



ESG REPORT 2021/22

Taking Responsibility





Dear reader,

Sustainable action and sustainable management have become one of the central challenges of our time. The awareness of their urgency has broadly prevailed. And indeed, sustainability is an end in itself. The Oxford English Dictionary defines “sustainable” as “the ability to continue for a long time”. That should be enough for us all to want to be sustainable – consider the alternative: If any activity is not sustainable it will cease. By definition.

For us as a company whose aim is to create added value this means that our stakeholders must always be at the centre of our interest, particularly in all questions of sustainability – be it our customers, employees, investors or the environment. None of them is more important to us than the other. Through our way of working both as an employer and as a supplier, we will aim to support their collective goals, demands and needs. In 2021 and 2022 we took further steps on our road to sustainability, some of which were quite significant.

In 2022, South Pole, our climate solutions provider and developer of emission reduction projects, declared that Transporeon had achieved climate neutrality in 2021. But we will not stop there. We will continue to reduce our CO² emissions and we have chosen to do so according to scientific guidelines. That is why we committed to the criteria of the Science-based Target Initiative (SBTi).

Yet we moved forward as a solution provider as well, enabling our customers to reduce their emissions drastically. We rolled out our pioneering Carbon Visibility Dashboard to all customers worldwide. With this tool, they will be able to predict and optimise their CO²-emissions when planning their transport assignments. And they can do this as of today, long before the EU's Corporate Sustainability Reporting Directive and its climate policy "Fit for 55" will come into effect. In the six months since its roll-out already 190 of our customers have opted in. And we continue to provide our customers with better and better solutions in this field. In August 2022, Transporeon acquired Berlin-based start-up Tracks. The addition of this field of expertise into our team brings capability onto the platform that will enable our customers to set realistic CO² reduction targets and define improvements against them. And there will be more innovations to come – from our new agile developer tribe for sustainability solutions. Yet we know that sustainability is about more than CO² emissions. It is also about offering society-relevant added value as well as safe, healthy workplaces to employees and promoting diversity, equity, inclusion and belonging (DEIB) in one's organisation. We believe that discrimination and inequality can be fought most efficiently by knowledge and a better understanding for each other.

In a learning week centred around World Mental Health Day, we offered Transporeans a variety of courses and events on "well-being & resilience". Another learning week focused on DEIB in all its breadth and dimensions, a topic that already seems to be very well implemented at Transporeon in the eyes of our staff. In a recent pulse check that explicitly queried the topics of inclusion and diversity, Transporeon reached a very good Net Promoter Score of 44.

So, Transporeans seem to be quite satisfied with how things are managed in their company. That makes us very happy. And needless to say, we work hard every day to ensure that our customers are just as satisfied with us as our employees. To that end we handle their data with care and ensure confidentiality,

integrity and availability. Our business model is based on the exchange of information between different parties via a cloud-based communication platform. If we cannot ensure this exchange of information reliably, we severely disrupt the processes on the customer side – which is the opposite of sustainable. That's why we have a wide range of cyber security measures in place at Transporeon, from Secure Development Lifecycle and crisis management to continuous penetration testing.

We at Transporeon work hard every day to progress on our road to sustainability. And because we know that words are not enough when it comes to something as essential as sustainability, we have taken the step, with this year's report, towards quantifiable assessment. For the first time you will find selected KPIs to the Global Reporting Initiative (GRI) guidelines in this report. Another step on our road to sustainability. And there are lots more to come.

Yours

Stephan Sieber, CEO



Part 01

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Who we are and **what** we do for sustainability



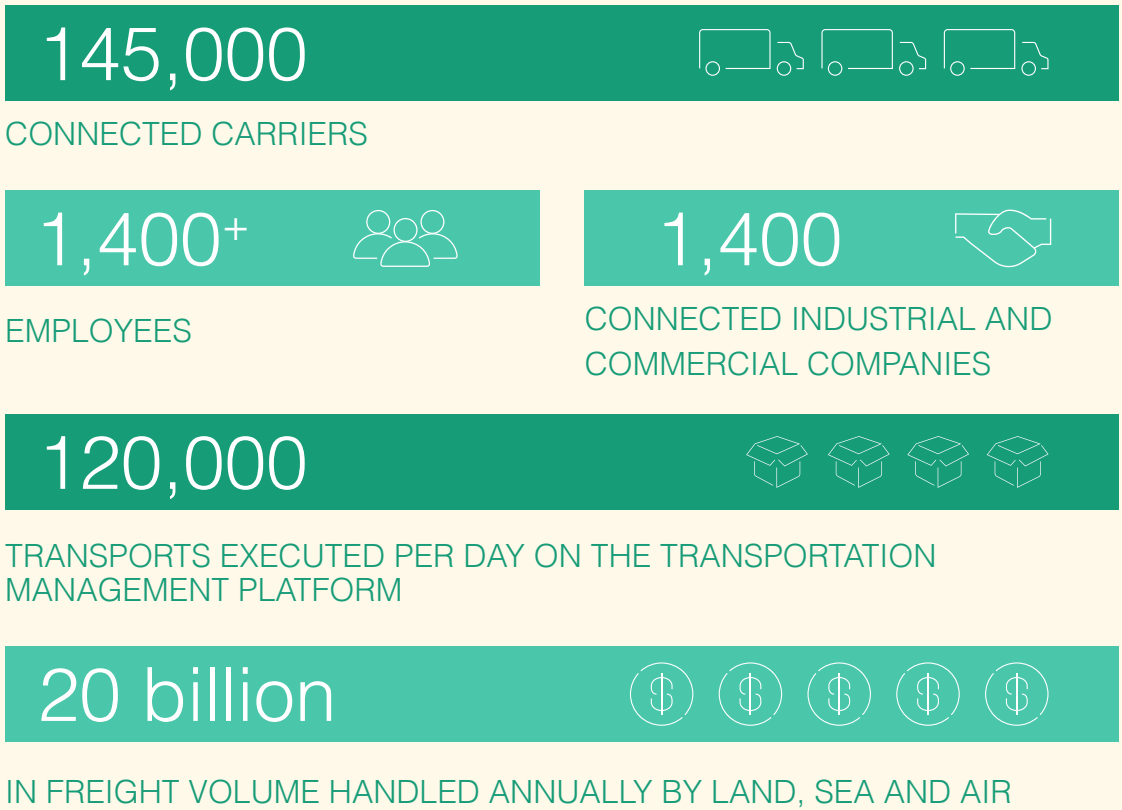
Who we are

At Transporeon, our mission is to bring transportation in sync with the world. We want idle assets, empty runs, lack of dynamic capacity, unnecessary waiting times and absence of cooperation to be a thing of the past. And we want to put economic and environmental sustainability at the heart of transportation. For this purpose, we power the largest digital global freight network for transportation across land, ocean and air.

Our Transportation Management Platform is fully equipped to meet modern supply chain needs, enabling transparent supply chains and efficient processes for all participants. And it is fully deployable across the globe for continent-spanning multi-modal coverage that can handle any load.

Headquartered in Ulm, Germany, Transporeon is international and cross-border. **Just like the global supply chains.**

Transporeon at a glance



What we do

For more than 20 years Transporeon has been connecting all stakeholders in the transport chain – manufacturers, shippers, suppliers, retailers, consignees, and freight forwarders. Together with them, we are transforming the way companies move, manage and monitor freight globally, bringing transportation in sync with the world. We do this by reducing empty runs, minimising waiting times, reducing CO² emissions and avoiding manual processes. The activities of the companies connected to Transporeon simply become less error-prone and more productive with each transport cycle.

The key is our cloud-based platform. It provides all parties of the transportation system with end-to-end software solutions making transport logistics management more efficient: its modular tools and services cover market intelligence and benchmarking, freight procurement and rate management, transport execution, dock scheduling and yard management, tracking and visibility, freight settlement, payment, audit and carbon visibility combined with automated decision-making support based on artificial intelligence and machine learning.

With all these tools, the platform allows its participants to optimise the efficiency of their logistics to the maximum. A key factor for the success of manufacturing and trading companies worldwide – and a vital prerequisite for the climate targets agreed on in Paris in 2015 since the transport sector is accountable for almost 11% of CO² emissions globally.

Sustainability

Our Vision

Climate protection is one of the biggest and most important goals of our time. In an industry that is responsible for almost 11% of the world's total CO² production this calls for a serious change in its approach and the mentality of its stakeholders. With our products, we want to make this change happen while simultaneously helping companies to service their customer's needs, reduce their capital expenditure and remain competitive. But at the same time, we are aware of our responsibility for our own carbon footprint. That's why we will continue to reduce our CO² emissions.

Yet, we know that sustainability is about more than avoiding CO² emissions. It is also about offering its customers and society relevant added value as well as a safe workplace to its employees. All decisions and measures we take are therefore based on values that promote positive, joint development, and minimise risks. We focus our activities on all stakeholders of the company, customers, employees, investors and the local environment. We regard them as equals and want to harmonise their goals, demands and needs.

Only a strategy that meaningfully links all this deserves the label "sustainable".

At Transporeon, we are living this vision every day.

¹ Crippa, M., Guizzardi, D., Solazzo, E., Muntean, M., Schaaf, E., Monforti-Ferrario, F., Banja, M., Olivier, J.G.J., Grassi, G., Rossi, S., Vignati, E., GHG emissions of all world countries - 2021 Report, EUR 30831 EN, Publications Office of the European Union, Luxembourg, 2021; https://edgar.jrc.ec.europa.eu/country_profile

Our Strategy

We have a clear vision of how we want to be sustainable. We want to accomplish this goal with an equally clear strategy...

... as a company and as an employer

We know that if we want to increase our positive impact, we need to measure our performance in the areas of environmental and social sustainability as well as corporate governance. That is why we have started to collect and analyse data according to recognised standards.

To this end, Transporeon orients itself to the reporting principles defined by the Global Reporting Initiative (GRI), a non-profit organisation that provides an internationally recognised framework for sustainability reporting on governmental, economic, social and ecological levels. We defined a set of key performance indicators (KPIs) that we are reporting on in part II of this report. They reflect medium to long-term development towards a target and help us to monitor this very development.

Part of this is the behaviour of Transporeon as an employer. As we are aware that without our employees, without their skills and their ideas, the company could not sustainably achieve its goals, among the most important guidelines of our personnel practice is to deal with them fairly, trusting them and promoting them.

Moreover, Transporeon takes part in the 'Science Based Targets Initiative' (SBTi). The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science. It is focused on accelerating companies and financial institutions across the world to halve emissions before 2030 and achieve net-zero emissions before 2050.

Offering a range of target-setting resources and guidance, the SBTi also independently assesses and approves companies' targets in line with its strict criteria.

... for our customers

Transporeon brings together those involved in global logistics. With our cloud platform, we make the transport, storage and distribution of goods more efficient – for manufacturers, dealers and freight forwarders. We reduce empty runs, reduce waiting times and minimise manual processes for companies.

Within the Transporeon portfolio there are solutions specifically designed to aid enterprise in rationalising, optimising and improving their logistics flow with a specific focus on the calculation and reduction of CO² emissions.

In this way, we help companies to reduce their capital expenditure and their carbon footprint and to remain competitive. That's our mission, that's what we work for every day.

Sustainability

Our Policy

The positive impact of Transporeon on the economy, environment and people, including impact on their human rights are paramount, e.g.,

- Use of market intelligence for shippers and carriers to save time, money and pollutive emissions in transportation
- Sustainability trailblazers' perspectives on routes to decarbonising freight and achieving sustainability targets, displaying preferred alternatives to fossil fuels
- Shift in attitude towards sustainability from companies responsible for scope 1 emissions
- Network based transportation management platform with accurate real-time data, big data visualization tool and automation technologies to improve reliable, efficient, and CO² saving logistic processes
- Provision of a safe, modern, innovative workplace for 1400 (2022) colleagues all over the world.

