerBI dashboard - monitoring local initiatives • SBTi allignment • Carbon calcuation and reduction strategy	chapter 16, p100 - Emission reduction in logistics Chapter 8, p64 - Fracht Commitment to net zero
See Appendix B, and paragraph 78 to report the data points above of B2.	• SBTi alignment • Sustainability policy • Environment policy • Global social policy • Responsible purchasing policy • Code of Conduct • Supplier code of conduct	chapter 16, p100 - Emission reduction in logistics Chapter 8, p64 - Fracht Commitment to net zero Chapter 21, p124 - 125 - Ethics and Compliance
If the undertaking also reports on the Comprehensive module, it shall complement the information provided under B2 with the datapoints found in C2.	Additional Data points in C2 disclosed	

BASIC MODULE - ENVIRONMENT METRICS

B3. Energy and greenhouse gas emissions	Remark	Chapter
Total electricity consumption in MWh: Renewable + Non-renewable	• Renewable: 366,30 MWh • Non-renewable: 96,25 MWh	chapter 16, p104 - 105 - Emissions reduction in freight & logistics
Total fuels consumption in MWh: Renewable + Non-renewable	Non-renewable: 563,43 MWh	chapter 16, p102 - 103 - Emissions reduction in freight & logistics
Total energy consumption in MWh: Renewable + Non-renewable	• Renewable: 366,30 MWh • Non-renewable: 659,68 MWh	chapter 16, p102 - 105 - Emissions reduction in freight & logistics
Gross GHG emissions (in tons of CO_2e)	186.131,19 t CO_2e	chapter 16, p100 - 101 - Emissions reduction in freight & logistics
Scope 1 GHG emissions (in tons of CO_2e)	396,79 t CO_2e	chapter 16, p100 - 101 - Emissions reduction in freight & logistics
Scope 2 location-based GHG emissions (in tons of CO_2e)	84,96 t CO_2e	chapter 16, p100 - 101 - Emissions reduction in freight & logistics
GHG intensity based on turnover (in Euro)	0,95 t CO_2e/€M turnover	chapter 16, p108 - Emissions reduction in freight & logistics

B4. Pollution of air, water and soil	Remark	Chapter
Disclose the pollutants it emits to air, water and soil in its own operations, with the respective amount for each pollutant.	• CO (g/MWH): 26,17 • NMVOCs (g/GJ): 11,68 • NOx (g/GJ): 181,22 • SO_2 (g/GJ): 15,71 • PM_{10} (g/GJ): 6,76 • $PM_{2.5}$ (g/GJ): 6,76	

B5. Biodiversity	Remark	Chapter
The number and area (in hectares) of sites that the organisation owns, that it has leases, or that it manages, that are located in or near biodiversity sensitive areas	These topics are considered immaterial for Fracht as per the outcome of the DMA	
Total use of land (in hectares)	These topics are considered immaterial for Fracht as per the outcome of the DMA	
Total sealed area	These topics are considered immaterial for Fracht as per the outcome of the DMA	
Total nature-oriented area on site	These topics are considered immaterial for Fracht as per the outcome of the DMA	
Total nature-oriented area off site	These topics are considered immaterial for Fracht as per the outcome of the DMA	

B6. Water	Remark	Chapter
The total amount of water withdrawal	These topics are considered immaterial for Fracht as per the outcome of the DMA	N/A
Total amount of water withdrawn at sites located in areas of high water stress	These topics are considered immaterial for Fracht as per the outcome of the DMA	N/A
In case when production processes are in place, disclose the water consumption calculated as the difference between its water withdrawal and water discharge from its production processes.	These topics are considered immaterial for Fracht as per the outcome of the DMA	N/A

B7. Resource use, circular economy and waste management	Remark	Chapter
The undertaking shall disclose whether it applies circular economy principles and, if so, how it applies these principles.	• Supplier code of conduct • Responsible purchasing policy • Employee engagement	Chapter 21, p124 - 125 - Ethics and Compliance
Total annual generation of waste broken down by type (non-hazardous and hazardous)	• Non-hazardous: Currently this data is not available, Fracht will work towards reporting on this in next cycles. • Hazardous: N/A	
Total annual waste diverted to recycling or reuse	Currently this data is not available, Fracht will work towards reporting on this in next cycles	
If the undertaking operates in a sector using significant material flows (for example manufacturing, construction, packaging or others), the annual mass-flow of relevant materials used.	These topics are considered immaterial for Fracht as per the outcome of the DMA	N/A

