

# **RAPORT ESG**

**Environment, Social & Governance**

**ABC Czepczyński Sp. z o.o. Sp. k.**  
**Międzychód, 30 April 2025**

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# Introduction

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This document was prepared in the period 01.03-30.04.2025. The report was authored by ABC Czepczynski's Quality Department. The report was developed in two stages:

**Stage 1** – Diagnosis of the company's current sustainability strategies, policies, activities, ESG strategic balance sheet. The assessment was conducted online, with participation from 21 out of 30 invited representatives of ABC Czepczyński's management and employees. Using a structured questionnaire, participants evaluated more than 60 factors contributing to the organization's maturity in the area of sustainable development, as well as their expected relevance in the near future. The results of this assessment were presented in the form of the ABC Czepczyński ESG Strategic Balance Report, which is attached as an appendix to this document.

**Stage 2** – Preparation of the Company's ESG Report. All information gathered during Stage 1 was analyzed and evaluated by the Quality Department, which also developed recommendations for further action. The outcome of Stage 2 is this ESG Report, structured around two key chapters:

- Responsible Management – presenting information on the company's business model, mission and values, and success story, as well as the three ESG pillars on which the company builds its sustainable development philosophy.
- Sustainability policies and actions, presenting ABC Czepczyński's achievements to date, initial plans, and recommendations regarding policies and actions in the environmental area (E – Environment), the social responsibility area (S – Social), and the corporate governance area (G – Governance).

The results of the diagnostic work and the conclusions drawn from this Report may serve as a starting point for further work on developing the ABC Czepczyński ESG Strategy.

## *Note!*

*In preparing this document, the company's own materials, information and observations obtained during the survey, meetings with the Management Board and employees delegated to cooperate on this project, as well as other information, were used. This document constitutes a complete whole, and no part or section of it should be read or interpreted without considering the document in its entirety.*



# Responsible **Management**

Mission and Values



Success Story



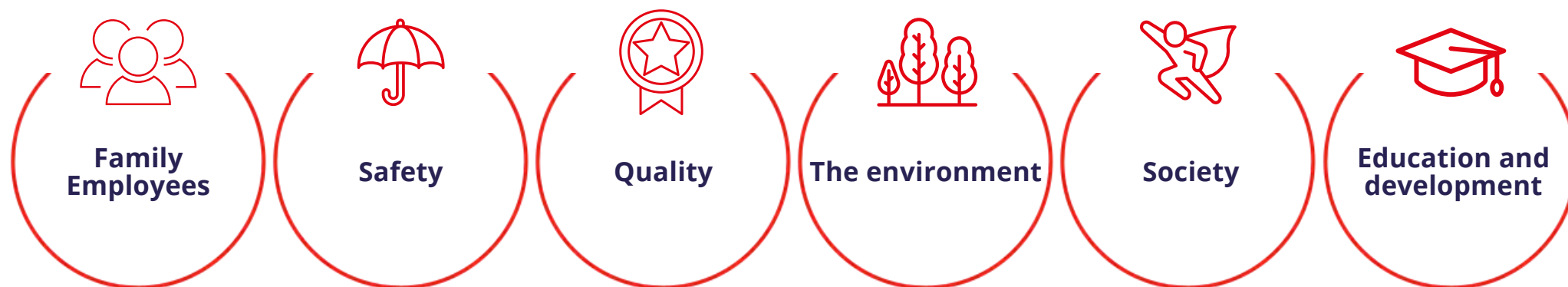
Pillars of ABC Czepczyński's Sustainable Development



Business Model



# Mission and values



*ABC Czepczyński's mission: "To provide the highest quality of services guaranteeing the safety of transported goods and continuous technical development in transport management, cybersecurity, work efficiency and ecology for the benefit and satisfaction of our clients. Family and sense of security are the our leading values."*

# Mission and values

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## MISSION

The company's mission is "to provide the highest quality of services guaranteeing the safety of transported goods and continuous technical development in transport management, cybersecurity, work efficiency and ecology for the benefit and satisfaction of the company's clients." Through this mission, the company focuses on safe and long-term development, which guarantees employment and development for its employees.

## VALUES

ABC Czepczyński is a family company providing forwarding services which guarantee safety and client satisfaction. Family and sense of security are the company's greatest values. The company declares its care for the environment as a social and personal value. The primary objective of the company is to work with clients for whom safety and service quality are key criteria in the selection of business partners.

*"As a company, we have an impact on various stakeholder groups. We try to make this impact as positive as possible and ensure our relations are based on clear rules. We all feel accountable to our employees, the environment, local communities and business environment (partners, clients, carriers, etc.). We attach particular importance to issues related to social engagement and education."*

*Artur Czepczyński*



# Success story



"I think the key to building a well-functioning business is to create teams. It is important to look for people who are more competent than we are in areas where they can complement us. And then make them independent and entrust them with decisions and responsibility for their actions.

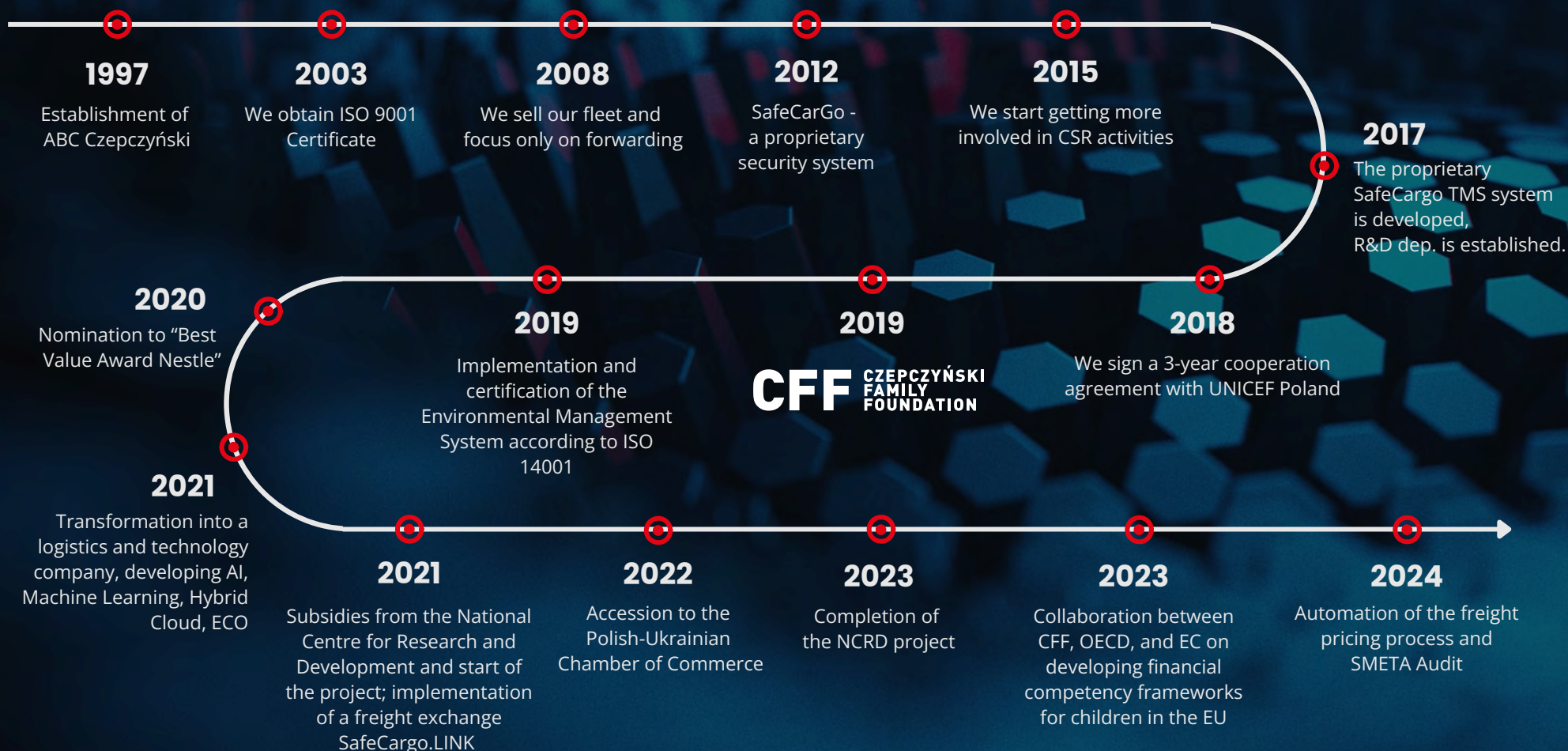
The second element, very important in my opinion, is to anchor the business in specific and real values, as well as to implement them the company's strategy. I have always prioritised the family, education and support for the local community.

One of the consequences of our commitment to these values, not only on my part, but also on whole team's (as this is the only way in which they can have a real impact), was founding Czepczyński Family Foundation in 2019."

– Artur Czepczyński



# Success story





# Pillars of sustainable development

ABC Czepczyński's endeavour to achieve harmony between the economic progress, social justice and environmental protection.



## E-Environment

Systematic operational activities aimed at reducing CO2 emissions, energy, water consumption and at waste reduction.

Investment and development activities in support of operational activities.



## S – Social

Sales, marketing and PR activities to maintain reliable and clear external communication

Building motivating and engaging organisational culture which makes the company a good place to work and supporting the development of its employees, with particular emphasis on ESG.



## G – Corporate governance

Building and developing ESG strategy taking into consideration environmental risk management.

Adapting actions to formal, legal and organisational ESG regulations.

# Pillars of sustainable development

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Sustainable development is a strategic approach that takes into account both short-term objectives and a long-term sustainable future. It aims to meet the needs of the present without compromising the ability of future generations to meet their own needs.

## DNA of ABC Czepczyński

Sustainable development is embedded in the DNA of ABC Czepczyński. The company's activities in the area of sustainability can be assessed based on its actions to date. Although these actions were undertaken without a formally written strategy, their purposefulness, quality, and intensity demonstrate the highest level of commitment from both the Management Board, the leadership team, and employees in the field of sustainable development. In consideration of its key stakeholders, the company has prepared this ESG Report to systematize its sustainability efforts and to lay the groundwork for its ESG strategy, as well as to communicate its conscious ESG actions to its clients, suppliers, and employees.

ABC Czepczyński continuously educates and engages its leadership team and employees in the broad area of sustainable development, ensuring responsible corporate governance and conscious management of its social and environmental impact. The Management Board strives to ensure that the company is both an excellent place to work and a brand worthy of trust.