Based on this valuable contribution to our customers, Transporeon as an organisation is committed to achieve all the ESG objectives in the long term and on a daily basis. The following topics constitute a basis for the assessment and continual improvement in our organisation:

Environment:

- Support decarbonisation of customers' operation with new functionalities on the platform
- Delivering certified customer solutions dedicated to measure, reduce and compensate CO² emissions
- Sustainable use of energy and water, avoidance of waste, protection of healthy ecosystems
- Reduction of own CO² emissions based on scientific validated calculation, strategy and target setting including direct and indirect emissions (scope 1-3)
- Own climate neutrality by compensating own unavoidable CO² emissions
- Intense cooperation with subject matter experts and third-party organisations (NGOs)

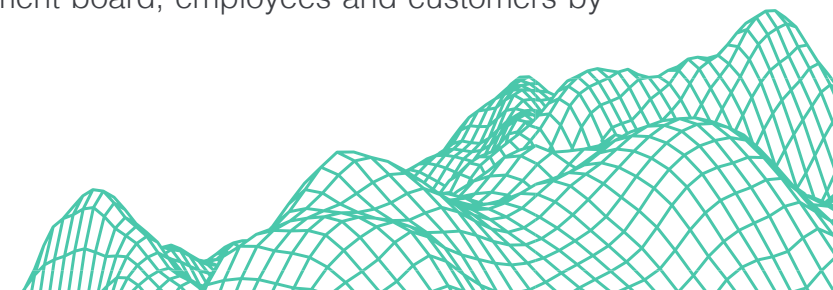
Social:

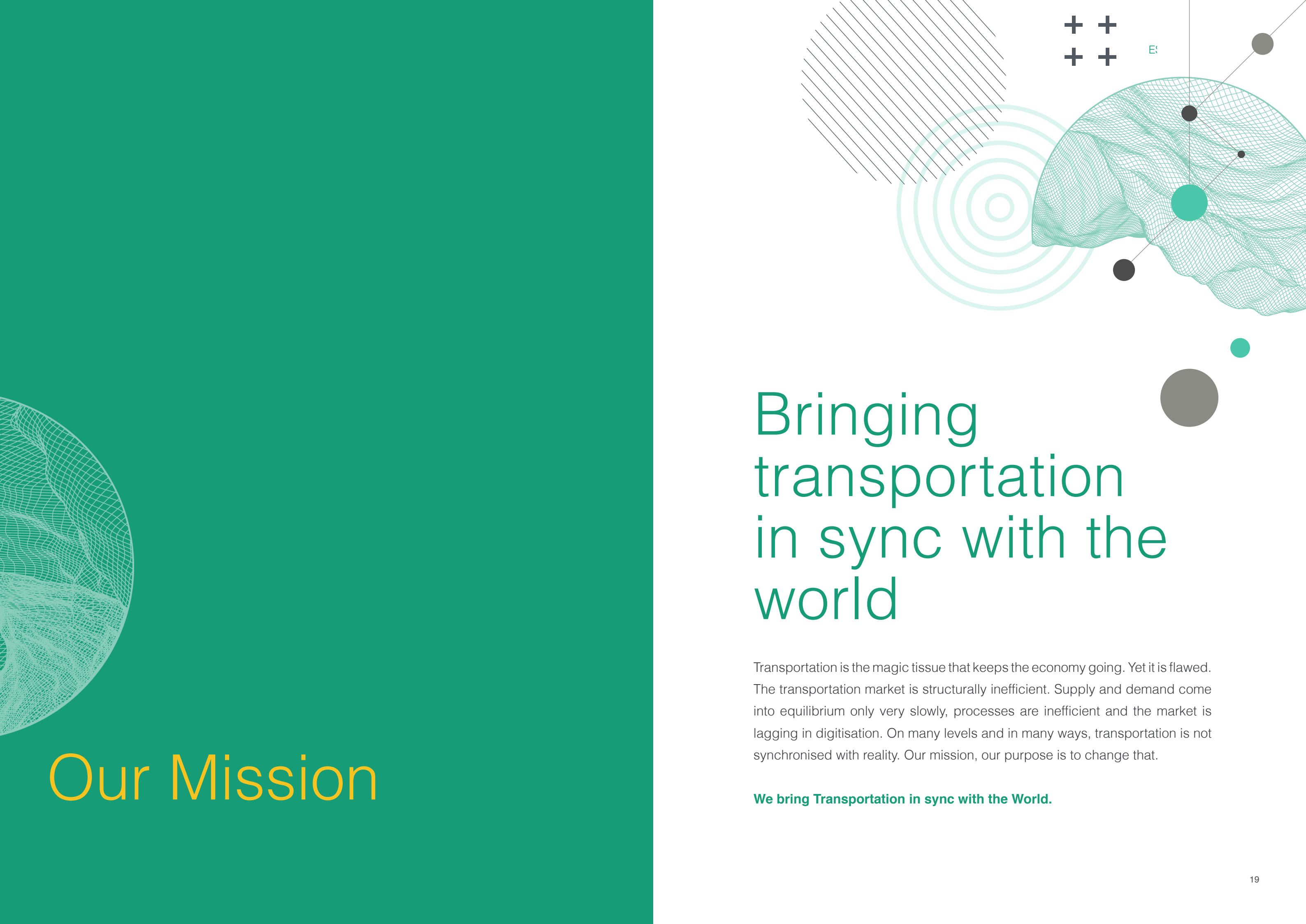
- Compliance with recognised labour and work safety standards
- Fair working conditions, appropriate remuneration
- Equivalent requirements to partners in the supply chain
- Positive relations to the interests of communities
- Diversity and inclusion
- Training & development opportunities

Governance:

- Good corporate governance
- Risk and compliance (including anti-corruption measures)
- Legal and tax honesty
- Cybersecurity and data protection
- Transparency

These targets have been discussed internally in various sessions with different stakeholders, such as the management board, employees and customers by using engagement surveys.





Our Mission

Bringing transportation in sync with the world

Transportation is the magic tissue that keeps the economy going. Yet it is flawed. The transportation market is structurally inefficient. Supply and demand come into equilibrium only very slowly, processes are inefficient and the market is lagging in digitisation. On many levels and in many ways, transportation is not synchronised with reality. Our mission, our purpose is to change that.

We bring Transportation in sync with the World.

Shortcomings in the transportation market are numerous: Idle assets, empty runs, lack of dynamic capacity, unnecessary waiting times and absence of collaboration are adding up to significant economic damage. In addition, a shortage of investment in digitisation has led to high administrative efforts, an excess of manual tasks, emotive decision-making, and the absence of actionable insights. On all levels, micro-and macro transportation seems to be slow at adapting with our reality.

As if that's not enough, there is environmental damage caused by an un-measured and un-contained level of CO² emissions. Moreover, with the CSRD (Corporate Sustainability Reporting Directive) coming into force in the EU in 2023, the pressure on companies to report CO² emissions from transport will increase. The "Fit For 55" program issued by the European Commission suggests extending carbon certificate trading to the transport industry as of 2026. This means, CO² emissions will soon carry a very serious price tag.

Building the world's most comprehensive Transportation Management Platform – for efficiency and sustainability

The good news is that this trend can be reversed – by a change of mentality and the use of the right digital tools.

The challenge at hand is not within a single organisation. Freight challenges occur in between companies, this is where the problem needs to be addressed. As such, collaboration, embracing digital tools, automated decision-making, and putting real-time insights to use are imperative. Thus, the kind of connectivity and inter-operability can be achieved that allow for both, efficiency and a positive impact on economy, individual business results and the environment.

All of these critical components are embedded within the Transporeon Transportation Management Platform. Its diverse portfolio of freight applications is built for a wide network of participants and it serves all of them equally: shippers, brokers, logistics service providers, asset-based carriers as well as goods recipients. This way, we at Transporeon are digitising and transforming transportation for all parties – bringing it in sync with the world.



The action
we take

Our sustainability strategy is clear

It makes sustainable management, respectful and supportive treatment of employees, unconditional compliance with legal requirements and protection of the environment the cornerstones of our actions. In this way, we lay the foundations for long-term business success and a world worth living in.

On the following pages, you will discover what we are doing to implement this strategy.



Transporeon for the environment

Climate protection is one of the most important objectives of our age. In an industry that is responsible for almost 11% of the world's total CO² production² this calls for a serious change in its approach and the mindset of its stakeholders. With our products, we want to make this change happen. At the same time, we are aware of our responsibility for our own carbon footprint.

² Mit Durchschnittsdaten navigiert man im Blindflug« in BVL Magazin Drei 2022, p. 16; see <https://www.bvl.de/misc/filePush.php?id=57860>

The impact of Transporeon's products on CO² emissions around the globe

Transporeon brings together those involved in global logistics. With our cloud platform, we make the transport, storage and distribution of goods more efficient – for manufacturers, dealers, and freight forwarders. We reduce empty runs and waiting times and minimise manual processes for companies.

Being able to measure data accurately offers a key advantage when it comes to achieving sustainable transport. A better data quality leads to more accurate calculations, meaningful strategic decisions in sustainable transport and proactive reduction of emissions in future.

The “Carbon Visibility Dashboard”

At the start of 2022 Transporeon launched the most innovative carbon emissions management solution in the market. It enables users of the Transporeon Transport Management Platform to measure, manage and reduce their logistics emissions in a very efficient and transparent way across the entire supply chain including all transport modes and flows.

With this solution Transporeon supports its customers in delivering certified emission reports, accurately measuring CO² based on primary data and creating their CO² reduction strategies with the help of carbon experts and AI.

The accurate tracking and reporting of current emissions – along with the ability to manage future emissions – is vital to enabling a more sustainable supply chain. For quick progress on the road to climate-neutral commercial transport, digitalisation will be a game-changer. By adding this vital feature Transporeon provides the ability to make smarter, “greener” decisions based on real-time, accurate data to all participants in its network.

“Nexogen” – AI-based Fleet Optimisation

In the beginning of 2022 Transporeon acquired Nexogen. The AI-based fleet optimisation tool by Nexogen helps carriers and asset owners improve utilisation by optimising matches between orders and trucks, drivers, and itineraries. This way, Nexogen reduces overall freight transportation costs, empty runs and waiting times. A powerful solution for European road transport which suffers from up to 30% inefficiencies, driver shortages, and increasing sustainability targets.

“Tracks” – AI-based Analytics and Prediction of Carbon Emissions

In August 2022 Transporeon acquired Tracks, a Berlin-based start-up with the mission to decarbonise the transport industry. The eponymous carbon visibility tool is providing data solutions to monitor and manage carbon emissions across all transport modes. Its AI-based analytics and prediction instruments enable shippers, carriers and logistics service providers to collect and optimise emissions data at source.

Adding Tracks' expertise in the use of primary data to calculate emissions perfectly complements Transporeon's existing partnership with EcoTransIT, a long-standing expert in the calculation of greenhouse gas emissions. EcoTransIT focuses on a high-end, bottom-up calculation based on granular, science-driven industry default values.

With Transporeon's acquisition of Tracks, its customers will benefit from an enhanced offering that allows them to set realistic CO² reduction targets, for themselves as well as their suppliers and customers and define improvements against those targets.

Transporeon's way to net-zero

Transporeon is aware of its responsibility towards the environment. Therefore, we want to continue to reduce our CO² emissions. Climate neutrality has already been reached for the emissions in the year 2021 and will be aimed for in the years to come. We pursue these goals by partnering with leading climate solution providers as well as international initiatives.

Climate Neutral Company, Today and Tomorrow

Transporeon's own carbon footprint in 2020 dropped by over 40% compared to 2019. This was impacted by both the pandemic and own efforts. This left room for further science-based decarbonisation targets.

We therefore partnered with South Pole, a leading climate solutions provider and developer of emission reduction projects. Together we undertake our decarbonisation strategy, set up future targets and also the selection of emission reduction projects to offset its remaining carbon emissions.

In November 2022 climate neutrality of Transporeon has been achieved in accordance with PAS 2060 for the period 01.01.2021 – 31.12.2021 validated by South Pole Carbon Asset Management Ltd. To do so, we reduced our CO² emissions in 2021 compared to 2019 by another 19% over scope 1, 2 and 3 emissions. We also compensated 5,625 tons of CO²e by investing in a certified climate action project in Indonesia (i.e., Sipansihaporas Hydro Power Plant, see <https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=178720>).

