

The ZIEGLER logo is displayed in a bold, yellow, sans-serif font against a dark green rectangular background. The letters are uppercase and the 'R' has a registered trademark symbol.

ZIEGLER®

Why, What and How to transition.

Our core priority CO2 reduction.

Enablers reinforce our organisation.

Transparent & accountable KPIs.

The background of the report cover is a photograph of a large solar farm. In the foreground, rows of solar panels are visible, receding into the distance. The panels are dark blue with a grid pattern. The background shows a dense forest of trees under a bright sky, suggesting a natural setting. A yellow diagonal bar is positioned over the bottom right of the solar panels.

Corporate Sustainability Report 2024



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CEO & President foreword

Dear reader,

Our industry boasts a heritage as ancient as civilization itself, having weathered numerous transitions throughout history. From the dawn of settled life and the advent of agriculture, our roots trace back thousands of years. These transitions were marked by pivotal inventions such as the wheel, the sail, domesticated animals like horses, oxen, and mules, and later, the transformative impact of the steam engine. Each stride forward brought both turmoil and fresh opportunities. Today, we stand on the cusp of yet another significant transition, one we'll term «electrification» for simplicity - a shift away from reliance on fossil fuels for transporting goods.

The influence of our industry extends across the globe, touching the lives of every individual. From the cultivation of food far from consumption to the fabrication of building materials distant from construction sites, and even the production of clothing on distant shores from where it's worn, our industry underscores the necessity of transportation in modern life. Regrettably, the transportation sector's substantial carbon emissions have grave implications for our climate and demand urgent action. The imperative to transition towards zero-emission transport is a collective responsibility that will impact every facet of society.

Ziegler has navigated one such transition over its 116-year history with remarkable success. Originating as importers of wine from Bordeaux and Bourgogne, we relied on horse-drawn carriages to transport our goods. Our infrastructure revolved around horses, complete with horse boxes and corral fencing, and our workforce included veterinarians and coachmen. Farmers delivered fresh oats at regular times and logistics sites had to be located with the requirements of horses in mind. However, the advent of diesel trucks marked a seismic shift. These vehicles offered speed, efficiency, and endurance surpassing any horse-drawn carriage. Ziegler swiftly adapted, embracing drivers over coachmen, mechanics over veterinarians, and garages over horse boxes. This transition reshaped the transport industry, and Ziegler emerged stronger for it.

In this report, we articulate why sustainability holds paramount importance for us, delineate our plans based on stakeholder feedback, and reveal our strategy for navigating this ongoing transition.

As a family-owned enterprise, safeguarding our legacy for generations to come necessitates our ability to adapt, evolve, and thrive in an ever-changing landscape.

Warm regards,



Alain Ziegler
President



Diane Govaerts
Chief Executive Officer

Why Sustainability?

At Ziegler, we've identified five compelling reasons why Sustainability is a must.



1. Alignment with Customer Needs:

Our customers face similar challenges in transitioning to sustainable practices. This drives them to seek suppliers and partners capable of supporting their transition and decarbonization efforts. We aim to position ourselves as a trusted and enduring ally, pioneering innovative solutions and leading the way in reducing carbon emissions across our customers' supply chains.



2. Lean Operations:

By minimising carbon emissions, energy consumption, and absenteeism, we reduce operational costs. This presents a dual incentive, both economic and environmental, driving our commitment to sustainability.



3. Corporate Compliance:

Ensuring adherence to regulations is paramount for Ziegler. Governments and financial institutions mandate transparent reporting on our activities, emphasising our commitment to long-term sustainability. These entities serve as stakeholders advocating for companies to not only refrain from harming society but actively contribute to its betterment. While financial reporting sufficed in the past century, today's standards encompass a broader spectrum. This entails not only financial metrics but also comprehensive consideration of transition plans, employee well-being and development, environmental preservation or regeneration, and societal contributions. The European Commission has issued reporting directives to member countries, which have been enacted into local laws, compelling companies to report on sustainability practices.



4. Investing:

Banks and investors increasingly factor sustainability into credit ratings and investment decisions. Companies with well-defined transition strategies enjoy a competitive edge in accessing more affordable capital resources. The European Commission leverages financing as a mechanism to compel companies to prioritise transition and decarbonization efforts. Banks are mandated to evaluate companies' transition data and sustainability reports, offering preferential terms such as lower interest rates for those demonstrating significant progress. Conversely, companies with inadequate sustainability measures will face higher interest rates or difficulty securing loans.



5. Attractive employer:

In the competitive landscape of talent acquisition, known as the «war for talent,» employees increasingly prioritise companies with a defined purpose. Particularly, younger generations exhibit a heightened sensitivity towards working for organisations committed to transitioning and sustainability. Recent graduates, in particular, express a strong preference for employers that invest in sustainable practices. Notably, many of these sought-after graduates adamantly decline opportunities to work with clients in the fossil fuel industry. This shift in preference is evident in today's workforce dynamics.



Our Ambitions for Sustainability

We categorise sustainability ambition into four levels.

Level 1: Legal Compliance

Comply with current regulatory requirements to avoid fines and additional taxes. Follow local laws dealing with transitioning and sustainability. This includes adhering not just to today's laws but also anticipating tomorrow's stricter regulations.

