

# Environmental Policy



*Scope and Application:  
Karl Schmidt Spedition GmbH & Co  
KG with subsidiaries and related  
affiliates*

## Preamble

The environmental policy specifies the overarching corporate policy statement. It deals separately with topics that affect the environmental area of the company.

These include aspects of resource conservation, biodiversity and the reduction of negative impacts on the environment. Its focus is thus on the ecological sub-area of sustainability. Especially in times of man-made climate change, it occupies an important position in the strategy and objectives of a company.

This environmental policy is made available transparently by the SCHMIDT Group for all its interested parties.

## Objective

The objective of the environmental policy is to define guidelines, values and standards with regard to corporate environmental management.

## Scope and Application

This guideline applies to all employees of the SCHMIDT Group in Germany and abroad with all associated companies over which SCHMIDT has decision-making authority. This standard also applies if it goes beyond local legislation. All other companies and business partners are invited to take these or similar standards into account in their business activities and to pass them on to their own business partners. A translation of the guideline into the relevant SCHMIDT languages is available.

## Review and Update

The guideline is reviewed annually to ensure that it is up to date and accurate, and is adapted and revised as necessary.

Heilbronn, 07 November 2024

sgd.

Thomas Schmidt

Sonja Többe-Schmidt

Susanne Schad-Schmidt

Management

(The document is also valid without the management's signature)



## Content

<b>The SCHMIDT-Environmental-Policy</b> .....	<b>4</b>	<b>Consideration of environmental aspects in processes</b> .....	<b>9</b>
Content and core idea of the policy.....	4	Risk analysis.....	9
Compliance and use of these principles.....	4	Training processes and information.....	9
Organisation and structure of environmental management.....	4	Procurement processes.....	9
		Operational activities.....	9
<b>Identification of relevant environmental aspects and materiality analysis</b> .....	<b>4</b>	<b>Control and Evaluation</b> .....	<b>9</b>
		ISO-Certification.....	9
<b>Avoidance of negative effects</b> .....	<b>5</b>	EcoVadis.....	9
Climate-relevant greenhouse gas emissions.....	5	External assessment.....	9
Other air emissions.....	6	Internal assessment.....	9
Noise emissions.....	6	Contact.....	10
Light pollution.....	6		
Emergency planning and business disruptions.....	6		
Animal welfare.....	7		
<b>Conserving natural resources</b> .....	<b>7</b>		
Material management.....	7		
Waste management.....	7		
Energy management.....	7		
Water management.....	8		
Land consumption.....	8		
<b>Promoting positive impacts</b> .....	<b>8</b>		
Biodiversity.....	8		
Promoting sustainable consumption.....	8		
Commitment and support.....	8		

\*To improve readability and to simplify language, the specific use of masculine and feminine language forms is avoided. All gender identities are explicitly included where the statements require this.

## The SCHMIDT-Environmental Policy

### Content and core idea of the policy

The basis of SCHMIDT's environmental policy is the recognition that environmental protection is an essential factor for sustainable value creation. Like every company, SCHMIDT's business processes depend on an intact natural environment.

SCHMIDT recognises the seriousness of the current environmental situation and in particular the importance of the man-made climate crisis. The prevention of negative environmental impacts and the promotion of environmental protection are an important contribution to limiting climate risks and creating a sustainable and secure corporate future.

Together with its interested parties, the employees, customers, suppliers, legislators, authorities and neighbours, as well as other companies that have recognised their responsibility, SCHMIDT contributes to the protection of our environment and resources.

### Compliance and use of these principles

Like the overarching corporate policy statement, this environmental policy is an integral part of the SCHMIDT corporate philosophy and applies across the board at all SCHMIDT locations in Germany and abroad. It serves to ensure a responsible approach to the environment and is a guideline for all employees of the SCHMIDT Group. Direct employees, but also partners and service providers are required to familiarise themselves with this guideline and comply with it.

Responsibility for compliance with this declaration lies with the management. This ensures that the importance of this guideline is respected throughout the company and that its regulations are implemented.

### Organisation and structure of environmental management

For the meaningful use of this environmental policy and its compliance, an appropriate organisation of

its principles is necessary. This environmental policy is to be understood as a superordinate and central guiding principle. Implementation in accordance with the central regulations is carried out locally by each branch and/or company or by the business units where the regulations are applicable. The executives and site managers resp. branch managers are responsible for implementation and compliance. Proactive ideas and suggestions in line with this document are welcome.