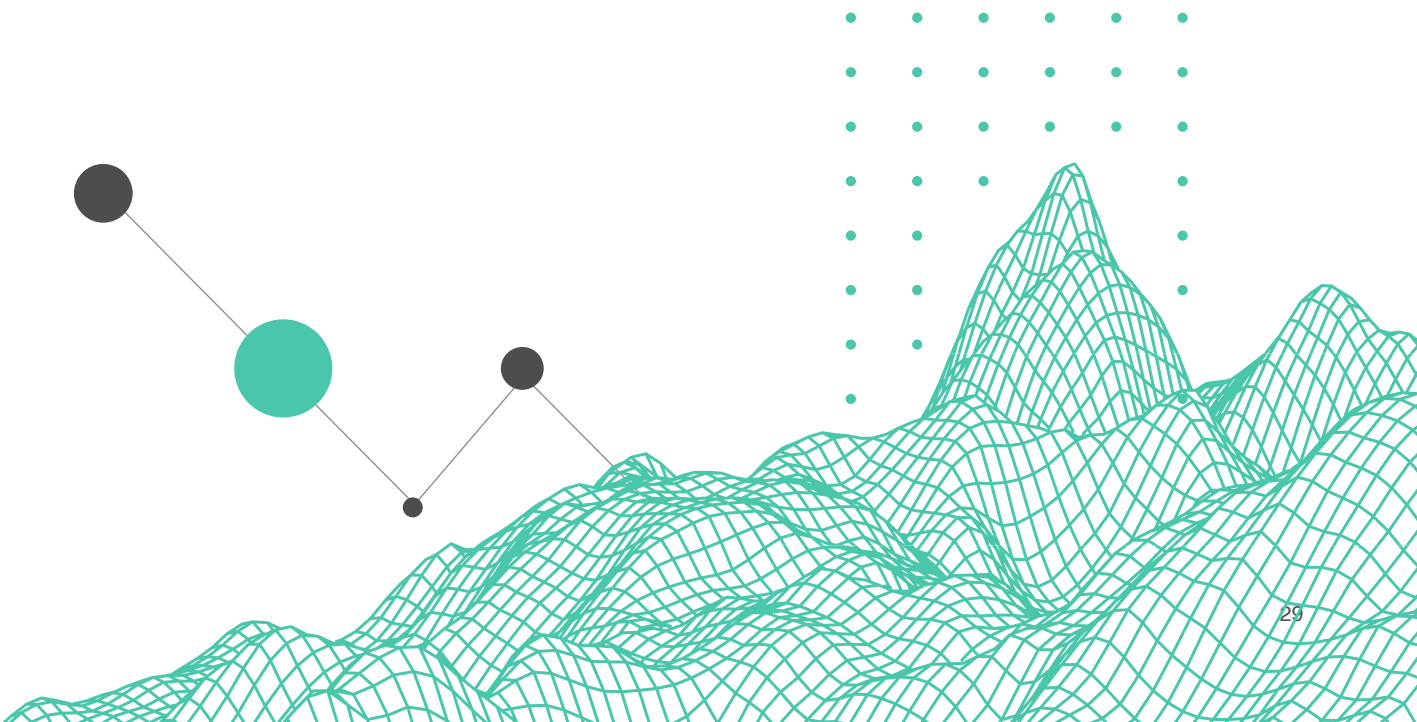
Within this framework, we at Transporeon Group seek to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 42% through 2030 from a 2019 base year and to reduce Scope 3 GHG emissions in order to achieve the SBTi requirements.

Target: Net-Zero

As the next step towards net-zero, Transporeon has signed the SBTi commitment letter in December 2022 with short term targets to show that we're serious in what we do. We will pursue this goal by, amongst other measures, aspiring to:

- Switch to an electric vehicle fleet
- Purchase renewable electricity in applicable markets
- Conduct supplier engagement based on various ESG requirements
- Implement a new travel policy to give preference to the use of virtual meeting platforms and online collaboration tools
- Avoid short-haul flights

SBTi is a collaboration between the Carbon Disclosure Project (CDP), United Nations Global Compact (UNGC), World Resources Institute (WRI), World Wide Fund for Nature (WWF) and one of the We Mean Business Coalition commitments.



Transporeon in society

Our business is international and cross-border. And yet we have always seen ourselves as local players, no matter where in the world. Our employees represent the uniqueness of each community – and we immerse ourselves fully from the ground up. Our endeavour is to be a good “Corporate Citizen,” to support local people. And we commit to driving diversity, equity, inclusion, and belonging in their workplace.

Reaching out our “Helping Hands”

Everyone enjoys supporting projects for a good cause. Seeing how even small actions can make a big difference, is one of the best feelings. And there’s nothing better than ending the year by creating positive changes and spreading some joy. Transporeon initiated its popular “Helping Hands” charity campaign four years ago and has since become an integral part of our holiday season.

At Transporeon, it is not management but the employees who decide which ten charitable associations and initiatives we’ll support each year as part of the annual “Helping Hands” campaign. In this way, we believe that we can best represent the values shared by our employees and make a decisive impact.

Helping Ukraine – And Our Ukrainian Employees

One of Transporeon Group’s significant business locations is situated in Kyiv, Ukraine. As soon as the armed conflict between Russia and Ukraine began at the end of February 2022, we took measures to protect our employees and the activities of the Transporeon Group in the region. Parts of the Group’s activities were relocated from Kyiv to Poland in order to protect the employees and ensure business continuation. Employees in Ukraine received financial support. In addition, Transporeon offered to continue the working relationship in Poland where Transporeon is operating.

We have also made our products available to support the Ukrainian agricultural industry. In May 2022 the European Commission adopted the action plan “EU Ukraine Solidarity Lanes” aimed at facilitating the Ukraine’s agricultural export and bilateral trade with the EU. A key part of this plan was to scale up rail freight transportation capacity, unleash bottlenecks and drive engagement from the logistics community to take part, contribute transportation equipment and open up freight corridors. Consequently, in June Transporeon announced

the availability of its Transportation Management Platform including Freight Procurement platform for all involved parties for free and the needed consultancy services to run the project at cost.

Promoting diversity, equity, inclusion, and belonging

At Transporeon, we believe in diversity, equity, inclusion and belonging. We trust in the benefits of working with people who bring a variety of cultural backgrounds, experiences, styles, and perspectives. We respect each other, have fun and remain open and willing to improve and we are lucky to already have a lot of that historically and got even more diverse with the 2022 acquisitions. In 2022 we have dedicated one of our Learning weeks to the DEIB topics. In a variety of personal stories, activities and workshops we at Transporeon had a lot of aha-moments recognising, respecting and valuing differences based on ethnicity, gender, age, race, religion, disability and sexual orientation.

Assisting our Employees

From time to time everybody experiences situations that affect their general well-being. Transporeon recognises this and as a result has introduced, together with our partner Workplace Options, the Employee Assistance Programme (EAP). The programme helps employees and family members to navigate life challenges and other stress. With offering this EAP we want enhance the current offer of the psychological support.

Centred around World Mental Health Day on October 10th, a day off at Transporeon Group, we organised the third Learning Week of 2022. One of the focal points in this Learning Week was “psychological safety”. It is a sense of confidence that the team will not embarrass, reject or punish someone for speaking up and it describes a team climate characterised by interpersonal trust and mutual respect in which people are comfortable being themselves.

Supporting Local Education in Cracow

In 2022 Transporeon started a university programme in cooperation with Wyższa Szkoła Zarządzania i Bankowości, the School of Management and Banking in Cracow. The well-recognised private college provides studies in different fields related to management and banking, all accredited by the Ministry of Education.

In the Transporeon course, 3rd year students of the newly established logistics degree programme will be participating in a full semester class on the Transporeon Transportation Management Platform conducted directly by the experts from Transporeon. The platform will be used for hands-on studies of real-world processes in logistics.

Plant a Tree initiative

In the beginning of 2021, Transporeon decided to do something for the environment by planting a tree for every Transporeon employee, each new hire and one for each “Transporeon baby”.

Our partner, Plant-for-the-Planet – Trillion Trees for Climate Justice, plants the trees for us, takes care of them and issues certificates that allow us to track every single tree.

For our Polish employees, we chose to plant trees in an area 60 km northwest of Kraków called Ogrodzieniec, that is known for poor air quality. We work with a local initiative called “Posadzimy”. The trees cover 222m², compensate 1200 kg CO₂/year and produce oxygen for 134 people annually.

We have planted over 2500 trees since starting this initiative.

Transporeon's corporate governance

The economic and working world is becoming increasingly complex. And with it, the risks of corporate governance are growing: the risk of breaking legal rules, violating data protection, restricting competition, endangering the safety and health of employees, discriminating against people – or succumbing to bribery. Countering these risks is not a task that is restricted to management of Transporeon. Rather, we have set ourselves guidelines that apply to all employees and implement instruments to monitor their compliance. By these daily binding guiding principles in our actions and decisions, we ensure a high degree of integrity, and protect our economic success.

The Transporeon Information Security Policy

Transporeon operates a business model based on the exchange of information between different parties by a cloud-based communication platform. We know that if we cannot guarantee this exchange of information reliably, we severely disrupt the processes on the customer side in the event of an outage.

For us it is therefore of utmost importance to handle customer data with care and make committed strides to ensuring its confidentiality, integrity and availability. Since this is not always attainable without restrictions, we manage risks carefully and in an economical manner. In addition, we consider and comply with the legal requirements in the countries in which we operate. Furthermore, the secure handling of personal data provided by customers and also Transporeon employees is very important to us.

This results in the following comprehensive objectives:

- High-platform availability
- Ensuring confidentiality and integrity of customer and personal data
- Compliance with legal and contractually agreed requirements to safeguard a safe and stable operation

ISO-certified Information Security Management

The management board of Transporeon is generally responsible for ensuring the strategic objectives for the whole Transporeon family. To demonstrate their overall responsibility to ensure information security and achievement of the overall goals, it was decided to establish an Information Security Management System (ISMS) based on ISO/IEC 27001.

In its systematic approach of Information security Transporeon is focusing on processes, technology and people, e.g., the Transporeon information Security

Policy, an ISMS manual to provide a description of the management system itself and the way it's implemented, additional policies and guidelines, information Security processes, risk assessments and mandatory training sessions to all employees.

Cyber Security at Transporeon

For our customers, our cloud platform is often critical to their success. Availability and protection of their data are crucial for them. Therefore, we take a host of measures to ensure the integrity of IT-security.

- We implemented a phishing simulation system to keep employees' security awareness at the highest level, especially for new threats in daily communication.
- IT-Risks were assessed by our external partner, security specialist HiSolutions, one of the leading consulting firms for security and IT management in the DACH region.
- We conduct a central penetration test of all provided solutions.
- We run online security awareness training for our employees.
- We conduct all-encompassing security evaluation of all newly acquired companies

Apart from that, redundancy provides additional security and availability of all services. Moreover, as an e-logistics operator, we are ISO-certified and operate in full compliance with GDPR legislation.

With all of these measures, we regularly demonstrate the robustness and reliability of our IT.

The Transporeon Code of Conduct

With our platform, we are at the intersection of supply and demand in logistics. For this reason, we assume an element of responsibility for the business and economic success of our customers, employees, shareholders and the entire society. We face up to this responsibility and want to live up to it with a detailed "Code of Conduct." It describes our handling of legal rules in all parts of the world, our commitment to free competition, the efforts we make to protect data and the operation of the platform and the prohibition of any form of taking advantage. It also sets out important rules to protect health and safety at work and to prevent discrimination of any kind.

Our Code of Conduct is available publicly [here](#).

The Transporeon Anonymous Reporting Channel

At Transporeon we are promoting a corporate culture of honesty, integrity and responsibility based on the Transporeon Code of Conduct. To support this, in 2021 we introduced the Anonymous Reporting Channel as an additional system of communication for our own employees as well as for our customers, suppliers and other business partners. It is available if anyone wants to raise a concern about actual or suspected misconduct or unethical behaviour that can affect our company or the wellbeing of people about any occurrence on the basis of confidentiality or anonymity.

