Shaping a Better Tomorrow

Environmental, Social, and Governance
Report for 2023

June 2024

www.cargounit.eu

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CARGOUNIT ESG Report

About the report

CARGOUNIT is not legally obliged to publish a non-financial report according to the European Sustainability Reporting Standards (ESRS) criteria. Nevertheless, due to the company's ambitions, the management took a decision that ESG policies will become a part of CARGOUNIT's strategy and would start publishing an annual ESG Report.

The reporting process requires organizing management processes related to sustainable development topics, collecting and calculating the data held, and prompts the development of a strategy for managing ESG impacts, risks and opportunities. These are activities that improve the quality of business management. In addition, the report is also a clear message for numerous stakeholders who have an impact on the company's future success. Due to the fact that CARGOUNIT operates and will operate within the European Union, the Company decided to follow ESRS standards.

This chapter covers general information related to the company and its activities such as mission, vision, values and market context. Letter from the management board of the Company is included as well.

The next three chapters describe in detail the pillars of ESG (Environment, Social, Governance). Each of the subchapters provides additional information related to the area. Relevant data is reported and the KPIs developed for each area related to the strategy are shown.

Management letter

We are proud to present our inaugural ESG Report. The pillars of sustainable development — Environmental, Social, and Governance — are increasingly important to the success of the company and our stakeholders, including our investors, employees, and financial institutions.

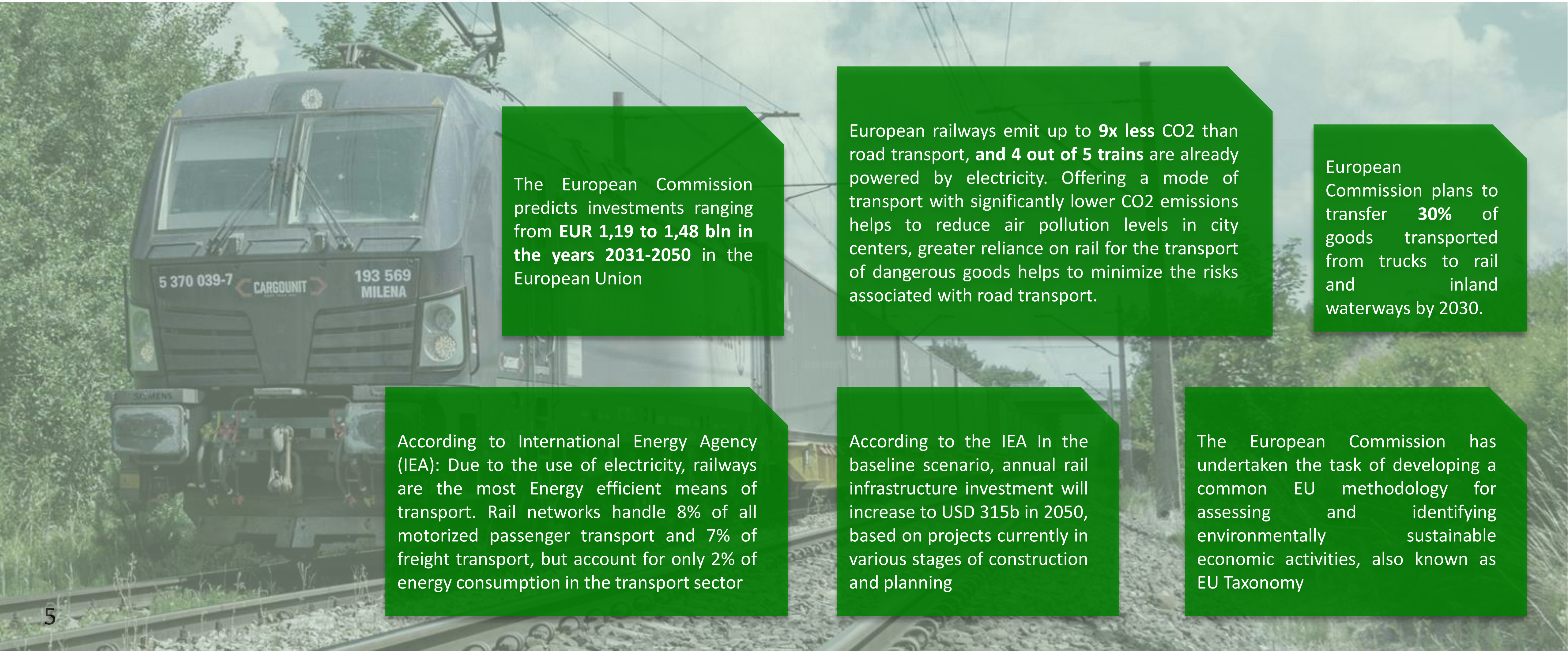
We believe that by integrating ESG considerations into our core business strategy, we are mitigating risks, enhancing operational efficiency, and creating long-term value for our stakeholders.

With the sustainability-linked financing from 2023, we are poised to grow the company and support green transportation with modern locomotives.

We are committed to grow the Company, with ESG values and KPIs embedded into our daily operations.

Łukasz Boroń
Chief Executive Officer
CARGOUNIT Sp. z o.o.

Locomotive leasing companies support sustainable transport



The European Commission predicts investments ranging from **EUR 1,19 to 1,48 bln in the years 2031-2050** in the European Union

European railways emit up to **9x less** CO2 than road transport, **and 4 out of 5 trains** are already powered by electricity. Offering a mode of transport with significantly lower CO2 emissions helps to reduce air pollution levels in city centers, greater reliance on rail for the transport of dangerous goods helps to minimize the risks associated with road transport.

European Commission plans to transfer **30%** of goods transported from trucks to rail and inland waterways by 2030.