# Business model



shipping, organisation of transport, contractual transport



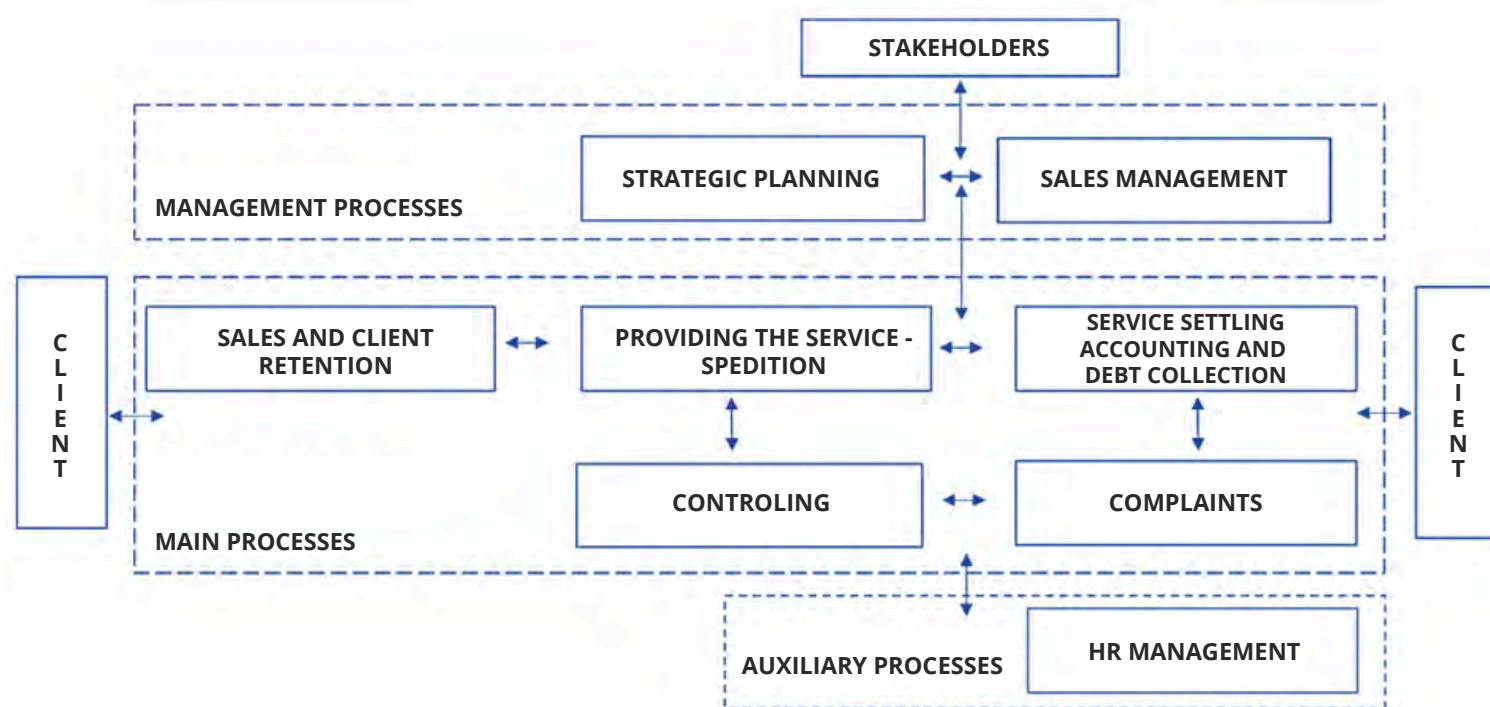
BRANCHES OF ABC CZEPCZYŃSKI



WESTERN EUROPE  
SCANDINAVIA  
GREAT BRITAIN  
UNAFFILIATED BALKAN COUNTRIES



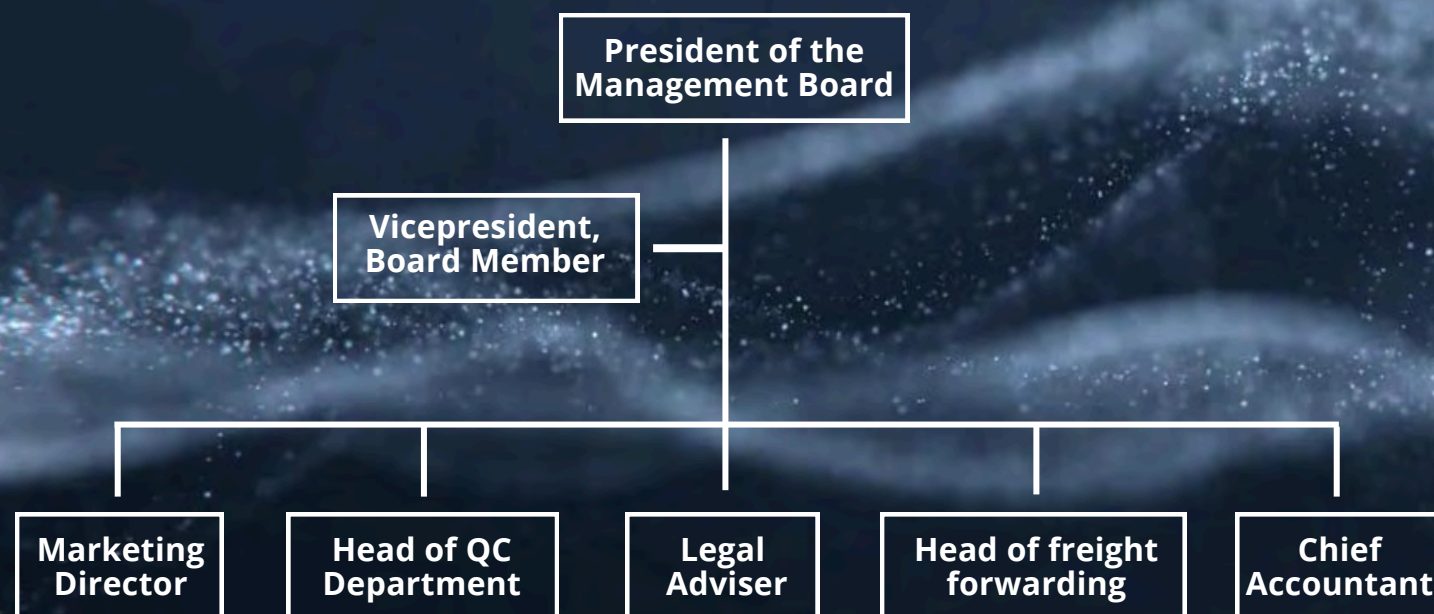
# Business model



- SafeCargo.TMS (own operating system)
- ISO 9001 Quality Management System
- ISO 14001 Environment Management System
- SMETA (Sedex) reporting

- IFS Logistics 2.3:2024 Food Safety Management System
- GDP Good Distribution Practice Standard
- EcoVadis 2024 Bronze Medal

# Business model



ABC Czepczyński sp. z o.o. sp.k. is represented by the company's Management Board.



**Artur Czepczyński**  
CEO



**Sławomir Rembowski**  
Vicepresident



**Mateusz Noszkowicz**  
Board Member

# Business model

## Level of Awareness and Degree of Engagement of Top Management in Sustainable Development

- The company demonstrates a high level of awareness regarding the importance of sustainable development at the highest levels of management and decision-making.
- The company's leadership is responsible for defining policies and objectives in the areas of quality and environmental management, as well as for providing the necessary means, resources, and investments to achieve them.
- A high level of engagement in sustainability issues is also evident at the management level, which translates into strong awareness and proactive attitudes among employees.
- The management team's commitment is reflected, among other things, in the preparation of the ESG Report (despite the absence of formal requirements).
- Effective action in this area is also expected and required of ABC Czepczyński by its clients.
- Thanks to the sustainability efforts undertaken in recent years and the participation of management in ESG training and workshops, the Management Board and leadership team possess sufficient experience and competencies to continue developing this area within the company.

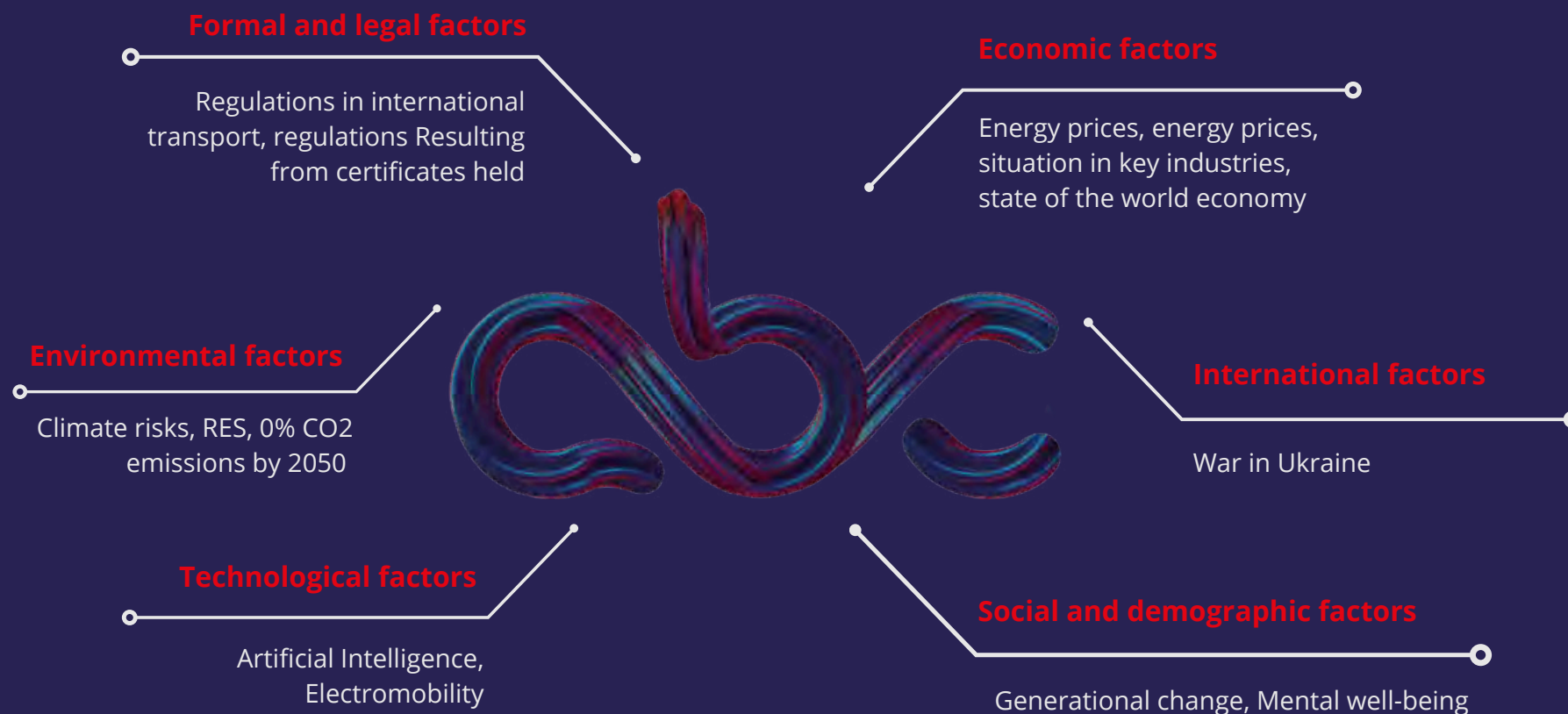
The responsibility of the Management Board and leadership team for sustainable development is not yet fully formalized or structured.

## Establishment of a Dedicated Position or Structure Responsible for Sustainability within the Organization

- The company's organizational structure does not include a separate department / position / individual dedicated exclusively to ESG matters.
- Within the existing structure, responsibilities for various ESG areas are distributed as follows:
  - The Quality Department, the Integrated Management System Improvement Team, and the Integrated Management System Improvement Representative are responsible, among other things, for environmental elements related to the company's certifications.
  - CSR (Corporate Social Responsibility) activities are overseen by the Management Board, with coordination carried out in cooperation with the Chief Operating Officer / Board Member of the Czepczyński Family Foundation.
  - The Management Board is responsible for the implementation and oversight of the company's corporate compliance system.
  - The Compliance and Security Team oversees adherence to the company's Code of Conduct.
  - The Anti-Mobbing and Anti-Discrimination Committee supervises violations in this area.



# Business model



Awareness of the impact of the environment on the company's activities is the basis for risk identification and formulating strategic objectives in the area of sustainable development of ABC Czepczyński.

# Business model

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## Macroeconomic Environment (Company Context) – Key Factors

The main legal factors affecting operational activities are conventions related to international transport.

The TSL sector (Transport, Freight Forwarding, Logistics) is strongly influenced by the overall economic climate. Since 2022, there has been a decline in the number of shipments due to the economic slowdown across multiple industries.

Fuel price increases are offset by fuel surcharges included in contracts with clients. Given the high volatility of fuel prices, these surcharges are typically updated on a monthly basis.

In 2024, the war in Ukraine had no significant impact on the company's operations. Similar to the previous year, clients with whom the company collaborates, or may consider collaborating with, are selected carefully. In accordance with applicable laws and internal procedures, the company does not engage in cooperation with entities that have capital or ownership ties to Russia or Belarus. Contract clients were acquired and developed by increasing cooperation with carriers from other European countries, particularly from Southern and Eastern Europe, including countries outside the European Union. The development of Artificial Intelligence (AI) is increasingly shaping business processes, with applications across various sectors such as healthcare, industry, and transport and logistics. The ability to integrate AI into the company's own systems enables the creation of unique solutions that anticipate market needs.

The growing adoption of electromobility and access to renewable energy sources (RES) enables the company to undertake environmentally friendly and cost-efficient initiatives.

In the socio-demographic sphere, a notable trend is the generational shift. The working-age population is declining. Sustaining economic growth requires bringing more people into the labor market or improving productivity through technological advancement and skills development. Increasing attention is also being given to employee mental well-being, which is reflected in the company's ESG activities.

# Business model

ABC Czepczyński is a family company providing forwarding and transportation services since 1997. The company operates 7 offices in the following locations:



**Międzychód**



**Poznań**



**Szczecin**



**Wrocław**



**Warka**



**Kłodzko**



**Bielsk Podlaski**

## SERVICES OF ABC CZEPCZYŃSKI

### Intelligent forwarding

The company offers services in freight forwarding, transportation management, and contractual transport. It provides services in the areas of domestic and international transport organization, freight forwarding consultancy, and dedicated transport solutions.

It handles full truckload (FTL) and less-than-truckload (LTL) shipments across all European Union countries, as well as Scandinavia and the United Kingdom, in addition to the Balkan countries and Turkey.

All types of vehicles are used for transport. The company does not provide transport services for oversized cargo, container shipments, or certain classes of hazardous materials.

### Transport management

The company supports its clients at every stage of the supply chain — from the transport of raw materials and semi-finished products to production facilities, through the delivery of packaging, transport of goods to distribution centers, and finally to materials recycling.

The company works with businesses across a wide range of industries. The nature of its freight forwarding and transport activities is tailored to each individual client, based on the company's employees' many years of experience.



# Business model

## MANAGEMENT SYSTEMS

In order to ensure the highest quality of services, the company implemented and obtained certificates in:

- ① ISO 9001:2015 Quality Management System- guaranteeing consistent and high quality services,
- ① IFS Logistics 2.3:2021 Food Safety Management System which guarantees the safety and integrity of food throughout the supply chain,
- ① The Environmental Management System (ISO 14001:2015) ensures care for the environment and demonstrates that ABC Czepczyński takes into account the necessity to take care of the natural environment in its activities.

Moreover, the company introduced Good Distribution Practice standards ensuring that the medicinal product delivered maintains the required quality, comes from a legal source and remains in the legal supply chain during storage and transport.

The implemented systems and standards not only confirm the company's compliance with high standards of service quality and safety, but also enable greater control over business processes and constant internal development of the company and further development of services.

The above systems are included in the Quality Manual, which is a comprehensive description of the management process of company's core business and constitutes the Integrated Management System of the IMS.



# Business model

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## INNOVATIVE SOLUTIONS

Since 2023, strong emphasis has been placed on increasing the number of carriers integrated with GPS geolocation systems and establishing cooperation with platforms offering Real-Time Visibility (RTV) services. As a result, the number of shipments that can be monitored — both by ABC Czepczyński employees and by clients — has been steadily increasing. Systematic efforts to integrate carriers with RTV capabilities led to a monitoring level of approximately 45% to 50% of transports for key clients in 2024.