The Transporeon Anonymous Reporting Channel is not a general complaint box but serves as a tool for raising a concern. It is based on Transporeon's anonymous reporting policy within the compliance management system of the Transporeon Group. This policy follows the ISO standard, while the reporting system itself is designed, established and operated in a secure manner.

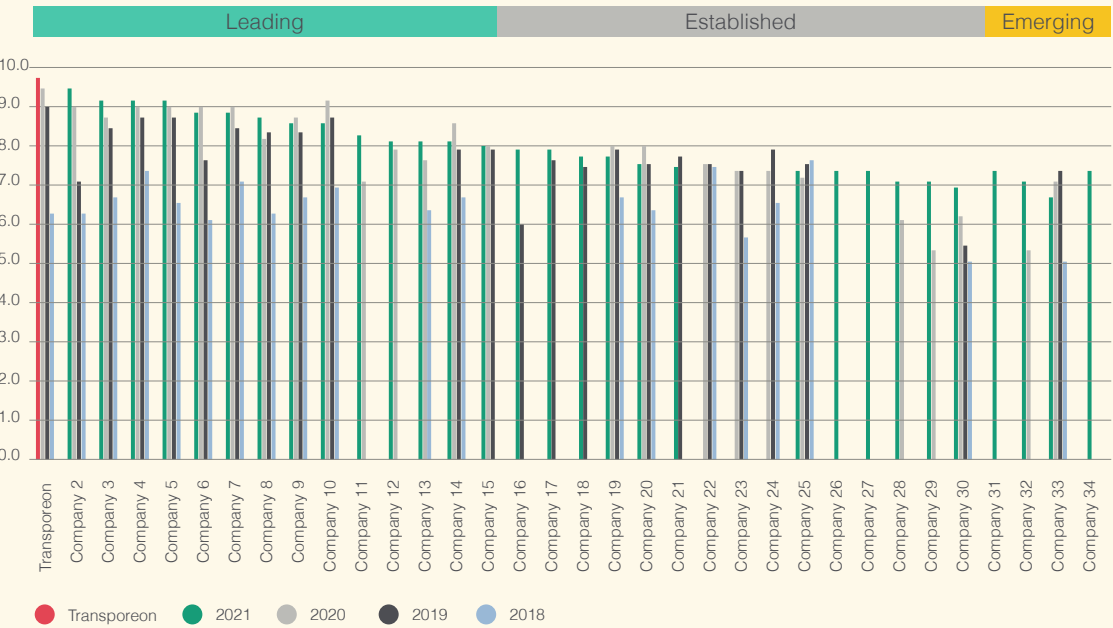
Technically the Channel is based on the reporting system EQS Integrity Line. This is hosted by an external ISO/IEC 27001-certified company with high security servers. No IP addresses, location data, device specifications or other data that could allow conclusions to be drawn as to the identity of the reporting person are stored on these servers.

EQS Integrity Line operates in full compliance with the legislations of all the countries with Transporeon business activity. This refers to all regulatory requirements with regard to the protection of whistle blowers as set out in the respective national laws (see also EU Whistleblowing Directive (Directive (EU) 2019/1937; see [here](#)) as well as to the respective data protection regulations (e.g., EU General Data Protection Regulation (GDPR)).

Hg Ratings 2021

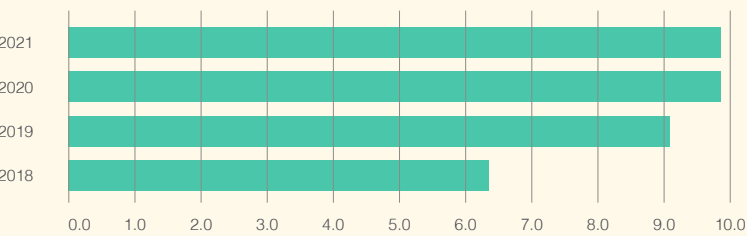
Our investor HgCapital Trust plc, a London based fund, has been paying strict attention to social and environmental aspects in its investments for years. Based on a comprehensive set of criteria in the areas of corporate governance, environment, customer relations, corporate culture and compliance, it evaluates the companies in its portfolio and obliges them to comply with minimum standards. In the 2021 Annual Hg ESG assessment, Transporeon reached first place.

Portfolio ESG Scores 2018 - 2021



ESG Maturity Assessment

Total ESG Maturity Score¹



Key Performance Metrics

Employee Turnover & Absenteeism Rates

| | | |
|-------------|-----|------|
| Transporeon | 14% | 2.2% |
| Portfolio | 16% | 4% |
| Industry | 15% | 3.6% |

Glassdoor/ Kununu Score

| | |
|-------------|-----|
| Transporeon | 4.3 |
| Portfolio | 4.0 |
| Industry | 3.7 |

Diversity

Women across Business, Senior Management, Csuite

| | | | |
|-------------|-----|-----|-----|
| Transporeon | 44% | 25% | 30% |
| Portfolio | 37% | 28% | 20% |
| Industry | 19% | 10% | 17% |

Hg Cybersecurity Score

| | |
|-------------|-----|
| Transporeon | 7.8 |
| Portfolio | 7.2 |

Renewable Energy

| | |
|-------------|-----|
| Transporeon | 45% |
| Portfolio | 22% |

¹2021 year's assessment included 98 scored questions (up from 85 in 2020) with a total possible score of 554 (up from 520 in 2020).

OUR KPIs ++ for 2021

Transporeon Group's
Key Performance
Indicators for 2021

Keeping track of our ESG-strategy

Sustainable action and sustainable management have become one of the central challenges for companies in all industries. On the one hand, because the awareness of their urgent nature has broadly prevailed. On the other hand, partners, investors and other stakeholders strongly demand sustainable action. This is due to voluntary self-commitment to political goals such as the Sustainable Development Goals (SDGs) of the United Nations – and, increasingly, by binding legal guidelines.

In Europe, new reporting rules will come into force over the next few years with the Corporate Sustainability Reporting Directive (CSRD). In the future, it will provide for very comprehensive, mandatory and externally audited sustainability reporting.

In order to meet our own sustainability requirements and to be prepared for future regulatory requirements, we at Transporeon have started to collect and analyse data according to the internationally recognised standards of the Global Reporting Initiative (GRI). We did this along the guidelines of the material topics we decided on for 2021.

Our Material Topics 2021

Material topics and targets have been discussed intensively in various sessions with different stakeholders, such as the management board, employees, and customers by using engagement surveys. The different topics have been assigned to the respective member in the management board.

Environment

- Reducing CO² emissions and avoiding waste
- Positive relations with community interests

On the following pages you will find a report on a set of key performance indicators (KPIs) for the fiscal year 2021. They each reflect medium to long-term development towards a target and help us to monitor this in the years to come.

Social

- Fair working conditions and occupational safety standards
- Diversity and inclusion as a core principle

Governance

- Maintaining a high degree of information security and data protection
- Safeguarding and enhancing an effective risk and compliance management system

Environment



At Transporeon, we take responsibility for the efficient use of energy and global climate protection and are committed to the Paris Climate Agreement. Our innovative products develop their effect at the crucial points of logistics, optimising the efficiency of global transport. Transporeon thus enables a reduction in CO² emissions. At the same time, we are working to significantly reduce our own carbon footprint. Moreover, we want to minimise the impact of our activities on people and the environment by continually reducing emissions to air and preventing waste and we use resources responsibly, especially water.

Emissions

Minus 857 tCO² total emissions 2021 compared to base year 2019.

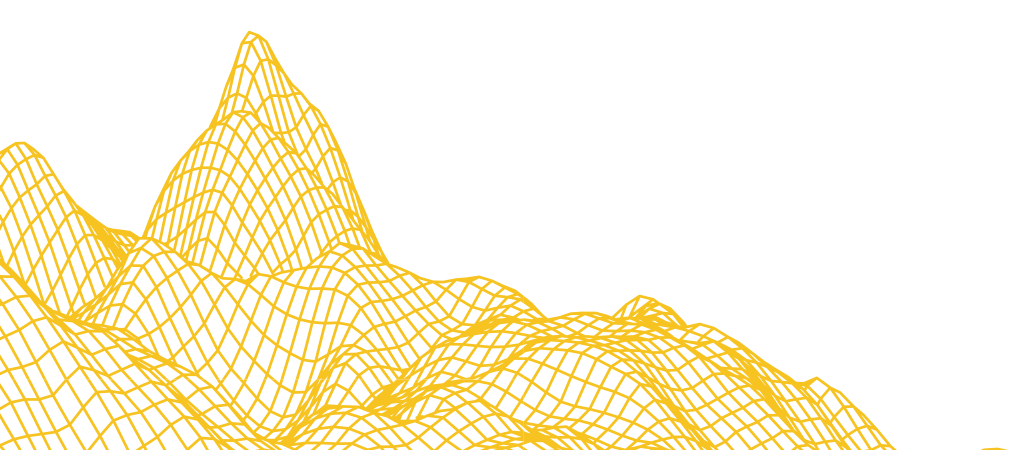
In 2021, Transporeon emitted 857 tons of carbon dioxide equivalent less than in 2019. Details on GHG emissions were accumulated by South Pole, our climate solutions provider and developer of emission reduction projects.

The key findings concerning scope 1 & 2 emissions:

- Scope 1 emissions are from company cars, owned by the Transporeon Group, of which the majority have a combustion engine, with a few hybrid cars.
- No stationary combustion, i.e., gas or oil heating and no refills of refrigerants are reported by Transporeon Group offices.
- Majority of electricity procured by the Transporeon Group is not renewable, leaving potential to significantly reduce scope 2 emissions.

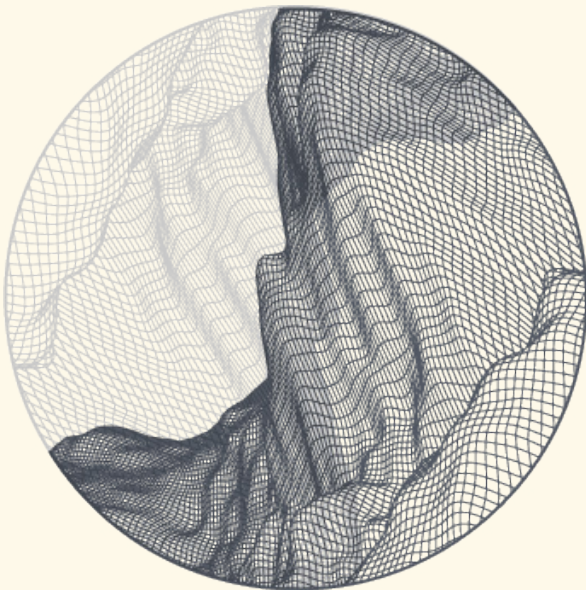
The key findings concerning scope 3 emissions:

- The biggest drivers of Scope 3 emissions are purchased goods and services and the use of sold products.
- Emissions from transportation and operational waste are seen to be marginal.
- Compared to previous GHG inventories, data quality concerning capital goods has improved, allowing for a better understanding of the associate emissions.



| Emissions (tCO ² e) | 2019 | 2020 | 2021 |
|--------------------------------|-------|-------|-------|
| Scope 1 | 536 | 172 | 309 |
| Scope 2 | 1,024 | 576 | 587 |
| Scope 3 | 4,922 | 4,393 | 4,730 |
| Total Emissions | 6,482 | 5,141 | 5,625 |

| Key Performance Indicators | 2019 | 2020 | 2021 |
|---|------|------|-------|
| Number of Full-Time employees (incl. newly acquired entities) | 970 | 983 | 1,234 |
| tCO ₂ e/FTE | 6.7 | 5.2 | 4.6 |



The key findings of the GHG inventory conducted by South Pole, our climate solutions provider and developer of emission reduction projects:

- The majority of GHG emissions at Transporeon Group are scope 3, which make up 85% of total emissions.
- Purchased Goods and Services is an emissions hotspot, contributing 36% of total emissions.
- Use of Sold Products is an emissions hotspot accounting for 30% of total emissions.
- Emissions from business travel are marginal, however likely due to Covid-19 and an anomalous result in 2021.