According to International Energy Agency (IEA): Due to the use of electricity, railways are the most Energy efficient means of transport. Rail networks handle 8% of all motorized passenger transport and 7% of freight transport, but account for only 2% of energy consumption in the transport sector

According to the IEA In the baseline scenario, annual rail infrastructure investment will increase to USD 315b in 2050, based on projects currently in various stages of construction and planning

The European Commission has undertaken the task of developing a common EU methodology for assessing and identifying environmentally sustainable economic activities, also known as EU Taxonomy

We are going green

- **2003** Company establishment
- **2012** Launch of leasing of locomotives
- **2016** Acquisition of majority stake by Abris Capital
- **2017** Acquisition of locomotives' fleet from Lokomotiv
- **2019** Strategy shift to modern locomotives
- **2020** Acquisition of 100% shares by the Three Seas Investment Initiative Fund
- **2021** Purchase contract for 30 Vectron MS locomotives
- **2022** Purchase contract for 40 GAMA Marathon DC locomotives
  Expansion to Romania with delivery of Smartrons
- **2023** Purchase contract for 30 Dragon 2 LM locomotives
  New financing amounting to PLN 1.5bn
- **2024** Signing of framework contract for up 100 Vectron locomotives

CARGOUNIT in a nutshell

#1

Market Leader
We are the locomotive leasing market leader in Central and Eastern Europe

Diversified asset base,
which includes modern electric locomotives as well as diesel mainline and electric locomotives

Highest technical standards and professional customer service

ECM

Entity in Charge of Maintenance
status since 2021
(ECM I, II, III, IV)

95 %

Over 95% of technical availability for modern locomotives and over 90% for used locomotives

Broad client base
Our locomotives are used by freight operators in Poland, Czechia, Germany, Romania

40+

40+ clients from various countries and industries including petrochemicals, chemicals, metallurgy, intermodal transport

230+

Largest locomotive leasing pool in CEE
141 electric and 92 diesel

24/7

Professional technical support
available for
full-service lease

Our mission and vision

MISSION

We provide clients in Poland and the rest of Central and Eastern Europe with top-quality, full-service leasing services of modern rolling stock.

VISION

We strive to be the most professional and trustworthy partner in rolling stock rental and maintenance. We believe that this way we contribute to the development of rail transport for the benefit of society and the environment.

Our values

PROFESSIONALISM

Based on our knowledge, skills and experience, we care about the highest quality of services and standards.

TRUST

The trust of our customers and colleagues is our priority. We focus on building long-term relations through honesty, integrity and open communication.

RESPECT

We believe that respect is the foundation of partnership and success. The needs of our colleagues, customers and the environment around us are important to us.

RELIABILITY

We are reliable and responsible in our commitments – we keep our word.

DEVELOPMENT

Our goal is to develop based on the principles of corporate social responsibility. We focus on improving the skills of our team and developing resources.

We are convinced that, guided by the above values, we will be the first-choice partner for our customers and a friendly workplace for our employees.

Sustainability linked-loan – supporting green investments

PLN 1.5b of Sustainable Financing

CARGOUNIT has signed a financing agreement with a consortium of 10 Polish and Western European financial institutions amounting to €338 million (PLN 1.5 billion).

The financing includes a term loan to refinance existing debt, a revolving loan and an investment loan to finance the company's locomotive purchases. The financing has been granted in the Sustainability Linked Loan formula, the interest rate of which depends on the fulfillment of sustainability goals.
The financing will provide CARGOUNIT with the necessary funds to purchase environmentally friendly locomotives.

In the financing agreement two sustainability KPIs are embedded: Share of women in the workforce, and Share of modern mainline locomotives in the fleet.

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CARGOUNIT ESG Report

Development of ESG strategy in CARGOUNIT

4 strategic goals have been defined for CARGOUNIT:

- Strengthening of ESG management structures in the company,
- Environmental focus,
- Development of responsible cooperation with suppliers
- Focus on working conditions.

The goals were set based on the analysis of the significance of the company's area of activity as well as SWOT ESG analysis. As a result, the goals are related to CARGOUNIT's business activities and aim to meet the goals.

Ways to achieve strategic goals were identified.

Specific KPIs were assigned to each goal with the desired time horizon for achieving them.

The KPI indications result from the specific nature of the rail transport market, which was identified through the analysis of sector practices and benchmark comparisons.

The key challenges facing CARGOUNIT include preparing formalized standards of cooperation with suppliers and collecting reliable ESG data

A division of management responsibilities in ESG topics relevant to the Company was proposed.

CARGOUNIT is a relatively small company in terms of employment that wants to grow in the complex management area of sustainability and wants to reduce the negative impact of its business on the environment.

For this reason, a simple division of the responsibilities was proposed. Based on the CEO's direct responsibility for ESG issues and the support of the ESG coordinator responsible for performing tasks in this area collecting information and implementing ESG policies

First steps in ESG for CARGOUNIT

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In the process of development of the ESG Strategy, the Company was supported by KPMG ESG consultants. The data from various sources has been analyzed to produce this output, which presents an assessment of the company's current situation and a list of strategic objectives, specific objectives and KPIs.

ESG Project in CARGOUNIT

MATERIALITY ANALYSIS	INDUSTRY BENCHMARKING	GAP ANALYSIS	STRATEGY AND GOALS
Double materiality analysis, including impact analysis and the identification of priority ESG factors within the Company	Comparative study of practices and solutions used by companies in the industry, analysis of guidelines and sectors trends	ESG questionnaire tools, and SWOT analysis, forming the basics for managerial analysis in terms of internal and external expectations	Indication of strategic, specific goals and KPIs

An iterative process to achieve the best results and quality was applied, and all of the Company's departments were involved in the project.

Path to the ESG strategy for CARGOUNIT

STRATEGIC GOAL 1	STRATEGIC GOAL 2	STRATEGIC GOAL 3	STRATEGIC GOAL 4
Caring for the environment natural	Taking care of working environment	Strengthening structures of ESG management within the Company	Development of responsible cooperation with suppliers

The ESG strategy that has been developed involves achieving strategic objectives in all ESG areas (environmental, social and corporate governance).

Steps to ESG Strategy in CARGOUNIT:

Strategic and specific goals were determined based on:

- double materiality analysis study,
- ESG diagnosis of the Company and Ecovadis simulation,
- the industry benchmarks, including a review of best practices in the industry, ESG activities, and general guidelines and planned regulations.

