



MOSOLF MOVES

SUSTAINABILITY REPORT 2023

Sustainability report 2023

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Introduction

Foreword by Dr. Mosolf

Dear reader,

2023 will go down in history as a memorable year for our company. On the one hand, we are proud to have had a commercially successful year despite the challenges of recent years, thereby creating an excellent starting position for further growth. On the other hand, there have been many developments in the world that have worried us and our employees. Crises, wars and disasters have affected me and the people in our company. I am more than proud of what our employees have done on the streets of Europe and at our sites, especially under these circumstances, thereby making this excellent result possible.



A lot has changed over the past year. We have taken a further step towards internationalisation through the expansion of our port business. At the sites in Cuxhaven, Wilhelmshaven and Zeebrugge, we can now successfully meet the increasing demand for imported vehicles from Asian manufacturers. The successful introduction of the digital consignment note meant we were able to further simplify transport order processing. We would like to congratulate our colleagues in Kippenheim on winning third place in the Institute for Custom Manufacturers'

Innovation Awards for developing an innovative rear shelving system. This type of innovation shows us we have chosen the right course in recent years. This and other rapid developments led us to realign our own organisational structure at the end of 2023. With this new structure, we will be able to serve our customers and markets even better in the future.

This also includes an increasing consideration for environmental and social aspects in our decisions. So we can hand over our family-run business to the next generation in a healthy and future-proof condition, we need more sustainable business models. Renewal and transformation therefore remain ongoing missions to achieve these goals. This also includes making our ambitions public in this report.

It is the many people in our company who give their best every day, drive innovation and follow new, more sustainable paths. I would like to express my deep gratitude to all these people. I am glad they are part of our MOSOLF family.

We hope you enjoy the read,

Dr Jörg Mosolf

It's all MOSOLF

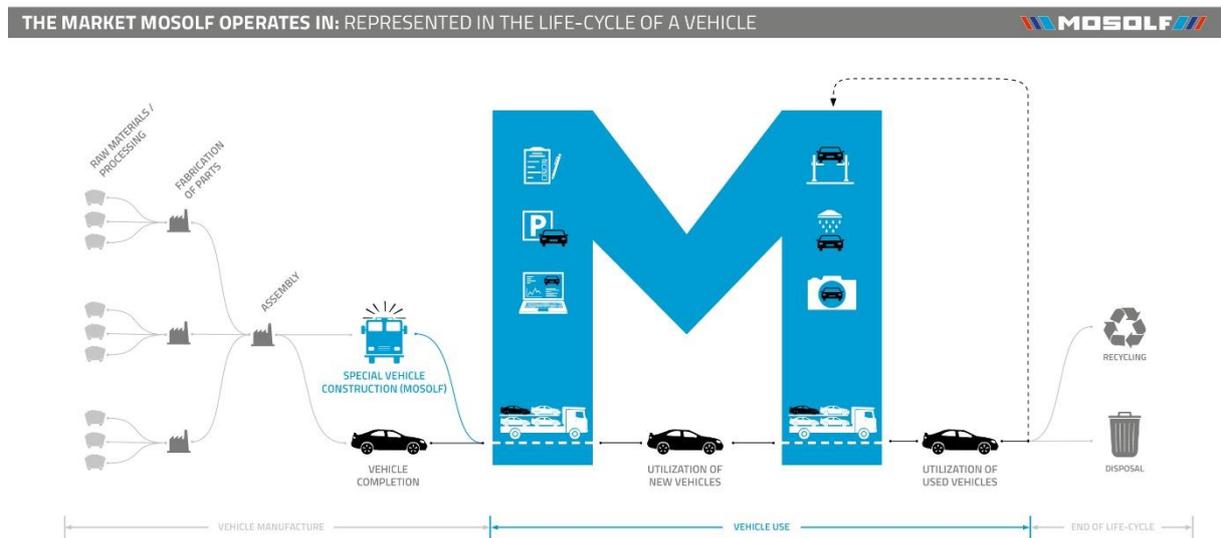
Every product is moved from one place to another at least once in the course of its life cycle, i.e. from its creation to recycling. Be it from raw material extraction to processing or from processed raw material to parts manufacturing. Logistics connects the individual steps in the manufacturing process and ultimately transports the finished goods to the trade. Although these indispensable movements do not usually change the transported goods' value, they are essential for manufacturing and sales.

As a transport company, our role is to prevent any change in the condition of the products during transport. Because a change in condition during transport can only mean one thing: a deterioration – usually due to a damaging event. And our business is right in the centre of this challenging environment. We ensure the vehicles we transport arrive at their destination in the same condition in which they were handed over to us.

This is the responsibility of our HGV drivers, who use one of our blue and red car transporters to safely load, transport and hand over vehicles to the lucky recipients on time every day. Anyone who frequently travels on the motorway has certainly passed them many times. Loaded with an average of eight cars, they are either on their way to the new owners or to one of our compounds.

Can't picture our car transporters in your mind? When you are driving on the motorway next, keep a lookout for the blue and red HGVs in the inside lane. Look at the trailer and you will realise that everything from a small car to a combine harvester can be transported. We move almost anything that has wheels and a motor. Our customers are just as diverse as our freight. From large car manufacturers and importers to leasing companies and smaller dealers, we take care of every single one of their requirements.

However, we do not just carry consignments using HGVs. In the port of Düsseldorf, two RoRo barges dock weekly and load up to 220 vehicles, which are taken on the Rhine to ports on the North Sea. What's more, many of our compounds have their own rail connections so even today many vehicles can travel long distances by train.



Infographic: Market

However, transport is only the visible part of our range of services. Simply put, we are always involved when the vehicle changes hands. A lot happens in addition to the actual transport from A to B. For new cars, we take care of the final touches before they are presented to their first owner. In the Pre-Delivery Inspection (PDI for short), final checks are carried out before a new car is handed over to the new owner.

And our customers are using our range of services for used vehicles even more. From evaluations to minor paint repairs or major repair work – our workshop teams take care of everything a used car needs at the time. When it is back in shape, our "wash and blow-dry" pampering programme comes into play. This includes thoroughly cleaning the interior and exterior as well as professional photography afterwards.

Vehicles that stay at one of over 40 compounds for a longer period of time are regularly checked. When performing care and maintenance in storage, tyre pressures are checked, for example, as well as the condition of the battery. Whether new or used, every vehicle is prepared by us in the best possible way for its next stage of use.

Our "Special Vehicles" business unit, on the other hand, is not involved when vehicles move on to the next stage of use, but before their completion. New Sprinter vans or other vehicles are retrofitted and upgraded by our employees in Kippenheim and Korschebroich step by step until the new vehicle can begin service as, for example, a police emergency vehicle. The increasing requirements of our customers are constantly presenting our colleagues with new challenges. So you need a super-light rear shelving system that is more stable than the previous wooden version, safer if an accident occurs and at the same time lighter? By 3D printing an ultra-light rear shelving system, we turn these innovative requirements into reality. And this development together with the Fraunhofer Institute IWU in Chemnitz won [third place in the Institute for Custom Manufacturers' Innovation Awards](#).

Over the past few years, we have also seen a change in the automotive market. While we have delivered a proportion of European car manufacturers' vehicles to ports for export over the past almost 70 years, vehicles are nowadays increasingly travelling in the opposite direction. Many importers send their new cars to Europe by sea, for example from China. We are meeting this new demand by expanding our port business in [Wilhelmshaven](#) (Germany), [Cuxhaven](#) (Germany) and Zeebrugge (Belgium). These activities are combined in a newly established company, MOSOLF Port Logistics & Services GmbH.

This MOSOLF Group report for the 2023 reporting year covers all our German companies as well as our Czech subsidiary in Dobrovice. Other foreign companies, for example in France, are not yet included in the report and nor are company shareholdings – such as ETECTURE GmbH, in which we hold a 25% stake. This report has been prepared in accordance with the requirements of the German Sustainability Code (DNK).

The MOSOLF Group companies examined here generated 86.7% of total Group sales in 2023 and employed 84.8% of the total workforce in the period under examination. As such, these sites form a significant part of our commercial activities. Those companies not yet included in this report are still a valuable part of the MOSOLF Group. We continue to expedite the collection and availability of the data required for the report in these business areas.

This is who we are at MOSOLF

"Don't wait for people to smile at you... show them how it's done." – Pippi Longstocking.

Sometimes in life, it is not easy for us to accept change or even to shape it. In such moments, we all need people who can inspire us to try something new. The people who work in our company are as diverse as the society in which we live. We in the Sustainability Team have been fortunate enough to meet many of our colleagues. Be it in a video chat, during a phone call or in personal conversations at our compounds. Every encounter and every exchange shows us how much heart people in our company put into their work. That's contagious. And an incredible source of inspiration for our small team. If there is one thing we have learned from our travels and conversations with colleagues, it is that a smile opens more doors than any email can. And as obvious as this fact is, it is even nicer to experience it again and again.

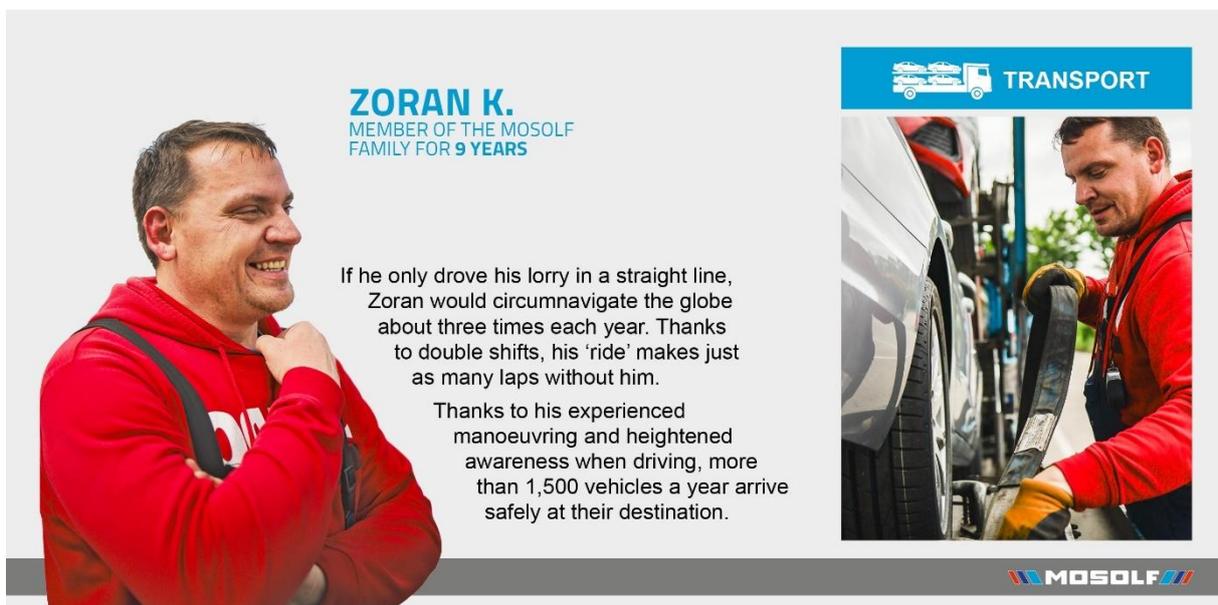
THANK YOU to all our colleagues and, above all, a big thank you to all of you who have supported us in preparing this report. You are just great!

Here, we would like to build a bridge between our value-creating activities, which are described in this report, and the people who provide them for us every day. With around 3,200 employees, it is not possible to show everyone here, but we would like to thank all our colleagues who make a valuable contribution to the success of our company every day. For the preparation of this report, we have spoken to people in Kippenheim and Kirchheim/Teck who transport, wash, evaluate, photograph or maintain stored vehicles in good condition. In addition, we were able to get to know three colleagues in Special Vehicle Construction a little more closely. We could take photos of them while they were performing their roles and also learn more about them during conversations.

Many thanks to the teams in Kippenheim for the excellent – albeit rainy – day with you all, and also a thank you to our Fleet Compound and HGV Workshop in Kirchheim/Teck.

We are proud to be your colleagues.

Profiles of our employees and their roles:



ZORAN K.
MEMBER OF THE MOSOLF
FAMILY FOR 9 YEARS

If he only drove his lorry in a straight line, Zoran would circumnavigate the globe about three times each year. Thanks to double shifts, his 'ride' makes just as many laps without him.

Thanks to his experienced manoeuvring and heightened awareness when driving, more than 1,500 vehicles a year arrive safely at their destination.

TRANSPORT

MOSOLF



WORKSHOP (PDI)



OSMAN C. MEMBER OF THE MOSOLF FAMILY FOR 7 YEARS

With a docket in hand, Osman's main concern is the final touches in getting new cars ready to hand over to the customer.

While doing so, he tests all the vehicle's features, installs the final parts such as the radio antenna, peels off the protective films and makes sure it's ready to go. Now just attach the number plate and off it goes to the new owners.



STORAGE (CARE AND MAINTENANCE)



ANDY F. MEMBER OF THE MOSOLF FAMILY FOR 6 MONTHS

Andy looks after the vehicles in the yard in Kippenheim. From checking the brakes, the correct tyre pressure or the battery charge to refuelling. No matter what it needs, Andy has it in his van.

As a qualified road builder, wind and rain are no obstacle to him.



EVALUATION



DIDIER M. MEMBER OF THE MOSOLF FAMILY FOR 27 YEARS

His trained eye misses nothing. From the smallest scratch that can happen when the fuel hose is stretched to the back of the vehicle at the petrol station to the dents caused by a hailstorm. As the person in charge of several areas, he passes on his knowledge to his team. And this now ranges from evaluating and cleaning to processing myMosolf orders.

His role is right next to the product, so he is always on his feet.



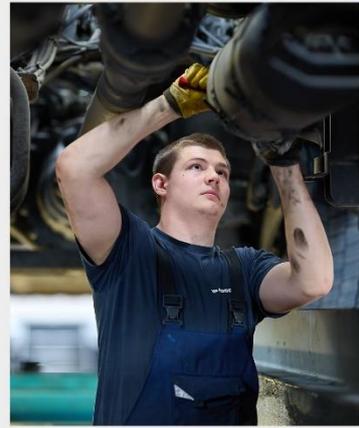
MARCO E.
MEMBER OF THE MOSOLF
FAMILY FOR 2.5 YEARS



'He is an exemplary apprentice.' This is how Marco's trainer introduces us to him. Inquisitive and enjoying his work, he is now in the final year of his apprenticeship as an Automotive Mechatronics Technician focusing on commercial vehicle technology.

From maintenance, to where parts and consumables, settings and fluid levels are regularly checked, to completely repairing a broken down lorry so it can get back on the road, the HGV Workshop provides comprehensive servicing of our fleet.

 **HGV WORKSHOP**



 **CLEANING (EXTERIOR)**



SERGIO M.
MEMBER OF THE MOSOLF
FAMILY FOR 39 YEARS

With almost 40 years at the Kippenheim site, Sergio has experienced all aspects of our business. Not a lot seems to faze him.

Together with his family, as he likes to call his colleagues, the exterior of the vehicles is thoroughly cleaned. Although in Sergio's case, it literally is family. From brothers to nephews, several family members are MOSOLF employees.



SILVANA H.
MEMBER OF THE MOSOLF
FAMILY FOR 2 MONTHS



A new addition at MOSOLF, Silvana took over shift management of the interior cleaning of the vehicles after just one month.

The goal is always a sparkling interior and that sometimes takes a bit more work. From the interior cleaning of the windows and fittings to sending the vehicles back to the yard – Silvana loves the variety in her work.

 **CLEANING (INTERIOR)**





PHOTOGRAPHY



SANDRA H.
MEMBER OF THE MOSOLF
FAMILY FOR 28 YEARS

Sandra photographs vehicles from the inside and outside for subsequent marketing. In the past, photographs were taken using a hand-held camera. Nowadays, the vehicles are photographed externally using an interior frame and large light box to standardise the lighting.

As a French native, she radiates a pure zest for life, which her colleagues in the team appreciate very much.



FLORIAN M.

MEMBER OF THE MOSOLF
FAMILY FOR 8 YEARS



ANDRÉS F.

MEMBER OF THE MOSOLF
FAMILY FOR 28 YEARS

Working together, Florian and Andrés extend ordinary vehicle chassis so they can be turned into emergency vehicles.

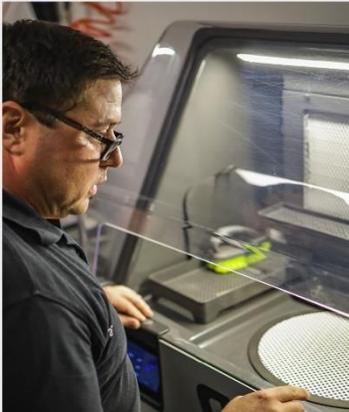
From removing unnecessary parts to installing new components: every step in creating a safe emergency vehicle goes hand in hand. As a team, they complete several vehicle retrofits in parallel in just a few days.



SPECIAL VEHICLE CONSTRUCTION



SPECIAL VEHICLE CONSTRUCTION (3D PRINTING)



TIBERIU M.
MEMBER OF THE MOSOLF
FAMILY FOR 24 YEARS

Deep in thought, Tiberiu works meticulously on new designs that meet all our customers requirements. From the initial idea to the finished component, he produces parts for his colleagues in production in our 3D printing workshop.

His digital 3D models emerge piece by piece in his 3D printers. At the end, he often lends a hand and removes the dust particles from the finished components himself.



01 Strategic analysis and action

The value of our company is always evident when customers tell us in person or via customer surveys that our employees have done a "great job" again. This makes us proud every time. Not matter if our customers' vehicles have been transported from one place to another safely and on time, if they have been repaired quickly and reliably or lovingly maintained – each one of these activities is invaluable to our customers and therefore also to us.