Level 2: Beyond Legal Compliance

Be aware of future regulatory requirements and proactively steer your business towards future compliance. This shields you from future fines and taxes. This could entail acquiring EcoVadis or other sustainability certificates.

Level 3: Business Risk Management

Develop an action plan for sustainable projects and reporting, aligning with current stakeholder materialities to uphold strategic positioning. Remain attuned to market dynamics to ensure revenue alignment with costs. Ignoring sustainability requirements could jeopardise your company's viability. At Ziegler, we've identified four key business risks:

3.1 Damage to Buildings and Operations:

Physical harm to our facilities, customer goods, and equipment resulting from extreme weather events like flooding can incur significant costs. Such incidents have the potential to disrupt our operations and our customers' supply chains, hindering manufacturing processes and impeding employee access to work. Leveraging expertise from Greenomy, we conducted a Climate & Risk Vulnerability Assessment (CRVA) for our headquarters in Brussels.

3.2 Stranded Assets:

As energy demand shifts towards lower-carbon alternatives, there's a risk of being left with obsolete diesel fleets. To address this, we're engaging with a repowering startup, e-Trova, to explore options for repurposing diesel trucks into electric vehicles.

3.3 Reputational Risk:

Customers may shun a company that is involved in a public relations crisis—for example, not being transparent. This report serves as a demonstration of our commitment to transparency and goodwill.

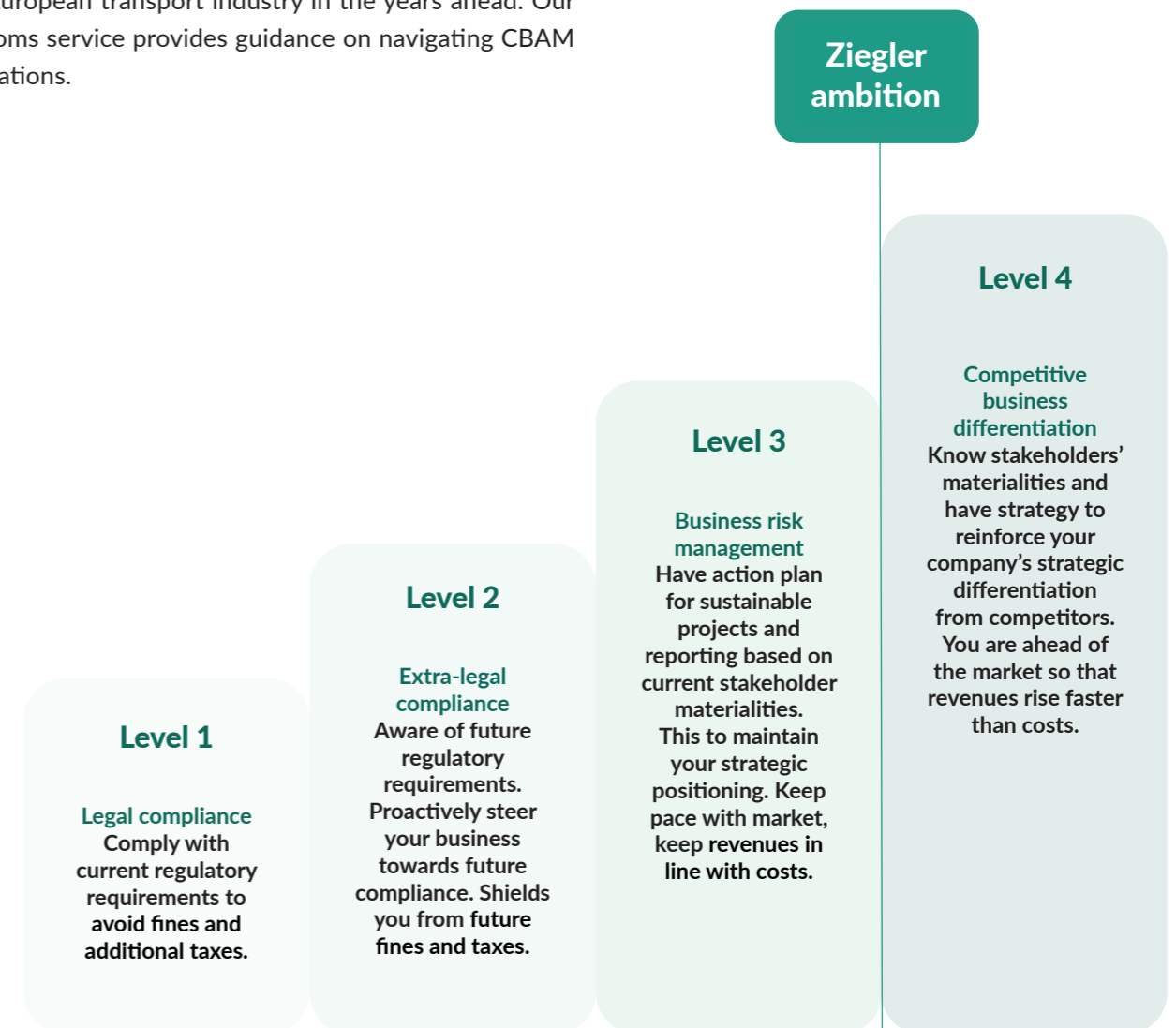
3.4 Regulatory Risk:

Governments may introduce new regulations aimed at reducing greenhouse gas emissions, potentially increasing costs and reducing profits. An example of this is the activation of the Carbon Border Adjustment Mechanism (CBAM) in October '23, which will impact the European transport industry in the years ahead. Our Customs service provides guidance on navigating CBAM regulations.