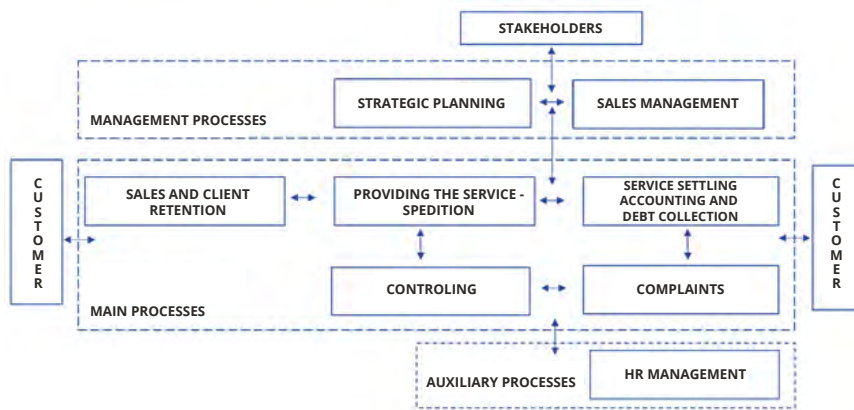
The ability to monitor transport progress in real time, as well as to set and update estimated time of arrival (ETA) at the delivery point, provides significant opportunities to optimize costs through better management of delivery windows, including eliminating or reducing waiting times for unloading and related downtime costs. In addition, fleet tracking enables more efficient use of carriers' fleets by improving the planning of subsequent transports (reducing the number of empty kilometers driven and improving the execution of subsequent client orders). Ultimately, these functionalities contribute to CO<sub>2</sub> emissions reduction and a lower carbon footprint for both the company and its business partners.

In 2025, a further increase in the share of monitored transports is expected. The company also operates its own proprietary system (SafeCargo.TMS), which is continuously enhanced through the development and implementation of new functionalities (enabling the rapid and efficient creation of new modules that optimize and automate processes across all operations). SafeCargo.TMS ensures seamless communication between processes, automated reporting for monitoring the performance of individual processes, and the ability to integrate with clients' operating systems.

Based on the TMS operating system and ongoing development projects, the company has also implemented its own freight exchange platform, SCL (SafeCargo.LINK). The company's shipments are made available to selected carriers via this platform. In 2025, the company plans to increase the number of orders contracted with carriers through the SCL platform.

# Business model

## Value chain



External partners, including clients and Transport Service Providers, play an important role in the company's value chain and business model.

Within the Integrated Management System, the company has identified two management processes, three main processes and one ancillary process.

The company is aware of the expectations our partners have, especially the clients, with regard to responsibility for services rendered throughout the value chain and in the area of sustainable development. Due to these expectations and in accordance with its own values, **the company prioritises the standards of cooperation with suppliers.**

**In order to ensure safety in the value chain, the company has clearly defined formal rules and procedures of cooperation:**

- ① The principles of establishing relationships with subcontractors, including the management of liabilities (also overdue) are defined in the ISO9001 procedure.
- ① Cooperation is based on written contracts and standardised terms and conditions of service, as well as in accordance with the Anti-Corruption Policy and the company's Code of Conduct.
- ① The rules describe systemic payment notifications via the SCL platform.
- ① The terms and conditions of cooperation are reliably communicated to subcontractors.
- ① The company also conducts reliable verification of clients and subcontractors before commencing cooperation.

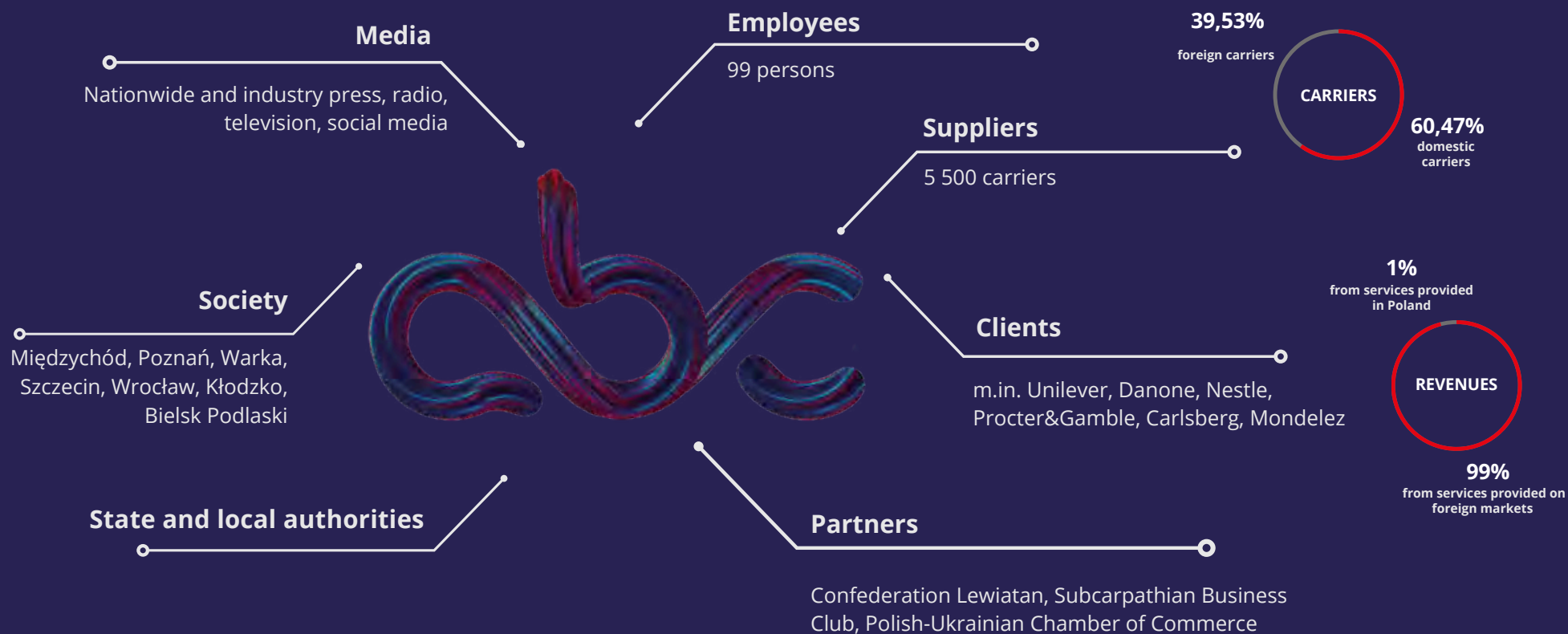
ABC Czepczyński has a good position among its clients. Contracts signed with such leaders industry leaders as: Unilever, Danone, Nestle, Procter & Gamble, Carlsberg, affect the stability of the company's value chain.

Thanks to the unique SafeCargo.TMS controlling system, which is used for accurate verification of carriers, the company ensures safety along the entire transport route, from the moment cargo is taken over to delivery to its destination. This system also allows providing services in line with the principles of sustainable development. It indicates subcontractors whose rolling stock meets high standards for exhaust and noise emissions: EURO 5 and EURO 6.



# Business model

## STAKEHOLDERS



# Business model

## COMMUNICATION CHANNELS



Meeting



Telephone call



E-mail



Communicator



Account Manager



Invoices



Contracts



Offer



Certificates



SCL platform



Website



Reports and Presentations



LinkedIn



Facebook



YouTube

# Business model

## STAKEHOLDERS

ABC Czepczyński focuses on safe and long-term growth based on strong relationships with its stakeholders.

### Clients

The company offers its freight forwarding services primarily in the markets of the European Union, Switzerland, the United Kingdom, and non-EU Balkan countries. The domestic market accounts for 1% of sales revenue. 99% of sales are generated through contracts with clients headquartered in Western European countries. Sales efforts are primarily focused on clients in the FMCG and packaging industries.

In 2024, the company extended and expanded the number of contracts with FMCG clients (including Unilever, Danone, Nestlé, Procter & Gamble, Carlsberg, Mondelez). The signed contracts provide stability of cooperation and an increase in the number of orders fulfilled. The company prioritizes close and long-term cooperation with trusted European clients (long-term contracts), which will serve as a foundation for further growth.

### Suppliers

The company does not operate its own transport fleet but cooperates with subcontractors from both Poland and other European countries, particularly from Southern and Eastern Europe, including countries outside the European Union. Foreign subcontractors currently account for approximately 39.53% of the total. Since the development of cooperation with foreign subcontractors is part of the company's growth strategy, this share is expected to increase.

### The principles of serving Business Partners

One of the ways in which the company regulates cooperation with clients and suppliers is its Code of Conduct, in which it declares that, for example:

- The company operates on the market in a lawful manner, in particular in compliance with antitrust, competition and fair trade laws.
- The company strives to achieve the best possible results by acting honestly and ethically. Users, in particular the company's personnel, are obliged to:
  - provide business partners with reliable information,
  - act in a lawful and ethical manner.



# Business model

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## MEMBERSHIP OR PARTNERSHIP IN ORGANISATIONS

**ABC Czepczyński is an active member of business, industry and scientific organisations and associations:**

- Confederation Lewiatan,
- Subcarpathian Business Club,
- Polish-Ukrainian Chamber of Commerce,
- Poznan Supercomputing and Networking Centre,

# Policies and activities related to **sustainable development**

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- Environmental policies and activities (E - Environment)
- Social policies and activities (S - Social)
- Governance policies and activities (G - Governance)

# UN Sustainable Development Goals

The sustainability activities of ABC Czepczyński have a positive direct or indirect impact on the achievement of 14 of the 17 UN Sustainable Development Goals:

- ⊙ Good health and quality of life (Goal 3)
- ⊙ Good quality of education (Goal 4)
- ⊙ Gender equality (Goal 5)
- ⊙ Clean water and sanitation (Goal 6)
- ⊙ Affordable and clean energy (Goal 7)
- ⊙ Decent work and economic growth (Goal 8)
- ⊙ Innovation. Industry. Infrastructure (Goal 9)
- ⊙ Reduced inequalities (Goal 10)
- ⊙ Sustainable cities and communities (Goal 11)
- ⊙ Responsible consumption and production (Goal 12)
- ⊙ Climate action (Goal 13)
- ⊙ Life on land (Goal 15)
- ⊙ Peace, justice and strong institutions (Goal 16)
- ⊙ Partnership for the goals (Goal 17)



The company's activities contribute to improving the quality of life, including health and education of the company's employees and local society. They also contribute to ensuring broadly understood equality and inclusiveness. They also directly determine the economic growth of the region and the development of innovation in logistics. The company's activities are mainly aimed at protecting the natural environment. The company's actions could not be effective without actions to promote justice and partnership, including sustainable development goals.



# UN Sustainable Development Goals



# Policies and activities in the area of **environment**

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## **Systematic operational activities aimed at reducing CO2 emissions, energy, water consumption and at waste reduction**

- Reduction of CO2 emissions
- Energy efficiency
- Reduction of water consumption
- Optimisation of material consumption and waste management
- Biodiversity

## **Investment and development activities in support of operational activities**

- Research and development activities aimed at improving the fulfilment of sustainable development standards by services



# Policies and activities in the area of environment

„At ABC Czepczyński, we are committed to ensuring that companies' climate neutrality is not a myth, but is demonstrated by real actions. Today, every company, regardless of the industry, must find its place on the market and really reduce their impact on the environment. This is a real challenge for the transport industry. ABC Czepczyński is developing towards becoming a technological company to build and improve tools to reduce exhaust emissions, including through more efficient use of the vehicles on our roads.”

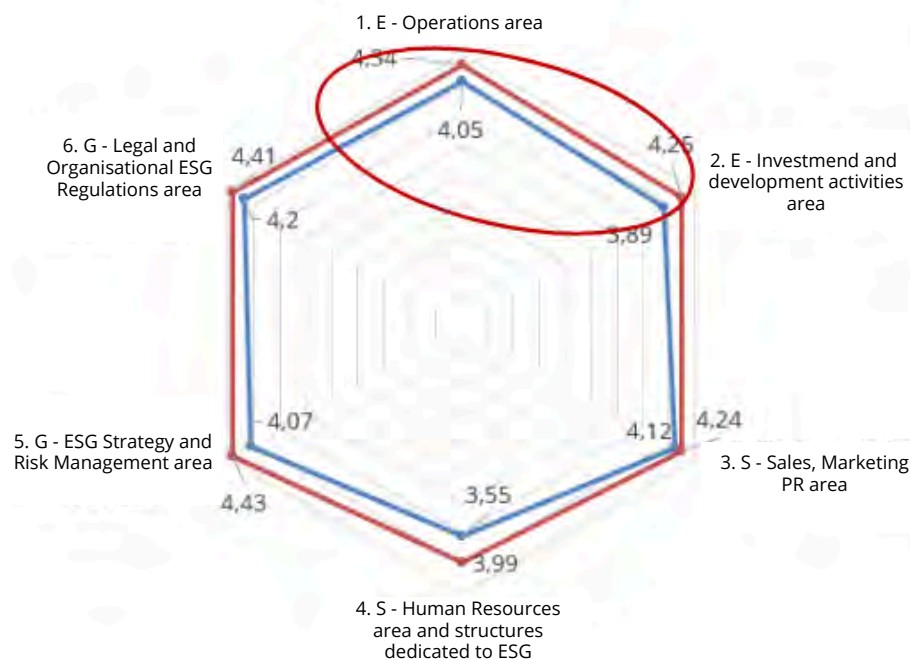
„ABC Czepczyński, in line with the idea of sustainable development, supports environmental protection and strives to reduce pollution by establishing, implementing and certifying an effective environmental management system. Being aware of the close relationship and impact of our business on the environment, the company commits its personnel to resource efficiency. The company implements internal policies and procedures to minimise the negative environmental impact of the company's business, to which all personnel are obliged to comply.”