Our 3,200 distinguished colleagues deliver this value every day. As well as focusing on the quality of our work and the customer satisfaction it produces, we aim to conduct our activities efficiently with the help of digital support and to make them transparent to the customer. Our customers should know which process step the vehicles in our network are currently undergoing. At the same time, we are concentrating more on harmonising our activities with the environment and society. These three perspectives form the pillars of our corporate strategy: customer focus, digitalisation and sustainability.

As a fast-growing company, having a long-term focus on these future issues is becoming increasingly important. Many sudden influences or emerging market trends must be taken into account if we want to make our company future proof. Our new Corporate Strategy department makes the transformation process from the present to a company ready for the future tangible for internal and external stakeholders.

As a medium-sized family business, it is in our nature to make decisions with a certain foresight so we can hand over a healthy company to the next generation. In the future, it will be increasingly important to accommodate different interests and requirements. Our sustainability strategy aims to exactly align decision making in our company to this path. Because a strategy is only useful if it gives people guidance. Based on the interaction between the economy, ecology and social issues and together with our stakeholders, we are pursuing our sustainability goals in four key areas of action.

In addition to a significant reduction in our CO2 emissions, we want to use resources carefully. In all our business activities, we want to place even greater emphasis on the health and satisfaction of our employees. Because only with them can we sustainably align our existing business models and develop new ones for our customers.

OUR FOUR KEY AREAS OF ACTION FOR A MORE SUSTAINABLE AUTOMOTIVE WORLD OF TOMORROW 



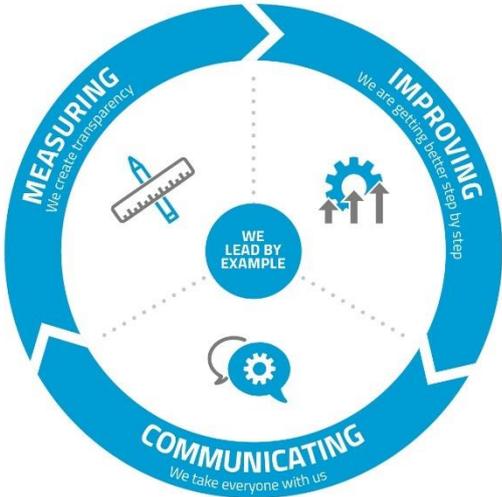
Infographic: Sustainability strategy

In a process that began with analysing the added value we create, we first identified the issues relevant to us and distilled them into four key areas of action. Subsequently, we were

able to assign nine of the seventeen [Sustainable Development Goals](#) (SDGs) of the United Nations to our strategic areas of action.

The aim of these 17 Sustainable Development Goals is to ensure sustainable development on a social, ecological and economically viable level worldwide. We – the MOSOLF Group – support these goals and have therefore connected this framework to our key issues. Our sustainability strategy came into force with the resolution of the Supervisory Board meeting in December 2022. Since the beginning of 2023, a growing team in the Sustainability department has been working on gradually embedding this strategy into our company.

WE IMPLEMENT THE STRATEGY BY „MEASURING, IMPROVING, COMMUNICATING“ 



Infographic: Implementation of the sustainability strategy

We are implementing our sustainability strategy by concentrating our activities in three areas: MEASURING, IMPROVING and COMMUNICATING. As a starting point for any improvement, we need reliable key metrics that show us what we are already doing well and where we still need to improve. Since the beginning of 2023, a Data Manager in the Sustainability Team has been solely dedicated to collecting and analysing these relevant key metrics.

Based on these findings, our Sustainability Project Manager, who has been in the role since October 2023, can check the sustainable credentials of planned future investments and then, together with the departments, initiate initial improvements.

We want to report more openly about everything we have learned from collecting the key metrics and about all the improvements we have initiated. Our main emphasis is on keeping our colleagues informed. Because we can only make things better and more sustainable with them.

02 Materiality

It's the same in a company as it is in life. There are infinite possibilities we could seize, and at least as many consequences come from the things we have done. Focusing on the key issues is one of the most difficult tasks we have to face. If everything gets the same priority, chaos will ensue. Nothing would be finished to the quality we want.

For this reason, the European Union's (EU) Corporate Sustainability Reporting Directive (CSRD) provides us with a methodology and framework to help us identify the key sustainability issues. In it, the impact of our business activities on people and the environment is given as much weight as the financial impact of sustainability issues on our company. If one of the two perspectives is important to an issue, we must make it the focus of our sustainability activities.

This year, it was vital for us to understand how to determine materiality according to the European Sustainability Reporting Standards (ESRS), the framework of the CSRD, so we could continue to develop this process in the coming years. Therefore, on a small scale, we have performed the following steps for what we think are the ten most important issues.

We started this process by analysing our value chains. As a service company in the automotive sector, we work exclusively with manufacturers' finished vehicles. The exception is Special Vehicle Construction. Here, we perform the final production steps before the emergency vehicle can enter service. Then, based on selected criteria, we distilled our extensive range of services into a few core services. The criteria included, for example, which workstations and facilities are needed, which resources such as electricity or water are required, which materials do our employees need to perform their role and which infrastructure should we use.

For example, we have combined the transport services for high & heavy consignments which, among other things, covers heavy agricultural machinery and car consignments to form the "Transport" service. To provide both the original services, you need a lorry cab, a trailer configuration, a driver, secure transport material, tablets for order processing, an HGV workshop for maintenance work on the vehicles, in-house petrol stations as well as a public infrastructure such as roads, petrol stations and lorry parks.

By analysing the value chains for these core services, we have created a basis for considering the material impact of our business activities. To gain an overall picture, we then worked out which interest groups are impacted at which points in the value chain. In transport, for example, it is our **customers** who commission us, our **drivers** or **subcontractors** who take over the orders, **suppliers** of, among other things, lorry cabs and fuel, **investors** who finance the purchase and **local authorities** as well as **nearby residents** in the areas where our sites are located.

In the next step, we started investigating the impact of our business activities on the ESRS's sustainability issues. Both positive and negative impacts were considered. Our transport business, for example, negatively affects the development of greenhouse gas emissions: *"High transport emissions already have a negative impact on climate change today."*

Subsequently, we identified possible opportunities and risks of these impacts. So switching to more sustainable fuel technologies is an opportunity for us. *"A switch to more sustainable means of transport represents a financial opportunity."* At the same time, inaction represents a financial risk. Because the costs of CO₂ emissions in the form of levies and taxes continue to rise.

This approach creates a list of Impacts, Risks & Opportunities (IROs), which is then analysed based on the evaluation framework specified by the ESRS. As a result, the IROs are ranked so the most important issues can be identified. When setting up and testing the process described, we did not always get everything right from the very beginning. For example, in our first attempt, we did not create any IROs, but tried to immediately evaluate the sustainability topics on the longlist for ourselves. We have learned from this and other mistakes and will reevaluate all the essential issues in autumn 2024 using the revised

procedure. For this report, we have summarised some key issues as IROs to give an impression of what the result will look like in autumn 2024. In addition to any IROs then classified as essential, we will define goals and outline measures to achieve these goals.

What's more, we will collect key metrics on the basis of which we can monitor the achievement of goals. Positive and negative effects form the inside-out perspective within the framework of the DNK. Opportunities and risks, in turn, are considered part of the outside-in perspective.

Sustainability aspect	IRO Typ	IRO	SDGs
Occupational health & safety	Chance	An increase in the health rate can reduce costs.	SDG 3: Good health and well-being
Training and competence development	Positive impact	Our employee development programmes improve the quality of work results.	SDG 4: Quality education
Equal opportunities	Chance	Increasing the proportion of female staff improves our position when competing for skilled workers.	SDG 5: Gender equality SDG 8: Decent work and economic growth
Corporate culture	Chance	Modernising the corporate culture increases employer attractiveness and employee satisfaction.	SDG 8: Decent work and economic growth
Workforce in the value chain	Risk	Supplier relationships can be threatened if human rights violations occur.	SDG 8: Decent work and economic growth
Climate action	Negative impact	High transport emissions have a negative impact on climate change.	SDG 13: Climate action
Climate action	Chance	A switch to more sustainable means of transport can reduce motorway tolls and CO ₂ tax levies.	SDG 13: Climate action
Microplastics	Negative impact	Tyre abrasion caused by road traffic enters the environment and has a harmful effect on health.	SDG 13: Climate action
Air and noise pollution	Negative impact	Air and noise pollution caused by traffic is harmful to people and wildlife.	SDG 13: Climate action SDG 15: Life on land
Adapting to climate change	Risk	The occurrence of extreme weather events threatens people and property.	SDG 13: Climate action SDG 15: Life on land

Even if the present elaboration is initially incomplete and not error-free, this first approach for determining essential issues according to ESRS specifications already shows us how much potential a structured approach to sustainability issues can offer us.

We will eliminate the mistakes we have made during the re-evaluation in autumn 2024 and approach the risk and opportunity assessment in an even more structured manner. We have already laid the groundwork for this with our partner, [Verso GmbH](#).

03 Objectives

Suppose we received an order to take eight new cars from southern Germany to Berlin in the next 24 hours. With the aim of handing over the vehicles to the customer on time in Berlin, we despatch our loaded HGV. As a navigation aid, the driver receives a map from us dating back to the 1960s.

For the first few kilometres, up to the former inner German border, they may find the map to be of some use. From there, it becomes a little more difficult. Although, in fact, it's difficult to get lost on the A9 motorway towards Berlin. However, at the very latest when they arrive at the outskirts of Berlin, it will certainly become a more of a magical mystery tour. Street names have changed, entire districts have been rebuilt, streets have been redirected and the Berlin Wall has completely disappeared. There are several good reasons why we do not use old maps for planning routes from one place to another.

Our sustainability goals are very similar. We know what we want to achieve. But we do not yet know every step we will take on this journey, because in many instances, we are dependent on external conditions. For example, we still have to use mainly diesel-powered HGVs as there are currently only a few equivalent sustainable alternatives on the market. However, we are sure this will change in the coming years. After all, we are not the only transport company looking for more sustainable solutions while being cost-conscious at the same time.

In a workshop at the beginning of 2024, the entire MOSOLF Group Management Board, upper management and key departments discussed the most important areas of action within the sustainability strategy and agreed on the first concrete goals. An important milestone on the road to a more sustainable company.

An overview of the most important goals we want to achieve by 2030:

SUSTAINABILITY GOALS OF THE MOSOLF GROUP 

BY 2030*:

-  We will reduce CO₂ emissions in Scope 1+2 by 40% according to the framework laid out at the February 2023 workshop
-  We will buy electricity from 100% fossil-free sources as per EU requirements
-  We are reducing avoidable employee turnover to less than 1%
-  We will cover our electricity consumption in Germany with renewable energy generated in-house

*compared to the 2022 base year

Infographic: MOSOLF Group goals in the areas of action within the strategy

Our "Sustainability@MOSOLF" illustration summarises these strategic goals in four key areas: reducing our CO₂ emissions, using resources carefully, employing healthy and satisfied employees and gradually aligning our business models towards sustainability. These areas of action set the framework within which we will make decisions in the future. To achieve transparency in our progress towards achieving these goals, we started collecting and evaluating important key metrics in 2023. As the report progresses, we will release some of these metrics.

Our employees always have the highest priority in achieving our goals. Your well-being ensures our success. A safe working environment and recognising an individual's

performance is, of course, self-evident for us. Our goals regarding accidents at work and reducing employee turnover highlight these aspects. Every person who works in our company should feel that they are valued and appreciated.

As in every relationship, there are always ups and downs to go through. In a large-scale survey of our employees at the end of 2023, we wanted to know where we need to continue to improve as an employer. This raised many issues which we have now embedded in our sustainability goals, among other things, in order to attach even more importance to them. As a consequence of the survey results, a comprehensive package of measures has been put together, which will be gradually implemented from 2024 onwards.

The issues of CO₂ emissions and the use of resources are just as important as the well-being of our employees. Our business model is not yet sustainable as per the current definition. For us, sustainability means moving away from pure consumption. Today, we have to mostly consume resources in order to keep our business economically viable. We burn diesel, heating oil and natural gas to move lorries, heat buildings or operate paint shops.

That is not sustainable. And we know it. For example, if we want to travel 100 kms in an HGV, we need about 31 litres of diesel. These 31 litres are burned, releasing CO₂ and other greenhouse gases and cannot be used a second time. Changing this is a Herculean task, which is not only just achieved by replacing the HGV.

Our vision is to produce the energy we need to operate the HGVs ourselves. We call this our MOSOLF ECO system. The emphasis here is on three main pillars: extraction, provision and use of energy. We can also find these pillars in our company.

We have recently established a company, MOSOLF Erneuerbare Energien GmbH, which will produce energy. Its purpose is to promote the generation of electricity at our sites using renewable sources such as solar and wind. To use this new energy source, charging infrastructure must be built. This is the responsibility of site management, working with Central Purchasing and the new Corporate Strategy department. The latter is also responsible for transforming the fleet which will use the energy generated in the future. To promote transformation at our sites, no new heating systems using fossil fuel will be installed from 2024 onwards.

The approach explained here involves substantial investment. Power generation plants, lorries with electric drives and fossil-free heating systems are still expensive to purchase today. It is therefore important that the general and regulatory frameworks for these goods are more sustainable, not only for the MOSOLF Group but for the entire transport sector. Just because we have achieved our goals doesn't mean the planet is saved. That is why we are working in various associations to improve the conditions under which the entire transport sector operates.

The goals outlined here are summarised in various performance indicators – more on this in the "Control" section. This is the responsibility of the Sustainability department. The Sustainability Data Manager collects the data, standardises, then evaluates it. At the moment, the insights gained are made available annually to those responsible in the company. We want to shorten this timeframe from 2024 onwards so we can react more quickly.

By creating transparency, we can address improvements precisely. For example, employees could find out about our company's current status on an internal sustainability platform and, in the future, should be able to access information or suggestions for improvements directly from there. Our plan is to channel employees from, for example, the key metric on health levels and further information on staying healthy at work straight to MOSOLF Group initiatives aimed at improving health and well-being. Through this, we can directly connect goals, insights and improvements.

We have assigned our corporate goals to the [17 Sustainable Development Goals](#) of the United Nations. For example, our CO₂ reduction target directly contributes to the 13th United Nations Sustainable Development Goal, which focuses on climate action. Calculating this key metric came with several interesting insights. Unlike other sectors, our largest emissions

do not fall under Scope 3, indirect upstream or downstream emissions, but under Scope 1. In other words, the emissions that arise directly from our business activities. Our company HGVs play the major role in this.

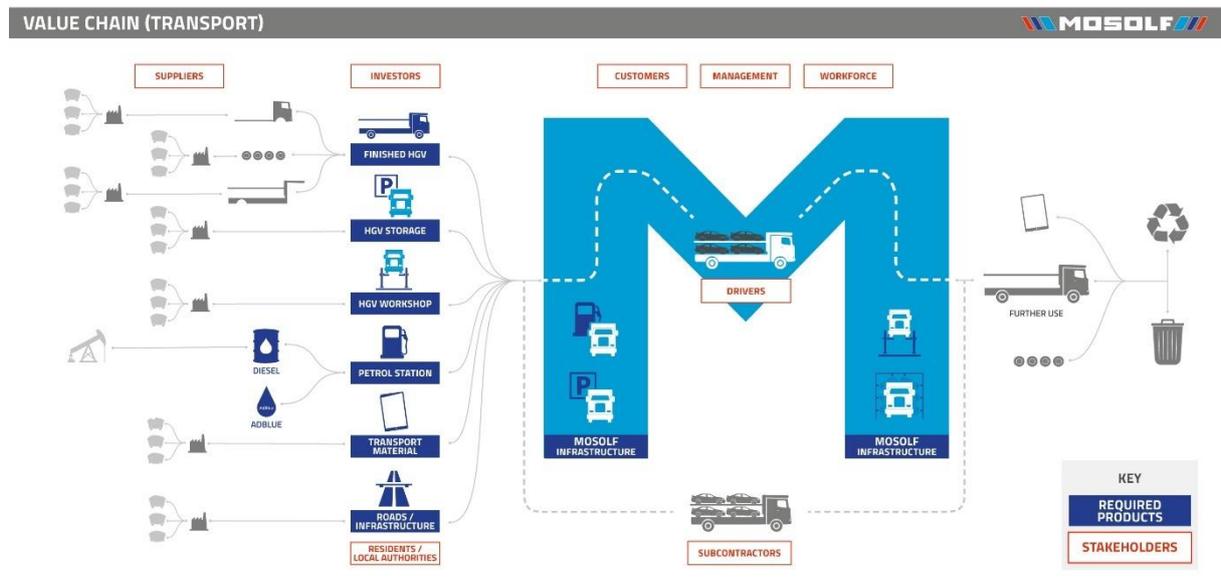
Equipped with this new digital navigation aid, we are well-prepared for the road ahead. Now it is up to us to consistently pursue our goals. Because, as an old German saying so beautifully puts it:

"The deed distinguishes the goal from the dream."

04 Depth of the value chain

We do more to finished vehicles than just transport them. Our colleagues work at our sites every day not only to maintain the condition of the vehicles but, if needed, to improve them. We repair minor and major damage to used vehicles, remove scratches, change tyres or give the vehicle a completely new coat of paint. As soon as the vehicle is returned to the right condition, it goes in for a "wash and blow-dry" – as we like to say. From thorough cleaning or professional photography to safe storage with regular care and maintenance: Even when a vehicle is not in being used, we lovingly look after it.