Highest, indispensable regulation here is compliance with local laws, ordinances and regulations relating to the environment. For Germany, for example, these are regulations like the road traffic law, water protection and immission control. With this internal regulation, SCHMIDT commits itself beyond the legal obligations. This also includes orientation towards international standards such as the Sustainable Development Goals (SDGs), where applicable. In addition, process instructions, work instructions and regulations of the respective location and workplace (also on customer and third-party premises) must be complied with.

## Identification of relevant environmental aspects and materiality analysis

For a meaningful focus, it is necessary to identify and prioritise essential core aspects. These core areas depend to a large extent on the sector and the activities of the company. For SCHMIDT, the aspects listed below have been identified and highlighted as important.

### The man-made climate change

Today, man-made climate change is the scientific consensus. Its acceleration is due to various causes. In addition to the destruction of natural greenhouse gas reservoirs, the emission of climate-relevant gases into the atmosphere is a significant driver. Depending on their type and origin, they are classified into three scope categories, which will be explained in more detail later.

For SCHMIDT, this means a focus on the emission of greenhouse gas-relevant gases such as those produced primarily by the combustion of fossil fuels in the form of vehicle fuel, gas or heating oil.

In addition, SCHMIDT is committed to the 1.5 °C limitation target of the Paris Climate Agreement and is actively working towards achieving this target.

### Resources and Energy consumption

Another aspect of the logistics sector is resource consumption. Although the consumption of materials plays a more significant role in manufacturing industries, some aspects of material consumption also apply to SCHMIDT. This applies, for example, to product packaging such as big bags and container liners.

However, the consumption of water and fossil fuels such as diesel and heating oil is more significant. While water is mainly consumed in the company's own rinsing stations, fuel is mainly used in the transport business. In addition, the consumption of electricity from non-renewable energy sources is also part of SCHMIDT's indirect resource consumption.

### Land consumption and loss of biodiversity

Sealed surfaces represent a loss of habitat and a strong encroachment on natural areas. A considerable amount of built-up area is used for buildings, depots, car parks and traffic routes. This development restricts biodiversity and thus has a negative impact on the richness of species. Together with climate-induced biodiversity loss, this causes a decline in local flora and fauna diversity. In addition, changes in water flows have an impact on the groundwater level.

## Avoidance of negative effects

### Climate-relevant greenhouse gas emissions

The SCHMIDT approach to greenhouse gas emissions is based on the principle of "investing instead

of compensating". While negative effects remain with compensation and are only offset against savings elsewhere or positive effects of other activities, investment serves the long-term and active reduction of own emissions.

Investment can take place in many areas. Decision-makers are required to examine the feasibility of the measures assigned to the respective GHG scopes. If the implementation is economically viable, it should be pushed ahead. In addition, the company-wide sustainability objectives with regard to emission reduction (by scope) and targeted implementation of measures must be taken into account.

The internal emissions calculation is based on the GHG Protocol, a standard for determining emissions. For comparability, other climate-relevant gases are converted into CO<sub>2</sub> equivalents according to their climate change potential.

### Scope 1

Scope 1 refers to the direct emissions of a company and is therefore most likely to be controlled and regulated by the company. This includes emissions from the vehicle fleet as well as emissions from the combustion of, for example, natural gas and heating oil in buildings and facilities. Starting points here are, where possible, the avoidance of business trips and the use of digital alternatives or the switch to more environmentally friendly means of transport if business trips cannot be avoided and for example, CO<sub>2</sub> limits for company cars. With regard to the fleet, regular checks are carried out to determine whether switching to alternative drive systems and modernising the vehicle fleet are sensible measures.

With the help of well elaborate building planning and insulation, heating-related emissions can be reduced. State-of-the-art systems also contribute to a more efficient use of resources.

## Scope 2

Scope 2 refers to the indirect emissions of purchased energy such as electricity and district heating.

The starting point here is primarily the consumption of electricity. This includes increasing the share of green electricity, taking energy efficiency into account in purchasing and planning decisions, and continuously identifying potential energy savings.

## Scope 3

Scope 3 refers to emissions from upstream and downstream activities in the value chain. It cannot be directly influenced by the company. At SCHMIDT, the main drivers of Scope 3 are employee mobility and the use of subcontractors as well as the purchase of rail and shipping services. Emissions from the purchase of materials, on the other hand, are rather negligible as a non-manufacturing business.

The characteristics of Scope 3 mean, that SCHMIDT's options for exerting influence are severely limited and a calculation can only be made with difficulty and on the basis of information from third parties.

SCHMIDT's focus is therefore on Scope 1 and 2, as this is where the greatest reduction potential can be utilised and implemented.

## Other air emissions

Emissions are often equated exclusively with the emission of climate-relevant gases. However, there are other types of emissions that also have a damaging potential and should not be lost sight of.