Scope of GHG Inventory

| Scope | Categorisation | Relevance |
|---------|--|----------------|
| Scope 1 | Emissions from own activities and energy resources | Relevant |
| Scope 2 | Emissions from external energy supply | Relevant |
| Scope 3 | Cat.1 - Purchased Goods & Services | Relevant |
| Scope 3 | Cat. 2 - Capital Goods | Relevant |
| Scope 3 | Cat. 3 - Fuel & Energy Related Activities | Relevant |
| Scope 3 | Cat. 4 - Upstream transporation and Distribution | Relevant |
| Scope 3 | Cat.5 - Waste generated in operations | Relevant |
| Scope 3 | Cat. 6 - Business travel | Relevant |
| Scope 3 | Cat.7 - Employee Commuting | Relevant |
| Scope 3 | Cat. 8 - Upstream leased assets | Not Applicable |
| Scope 3 | Cat. 9 - Downstream transporation and distribution | Not Applicable |
| Scope 3 | Cat. 10 - Processing of sold products | Not Applicable |
| Scope 3 | Cat. 11 - Use of Sold Products | Relevant |
| Scope 3 | Cat. 12 - End-of-life treatment of sold products | Not Applicable |
| Scope 3 | Cat. 13 - Downstream leased assets | Not Applicable |
| Scope 3 | Cat. 14 - Franchises | Not Applicable |
| Scope 3 | Cat. 15 - Investments | Not Applicable |



Scope of GHG Inventory

| Category | Sub-Category | 2021 tCO ₂ e | % of Total | 2020 tCO ₂ e | 2019 tCO ₂ e |
|--|----------------------|-------------------------|------------|-------------------------|-------------------------|
| Scope 01 | | 308,5 | 5,48% | 172,4 | 536,1 |
| Mobile Combustion | Diesel | 247,9 | 4,41% | 153,2 | 476,0 |
| | Petrol | 57,9 | 1,03% | 18,4 | 59,4 |
| | Hybrid | 2,7 | 0,05% | 0,0 | 0,0 |
| Fugitive Emissions | Refrigerants | 0,0 | 0,00% | 0,8 | 0,6 |
| Scope 02 | | 586,8 | 10,43% | 576,2 | 1024,5 |
| Heating | Market-based | 345,8 | 6,15% | 274,1 | 701,4 |
| | Location based | 252,7 | 4,49% | 274,0 | 475,5 |
| Electricity | District Heating | 240,9 | 4,28% | 302,1 | 323,1 |
| Scope 03 | | 4729,8 | 84,08% | 4392,5 | 4922,3 |
| Cat.1 - Purchased Goods & Services | Cloud Provider | 10,3 | 0,18% | 34 | 37,5 |
| | External Consultants | 1955,2 | 34,76% | 2071 | 1789 |
| | Other Consumables | 55,8 | 0,99% | 41 | 89 |
| | Paper | 1,5 | 0,03% | 1 | 1 |
| | Water | 1 | 0,02% | 1 | 1 |
| Cat. 2 - Capital Goods | IT Hardware | 296,9 | 5,28% | 151,2 | 84,9 |
| Cat. 3 - Fuel & Energy Related Activities | Diesel | 60,3 | 1,07% | 41 | 129 |
| | Petrol | 16,2 | 0,29% | - | - |
| | Hybrid | 3,2 | 0,06% | 0 | 0 |
| | Market Based | 77,7 | 1,38% | 68 | 146 |
| | Heating | 36,2 | 0,64% | 32,8 | 34,8 |
| Cat. 4 - Upstream transporation and Distribution | Freight | 0,1 | 0% | 0 | 0 |
| Cat.5 - Waste generated in operations | Incineration | 24,1 | 0,43% | 144 | 199 |
| | Recycling | 6 | 0,11% | 1,1 | 2 |
| Cat. 6 - Business travel | Air Travel | 104,7 | 1,86% | 443 | 959 |
| | Ground Travel | 9,1 | 0,16% | 4,9 | 52,6 |
| | Acommodation | 11,2 | 0,20% | 17,5 | 63,9 |
| Cat.7 - Employee Commuting | Commuting | 43,9 | 0,78% | 47,5 | 96,9 |
| | Work from Home | 326,2 | 5,8% | 138 | 27 |
| Cat. 11 - Use of Sold Products | Software | 1690,1 | 30,05% | 1155,4 | 1209,9 |
| Total Footprint | | 5625,1 | 100% | 5141 | 6482,9 |

| Key Performance Indicators | | | | |
|----------------------------|--|------|---|-----|
| FTEs | | 1234 | - | 983 |
| tCO2e/FTE | | 4,6 | - | 5,2 |

Reduction of GHG emissions

Climate neutral

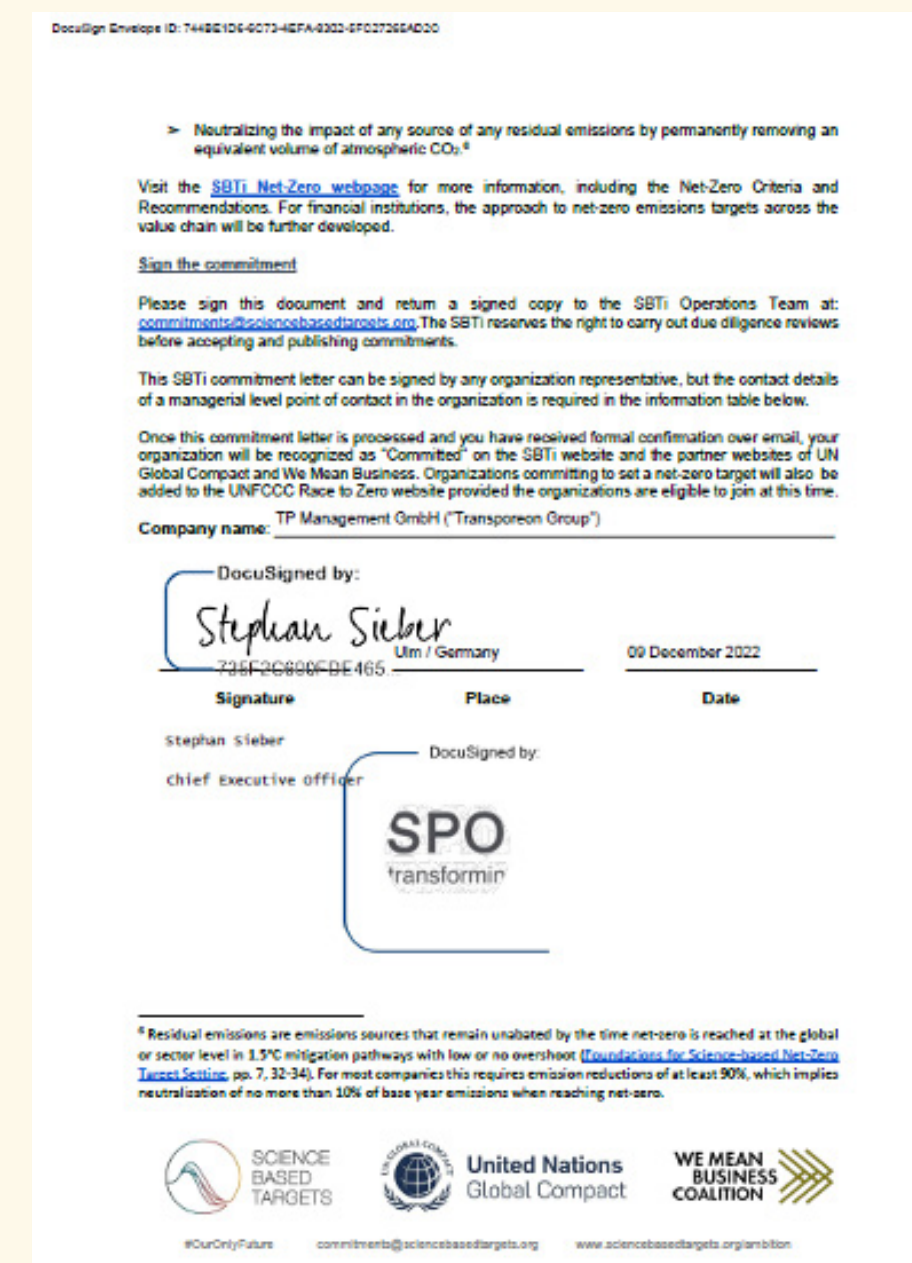


Transporeon has reduced its CO₂e emissions in 2021 compared to 2019 by a further 19% over scope 1, 2 and 3 emissions. We also compensated 5,625 tons of CO₂e by investing in a certified climate action project, which is equivalent to the emissions produced by a car circling the globe 560 times³.

We will continue to maintain climate neutrality throughout the coming years.

In December 2022, Transporeon has signed the commitment letter of the SBTi and will strive to reach the reduction targets set.

³ <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>



Energy consumption within the organisation

742.454 kWh electricity consumed in 2021
1.035.903 kWh consumed for heating and cooling in 2021

All values are based on the official information provided by local energy supplier.

Energy intensity

1.296 kWh energy consumption per employee

This figure represents the overall Transporeon Group consumption of kWh for electricity, heating and cooling divided by the number of employees.

Reduction of energy consumption

On Transporeon's road to net-zero, we have initiated a lot of measures for an effective energy reduction. The most decisive steps were to reduce business traveling and implementing a work from home policy as well as in 2022 the move of our headquarters into a new office building with a very high energy standard and using green electricity.

Management of significant waste related impacts

For the purpose of reducing waste, Transporeon has engaged in the following initiatives:

- paperless office
- usage of returnable boxes in take-out restaurants
- no plastics strategy

Waste generated

9.917 t of waste

This is the total weight of waste generated by the Transporeon Group in 2021. The breakdown of this total by composition of the waste reads as follows:

- mixed - 1.289 kg
- organic - 3.229 kg
- plastics - 1.431 kg
- paper - 3.968 kg

Non-compliance with environmental laws and regulations

In consequence, no cases of any violations or irregularities occurred or came to our attention with regard to any environmental law.

Spending on local suppliers

68% of procurement budget spent on local suppliers

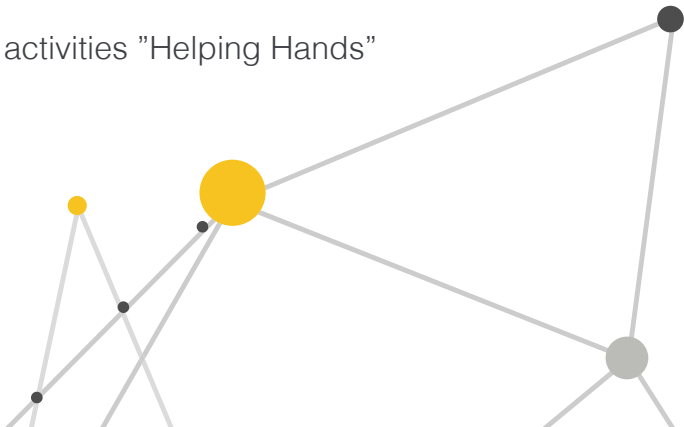
We define all service providers as local who are based in the country of purchase.

The breakdown of sourcing locations reads as follows:

- local - 68%
- third countries - 32%

Local Communities

20,000 € donated to beneficial activities "Helping Hands"

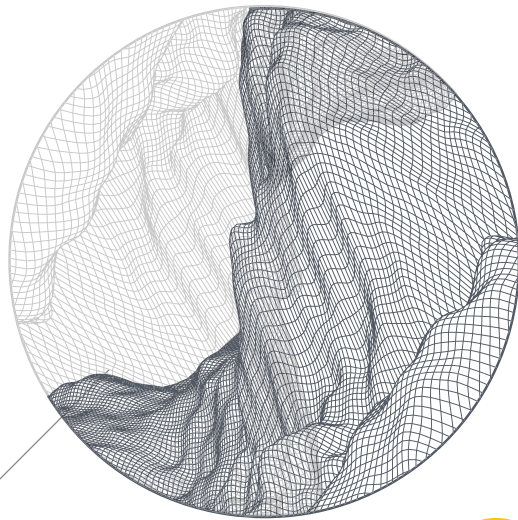
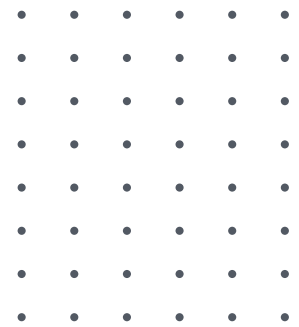


In 2021, Transporeon did fund the charity initiative “Helping Hands” with a total amount of 20,000.