Strategic Goal 1 – specific goals

Caring for the environment natural

- Calculating the carbon footprint
- Increasing the share of renewable energy in the total purchased energy
- Responsible waste management in accordance with the circular economy
- Obtaining environmental certifications
- Including environmental aspects in supplier assessment

Strategic Goal 2 – specific goals

Taking care of working environment

- Maintaining occupational health and safety standards
- Implementing a health promotion policy
- Providing employees with development opportunities
- Ensuring satisfactory working conditions for employees
- Ensuring employee equality

Strategic Goal 3 – specific goals

Managing ESG risks

Creating a high ethical culture

Enhancing employee competencies in ESG

Obtaining rating assessments

Strengthening structures of ESG management within the Company

Strategic Goal 4 – specific goals

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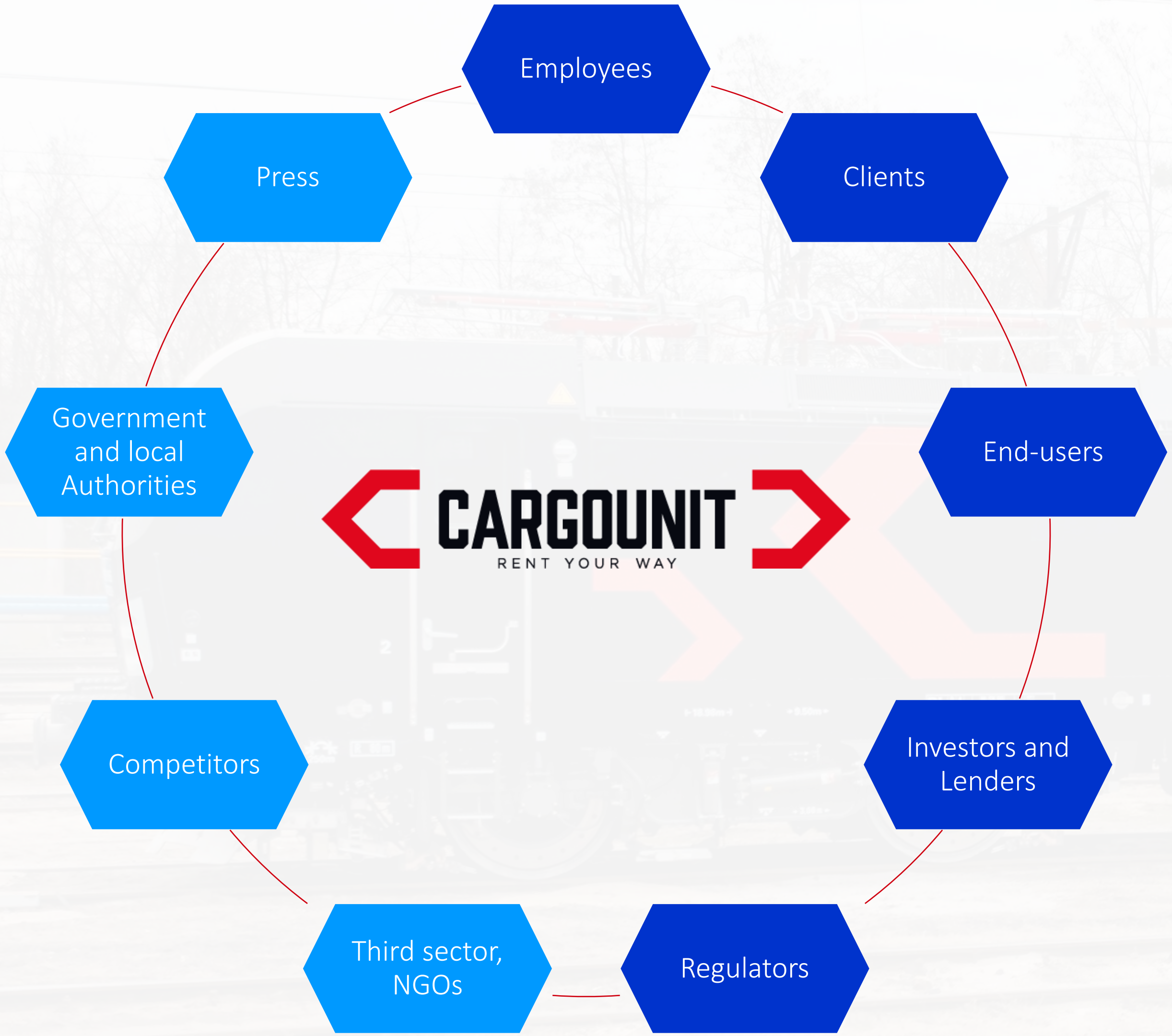
- Conducting audits of key suppliers and creating an ESG database of suppliers
- Maintaining transparent communication with stakeholders
- Adhering to best practices in collaboration with value chain partners
- Conducting responsible marketing, sales, and ensuring quality service
- Preventing corruption and managing conflicts of interest
- Ensuring compliance standards and business integrity

Development of responsible cooperation with suppliers

Main goals and benefits of the developed ESG strategy

- Learning and understanding regulatory requirements in the area of sustainable development,
- Conducting a gap analysis in terms of minimum ESG standards,
- Defining a clear vision and adequate ambitions of the company in the ESG area,
- Prioritization of goals according to the principle of double importance and from the perspective of key stakeholders focused on finding and building value of the company,
- Clear and pragmatic selection of KPIs and structures for managing and monitoring strategy implementation,
- Developing a strategy supporting the company's market profile and building business relationships,
- Goals and structures prepared to meet challenges resulting from dynamically changing external conditions (e.g. regulatory) and internal constraints,
- Increasing the company's positive impact on the socio-environmental system,
- Securing the value creation for stakeholders in the coming years.

Key stakeholders identified



As a part of the dual materiality study the most important stakeholders of CARGOUNIT were identified. Employees, customers, end users, investors, lenders, banking institutions are from the key group, that shape the company's policies the most.

The 1st Tier Stakeholders is a group that plays a key role in the functioning of the Company. The Company aims to implement the opinions of these stakeholders (e.g. through occasional consultations).

The Company takes the 2nd Tier Stakeholders into account to a limited extent (e.g. we report on our activities). The interaction is occasional with these stakeholders.

1st Tier Stakeholders

2nd Tier Stakeholders

Summary of materiality analysis

The materiality analysis identified the most important sustainability issues for CARGOUNIT. The relevant topics hierarchy is reflected in the materiality matrix and implies, the order and intensity of the company's activities in terms of its ESG strategy and, in the longer term, and also in terms of reporting.

Materiality analysis is a critical process in ESG reporting, aimed at identifying and prioritizing the most significant issues that affect an organization and its stakeholders. This analysis helps the Company to determine which ESG factors are most relevant to its business operations, risk management, and strategic goals.