BASIC MODULE - SOCIAL METRICS

B8. Workforce - General characteristics	Remark	Chapter
Headcount or FTE per type of employment contract (temporary or permanent)	• Permanent: 421,83 • Temporary: 0	Chapter 4, p38 - 39 - Fracht in figures
Headcount or FTE per gender (female - male)	• Female: 152,66 • Male: 258,43	Chapter 4, p38 - 39 - Fracht in figures
Headcount or FTE per country of the employment contract	• Fracht Project Logistics SL: 16 • Schober International Speditions- und Logistik GmbH: 8 • Fracht FWO AG: 122 • Fracht Portugal: 9 • Fracht Italia SRL: 46 • Fracht Romania SRL: 15 • Fracht FWO GmbH: 24,83 • Fracht AG Switserland: 170 • Log Connect AG [SE Fracht AG Switzerland]: Not available • Fracht FWO Czech s.r.o.: 11	Chapter 4, p38 - 39 - Fracht in figures
If company > 50 employees: employee turnover rate	Employee turnover rate is currently available per entity and not for the region as a whole. • Fracht Project Logistics SL: 12,5 • Schober International Speditions- und Logistik GmbH: 0 • Fracht FWO AG: 7,4 • Fracht Portugal: 0 • Fracht Italia SRL: 2,8 • Fracht Romania SRL: 26,6 • Fracht FWO GmbH: 0 • Fracht AG Switserland: 10 • Log Connect AG [SE Fracht AG Switzerland]: 0 • Fracht FWO Czech s.r.o.: 0	

B9. Workforce - Health and safety	Remark	Chapter
Number and rate of recordable work-related accidents	Zero	Chapter 13, p88 - Health and safety
Number of fatalities as a result of work-related injuries and work-related ill-health	Zero	Chapter 13, p88 - Health and safety

B10. Workforce - Remuneration, collective bargaining and training	Remark	Chapter
Disclose wether the employees receive pay that is equal or above applicable minimum wage for the country it reports in, determined directly by the national minimum wage law or through a collective bargaining agreement	Entities operate within jurisdictions covered by EU or EEA regulations. Disclaimer added for entities that do not.	
Disclose wether disclosure requirement 42a is determined based on national minimum wage or through collective bargaining agreements	Entities operate within jurisdictions covered by EU or EEA regulations. Disclaimer added for entities that do not.	
If headcount is above 150 employees disclose the percentage gap in pay between female and male employees.	Currently this data is not available, Fracht will work towards reporting on this in next cycles.	
The percentage of employees covered by collective bargaining agreements	This data is not available for all entities hence inconclusive, most of the entities fall under European jurisdiction excluding Fracht France sub entities, hence it can not be concluded that all entities abide by the european law.	Chapter 12, p87 - Human rights in logistics & supply chains
Average number of annual training hours per employee, broken down by gender	Female: 13,79 Male: 14,21 Currently this data is not available for all entities (Fracht AG Switzerland), hence cumulative average is calculated based on information available.	Chapter 11, p83 - Diversity, equity & inclusion

BASIC MODULE - GOVERNANCE METRICS

B11. Convictions and fines for corruption and bribery	Remark	Chapter
In case of convictions and fines in the reporting period, the undertaking shall disclose the number of convictions, and the total amount of fines incurred for the violation of anti-corruption and anti-bribery laws.	Zero	Chapter 21, p129 - Ethics and compliance