What is more important: to support children spending their last days in hospital, making it easier for refugees to integrate – or strengthening the rescue service? At Transporeon, it is not management but the employees who decide which ten charitable associations and initiatives we’ll support each year as part of the annual “Helping Hands” campaign.



Social



Our employees contribute substantially to Transporeon's success. We want to attract and keep talented individuals for our company and support them in their development. For that purpose, we foster a working environment that motivates and connects people. It is based on an inclusive governance founded on mutual trust, respect and commitment to industry-leading performance. At the same time, we care for occupational safety as well as health of our employees and local communities.

For the GRI 2021 reporting purposes we define “significant location” for the Transporeon Group as a country with at least 100 employees (office and remote) employed locally. Along these lines Germany and Poland are considered significant locations for the Transporeon Group in 2021. As our operation in the Ukraine was not yet fully integrated in 2021, the results for this location have not been taken into consideration for the purpose of this report.

Employment & Rate of new employees hires:

Rate of new employee hires in the reporting period by gender and by region.



In Germany, 34 % female and 66% male



In Poland, 56 % female and 44% male

Employee turnover rate in different age groups **in Germany:**

- less than 30 years old: 4%
- 30 to 50 years old: 9%
- above 50 years old: 19%

Employee turnover rate in different age groups **in Poland:**

- less than 30 years old: 22%
- 30 to 50 years old: 8%
- above 50 years old: 19%

The wide spread of percentages is mainly influenced by the non-uniform distribution of the workforce in the different age groups.

Transporeon tries to attract diverse, qualified employees. We want to implement inclusive recruitment practices irrespective on age and gender. At the same time, we want to make optimal use of available labour and talent in different regions.

We are aware that turnover results in changes to the human and intellectual capital of our organisation and can impact productivity. Turnover has direct cost implications either in terms of reduced payroll or greater expenses for the recruitment of employees.

Employment & benefits

0% difference. There is no difference in the standard benefits offered to full-time employees, part time employees or temporary employees.

Employment & parental leave

For our significant locations (as defined earlier with minimum 100 employees), we tracked the parental leaves. With the overall Headcount we had 63 female employees and 40 male employees taking parental leave in 2021.

Occupational health and safety management system

As stipulated in our Code of Conduct: *“Transporeon offers a health supportive work environment and promote proactively the health of all employees.”*

We believe a good occupational health and safety management is an important element of being a responsible and sustainable company and we are committed to providing a working environment that supports employees’ physical and mental health and well-being.



Moreover, safe workplaces and practices will help employees to perform better in serving the customer, in turn creating added value for all stakeholders.

Our occupational health & safety policy applies to all Transporeon buildings and associated infrastructure, to all persons working in these environments including all employees, home-based employees and those travelling on business, as well as all visitors to the premises of Transporeon. This systematic approach will help our organisation:

- To reduce accidents, occupational diseases, and illness at the workplace.
- To meet applicable legal requirements.
- To avoid costly prosecutions and to reduce insurance costs, to continually improve the occupational health & safety management system to enhance our performance.
- To establish a positive culture where all stakeholders see that their needs are taken into account.
- To promote the public image and business reputation.
- To ensure the participation of employees and other interested parties in this topic.

Transporeon will regularly assess health and safety risks arising from its business operations. By leveraging the support from external experts (such as company doctors) Transporeon strives to make continual improvements and real progress.

Occupational health services and worker participation

Transporeon strives to make continual improvements and real progress in ensuring employees' physical and mental health and well-being.

In our occupational health & safety management, we are supported by responsible functions like company doctors, medical professionals,

external consultants and local occupational health & safety committees, such as the Arbeitssicherheitsausschuss ASA in Germany.

Work-related injuries

0/0% fatalities as a result of work-related injury
0/0% high-consequence work-related injuries (This number excludes fatalities)
0/0% recordable work-related injuries.

As Transporeon has no manufacturing in place, the main types of work-related injury are happening (if any) when commuting to the workplace. Additional training has been offered to all employees.

Training & Education

3 hours minimum per year
 Each employee has been asked to go through three hours of mandatory training on environment, social behavior and corporate governance, health at work, compliance, information security and data protection.

In addition, Transporeon Group employees have full flexibility and additional funds to pursue learning opportunities which are not reported centrally and hence not included in the calculation.

Training & programs for upgrading and transition

There is extensive learning, mentoring and coaching offer available for Transporeon employees to benefit from.

Each employee at Transporeon has an allowance to spend on any learning activities or licences with educational platforms like e.g., Coursera or Udemy.

Our internal mentoring program helps people to navigate the new flexible work environment. Moreover, we provide and advertise professional coaching support.

Diversity and Equal Opportunity

At Transporeon, we value diversity and equal opportunities.

At Transporeon, we consider our Executive Committee our main governance body. It consists of ten positions including the CEO. At this level, the female to male ratio is 30% to 70%. 80% of this group are below 50 years old, 20% are above.

By employee category the ratio is as follows:

- employee level: 44% female to 56% male
- management level: 47% female to 53% male
- director level: 13 % female to 87% male
- executive committee: 30% female to 70% male.

The age brackets split between the groups “below 30 years”, “30 – 50 years” and “above 50 years” at Transporeon is the following:

- employee level: 29% below 30 years, 65% 30 – 50 years, 6% above 50 years
- management level: 0% below 30 years, 90% 30 – 50 years, 10% above 50 years
- director level: 0% below 30 years / 81% 30 – 50 years / 19% above 50 years
- executive committee: 0% below 30 years / 80% 30 – 50 years / 20% above 50 years

Non-discrimination

0 incidents of discrimination.

There were no cases of discrimination reported during the reporting period at Transporeon in 2021.

Freedom of association

At Transporeon Group the right to exercise freedom of association is guaranteed in any form.

In the year 2021, two employee engagement surveys were conducted to assess and measure the engagement and give employees full freedom to express their opinions on different topics. The participation rate of above 70% indicates that employees were able to express their opinions freely and made use of it.

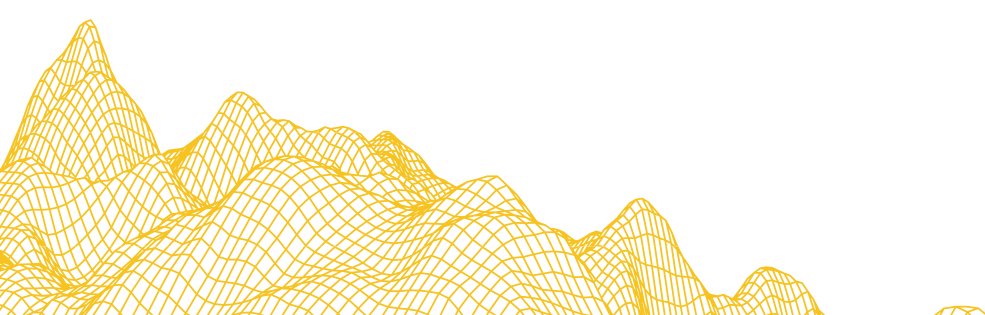
Transporeon continues this practice and expands it to the newly acquired companies of Transporeon Group.

Child Labour & Forced or Compulsory Labour

0 cases of known child labour or young workers exposed to hazardous work or forced or compulsory labour

There were no operations or suppliers known to have significant risk of child labour or young workers exposed to hazardous work or forced or compulsory labour reported at Transporeon in 2021.

At Transporeon, we are committed to improving our business practices to ensure that there isn't any slavery or human trafficking anywhere within our business or within our supply chain.



Therefore, we have strengthened our third-party risk management (including KYC examination) to gain awareness of any risks coming from our suppliers. E.g., the compliance function at Transporeon has introduced a new portal and data base (by Dun & Bradstreet Corporation) to collect and validate supplier data and mitigate risks. Moreover, our newly created Strategy & Transformation Department reviews the legal, business and ESG environment of new acquisitions when conducting M&A activity as well as for Post-Merger Integration (PMI).

Based on our analysis, we believe our relationships with our suppliers or acquisitions do not leave us vulnerable to material risks of slavery or human trafficking.

We have adequate recruitment processes and procedures in place. Also, we only collaborate with reputable recruiting agencies with whom we have a long-standing relationship and whose contracts and practices have been assessed before. In addition, Transporeon conducts checks on the eligibility to work in the EU and in the U.S. for all employees to mitigate human trafficking or forced labour.

All employees are informed of their rights and responsibilities related to all applicable workplace functions prior to starting work. They are provided a safe and healthy workplace, free from violations of their dignity and privacy. All employees have the right to equal treatment and opportunities.

We expect our suppliers and business partners to conduct business with integrity, honesty and transparency. They should treat their employees and subcontractors with dignity and respect. Any wilful breach of human rights or any material violation of the Transporeon Code of Conduct may constitute a breach of contract. This would give grounds to end any standing agreements and hold the supplier liable.

Education and training

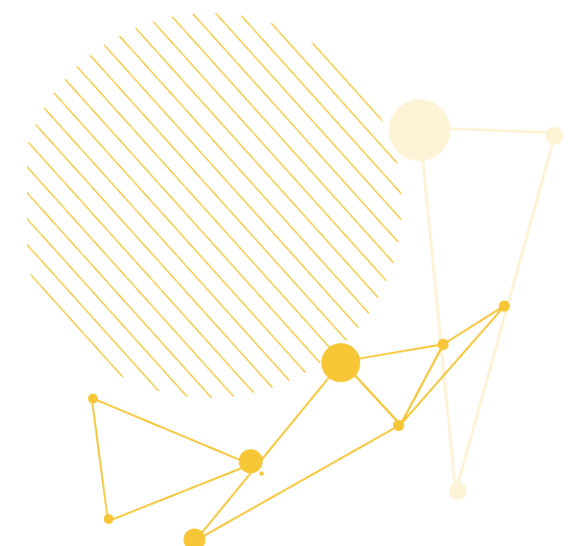
As part of a general introduction to key company policies, we provide on-line training which provides an overview of our ethical trading, modern slavery policies and mitigation practices. This training is mandatory for all colleagues of the Transporeon Group. It includes the new Transporeon Anonymous Reporting Channel (a “whistleblowing” tool) as well as accompanying procedures in case an employee, or any other stakeholder wishes to raise concerns about misconduct, malpractice or any type of wrongdoing that may impact others.

In addition, we have extended the number of language versions for the online training to make sure that all colleagues fully understand its content. It is now available in English, Portuguese and Russian.

Supplier social assessment

We have a supply chain with around 1900 suppliers, predominantly in the areas of technology, financial services, property and consultancy. Most of them are within the EU, although we maintain smaller support offices in non-EU countries.

All suppliers, including those of the newly acquired companies, are required to operate in an ethical, responsible and transparent manner. Transporeon expects compliance with all applicable laws and regulations, as well as conformity to ethical business practices.



Our policy on anti-slavery and human trafficking

We have a firm commitment to strictly prohibit all forms of forced or compulsory labour. Health of all employees is vital to the way we conduct business. Proof of this commitment can be found in:

- Our Code of Conduct that is published on our website and in the intranet.
- Our purchase agreements that we sign with all our suppliers.
- Our due diligence process when acquiring new companies.

Since we published our first statement on modern slavery for the fiscal year 2020, we have gained greater insight into risks and trends relating to modern slavery. This information has enabled us to strengthen our approach. Over the past 12 months we have:

- Intensified the supplier check in weekly cross departmental meetings.
- Trained the Transporeon workforce on the basics of corporate social responsibility.
- Implemented the Transporeon Anonymous Reporting Channel, that enables anyone to report a violation of human rights in our supply chain (see [here](#)).
- Regularly published an ESG report on our website, which details a strong commitment to sustainability, human rights and healthy working conditions.