***Environmental Protection Principles,  
ABC Czepczyński Code of Conduct***





# ESG Strategic Balance – environmental factors in the company's opinion



## Commentary:

The company evaluates its environmental activities highly across operational, investment, and development areas. Compared to the results from the previous year, there has been a slight increase in the company's self-assessment in the Operational Activities Area. It is worth noting a minor decline in the Investment and Development Activities Area. At the same time, the company is aware that these areas will gain importance in the upcoming strategic horizon.

**CURRENT LEVEL**  
1 - unsatisfactory  
5 - very good

**IMPORTANCE**  
1 - will decrease significantly  
5 - will increase significantly

# Reduction of CO<sub>2</sub>



SafeCargo.TMS Operating system



Monitoring and reporting to KOBiZE



Sustainable rolling stock meeting high exhaust and noise emission standards 97% EURO 5 i EURO 6



Technological solutions optimizing the transport order execution process



Fleet work time optimisation



Company vehicle fleet: electromobility and hybrid vehicles

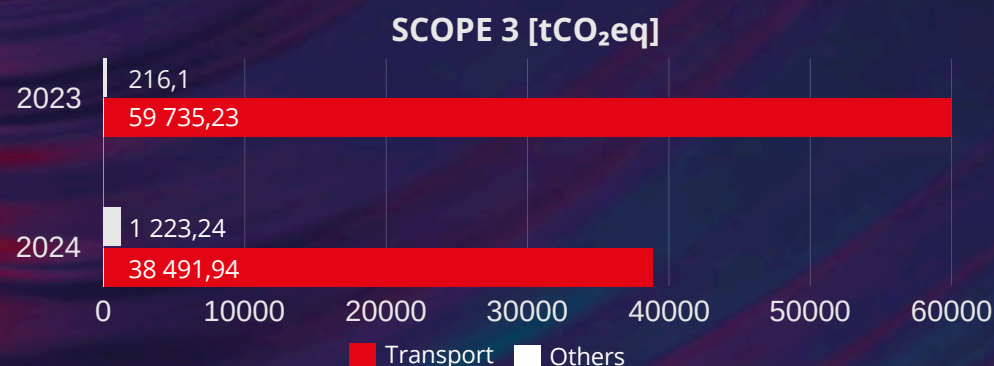


Reduction of fuel consumption and gas emissions into the atmosphere



# Reduction of CO<sub>2</sub>

The company has calculated its carbon footprint for scopes 1&2 and 3 (Appendix 1 CO<sub>2</sub> Equivalent Report CO<sub>2</sub> - to the ESG report. The year 2023 is treated as the base year to which subsequent reports informing of the company's carbon footprint will refer.



**1,03**  
[tCO<sub>2</sub>eq]

ON AVERAGE, ONE ORDER  
GENERATED

**97%**  
EURO V  
AND HIGHER

CARRIER FLEET

## Emission categories included in Scope 3 data:

- Business trips
- Staff commuting
- Capital goods
- Assets leased from other parties
- Purchased goods and services
- Transport

## Commentary:

Year-on-year, there was a reduction in CO<sub>2</sub> equivalent emissions by 0.17 tCO<sub>2</sub>eq. This was driven by the use of IT tools that optimize transport order execution and better vehicle selection. The increase in CO<sub>2</sub> equivalent emissions under Scope 1 results from refining the calculation process and incorporating additional data that had not been previously included.

# Reduction of CO<sub>2</sub>



## COMPANY ACTIONS

### Modern solutions

ABC Czepczyński is committed to CO<sub>2</sub> reduction through continuous **improvement of transport organization**. The company operates its own, continuously enhanced SafeCargo.TMS system, which also serves as the foundation for its SCL (SafeCargo.LINK) freight platform. The TMS system is designed to optimize carrier fleet operations by:

- planning optimal routes,
- eliminating "empty" kilometers,
- monitoring and improving Capacity Utilization,
- optimizing Order Fulfillment Time,
- minimizing travel distances through the use of local suppliers.

The actions being implemented will ultimately contribute to reducing fuel consumption and gas emissions into the atmosphere. The company has already started initiatives aimed at eliminating empty kilometers by combining loads, organizing transport routes in a closed loop (outbound and return trips), closely monitoring and managing vehicle routes, and monitoring and adjusting GPS orders to match vehicle routes.

### Sustainable Fleet

As part of its commitment to environmental protection, ABC Czepczyński prefers to cooperate with transport companies operating a modern fleet that meets high emission and noise standards (EURO 5 and EURO 6). This approach is positively received by the company's clients, who value balanced and sustainable development.

### Electromobility

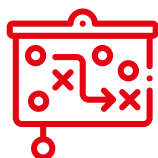
ABC Czepczyński is also committed to electromobility. The company has maintained its fleet of electric vehicles. After analyzing the benefits and costs, it was decided to modify the fleet development strategy to also include hybrid vehicles. To support their use, the company installed an electric vehicle charging station powered by its own photovoltaic panels. The vehicles should be charged at the company's own charging station whenever possible.

### Reporting

The company is registered with KOBiZE (National Centre for Emissions Management), where it has reported all fuel-powered vehicles (gasoline, diesel) as sources of CO<sub>2</sub> emissions and reports annual gas emissions. The company is also registered with BDO and CRO.



# Reduction of CO<sub>2</sub>



## THE COMPANY'S INITIAL PLANS

### As regards the carriers' fleet:

- Gradually increase the use of intermodal transport in the transport order execution process.
- Maximize load space utilization and reduce empty kilometers as quickly as possible.
- Within the next two years, limit operations to using a fleet that complies with EURO 6 emission standards.

### As regards using its own fleet:

- Within 2–3 years, conduct business trips of up to 200 km exclusively with electric vehicles.

### Other areas – the company:

- intends to transition to 90% electronic document circulation within 1–2 years,
- plans to reduce the purchase of products in single-use packaging.



# Energy efficiency

The company reduces energy consumption in many ways, from changing daily habits of employees through energy-saving IT solutions to using energy from renewable sources.

## Energy in everyday life:



Ongoing monitoring of energy consumption



100% LED lighting



Education in energy saving

## Energy-saving IT:



Mini PCs or low power terminals



Intelligent ATMAN server room and Microsoft Azure cloud

## Energy from RES:



29,7 kWp photovoltaic panels.



Electric car charger powered by RES



Ecovadis certificate

# Energy efficiency

## COMPANY ACTIONS

### Energy in everyday life

- The company monitors energy consumption based on data from connections. Energy consumption is also monitored during internal audits which check, e.g. whether monitors are switched off or put into sleep mode or the number of printouts, etc.
- LED bulbs are installed in company's facilities.
- Employees in the company are systematically motivated to make sure to switch off unnecessary lighting, and air conditioning or air supply is only activated when absolutely necessary.

### Energy from RES

- The company installed photovoltaic panels with a capacity of 29.7 kWp on the entire roof of the company's headquarters. The company is considering setting up further photovoltaic panels, however, due to the lack of space, this would entail partial covering of the parking lot with a parking roof, on which panels could be placed.

### Energy-saving IT

- The IT department has been working towards sustainable development for 11 years. Traditional computers have been eliminated in the company; instead of standard units, mini PCs or standard low power terminals have been implemented.
- In order to reduce power consumption, a smart ATMAN server room is used, adjustable to the number of current users and needs in a given moment. After 4 p.m., after finishing work, unnecessary servers are automatically disconnected – from 26 only 8 are in operation – thus decreasing the demand for electricity.
- Introduction of IT infrastructure management significantly improved the company's operations and optimised its capacity to execute transport orders, which resulted in increased Contractors' satisfaction, and ultimately, in activities in the area of quality, environment and security of transported shipments.
- To reduce CO2 emissions from IT devices, SafeCargo.TMS System has been placed in Microsoft Azure's professional cloud.



# Energy efficiency

## Ecovadis certificate

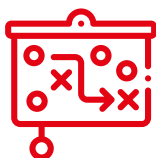
ABC Czepczyński's activities have been verified by EcoVadis — an organization that assesses corporate sustainability worldwide. In 2024, the company was awarded an EcoVadis Bronze Certificate. In 2025, the company plans to undergo another self-assessment. The audit evaluates four areas:

- environment,
- labor and human rights,
- ethics,
- sustainable procurement.





# Energy efficiency



## THE COMPANY'S INITIAL PLANS

### In the near term:

Train, raise awareness, and monitor employees regarding energy-saving practices, promoting:

- unplugging unnecessary devices,
- turning off equipment after use,
- checking air conditioning temperature settings to avoid setting them too low and to prevent operation when windows are open (to reduce energy consumption),
- closing rooms when leaving to reduce the volume of space being heated.

### In the medium term:

- replace any remaining household and electronic appliances with more energy-efficient models.

### In the longer term:

- after conducting a cost-effectiveness and energy efficiency analysis of the solutions, plan for a possible increase in the number of photovoltaic panels,
- use 100% of the energy generated from photovoltaic panels to meet the company's needs.

# Reducing **water** consumption

ABC Czepczyński takes deliberate measures to reduce water consumption.



**ONGOING  
MONITORING AND  
REPAIRING LEAKS**



**FAUCET AERATORS  
INSTALLED ON TAPS**



**DISHES ONLY  
WASHED IN  
DISHWASHERS**



**TWO-BUTTON  
FLUSHES IN TOILETS**



**EDUCATION IN  
WATER SAVING**

# Optimisation of material consumption and waste management

Optimisation of material consumption, including circular management, as well as responsible waste management are a standard in ABC Czepczyński.



50% of contractors use the company's electronic documents flow system.



Reusing materials, second life of IT equipment.



Used marketing (physical) materials donated to a friendly Cooperative, processed and used to re-produce marketing materials.



Reusable exhibition stands.



Full waste segregation.



# Optimisation of material consumption and waste management

## COMPANY ACTIONS

Optimisation of material consumption, including circular management, as well as responsible waste management are a standard in ABC Czepczyński.

### Optimisation every day

In its daily operations, the company cares about ecological improvement of processes:

- It has implemented an electronic flow of documents – since 2022 the number of electronically settled transports has systematically increased (bills of way, invoices, billing, etc.). This translates directly into a reduction in paper and printer toner and has an indirect ecological dimension – less paper means fewer trees cut.
  - The company promotes signing of agreements in electronic form among counterparties.
  - The company uses one-sided printed cards for reprinting.
  - The company uses reusable packaging/bags/other products whenever possible.
  - It minimizes the amount of "waste paper".
  - It promotes meticulous segregation, reuse, and recycling of waste.
  - It increases the share of suppliers offering products made from ecological and recycled materials.
- It provides labeled waste containers.

### Circular economy

The company applies the rules of circular economy, e.g. by:

- Multiple use of materials (office supplies, packaging, pallets, security materials).
- IT equipment receives a second life – the company repairs used IT equipment and gives it to people in need, e.g. schools, through the Czepczyński Family Foundation (or directly).
- The company collects plastic caps for charity purposes.
- The company also resells cars from its fleet.
- It reduces the frequency of electronic equipment/device replacements, taking into account upgrades to more energy-efficient ones.

# Optimisation of material consumption and waste management

## COMPANY ACTIONS

### Waste Management

- The company has been conducting waste segregation for many years in compliance with legal requirements, providing appropriate containers for segregation at all business locations and has a contract in place for the collection of segregated waste.
- Employees at the company's premises are trained and information and instructions on proper waste segregation are generally available to employees and guests. Appropriate waste segregation is the responsibility of each employee. Employees in branches are also encouraged to segregate.
- Used batteries and accumulators are segregated separately and delivered to designated collection points; materials such as wastepaper and electronics are collected by specialized companies under formal agreements with the company.
- The company ensures that waste is properly compressed before disposal in order to reduce its volume

# Optimisation of material consumption and waste management



## THE COMPANY'S INITIAL PLANS

### In the near term:

- educate subcontractors and other business partners on electronic document circulation, including by demonstrating tangible benefits such as:
  - eliminating the need for additional printing and distribution of paper documents
- reduce the use of non-eco-friendly packaging



# Biodiversity

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## COMPANY ACTIONS



In its marketing activities, the company offers tree seeds for planting as a gift to the client.

# Research & development activities aimed at improving the fulfilment of sustainable development standards by services

ESG activities are one of the company's priorities, which is why ABC Czepczyński undertakes joint research and development activities with various organisations, including cooperation with academia and social and institutional partners.

- Poznań Supercomputing and Networking Centre
- Czepczyński Family Foundation
- **R&D team of ABC Czepczyński**



**Cloud  
computing**



**Artificial  
Intelligence**



**BIG DATA**



**Learning  
machines**

# Research & development activities aimed at improving the fulfilment of sustainable development standards by services

- Improving the work processes of forwarding agents and the circulation of documentation within the organisation
- “Innovative Cyber-forwarding service based on modern IT technologies, including artificial intelligence and machine learning”.

25

Number of internal projects in progress

45%

Number of employees involved in projects

290

Number of integrated IT systems

95%

Zintegrowani klienci

180

Number of successfully implemented internal projects since 2019

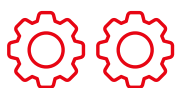
21 000

Number of employee hours allocated annually to carry out development projects

**2 015 000,00 PLN**  
in 2024



# Research & development activities aimed at improving the fulfilment of sustainable development standards by services



## COMPANY ACTIONS

### Cooperation

In order to offer the highest quality freight forwarding services, the company continuously evolves. To conduct research and development, the company established a Research and Development (R&D) Department, composed of specialists from various fields. The company also leverages the expertise of external experts, engaging in joint R&D activities with various organizations, including collaboration with academic institutions and social and institutional partners, such as:

- National Centre for Research and Development,
- Poznań Supercomputing and Networking Centre,
- Czepczyński Family Foundation

### Development projects

Currently, the company focuses on development in four areas:

- transport management,
- cybersecurity,
- work efficiency,
- ecology.