Level 4: Competitive Business Differentiation

Understand stakeholders' material priorities and devise a strategy to reinforce your company's strategic differentiation from competitors. Stay ahead of the market, ensuring that revenue growth outpaces costs. Sustainability is an integral part of your business strategy.

We deliberately positioned ourselves between levels 3 and 4 in terms of ambition. Transitioning represents both a business risk and a potential differentiator for Ziegler. Failure to invest in and pioneer the transition could render us irrelevant within a few decades. Conversely, effective transitioning presents a significant market opportunity.

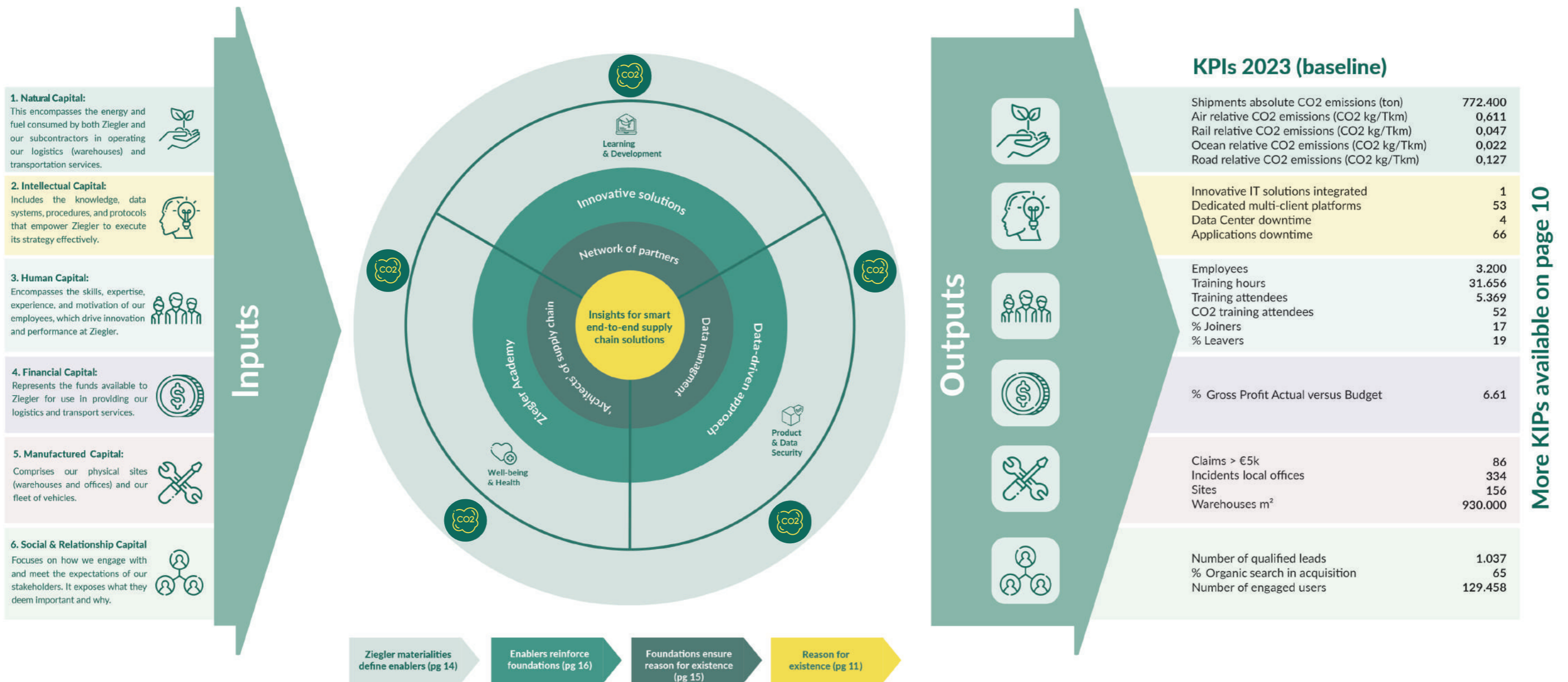


6 Capitals Reporting

We've opted for the 6 Capitals reporting format because it offers a blend of qualitative and quantitative data. Our decision to choose this format stems from extensive research, which has demonstrated its ability to enhance transparency for both our customers and society, provide a long-term focus, and bolster our decision-making and risk-management processes.*

Our primary aim with integrated reporting is to demonstrate to our stakeholders how our organisation generates sustainable value over time. The 6 Capitals format, with its blend of quantitative and qualitative information, provides the optimal means to achieve this objective. Since this is our first year reporting we consider the 2023 KPIs as our baseline for systematic reporting for future progress.

Drawing below plus the KPIs are the outcome of our strategy exercise. To understand how we reached this result, please read the next chapters: 'What Sustainability' and 'How Sustainability'.