These include air pollution caused by material dusts and particles. As a transporter of sometimes very fine dusts, measures to prevent product leakage are indispensable. This is achieved through new technologies, filters and the careful training of employees in the use of the technologies made available to them.

Another aspect is the odour nuisance. This is difficult to avoid where it occurs. Careful handling of odour-intensive substances can be helpful here. Switching off engines and systems, if not in use, can also minimise the typical smell of combustion and is also advisable for climate protection reasons.

## Noise emissions

Another emission factor is noise pollution. Especially during loading and unloading, this can cause a disturbance of the direct environment. Plant and machinery can also be sources of noise. Modern noise protection systems and measures to protect the environment are indispensable here. This also includes personal protective equipment for employees. With alternative drives, synergy effects can be used here. Electric vehicles and hydrogen-powered vehicles not only have advantages in terms of air pollutants, but also lower noise emissions.

Noise emissions must be checked regularly to protect employees and the working environment.

## Light pollution

The term "light pollution" refers to the influence of artificial light sources on the natural environment. Many animal species orientate themselves by light. Artificial light sources confuse these animals and can thus have a damaging influence on various species, insects in particular. Lights should therefore only be switched on when it makes sense to do so. Unnecessary light pollution should be avoided. Where possible, the use of alternative light colours should be considered, as these can help to keep disturbance to a minimum.

## Emergency planning and business disruptions

Environmental management also means appropriate preparation for emergencies.

In the event of operational disruptions, unforeseen problems or emergencies, it is important to act in a level-headed and focused manner. In addition to

health protection, environmental protection is also relevant here. If an emergency with a hazard potential occurs, measures to avoid and reduce negative environmental impacts must be taken immediately. This includes rapid intervention and action according to a corresponding action plan. Water pollution must be avoided as far as possible. Natural areas must be protected from leaking liquids or chemicals. This also includes the best possible prevention of seepage in order to safeguard groundwater and drinking water, among other things. Orders and work instructions must be followed.

Site managers are required to identify potential hazards and provide the appropriate school and material resources to mitigate the damage.

### Animal welfare

Animal welfare is also one of the environmentally relevant tasks. Points of contact with animal welfare arise from the transport of feedstuffs.

High product quality and absolute product purity are therefore not only a customer interest, but are also important for animal health.

## Conserving natural resources

### Material Management

In addition to avoiding negative environmental impacts, conserving the resources we are given is also an important aspect of environmental management. This includes the responsible procurement of materials. Wherever it makes sense, preference should be given to local suppliers. Likewise, the alternative procurement of recycled materials is to be examined and, insofar as the economic viability and quality of the materials permit, also implemented.

The economical use of necessary materials is also part of this. Here, many small levers form the big picture. For example, the presetting of all printers for double-sided black-and-white printing and the responsible use of company resources.

### Waste management

The final phase of a product, raw material or material must also be considered. Waste management is an important issue in terms of sustainable business.

SCHMIDT supports the 5-level waste hierarchy:

- Prevention
- Re-use
- Recycling
- Other Exploitation
- Removal

The highest hierarchical level should always be aimed for.

The basis for a functioning waste management system is the correct sorting and disposal of waste. Employees are called upon to separate and dispose waste carefully according to the commercial waste ordinance. This includes the separation of wood, organic waste, paper, metals, hazardous waste, etc. as far as economically feasible.

Regular inspections and the associated inspection logs monitor processes on site and support the careful implementation of waste management.

In addition, avoidance measures should be strived for. This includes, for example, the use of reusable tableware or the use of digital possibilities in the office instead of paper-based information exchange. The SCHMIDT workshops also use resource-saving reusable cleaning cloth systems from MEWA.

### Energy management

Resource conservation also includes sustainable energy management.

The main adjustment screw at this point is the expansion of the share of green electricity in accordance with the objective. Possibilities for self-production via photovoltaic systems or wind power plants should be examined. The suitability for solar plants must be taken into account in the construction and load-bearing capacity of the roof surfaces of new buildings at suitable locations.

The criterion of energy efficiency is also relevant for new acquisitions and new buildings. Wherever it makes sense, motion detectors and LED lighting should be installed to save electricity.

Every individual can also make a contribution to energy management and, for example, unplug appliances and power supply units when not in use, switch off lights and ventilate appropriately.

### Water management

The majority of SCHMIDT's water consumption takes place in the rinsing halls. Large quantities of water are used daily to clean the equipment. In this context, wastewater is also produced that contains cleaning agents. Wastewater filtration systems contribute to wastewater purification.

In general, emissions into the wastewater must be monitored and avoided. In the course of water management, seals, hoses and pipes must be regularly maintained and checked, as this can prevent water losses. Water consumption itself must be documented and reported by the stand locations. This ensures that any deviations in consumption or irregularities can be responded to at an early stage.