# Research & development activities aimed at improving the fulfilment of sustainable development standards by services

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In order to achieve the assumed results in these areas, ABC Czepczyński uses the latest technologies, such as:

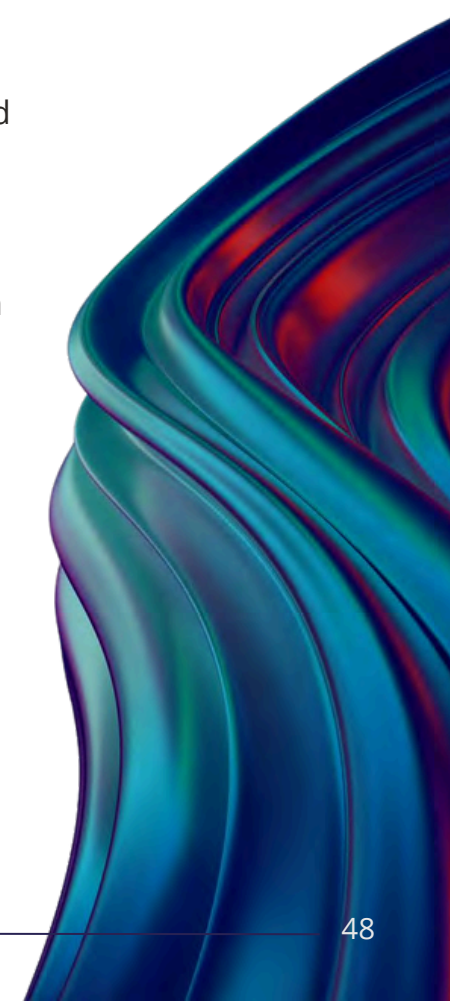
- artificial intelligence and machine learning,
- cloud computing and BIG DATA.

In 2024 — as in previous years — the R&D team focused on conceptual and implementation work aimed at improving freight forwarders' work processes and internal document circulation within the organization. New information flow tools were developed to reduce the working time of individuals and teams.

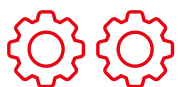
The use of modern digital technologies is intended to help the company achieve better cost and time efficiency in customer service, improve communication, and reduce the carbon footprint of its services. This work will continue to be carried out by the R&D team and other departments in the coming years.

Since April 2023, the company has had a framework agreement with the Institute of Bioorganic Chemistry of the Polish Academy of Sciences – Poznań Supercomputing and Networking Center for the implementation of the Innovation Incubator 4.0 project, co-financed by the Ministry of Education and Science. The project focuses on the use of digital technologies and further development of the company's TSL platform.

The Apollo team continues its development work on the implementation of new technologies.



# Research & development activities aimed at improving the fulfilment of sustainable development standards by services



## COMPANY ACTIONS

### FUNDING

The company's investments in research supporting sustainable development have been ongoing for several years and are largely financed from own funds. ABC Czepczyński additionally applies for a number of grants to implement further investments aligned with sustainable development principles, including the continued development of AI-based systems. The percentage share of expenditures on R&D activities related to ESG in total company costs is as follows:

Type of expenditure	2021	2022	2023	2024
Operating expenses	PLN 183 318 825,10	PLN 208 018 108,99	PLN 188 279 168,00	PLN 194 547 578,05
NCBiR	PLN 471 318,01	PLN 4 863 351,05	PLN 4 848 395,61	PLN 0,00
R&D	-	-	PLN 503 844,33	PLN 2 015 000,00
Total expenditure on ESG research and development	PLN 471 318,01	PLN 4 863 351,05	PLN 5 352 239,94	PLN 2 015 000,00
% share in total operating costs	0,26%	2%	2,84%	1,03 %



# Policies and activities in the area of environment **S – Social**

## **Sales, marketing and PR activities to maintain reliable and clear external communication**

- Relations with clients, subcontractors, contractors
- Sound and ethical marketing activities
- Promoting CSR and / or ESG related activities

## **Building motivating and engaging organisational culture which makes the company a good place to work and supporting the development of its employees, with particular emphasis on ESG**

- Providing a safe workplace
- Fair treatment and a friendly workplace
- Development of employees and staff's knowledge and qualifications in the field of ESG
- Organisational culture which encourages, engages and supports pro-social activities

# Policies and activities in social responsibility

"The company treats all company personnel equally, respecting their right to life, freedom and personal security. The company complies with all applicable laws and regulations, including international treaties and standards, such as the ten principles of the UN "Global Compact" initiative, the UN guidelines, the Universal Declaration of Human Rights, the International Charter of Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO conventions on respect for fundamental labour rights, which are contained in the eight most important conventions."

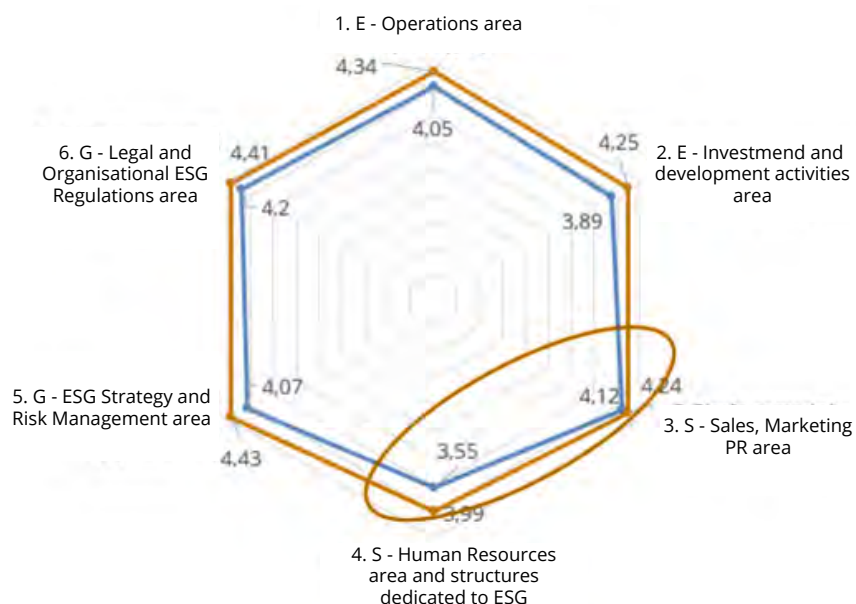
*Labour Standards, ABC Czepczyński  
Code of Conduct*

"I created teams for all my life. I have built a boat and handed it over to the employees, i let them freely go to manage and, above all, feel responsible for their actions. I feel great satisfaction giving work to so many people."

**Artur Czepczyński**  
***Business success – what does it require?***  
***An interview with the founder and President***  
***of the Management Board of ABC Czepczyński***  
***- Artur Czepczyński***  
***executivemagazine.pl***



# Building and maintaining transparent relations with **clients, subcontractors, contractors**



## Commentary:

The company evaluates its social responsibility activities highly. Compared to the previous assessment, the correlation between the actual state and market expectations has remained consistent.

The survey results showed that the current level remains below market expectations. The area of human resources and dedicated ESG structures is identified as one that requires further alignment with external requirements and expectations.

**CURRENT LEVEL**  
1 - unsatisfactory  
5 - very good

**IMPORTANCE**  
1 - will decrease significantly  
5 - will increase significantly



# Relations with **clients,** **subcontractors, contractors**

S - Social



The company's activities are based on principles derived from the experience of family-owned businesses. The standards adopted within the company are rooted in sound business ethics. At the core of building and maintaining good relationships lies the quality of information provided and the execution of agreements.

## KPI:



the number of freight orders delivered in a timely manner



the number of credible carrier verifications



the number of cars ordered vs number of vehicles delivered



the level of the employee's involvement



margins for individual clients, industries, markets



# Relations with **clients, subcontractors, contractors**



## COMPANY ACTIONS

Building and maintaining transparent relations with clients, subcontractors, contractors, including informing in a full, transparent and reliable manner about the offered services, commercial terms, payments and complaints constitutes the foundation of ABC Czepczyński's operation. The basis for building and maintaining good relations is the quality of information and contracts. According to ABC Czepczyński's, the aim of the company "is to work with clients for whom safety and service quality are key criteria in the selection of business partners".

### Quality

The company undertakes to select the appropriate carrier with due diligence by collecting relevant information about the contractor and verifying its activity in terms of the quality of services provided and the use of the appropriate means of transport. In order to achieve the measurability of the quality of its services and services of subcontractors and its efficiency, the company has introduced internal **Key Performance Indicators (KPIs)**:

- the number of freight orders delivered in a timely manner,
- the number of cars ordered vs number of vehicles delivered,
- margins for individual clients, industries, markets,
- the level of employee's involvement.

The company also meets the individual requirements of its clients, for whom special KPIs are created, including:

- for orders with a fixed date and time: arrival of the truck on the date and time according to the instructions from the order ,
- for orders where the freight forwarder reserves a delivery time with the client/through the client's system: arrival of the truck at the booked date and time.

# Relations with **clients,** **subcontractors, contractors**



## CERTIFICATES

**In order to ensure the highest quality, the company has implemented:**

- Quality Management System according to ISO 9001, influencing the improvement of service quality assurance mechanisms,
- ISO14001 Environmental Management System, ensuring care for the environment,
- ISO14001 Environmental Management System, ensuring care for the environment,
- EcoVadis certificate,
- GDP (Good Distribution Practice) standards ensuring that the medicinal product delivered maintains the required quality, comes from a legal source and remains in the legal supply chain during storage and transport,
- SMETA Certification.



# Relations with **clients,** **subcontractors, contractors**



## COMPANY ACTIONS

### Reliable information

The company uses standardised commercial documents (selected for the type of goods). All necessary information is communicated in a transparent and fair manner:

- described in the company's procedures,
- included in orders accepted by the Contractor,
- available on the SCL platform,
- specified in contracts and terms of cooperation,
- presented at meetings.

Individual Department Employees take care of the proper relations with clients and carriers:

- BDM (Account manager) from ABC Czepczyński agrees on the terms and conditions of cooperation with the client,
- The Forwarder is responsible for accepting and executing the order, proper selection of the carrier, providing instructions to the carrier, monitoring the order and informing the client about its execution, and in the case of a complaint, it implements the complaint procedure.

The company also provides comprehensive information on the services offered, the company's financial standing and cooperation with insurers at the request of each Contractor.

### Complaints

Complaints are resolved in accordance with the "Complaints" procedure included in the Quality Manual, which includes:

- The Form. Complaints sheet.
- Instructions. Complaints, Disputes.
- Appendix No. 1. General diagram of complaint handling.

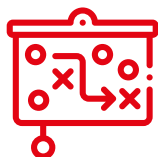
### Supplier verification

In order to provide the client with the highest level of security of services, the company chooses carriers with great care.

The main emphasis is on verification and checking the carrier from whom the transport service is ordered.

To this end, the company has created a unique SafeCargo controlling system that ensures safety throughout the entire transportation process from carrier selection and cargo receipt through monitoring the ongoing execution of orders to delivery of cargo to destination. The purpose of the verification is to eliminate dishonest companies and identify any formal and legal deficiencies.

# Relations with **clients,** **subcontractors, contractors**



## THE COMPANY'S INITIAL PLANS

### 🕒 In the near term:

- Strengthen message to the clients and subcontractors about integration opportunities through the SCL platform.
- Improve KPIs to become better.
- Present the sustainable development activities carried out by the company during meetings at clients/contractors offices.
- Set up a chat / forum for carriers.

### 🕒 In the longer term:

- Integrate TMS and SCL systems, including with client systems.
- Create carrier Panel in SCL system with access to key information to facilitate decision making.
- Create posters / newsletters for clients and subcontractors with key information on the company's sustainability activities.
- Allow carriers to independently create reports in the SCL system based on available data.

# Reliable and Ethical Marketing Practices



## COMPANY ACTIONS

In its marketing activities, ABC Czepczyński focuses primarily on informing about the quality of its services, activities in increasing security in the supply chain, innovative technological solutions and the company's activities in the area of CSR.

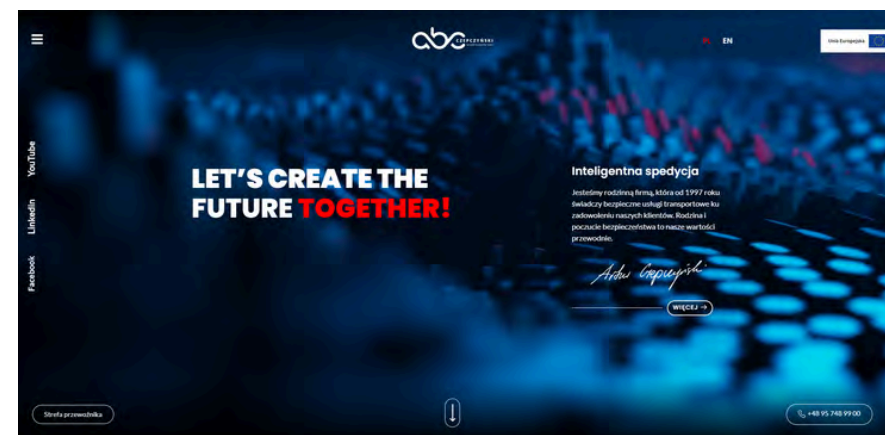
### The main marketing channels are:

- 🕒 company website
- 🕒 company profile on social media: Facebook, LinkedIn, YouTube

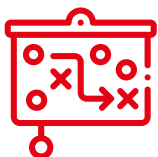
The company ensures that all public information and marketing communications are always clear, unambiguous, and reliable. It adheres to honest advertising practices, creating content with respect for the dignity of the audience, avoiding stereotypes and content that may be offensive or exclusionary.

ABC Czepczyński has a transparent privacy policy. It clearly communicates how it collects, processes, and stores personal data, as well as how consent for data processing can be withdrawn.