* Source: Disclosing value creation in integrated reports according to the six capitals: a holistic approach for a holistic instrument* by Giacomo Pigatto, Lino Cinquini, Andrea Tenucci, and John Dumay. "Integrated Reporting: Antecedents and Perspectives for Organizations and Stakeholders" by Samuel O. Idowu and Mara Del Baldo. Principles, Concepts and Elements of Integrated Reporting" by Carol A. Adams.

6 Capitals KPIs 2023 (baseline)



Natural Capital

• Shipments absolute CO2 emissions (ton)	772.400
• Air relative CO2 emissions (CO2 kg/Tkm)	0,611
• Rail relative CO2 emissions (CO2 kg/Tkm)	0,047
• Ocean relative CO2 emissions (CO2 kg/Tkm)	0,022
• Road relative CO2 emissions (CO2 kg/Tkm)	0,127
• Charging poles operational	66
• Solar panel production (Kwh)	976,3k
• % LED offices	54,3
• % LED warehouses	39
• Classic Shipments	7.833.999
• Low Emission Shipments (modal shift)	5.939



Intellectual Capital

• Innovative IT solutions integrated	1
• Dedicated multi-client platforms	53
• Data Center downtime	4
• Applications downtime	66



Human Capital

• Employees	3.200
• Training hours	31.656
• Training attendees	5.369
• CO2 training attendees	52
• % Joiners	17
• % Leavers	19



Financial Capital

• % Gross Profit Actual versus Budget	6.61
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Manufactured Capital

• Claims > €5k	86
• Incidents local offices	334
• Sites	156
• Warehouses m ²	930.000
• Sites absolute CO2 electricity + gas + fuel (ton)	3.252,36
• Country presence	16
• Own truck fleet	466



Social & Relationship Capital

• Number of qualified leads	1.037
• % Organic search in acquisition	65
• Number of engaged users	129.458

What Sustainability?

In the next chapter titled “What’, we delve into the stakeholder feedback we’ve gathered, our approach to double materiality, and the process behind our priority selection, all of which determine the 6 Capitals KPIs.

What Sustainability?

In this second chapter, we unveil the methodology behind our sustainability and transition strategy. We embarked on an in-depth exploration of our reason for existence and conducted a thorough stakeholder mapping to ascertain their priorities. This culminated in our materiality matrix, which incorporates a double materiality approach. The double materiality framework assesses the impact on both «stakeholders and society» and our «business and company.» These insights guided us to identify our core priorities.

Before delving into materialities, we found it essential to clarify Ziegler’s reason for existence. We pondered over questions such as ‘Who are we?’, ‘What is our purpose?’ and ‘What value do we bring, both objectively and subjectively?’ By intertwining our reason for existence with the outcomes of our materiality assessment, we gained a complete understanding of our identity and trajectory.

Ziegler’s reason for existence

Ziegler addresses the imperative to optimise supply chains by providing intelligent end-to-end supply chain solutions for B2B clients. This has been our mission for 116 years, ingrained in our DNA and serving as our core purpose.

Objective Added Value

Drawing upon data and insights, Ziegler crafts innovative supply chain products to deliver intelligent supply chain solutions. We are committed to enhancing information and data systems to refine our supply chain solutions, evolving into a data-driven organisation.

Subjective Added Value

We are a family-owned business, striving to ensure that all stakeholders feel like they are part of the family. We cultivate personal relationships with each stakeholder, infusing a human touch into our data-driven business approach. This commitment fosters a perception among our customers that they are working with a family-owned enterprise, offering stability and longevity.

In summary, we serve as ‘architects’, providing insights for constructing smart end-to-end supply chain solutions, all while maintaining a human connection.

To understand our materialities, we need to interact with stakeholders and understand what topics they consider important for Ziegler. To do this, we identified five stakeholder groups and collected their feedback in various interaction formats.



1. Suppliers:

From fuel suppliers and electricity providers to airlines, shipping companies, and insurance companies, suppliers are crucial for providing Ziegler with products and services necessary to ensure the successful operation of our business.



2. Owners, Financial Partners, and Shareholders:

These stakeholders typically have a long-term perspective, concerned about the safety and security of their investments over decades or even generations. Banks seek to invest their assets in businesses they can trust to repay loans and remain profitable.



3. Employees & Partners:

The lifeblood of Ziegler's operations, employees and partners are the individuals who keep our operations running smoothly. Their feedback is invaluable and essential for Ziegler's growth and evolution.



4. Customers & Consumers:

Our reason for existing! Understanding and fulfilling their needs is what sustains our business. Adapting to their evolving needs ensures our continued success.



5. Society:

Governments, educational institutions, and the media serve as ambassadors for society as a whole. It's crucial to listen to their voices, address their concerns, and incorporate them into our decision-making processes.

To collect stakeholder feedback, we employed various methods and resources:

- One-on-one discussions with multiple internal stakeholders
- Desk research, including trend analysis from press and web sources
- Meetings with partners and suppliers
- Audits and inspection reports
- Utilisation of certification playbooks
- Annual meetings with banks and insurance providers
- Collection of feedback through evaluation forms
- Assessment of training feedback
- Participation in workshops
- Engagements with customers during meetings
- Review of website and social media reviews
- Provision of an external feedback button on our website
- Establishment of a dedicated email address for public inquiries

While we have opted not to include all of this research in our Corporate Sustainability Report, it remains available for review when necessary.