COMPREHENSIVE MODULE - GENERAL INFORMATION

C1. Strategy: Business Model and Sustainability - Related initiatives	Remark	Chapter
Description of significant groups of products and/or services offered	Logistics services including freight transport and cargo bookings	Chapter 1, p10 - 11 - We are Fracht AG
Description of significant market(s) the undertaking operates in (such as B2B, wholesale, retail, countries)	• Alternative & Renewable Energies • EPC Contractors • Pharma & Health care • Mining • Commodity & Trading • Railway & Rolling stock • Chemical industry • Consumer Goods & Retail • Defence & Government	Chapter 25, p140 - 141 - Stakeholder engagement and partnerships
Description of main business relationships (such as key suppliers, customers distribution channels and consumers)	Fracht value chain, stakeholder enagagement and affected parties	Chapter 25, p140 - 141 - Stakeholder engagement and partnerships Chapter 6, p46 - 47 - Our values
If the strategy has key elements that relate to or affect sustainability issues, a brief description of those key elements.	Fracht Four and alignment with SDG's	Chapter 3, p16 - 23 - Strategy towards a sustainble tomorrow

C2. Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Remark	Chapter
If the undertaking has put in place specific practices, policies or future initiatives for transitioning towards a more sustainable economy, which it has already reported under disclosure B2 in the Basic Module, it shall briefly describe them. The undertaking may use the template found inparagraph 213 for this purpose.	• Policy targets • Emission reduction targets	Chapter 16, p108 - 111 - Emission reduction in logistics
The undertaking may indicate, if any, the most senior level of the undertaking accountable for implementing them.	Rudolf Reisdorf - Owner	Chapter 20, p122- Governance and oversight

COMPREHENSIVE MODULE - ENVIRONMENTAL METRICS

C3. GHG reduction targets and climate transition	Remark	Chapter
Target year and target year value	• Scope 1 and 2 in 2034: 198,48 tCO2e • Scope 3 in 2034: Suppliers responsible for 70% of scope 3 emissions aligned with SBTi	Chapter 16, p100 - Emission reduction in logistics
The base year and base year value	Base year: 2024 Base year value: • Scope 1 and 2: 481,7 tCO_2e • Scope 3: 185.649,44 tCO_2e	Chapter 16, p109 - Emission reduction in logistics
The units used for targets	t CO_2e	Chapter 16, p100 - 101 - Emission reduction in logistics
The share of the Scope 1, Scope 2 and, if disclosed, Scope 3 that the target concerns	Scope 1 and 2: 100% Scope 3: 100%	
List of main actions it seeks to implement to achieve its targets.	Scope 1 and 2: • Fleet Decarbonisation • Energy Efficiency in Owned Facilities • Renewable Energy Procurement • Energy Efficiency Initiatives Scope 3: • Supplier Engagement Programme • Carbon Data Transparency • Sustainable Transport Procurement • Modal Shift Strategies • Data-Driven Emissions Reductions	Chapter 16, p108 - 111 - Emission reduction in logistics
If active in high impact sector (NACE) and you already have a transition plan for climate change mitigation. How are you contributing to reduce GHG emissions?	Fracht falls under High Impact sector - H Transport and Storage • Supplier Engagement Programme • Carbon Data Transparency • Sustainable Transport Procurement • Modal Shift Strategies • Data-Driven Emissions Reductions	
If active in high impact sector (NACE), but no transition plan is yet in place, when will the plan be adopted?	2025	

C4. Climate risks	Remark	Chapter
If climate related transition events or climate related hazards are identified	None identified at this stage of reporting	
• describe the hazards/events	None identified at this stage of reporting	
• disclose how it has assessed the exposure and sensitivity of its assets, activities and value chain to these hazards and transition events	None identified at this stage of reporting	
• disclose the time horizons of any climate-related hazards and transition events identified; and	None identified at this stage of reporting	
• disclose whether it has undertaken climate change adaptation actions for any climate-related hazards and transition events.	None identified at this stage of reporting	
Potential adverse effect of physical risk, that may affect its financial performance or business operations in the short, medium or long term, with an indication as to whether the undertaking assesses that the risk is high/medium/low	None identified at this stage of reporting	