The company ensures that reviews and opinions about it and its services are authentic. The company does not engage in falsifying reviews or removing negative comments.



# Reliable and Ethical Marketing Practices



## THE COMPANY'S INITIAL PLANS

- Creating principles that will guide the company and employees in broadly understood marketing activities, in order to ensure fairness and compliance in the communication process, as well as respect for dignity and respect for all involved parties.
- Improving internal communication, creating a place for mutual knowledge sharing about projects, the company's situation, its successes and employee initiatives based on Office 365.



# Promoting CSR and / or ESG related activities



## COMPANY ACTIONS

The company's policy to promote sustainable development activities is increasingly broad.

This ESG Report is the company's another sustainability report. The company informs about its activities in sustainable development during such event as trainings, own and the clients' events, as well as in meetings with clients and Business Partners. ABC Czepczyński also conducts intensive communication activities in social media and has a dedicated CSR tab on its **website: CSR - ABC Czepczyński ([abc-czepczynski.pl](http://abc-czepczynski.pl))**. The company conducts many CSR activities through the Czepczyński Family Foundation and information about these activities is available on the Foundation's website: **Czepczyński Family Foundation – family foundation ([cff.edu.pl](http://cff.edu.pl))**.

The long-standing CSR activities of ABC Czepczyński and the companies within its group have been significantly expanded and are now implemented on a much larger scale through the Czepczyński Family Foundation, established in 2019 specifically for this purpose. The company has supported the foundation from the very beginning and continues to work with it closely. The foundation specializes in promoting children's education, focusing primarily on improving its accessibility and quality. Its flagship projects are ABC Ekonomii (financial education) and ABC Empatii (inclusive education), aimed at preschools and primary schools (for children aged 5-10 years).



# Promoting CSR and / or ESG related activities

**CFF** CZEPCZYŃSKI  
FAMILY  
FOUNDATION

## INTEGRATION WITH WAR REFUGEES

In response to the ongoing war in Ukraine, the company enabled CFF to translate the book “ABC Empatii” into Ukrainian free of charge and to prepare a special additional chapter dedicated to the integration of children forced to flee their country.

The company and CFF hope that this project will help refugee children feel welcomed and supported in Poland.



# Providing a safe workplace



## SECURITY IS IMPORTANT FOR ABC CZEPCZYŃSKI



**Integrated Management  
System (Quality,  
Environment, GDP)**



**Crisis Management  
Team**



**Regulations,  
instructions**



**Awareness-building  
and education**



**OHS training for new  
employees**



**Regular Evacuation  
Exercises**

# Providing a safe workplace



## COMPANY ACTIONS

### SAFETY

ABC Czepczyński provides a safe workplace.

Instructions in the broad scope of OHS are placed in a visible place and are available for each employee (instructions in case of fire, first aid, computer operation, using the photocopier, shredder, evacuation plans). Fire extinguishers and fire markings are installed in the buildings and evacuation drills are organised on a regular basis. The company also complies with the client health and safety requirements, enforced by the clients. Health and safety conditions are one of the conditions for obtaining a contract.

The OHS Service collects and analyses data about possible events and proposes corrective actions.

The company has adopted regulations to prevent and respond quickly to any physical security threats or health and safety incidents.

### THE COMPANY BUILDS A SAFE AND HYGIENIC WORKING ENVIRONMENT BY:

Training of employees and managers – every new employee undergoes OHS training, ensuring a safe and healthy working environment, creating a procedure in cases of breach notifications or the need to change OHS rules, building and maintaining a safe working environment and preventing injuries and accidents, maintaining a fire safety manual on the company's premises along with evacuation drills. As part of the IMS and OHS training programme, the company informs its employees about the possibility of potentially dangerous situations and teaches the appropriate way of responding to them.

Such situations include fire, flooding, bioterrorism and sabotage, energy failure, vehicle accident, environmental pollution. For this purpose, the Crisis Management Team (P10-F01) is established and the crisis procedure is tested at least once a year.



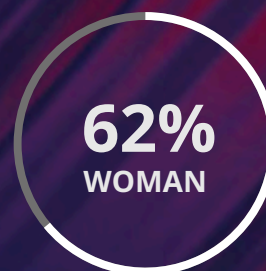
# Fair treatment and a friendly workplace



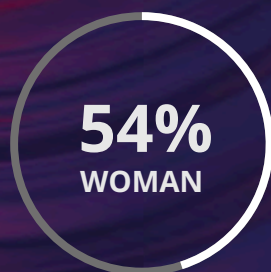
EMPLOYMENT STRUCTURE  
BY GENDER



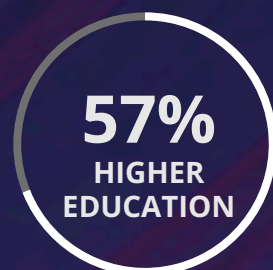
TYPE OF AGREEMENT



ADMINISTRATIVE  
POSITIONS



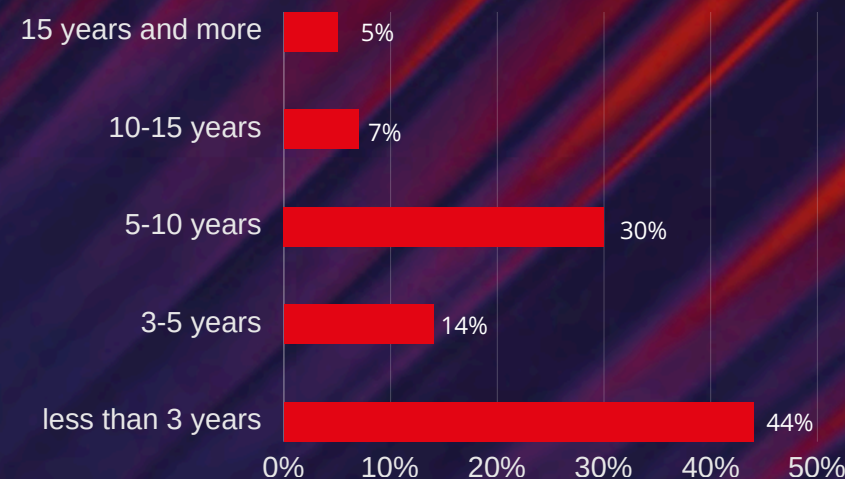
MANAGEMENT  
POSITIONS



EMPLOYMENT STRUCTURE BY  
EDUCATION



PROMOTIONS



EMPLOYMENT STRUCTURE BY AGE

\*7% other type of contract



# Fair treatment and a friendly workplace



## At ABC Czepczyński people are the most important!

- Company Code of Conduct
- Quality Manual – HUMAN RESOURCES
- Work Regulations
- Job Descriptions
- Employee Remuneration Regulations
- Training Procedure
- Anti-Mobbing and Anti-Discrimination Regulations
- Internal Reporting Procedure
- Employee Representatives



Integration and mutual respect



ABC of Empathy project



Awareness-building



Employee appreciation day



Bonuses and benefits



Equal treatment of women



Preventing exclusion of minorities



Positive atmosphere and partnership



Counteracting mobbing and discrimination



Just remuneration



Clear career path



Freedom of speech and open communication

# Fair treatment and a friendly workplace



## COMPANY ACTIONS

### Employment

Thanks to its competency-based approach to recruitment, ABC Czepczyński maintains a highly qualified workforce at every operational level. Employees with higher education represent over 57% of the staff. As of December 31, 2024, the company employed 99 people across 7 offices throughout Poland. 56% of the workforce are women. 93% of personnel are employed under employment contracts. Nearly half of the employees have been with ABC Czepczyński for more than 5 years.

### Employee Relations

In line with its commitment in the Labor Standards and the ABC Czepczyński Company Code of Conduct, the company operates in accordance with the ten principles of the UN Global Compact, UN guidelines, the Universal Declaration of Human Rights, the International Bill of Human Rights, OECD Guidelines, and ILO Conventions.

ABC Czepczyński fosters integration and mutual respect among its employees. The company respects the right to freedom of expression - employees are encouraged to communicate openly with management, including about working conditions. The company promotes a family-like atmosphere that is motivating, engaging, and conducive to good internal communication, collaboration, and a partnership-based approach toward employees. Great flexibility and understanding are extended to employees' family needs and the needs of parents working at the company. The company celebrates Employee Appreciation Day, during which employees receive gifts.

### Prevention of Mobbing and Discrimination

The company has established Anti-Mobbing and Anti-Discrimination Regulations and has appointed an Anti-Mobbing and Anti-Discrimination Committee. The company conducts regular employee training on mobbing and discrimination, which is verified through testing.

### Actions Against Exclusion

The company pays special attention to creating a safe and legally compliant work environment for groups vulnerable to persecution or marginalization, including women, younger or older employees, members of national minorities, persons with disabilities, foreign workers, or migrants. The company also seeks PFRON (State Fund for the Rehabilitation of Disabled Persons) funding to help subsidize salaries for employees with disabilities. Additionally, the company, together with CFF, implements the ABC of Empathy project, whose main objective is to raise awareness among children and their parents about people with disabilities and illnesses.

# Fair treatment and a friendly workplace

## COMPANY ACTIONS

### **POLICIES, PROCEDURES, RULES**

ABC Czepczyński operates based on clear, transparent procedures, which enable organic growth while minimizing internal and external risks. The company's work rules, remuneration and bonus system, as well as a transparent career path and opportunities for personal development and professional skill enhancement, are documented and accessible to every employee. The company also guarantees on-time salary payments. ABC Czepczyński does not apply discriminatory criteria in hiring, job evaluation, or employee remuneration.

The company has formal policies, procedures, and principles that address a broad range of employee-related matters. These include:

- the Company Code of Conduct, which defines human rights and labor rights principles,
- the Quality Manual, which in the HR chapter outlines the company's approach to building relationships with employees,
- the Work Regulations,
- Job Descriptions specifying objectives, clear scope of responsibilities, and authority,
- the Employee Remuneration Regulations,
- the Personnel Training Procedure,
- the Anti-Mobbing and Anti-Discrimination Regulations,
- the Internal Reporting Procedure.

#### • **THE CODE OF CONDUCT OF ABC CZEPCZYŃSKI INCLUDES:**

- work standards, rules of preventing discrimination and mobbing,
- OHS rules,
- environmental protection rules,
- rules of using social media and the internet,
- rules for preventing corruption, bribery and conflicts of interest,
- rules of preventing money laundering, financing terrorism and violating international sanctions,
- rules for the processing of information and data,
- rules for personal data management,
- rules for managing confidential information,
- rules for handling notifications.



# Fair treatment and a friendly workplace



## COMPANY ACTIONS

### Remuneration and bonuses

ABC Czepczyński has a clear and fair remuneration system, which is documented and accessible to every employee through the Employee Remuneration Regulations. The basis for determining salary levels includes factors such as position type and qualifications. Gender has no influence on remuneration levels.

### The company has a bonus system under which employees may also receive:

- monthly bonus,
- quarterly bonus,
- annual bonus,
- The remuneration system and incentive system are not yet linked to sustainability-related criteria. The company conducts employee performance reviews every six months. The review also includes an employee satisfaction survey. As part of R&D, an employee project was carried out to assess job satisfaction and motivation.

### Non-financial benefits

The company motivates and measures employees involvement in charity events. Under the incentive scheme, the company offers various types of financial and non-financial benefits:

- co-financing of Multisport Cards,
- jubilee bonus after 10 and 20 years of work,
- language learning,
- team-building events,
- company events,
- participation in external training,
- access to training on the HCM Deck platform, upgraded to Office 365 tools mid-year
- participation in industry conferences,
- participation in charitable actions,
- insurance on preferential terms,
- possibility of remote work,
- participation in charitable events at foreign clients.

# Fair treatment and a friendly workplace



## COMPANY ACTIONS

### SMETA Reporting

#### What is SMETA?

The SMETA (Sedex Members Ethical Trade Audit) is a method for assessing ethical practices within companies, developed by the Sedex organization. Sedex is a global platform that enables companies to manage and share data related to labor standards, occupational health and safety, environment, and business ethics across their supply chains.

#### The SMETA audit can cover either two or four pillars:

- **2 Pillar:** Assesses labor practices and occupational health and safety.
- **4 Pillar:** In addition to the above, also evaluates environmental practices and business ethics.

The purpose of the SMETA audit is to ensure compliance with ethical standards and to improve transparency and accountability within supply chains.

In **2024**, the company underwent a **four-pillar SMETA audit**. The scope of the audit was based on the following reference documents:

#### 2-Pillar SMETA Audit

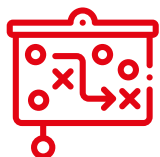
- ETI Base Code
- SMETA Supplements
- Universal Rights covering UNGP
- Management Systems and Code Implementation
- Responsible Recruitment
- Right to Work and Immigration,
- Subcontracting and Homeworking

#### 4-Pillar SMETA

- 2-Pillar requirements plus:
- Additional assessment of the Environmental pillar
- Additional assessment of the Business Ethics pillar
- Client's Supplier Code



# Fair treatment and a friendly workplace



## THE COMPANY'S INITIAL PLANS

- **In the near term:**  
Take integration activities between the company's departments.
- **In the medium term:**  
Regularly check employee satisfaction level.