Business Impact and Strategic Positioning



Suppliers

- Fuel suppliers
- Trucks and ships development companies
- Software providers
- Track & trace
- Data safety
- AI tool providers
- Airlines
- Shipping companies

- Insurance companies
- Sub-contractors
- Gasstations

- Packaging suppliers
- Office supplies
- Suppliers of our customers



Owners, Financial Partners, and Shareholders

- Banks

- Country subsidiaries
- Leasing companies
- Family



Employees & Partners

- Ziegler sales people

- HR/IT people
- Ziegler operations people
- Ziegler planning people
- Branch/office managers
- Head of departments

- Temporal workforces



Customers & Consumers

- Top clients

- Employees of customers
- General clients



Society

- Conferences
- Cities
- Frameworks: EcoVadis, ISO, AO
- Customs liason
- Government
- Logistics interest groups: VIL, FEBETRA, Logistics Wallonia
- Spatial planning organizations
- R&D/Universities

- Journalists
- Media
- Social Media platforms

After engaging with the five distinct stakeholder groups, we gained valuable insights into their needs. From these insights, we distilled topics that are important to both society and Ziegler (double materiality). The resulting materiality matrix is presented below.



The highest impact on both society and Ziegler's business is CO2 emissions (measuring and reducing them).

CO2 reflects our double materiality:

1. Impact on our business: CO2 will have a financial impact on our operations. To reduce them will require considerable investments. Failing to reduce them might also lead to higher taxes (ETS+, CBAM) or loss of customers. So we need to address CO2.

2. Impact on society: As a transportation company we also have an impact on the CO2 emissions within our society. So we have a direct interest in exploring how to reduce CO2 emissions.

Additionally, we are supporting sustainability priorities with significant impacts on both society and our business, including:



Next, let's explore what our core priority of CO2 emission reduction means for our organisation and how we will execute our sustainability and transition strategy.



How Sustainability?

How Sustainability?

In this third chapter, we explain how we execute our sustainability and transition strategy. We have a well-functioning organisation in place to ensure we make strides towards our CO2 reduction priority. To reinforce our organisation and measure progress through KPIs, we launch enablers. Let's have a look at our organisation first.

The existing Ziegler organisation is made up of three foundations.*

1. Network of Partners:

Our partner network includes rail, road, air, and ocean service suppliers, enabling us to cater to our customers' diverse needs. These partners drive innovation within their respective segments, providing us with flexibility and efficiency in delivering supply chain solutions. The better we identify and integrate innovative partners into our system, the more effectively we can deliver low or zero-emission customer solutions.



2. 'Architects' in Supply Chain:

We possess a deep understanding of customer needs and adeptly transform them into tailored supply chain solutions. Our 'architects' continuously strive for deeper understanding and experience in both traditional and emerging transport modes, offering objective insights into the possibilities for low or zero-emission transport.



3. Data Management:

We ensure our people interact with our systems to develop the right solution for each customer. Our innovative and state-of-the-art systems are instrumental in maintaining our customer focus. We have developed our own Transport Management Systems (TMS), complemented by an analytics database that includes a CO2 reporting engine. Integration of CO2 calculation into our TMS, based on ADEME standards and subsequently switched to GLEC following its ISO standardisation in 2023, is a testament to our commitment to sustainability.



*Source: Ziegler's Vision - We are architects for transport and logistics. We plan, design and construct a competitive worldwide network. We know regional conditions and give individual support to our customers to be globally successful.

To address our CO2 core priority, we've identified three enablers to strengthen our three foundations:

1. Innovative Solutions:

We continuously challenge and innovate our solutions to deliver better supply chain outcomes—cheaper, faster, and cleaner. To achieve this, we maintain a constant pulse on industry trends, engage with innovative partners, and test and pilot zero-emission solutions and new business models. For instance, we conduct tests with alternative fuels for low-emission transport and research e-truck business models for zero-emission transport. Progress is measured using our CO2 reporting engine.