COMPREHENSIVE MODULE - SOCIAL METRICS

C5. Additional (general) workforce characteristics	Remark	Chapter
If > 50 employees: female-to-male ratio at management level	• Female managers: 13 • Female to male manager ratio is currently not available	Chapter 11, p82 - Diversity, equity & inclusion
If > 50 employees: number of self-employed without personnel that are working exclusively for the undertaking and temporary workers primarily engaged in employment activities	• Temporary employee count: 0 Does not include: • Log Connect AG [SE Fracht AG Switzerland] • Fracht FWO Czech s.r.o. • Fracht FWO GmBH	Chapter 10, p74 - Workforce development and wellbeing

C6. Additional own workforce information - Human rights policies and processes	Remark	Chapter
Does the undertaking have a code of conduct or human rights policy for its own workforce? (YES/NO)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Child labour (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Forced labour (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Human trafficking (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Discrimination (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Accident prevention (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Human trafficking (Yes/No)	YES	Chapter 5, p42 - 43 - Highlights
If yes, does this cover: Other (Yes/no - if yes, specify)	YES	Chapter 5, p42 - 43 - Highlights
Is there a complaint handling mechanism for its own workforce? (Yes/No)	YES - Fracht has a Whistle Blower platform in place for both internal and external reporting.	Chapter 12, p87 - Human rights in logistics and supply chains

C7. Severe negative human rights incidents	Remark	Chapter
Are there any confirmed incidents related to Child labour (Yes/No)	NO	Chapter 21, p129 - Ethics and compliance
Are there any confirmed incidents related to Forced labour (Yes/No)	NO	Chapter 21, p129 - Ethics and compliance
Are there any confirmed incidents related to Human trafficking (Yes/No)	NO	Chapter 21, p129 - Ethics and compliance
Are there any confirmed incidents related to Discrimination (Yes/No)	NO	Chapter 21, p129 - Ethics and compliance
Other? (Yes/No - if yes, specify)	NO	Chapter 21, p129 - Ethics and compliance
If yes, describe actions being taken to address these incidents	N/A	Chapter 21, p129 - Ethics and compliance
Is the undertaking is aware of any confirmed incidents in workers in the value chain, affected communities, consumers and end-users? If so, explain.	NO	

COMPREHENSIVE MODULE - GOVERNANCE METRICS

C8. Revenues from certain sectors and exclusion from EU reference benachmarks	Remark	Chapter
If active in this sector: revenues from controversial weapons	Fracht does not have revenues from controversial weapons - as per the information disclosed.	N/A
If active in this sector: revenues from cultivation and production of tobacco	Fracht is not involed in cultivation and production of tobacco hence this is immaterial.	N/A
If active in this sector: revenues from fossil fuel, including a disaggregation of revenues derived from coal, oil and gas	Fracht does not have revenues from controversial weapons - as per the information disclosed.	
If active in this sector: revenues from chemicals production	Fracht is not involed in chemical production hence this is immaterial.	N/A
The undertaking shall disclose whether it is excluded from any EU reference benchmarks that are aligned with the Paris Agreement.	Fracht is not excluded from any EU reference benchmarks that are aligned with the Paris Agreement.	N/A

C9. Gender diversity ratio in the governance body	Remark	Chapter
If the undertaking has a governance body in place, the undertaking shall disclose the related gender diversity ratio.	Currently no female in the board, but more than 10 female managers across entities	Chapter 11, p82 - Diversity, equity & inclusion

29 | REFLECTING ON PROGRESS, ACCELERATING THE PATH FORWARD

As we close our *Sustainability Report*, we do so with a sense of purpose, momentum, and clarity. The year 2024 marked a turning point for Fracht—not only as a business navigating complex global supply chains, but as a responsible actor redefining what it means to lead with sustainability in freight forwarding and logistics.
This report reflects a year of active listening, learning, and laying strong foundations for a more transparent, accountable, and future-focused Fracht.

PEOPLE

We advanced our efforts to foster a respectful, inclusive and resilient workplace. Initiatives around gender equity, mental health awareness, employee training, and stakeholder engagement deepened our people-first culture. Whistleblowing systems and company-wide social policies were further embedded, reinforcing our values of dignity and fairness.

PLANET & PROSPERITY

The climate strategy moved from intention to action. With the introduction of an integrated emissions calculation system across transport trajectories, green freight solutions are becoming measurable and actionable.