# Employee development and ESG knowledge and competencies



**Office 365**



**Training plans**



**Competence development**



**Development path**



**4 conferences, in which the company's employees participated in 2024.**



**100% employees trained in:**

- ISO IFS GDP
- Occupational Health and Safety (OHS)
- Anti-Mobbing — training completed with a test
- Compliance
- Fire Protection



**65% of trainings** from the last 3 years directly or indirectly supported sustainable development in the company



**29 training sessions** conducted in the past year in areas that directly and indirectly promote understanding and use of sustainability tools, including:

- Good Distribution Practice (GDP)
- GDPR
- Occupational Health and Safety (OHS)
- ISO, IFS, GDP, Debt Collection
- Controlling
- Communication
- IFS Logistics v3 Standard Requirements
- Transporeon Summit
- COO Summit — training for operations managers
- Synology VMM
- ESET Full Disk Encryption
- FENG Funds and R&D Activities
- Cyber-Secure Company
- AI Fundamentals. Boost Your Efficiency at Work
- Cloud Solutions in Business
- Cybersecurity Solutions

# Employee development and ESG knowledge and competencies



## COMPANY ACTIONS

### EMPLOYEE DEVELOPMENT

ABC Czepczyński supports employees' personal development and encourages skills enhancement by offering a career path and a broad catalog of training programs. The career development path (for operational staff) is clear and transparent, and the promotion criteria are well-defined.

Employees hold positions within specialized departments aligned with their qualifications, each offering distinct career paths. Depending on individual aptitudes and aspirations, employees are engaged in activities that are important to the organization and at the same time provide them with opportunities to expand their knowledge and competencies. The company continuously raises the overall level of professional qualifications of its workforce through systematic training.

Training activities are defined in Procedure P02 – Personnel Training. All employees are trained to understand the role and importance of service quality, including training on the Integrated Management System, which also incorporates elements of sustainability. The company also conducts mandatory training, primarily onboarding training, during which employees learn about the organization's structure, values, mission, goals, and services. Mandatory periodic training is also conducted, including in Occupational Health and Safety (OHS).

Some training is conducted internally, but depending on organizational needs, the company also arranges external training provided by specialized organizations or recognized experts in a given field. The company has utilized the Office 365 platform, which hosts training materials, presentations, and tests. When new or updated training becomes available, employees receive invitations and can complete the training at their convenience.

# Employee development and ESG knowledge and competencies



## KNOWLEDGE AND COMPETENCES IN ESG

The level of staff awareness regarding sustainable development is at a moderate level; however, the company is making continuous efforts to raise this level year by year, including through employee participation in training programs and conferences in sustainability-related areas.

The implementation of past projects has significantly improved the competencies of both management and employees responsible for ESG. Some employees participated in training on ESG and carbon footprint calculation organized by the Polish Development Fund (PFR).

Sustainability remains an area that ABC Czepczyński will continue to actively develop in the coming years. In 2024, selected employees participated in 29 training sessions that directly and indirectly support sustainability. The company also maintains direct contact with external ESG experts and leverages their specialized expertise.

# Employee development and ESG knowledge and competencies



## TOPICS OF SUSTAINABLE DEVELOPMENT TRAINING PROVIDED AT ABC CZEPCZYŃSKI:

- Good Distribution Practice
- ESG reporting. Workshop on calculating an organisation's carbon footprint
- GDPR
- OHS
- ISO, IFS, GDP, Debt collection
- Controlling
- Communication
- IFS Logistics v2.3 Standard Requirements
- Cybersecurity Solutions
- Transporeon Summit
- COO Summit — training for operations managers
- Synology VMM
- ESET Full Disk Encryption
- FENG Funds and R&D Activities
- Cyber-Secure Company
- AI Fundamentals — Boost Your Efficiency at Work
- Cloud Solutions in Business



# Organisational culture that motivates, engages, and **supports social initiatives**



As a company, we have an impact on various stakeholder groups. We try to make this impact as positive as possible and ensure our relations are based on clear rules. We all feel accountable to our employees, the environment, local communities and business environment (partners, clients, carriers, etc.). We attach particular importance to issues related to social engagement and education. Financial education and learning empathy are the two main areas of activity of the Czepczyński Family Foundation established by Artur Czepczyński and his wife Justyna in 2019. By combining two worlds: of business and education, the founders and the entire foundation team show that learning about economics, empathy and tolerance can and should start from the young age.

*"I believe good deeds come back to us"*

*Artur Czepczyński*





# Organisational culture that motivates, engages, and **supports social initiatives**

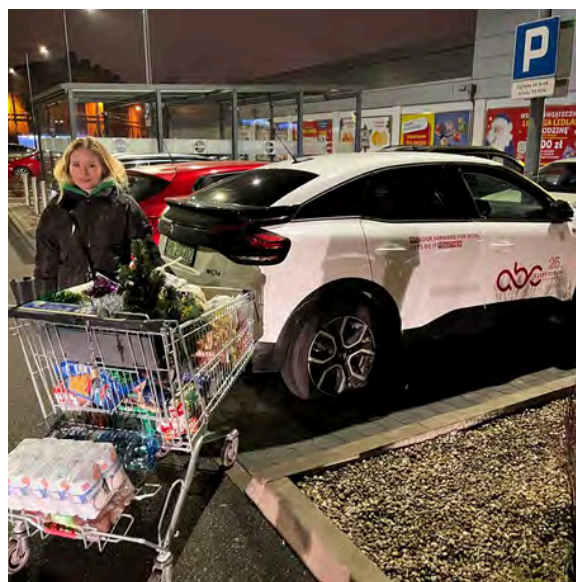


## COMPANY ACTIONS

### EMPLOYEE INVOLVEMENT IN CHARITY INITIATIVES



Noble Gift



Support for Ukrainian families



The Great Orchestra of Christmas Charity

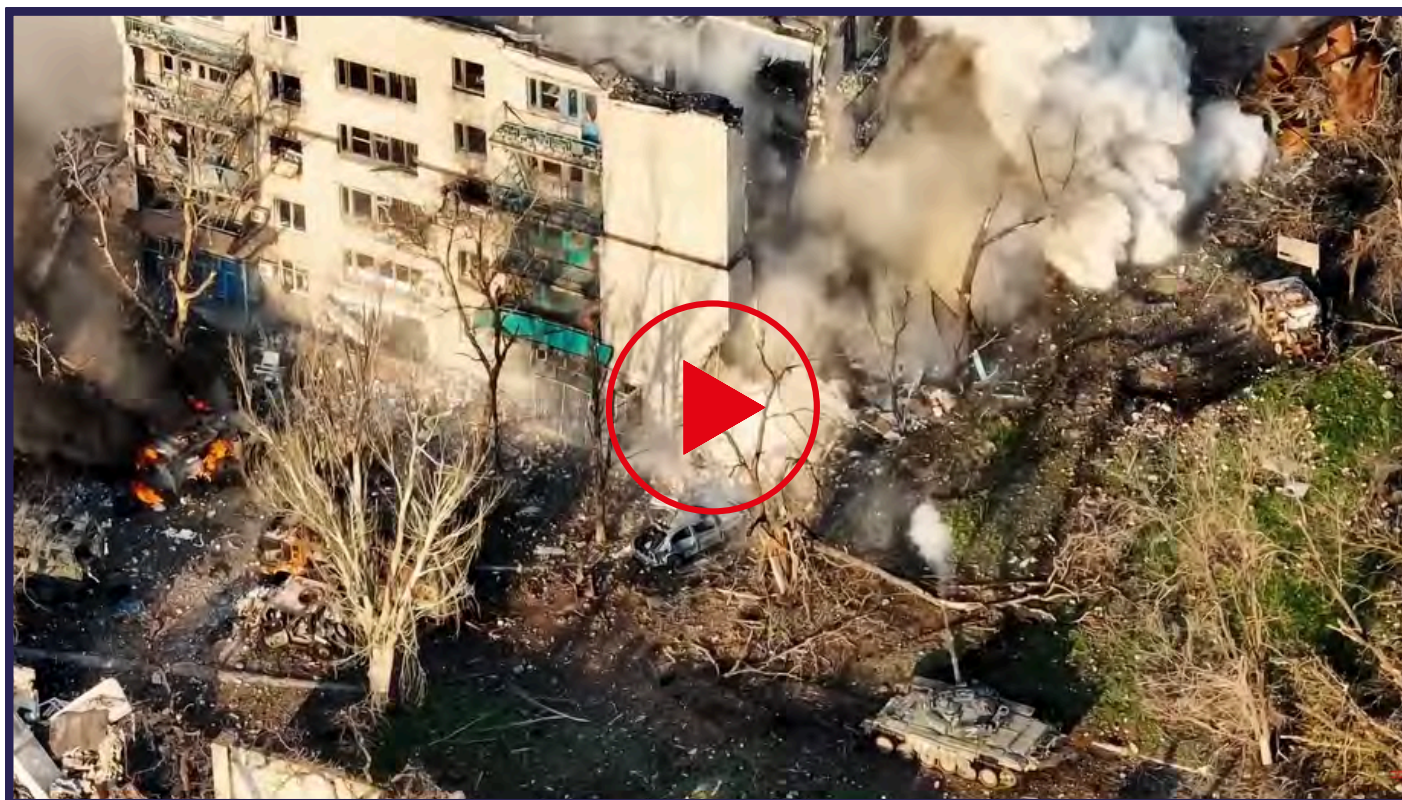


# Organisational Culture that motivates, engages, and **supports social initiatives**



## COMPANY ACTIONS

### HELPING REFUGEES FROM UKRAINE





# Organisational Culture that motivates, engages, and **supports social initiatives**



## CFF ACTIVITIES IN COOPERATION WITH ABC CZEPCZYŃSKI

### **2024 – Year of Economic Education**

The Year of Economic Education, established by a resolution of the Senate of the Republic of Poland and co-organised by the CFF, is a unique initiative aimed at addressing gaps in knowledge about the economy, investments, and personal finance. Over the course of six months, 16 conferences were held—one in each voivodeship ensuring that economic education reached as many people as possible.

### **Conference on Economic Awareness**

On 21 February 2024, a CFF representative took part in a conference on economic awareness, resilience and social inclusion, organised by the European Commission and the Belgian Presidency.

### **The Senate of the Republic of Poland and CFF on the mental health of children**

On 20 May 2024, the Senate hosted a debate on the future of inclusive education, initiated by the Czepczyński Family Foundation. Experts discussed key strategies to support the mental health of children and adolescents. The meeting brought together representatives from the Senate, Ministry of Education, local authorities, and CFF. The discussion highlighted the urgent need for systemic solutions and greater emotional support in schools.

### **Global Money Week 2024 (18–24 March)**

As part of this year's campaign, we organised an international online debate with representatives from the OECD, the European Parents' Association, and participants from six countries: France, Italy, Sweden, Norway, Poland, and Ukraine.

### **European Commission Recommendations**

As a result of the European Parliament conference and our cooperation with the Learning for Wellbeing Foundation, the "ABC of Empathy" project was included in a document containing recommendations for schools, teachers, and decision-makers.

### **9th European Congress of Local Governments 2024 (Mikołajki, 4–5 March)**

As a partner, we provided patronage to the panel discussion "Together Against Depression: Local Government, Ministry and NGO Initiatives for the Mental Health of Young People". Dr Paweł Kaczmarczyk was invited to join the debate "Close to those in need: NGO activity – past, present and future".

### **Mental well-being of children from Poland and Ukraine**

On 8 August 2024, we took part in a meeting organised by the Ministry of Education, focused on emotional support for the young generation from Poland and Ukraine. Together with organisations from Poland, Ukraine, and the United States, as well as government representatives, we had the opportunity to exchange experiences and discuss key actions to support children and youth in challenging times.



# Organisational Culture that motivates, engages, and **supports social initiatives**



## CFF ACTIVITIES IN COOPERATION WITH ABC CZEPCZYŃSKI

### CERV Project

On 19 September 2024, together with partners from Italy, Lithuania, and Portugal, we submitted a project under the CERV programme, funded by the European Commission. Its aim is to promote empathy, equality, and inclusive education across Europe.

### CFF joins Eurochild

On 5 December 2024, CFF joined Eurochild — the largest European network of organisations working to promote children's rights and well-being. This is a great honour for us and opens up new opportunities for collaboration towards a better future for children in Poland and Europe. Eurochild brings together 224 members from 42 countries and works to improve children's lives, eliminate poverty, and combat social exclusion.

### CFF in Venezuela

On 12 December, representatives of CFF, invited by the Embassy of the Republic of Poland, took part in the Western Book Fair in Venezuela, organised by Andrés Bello Catholic University, alongside local teachers, decision-makers, and NGOs. In Caracas, we established contacts with, among others: Universidad Central de Venezuela, Provea, United Nations Population Fund, and Project REMO.

### New CFF Project - The ABCs of Emotions

On 6 December 2024, the first chapter of ABC Emocji was published. This is an educational programme for children aged 5–10, designed to support the development of emotional and social competences. Through the programme, young children learn to recognise, name, and regulate emotions, which helps them to build healthy relationships, develop empathy, and better cope with challenging situations. At present, the book is already complete. We are still awaiting the teaching materials, which will be published in April 2024.

### European Debate on Inclusive Education (17 April 2024)

On 17 April, a debate on inclusive education for children was held at the European Parliament, organised by Ewa Kopacz - Vice-President and Coordinator of the European Parliament on children's rights. Following the debate, ABC Empatii lessons were delivered at the Polish Joachim Lelewel School in Brussels by the CFF team together with Dominika Kasińska, who shared with the children what it is like to live with Down's syndrome and answered their questions.