To offer our services for new and used vehicles, we are dependent on products in many instances. Without lorries and fuel, we could not transport cars; we could not wash them without car washes; we could not take glossy photographs of them without cameras. Our business requires a lot of materials.



Infographic: Value-added chain for the transport business

To provide a "transport of finished vehicles" service, we obviously need a lorry cab plus the trailer so that vehicles can be loaded in the first place.

However, our HGVs do not improve over time. The daily trips pulling a heavy load cause significant wear and tear on various components. For example, the tyres must be replaced regularly if they can no longer be refurbished. However, parts and consumables must also be replaced over time and lubricants refilled so that everything can continue to run smoothly. We carry out this maintenance work in our own HGV Workshops, which in turn require additional materials and equipment. Starting with the right premises and the machines and tools required for repairs to storage facilities for frequently used spare parts. To keep lorries operational requires a lot of resources.

Resources that can no longer be used enter the downstream recycling or disposal process. And so we work with companies that specialise in recycling or disposing of these materials.

A lorry would not budge without energy. For the majority of today's fleet, this energy is still generated by burning diesel in the engine. For this purpose, the diesel must first be extracted as crude oil and later refined before it can be purchased from us at petrol stations. We operate our own petrol stations at many sites. These facilities must also be built and maintained. They require huge fire-resistant tanks to store the fuel, dispensing pumps through which the fuel fills the truck and oil separators so that spilt liquids can be collected and therefore not penetrate the ground. At our petrol stations, HGVs can also obtain AdBlue, which aims to reduce nitrogen oxide emissions. But this urea-based solution must also be manufactured.

Our drivers are equipped with tablets that help them load the right vehicles and successively complete the associated transport orders. When loading, it is important to ensure that the vehicles are properly secured so that they do not fall from the lorry during transport. Specialist wheel chocks and ratchet straps are required. And last but not least, of course, we need a functional transport network. Without good roads, our lorries would have to be repaired even more often. All of these things are essential so that we can transport finished vehicles safely from A to B.

However, we cannot complete every order from our customers by ourselves. Due to high demand or local conditions, we sometimes have to purchase transport services from other companies. We make a distinction between subcontractors, with whom we work regularly, and third-party freight forwarders, who take on occasional jobs. In both cases, it is difficult to measure the resulting Scope 3 emission levels based on the available vehicle specification, route and weight data. By working with [Cozero](#), who are experts in CO₂ accounting for logistics companies, we are creating a well-founded database that maps emissions as realistically as possible.

So we require a lot of products and materials just for the transport side. Of course, this also applies to all the other services we provide. They also have their own value chains with many upstream process steps. For example, to clean the vehicles at our sites, we need washing facilities, water, electricity and cleaning agents. To paint vehicle parts, we need paint booths, a lot of heat, paints and spray tools. And photographing vehicles requires primary products such as a photo studio, cameras and a lot of electricity. All these products must be manufactured from raw materials, processed and transported so we can use them.

As the only part of the company that manufactures and processes materials itself, Special Vehicle Construction is in a unique position when considering added value. Here, new vehicles that have been specially purchased or supplied to us are retrofitted in accordance with the client's tendering requirements. These are usually police vehicles, emergency vehicles for both public sector and commercial customers as individual or mass production. Retrofitting requires a lot of components, which we have to buy in specially. Each of these products has its own supply chain. We manufacture parts ourselves that we cannot obtain on the open market. To do this, we use additive processes, our own metal processing or produce electronic components ourselves. This also needs suitable source materials.

When procuring the products we need, we are increasingly ensuring as few resources as possible are consumed when using products and machinery, and products can be recycled as much as possible. Ideally, resources can be used again once they are reprocessed. Take our car washes, for example, where up to 90% of the water used can be reused after treatment. The same applies, for example, to the procurement of lighting or heating systems.

Increasingly, responsibility for a product's supply chain is being tightly regulated by legislation at German and European level. The German Supply Chain Act (LkSG), the upcoming Corporate Sustainability Due Diligence Directive (CSDDD), the Corporate Sustainability Reporting Directive (CSRD) and the EU Taxonomy Regulation form the legal framework for reporting and compliance with human and environmental rights along

supply chains. Were raw materials mined in an environmentally friendly manner? Were human rights or environmental rights infringed when extracting or processing raw materials or during further processing?

What has become the norm in our own business must now also increasingly be applied in supply chains. We support this approach. As an initial step, we have extended our understanding of sustainable management ([Code of Conduct](#)) to our business partners ([Business Partner Code](#)). What we require of ourselves, we also expect from our suppliers and service providers. This expectation has now also been included in our [General Terms and Conditions of Purchase \(T&Cs\)](#) and forms the basis of increasingly sustainable purchasing decisions. Our T&Cs stipulate that companies that supply us with products or want to provide services to us ensure there are no risks to people or the environment.

But we are not going about this naively. We know explaining our understanding of sustainable practices in a document does not guarantee that there will be

any breaches of human or environmental rights all the way back to the extraction of raw materials. We are aware that we – like many others – are still in the early stages of achieving this transparency. Verifying human or environmental rights violations becomes increasingly difficult when the upstream added value step is further away from us. That's why we established a [whistleblower system](#) in 2020, which has also been supplemented by a supply chain complaints procedure. Breaches can be reported anonymously by those directly or indirectly affected.

In addition, we reserve the right to conduct monitoring by demanding immediate disclosure of information or through our own audits. Together with a specialist partner, an extensive risk analysis of our suppliers has been or will be carried out to target companies that pose potentially higher risk.

For the foreseeable future, we cannot completely exclude risks along long value chains, such as the manufacture of HGVs. However, we are doing everything we can to exert our positive influence there as well.

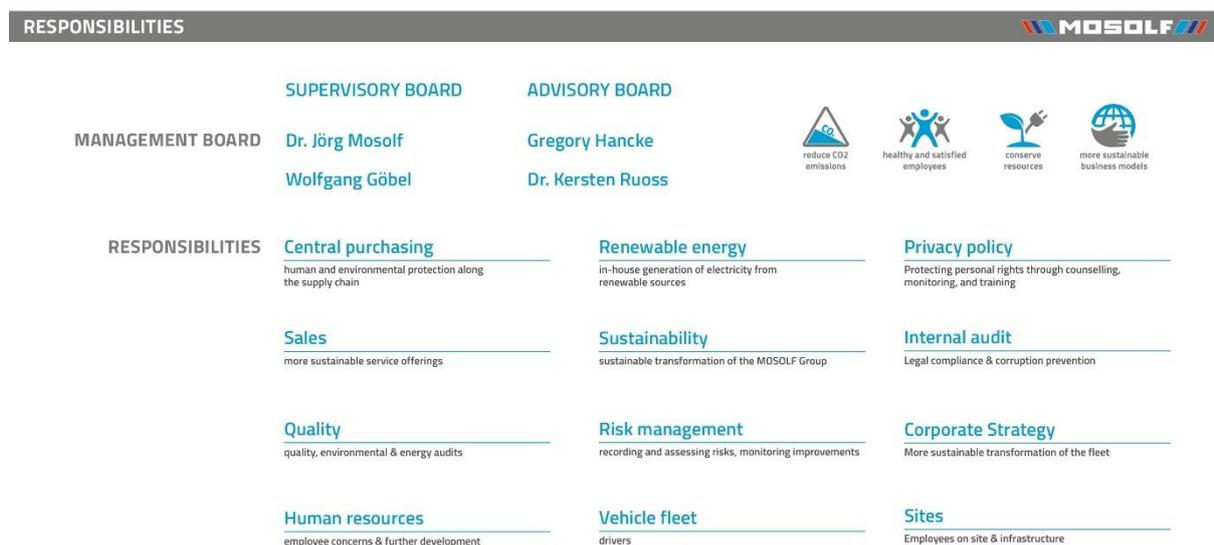
05 Responsibility

We only achieve change if each of us is willing to take responsibility for reaching common goals. The MOSOLF Group is facing the challenges related to its impact on the environment and society. As a result, we have agreed overarching sustainability goals, the achievement of which is the responsibility of us all. However, no one is on their own. On the one hand, each department head plays their part in achieving the goals and on the other hand, we support each other. Clear responsibilities have been created within our company for the complex tasks associated with the sustainability transformation.

Under the leadership of our CEO Dr Jörg Mosolf, our Management Board bears overall responsibility for the sustainable practices of all employees. The Management Board reports on the progress of our sustainable transformation twice a year to the Supervisory Board, which functions as the MOSOLF Group's highest governing body. In this function, the members of the Supervisory Board require and promote sustainability.

Operationally, responsibility is carried by many shoulders. Thanks to the various challenges posed by the issue of sustainability, there are various roles within the company overseeing compliance with laws in their respective specialist areas and actively shaping the sustainable transformation. For example, compliance and ethics are the responsibility of our CEO. Operational implementation, such as responsibility for the whistleblower system, the supply chain complaints procedure or handling discrimination and harassment cases, is carried out by our committees together with relevant, specialist external law firms.

Management Board responsibility for the sustainability strategy's operational implementation lies with Wolfgang Göbel. Responsibility for implementing the sustainability strategy and its associated functions was transferred to the new Sustainability department in 2022. The department acts as a support unit within the company, collecting information, obtaining Management Board authorisation and delivering consolidated reports on the issue. Depending on the subject area, data and information is provided by the relevant departments.



Infographic: Responsibilities

Operational responsibilities are as follows:

- Responsibility for creating alternative low-emission and more sustainable services lies with **Sales**. Our colleagues are in constant contact with our customers to find long-term, more sustainable solutions for their requirements.
- In the future, we want to produce the "green" electricity for our business activities ourselves. The **Renewable Energy** department is therefore developing strategies for generating sustainable electricity from renewable sources such as solar or wind.
- An important component of our business is the transport of finished vehicles. Today, this is still mainly carried out using diesel-powered HGVs. This is set to change in the future. Responsibility for transforming our HGV fleet lies with **Corporate Strategy**.
- The safety and well-being of our drivers is the responsibility of **Fleet management**.
- Our sites are managed and operated autonomously. Each **site manager** is therefore responsible for improving environmental conditions at their site and for the well-being of their employees on site.
- Overarching employee matters and opportunities for career progression are taken care of by colleagues in the **Human Resources department**.
- **Internal Audit** is responsible for monitoring compliance with legislation and preventing corruption.
- By monitoring human and environmental rights along the supply chain, **Central Purchasing** is also taking on a sustainability role. The Steering Committee for the Human Rights Commissioner (StCM for short) will also start operating at the beginning of 2024. This interdisciplinary panel of representatives from the Legal department, Risk Management, the Sustainability department, our Human Resources department and Central Purchasing is responsible for monitoring and assessing risks in our supply chain.
- The **Data Protection Officer** supports the Data Controller(s) by providing advice, monitoring and training to guarantee effective protection of personal data.
- Our colleagues in the **Quality department** not only ensure continuous improvement in our service provision but also oversee audits of our quality and environmental management systems as well as our energy usage.
- **Risk Management** deals with the systematic recording and assessment of all risks. In view of the increasing presence of sustainability risks in recent years, recording and evaluation methodology is being continuously developed and improved.

Each of us contributes to the success of the sustainable transformation. Our long-term goal is to empower every colleague to take responsibility for their own more sustainable practices. Because we only be able to accomplish this great task together.

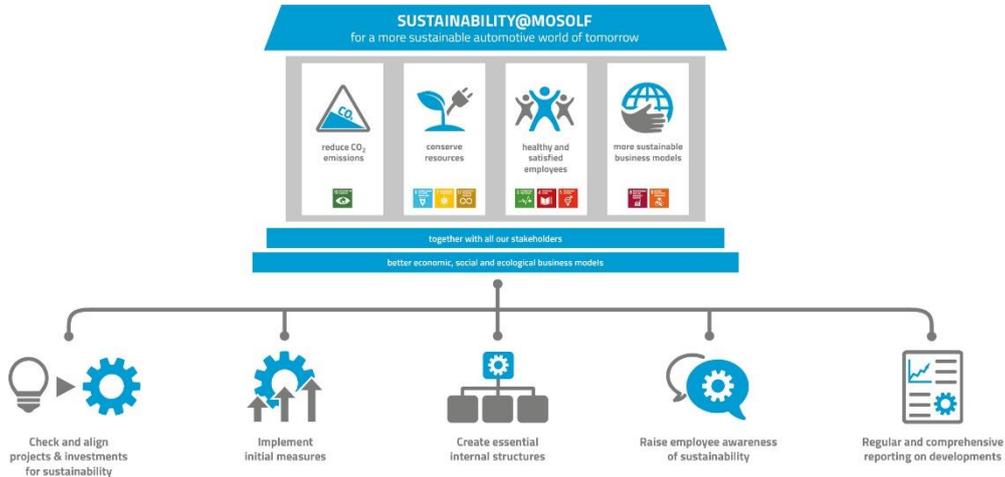
06 Rules and processes

"If you obey all the rules, you miss all the fun." – Katharine Hepburn

Our goal is to sustainably transform the MOSOLF Group with all of its subsidiaries. This is not a project in which you can plan every stage exactly and will be completed in six months. If, from the beginning, we set up rules and processes that are too strict for the path towards transformation, correcting this approach will become increasingly difficult as time goes on. If, on the other hand, we dispense with rules and processes completely, progress will happen at an imperceptible pace. So a healthy balance is required. We have already taken the first steps towards greater sustainability in our company. And as is so often the case in life, the mistakes made are helping us to gradually adapt the rules and processes in the company.

Another reason we should not change everything immediately is human nature. "Thank you for working for us for 40 years. But what you have been doing up to now has been all wrong. And everything has to be done differently now." We would not get very far with our project if we took such an approach. It requires sensitivity and the diverse ideas of our employees. Because they know what they are doing better than any outsider. Involving them is our top priority. That is why we have developed a plan for gradually embedding the change process within the company.

PLAN FOR IMPLEMENTING THE SUSTAINABILITY STRATEGY



Infographic: Implementation of the sustainability strategy

If every employee in our company aligns their decisions with our sustainability goals, we are on the right track. We must succeed in making sustainability visible in our employees' day-to-day work and offer them an important decision-making tool.

So since the end of 2022, we have been implementing various projects in five strategic areas. We develop the structures needed as described in the "Responsibility" section with the relevant department and, for key issues, decentralised managers. Since the end of 2023, larger projects and investment plans have been methodically reviewed for sustainability and gradually aligned to it. We are already quickly and consistently implementing low-hanging fruit – simple and cost-effective measures. These include switching to LED lighting, using a digital heat management system in some of the first buildings and appointing the first Energy Managers at our sites to ensure energy is not wasted.

To ultimately encourage each employee to use resources responsibly, we are increasingly turning to internal communication channels and methods. We report on all our activities transparently. With this report, we are also making our approach transparent to our external stakeholders.

And existing processes are also adding to our plans. For example, the MOSOLF Group has already achieved DIN ISO 9001 certification, ensuring rules and processes are documented, tracked and adapted as required. Some companies also have an integrated environmental management system and are therefore certified to ISO 14001.

How we conduct business and the responsibilities we assume as a company are set out, amongst other, for our employees in our [Code of Conduct](#) and for our business partners in our Code of Conduct for Business Partners ([Business Partner Code](#)) . We also expect our business partners to have the same basic understanding of our business activities as set out in these codes. To adhere to these requirements in our daily purchasing decisions, we have also summarised them in our Procurement Policy.

People need structures in which they can work and live. Adapting these structures so they are in harmony with the environment and society is the challenge we face. We must proceed with caution. The wrong rules and processes will not garner support, but rejection. I will not feel happy accepting what I do not enjoy, where I feel uncomfortable or patronised. It is our job as a company to tread this fine line without tripping up. Together with all our colleagues.

07 Control

In the "Responsibility" section, we described how responsibility for achieving certain sustainability goals is allocated in the MOSOLF Group. In principle, monitoring the achievement of goals is the responsibility of the relevant department.

In addition, we are currently developing higher-level sustainability monitoring, where, since 2023, non-financial key metrics such as energy consumption, waste generation or age structures within the workforce have been methodically recorded, processed and evaluated.

These overarching performance indicators are primarily intended to provide transparency around the achievement of the MOSOLF Group's sustainability goals. What's more, these key metrics can be used by each department to derive targeted measures for improvement. We will therefore continue to expand access to information and data in the coming months so that more decision-makers in the company can access relevant sustainability information.

One of the most important key metrics is the CO₂ balance sheet, which we have developed together with Cozero GmbH in accordance with the Greenhouse Gas Protocol, the international standard for accounting for greenhouse gas emissions. CO₂ emissions combine many essential parts of our business activities including the manufacturing and delivery of primary products, our employees' commuting behaviour, the use of fuel in our HGV fleet and waste disposal at our sites. The CO₂ balance takes into account all aspects of our activities, from the upstream value chain to disposal or recycling.

At present, we can determine the CO₂ emissions for our entire company in the scope described – the so-called Corporate Carbon Footprint (CCF) – fairly well and, at the same time, are already breaking down the results to companies and sites. The next step is to work on calculating emissions based on individual business activities. We are going to start with the biggest driver of emissions, the transport of vehicles. In 2024, we want to calculate transport emissions according to the new ISO 14083 standard and report them to our customers. These standard calculations will enable us to better assess the extent of more sustainable options.

Continuing to collect CO₂ emissions data is also important because we can then keep an eye on our targets compared to the 2022 base year. We have converted the other sustainability goals into initial performance indicators according to the ESRS, for which we have collected primary data since the beginning of 2023. The share of self-generated electricity is just as relevant as the share of fossil fuels in total energy demand.

As a rule, data is collected at the place of origin, i.e. at each site. Sometimes data is already available centrally, so we have made use of these existing processes. In 2023, we focused primarily on developing data flows and reporting structures.