RESPONSIBILITY

Fracht reinforced its long-standing partnerships through investments in smart infrastructure, local community engagement, and ethical business practices. Whether through EcoVadis tracking, SDG-aligned actions, or ongoing supplier due diligence, we move closer to integrating sustainability across all value-creating activities.

NAVIGATING COMPLEXITY, MAINTAINING DIRECTION

2024 was also marked by evolving regulatory landscapes. With changes to the CSRD, the introduction of the CSDDD, and the possible adoption of the Omnibus Package, companies like Fracht faced uncertainty. Despite potential delays and shifting thresholds, we are choosing to move forward—applying the VSME framework and proactively engaging with ESRS principles. This approach ensures readiness, builds internal capacity, and upholds transparency in the eyes of clients, investors, and employees.

LOOKING AHEAD

The journey does not end here. In 2025 and beyond, Fracht will focus on:

- Submitting our SBTi commitment and setting verified emissions reduction targets
- Engaging deeply across our value chain to support supplier accountability and ESG maturity
- Embedding human rights and due diligence into logistics procurement and operations
- Expanding the use of renewable fuels and green routing through our freight engineering services
- Strengthening data governance to build trust and measure impact with confidence

Sustainability at Fracht is not an isolated function—it is a mindset that informs how we lead, invest, innovate, and collaborate.

As we continue this journey, we do so grounded in our values and inspired by the power of logistics to connect, uplift and transform. Together with our people, clients and partners, we are building a freight-forwarding model that is fit for the future: ethical, low-carbon, resilient and people-centred.

FRACHT FORWARD — WITH CLARITY, COMMITMENT, AND COLLECTIVE AMBITION.

30 | DEFINITIONS & GLOSSARY

DEFINITIONS

Term	Definition
1.5°C Pathway	A science-based trajectory to reduce global emissions in line with limiting global temperature rise to 1.5°C above pre-industrial levels.
CDP	Formerly the Carbon Disclosure Project, a disclosure system for companies to report environmental impact data.
Code of Conduct	Fracht's internal policy outlining ethical expectations, standards of behaviour, and compliance obligations for employees.
Corporate Social Responsibility (CSR)	A business approach contributing to sustainable development by delivering economic, social, and environmental benefits.
Corporate Sustainability Due Diligence Directive (CSDDD)	EU directive requiring companies to prevent, mitigate and account for human rights and environmental impacts in their value chain.
Corporate Sustainability Reporting Directive (CSRD)	EU regulation requiring detailed sustainability reporting aligned with ESRS.
Decarbonisation	The process of reducing carbon emissions through cleaner energy, efficiency, and low-carbon practices.
Double Materiality Assessment	A process to assess how sustainability issues impact a company financially and how the company impacts society and the environment.
EcoVadis	A global sustainability ratings platform assessing environmental, social, and ethical performance of companies and suppliers.
EFRAG	European Financial Reporting Advisory Group – drafts ESRS under the CSRD.
ESG Principles	Environmental, Social, and Governance criteria used to evaluate non-financial performance.
ESRS	European Sustainability Reporting Standards – the mandatory reporting framework under CSRD.
GHG Protocol	The most widely used international standard for calculating and reporting greenhouse gas emissions.
Global Logistics Emissions Council (GLEC)	A harmonised framework for calculating logistics emissions, aligned with the GHG Protocol.
Global Reporting Initiative (GRI)	The world's most widely used sustainability reporting framework for disclosing ESG performance.
Incoterms	International trade terms published by ICC defining buyer and seller responsibilities.
Net Zero	A state where all greenhouse gas emissions are balanced by removal or offsetting, achieving climate neutrality.
Operational Control	A boundary-setting method for reporting whereby a company includes entities it operates or manages.