Governance



At Transporeon, we pay particular attention to ensuring that our actions are in line with applicable laws and general expectations of rules-compliant and ethically correct behaviour. We want to be economically successful while preserving a high level of integrity and meeting our responsibilities to society. To this end we have established a code of conduct that firmly embeds these standards into our daily business. At the same time, we have installed a comprehensive risk management that addresses risks in all areas of Transporeon's business.

By this kind of effective and transparent corporate governance we promote the confidence of our investors, the financial markets, our customers and other business partners, employees and the public in Transporeon.

Anti-Corruption

0 cases of corruption

There were no cases of corruption at Transporeon in 2021.

Transporeon is committed to fight bribery and corruption. In order to avoid any improper influence or even the appearance of such an influence we have set a clear guidance to our employees on how to deal with customers, suppliers and any other third parties.

In case of doubt, any employee is obligated to contact the superior or the Compliance Officer. In addition, we have installed the “Transporeon Anonymous Reporting Channel” that gives anyone inside and outside our group the possibility to report a suspected misconduct or violations on the base of strict anonymity.

All governance body members of the Transporeon Group are informed about the Code of Conduct and the company regulations on anti-bribery and corruption (ABC). They are obligated to declare their adherence to all ABC regulations on an annual basis.

During the onboarding process every new employee in the Transporeon Group is obligated to attend the anti-bribery and corruption training. Moreover, all employees receive a bi-annual mandatory online refresher training while target group-specific training is also regularly offered.

Moreover, the Transporeon Code of Conduct is an essential part of all our contracts and agreements with suppliers. It stipulates that no corruptive behaviour will be accepted and any attempt will lead to the exclusion of the respective supplier or the termination of an existing commercial relationship.

Anti-competitive Behaviour

0 legal actions

There are no legal actions pending or completed during 2021 regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which Transporeon has been identified as a participant.

This is in line with the strict Code of Conduct that has been in place at Transporeon since the July 2018. Among other things, it comprises rules on legal compliance as well as free competition. “Compliance with applicable law is a matter of course for all employees of Transporeon and an integral part of every business activity.” (Code of Conduct of the Transporeon Group, Version 1.2, 2020-09-01).

On the topic of free competition, the Code of Conduct of the Transporeon Group holds the following rule: *“In all business agreements as well as business relations with third parties, we pay particular attention to the legal requirements for safeguarding free competition. We do not participate in price agreements or prohibited coordination of the market behaviour between competitors. We are committed to fair dealings with our business partners and competitors and do not abuse the existing scope for action.”*

Approach to tax; tax governance, control, and risk management; stakeholder engagement and management of concerns related to tax

Transporeon’s aim is to be economically successful and to maintain a high degree of integrity. We are therefore committed to run our business within the law and to prevent any form of tax evasion, whether under national law or under the law of any foreign country.

Within our group, there is an ultimate responsibility of the CFO for all tax issues,

which is communicated in all entities and who is supported by different local experts and departments.

Transporeon maintains long term business relationships with renowned local tax advisors in each country it is subject to taxation. These advisors ensure compliance with local regulations, timely submission of tax returns and advise the central tax function on any arising duties. Besides our day-to-day accounting resources, own tax advisors constantly monitor changes of local regulations and bring those to the attention of the CFO and other senior finance management if they are of relevance for Transporeon.

For any outstanding business transactions, compliance is evaluated with both financial auditors and tax advisors before the transaction is concluded. Furthermore, taxation is also subject to the regular year-end audit. In case of sensitive information, anybody who wants to raise a concern may use the Transporeon anonymous reporting channel.

Any kind of tax evasion would lead to serious consequences for anybody associated with it. Beside the possibility of civil legal action and criminal prosecution, this would include disciplinary action being taken against an employee, e.g., dismissal for gross misconduct, or termination of the service contract.

Complaints concerning breaches of customer privacy and losses of customer data

0 complaints

In 2021, Transporeon hasn't received nor identified any substantiated complaints, leaks, thefts, or losses of customer data.

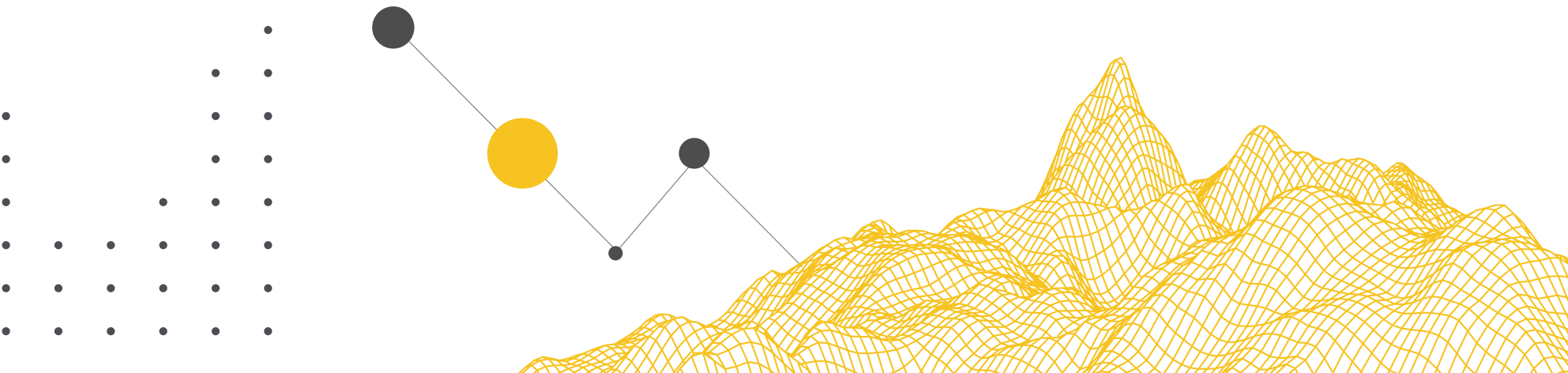
Public Policy

0€ donated directly or indirectly to political parties

In 2021 Transporeon did not contribute or in-kind to political parties. Direct or indirect contributions to political parties might lead to corruption risks, be used to exert undue influence on the political process or circumvent current anti bribery and corruption legislation in many countries.

Transporeon has decided to make contributions only to non-political organisations. Any sponsorships or donations must meet the following requirements:

- Be fully in line with any applicable laws, rules and regulations of the respective legislation and jurisprudence.
- Only be given to an organisation which has had satisfactory due diligence checks by Transporeon or a respective official or state confirmation.
- Not be in conflict of interest or apparent risk of unethical or corrupt behaviour.
- Be given in an open manner and not to, or for the benefit of, an individual.
- Be given as a legitimate, justified action and never in exchange for obtaining an inappropriate advantage or benefit.
- Not be given in the form of per diems, daily payments, allowances or travel allowances.



Transporeon's profile and scale

General disclosures (GRI 2)

Entities included in this sustainability reporting

By the end of 2021, Transporeon Group comprises a total of twenty-five companies including a majority participation in Sixfold. It has its headquarters in Ulm, Germany and operates twenty-one locations worldwide.

Assurance on this sustainability reporting will be provided by the management board (including CEO, CFO, CTO, CHRO) and it includes the following entities:

TP Group Holding GmbH, Ulm Germany
 TP Management GmbH, Ulm Germany
 Transporeon GmbH, Ulm Germany
 ControlPay GmbH, Mönchengladbach Germany
 TNX Europe GmbH, Berlin, Germany
 TRANSPOREON Sp. z o.o., Krakow/Poland
 Transporeon Group Americas Inc., Philadelphia/USA
 Transporeon N Group Asia Pacific Pte Ltd, Singapore/Singapore
 Transporeon OOO, Moscow/Russia
 Transporeon TOV, Kyiv/Ukraine
 Transporeon B.V., Nijkerk/The Netherlands
 ControlPay B.V., Breda/The Netherlands
 ControlPay Netherlands B.V., Breda/The Netherlands
 ControlPay Latam EIRELI, Campinas, SP/Brazil
 ControlPay North America Inc., Woburn, Massachusetts/USA
 ControlPay Ukraine LLC, Kyiv/Ukraine
 ControlPay Audit Ukraine LLC, Kyiv/Ukraine
 Transporeon Iberia Solutions S.L., Madrid/Spain
 Transporeon SAS, Paris/France
 Transporeon S.r.l., Bozen/Italy
 TNX Limited, Auckland/New Zealand
 Transport Ninja Management (US) LLC, Chicago/USA
 SupplyStack NV, Antwerpen/Belgium
 Logit One NV, Geel/Belgium
 Logit One Technologies Private Limited, Hyderabad/India

Employees

98,2% of all workforce is employed on permanent contracts.

Transporeon Group has over 824 (2021) employees in Europe, Asia, and the U.S. To some extent Transporeon is using external workforce due to own capacity constraints, i.e., workers or consultants not being employed in the company they work for and only for a limited time.

All our employees are informed of their rights and responsibilities related to all applicable workplace functions prior to starting work. They are provided a safe and healthy workplace, free from violations of their dignity and privacy. All employees have the right to equal treatment and opportunities.

Governance structure

Transporeon is owned by HgCapital Trust plc (“HGT”), a leading software and services investor and current majority shareholder in the business. On 12 December 2022, Hg announced the sale of Transporeon to Trimble, Inc. The transaction is expected to close in the first half of 2023, subject to customary closing conditions including regulatory approvals.

All companies listed above are included in the financial reporting (TP Annual report 2021 (Lagebericht)).

TP Group Holding GmbH is the parent company of the Transporeon Group. Companies of which the reporting company has only a minority share are not included.

Unless otherwise specified mergers and acquisitions are only taken into account in the calendar year following the accomplishment of all legal acts and full organizational integration of the acquired companies, i.e, excluding ControlPay, SupplyStack, Logit One, Tracks, TNX and Nexogen. The Group comprises a participation of 85.2% in Sixfold and a participation of 5.56% in ZeKju GmbH (“ZeKju”).

The reporting period for the ESG report shall be the last calendar year and the frequency shall be annual. Starting in December 2022, the KPIs according the GRI standard shall be published at latest in December of the following calendar year. The Chief Compliance Officer of Transporeon Group (contact: **ESG@transporeon.com**) shall be responsible for its publication. Except for the Annual financial reporting (“Lagebericht”) no external assurance for this initial sustainability reporting has been requested.

The reporting company and its affiliates provide an online transportation anagementt platform (SaaS) for shippers, forwarders, carriers and retailers to move, manage and monitor freight. With our Application Hubs we digitalise customer's end-to-end transportation management processes — from procurement to settlement — and provide a comprehensive logistics network with 1,300+ connected shippers, 145,000+ carriers and 100+ retailers predominantly in Europe and Great Britain, the U.S. and in Singapore.

The Group cooperates with a limited number of material suppliers. The top suppliers are from the IT & telecommunications sector as well as from the finance industry.

Transporeon has a management board and a shareholder board (two-tier management system). Supervision of Company Management (management board) is executed by the Shareholder Board.

General meetings will be held quarterly.

The supervisory board appoints the members of the Management Board and is responsible for reviewing and approving the reported information, including the organisation's material topics, while the management board is obligated to present relevant topics for decision making.

As members of the Supervisory Board may not simultaneously be on the Board of Executive Directors, a high level of autonomy is already structurally ensured with regard to the supervision of the Management Board.

The relevant legal basis for the size and composition of the Supervisory Board is provided by the statutes of the reporting company as well as their legal rights and obligations.

In addition, Transporeon runs an Advisory Board that is acting fully independent. All eight members have independent advisory contracts, excluding those who are representing the shareholder.

The Transporeon advisory board consists of members with the following background:

- 2 members have founded the reporting company.
- 3 members are assigned from the main shareholder.
- 3 members have a very strong background in the supply chain and logistics industry.

The CFO and Chief Compliance Officer are reporting regularly on

- The results of the group wide risk assessment,
- The potential impact of our own business operation as well as of our services and products on the economy, environment and people to the Supervisory Board.