During the first half of 2023, we visited almost all our sites in Germany in person. We also visited our colleagues in Dobrovice in spring 2024. During the visits, we got an impression of the local conditions and, at the same time, met those responsible. This approach has made it much easier for us to work together to obtain data. Even though we are not yet able to collect all the data to the standard we would like, we are able to get a comprehensive picture with the help of our colleagues on site. Existing data gaps have been carefully recorded by the Data Managers so we can now work systematically on closing those gaps.

Initial improvements have been achieved since 2023. For example, based on our transport data, we were able to calculate our subcontractors' emissions much more accurately. In the previous balance, we had to rely to a large extent on cost data as our only basis. This is, of course, not as accurate as a calculation based on transport information.

However, the Sustainability department is not the only department that needs this data. We must also be able to provide energy consumption for ISO 14001, for example, or present it in detail in the energy audit. So in the autumn of 2023, we began collecting non-financial key metrics decentrally and made them available centrally if required for a particular process. This not only saves work in several places across the company, it also makes evaluations

more consistent. We will continue to expand this project in 2024 so more data can be centralised and made available to even more stakeholders.

As well as the sustainability key metrics, MOSOLF Group sites have been regularly monitored for several years by an independent body, the environmental consultancy Dipl. Ing. R. Winkelhardt GmbH, for compliance with environmental and occupational health and safety guidelines. During inspections, fire safety and workplace safety checks are carried out to ensure the safety of our employees. For environmental protection, we regularly monitor drainage, energy efficiency and heating systems. The Sustainability department has complete access to all data collected, as well as the inspection reports.

The quality of our services is monitored using the four-eyes principle. Our Quality department carries out internal audits and, in addition, we are regularly checked by external partners – such as our customers – and certification companies. The most extensive audits take place as part of ISO 9001 and ISO 14001 certification.

Every four years, our colleagues in Quality also organise the energy audit, as required by law. The last energy audit took place in 2023 and was carried out by DEKRA Automobil GmbH. Records were made on the breakdown of electricity consumption by originating source, the distribution of heat and electricity consumption as well as the split between diesel, heating oil, gas and electricity. In this instance, we could already take advantage of the initial synergies described.

This should be further expanded in the coming years. Our goal is not to introduce the best control system or collect the most accurate key metrics, but to transform our company. Ideally, these measures will only be required for a short time.

08 Incentive systems

The MOSOLF Group relies on different incentive systems to achieve sustainable improvements. So far, the emphasis has been mainly on ensuring our company's profitability and competitiveness in the long term. To secure this, we have developed, for example, a performance agreement model for management that is 60% geared towards the commercial success of the Group and 40% specifically promotes the manager's personal development.

The company's objectives (including quantitative objectives) are determined by the Management Board in consultation with the Supervisory Board. Personal (qualitative) objectives are agreed once a year between the manager and their respective superior. In recent years, this flexible part of the performance agreement has increasingly included social and ecological objectives, which are implemented by each manager within their area of responsibility. For 2022, a similar sustainability objective was also devised for MOSOLF Group's Management Board.

This set out that a clear sustainability strategy, including an implementation plan, should be developed by the end of 2022. This objective was fully satisfied through the sustainability strategy described in this report and our plan to implement it across the company. The passing of the resolution regarding sustainability goals for the entire Group at the beginning of 2024 has laid the foundations for integrating them into the performance agreements of other managers. In autumn 2024, we will draft a proposal of what such integration could look like from 2025 onwards.

In addition to monetary incentives, we are increasingly focusing on the diverse ideas of our employees. Through surveys, face-to-face conversations or by email, employees can submit ideas, requests and suggestions for sustainable improvements in our company to the Sustainability department. Here, all suggestions are methodically collected and checked for feasibility. Thanks to a transparent feedback system, we show what has happened with the proposals and encourage people to get involved.

You can already do this with us in the GreenTeam, an interdisciplinary team comprising colleagues from a wide range of areas and hierarchies. The GreenTeam develops, plans and carries out employee campaigns that aim, on the one hand, to raise awareness of sustainability and, at the same time, to further improve camaraderie and cohesion among colleagues. In 2023, for example, the GreenTeam organised participation in CITY CYCLING (StadtRadeln) and supported the AKB sponsored run with T-shirts for the runners.

In the long term, our goal is to empower every employee to act sustainably. So in the coming years, we will be developing further non-financial incentive systems.

09 Stakeholder engagement

Sustainable transformation is a task for society as a whole and we work together with many different companies, groups and individuals towards a common goal. The MOSOLF Group is aware of its role in this and is actively playing its part. To identify stakeholders relevant to our business, we carried out a stakeholder analysis at the beginning of 2022, in which we weighted all individuals and groups with a potentially legitimate interest in our business activities according to their influence and relevance.

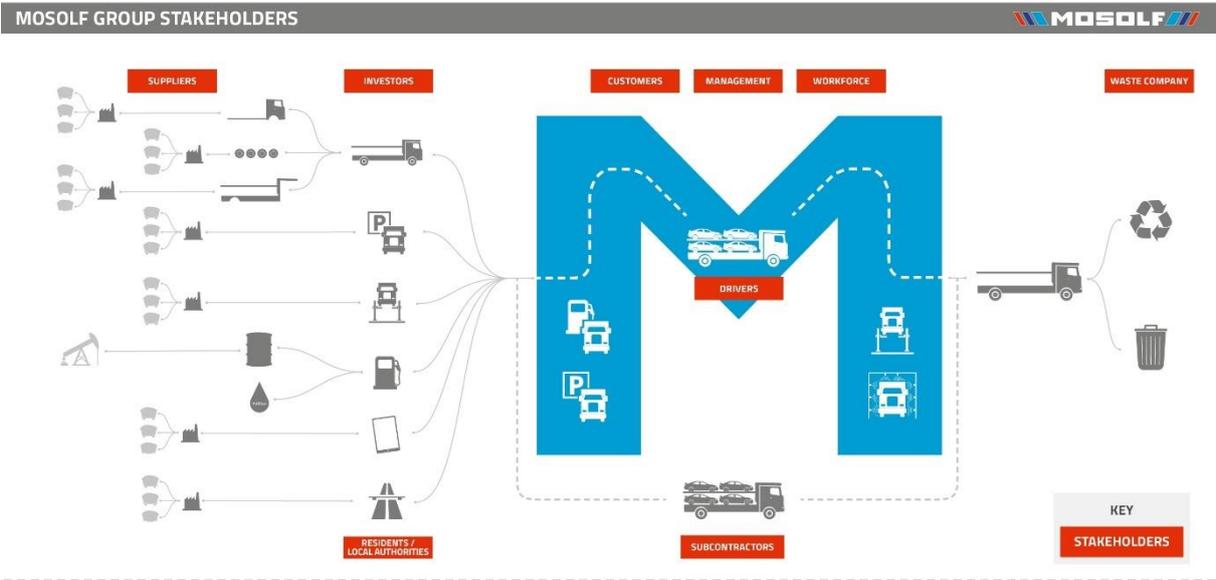
We verified the results of this analysis at the beginning of 2024, taking into account the value chains. As a result, we have identified the following stakeholder groups:

Internal:

- Upper management sets the sustainability goals and makes fundamental decisions that contribute to these goals.
- Employees and managers implement the sustainability goals and provide valuable feedback on further proposals.
- The Works Council is regularly informed about developments (including sustainability) by upper management.

External:

- We also align the sustainability goals to our customers' requirements.
- Our service providers perform contracts on our behalf and our suppliers manufacture products we need to fulfil our contracts. Both should also be committed to sustainability.
- When competing against other providers, customer decisions are increasingly being influenced by sustainability criteria.
- Our investors are interested in the sustainable success of our company.
- Together with local authorities and their residents, we always try to reduce the impact of our business activities on daily life.



Infographic: MOSOLF Group stakeholders

As a family business, we have always maintained close, respectful, honest and trustworthy interactions with all our stakeholders. These interactions take place on different hierarchical levels and through various channels. We involve our employees, for example, through surveys, information sessions or our internal platform. Sustainability information is published

here first for our employees. We also include articles in our employee magazine "MORE" to inform and raise awareness. Through this sustainability report, we are now taking the next logical step in terms of communication and making our activities clear to other MOSOLF Group stakeholders.

In addition to the Sustainability department, which is managing MOSOLF Group's sustainable transformation, an interdisciplinary team consisting of colleagues from various locations, departments and hierarchies has been active since 2020: our GreenTeam. Together with the Sustainability department, the GreenTeam is always looking for opportunities for face-to-face conversations at various employee events and encourages colleagues to actively work towards sustainable improvements.

To ensure our business models are sustainably aligned, we place great importance on engaging with our customers. As part of regular strategy discussions with our customers, we agree on sustainability requirements and strategies so we ensure we are not only pursuing our own defined goals, but also supporting our customers in achieving theirs. We also aim to carry out joint projects to test more sustainable solutions so we can roll them out later.

We communicate our sustainability requirements to our service providers and suppliers via our Code of Conduct for Business Partners ([Business Partner Code](#)) and also exchange information directly with them. This approach will be further extended in 2024 to comply with the legal requirements for our supply chains.

The local authorities and people who live in the immediate vicinity of our sites are also important to us. We are always open to hearing from these stakeholders and do our best to take their concerns and wishes into account when making decisions.

Associations and networks are particularly important platforms for exchanging ideas with other external stakeholders. For example, we actively participate in the German Logistics Association's "[shaping sustainability](#)" initiative. We describe activities involving other associations in Chapter 19 (Political influence).

10 Innovation and product management

We are a service provider that requires a great deal of energy to deliver services, which is why we are placing great emphasis on reducing our energy consumption. We are working in various areas on solutions to lower this. However, we are also looking at ways of reducing our emissions and consumption of resources.

We're not developing concepts and ideas just for them to end up on the shelf. This attitude runs through our sites and companies like a blue and red thread. Every colleague is always looking for the best solutions to our customers' requirements. The innovative services and products that then arise secure the future of our company not only by strengthening our core business, but also by developing new, more sustainable business areas.

From procuring more sustainable products for our services to saving resources during use and then disposing of them responsibly: We innovate at every stage and at each end of the value chain.

On the go with electricity

A highlight of 2023 was the introduction of the first five fully electric car transporters in our fleet. Three of the five electric HGVs can be found in Düsseldorf as part of our long-standing collaboration with the Mercedes-Benz's van plant. Every year, we transport about 30,000 Sprinter vans from the factory to the port of Düsseldorf on the River Rhine, from where they are then shipped to Rotterdam and Antwerp. The other two electric HGVs are based in Illingen and distribute vehicles across the State of Baden-Württemberg.



Image: Commissioning of the first electric powered lorries in the MOSOLF fleet

Our new all-electric car transporters are real powerhouses. Developed by Switzerland's Designwerk Technologies AG in cooperation with Kässbohrer Transport Technik GmbH, they have a battery capacity of 340 kilowatt-hours and can travel up to 280 kilometres on one charge. SMATRICS GmbH & Co KG of Austria built the charging infrastructure which consists of six charging points at the Illingen and Düsseldorf sites, two with 150 kW and one with 300 kW charging power.

In tests, we have consistently received positive feedback from our drivers. The comments highlighted equivalent or better vehicle handling compared to the combustion engine transporters. And the technology delivers: Our energy consumption is about 15% below the

expected 150 kWh/100 km, which means a longer range, making its use even more efficient. So it turns out that practical alternatives to diesel technology are already available today.

Despite all our determination, we still come up against a few hurdles. For example, using the new HGVs is only commercially viable thanks to the grant we received for their acquisition. So in the coming years, they need to be competitively priced. If we want to expand the use of electric powered lorries, we need, on the one hand, longer ranges and, on the other hand, more public charging points for HGVs. We are committed to both as part of our work with associations.

Into the future with renewable energies

Over the coming years, our customers' vehicles will also continue to transition to electric. Electricity will therefore become one of the most important, if not the main, energy source. Our aim is to not only gradually meet our own electricity needs but also to supply renewable electricity to others. We see this transformation as a great opportunity to fully exploit the potential for electricity production at our sites and to become largely independent of external energy sources.

With our 220,000 car parking spaces alone, we have a PV potential of over 100 MWp, supplemented by opportunities on our warehouse roofs and by wind power in the lower double-digit MWp range. Our aim is to release this potential piece by piece while also creating added value for our operations, such as covered storage areas. Of course, the speed of expansion depends on the regulatory framework, the development of our electricity demand and the commercial attractiveness of the investments.



Image: Solar canopy installation in Rackwitz

An important milestone in 2023 was the completion of the largest car park solar canopy project in the German-speaking world. With an output of 16.3 MWp covering almost 6,000 parking spaces in Rackwitz, an important milestone was reached. The final construction phase was connected to the grid in January 2024.

From 2024, more electricity will be produced each year at our site in Rackwitz alone than we currently consume nationwide. This achievement shows how seriously we take our sustainability goals and that we are willing to implement them consistently. In 2023, around 7,400 MWh of renewable electricity was generated at our German sites. These figures show we are on the right track to meet our energy needs and to make a much greater positive contribution to the energy transition through sustainable energy production at our sites.

We have big plans for 2024: The start of construction of the car park solar canopy in Kippenheim, with a total of around 23 MWp, is on schedule. However, their grid connection is not expected until 2025.

Innovations in Special Vehicle Construction

Battery electric vehicles are an essential component for reducing CO₂ in the transport sector. However, the additional weight of the high-voltage storage systems comes at the expense of the permitted payload. Together with the Fraunhofer Institute for Machine Tools and Forming Technology (IWU), we have developed a solution; a 3D-printed rear shelving system for a police vehicle. This innovation saves 26.5 kilograms in weight compared to the previous retrofit solution – without compromising on payload or safety.



Bild: Fraunhofer Institut, Chemnitz

The new system is designed so it fits the vehicle contours precisely, making optimum use of the available space. There is now even more space for equipment in the upper compartments, thanks to an 8% increase in storage space.

SEAM technology was used to produce the shelf. This process is eight times faster compared to conventional 3D printing. The result is a robust, lightweight and cost-efficient product.

The carbon fibre reinforced polypropylene we used is not only lightweight, but also water-resistant and perfect for day-to-day police work.

The collaboration with Fraunhofer IWU was a success from the very beginning. The project shows that 3D-printed interior fittings offer a real alternative to conventional techniques, particularly for specific requirements such as police work. Our innovation has also been recognised externally: At the "LOT SIZE 1+" (LOSGRÖSSE 1+) Innovation Awards,

MOSOLF Special Vehicles GmbH achieved third place in the "Project Service Provider" category. This award is a great endorsement of our work and shows we are on the right track.

Michael Ringwald, Managing Director at MOSOLF Special Vehicles, and Carsten Busam, Head of Project Planning, are delighted with the success: "Public sector bodies are increasingly focusing on electromobility and we want to offer the best solutions for their particular application in terms of weight and storage space." Our 3D-printed shelves are a good example of how we can advance electromobility through innovative technologies and collaboration while meeting our customers' requirements.

Digital from A to Z

By focusing on mirroring all physical value-added activities in the digital world, we aim to make processes more efficient and, at the same time, offer more to our customers. We can then provide maximum transparency to our customers regarding the status of their orders. Our digital platform [MYOUR](#) provides our customers with a window into the MOSOLF world. Here, the customer can track every single process step of their order in real time and manage processes themselves. Over the years, we have been developing this platform and a number of other digital products together with [ETECTURE GmbH](#). This collaboration, based on mutual trust, led to the MOSOLF Group acquiring a 25 percent stake in the company in 2022.

Our internal processes are also becoming increasingly digitalised. The goal isn't to just copy an analogue process into the digital world. "A bad process translated into the digital world remains a bad digital process." – Antonio Marsano, Head of IT & Digitalization. Therefore,

processes are not only digitised, but also, where it makes sense and is sustainable, critically evaluated and adapted.

We are also pursuing this goal with the introduction of the digital consignment note in 2023. Up to now, printed freight documents must be carried on certain journeys. However, the law now allows domestic German consignments, among others, to switch to electronic freight documents if everyone from the shipper and freight forwarder to the consignee agrees to their use. You can only imagine what a mammoth task it is to convince so many participants of the benefits of digital freight processing.

It makes us all the more proud that, from July 2023 to April 2024, we created 172,000 digital consignment notes, saving more than half a million sheets of paper. This is not only good news for the environment. It significantly reduces our employees' workload and markedly accelerates the provision of freight documents. Going forward, the use of digital consignment notes is to be further expanded to achieve our goal of paperless shipments. After almost twelve months since its launch, the positive feedback gives us confidence.

We have also planned further digitalisation projects for 2024, all of which are intended to make processes more efficient and paperless at the same time. Specifically, we are working on introducing digital invoicing and are relying on the widespread use of tablets and scanners for digital process control as well as digital production data acquisition (PDA entries) in Special Vehicle Construction so we can also dispense with printing out quality checklists here.

Technological innovations

In the area of technology management, we rely on innovations that not only enable efficiency improvements but also support safety standards at our sites. A particularly exciting project is our autonomous drone monitoring system. In concrete terms, we want to increase the frequency of site patrols, thereby significantly increasing the number of inspection rounds per night and on weekends. This will help us continue to provide comprehensive surveillance.

The drone, which operates without a pilot, flies over the site and reliably detects individuals day and night. The flight altitude of between 30 and 45 metres provides a comprehensive overview of the premises. With the help of AI video image analysis, images are evaluated and a distinction is made between people and animals to minimise false alarms. So far, we have recorded 100% reliability in detecting unauthorized individuals on the premises.