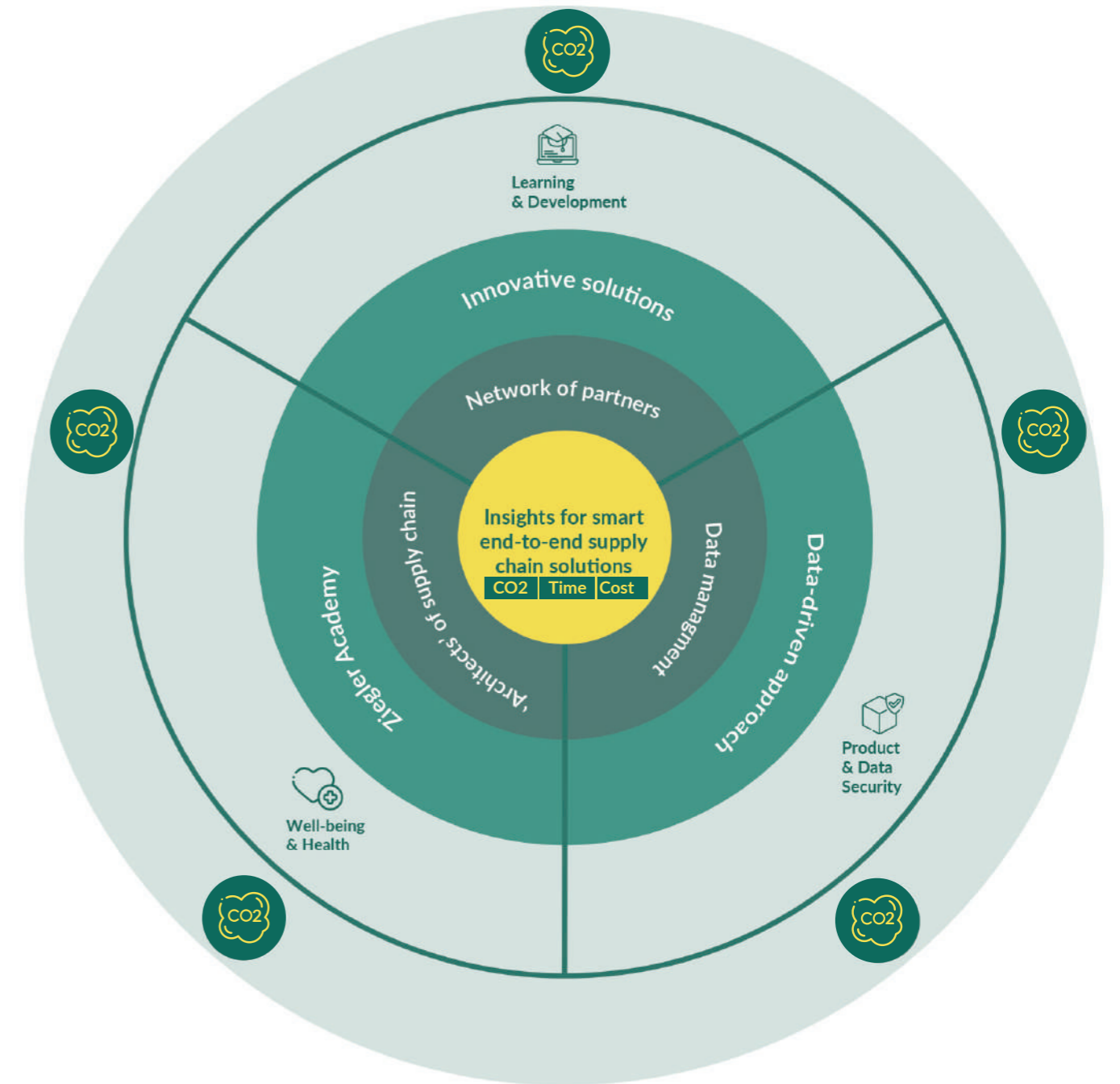
2. Ziegler Academy:

Our employees are the lifeblood of Ziegler, driving our success. It's essential to ensure their well-being, knowledge, and dedication to delivering value - for their own fulfilment and for the benefit of Ziegler. We prioritise equipping our 'architects' with the skills to design efficient supply chain solutions, drawing on data, analytics, and insights from our experiences and those of our partners. Currently, Ziegler Academy offers «CO2 in transport» training, with plans to broaden the curriculum to ensure our teams are well-versed in transition solutions to support our customers. Progress is monitored through our CO2 reporting system.



3. Data-Driven Approach:

Expertise and knowledge must be anchored in intelligence, data, and supportive systems. Our databases—both transactional and analytical, including our TMS systems, the data warehouse, reporting, and analytics platforms—are crucial in this regard. It's imperative to organise, structure, and maintain these databases securely, ensuring they remain relevant and continually evolve to provide our teams with comprehensive information. Given that customer needs vary—ranging from cost-effectiveness to speed or sustainability—we tailor our data systems to accommodate these diverse requirements, with a particular emphasis on CO2 reduction. For instance, the 3StepIT program, initiated in 2022, focuses on recycling all our IT hardware. This initiative not only helps us identify opportunities in CO2 reduction but also necessitates a CO2 responsible setup for the systems themselves.



Ziegler materialities define enablers (pg 14)

Enablers reinforce foundations (pg 16)

Foundations ensure reason for existence (pg 15)

Reason for existence (pg 11)



Governance

In this section we will explain how we plan to govern and organize our enablers (Internal Supporting Priorities) and the reduction of CO2 (Core Priority).

To govern our transition, we established various processes and roles. Since 2023, we've formed a Transition Team comprising 15 individuals dedicated to executing our Sustainability strategy and projects, whether as a dedicated role or as a shared responsibility role. This team operates under the leadership of our Corporate Sustainability Manager, who reports directly to Ziegler's CEO. Additionally, our Executive Committee actively participated in workshops to initiate the Sustainability strategy outlined in this report. The stakeholder mapping and materiality analysis were conducted by the Transition Team. Monitoring progress and KPIs is a joint responsibility of our Executive Committee and the Transition Team, with both groups convening quarterly meetings. While the Transition Team executes projects, the Executive Committee remains informed and makes necessary decisions. The three enablers mentioned above are driven separately by members of the Executive Committee, usually a Country Manager with Corporate Supporting role to provide them the Group view to complement their Country role.