Average materiality level

Most of the topics did not exceed the significance at the level of 3/5 in any of the two dimensions. This means that CARGOUNIT has a moderate impact on its environment and does not make a significant environmental impact

Quality of workplace

The most important social topic for CARGOUNIT was compliance with health and safety standards. The company also recognizes the importance of employee rights and development programs for employees

Importance of management topics

In the value chain, relations with stakeholders, especially suppliers, are important. In this area, CARGOUNIT has numerous areas to manage, such as the quality of relationships and anti-corruption policies. Personal data protection and cybersecurity are also an important management topic

No cut-off point

Measuring financial significance and impact revealed a high similarity in the importance of the selected topics. For this reason, we decided to manage all relevant topics, while diversifying time and resources depending on the scoring of the topics in question

The list of materiality topics

E - Pillar

S - Pillar

G - Pillar

Environment

- Decarbonisation and emission reduction throughout the value chain [tackling climate change]
- Responsible waste management in accordance with circular economy [reducing waste production]
- Reducing noise emissions

Social

- Compliance with health and safety standards
- Respect for employee rights
- Creating an attractive workplace
- Conducting training and taking care of employee development

Governance

- High compliance standards and business integrity
- Corruption prevention and conflict of interest management
- Stakeholder relationship management, including payment and cooperation policies with suppliers
- Transparency of the Company’s strategies and policies
- Data privacy and cybersecurity

Materiality analysis summary

Identifying and prioritising these topics through a materiality analysis helps the Company focus on the areas that have the greatest impact on its long-term success and stakeholder value. By addressing these material issues, CARGOUNIT can enhance transparency, foster trust, and drive sustainable growth

Risk and opportunity analysis process

Phase 1

Assignment of risks to significant topics

Pillar
(e.g. enivronmental area)

Important Topic
(e.g. decarbonization and emission reduction across the value chain [combating climate change])

List of identified risks
(e.g. risks related to scope 3 emissions)

Phase 2

Detailed discussion of the risks and opportunities questionnaire

STEPS

- Assignment of risk/opportunity categories for a given topic
- Probability of occurrence (highest possible)
- Impact on the company's financial result and on the environment

SWOT analysis

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STRENGTHS

- Investments in electric locomotives (as part of the adopted strategy) [E],
- Counting emissions in all 3 ranges according to international standards [E],
- Occupational health and safety rules and security policies (MMS audits) [S],
- Work-life balance and flexible working conditions, motivation system and employee evaluation [S],
- Adopted compliance policy (preventing fraud, unfair competition) [G],
- Existing register of abuses and penalties [G],
- Existing communication channel for whistleblowers [G],
- Adopted anti-corruption policy (internal and external) [G],
- Developed rules for managing conflicts of interest [G].

WEAKNESSES

- Lack of specific environmental and climate goals with deadlines for their implementation (e.g. emission reduction goal) [E],
- Lack of social responsibility criteria when selecting suppliers [S],
- No record of work-related sicknesses [S],
- Lack of a code of ethics among suppliers [G],
- Lack of an ESG organization in the company (and a designated ESG manager) [G],
- Lack of external certification in the area of business ethics (e.g. ISO 27 000) [G].

OPPORTUNITES

- Programs to counteract the climate crisis - an opportunity to gain access to funds or cheaper financing for sustainable locomotives [E],
- Transparency and readiness to provide ESG data to business partners and investors [G],
- Gaining the reputation of a socially responsible company [S],
- Resistance to increasingly stringent environmental and climate regulations, greater business predictability [E and G],
- Increased competitiveness [G],
- Lower employee turnover thanks to the implementation of activities regarding social issues and governance [S].

THREATS

- Costs related to the implementation of ESG standards (personnel cost, e.g. capex for improving energy efficiency of the locomotive fleet) [G],
- The need to supervise the implementation of ESG goals and continuous improvement in this area [G],
- Limited access to electricity from renewable energy sources [E].

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CARGOUNIT ESG Report

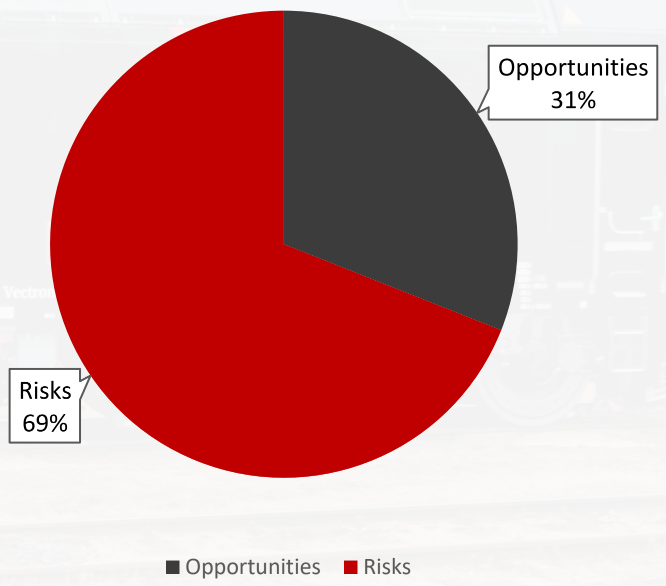
Environment: strengths and gaps

STRENGTHS	GAPS
• Investments in electric and dual mode locomotives (as part of the strategy) • Counting emissions in all three scopes according to international standards • Risk analysis of Operational Programme Infrastructure and Environment (OPI&E) 3.2, Connecting Europe Facility (CEF) 2 • Waste management with the support of external subcontractors (BDO register, SEKA audit) • Moving to a more environmentally efficient office (e.g. energy audit, water and energy conservation, waste recycling)	• No environmental certifications (e.g. EMAS, ISO 14 001) • Lack of specific environmental and climate targets with deadlines for their implementation (e.g. emission reduction target) • No record of major environmental failures • No energy management policy • Lack of action to increase the level of recycling and recovery of waste generated