As part of the patrols carried out by security personnel, drones carry out an average of 10 flights per night, with a maximum of 24 flights achieved. This significant increase in monitoring frequency demonstrates the benefits of technological support in security activities. The hybrid model increases safety on the premises and, at the same time, takes the pressure of our employees. While the drones' technical integration went smoothly, embedding them in existing security processes, particularly in the roles of security personnel, initially presented a challenge. Nevertheless, we have gained valuable insights that help us to further optimise our security processes and make them more efficient.

Our technology strategy aims to continuously develop and optimise MOSOLF Group's core business by using innovative technologies. The drone project is directly contributing to this strategy by optimising security at our sites and making it future proof.

With innovative solutions, strong partnerships and a clear emphasis on sustainability and digitalisation, we are setting standards and shaping the future.

11 Usage of natural resources

We require a wide variety of resources to transport, repair, maintain and retrofit vehicles. To transport anything with two wheels and a motor, from cars to combine harvesters, we need HGVs with specialised trailers. Today, our HGVs are still predominantly powered by diesel – except for five e-powered vehicles, which require electricity for their journeys. To reduce nitrogen oxide emissions, our diesel lorries are also refuelled with AdBlue.

However, a lorry needs more than just energy to move. For example, it requires new tyres regularly, as loads wear down the tread quickly. To ensure that lorries and trailers can be used for as long as possible, they are regularly serviced in our five in-house HGV Workshops. The brakes are checked, engine oil and lubricants are topped up and the tyre treads are also checked and, if necessary, retread to extend the tyre's lifespan and keep it roadworthy.

Drivers always need freight documents for the transport itself, which must still be printed out for many journeys, even though digital consignment notes were introduced in 2023. To comply with the quality standards needed for securing the loads, ratchet straps and wheel chocks must be replaced regularly. What's more, space is needed at our sites for loading and unloading vehicles and for parking when lorries are not being used.

But we don't just need space to park HGVs. Our customers' vehicles often have to be temporarily stored on their way from shipper to consignee. You are probably familiar with the idea behind distribution centres used by the mail service, where letters are sent from everywhere and are collected in these centres to be bundled together for onward transport. It's the same with our vehicles. With the tiny difference that a vehicle is slightly larger than the birthday card from your Auntie June.

The yards we need for the short-term storage of vehicles are largely paved to protect the vehicles parked on them. We balance this out by setting aside other land. These allow water to permeate through and provide a habitat for plants and animals. Our services for finished vehicles – from washing to photography – also require a certain amount of infrastructure and, of course, resources.

We require some form of energy for almost all our activities. Our HGVs require diesel fuel so that they can move. To secure our sites and the vehicles stored on them, fences, cameras and lighting all require electricity. Our painting facilities require heat so that the paints can be cured and the heating systems at our sites still run to a large extent on natural gas or heating oil.

The company car fleet also requires energy. Increasingly this is electricity but for the most part, it is still diesel or petrol. So far, just over 10% of the company cars in the three largest fleets have been converted to e-power.

We use additional resources to fulfil our customers' orders to the usual high quality. To make sure our customers' vehicles shine in the right light, they are put through one of our car washes in advance of being photographed in the light box, which also needs electricity. As well as the facilities, we also need water, detergent and electricity.

After the wash, blow-dry and photoshoot, the vehicles are placed in stock, where our employees on site carry out storage care and maintenance if they stayed in the yard for a certain time. To do this, employees need to move around our premises. In many locations, we ensure they are mobile by providing service vehicles or buses, which are also powered by petrol or diesel.

Everything we do also generates a wide variety of waste. For example, new vehicles arrive with a film to protect them from damage during transport. If wanted, we remove this film to prepare vehicles for handover to the new owners. Our workshops also produce a lot of waste that has to be disposed of. This includes, in particular, scrap metal and oil residue. Local waste management companies are responsible for disposal on our behalf.

However, during our research for this report, we encountered some limitations. To date, we can only evaluate many purchased products and services using key financial metrics. These

include, for example, the amount of paint and engine oil used or the amount of water a vehicle needs that can no longer be retreated.

The most important resources we require for our business are:

Resource	Quantity in 2023
(Total) Area	approx. 5,100,000 m ²
Diesel	16,774,142 litres
Petrol	159,427 litres
Heating oil	1,003,206 litres
Gas	12,082,341 kWh
Electricity	12,176,029 kWh
Water	64,012 m ³
Waste generated	1,994 tonnes
of which paper	239 tonnes
Tyres	2,923 units

In the "SPECIAL VEHICLES" business unit, retrofitting vehicles plays a particular role when it comes to using resources. At the Kippenheim and Korschenbroich sites, we modify standard minibus and car bodies and turn them into, for example, police emergency vehicles.

We can retrofit a van into a sturdy public address vehicle with reinforced outer panels and wheels and a run-flat system or convert a saloon car into an inconspicuous surveillance vehicle equipped with radio technology. Materials used for interior fittings include wood for fixtures, copper for wiring harnesses and safety glass for enhanced protection in the vehicle. Thanks to 3D printing, we manufacture any parts we cannot buy on the market ourselves.

We use pure plastic for this. For large, sturdy components, large quantities of aluminium and steel are used inside and outside. We are currently unable to provide any quantified amounts or quantities of purchased products, but a look at waste balances gives us an overall sense of the situation:

Resource	MSV waste volume in 2023
Wood and wooden packaging	50.4 tonnes
Aluminium	17.4 tonnes
Iron, steel and mixed metals	2.6 tonnes
Tin	1.3 tonnes
Copper, bronze and brass	0.3 tonnes

12 Resource management

We operate in an area of the economy which watches every penny (or in our case, Euro), especially when it comes to investing. The transport industry certainly does not contribute much to increasing a product's value. This is just how things are because the transport function just connects markets or manufacturing stages. And this does not increase the value of the goods transported. And yet, without this service, industry would come to a standstill. As we are in the centre of this challenging environment, making our processes as efficient as possible and therefore using resources as carefully as possible is an integral part of our company's DNA. Here, profitability and sustainability have always gone hand in hand.

We make sure our HGVs are used as much as possible. An empty HGV is not only uneconomical, but also unnecessarily consumes fuel. Therefore, wherever possible, we try to avoid empty journeys and take as direct a route as possible. Because every litre of fuel we save counts. It is just as important to be careful with everything else we need. For example, every additional day a set of tyres can be used is valuable to us. So tyre treads are checked regularly and, if necessary, retread to keep them roadworthy.

And there's still a lot of potential when it comes to carefully using resources. To make this potential tangible, the Sustainability department began an internal database in 2023 in which the most important data on the use of resources is uniformly recorded and methodically processed. And so meter readings, consumption data, refill quantities of heating oil and liquid gas were collected including each individual item from our waste disposal companies' records for all locations in Germany and the Czech Republic.

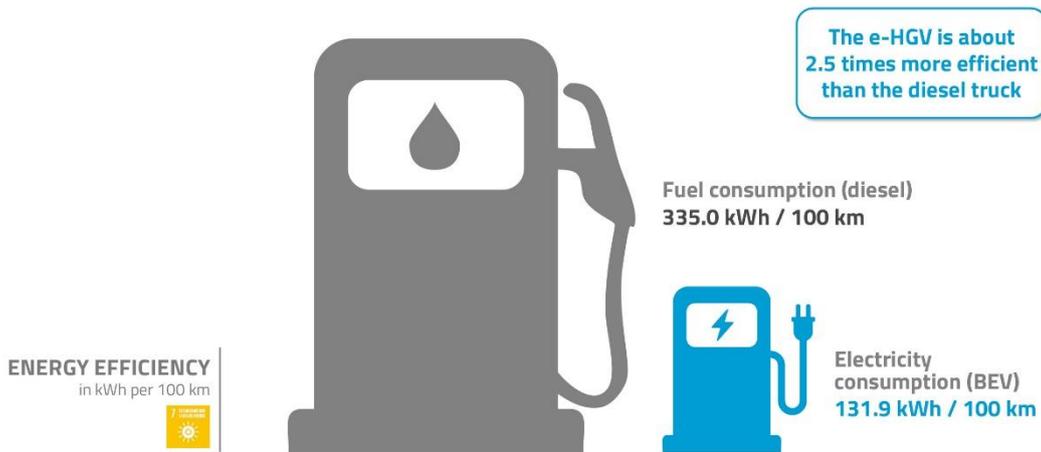
Unfortunately, good quality data is not available everywhere. For example, there are smaller sites where we rent space. And for these locations, we have to wait for our landlords' service charge invoice before we can collect heating, electricity and water consumption data. In the worst case, we only receive this 18 months after the year had ended. So we get 2022 service charge data in summer 2024. Consumption data from these sites represents a minimal amount of total consumption, which is why we extrapolated these key metrics for 2023 based on other factors.

In recent years, the MOSOLF Group has also grown significantly through acquisitions. This is also noticeable when compiling information. Each subsidiary to be integrated had developed its own data processing system, which was correct and logical for them. And so different standards apply in different parts of the company as well as rules on which information should or should not be recorded. This different approach to the same issues has made standardised processing difficult in some instances in the past.

We are all the more pleased that we have made great progress regarding our HGV fleet's fuel consumption. The refuelling database has been standardised which allows for more qualified conclusions on consumption.

At the same time, we have been able to compare the energy efficiency of diesel-powered with e-powered HGVs since this year. To compare the energy input based on kWh for both energy sources, we used the calorific value of diesel fuel as set out in the [Information sheet for determining total final energy consumption](#) issued by the Federal Office for

Economic Affairs and Export Control (BAFA). In conclusion, an electric HGV can be operated about two and a half times more efficiently than a diesel HGV.



Infographic: Consumption in kWh per 100 km for diesel and electric HGVs

Our main aim is the ability to use key metrics to make future corporate decisions increasingly sustainable. Our decision-makers must therefore have access to the correct sustainability metrics relevant to the requirements. If we are able to influence decisions towards greater sustainability before they are made, we will have reached an important milestone in our transformation.

Today is tomorrow's yesterday. We have described in detail where we want to be tomorrow in terms of the quality of individual resource consumption data.

However, we are not pursuing this goal because we really enjoy large amounts of data, but so we can derive quantifiable goals from it. Due to our business activities, we placed a particular emphasis on energy for our first sustainability goals.

By 2030...*

... we will reduce CO₂ emissions in Scope 1+2 by 40% under the framework laid out at the February 2023 workshop

... we will buy electricity from 100% fossil-free sources as per EU requirements.

... we will cover our own electricity requirements in Germany with renewable energy generated in-house.

**compared to the 2022 base year*

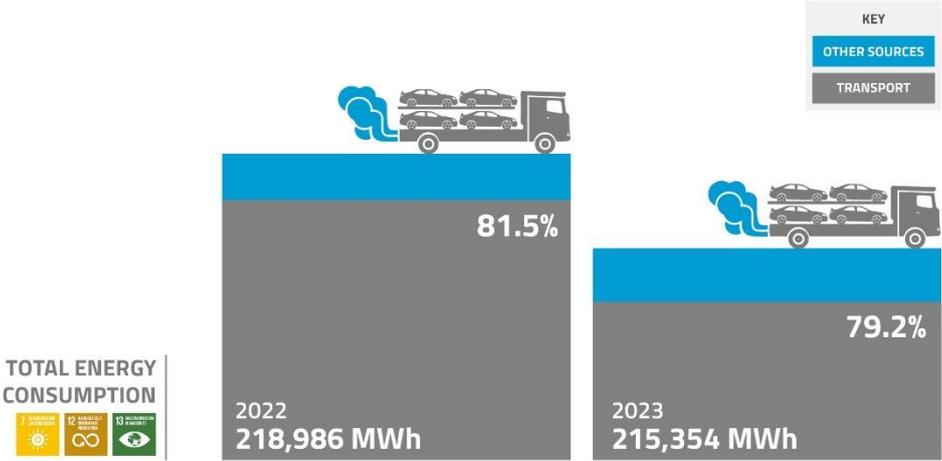
Of course, achieving these goals also depends on the availability of economically viable alternatives. We are confident we can make our positive impact in the sector (more on this can be found in Chapter 19 "Political Influence"). Currently, we mainly see a threat to our profitability in the rising cost of fossil fuels. Conversely, the switch to renewable energy sources is, in our view, an opportunity. For the first time in our company's history, we have the opportunity to generate the energy we need to operate our business ourselves. This would make us more independent of external influences.

As part of the 2024 opportunity management, we will establish specific interim goals. We already celebrated initial successes for the 2023 reporting year, even though the targets had not yet been decided at the time. In 2023, we reduced our total energy requirements by around 3,600 MWh compared to 2022. Driver training on environmentally friendly driving played just as much of a role as increasing the efficiency of our shipments or gradually converting the lighting at our sites to LEDs.

Our new electric powered HGVs have also helped reduce the dependency on fossil fuels. They saved about 62,000 litres of diesel and replaced it with about 260 MWh of electricity.

This still accounts for a very small proportion of our total energy consumption. With the right framework, we hope to gradually increase this proportion in the coming years.

SHARE OF FOSSIL FUELS IN TOTAL ENERGY CONSUMPTION (2022-2023)

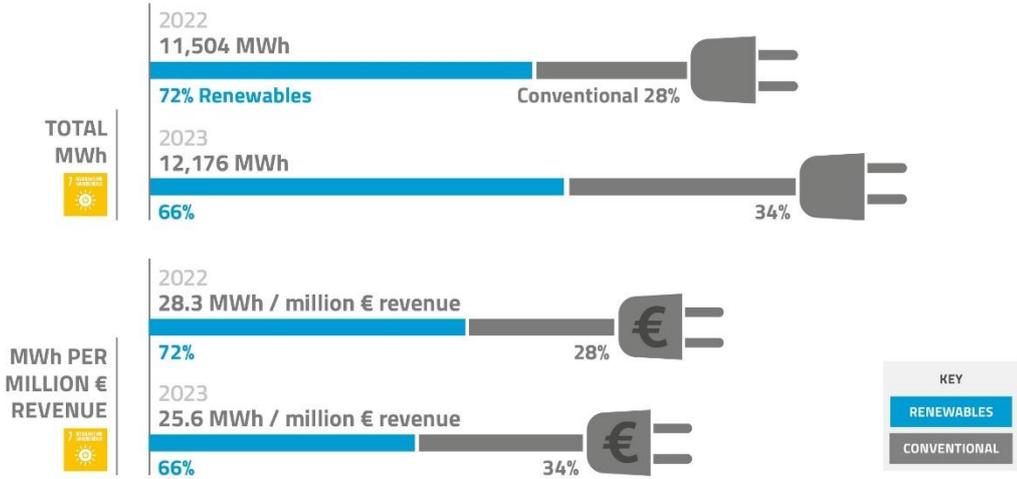


Infographic: MOSOLF Group total energy requirements in 2022 and 2023

We are now taking an even more comprehensive approach to the issue of electricity. We have developed and installed our own solar (PV) systems so we can meet the increasing demand for electricity ourselves. What's more, we are expanding the charging facilities for HGVs and cars at our sites.

By switching to electric HGVs, the demand for resources will gradually shift from fossil fuels to renewable electricity. This is being addressed by our consistent approach to expanding renewable energies. In 2023, we used about 380 MWh of self-generated electricity ourselves. Peaks in production which we could not use ourselves were fed into the public grid. Compared to total electricity consumption in 2023, this was still a small proportion. This is expected to shift significantly in the coming years as we expand electricity generation from renewable sources at our sites.

ELECTRICITY CONSUMPTION (2022-2023)

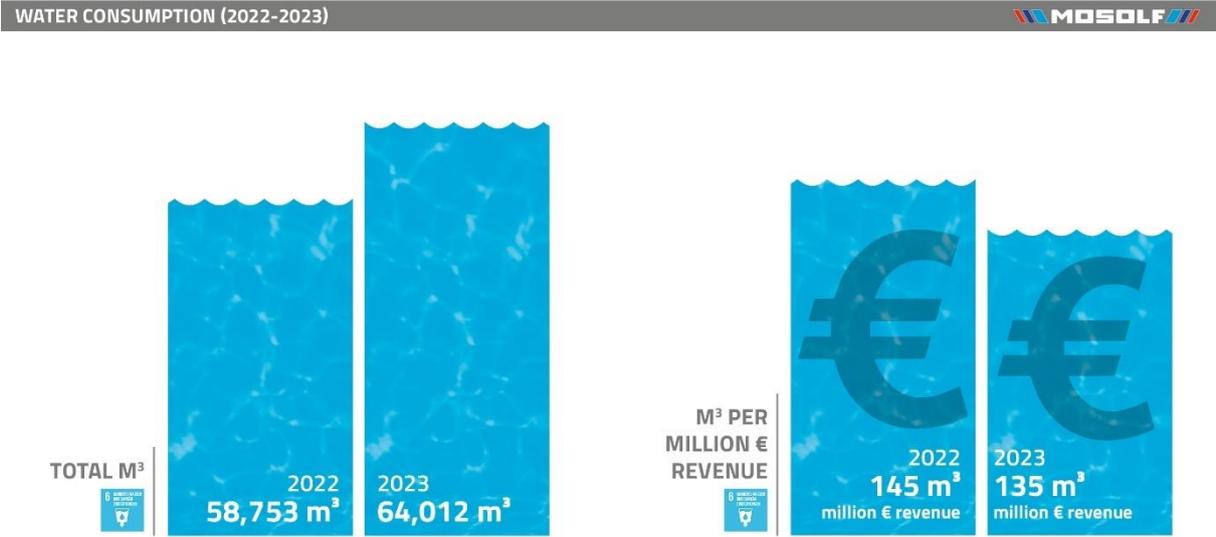


Infographic: MWh 2022 to 2023 & MWh per € million turnover

The elixir of life

The majority of our water is used in our car washing facilities. Although, according to the manufacturer's instructions, up to 90% of the water can be reused through the use of treatment plants, the remaining 10% must be continuously replenished. Today, this is still largely done using fresh water. Unfortunately, the facilities currently cannot back up this information with actual statistics. Nevertheless, we can ascertain the approximate amounts of water treated thanks to the number of washing cycles and total water consumption at the site.