Regarding targets, we deliberately chose not to set overly ambitious or unattainable goals for our first report. Instead, we aim to conduct thorough research over the next 12 months to establish realistic ambitions and targets grounded in reality. Despite enthusiastic stories in the media and consultancy presentations, the combustion engine is far from being substituted by economic viable alternatives for the transportation of goods. To effectively transition, we must align with vehicle manufacturers regarding their timelines and develop achievable targets accordingly. Our focus for the upcoming year is to conduct thorough research and formulate systematic, actionable ambitions for the future.

In summary, CO2 reduction remains our top priority. With our established foundations, organisational structure, and operational processes in place, it's imperative to reinforce these with enablers. These enablers include acquiring new expertise through **Innovative Solutions**, disseminating knowledge across our workforce via **Ziegler Academy** and ensuring that data and insights are effectively captured in our systems through a **Data-Driven approach**.

To steer the Ziegler organisation effectively, we rely on key performance indicators (KPIs), which are indispensable for governance. These KPIs serve as vital metrics to gauge whether our organisation is progressing in the right direction. They also help ensure that every member of our organisation is aware of their role in contributing to Ziegler's integrated business and sustainability strategy. We've defined our reason for existence, adopted the 6 Capitals reporting format, and identified CO2 reduction as our core priority, along with three supporting priorities corresponding to three enablers to strengthen our existing foundations. These three enablers align with three Capital KPIs:

1. **Innovative Solutions** → **Natural Capital KPIs**
2. **Data-driven** → **Intellectual Capital KPIs**
3. **Ziegler Academy** → **Human Capital KPIs**

Since this is our first report, we will adopt these KPI values as our baseline. The governance for ensuring progress is supported by a Transition Team and the Executive Committee.

CO2 Deep Dive

Scope 1 CO2: 20.418,06 ton
Scope 2 CO2: 1.800 ton
Scope 3 CO2: 753.434,29 ton

A word on CO2 emissions.

Based on stakeholder feedback, we've identified CO2 reduction as our core priority. It's essential to understand the context when measuring CO2 in transport:

- The European transport and logistics sector accounts for about a quarter of all CO2 emissions.
- Transport is the only sector where CO2 emissions continue to rise.
- We integrated CO2 measurement into our Transport Management System (TMS) since 1/1/23, following the ADEME framework (Agence de la transition écologique).
- As of 1/1/24, we transitioned to the GLEC framework (Global Logistics Emissions Council) due to its adoption as ISO14083, the global standard for measuring CO2 emissions in the transport and logistics sector.
- Our CO2 measurements adhere to GLEC guidelines, focusing on Well-to-Wheel emissions, which include emissions from pumping up oil, refining it into fuel, transporting, distributing and burning the fuel in vehicle engines. Notably, it excludes the CO2 emissions associated with building extraction assets (such as pumps, pipelines, and refineries).

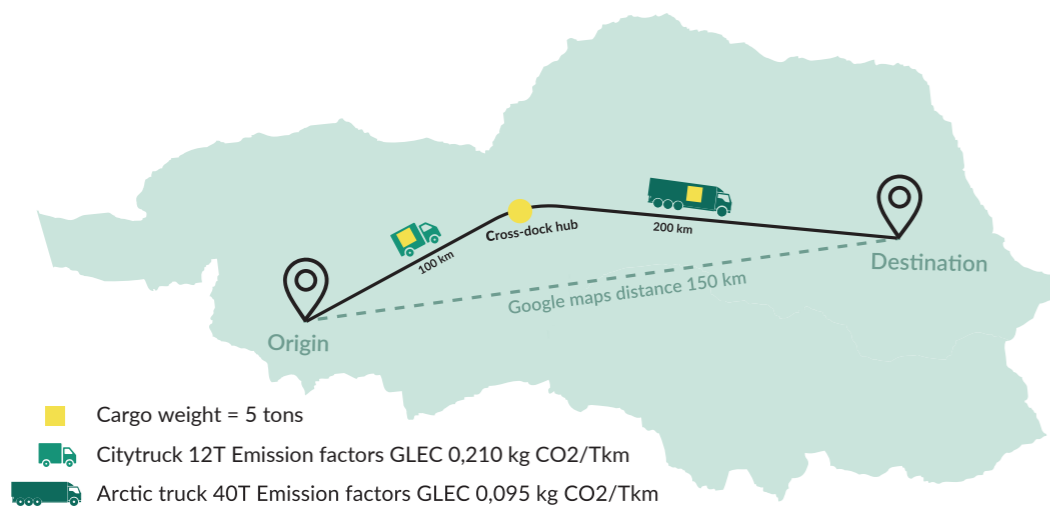
We measured our scope 1-2-3 CO2 emissions for 2023:

- **Scope 1** CO2 ton (diesel, HVO own fleet + gas, fuel warehouses): 20.418,06
- **Scope 2** CO2 ton (electricity warehouses): 1.800
- **Scope 3** CO2 ton (diesel, HVO, fuel indirect + outsourced transport Well2Wheel): 753.434,29

Here's our calculation method:

- **Weight of the shipment:** As provided by the customer, including transport packaging material (pallets, wrapping material, straps).