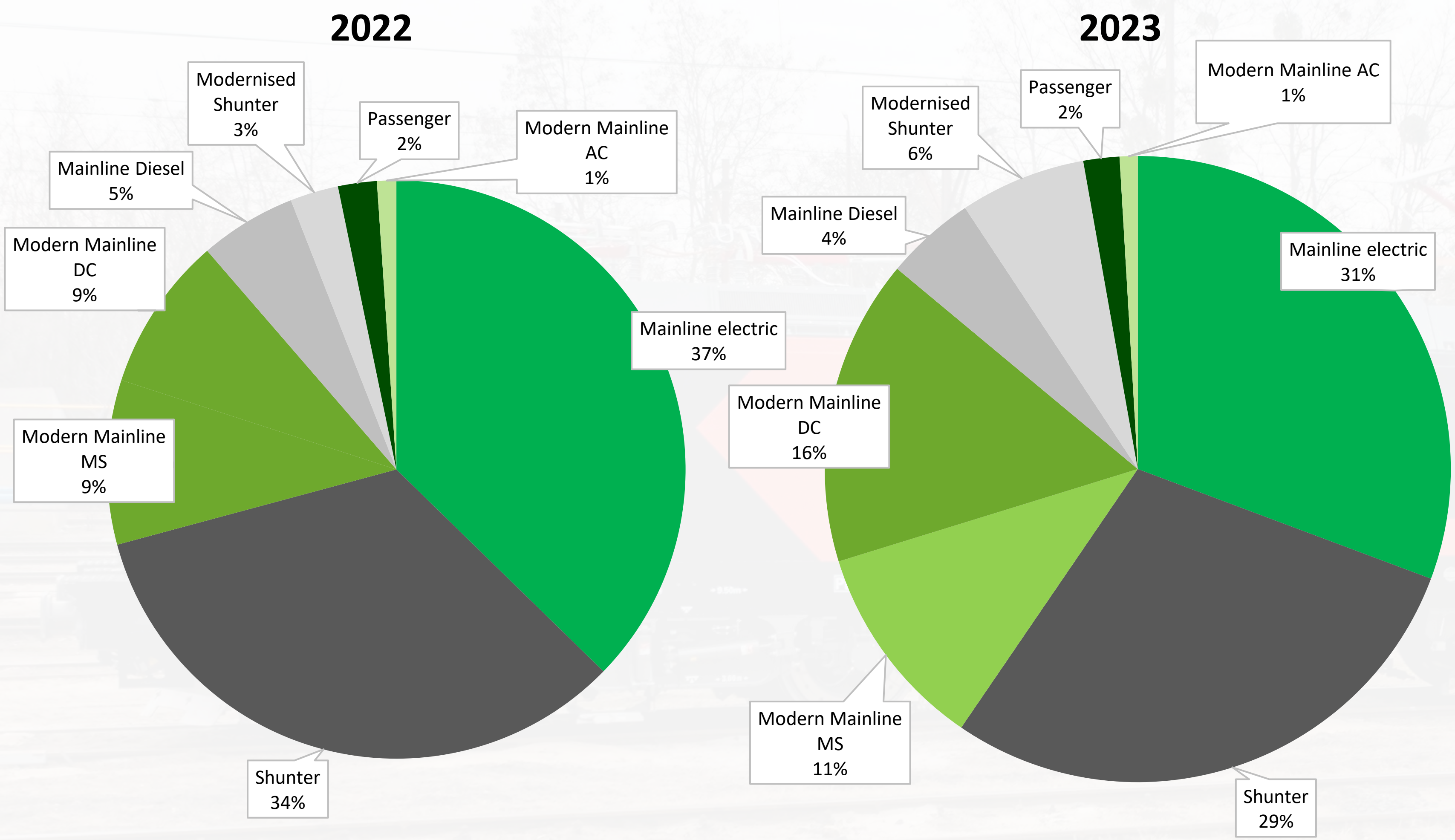
The Company has assessed its current situation and found out present strengths and gaps regarding the environmental pillar.

The Company recognised 74 topics, from which 51 were marked as risks.

RISKS & OPPORTUNITIES



Fleet development towards net-zero



Fleet rejuvenation with further deliveries of modern mainline electric locomotives committed

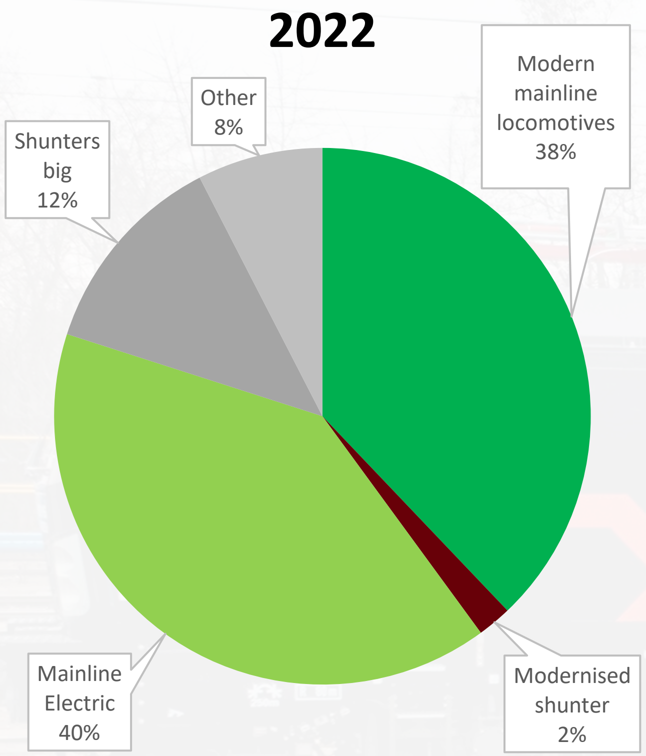
The fleet growth of 16% in 2023 vs 2022

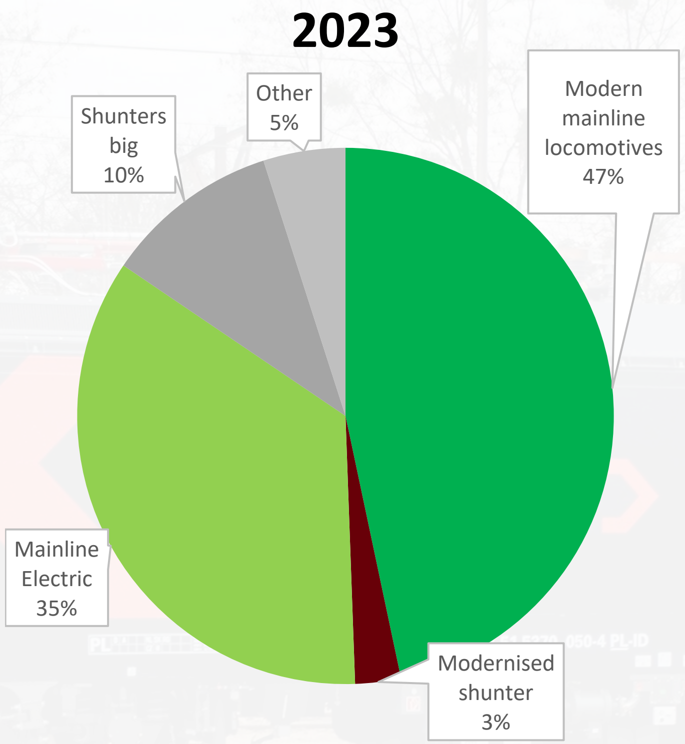
The share of modern electric locomotives increased from 19% to 28%