The idea has been floated to replace the fresh water supply with rainwater. So far, however, we do not have any planned projects or specific goals. But in the coming years, water could become one of the most valuable resources in the world thanks to global warming. In isolated regions, water scarcity and associated restrictions in water use could then occur in extremely dry times. In autumn 2024, we will, for the first time, include this risk in our overarching risk assessment and develop countermeasures together with the sites concerned. Rainwater harvesting and utilisation can also play an important role.



Infographic: Water litres 2022 to 2023 & Water litres per € million turnover

Is it art or can it be reused?

Our contribution to a functioning circular economy begins with efficiently separating waste and recyclables. We work with regional waste management companies to dispose of the materials we no longer need. In recent years, we have been able to celebrate some initial minor successes in avoiding waste, for instance our Special Vehicle Construction division's reusable racks. Here, deliveries are made by certain suppliers on racks that can be returned and used again.

Due to our business activities, MOSOLF produces certain waste that poses an environmental risk if improperly treated. Waste oil, for example, must be given to special recycling plants to avoid environmental harm. Tyres are another type of waste that needs to be monitored. They are often used as a secondary fuel due to their high calorific value. Decommissioning an HGV results in several tons of steel, which needs to be scrapped professionally.

We have even less influence on this part of the value chain downstream from us than upstream. When purchasing new resources, we must consider what happens to them at the end of their life cycle.

We have not yet adopted any specific targets regarding our waste. Nevertheless, we are looking at waste generation as part of our sustainability strategy's "conserving resources" area of action.



Infographic: Waste generation 2022 to 2023

Microplastics became a new focus during our materiality analysis. Between 51 and 76 tons of microplastics enter the environment every year due to the abrasion of our tyres. We calculated this figure based on kilometres travelled and a value for tyre abrasion, which according to [kfz-betrieb.vogel.de](https://www.kfz-betrieb.vogel.de) lies between 1,000 and 1,500 milligrams per kilometre for an articulated lorry.

We had not yet focussed on this metric. However, tyre abrasion will rise if we increasingly switch to electric powered HGVs. This is due to a much higher torque which allows e-HGVs to accelerate significantly faster than a conventional diesel lorry. Quicker acceleration and greater pressure on the asphalt automatically leads to more friction. In autumn 2024, we will investigate this risk in more detail and, together with our suppliers, look for solutions to reduce tyre abrasion and therefore the impact of microplastics on the environment.

The starting point for improvement is transparency about any impacts. That is why we have been methodically collecting consumption data on the use of resources since 2023 and correlating it to key business metrics such as vehicles transported or turnover achieved. Based on this newly created database, we can now provide detailed information on the levels of consumption of our most important resources. We have broken down the most important key metrics in individual GRI indicators below. Although we could not yet collect data for all resources to the level of detail we want, we can already draw more conclusions about consumption this year than was the case in the past.

But by collecting key metrics we have not yet made any contribution to improving them. Just because we know we have used about 64 million litres of water, not a millilitre has been saved. That is why, in addition to "measuring" important key metrics, we have included "improving" and "talking" in our strategy. Together with our project manager, we will evaluate the key metrics, assess risks, develop opportunities and derive possible measures. Our communications manager will then support us in making the findings and approaches to improvement accessible to all employees. With this approach, we are confident of quickly achieving further success.

We also use the key metrics collected to make our colleagues in the company increasingly aware of the effects of our activities. Therefore, in 2024, we will begin to prepare key figures in such a way that they will serve as inspiration for more sustainable action at the point of origin.

13 Climate-relevant emissions

Today, we are still dependent on the use of fossil fuels in many instances. We need diesel to operate our lorries, our sites are predominantly heated with oil and gas and the electricity we purchase has not yet been converted to renewable electricity everywhere. All these activities cause large amounts of greenhouse gas emissions. We divide emissions into Scopes 1 to 3 according to the Greenhouse Gas Protocol; the internationally recognised standard for accounting for greenhouse gases. When calculating our CO₂ emissions, we relied on the support of [Cozero GmbH](#).

The results are reported as CO₂e – in other words, in CO₂ equivalents. CO₂ equivalents include all gases which damage the climate. These are quantified according to their effects and converted into CO₂. Methane, for example, has a 25 times greater impact on the greenhouse effect than CO₂.

Total emissions in the 2023 reporting year amount to 106,296 tonnes of CO₂e. The single largest part of this is our transport business. It produces around two-thirds of total emissions. This is one of the main reasons why our transport business is discussed in such detail in this report, but without ignoring the other activities in our business.

With our first concrete sustainability goals, we are focusing on the energy sector. As explained, we are working on a major goal across various departments: The decarbonisation of our activities. All three goals are strongly intertwined. Our CO₂ footprint is automatically reduced if we use less fossil energy and obtain electricity from renewable sources or even generate it ourselves. Our specific goals are:

By 2030...*

... we will reduce CO₂ emissions in Scope 1+2 by 40% under the framework laid out at the February 2023 workshop.

... we will buy electricity from 100% fossil-free sources as per EU requirements.

... we will cover our own electricity requirements in Germany with renewable energy generated in-house.

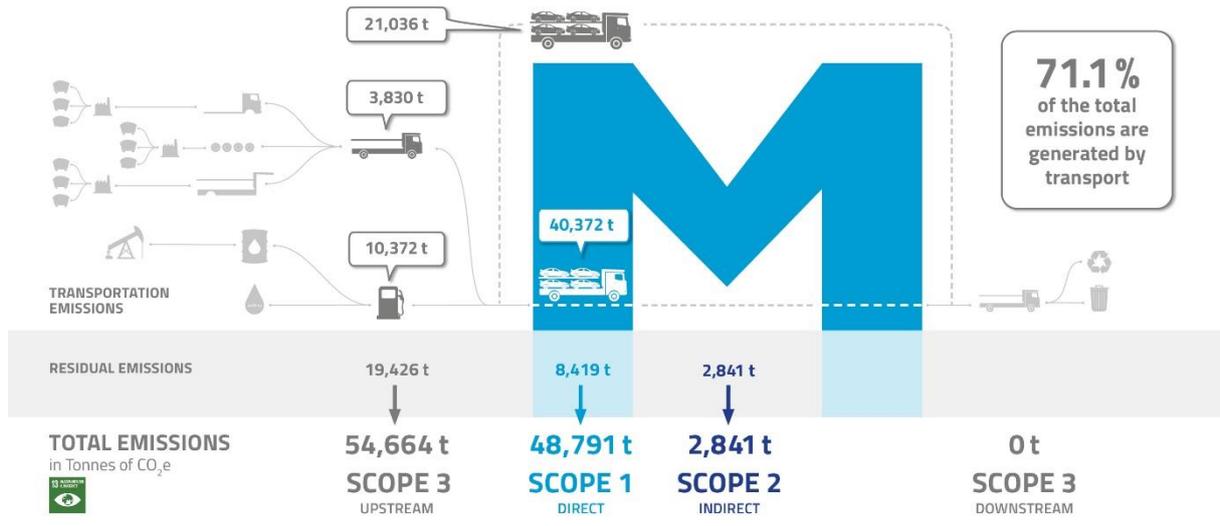
**compared to the 2022 base year*

As mentioned, by far the largest emitter in Scope 1+2 in our CO₂ balance sheet is our own fleet of lorries. With 40,372 tonnes of CO₂e in 2023, these emissions account for 78% of Scope 1+2 emissions (also known as tank-to-wheel). In addition, there are a further 10,372 tonnes from the upstream value chain in Scope 3 (well-to-tank), generated by extracting and processing the fuel.

We can now also take into account the emissions generated during the production of our HGVs and trailers purchased in 2023.

Shipments not performed by us must also be included in the transport business' balance sheet. In some instances last year, we had to use a cost-based approach to calculate these emissions. We used order data as a basis for calculating emissions by third-party freight forwarders in 2023.

It is important to improve the calculations so we can take the right, precise action later on, divide our long-term goals into sub-goals (planned for 2024), make success measurable and provide more transparency to our customers. This is precisely why we haven't just developed our calculation methodology over the past year. As part of a European level project, together with representatives from vehicle logistics and the German Association of the Automotive Industry ([VDA](#)), we worked on a [guideline](#) that governs emission calculations for automotive shipments according to ISO 14083. The project was proposed by the European Vehicle Logistics Association ([ECG](#)).



Infographic: Emissions in 2023 by Scope & type of transport

The use of e-HGVs already saved 124 tonnes of CO₂e last year. We could see significantly faster savings for the rest of our fleet if we were to use certified HVO100. "Hydrotreated Vegetable Oil", HVO for short, is a renewable liquid fuel that is classified as a paraffinic diesel fuel, i.e. saturated hydrocarbons. HVO100 is a pure form of HVO with no conventional diesel added.

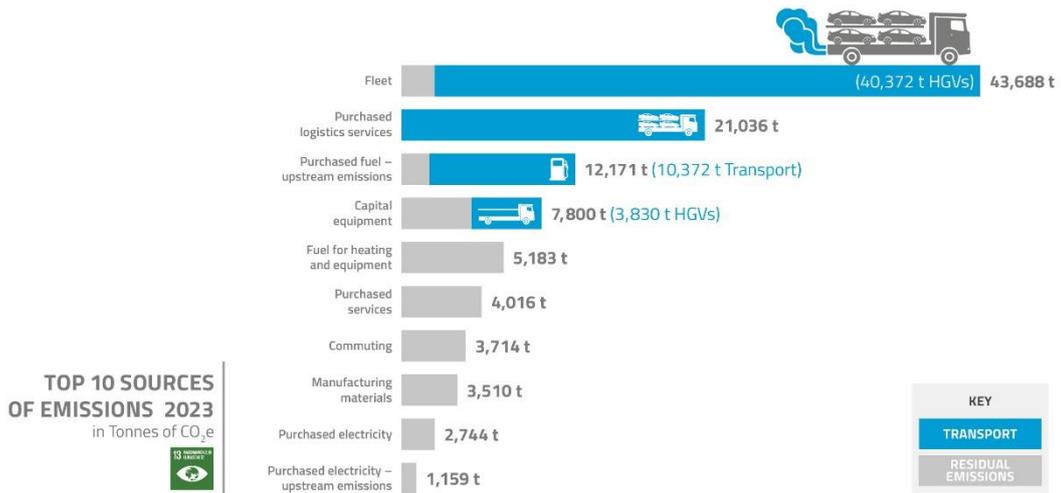
The fuel, which has been approved since the beginning of 2024, can reduce emissions by 80 – 90%, according to the manufacturer. The amount of CO₂ released during the combustion of HVO is similar to that of conventional diesel. However, since this CO₂ comes from renewable raw materials, the fuel has a better carbon footprint as only the emissions generated during its production are taken into account. What's more, HVO100 burns with less odour and emits less fine dust, particles and nitrogen oxide.

90% less? Why are other alternatives being developed at all? Simple. It all starts with the price, which is currently between 15 and 30 cents per litre higher than conventional diesel, depending on the supplier. The 3 cent saving per litre that comes through the elimination of the CO₂ levy for this fuel does not make a big difference. In contrast to electric HGVs, using HVO100 does not exempt a vehicle from motorway tolls. In a market that will not accept price increases of this magnitude, it would be difficult to replace the millions of litres of diesel needed annually with HVO.

Availability will be another factor. Large quantities of the new fuel are already being imported from China, which according to Environmental Action Germany (DUH) and the German Agricultural Society (DLG) significantly increases the risk of fraud, because there is a possibility these fats come from palm oil plantations.

As soon as the right economic conditions for HVO are in place and its provenance can be proven and officially certified, we will use it nationwide as part of our decarbonisation. Because under these circumstances, its use as a transitional technology makes perfect sense. It will be exciting to see how prices, availability, fuel technologies and alternative drive systems will evolve over the coming years.

On top of the HGV fleet, our sites account for around 7% of Scope 1+2 emissions. The main driver here is the heating systems, which are still currently fuelled by oil or gas. To drive through change, the Management Board decided at the beginning of 2024 that any new heating systems purchased must be powered by fossil-free fuels. This decision has the potential in the long term to reduce our emissions in Scope 1+2 by up to 4.9 % compared to the 2022 base year.



Infographic: Top 10 sources of emissions

But the goals and decisions will also have an impact on Scope 3. Because a reduction in fuel consumption means emissions not only fall in Scope 1 (by avoiding direct combustion) but also in Scope 3. This eliminates the emissions generated when extracting and processing the fuel.

There is a lot happening around decarbonisation. On the one hand, there is increasing pressure from many quarters to reduce emissions quickly and drastically. On the other hand, there are economic benefits if we succeed in producing the energy we need for our activities ourselves. We want to approach these opportunities comprehensively.

14 Employment rights

As a service company, we make our money using our hands. From vehicle transport to services at our sites to retrofitting vehicles. None of these services can be provided without a human touch. Years of experience and a keen sense mean dependable results. Many of our colleagues have been with the MOSOLF Group for several years. A recent survey showed an average tenure of almost ten years. This is not only good news for our customers, who can rely on quality, but also for the "MOSOLF spirit" that many employees display. That makes us proud.

A key cornerstone in working with our employees is employee rights, which are based on applicable German laws and standards. As an international company, we also have sites in France, Belgium, Poland and the Czech Republic. Our actions are based on the relevant legislation at each of these sites. In this way, we ensure all our employees enjoy comparable high standards at all our sites.

At about half of our sites, and particularly in Germany, regional collective bargaining agreements set out salary levels and employee conditions. However, protecting employment rights is very important to us outside any collective bargaining regulations in force. This is why we have adopted mandatory guidelines for occupational health and safety, working conditions and human rights. These govern issues such as workplace ergonomics, industrial clothing for workers and overall responsibilities. We have trained safety officers, first-aiders and fire safety officers at each site and at each company who voluntarily look after the health and safety of colleagues.

We carry out basic training on general accident prevention every year. We ensure compliance with occupational safety by performing workplace inspections and have external risk assessments carried out on a regular basis. Thanks to this four-eyes principle, we benefit twice as much from the findings of these internal and external inspections. During these inspections, everything that increases the safety of our employees is checked – from working defibrillators and up-to-date notices to an accurate hazardous substances register. We use any findings to further develop the organisation and its processes.

Our companies' Works Councils exercise their co-determination and participation rights. Through MOSOLF Group's Works Councils, employees have an influence on working conditions. The relevant management teams give an update on the current state of affairs to the employee representatives and discusses any workforce concerns with them. Our aim is to develop solutions together which will benefit all our employees.

Employee safeguarding is at risk wherever our influence on compliance with employment rights is diminished. This is always the case when we entrust external companies to complete orders. We try to counteract this risk by signing contracts with the companies concerned that stipulate compliance with minimum wage and employment rights legislation, and in which we reserve the right to carry out appropriate audits. Compliance with these agreements is important to us. If breaches occur, we require our suppliers to take corrective action and, if necessary, take action ourselves if the breach continues.

Beyond employment rights, our aim is for everyone in our businesses to feel safe and valued. With 3,200 people at our sites, it is not easy to keep abreast of all the issues that are important to our employees. To find out what they were, a large-scale employee survey was conducted in autumn 2023. Around 40% of employees used this opportunity to participate. It emerged, for example, colleagues did not feel fully informed everywhere and that there is still potential for improvement when working with managers. Our HR department have used the results of the survey to set initial pivotal responses in motion.

For example, in 2024 a role will be created focusing solely on internal communication and an internal communication platform will be established which every employee will have access to, including via smartphone. The decision was also made to set up a new leadership development programme, which will be mandatory for every manager in 2024. The aim of these measures is to make every colleague feel their concerns are taken seriously and their work is valued.

Another survey about the number of meetings involving office-based employees revealed that many of them felt they have too many meetings, some of which last far too long. After the pandemic, we failed in some instances to bring collaboration back to pre-COVID levels. As a result, some people's schedules were overcrowded. Our colleagues' sense of stress increased, and they felt that they had less and less time to implement what they had discussed. That had to change.

So in the summer of last year, the Management Board adopted a new policy that sets out clear rules for organisers of and those invited to meetings. For example, organisers must ensure they invite the right group of participants, the length of the meeting is appropriate, there is a meeting agenda and minutes are taken. Those invited must consider the purpose of the meeting and prepare themselves for it. The main points of the policy were also displayed in meeting rooms. Specially purchased timers now also show participants in the conference room how much time is left in the meeting so they can leave with concrete results.

The importance of being mindful of our own time and that of our fellow human beings was highlighted to colleagues in a mindfulness workshop in December 2023. As well teaching a basic understanding of the term mindfulness, techniques and approaches to acting in a more mindful way were demonstrated. In a relaxed atmosphere, participants could try out mindfulness and meditation exercises for themselves.

Every idea or opinion about the implementation of sustainability throughout the MOSOLF Group is important to us. For this reason, our colleagues have various ways of submitting ideas and issues to the Sustainability department. For example, to the [email](mailto:sustainability@mosolf.de) address sustainability@mosolf.de, through surveys or via our internal digital sustainability platform. All requests are gratefully accepted and checked for feasibility.

Current issues are highlighted in articles in the employee magazine. In this reporting year, we opened another communication channel. Colleagues who are interested in this issue can now register on an internal platform providing comprehensive information on the progress of our company's sustainability transformation. Events organised by the GreenTeam – a group of committed volunteer employees – are also listed under the "Events" heading. Through these activities, we want to encourage all our colleagues to actively participate in the sustainable transformation process.