Term	Definition
Paris Agreement	A legally binding international climate accord aiming to limit global temperature rise to below 2°C.
SBTi	Science Based Targets initiative – helps companies set emissions reduction targets aligned with climate science.
SAF (Sustainable Aviation Fuel)	Low-carbon aviation fuel made from renewable sources.
Supplier Code of Conduct	Policy setting environmental, social, and ethical expectations for Fracht's suppliers.
Sustainability Report	A structured document outlining an organisation's ESG performance and climate strategy.
United Nations Sustainable Development Goals (SDGs)	A set of 17 goals guiding global sustainable development to 2030.
VSME / VSRS	Voluntary Sustainability Model for Enterprises / Voluntary Sustainability Reporting Standard – tailored for SMEs.
We Mean Business Coalition	A global climate coalition uniting companies and NGOs in climate action.
WRI (World Resources Institute)	A research organisation focused on environmental and climate solutions.
WWF (World Wide Fund for Nature)	A leading NGO focused on nature conservation and environmental protection.

GLOSSARY

Abbreviation	Meaning
4PL	Fourth-Party Logistics provider
AEO	Authorised Economic Operator
BASF	Badische Anilin- und Sodafabrik
Cargowise	Freight forwarding and logistics management software
EPC	Energy performance Certificate
ETS	Emissions Trading System
EU	European Union
FTL	Full Truck Load
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
GLEC	Global Logistics Emissions Council
GRI	Global Reporting Initiative
HQ	Headquarters
IATA	International Air Transport Association
Incoterms	International Commercial Terms
IPCC	Intergovernmental Panel on Climate Change
ISO	International Organisation for Standardization
IT	Information Technology
LTL	Less than Truck Load
NGO	Non-Governmental Organisation
NVOCC	Non-Vessel-Operating Common Carrier
OECD	Organisation for Economic Co-operation and Development
QM	Quality Management
SAF	Sustainable Aviation Fuel
SDG	Sustainable Development Goal

Abbreviation	Meaning
SME	Small and Medium-sized Enterprise
SSC	Swiss Shippers Council
T1 Steel	Customs-related steel transport document
Turnover	Total revenue earned during a reporting period
VAT	Value Added Tax
WRI	World Resources Institute
WWF	World Wide Fund for Nature

31 | SOURCES, ECOSYSTEM & ADDITIONAL PUBLICATIONS

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ADDITIONAL SOURCES USED FOR DMA

Examples of internal sources:

- Fracht Group Global Social Policy
- Fracht Group Global Environmental Policy
- Fracht Group Global Fracht Code of Conduct
- Fracht Group Global Fracht Sustainability Policy
- Fracht Group Global Fracht Supplier Code of Conduct

Examples of external sources:

- SASB Materiality Finder
- EEA – Emissions of air pollutants from transport
- ETS 2: Buildings, road transport and additional sectors
- Water Risk Indicator
- Global Living Wage
- Labor & Human Rights – WWF Risk Filter
- Corruption Perception Index