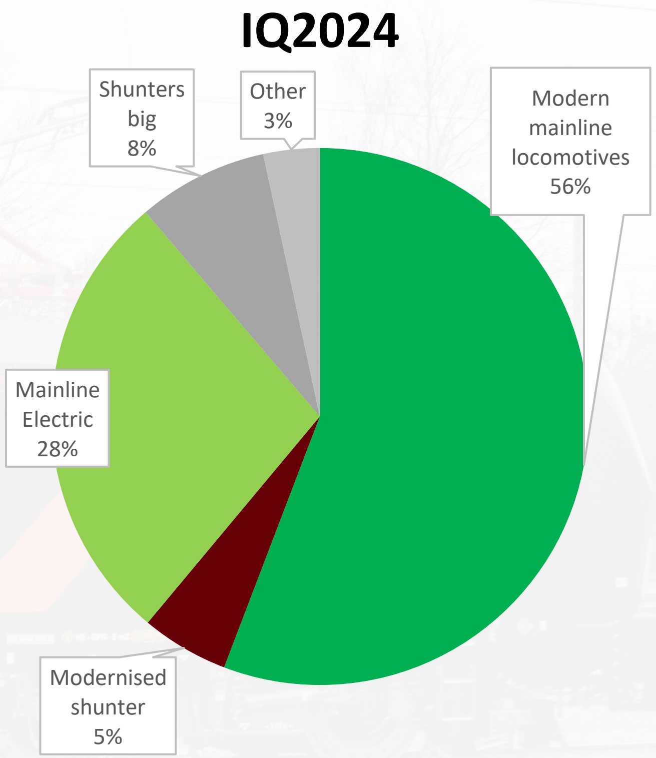
The share of electric locomotives increased from 58% to 60%

Fleet development towards net-zero

Revenue mix







The share of revenue from big shunter diesel locomotives reduced from 12% in 2022 to 8% in Q1 2024

The share of revenue from modern assets increased from 38% to 56%

The share of revenue from electric assets increased from 78% to 84%

Sustainability linked-loan – enviromental KPI

Share of modern mainline electric locomotives in the fleet

The Company is obliged to keep the share of the modern mainline locomotives in the fleet within a band or exceed the target values. The Company's business strategy assumes investments in modern assets, which means combining business, ESG and financial goals and shows commitment to the net-zero rejuvenation of the fleet.

KPI 1 - Share of modern mainline electric locos (%)	2023	2024	2025	2026	2027	2028	2029
Upper threshold	29,5%	34,2%	38,8%	44,2%	45,0%	47,7%	51,6%
Lower threshold	25,4%	29,5%	33,4%	38,0%	38,7%	41,1%	44,4%
Result	28,4%						

Emission calculation basis Scope 1 and Scope 2

The scope of the greenhouse gas emission source inventory conducted, and an approach adopted for calculating GHG emissions in the following scopes of the GHG Protocol:

- **Scope 1** – Direct emissions from sources owned or controlled by the Company, i.e., emissions from fuel combustion in and vehicles, fugitive emissions from technological processes, emissions from refrigerant leaks;
- **Scope 2** – Indirect emissions from third parties resulting from the production of electricity, heat, cooling, and technological steam that were purchased by the Company;
- **Scope 3** – Other indirect emissions not covered in Scope 2.

Sources of Scope 1 GHG emissions

LOCATION – SOURCES OF EMISSIONS	TYPES OF EMISSION SOURCES
Wrocław – Office	car fleet: diesel, petrol, hybrid (diesel/petrol)
	refrigerant topping up
Gliwice – Office	car fleet: diesel, petrol, hybrid (diesel/petrol)
Poznań – Warehouse*	natural gas combustion

Sources of Scope 2 GHG emissions

SOURCES OF EMISSIONS	TYPES OF EMISSION SOURCES
Wrocław – Office	electrical energy
	municipal heating
Gliwice – Office	electrical energy
	municipal heating
Poznań – Warehouse*	electrical energy

**Poznań warehouse moved to Gliwice in Q4 2023*

Emission calculation basis Scope 3 categories

CATEGORY	OPERATIONAL BOUNDARIES
Category 1. Purchased goods and services	Locomotives
	Expenses determined on the basis of accounting categories
Category 2. Capital goods	Expenses determined on the basis of accounting categories
Category 3. Energy and fuel emissions not included in Scopes 1 and 2	Scope 1 Well-to-Tank (WTT) (by energy carrier)
	Scope 2 Well-to-Tank (WTT) (by energy carrier)
Category 4. Transport and distribution - upstream	Transport by Tier 1 suppliers to Cargounit
Category 5. Waste generated as a result of the entity's activities	Office waste, wastewater
Category 6. Business trips	Business travel by various means of transport: train, plane, car
Category 7. Employee commuting	Commuting to work by various means of transport: private car, bus, train, plane
Category 8. Leased assets	Not applicable
Category 9. Transport and distribution - downstream	Not applicable

CATEGORY	OPERATIONAL BOUNDARIES
Category 10. Processing of sold products	Not applicable
Category 11. Use of Sold Products	Scope 1 and 2 locomotive emissions in the reporting year
Category 12. Handling of sold products at the end of their useful life	End-of-life emissions (e.g. disposal) of locomotives sold in the reporting year
Category 13. Use of Leased/Leased Assets to Third Parties	Direct (Scope 1) and indirect (Scope 2) emissions from the use of locomotives leased to third parties
Category 14 – Franchises	Not applicable
Category 15 – Investments	Not applicable

GHG emissions

SCOPE	2023 Emissions [t CO2e]	%
Scope 1	85	0,06%
Scope 2	30	0,02%
Scope 3	149 200	99,92%
TOTAL	149 315	100%

The first calculation of ESG metrics, including GHG emissions, has set the starting point.