- **Distance:** Determined by Google Maps and EcoTransit for air and sea shipments, between place of loading and place of delivery, taking into account stopovers in our network (routing). For direct deliveries, the distance equals the shortest route from loading to delivery.
- **Vehicle type:** Defined by specific types per transport mode (road, sea, air, rail, barge), each with their emission factors based on GLEC default values. When the vehicle type is known, the system calculates with specific vehicle-type related values. If type is unknown the system chooses a default vehicle type based on the type of transport activity within the network (pick-up, line-haul, delivery...). The calculation is based on default parameters for that vehicle type.
- **Emission factors:** Derived from the GLEC framework V3 (12/2023), chapter 3 and are expressed as kilograms CO2 per tonne-kilometre (Tkm).



CO2 calculation illustration

• Transport leg 1 (Origin to Cross-dock hub):

5 tons x 100 km = 500 Tkm
 Emission Factor = 0,210 kg CO2/Tkm (Citytruck 12T)
 CO2 emission = 500 X 0.210 = 105 kg CO2

• Transport leg 2 (Cross-dock hub to Destination):

5 tons x 200 km = 1000 Tkm
 Emission Factor = 0.095 kg CO2/Tkm (Arctic Truck 40T)
 CO2 emission = 1000 X 0.095 = 95 kg CO2

• Total CO2 emission for this shipment is 105 + 95 = 200 kg CO2

- GLEC default emission factors are derived from large datasets from various global companies, representing global averages. However, these factors may not align perfectly with the profiles of individual companies or their specific shipments. It's important for customers to consider this when evaluating the CO2 emissions of their shipments.
- Ziegler provides customers with a self-service portal (Eco Carbon) to easily access the CO2 emissions data of their shipments.
- For measuring the CO2 emissions of our sites, we implemented an approach with effective consumption of energy carriers and electricity as a basis for calculation. Emission factors for electricity are taken from the EU Joint Research Centre (JRC) and considers the production mix differences between the different countries.
- Our sites contribute to only 0.5% of our total CO2 emissions.
- In the realm of **road transport** all OEMs are actively developing battery-powered e-trucks, albeit at approximately 3.5 times the price of diesel trucks. We plan to research new business models in collaboration with knowledge institutes, infrastructure suppliers, and OEMs to understand the implications of transitioning from a fossil fuel ecosystem to an electric charging ecosystem.
- Hydrogen trucks are being developed in both Fuel Cell (Hydrogen converted to electricity to power an electric engine) and Dual Fuel (Hydrogen mixed with diesel and burned in a classic internal combustion engine) versions, but their availability and refuelling infrastructure remain limited.
- Both options face challenges such as limited range and the absence of a comprehensive charging/fueling infrastructure, though we anticipate improvements in the coming years.
- In **ocean transport** ships are being designed with enhanced aerodynamics, more efficient propellers, optimised route planning, and hull coatings. Exploration of alternative fuels like liquefied natural gas, ammonia, methanol, and biofuels is underway. The International Maritime Organization (IMO) has set ambitious reduction goals, aiming for net-zero greenhouse gas emissions "by or around" 2050.
- The **aviation industry** faces significant challenges in reducing CO2 emissions. Strategies include fleet renewal, exploration of innovative propulsion systems (e.g., hydrogen fuel cells), improving fuel efficiency through better operational practices, increased use of Sustainable Aviation Fuels (SAF), and carbon offsetting measures when all else fails.

Progress Made So Far

Every journey begins with a single step. Here are the initial strides Ziegler has taken on the path toward a decarbonized future:

- Introduction of E-Cargo bikes in Belgium.
- Implementation of the 3StepIT circularity program for all IT equipment, initiated in 2022.
- Attainment of a zero emission certificate for our HQ office in Brussels.
- Integration of CO2 calculation into our Transport Management System for all shipments, adhering to the ADEME framework in 2023, followed by a transition to the GLEC framework (ISO14083) in 2024.
- CO2 calculation engine for all our shipments since 1/1/23.
- Establishment of the Eco Carbon self-service portal, enabling customers to access CO2 emissions data for their shipments.
- Order for 10 Udelv transporters, autonomous electric delivery vans.
- Installation of solar panels on warehouse roofs across 5 countries.
- Testing of XTL alternative fuel and Bio-gas trucks in France.
- Deployment of 66 charging poles at sites in 5 countries, with plans for an additional 62.
- Initiation of research into zero emission transport business models.
- Development of concrete heavy duty e-truck service at competitive price.





Conclusion

To conclude, we recognize that we still have a long way to go, and this report records our initial steps and commitment to progress, evolve, and thrive amidst the ongoing transition.

We've clarified Ziegler's reason for existence, established our sustainability aspirations, engaged with stakeholders on these issues, analysed our materialities, and identified CO2 reduction as our primary focus, bolstered by innovation, workforce development, and data management. Examining our organisation's governance, we've aligned Capital KPIs with these enablers to track our advancement. Additionally, KPIs across the remaining 3 Capitals ensure transparency, providing a complete view of our progress. Roles and responsibilities have been assigned to the Transition Team and the Executive Committee to ensure systematic progress.

The combination of the 6 Capitals KPIs, demonstrates where we are currently (baseline), and it is the report you are holding in your hand.

For further inquiries, we encourage you to reach out to your local Ziegler office and begin a conversation. While we may not have all the answers, our motivation, inspiration, and open-mindedness propel us forward. Our ambition is to positively impact society by navigating the logistics landscape through the next transition.



ZIEGLER[®]

www.zieglergroup.com