15 Equal opportunities

In the course of their lives, each person develops their own style, their own ideas and an individual view of the world. This diversity powers the success of our company. As the MOSOLF Group, we will meet our responsibility to our employees when every colleague feels they are being treated fairly. In our company, it does not matter what people look like, what they believe in, who they love or whether they live with physical or mental impairment. Everyone is welcome here! Our internal processes and guidelines consistently aim to prevent and actively combat all forms of discrimination.

Together, we are creating a working environment in which diversity is implicit, and every voice is heard. This is the only way all our colleagues can contribute to their full potential. As the first point of contact, the relevant manager is responsible for complying with these values. That is why, we highlight the benefits of a diverse workforce to our managers as part of our ongoing development programmes. They are encouraged to prevent and report discrimination or disadvantage based on personal characteristics. What's more, the Works Council at each site is committed to the rights of our employees.

We also have a representative for disabled people at many of our sites. These colleagues provide practical assistance to anyone with existing problems, ensure accessibility and investigate incidents of discrimination. This gives all our employees, whether they have a physical or mental disability or not, the opportunity to have their say. Breaches of this core value can be reported anonymously, including via our whistleblower system, and in serious cases can result in repercussions under employment law. The [whistleblower system](#) is supervised by our Investigation Office with the support of a law firm specialising in compliance.

When it comes to gender distribution, however, we don't need to look very deeply. In 2023, the logistics industry continues to be dominated by men. This fact is also very apparent in the MOSOLF Group. Women are still underrepresented in our company, accounting for 21.7% of the total workforce.

A look at the distribution by industrial and office employees confirms the previous statement about overall gender distribution in the sector. We are all the more pleased about the increasing proportion of women in office roles. Altogether, more women work here than among our industrial employees.

Type of employment	Male
Distribution within industrial employees	88.3 %
Distribution within office employees	56.5 %

The overall picture of gender distribution is also reflected to a similar extent in the distribution among managers in the MOSOLF Group. 23% of people with managerial responsibilities are female. With increasing responsibility, the proportion of women decreases significantly. For example, there are hardly any women in the company's upper management levels.

A look at younger generations in the company is cause for optimism. Here, the proportion of female employees increases the younger they are. Among those aged 21–30, the 28.2% share is already 6.5 percentage points higher than the average for the entire workforce. This shows us we are on the right track.



Infographic: Distribution of men and women by age group

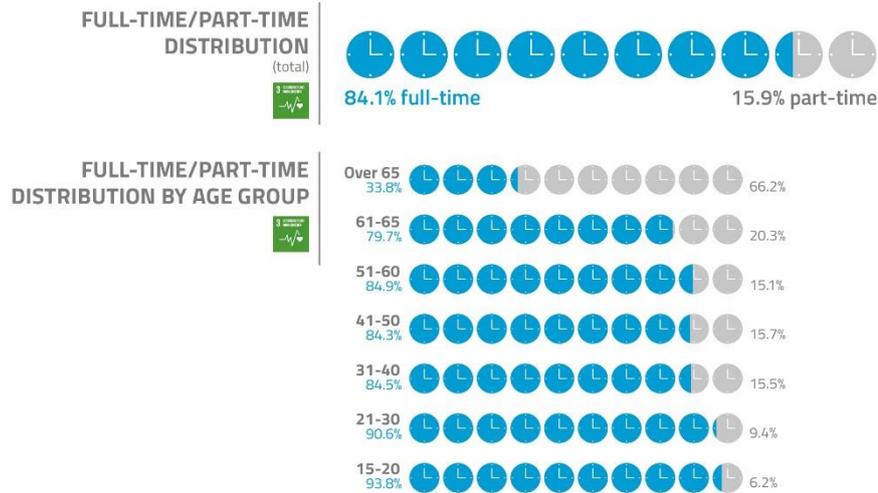
However, the data on age structure also reveals we will face a shortage of skilled workers in the coming years. For example, older colleagues over 50, who account for 37.9% of the total workforce, are offset by only 17.2% of employees younger than 30. There is fewer fresh talent in the pipeline than the number of people who will be retiring over the next few years.

To combat this, we want to foster in our employees an even closer affiliation to our company and make the MOSOLF Group a more attractive proposition, particularly to younger applicants. With the comprehensive package of measures introduced as a response to the employee survey in 2023, we as an employer have taken further specific steps to concentrate even more on our employees' needs.

The balance between family and work is becoming increasingly important to our employees. It is important we offer our employees relevant working models that fit in with the various phases of their lives.

The type of work involved is also an important factor in designing the right working model. For example, a lorry driver cannot work from home. We must also take this fact into account when designing our working hours regulations. That is why we have created various options to meet different needs. If the role allows, we offer flexible working hours and the opportunity to work remotely. Overtime worked can be built up and taken as flexitime at a later date.

New fathers are also increasingly taking advantage of parental leave to devote themselves fully to the well-being of their family at this important time. The various part-time opportunities we offer are also becoming increasingly popular. The current distribution shows around 16% of our employees now work part-time. It is usually the under 30s that mainly work full-time. The proportion of part-time employees increases significantly with age.



Infographic: Distribution of full-time and part-time employment by age group

After a long professional life, many colleagues look forward to a well-deserved retirement. We offer our employees a company pension scheme so they are in a better financial position in their later years. For our employees covered by collective bargaining agreements, we offer asset-building benefits that can be voluntarily invested in the company pension scheme. We contribute to growing the company pension scheme by paying an employer contribution of 20% of the individually converted amount.

As an employer, we must take a variety of interests into account when making decisions, so no part of the workforce feels disadvantaged. We accept this responsibility and, in future, will try to use any opportunity to offer the various people in our company fair and equal conditions.

Our goal is to reduce employee turnover to below 1% by 2030 for reasons within our control. As part of the 2024 opportunity management, we will establish specific interim goals for this issue.

16 Qualifications

The content of this report has been written without the aid of AI. An examination of our human nature shows why mental abilities, such as writing, are important. When we stop thinking for ourselves and expressing ourselves creatively, we lose what makes us human. Our spirit of discovery. Because only if we remain curious and understand how the world around us works can we actively shape it for the better. This is why we encourage our colleagues to take advantage of the various educational options the MOSOLF Group offers.

Our success is directly linked to our employees' qualifications. Only their expertise, knowledge and skills will allow us to continue growing healthily and steadily as a company. Our goal is therefore to keep adapting the range of education on offer to meet our colleagues' current needs and our customers' requirements. If we can accommodate both sides, we will remain competitive and will ensure our services are viable in the future. So we are happy to invest in what's important, education! We want to empower our employees and managers at all levels and specifically promote talent.

That is why the MOSOLF Group focuses on professional and personal development. Core elements of our strategy are regular employee development meetings, needs-based skills and training opportunities and structured programmes for managers and trainee managers.

We have laid the foundations for lifelong learning at work through our varied training programmes and day release (dual study) courses. Young people can take advantage of a wide range of entry-level opportunities with us, from apprenticeships in vehicle painting to becoming a certified commercial administrator or achieving a degree in Logistics and Supply Chain Management. Lifelong learning only starts when training or education finishes. Hands-on personnel development is always at the forefront of what we offer. During regular employee development meetings, colleagues can discuss with their managers which specific skills they want to develop further. To help them achieve this, our employees have a wide range of further training opportunities at their disposal.

From training sessions, coaching and a wide range of courses to work-based study and master craftsman qualifications, there are many opportunities for further education available. For example, we work closely with both the German Foreign Trade and Transport Academy and the Baden-Württemberg Cooperative State University. Financial grants, study leave and flexible working hours while in training or education can be tailored to the needs of our employees.

Languages connect us. That is why we offer courses for colleagues to learn a foreign language, thereby building bridges between people from different backgrounds. The business English courses are the most popular, which above all benefits business relationships with our international customers.

There are people who are an inspiration to others. They are both patient teachers and caring parents, encouraging their fellow human beings to grow together with them. We offer specific leadership programs to such colleagues. Our aim is to fill open management positions with talent from within our own ranks.

Our in-house MOSOLF Leadership Development (MLD) programme prepares them for their future or newly acquired leadership role within the MOSOLF Group. Over several months, the programme teaches our junior managers what responsible leadership looks like, how to carry out strategically important projects and how to become an inspiration to others. Participants are taught personality, leadership and organisational skills during closely integrated seminars, through specific project work and with individual coaching.

Change is in the air. What was considered a good management style in the 1990s is now considered outdated. Our employee survey at the end of 2023 showed that many people in our company want a more modern management style. We are treating this request as an opportunity to redesign our leadership development programme. The new programme is scheduled to start in 2024. With the new programme, we want to ensure that all employees

with management responsibility have a uniform understanding of leadership in the MOSOLF Group. Existing seminars such as "Leading teams successfully" or "Mastering difficult situations confidently" can help and have been used several times in the 2023 reporting year.

In 2023, we can report a total of around 87 training hours across four training programmes organised at our headquarters in Kirchheim/Teck. A total of 81 people participated.

Training is not yet organised centrally in the MOSOLF Group, which is why an overview of total training hours and participants cannot be provided.

With leadership comes responsibility. The satisfaction and health of each colleague is important to us as a group and to each individual manager. That is why we offer a range of initiatives designed to promote employees' health. For example, some sites offer subsidised gym membership or discounted massage services within the company. Specialist protective clothing and ergonomic office chairs also contribute to improving our employees' health. Our sites have company doctors who deal with our employees' health concerns. In addition, we offer G37 eye examinations (a preventative eyesight check for employees who use display screen equipment). If there is a proven need, we will subsidise workplace glasses up to the value of €180.

As the MOSOLF Group, we, like many other companies, are also affected by demographic change. In the previous chapter, we showed how this change is reflected in the age structure of our workforce. The problem is particularly noticeable in the steadily decreasing number of job applications, which means that an advertised role remains vacant for a longer period of time compared to previous years. To counteract this, we are breaking new ground in recruiting.

As well as face-to-face contact at trade fairs, schools, etc., we are increasingly looking for new talent and specialists on social networks. But we also realise we must first do our own homework to make us even more attractive as a local employer, thereby convincing new talent and skilled employees to join the MOSOLF Group.

Potential risks in skills and training

- Business activities at over 40 sites with different training courses on offer
- Adding other companies to the MOSOLF Group, which must first be integrated into the corporate structure
- Adapting to digital and more sustainable processes
- Employee turnover
- High average age of workforce

The points mentioned are initial considerations that will be followed up in the context of risk management in 2024.

17 Human rights

One in four of the colleagues we see every day was not born in Germany. The MOSOLF Group is diverse. Without these wonderful people, we just wouldn't be able to meet a customer order to the quality expected. This diversity in our company makes us strong and ensures our success. That is why we clearly position ourselves against any form of bigotry! We advocate that everyone should live with dignity. Wherever we operate, our long-term goal is to support the safeguarding of human rights to the best of our ability. Over the past year, we have taken significant steps towards this and will continue to do so in 2024.

Although the reporting obligation under the German Supply Chain Act (LkSG) does not apply to us until 1 January 2024, we have carried out thorough preparatory work in 2023. We have selected appropriate tools and are planning the first comprehensive risk analysis for 2024. This analysis will become an essential part of our early-stage efforts to identify and minimise the potential risk of human rights violations and environmental degradation in our supply chain.

In the 2023 reporting year, we established a Steering Committee for the Human Rights Commissioner (StCM for short) as part of the preparation. This interdisciplinary panel consists of representatives from the Legal department, Risk Management, the Sustainability department, our Human Resources department and Central Purchasing. It is responsible for monitoring and assessing risks in our supply chain. The StCM ensures that any activities decided upon are regularly reviewed and communicated to the Management Board. With this structure, we are ensuring to the best of our ability that measures to comply with the LkSG are implemented effectively and precisely.

However, our responsibility does not end at our site gates. Through our [Business Partner Code](#), we communicate the clear expectation to all our suppliers and service providers that they will not use child or forced labour or operate working hours and conditions that are incompatible with International Labour Organisation (ILO) rules. These obligations continue to apply and are reinforced by the LkSG.

Compliance with our Business Partner Code is mandatory for all parties involved. According to our procurement policy, we aim to source any products required from within Europe as far as possible.

Our main suppliers supply us with essential products and services. These include, for example, fuel for our lorries, safety glass for special vehicle construction, maintenance material for our connection to the railway network and mineral oil for our company petrol stations. Every supplier is vital to our business activities. This is why we maintain a close, transparent business relationship with our leading suppliers, so potential risks can be identified and minimised early. If a risky supplier is identified, the StCM will consider suitable action and monitor its implementation.

Implementing the requirements of the LkSG is a complex task that requires clearly defined responsibilities and close internal communication. The complexity of our supply chains through different companies, sites and services presents a particular challenge we have faced and will face in the future. To complete the work required, responsibilities first need to be defined. We have therefore developed and are developing processes, together with Risk Management, to ensure comprehensive protection of human rights and to make formal adjustments to contractual documents.

We know explaining our understanding of sustainable practices in a document does not guarantee there will be no breaches of human rights or environmental rights during the initial extraction of raw materials. Naturally, we cannot completely rule out this risk. We are aware that we – like many others – are still in the early stages of achieving this transparency. Verifying human and environmental rights violations becomes increasingly difficult when the upstream added value step is further away from us. Therefore, as well as our existing [whistleblower system](#), we will have a supply chain complaints procedure in place from 2024 onwards. Breaches can be reported anonymously by those directly or indirectly affected.

But despite the challenges and high workload, there are also opportunities for us. Our commitment to sustainable supply chains gives us a competitive advantage, offers opportunities to innovate our supply chain processes and improve the supply chains themselves by reducing injustices against people and the environment.

Our goals for the future are transparent supply chains, avoiding environmental pollution and human rights violations, and developing our processes further to comply with future EU requirements, such as the Corporate Sustainability Due Diligence Directive (CSDDD).

Thanks to our proactive attitude and the measures we have already introduced, we are confident we can make more sustainable purchasing decisions in the future and contribute to human rights improvement along our supply chains. Together with our suppliers, we can master the challenges and take advantage of the opportunities offered by both the LkSG and the upcoming CSDDD.

18 Corporate citizenship

In the early 1950s, our company founder Horst Mosolf arrived in Kirchheim/Teck from Brandenburg. Our company history begins when Horst Mosolf Spedition und Transporte was established in 1955 establishing roots in the region around Kirchheim/Teck at the foot of the Swabian Alps in southwest Germany. The Mosolf family is now in its third generation in the region. Therefore, promoting local social, sporting and health causes by providing targeted financial help has become a matter close to their hearts. We support local institutions and projects that enable children from economically disadvantaged families in particular to participate in community activities. Our aim is to use our sponsorships and donations to make it easier for children to access education and sport.

Our activities always place great emphasis on promoting respectful behaviour, freedom of expression and democracy. The MOSOLF Group is firmly committed to Germany's Basic Law (constitution). We promote this principle within the company and beyond its borders. We are aware of this responsibility as part of the community in which we live.

"We stand by all our employees and their families."

- Dr. Jörg Mosolf & Cristina Mosolf

The MOSOLF Group supports numerous non-profit organisations and projects in the region that share, exemplify and communicate these values. The recipients of our donations include local schools, the protestant Church of St. Martin, the animal welfare association, the child protection association and Lebenshilfe Kirchheim/Teck, an association for people with mental and/or physical disabilities. These donations enable children to participate in projects, leisure activities and school trips that would otherwise be unavailable to them.

Our donations and commitment are always geared towards acting sustainably and responsibly. In 2023, together with a partner company, we donated an ambulance to the people of Ukraine. We are particularly delighted about our employees' commitment, who are actively involved in charitable projects. In 2023, for example, about 20 colleagues took part in a sponsored run for the AKB charity, which supports people with and without disabilities. €1 was donated for each completed circuit of the course. Overall, our employees raised a total of €237. Our CEO, Dr Jörg Mosolf, spontaneously increased this sum by a further €250.

Our deep roots in the region and the MOSOLF Group's ongoing commitment make us a dependable partner for the community. In doing so, we want to show that corporate responsibility and local communities go hand in hand. We are committed to respectful behaviour, freedom of expression and democracy.

Fairness and respect are also important in sport. Sponsoring sporting activities is also an important part of our commitment. We support FC Kirchheim's first team and youth football school, the BOZIC ESTRICHE Knights basketball team in Kirchheim/Teck and the Wilhelmshaven Handball Club. By doing so, we contribute to promoting sport and a sense of community in Kirchheim/Teck and beyond.

The annual MOSOLF School Cup is particularly popular. Having already held 16 tournaments, we look upon this established competition with a certain pride, even though, unfortunately, the event did not take place this reporting year due to stadium renovations. Together with the organiser, the Association for Physical Exercise Kirchheim-Teck (VfL), and seven schools from Kirchheim/Teck, we hold the tournament as part of School Sports Action Week shortly before the summer holidays. 500 junior footballers from primary and secondary schools as well as local grammar schools take part.

At the last competition in 2022, 52 teams competed for victory in their age group. To create an unforgettable experience for all participants, the MOSOLF Group sponsors giveaways every year such as T-shirts and sports bags. We also provide food and drink so every participant starts full of energy.

This cup competition demonstrates how well clubs, schools and companies in the Kirchheim/Teck region work together. In addition to important aspects such as experiencing team spirit and fair play, sharing success and receiving educational support, the players

simply enjoy playing together. We are already looking forward to the next time this special event is held.

19 Political influence

The challenges of modern logistics are manifold. Much has changed since our company founder Horst Mosolf transported the first vehicles from Bremen to the south. Lorries have become larger, more modern and more powerful. The vehicles transported have grown steadily over the years and in recent years, new kinds of HGV drives have come on the market which aim to reduce emissions during transportation. The business environment is constantly evolving. In many cases, these changes also require a new regulatory framework to set the course towards tomorrow's sustainable logistics.