In these meetings, the outcome as well as the assessment process will be discussed and evaluated. If needed a process to re-mediate negative impacts

will be launched and the measures taken are regularly examined for their effectiveness.

Each potential conflict of interest shall be reported to the Chief Compliance Officer by using the respective form provided in the compliance section in the Transporeon intranet.

The shareholder is being paid by a monthly remuneration based on SPA, while members of the Advisory Board receive a yearly or hourly consulting fee plus some variable pay-outs within the MEP program.

Members of the Management Board are paid by a monthly salary and a variable pay-out based on their managing director employment or service agreements and take part in the MEP programme held by the investor Hg.

Commitment and engagement with other partners

Compliance with laws and regulations

0 material compliance incidents in the past three years

Transporeon has established a compliance management system (CMS) encompassing the key compliance elements in line with ISO requirements (but not certified). In consequence, there have not been any material compliance incidents in the past three years.

The Transporeon CMS consists of the following elements:

The overall responsibility for the CMS lies with the CFO. The Chief Compliance Officer at Transporeon who reports to the CFO is responsible for managing the CMS, reviewing and evaluating compliance issues and concerns as well as the internal and external communication relating to compliance. This is done in close alignment with senior management.

Transporeon has established a risk management system that addresses risks in all areas of Transporeon's business and which is revised and presented to the board on an annual basis.

As regards policies and procedures, Transporeon has published its Code of Conduct and several policies and manuals to ensure a safe and sound operation. Policy commitments are communicated to employees by intranet and to business partners and other relevant parties by including them into the contractual relationship.

The Transporeon Compliance Policy covers all important compliance elements such as (i) compliance culture, (ii) compliance targets, (iii) compliance organisation, (iv) compliance risks, (v) compliance measures, (vi) compliance communication, (vii) compliance monitoring and improvement, (viii) performance evaluation and (ix) investigations in case of an incident.

We employ a hybrid training model for all Transporeon Group employees, i.e., online and in-person trainings, in particular introductory and sales trainings. Serious concerns can be reported by anyone from inside and outside through the Transporeon anonymous reporting channel (see [here](#)).

Membership associations

Transporeon is a member to the German Bundesvereinigung Logistik (BVL – see [here](#)) in order to promote awareness for the importance of logistics and supply chain management in the industry, science and the public sphere. With our knowledge and our tools, we are a partner for the supply chain industry to develop methods and processes on an interdisciplinary and sector-focused basis.

In order to promote sustainability in the supply chain, we have also been entering into the GLEC framework initiative (see [here](#)), the only globally recognised

methodology for harmonized calculation and reporting of the logistics GHG footprint across the multi-modal supply chain. It can be implemented by shippers, carriers and logistics service providers and fits therefore perfectly to our sustainability approach.

Approach to stakeholder engagement

We want to listen, to collaborate with and to inform our customers, as well as our employees.

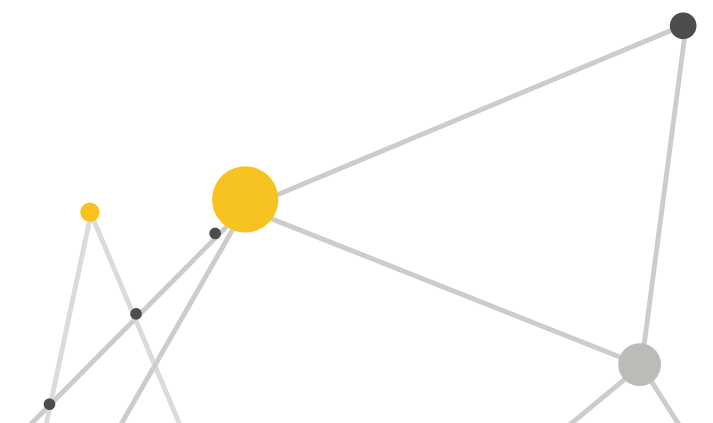
Twice a year, we are very happy to invite all employees to the Employee Engagement Survey. We have welcomed new colleagues and added more countries to our network. Therefore, it is of great importance for all of us to learn how we can best benefit from our diversity.

The same applies for our customers. Transporeon wants to proactively consider the needs and desires of the shipper and carrier community, foster connections, trust, confidence and support for our key initiatives.

We count on the participation of all stakeholders because the more participants, the better we can learn from each other and develop our company together.

Collective bargaining agreements

There is no works council in place at any of the Transporeon Group's companies and the group companies are not bound by collective bargaining agreements except those that are stipulated by law (i.e., in Austria, France, Italy, and Spain).



Annex

General

| GRI | Content | Source |
|---------------------------------------|--|--|
| GRI 2: General Disclosures 2021 | Disclosure GRI 2-1: Organizational details | Name, legal form, country of operation, LINK |
| | Disclosure GRI 2-2: Entities included in the organization's sustainability reporting | Entities included in the organization's sustainability reporting LINK |
| | Disclosure GRI 2-3: Reporting period, frequency and contact point | Reporting period, frequency and contact point LINK |
| | Disclosure GRI 2-5: External assurance | External assurance LINK |
| | Disclosure GRI 2-6: Activities, value chain and other business relationships | Activities, value chain and other business relationships LINK |
| | Disclosure GRI 2-7: Employees | Employees LINK |
| | Disclosure GRI 2-8: Workers who are not employees | Workers who are not employees LINK |
| | Disclosure GRI 2-9: Governance structure and composition | LINK |
| | Disclosure GRI 2-10: Nomination and selection of the highest governance body | Nomination and selection of the highest governance body LINK |
| | Disclosure GRI 2-11: Chair of the highest governance body | Chair of the highest governance body LINK |
| | Disclosure GRI 2-12: Role of the highest governance body in overseeing the management of impacts | Role of the highest governance body in overseeing the management of impacts LINK |
| | Disclosure GRI 2-13: Delegation of responsibility for managing impacts | Delegation of responsibility for managing impacts LINK |
| | Disclosure GRI 2-14: Role of the highest governance body in sustainability reporting | Role of the highest governance body in sustainability reporting LINK |
| | Disclosure GRI 2-15: Conflicts of interest | Conflicts of interest LINK |
| | Disclosure GRI 2-16: Communication of all critical concerns | Communication of all critical concerns LINK |
| | Disclosure GRI 2-17: Collective knowledge of the highest governance body | Collective knowledge of the highest governance body LINK |
| | Disclosure GRI 2-22: Statement on sustainable development strategy | Sustainable development strategy LINK |
| | Disclosure GRI 2-23: Policy commitments | Policy commitments LINK |
| | Disclosure GRI 2-24: Embedding policy commitments | Embedding policy commitments LINK |
| | Disclosure GRI 2-25: Processes to remediate negative impacts | Processes to remediate negative impacts LINK |
| | Disclosure GRI 2-26: Mechanisms for seeking advice and raising concerns | Mechanisms for seeking advice and raising concerns LINK |
| | Disclosure GRI 2-27: Compliance with laws and regulations | Compliance with laws and regulations LINK |
| | Disclosure GRI 2-28: Membership associations | Membership associations LINK |
| | Disclosure GRI 2-29: Approach to stakeholder engagement | Approach to stakeholder engagement LINK |
| | Disclosure GRI 2-30: Collective bargaining agreements | Collective bargaining agreements LINK |

Material Topics

| GRI | Content | Source |
|--------------------------------|--|---|
| GRI 3: Material Topics 2021 | Disclosure GRI 3-1: Process to determine material topics | Process to determine material topics LINK |
| | Disclosure GRI 3-2: List of material topics | List of material topics LINK |
| | Disclosure GRI 3-3: Management of material topics | Management of material topics LINK |

Economic

| GRI | Content | Source |
|--|--|---|
| GRI 204: Procurement Practices 2016 | | |
| GRI 205: Anti-corruption 2016 | Disclosure 205-1: Operations assessed for risks related to corruption | Operations assessed for risks related to corruption LINK |
| | Disclosure 205-2: Communication and training about anti-corruption policies and procedures | Communication and training about anti-corruption policies and procedures LINK |
| | Disclosure 205-3: Confirmed incidents of corruption and actions taken | Confirmed incidents of corruption and actions taken LINK |
| GRI 206: Anti-competitive Behavior 2016 | Disclosure 206-1: Legal actions for anti-competitive behaviour | Disclosure 206-1: Legal actions for anti-competitive behaviour LINK |
| GRI 207: Tax 2019 | Disclosure 207-1: Approach to tax | Approach to tax LINK |
| | Disclosure 207-2: Tax governance, control, and risk management | Tax governance, control, and risk management LINK |

Environmental

| GRI | Content | Source |
|--|--|--|
| GRI 302: Energy 2021 | Disclosure 302-1: Energy consumption within the organization | Energy consumption LINK |
| | Disclosure 302-3: Energy intensity | Energy intensity LINK |
| | Disclosure 302-4: Reduction of energy consumption | Reduction of energy consumption LINK |
| GRI 305: Emissions 2021 | Disclosure 305-1: Direct (Scope 1) GHG emissions | Scope 1 LINK |
| | Disclosure 305-2: Energy indirect (Scope 2) GHG emissions | Indirect emissions - Scope 2 LINK |
| | Disclosure 305-3: Other indirect (Scope 3) GHG emissions | Indirect emissions - Scope 3 LINK |
| | Disclosure 305-4: GHG emissions intensity | Emissions intensity LINK |
| | Disclosure 305-4: GHG Reduction of GHG emissions | Reduction of GHG emissions LINK |
| GRI 306: Waste | Disclosure 306-2: Management of significant waste related impacts | Management of significant waste related impacts LINK |
| | Disclosure 306-3: Waste generated | Waste generated LINK |
| GRI 307: Environmental Compliance 2016 | Disclosure GRI 2-12: Role of the highest governance body in overseeing the management of impacts | Role of the highest governance body in overseeing the management of impacts LINK |

Social

| GRI | Content | Source |
|---|---|---|
| GRI 401: Employment 2016 | Disclosure 401-1: Rate of new employees hires and rate of employee turnover | New employees and turnover LINK |
| | Disclosure 401-2: Benefits provided | Benefits provided LINK |
| | Disclosure 401-3: Parental leave | Parental leave LINK |
| GRI 403: Occupational health and safety management system | Disclosure 403-1: Occupational health and safety management system | Occupational health LINK |
| | Disclosure 403-2: Hazard identification, risk assessment, and incident investigation | Hazard identification, risk assessment, and incident investigation LINK |
| | Disclosure 403-3: Occupational health services | Occupational health services LINK |
| | Disclosure 403-4: Worker participation, consultation, and communication on occupational health and safety | LINK |

Social

| GRI | Content | Source |
|--|--|---|
| GRI 404: Training and education | Disclosure 404-1: Average hours of training per year per employee | Average hours of training per year per employee LINK |
| | Disclosure 404-2: Programs for upgrading employee skills and transition assistance programs | Programs for upgrading employee LINK |
| GRI 405: Diversity and Equal Opportunity 2016 | Disclosure 405-1: Diversity of governance bodies and employees | Diversity of governance bodies and employees LINK |
| | Disclosure 405-2: Ratio of basic salary and remuneration of women to men | Ratio of basic salary and remuneration of women to men LINK |
| GRI 406: Non-discrimination 2016 | Disclosure 406-1: Incidents of discrimination and corrective actions taken | Incidents of discrimination and corrective actions taken place LINK |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | Disclosure GRI 407-1: Freedom of association and collective bargaining may be at risk | Freedom of association and collective bargaining may be at risk LINK |
| GRI 408: Child Labor 2016 | Disclosure GRI 408-1: Operations and suppliers at significant risk for incidents of child labour | Operations and suppliers at significant risk for incidents of child labour LINK |
| GRI 409: Forced or Compulsory Labor 2016 | Disclosure GRI 409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor | Operations and suppliers at significant risk for incidents of forced or compulsory labor LINK |
| GRI 414: Supplier Social Assessment 2016 | Disclosure GRI 414-1: New suppliers that were screened using social criteria | New suppliers that were screened using social criteria LINK |
| GRI 418: Customer Privacy 2016 | Disclosure GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data | Substantiated complaints concerning breaches of customer privacy and losses of customer data LINK |



TRANSPOREON

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