Now the Company will aim to lower the environmental impact through Strategic Goals, Specific Strategic Goals and KPIs to be adopted for GHG emissions reduction.

The majority of the generated GHG emissions generated by the Category 13 Leased Assets to Third Parties in Scope 3.

The Company for the purpose of the GHG calculation took into account:

- Series of locomotives,
- Type of engine (electric, diesel, electric with last-mile diesel engine),
- Power of the locomotive,
- Average use of diesel or GHG emissions based on energy generation mix ,
- Average mileage of locomotive series.

The calculations were based on the technical specifications of the locomotives and data received from selected clients regarding the use of the assets.

Environment - Principle Adverse Impact (PAI) reporting

Indicator	Data	Indicator value
Exposure from fossil fuel companies	The value of fossil fuel revenues	0 [mln EUR]
Share of energy consumed and produced from non-renewable sources	The amount of energy consumed from renewable energy sources	0 [kWh]
	Total energy consumed (renewable + non-renewable energy sources)	36 630 [kWh]
	Volume of energy produced from renewable energy sources	0 [kWh]
	Total energy produced (renewable + non-renewable energy sources)	0 [kWh]
	Energy consumption	0%
	Energy production	0%
Energy intensity per sector with significant climate impact	Does the company generate revenues through activities with a significant impact on the climate?	No
	Total energy consumed (renewable + non-renewable energy sources)	36 630 [kWh]
Activities adversely affecting biodiversity sensitive areas	Does the company adversely affect biodiversity sensitive areas?	No
Emissions to water	Direct emissions to water	0 [T]
Hazardous waste and radioactive waste indicator	Volume of hazardous and radioactive waste generated	0

Strategic Goal 1: Environmental focus

KPIs FOR STRATEGIC GOAL 1

NO	SPECIFIC GOAL	KPI	COUNTING METHODOLOGY/PROCESS/DESIGN	IMPLEMENTATION DATE
1	Calculating carbon footprint.	Calculating the carbon footprint for emission ranges 1 and 2.	Calculating the Company's carbon footprint	2024
2	Including environmental aspects in supplier evaluation.	Creation of an environmental policy in the supply chain	Implementation of environmental policy in the supply chain	2025
3	Increasing the share of energy from renewable sources in total purchased energy.	Use of renewable energy for own business at 50%	The formula for calculating the indicator: amount of energy used from renewable energy sources/amount from energy consumption	2025
4	Responsible waste management in line with the circular economy.	80-90% of segregated waste	Waste management in accordance with the waste hierarchy.	2026
5	Obtaining environmental certificates.	Obtaining an ISO 14001 environmental management system	Obtaining an ISO 14001 environmental management system	2026

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CARGOUNIT ESG Report

Social: strengths and gaps

STRENGTHS

- Health and safety rules and safety policies (MMS audits)
- Basic employee indicators according to the Labour Code
- Measuring the feminization of employment and setting of KPI in this regard
- Work-life balance and flexible working conditions, incentive system and employee evaluation
- Partial audit of suppliers and contractors (verification in the BDO register)
- Planned clauses in contracts with suppliers

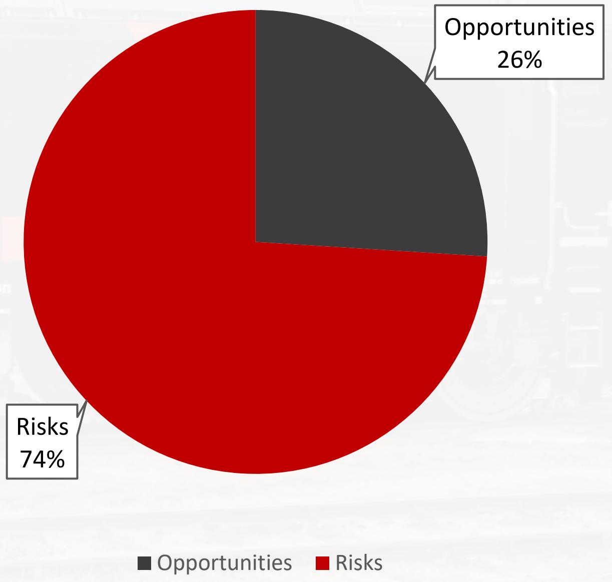
GAPS

- Need for more extensive training activities (e.g. corruption, environment)
- The need to increase social responsibility criteria in the selection of suppliers
- Lack of a policy regarding human rights (code among suppliers, clause in contracts, verification of suppliers, conducting training)
- No record of work-related sickness
- No record of non-compliance with marketing communications, promotion and sponsorship regulations

The Company has assessed its current situation and found out present strengths and gaps regarding the social pillar.

The Company recognised 23 topics, from which 17 were marked as risks.

RISKS & OPPORTUNITIES



Sustainability linked-loan – social KPI

The share of women in the workforce (%)

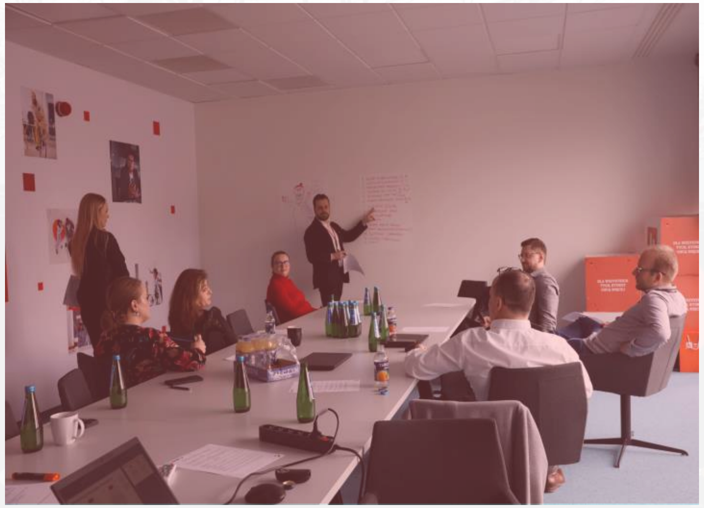
The Company believes in a diversified workforce and agreed to set a target for the share of women in total employment. With a growing fleet and operations, the Company will need a skilled and diverse team. According to the KPI the share of women in the workforce has to be within the defined bend.