Our commitment goes beyond the boundaries of our company. Together with other companies, we are working on improving conditions to allow more sustainable logistics. The emphasis is on interactions within various associations and cooperation with political committees. Our aim is to redefine mobility along more sustainable lines and to make the logistics industry fit for the future.

Our Management Board is actively engaged in these endeavours. With our CEO Dr Jörg Mosolf, we have a member of the Presiding Board of the German Transport Forum (DVF), who is elected on a three-year term. As per their motto "Mobility for Germany", the multi-modal trade association is committed to maintaining and improving the conditions for mobility and promoting a goal-oriented environmental and climate policy. As part of his role, Dr Mosolf heads the DVF's Freight Transport and Logistics Steering Committee.

Wolfgang Göbel, another member of our Management Board, is also involved in an international trade association. As President of the Association of European Vehicle Logistics (ECG), he represents the interests of over 140 companies in the European vehicle logistics industry and is committed to sustainable progress in logistics. In 2023, the MOSOLF Group was actively involved in an association project to develop guidelines for calculating emissions for automotive logistics based on ISO 14083.

Our Sustainability department is closely involved in various working groups and associations. Through membership of organisations such as the German Logistics Association (BVL) and the German Freight Forwarding and Logistics Association (DSLVL), we are actively driving the sustainable transformation of our industry. As part of the BVL's "shaping sustainability" initiative, we assumed the leadership of a working group at the end of 2023 which aims to provide companies in the logistics industry with a simple introduction to sustainability reporting in accordance with the CSRD.

Through our active participation in various associations, we are in contact with the German Association of the Automotive Industry (VDA). This brings together most of the associations and working groups in which we are involved. As part of the "digital consignment note" project, for example, we participated in a VDA working group that prepared a draft for paperless shipping. This recommendation to the European Parliament aims to promote sustainability, efficiency and transparency in the automotive supply chain by digitalising transport processes and making specific recommendations on the transition to electronic formats. We want to make a decisive contribution to reducing paper-based processes and promoting digital data formats.

MOSOLF does not donate to any party, either in financial terms or in kind. Together with other companies, our aim is to accelerate sustainable transformation beyond the boundaries of our own company by improving conditions. The appointment of the former Federal Minister of Transport Andreas Scheuer to our Advisory Board is a further step in this direction. With his support and the expertise of our entire Advisory Board, we are in a good position to meet the challenges ahead and achieve our vision of a sustainable and digital logistics industry. The MOSOLF Group continues to be a pioneer in the sector and is actively committed to a sustainable future.

20 Conduct that complies with the law and policy

Honesty saves everyone time. Ever since our family-owned business was established, our success has been based on conducting our business with fairness and integrity. We are always open and honest with our employees, customers and business partners. We

base our activities on the applicable laws of the countries in which we operate. We have created comprehensive, underlying systems designed to prevent unlawful behaviour, such as corruption.

Under the leadership of our CEO Dr Jörg Mosolf, our Management Board bears overall responsibility for making our employees' practices more sustainable. The Management Board reports on the progress of our sustainable transformation twice a year to the Supervisory Board, which functions as the MOSOLF Group's highest governing body. The CEO's area of responsibility also includes issues such as compliance and ethics, which are relevant in many areas of the company.

Starting with the [Code of Conduct](#), which is revised at regular intervals and adapted to any legislative changes. This Code applies to everyone in the MOSOLF Group. By "the MOSOLF Group", we mean MOSOLF SE & Co. KG, based in Kirchheim unter Teck, and all companies in which MOSOLF SE & Co. KG holds a direct or indirect stake of more than 50%.

The Code governs, among other things, financial responsibility, disclosure of information, our understanding of fair competition as well as compliance with competition law. Where employees work with competitors, they receive training in competition law beforehand, carried out by our legal department.

And what applies to us, we also expect to the same extent from our business partners to whom our [Code of Conduct for Business Partners \(Business Partner Code\)](#) applies. Our business relationships are based on objective and transparent criteria, such as price, quality and reliability. Compliance with legislation is also a prerequisite for collaboration involving conflict materials and high-risk raw materials. We also do not accept sensitive, cross-border donations from business partners.

Furthermore, we are committed to applicable import and export controls, as well as to combating corruption and avoiding conflicts of interest. We encourage any breaches of laws and guidelines to be reported and, at the same time, are committed to protecting anyone making such reports against retaliation. Those affected can use our [whistleblowing system](#) and, since the beginning of 2024, our supply chain complaints procedure for breaches and risks pertaining to human rights and environmental law, all while maintaining complete anonymity.

The whistleblower system is supervised by the Investigation Office, the supply chain complaints procedure by the Complaints Committee, each with the support of a law firm specialising in compliance.

As well as conduct ourselves fairly on the market and complying with legislation, everyone in the MOSOLF Group is obligated to follow various mandatory guidelines. The protection of individual rights and processing personal data correctly is important to us. We have therefore drawn up a data protection policy, which our data protection officer (Datenschutzbeauftragter@mosolf.de) ensures is complied with. Individuals who process data in our company undergo annual training on handling personal data.

For the publication of our annual reports, we carry out annual risk analyses that reveal potential threats to our profitability. In addition, we have introduced risk management in the company for the entire MOSOLF Group. This will examine any risks arising from our business activities as well as external risks such as cyberattacks. These risks are methodically recorded by the risk owners in a programme specially acquired for the job and evaluated according to various criteria. We develop targeted countermeasures to the risks identified during discussions with those responsible in the relevant areas and locations.

As with any new management system, the introduction of risk management has highlighted strengths and weaknesses in our own organisation. After initial difficulties, we are currently

setting up the system again and making the processes behind it as lean as possible for everyone involved. Our aim is to minimise risks and exploit opportunities precisely rather than constructing bureaucratic internal processes that dilute the focus on our goals. We are continuously working on this.

Closing remarks by Lutz Fricke

"Everything is going to be fine in the end. If it's not fine it's not the end."

Dear reader,

If you want to change the world for the better, you need this unwavering optimism contained in the words of Oscar Wilde. With the honourable goal of creating a world worth living in, it is now a question of how we can change learned behaviour without leaving anyone behind along the way. This complex situation needs an economically healthy environment while, at the same time, the environment and society should not suffer as a result of our business activities.



On closer inspection, what seems self-evident is quite a Herculean task. Over the past decades, we have learned how to run the business even more successfully. The emphasis was on making processes more efficient and manufacturing products more quickly and cost-effectively. Durability, reusability and compatibility with people and the environment played a subordinate role. Even if we do not want to admit it to ourselves, we are slowly realising this approach is creating more and more disadvantages to more and more people

across the board.

This decades-long learned system with its fixed mechanisms does not just need a pretty report with colourful pictures. It needs inspiring people who lead by example. It needs an entrepreneurial family that will promote this new way. It needs management willing to compromise. Employees who are open to new ideas and solutions. Customers who actively support us. Suppliers whose products allow us to make countless improvements. And together, we need the confidence we can change this world for the better for all of us.

This report highlights where we are as the MOSOLF Group today, what challenges still need to be mastered and what opportunities may arise. The tools needed to transform our world to the benefit of all are here. Now is the time to grab them and start the transformation. Because if you don't start, you can't finish. The smiles of the many people who make our company so successful fills me with confidence that we can do this together. I am inspired by my meetings and conversations with them. I am proud to be your colleague. A big thank you to all our colleagues who have supported us in creating this report by providing pictures, words and figures. Without your energetic support, this snapshot would only be half as entertaining.

Thank you very much!

Lutz Fricke

Head of Sustainability der MOSOLF Gruppe

Glossary

A

Additive processes

Additive – building – processes refer to manufacturing processes for three-dimensional objects, in which material is applied layer by layer. This includes, for example, 3D printing.

B

BVL – German Logistics Association

An open network of people (around 10,000 specialists and managers worldwide) who actively advocate for effective collaboration in the globalised economy.

C

CO2 emissions

Emissions is a term for all disruptive elements that enter the environment through human activity, such as pollutants, sound waves, radiation, etc. CO₂ emissions, for example, are discharges of carbon dioxide (CO₂) and arise, for example, when driving a car that burns petrol or diesel.

Competition law

Competition law is an area of commercial law that aims to ensure fair and free competition within a market. It prohibits restrictive agreements, practices and abuse of a company's dominant position.

Corporate Carbon Footprint – CCF

The three scopes are used to determine the Corporate Carbon Footprint (CCF) – the CO₂ footprint / the CO₂ balance sheet – of a company. The overall figure produced from the calculation represents the total amount of CO₂ emissions produced by the company in the year under review.

Corporate Sustainability Reporting Directive (CSRD) – What needs to be done?

The Corporate Sustainability Reporting Directive, or CSRD for short, is an EU directive. It increases the accountability of European companies and also holds more companies accountable than before. The CSRD is also the first mandatory reporting standard at EU level.

CSDDD

The Corporate Sustainability Due Diligence Directive (CSDDD) is an EU-wide supply chain directive. It requires large European and foreign companies to ensure compliance with certain human rights and environmental standards.

D

Decarbonisation

Carbon is a chemical element with symbol C. Therefore, decarbonisation means the reduction of CO₂ (carbon dioxide) emissions.

DIN ISO 9001

A standard that specifies the requirements for quality management systems. The quality required for products and services is based, for example, on customer expectations and the relevant legal and regulatory requirements.

DNK - German Sustainability Code

The German Sustainability Code (DNK) is standard for corporate sustainability reporting across all sectors. Reports can be checked and published free of charge to fulfil the CSR sustainability reporting obligation.

DSLV – German Freight Forwarding and Logistics Association

As a leading federal trade association, the DSLV represents the interests of the top 3,000 German freight forwarding and logistics providers through 16 regional state associations.

DVF – German Transport Forum

Multi-modal trade association in the mobility sector for passenger and freight transport in Europe which aims to maintain and improve conditions for mobility as a prerequisite for growth and employment. This includes a goal-oriented climate and environmental policy.

E

ECG – European Vehicle Logistics Association

With over 140 member companies, the ECG represents the interests of all transport sectors from road, rail and maritime to inland waterway at EU level. ECG members represent 80-85% of the finished vehicle sector in Europe.

Energy efficiency

Energy efficiency is the ratio between the energy invested to execute a service or manufacture a product and the yield that comes out in the end. The less energy needed to maintain the yield, the more energy efficient the process is.

European Sustainability Reporting Standards (ESRS) – How must they be done?

The European Sustainability Reporting Standards (ESRS) form the basis for sustainability reporting as laid out in the CSRD. The European Sustainability Reporting Standards thematically cover the three dimensions of sustainability: environmental, social and sustainable corporate governance.

EU Taxonomy

The EU Taxonomy Regulation is a set of EU rules that defines the criteria for environmentally sustainable business practices for companies. It determines when a company is operating in a sustainable or environmentally friendly way. Environmentally friendly business practices and environmentally friendly technologies should be rewarded and promoted, for example, by providing favourable loan conditions.

F

Fossil fuels

Fossil fuels mean energy sources obtained from combustibles such as coal, petroleum and natural gas and also peat. They have developed over millions of years from the decomposed remains of dead plants and animals. They are often used as energy sources as energy can be released very easily through combustion.

G

Greenhouse gases

Greenhouse gases cause the temperature on Earth to rise faster. The Sun's rays hit the Earth and warm it up before being reflected back into space. However, the greenhouse gases act like a barrier that stops the rays of radiation and reflects them back, which causes the Earth to warm up even more.

These greenhouse gases or trace gases include carbon dioxide (CO₂) and methane gas (CH₄) as well as a few other trace gases.

Greenhouse Gas Protocol

The GHG (Greenhouse Gas) Protocol includes regulations on how companies, and increasingly also public sector bodies, must measure and report their greenhouse gas emissions.

GRI indicators

The Global Reporting Initiative (GRI) provides guidelines for creating sustainability reports. The GRI stipulates certain key metrics and indicators which can be used to assess the economic, environmental and social aspects of business activities. This makes it easier to compare sustainability reports.

H

Hazardous substances

The Hazardous Substances Register, formerly known as the Hazardous Substances List, is a comprehensive record of all hazardous substances used in the company.

High & heavy consignments

High & heavy consignments are defined as heavy loads or oversized cargo.

I

IROs

According to the Corporate Sustainability Reporting Directive (CSRD) a company's business operations must be evaluated in terms of their impact on environmental, social and governance issues. In this analysis, "IRO" stands for "Impacts, Risks and Opportunities".

ISO 14083

The ISO 14083 standard for quantifying and reporting greenhouse gas emissions from transport operations describes a methodology that enables freight forwarders and logistics companies to calculate and assess GHG emissions from all modes of transport across global and regional supply chains.

ISO 14001

The international **ISO 14001** environmental management standard lays down globally recognised requirements for environmental management systems. It can be applied to both manufacturing and service companies. Certification is valid for three years after which the company must be recertified.

K

Kartellrecht

Das Kartellrecht ist ein Bereich des Wirtschaftsrechts, der darauf abzielt, einen fairen und freien Wettbewerb innerhalb des Marktes zu gewährleisten. Es verbietet wettbewerbsbeschränkende Vereinbarungen, Praktiken und Missbrauch einer marktbeherrschenden Stellung durch Unternehmen.

L

LkSG – German Supply Chain Act

The Supply Chain Due Diligence Act, or Supply Chain Act for short, governs, among other things, compliance with human and environmental rights along the added value or supply chain. Under the LkSG, companies in Germany must identify, assess and minimise risks of human rights violations or environmental damage along their value chain.

Longlist – Midlist – Shortlist

A longlist comprises a larger selection of facts, ideas, measures, etc., which is reduced down in the course of a process – first to midlist and then to a shortlist. The means an initial range of options is reduced to a more select group.

Low-hanging fruit

You stand in front of an apple tree and want to harvest fruit. Which one do you pick from the tree first? The one where you only have to stretch a little or the one where you have to fetch a ladder and an apple picker? The phrase "low-hanging fruit" conveys the idea that something is relatively easy to achieve.

In terms of sustainability, these are measures that can be implemented with little effort.

M

Materiality assessment

A materiality assessment is an analysis tool used as part of a strategic analysis. It identifies the sustainability issues that are important to a company and its stakeholders.

P

Paraffinic diesel fuel

Paraffinic is a term used in chemistry to refer to saturated hydrocarbons. These are chemical compounds that consist of carbon and hydrogen and contain only single bonds (as opposed to unsaturated hydrocarbons). Paraffinic diesel fuel therefore refers to a hydrocarbon-based fuel.

Pre-Delivery Inspection (PDI)

In the automotive industry, PDI refers to the final check before a new car is handed over to the customer/user, whereby the scope of the inspection can vary.

PV potential

PV potential – PV stands for photovoltaic – describes the company's ability to generate electricity from photovoltaic (solar) systems. Roofs and, in particular, our large logistics areas represent great potential. Here, PV systems can be installed easily, and the sun can shine on them permanently. In principle, MOSOLF has a very high PV potential, as we have a lot of space.

R

Renewable power sources

Renewable or regenerative energy sources are practically inexhaustible or replenish themselves relatively quickly. Because of this, they offer great potential for the future. Wind and solar, for example, have almost unlimited availability and can therefore be used to generate electricity. Other ways to generate energy are hydropower or bioenergy (e.g. from wood or **biogas**).

RoRo barges

RoRo stands for Roll-on/Roll-off: Cargo is driven onto the ship by transporters and unloaded. The opposite would be LoLo, which stands for Lift-on/Lift-off. Here, cargo is lifted onto the ship and unloaded by crane.

S

Scopes

Scope means "area of application". When calculating greenhouse gas emissions, a distinction is made between three different scopes. **Scope 1** emissions arise directly from the business activities of the company or organisation. In our case, for example, the exhaust gases generated during lorry journeys. **Scope 2** emissions are "purchased by a company"; for example, in the form of electricity, heat or cooling. **Scope 3** summarises all emissions from the upstream and downstream supply chains. They arise, for example, from our suppliers or through waste disposal.

SDGs

The Sustainable Development Goals were developed by the United Nations. The 17 goals, with a total of 169 sub-goals, define core areas of action in the three dimensions of sustainability: economy, ecology and social issues. In turn, the sub-goals highlight the steps to be taken to achieve the respective goal.

SEAM process

SEAM is a special 3D printing process that is faster than conventional 3D printing and can be done using inexpensive standard plastic granules.

"Shaping sustainability" initiative

BVL's information and discussion platform on sustainability issues in logistics.

Stakeholder

Stakeholders are individuals or groups of people who have an interest in how a company behaves. This interest can arise from an employment relationship, a shareholder relationship, a customer or supplier relationship or simply from living close to the company.

Storage care and maintenance

Maintenance for inventory products to ensure constant availability and to retain value. During fleet storage, this covers, for example, checking tyre pressures, battery status and fuel tank levels. This also includes visual inspections for unusual dirt and moving the vehicle regularly to avoid any damage caused by it standing still.

V

Value chain (upstream / downstream)

The value chain explains the steps a product or service goes through. It runs from the source material (upstream value chain) through various stages to use and then on to disposal (downstream value chain).

VDA – German Association of the Automotive Industry

The VDA's focus is on developing the sustainability of cars further to achieve climate neutrality. The German Association of the Automotive Industry's role is to ensure the right conditions are created to allow companies to pursue their vision and successfully bring products to market.

W

Well-to-tank

Well-to-tank (WTT) refers to all greenhouse gas emissions associated with extracting, processing, transporting and storing any time of fuel from its source (borehole or mine) to its place of use (gas or fuel tank).

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