32 | GEOLOCATION OF ALL THE OFFICES/SITES

Country	City	Address	Latitude	Longitude
Switzerland	Basel	Birsigstrasse 79, P.O. Box, 4002, BASEL, SWITZERLAND	47,5526	7,589
Switzerland	Basel	St-Jakobs-Strasse 200, 4052, BASEL - WOLF, SWITZERLAND	47,541	7,6204
Switzerland	Baden	Haselstrasse 1, 5400, BADEN, SWITZERLAND	47,474	8,305
Switzerland	Embrach	Embraport, 8424, EMBRACH, SWITZERLAND	47,51	8,591
Switzerland	Pratteln	Niderfeldstrasse 5, 4133, PRATTELN, SWITZERLAND	47,521	7,696
Switzerland	Mendrisio	Via Moree 16, 6850, MENDRISIO, SWITZERLAND	45,87	8,98
Switzerland	Le Grand-Saconnex	Voie-des-Traz 20, 1211, LE GRAND-SACONNEX, SWITZERLAND	46,2315	6,1083
Switzerland	Wallisellen	Seidenstrasse 4, 8304, WALLISELLEN, SWITZERLAND	47,414	8,576
Switzerland	Rapperswil	Alte Jonastrasse 83, 8640, RAPPERSWIL, SWITZERLAND	47,228	8,825
Germany	Berlin	Landsberger Straße 218, 12623,BERLIN, DEUTSCHLAND	52,5086	13,5269
Germany	Chemnitz	Neefestraße 88, 13. Floor, 09119, CHEMNITZ, DEUTSCHLAND	50,825	12,89
Germany	Düsseldorf	Parsevalstraße 9b, 40468, DÜSSELDORF, DEUTSCHLAND	51,28	6,76
Germany	Kelsterbach	Langer Kornweg 7, 65451, KELSTERBACH, DEUTSCHLAND	50,06	8,53
Germany	Mannheim	Markircher Straße 13, 68229, MANNHEIM, DEUTSCHLAND	49,45	8,535
Germany	Nürnberg	Rotterdamer Straße 7, 90451, NÜRNBERG, DEUTSCHLAND	49,43	11,04
Germany	Stuttgart	Bockelstraße 146, 70619, STUTTGART, DEUTSCHLAND	48,75	9,22
Germany	Warthausen	Mälzerstraße 6, 88447, WARTHAUSEN, DEUTSCHLAND	48,105	9,795
Germany	Rielasingen-Worblingen	Zollstrasse 5, 78239 Rielasingen-Worblingen, Germany	47,7365	8,8451
Germany	St. Wendel	Gewerbepark Bliesen 1, 66606, ST. WENDEL, GERMANY	49,4741	7,1634
Germany	Hamburg	Gotenstr. 14, 20097, HAMBURG, GERMANY	53,553	10,026

Country	City	Address	Latitude	Longitude
Austria	Schwechat	1300, SCHWECHAT, ÖSTERREICH	48,11	16,57
Austria	Gallbrunn	Hauswiesenweg 3-5, 2463 Gallbrunn, Austria	48	16,7
Austria	Hirtenberg	Leobersdorfer Straße, 2552, HIRTENBERG, ÖSTERREICH	47,95	16,18
Hungary	Papa	Fő tér 24, 8500 Papa, Hungary	47,33	17,47
Italy	Genova	Piazza della Vittoria 11/11, 16121, GENOVA, ITALY	44,4071	8,933
Italy	Affi	via Giovanni Pascoli 4/F , 37010, AFFI, ITALY	45,554	10,736
Italy	Lainate	Via Giovanni Verga 22, 20045, LAINATE (MI), ITALY	45,5394	9,0347
Portugal	Porto	Aviz Trade Center, Rua Engenheiro Ferreira Dias No. 924 - L3, 4100-246 Porto, Portugal	41,1689	-8,6252
Portugal	Alverca do Ribatejo	RUA Maria da Glória da Silva Monteiro, Nº 2, 1º Piso, 2615-387, ALVERCA DO RIBATEJO, PORTUGAL	38,889	-9,034

33 | ACKNOWLEDGEMENTS

Fracht would like to express its sincere appreciation to all those who contributed to the development of this 2024 regional sustainability report—a first-of-its-kind effort to consolidate financial and non-financial information across Fracht AG.

CONTRIBUTORS & STAKEHOLDERS

We thank:

- **All local entities** and their teams for contributing operational, HR, environmental, and financial data under tight timelines.
- The **Sustainability Ambassadors** and **Country Representatives** who coordinated data gathering and stakeholder engagement across entities.
- Our **external partners** and client stakeholders who shared valuable input and feedback that helped shape the relevance of this report.
- The **policy owners and ESG leads** for enabling consistent application of global sustainability policies and commitments.
- All those involved in designing and populating the **Power BI SDG dashboard** and **emissions tracking infrastructure**, which served as the backbone of transparency for this report.

Concept, design and edit by:

The Ecological Entrepreneur (WNB BV), Antwerp, Belgium

Management oversight :

Amaury Luyckx, Managing Director - Polytra NV, Antwerp, Belgium

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STRATEGIC GUIDANCE

We especially acknowledge **Rudolf Reisdorf**, Owner of Fracht, for his ongoing leadership in promoting sustainability as a strategic imperative across the company, and for supporting transparency and cross-company collaboration.

This report reflects our shared journey to embed sustainability into every layer of our operations, and we look forward to building on this momentum in the years ahead.

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