KPI 2 - Share of women in the workforce (%)	2023	2024	2025	2026	2027	2028	2029
Upper threshold	45%	45%	45%	45%	45%	45%	45%
Lower threshold	39%	39%	39%	39%	39%	39%	39%
Results	43%						

Corporate culture development program

The Company has been pursuing a corporate culture development program called ’’Culture on Tracks” („Kolej na Kulturę”). The goal of the program is to define and develop the Company’s values, mission, and build a net of desired competencies and behaviors. The program will also serve to establish a bonus program based on the set of shared behaviors.

The Company has so far implemented mission, vision and values, carried out multiple development workshops and developed set of shared behaviors



Strategic Goal 2: Focus on working conditions

KPIs FOR STRATEGIC GOAL 2

NO	SPECIFIC GOAL	KPI	COUNTING METHODOLOGY/PROCESS/DESIGN	IMPLEMENTATION DATE
1	Providing employees with development opportunities	Providing employees with continuing education.	Min. 80% of employees who participated in training courses to improve professional skills (including soft skills).	2024
2	Ensuring gender equality among employees	Determining the appropriate proportion of women/men in work positions and implementing it.	Number of employees of a given gender/total number of employees in the company	2024
3	Taking care of occupational health and safety standards.	Conducting regular employee training in first aid and health & safety	Number of trainings and percentage of trained employees.	2025
4	Providing employees with satisfactory working conditions (e.g. subjective satisfaction, work organization).	Maintaining the employee engagement and satisfaction index at the level of 70%.	The value of the employee engagement and satisfaction index at least 70% measured on the basis of annual satisfaction surveys.	2025

Social - PAI reporting

Indicator	Data	Indicator Value
Violations of the Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises	Has the company breached UNGC rules or OECD guidelines?	No
Lack of processes and controls to oversee compliance with the Global Compact and the OECD Guidelines for Multinational Enterprises	Does the company have these mechanisms in place?	No
Unadjusted gender pay gap	Average gross hourly wage of men*	79,67 [PLN]
	Average gross hourly wage of women	39,88 [PLN]
	Unadjusted wage gap	50%
Gender diversity of board members	Number of women in the company’s management board	0
	Number of men on the company's management board	2
	Diversity of board members	0%
Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Is the company involved in the manufacture or sale of controversial weapons?	No

**Excluding the Management Board*

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CARGOUNIT ESG Report

Governance: strengths and gaps

STRENGTHS

- Adopted compliance policy (prevention of fraud, and corruption)
- Existing register of abuses and penalties
- Existing communication channel for whistleblowers
- Adopted anti-corruption policy (internal)
- Developed rules for managing conflicts of interest
- Cybersecurity training

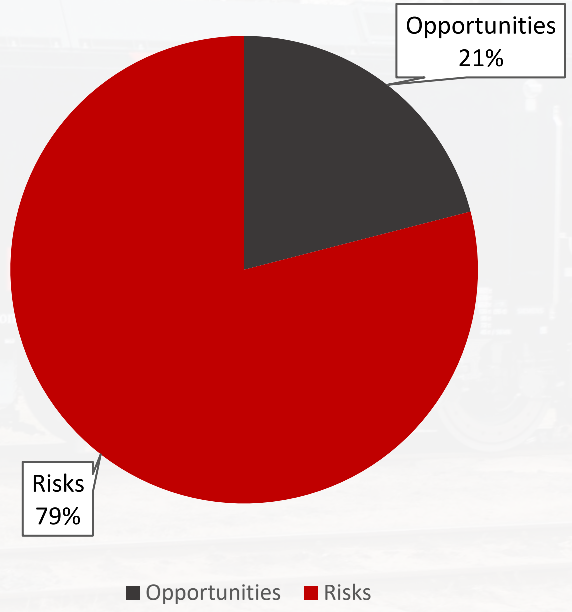
GAPS

- Anti-corruption policy not displayed on the Company's website (in relation to external suppliers)
- Lack of code of ethics among suppliers
- No KPIs for ethics and sustainable procurement
- Lack of training for employees in ethical conduct
- Lack of designed ESG coordinator in the company
- No external certification in the area of business ethics (np. ISO 27000

The Company has assessed its current situation and found out present strengths and gaps regarding the governance pillar.

The Company recognised 14 topics, from which 11 were marked as risks

RISKS & OPPORTUNITIES



Strategic Goal 3: Strengthening ESG management structures in the company

KPIs FOR STRATEGIC GOAL 3

NO	SPECIFIC GOAL	KPI	COUNTING METHODOLOGY/PROCESS/DESIGN	IMPLEMENTATION DATE
1	Obtaining ESG ratings	Obtaining a rating (e.g. EcoVadis)	Rating assessment (e.g. Ecovadis)	2024
2	ESG risk management	Identification and monitoring of key ESG risks for the business	Identification of key opportunities and risks in the ESG area, along with the tools used to mitigate them	2024
3	Building a corporate culture based on high ethical standards	Introduction of mandatory initial and periodic training in compliance with the compliance code	90% of employees with proof of knowledge	2024
4	Raising employee competences in the field of ESG	Introduction of mandatory training on ESG topics	90% of employees with proof of knowledge	2025

Strategic Goal 4: Development of responsible cooperation with suppliers

KPIs FOR STRATEGIC GOAL 4

NO	SPECIFIC GOAL	KPI	COUNTING METHODOLOGY/PROCESS/DESIGN	IMPLEMENTATION DATE
1	Ensuring standards of compliance and business integrity	Regular review and updating of compliance policies and procedures with issues arising from new ESG regulations	Conducting regular reviews of the application of compliance procedures	2024
2	Maintaining transparent communication with stakeholders	Implementation of information campaigns regarding good social practices applied by the company	Number of campaigns conducted per year	2024
3	Conducting responsible marketing, responsible sales and ensuring quality of service	Conducting a satisfaction survey among key cutomers, asking about their experiences with marketing, sales and customer service	Number of surveys, results	2024
4	Conducting audits of the most important suppliers	Preparation of audit criteria and training/informing suppliers	Percentage of suppliers declaring compliance with audit criteria	2025
5	Prevention of corruption and management of conflicts of interest	Analysis of corruption risk in cooperation with suppliers	Categorization of suppliers in terms of the severity of corruption risk and development of risk mitigation methods for individual categories	2025
6	Following good practices in cooperation with value chain partners	Preparing a procedure for assessing business partners who will be subject to cyclical assessment including ESG criteria	Audit procedure	2026

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