### Land consumption

Traffic routes, facilities, depots and buildings have a significant impact on habitats and natural areas. Sealing impairs rainwater run-off and built-up areas heat up significantly more in summer than natural areas. As a result, land consumption not only affects flora and fauna, but also the microclimate in general. The sealing of areas, as well as the possibility of creating compensatory areas, should therefore be carefully examined.

Also relevant are any contaminated sites on an area. Soil contamination can have a negative impact on the environment, health and groundwater and must therefore be taken seriously and remediated if necessary, even if it occurred before the land was used by SCHMIDT.

## Promoting positive impacts

### Biodiversity

Due to the necessarily dense development of the company premises, the promotion of biodiversity at the sites is not always easy. The possibilities of greening and in particular roof greening should be examined, provided that the load-bearing capacity permits this at this location.

In addition, the installation of nesting facilities for birds and bats, the construction of insect hotels or the creation of deadwood hedges and wetlands are measures for biodiversity that should be considered.

Further ideas are welcome and will be examined comprehensively with regard to their feasibility and usefulness.

### Promoting sustainable consumption

As a service provider, it is also possible to promote sustainable consumption among customers. This includes the offer of sustainable packaging solutions as well as the provision of intermodal transport and/or the use of more environmentally friendly transport routes.

If the customer is open to such an offer, SCHMIDT should check its implementation and strive to implement it in the interests of the customer and the environment.

### Commitment and support

Proactive external action is also demonstrated through active engagement independent of standard operational procedures. This includes membership in sustainability-oriented associations such as H2-Süd for the promotion of sustainable drives and energy systems and Operation Clean Sweep (OCS) to prevent the introduction of plastic particles into the environment.



## Consideration of environmental aspects in processes

### Risk analysis

Holistic environmental protection includes the consideration of potential environmental risks. For this purpose, activities that have or may have an impact on the environment are recorded and the possible consequences are assessed.

It is important to assess the environmental impacts in good time before application so that measures can be taken to avoid, minimise and mitigate negative environmental impacts if risks are identified.

### Training processes and information

The employees are the most important supporters of corporate environmental protection. It starts in their heads. They are called upon to implement the measures and to contribute ideas. Training and information encourage behaviour that conforms to the guidelines. External companies and subcontractors are also called upon to comply with local regulations and to actively participate and contribute to environmental protection. SCHMIDT provides the relevant information for this purpose.

### Procurement process

In the procurement process, we exploit the possibilities of influencing the upstream value chains by taking environmental criteria into account in the evaluation of suppliers. These include, for example, criteria such as energy consumption, a long service life, the lowest possible emissions, the consumption of operating materials, etc.

### Operational activities

In operational activities, the optimisation and digitalisation of processes must always be strived for. Special attention should be paid to transport planning. Here, for example, empty runs must be avoided. Targeted transport planning not only ensures smooth processes, but can also increase efficiency and thus protect the environment.

## Control and Evaluation

### ISO-Certification

SCHMIDT endeavours to prove its sustainability performance by means of independent certifications. This includes ISO 14001 (environmental management system standard). An extension of the certification to further locations is intended.

### EcoVadis

EcoVadis, with its assessment of the company's sustainability performance, analyses the current status and identifies potential for improvement. SCHMIDT strives to strongly increase the EcoVadis assessment result from year to year and thus also to sustainably optimise its environmental performance.

### External assessment

SCHMIDT undergoes various external testing procedures. These include the Safety and Quality Assessment System (SQAS) and the European Chemical Transport Association (ECTA). These audits are carried out independently and sometimes focus on environmentally relevant topics.

### Internal assessment

The internal audit serves as an early warning system against undesired environmental damage and violations. Regular checks ensure smooth operating processes and compliance with the guidelines. Information and suspicious cases that are reported to SCHMIDT also undergo an internal review. Measures are taken on a case-by-case basis and are derived according to the specific circumstances.

## Contact

If you have any questions or suggestions regarding this policy and the internal processes, please do not hesitate to contact us:

Mrs. Isabel Bauer

Corporate Governance & Sustainability

Mail: [isabel.bauer@schmidt-heilbronn.de](mailto:isabel.bauer@schmidt-heilbronn.de)

Ph: +49 (0)7131 / 947-385

Mrs. Patty Lehnhardt

Qualitymanagement/Environmental  
Representative

Mail: [patty.lehnhardt@schmidt-heilbronn.de](mailto:patty.lehnhardt@schmidt-heilbronn.de)

Ph: +49 (0)7131 / 947-278