# Indicators relevant to disclosed information

	2019	2021	2022	2023	2024
Percentage of female employees	69%	67,2%	63%	63%	56%
Percentage of persons employed under an employment contract	94,5%	93%	91,7%	94%	93%
Share of women employed in managerial positions	-	-	53%	55%	54%
Percentage of employees with university education	22,9%	35,2%	43,3%	69%	57%
Percentage of persons employed over 5 years	-	-	48%	49,02%	42%
Number of trainings and conferences	-	-	45	44	33
Number of participants in training courses and conferences	-	-	84	97	110
Expenditure on external training for employees and Managers	-	PLN 17 727	PLN 56 662	PLN 57 744.52	PLN 24 311.71
Number of sick days and time off due to illness	481	453	487	755	1187
Total remuneration and employee benefits	PLN 7 485 301.82	PLN 6 805 245.48	PLN 8 886 997.87	PLN 9 564 573.12	PLN 8 284 684.20
Average percentage increase in salaries (compared to previous year)	9,34%	26,28%	20,42%	7,08%	10,05%
Average length of service (in years)	3,61	4,65	4,87	5,21	6,02
Average employee age (in years)	30,5	31,98	31,96	32,97	33,38

# Policies and activities in the area of **corporate governance**

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## **Building and developing ESG strategy taking into consideration environmental risk management**

- Level of awareness and structure of ESG
- ESG risk management
- Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives

## **Adapting actions to formal, legal and organisational ESG regulations**

- Cooperation in the value chain
- Implemented safety systems



# Policies and activities in the area of corporate governance

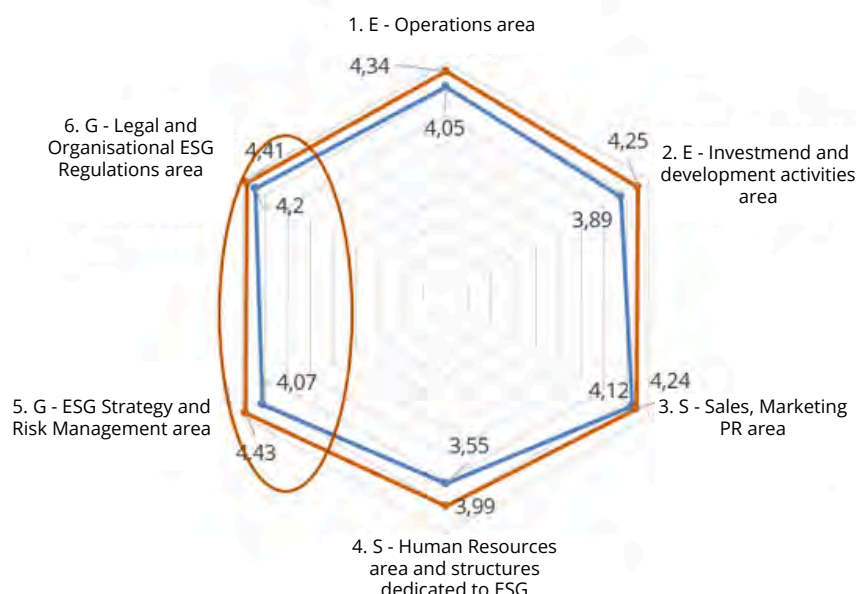


"At present, my role is strategic; I am involved in activities that are fundamental to the company's operations, the i take charge of the area of company safety and risk, and I do not interfere with the implementation process. This gives me space to look at the company in a broader perspective and create a vision that I then discuss with the employees who will be implementing it at the end of the day."

*Artur Czepczyński*

*"How to build effective management structures and trusted teams?" Challenges for Family Companies, Deloitte Private Podcast*

# ESG strategic balance – corporate governance factors in the company's opinion



## Commentary:

The company assesses the alignment of its operations with legal and organisational ESG requirements as very high. When compared to data from the previous report, no significant changes were observed in the assessed areas.

The company demonstrates a strong awareness of the importance of corporate governance factors. It is actively working to integrate sustainability issues into its efforts to improve environmental performance, working conditions, and management practices - both within its own structures and across its entire value chain.

### CURRENT LEVEL

1 - unsatisfactory

5 - very good

### IMPORTANCE

1 - will decrease significantly

5 - will increase significantly



# Level of **awareness** and structure of ESG



## HIGH LEVEL OF ESG AWARENESS AT MANAGEMENT AND DECISION-MAKING LEVEL

Artur Czepczyński, President of the Management Board of ABC Czepczyński, oversees the implementation and execution of the company's ESG activities, including **CSR** and **corporate compliance system**.

### CSR activities

- In cooperation with Chief Operating Officer/Board Member, Czepczyński Family Foundation

### Mobbing and discrimination offences

- Committee for Counteracting Mobbing and Discrimination

### Compliance with the company's code of conduct

- Compliance Team

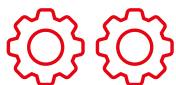
### Environmental elements within the scope of certificates held

- Quality Department
- Integrated System Improvement Team
- Integrated Management System Improvement Representative

## Structures responsible for ESG activities at ABC Czepczyński



# Level of awareness and structure of ESG



## COMPANY ACTIONS

### Level of Awareness and Commitment of Senior Management to Sustainability

At ABC Czepczyński, the level of sustainability awareness at both executive and decision-making levels is considered high. Senior leadership demonstrates a strong understanding of ESG issues. The Management Board is responsible for defining the company's policies and objectives in terms of quality and environmental management. It also ensures access to the necessary resources, funding, and investments required to achieve these goals. Despite the absence of formal requirements, the management has made a voluntary decision to continue publishing a non-financial report.

### Dedicated Roles and Structures for Sustainability within the Organisation

There is no single department, position, or individual solely dedicated to ESG matters within the company structure.

### Within the existing structures of responsibility for different ESG areas, the following are dispersed:

- The Quality Department, the Integrated Management System Improvement Team, and the Representative for Integrated Management System Improvement are responsible for environmental aspects related to the company's certified systems.
- CSR activities are overseen by the Management Board, in collaboration and coordination with the Chief Operating Officer/Board Member and the Czepczyński Family Foundation.
- The Management Board is also responsible for the implementation and oversight of the corporate compliance system.
- The Compliance and Security Team supervises adherence to the Company Code of Conduct.
- The Anti-Mobbing and Discrimination Committee supervises offences in these areas.

# Level of awareness and structure of ESG



## COMPANY ACTIONS

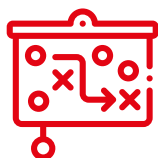
### Internal audit and quality oversight structures

- The company has established a **Quality Department** and appointed an **Internal Auditor**, who conducts regular audits across various operational areas to ensure the highest standard of service quality.
- The Internal Auditor reviews existing processes and procedures, identifying any non-conformities. The process owner is then responsible for defining and implementing corrective actions.
- Audits are conducted in accordance with an **annual audit plan**, made available to all departments. These audits assess compliance with the requirements of **ISO 9001, ISO 14001, IFS, and GDP** standards.
- The frequency of internal audits depends on the significance of a process to the organisation (the more critical the process, the more frequently it is audited), as well as the outcomes of previous internal and external audits. Some departments are audited once a year, others two or even three times.
- Each audit results in a **report** outlining the findings and observations. In the case of non-conformities, a **Non-Conformity Report and Observation Report** are prepared, detailing corrective and improvement actions. The auditor verifies the effectiveness of the actions taken.
- All audit documentation is recorded, securely stored, and made available to authorised personnel.
- The company also conducts regular **financial and procedural audits**.
- The company also has a **Legal Department** which monitors the regulations on an ongoing basis and adapts the company's activities to changing regulations.

### Compliance (ensuring adherence to laws, regulations, standards and internal policies)

- The company operates a dedicated **Compliance Team**.
- The Compliance Team oversees the company's compliance with legal requirements and internal regulations, in particular the Company Code of Conduct.
- Reports of potential breaches can be submitted either anonymously or with identification to: [compliance@abc-czepczynski.pl](mailto:compliance@abc-czepczynski.pl)
- The company has also implemented the **SafeCargo.COMPLIANCE** procedure to ensure alignment with legal and industry standards within the TSL sector (Transport, Freight Forwarding, and Logistics).

# Level of **awareness** and structure of ESG



## THE COMPANY'S INITIAL PLANS

### In the near term (1 year):

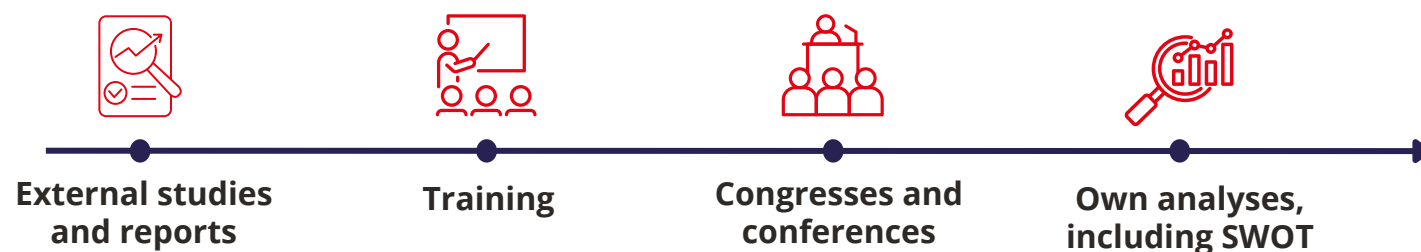
- Formally establish a group responsible for ESG reporting in the company. Apart from collecting data from individual departments of the company, this group should provide feedback on the progress of departments and the entire company.
- Organize regular meetings for executives on the progress of sustainable development activities and the company's ESG strategy.
- Provide information on the implementation of activities related to sustainable development and the company's ESG strategy to all employees, e.g. at **the annual Christmas Meeting**.





# ESG risk management

Forecasting trends and changes in the environment, including in sustainable development, is the company's strength



This competence allows the company to identify and manage risks

## For projects

- political risk
- economic risk
- social risk
- technological risk

## For consignments of medicinal products and food (HACCP Hazard Analysis and Critical Control Points)

- microbiological hazards
- chemical hazards
- physical hazards
- radiological hazards and allergens

## For the company's business and purposes

- risk of decreasing available rolling stock at subcontractors
- risk of overdependence on one or more clients
- risk of losing the entrusted cargo
- foreign exchange risk
- risk of increased employee turnover
- risk of downturn
- risk related to unstable geopolitical situation

# ESG risk management

The company has identified the following Environmental Aspects that could potentially have a negative impact on the environment.

Aspect	Threat
Utility consumption - electricity	Consumption of natural resources
Utility consumption - heat energy	Consumption of natural resources
Utility consumption - water	Consumption of natural resources
<b>Waste generation - paper, consumables</b>	<b>Environmental pollution</b>
Waste generation - technical equipment	Environmental pollution
Waste generation - municipal waste	Environmental pollution
Chemicals consumption	Environmental pollution
<b>Fuel/technical oil consumption</b>	<b>Consumption of natural resources, environmental pollution</b>
Exhaust emissions, wear and tear of parts, noise (employee commuting)	Environmental pollution
Environmental impact of building infrastructure	Environmental pollution
Company cars - internal combustion (emissions, noise, consumables consumption)	Environmental pollution
<b>Company cars - electric</b>	<b>Environmental pollution, consumption of natural resources</b>

# ESG risk management



## COMPANY ACTIONS

### The organisation's ability to anticipate trends and changes, including those related to sustainability

The company engages in many **forward-looking initiatives** that serve as an inspiration for the industry (e.g., CSR activities, TMS system). Being a pioneer requires constant monitoring of the business environment. Company leadership regularly observes market developments and conducts an **annual SWOT analysis, including an assessment of opportunities and threats** in both the micro and macro environment.

Employees participate annually in training sessions on legal and regulatory changes, as well as in **industry conferences, panels and congresses**, to stay updated on market trends and upcoming developments.

### In 2024, these included:

- Transport Manager Conference – Poznań
- TransLogistics – Warsaw
- Forum of Polish Logistics Managers
- International Transport and Logistics Fair

### Comprehensive approach to risk management

In line with the requirements of quality management system standards, the company conducts **regular risk assessments**. Identified threats (and opportunities) are analysed in terms of their likelihood and potential impact on the company's operations and strategic objectives.

Risk assessments are carried out on a cyclical basis and take into account emerging or changing external factors. The latest analysis highlighted the need for enhanced oversight of transport service providers (**service quality**), **fleet availability, the growing threat of cargo theft (fraudulent pickups), and the need to strengthen data and IT system security**.

### The key risk factors identified for the coming years include:

- reduced availability of subcontractor fleets,
- overreliance on one or several key clients,
- risk of loss or theft of entrusted cargo,
- foreign exchange risk,
- increased employee turnover,
- economic downturn,
- geopolitical instability.



# ESG risk management

Risk	Risk description	Risk management
<b>Risk of decreasing available rolling stock at subcontractors</b>	The lack of drivers on the market and the additional financial burden resulting from the provisions on minimum wage (the need to equalise the wages of workers posted to Western rates, especially in Western Europe). <u>High risk</u>	The company has undertaken actions aimed at strengthening cooperation with an increasing number of Polish and foreign subcontractors, which will constitute a competitive advantage over the next years.
<b>Risk of overdependence on one or more clients</b>	In the absence of a diversified client portfolio, the risk of losing revenue when the client gives up cooperation or due to the client's bankruptcy. <u>High risk</u>	The company's sales activities are aimed at increasing the diversification of sales within the FMCG industry. In 2023, the company extended and increased the number of contracts with FMCG clients (including Unilever, Danone, Nestle, Procter & Gamble, Carlsberg, Mondelez), which allows to diversify the potential risk of losing the client.
<b>Risk of losing the entrusted cargo</b>	The attempts on the TFL market to extort or steal cargo based on the actions of electronic channels pose a major challenge for companies relying on external rolling stock. <u>Medium risk</u> due to the introduction of subcontractor verification.	The company effectively minimises the risk by implementing the rules and procedures for verifying subcontractors in accordance with which all company departments work. The company has also developed its proprietary SafeCargo programme, a set of guidelines aimed at eliminating the risk of losing the entrusted cargo. The system is updated on an ongoing basis in response to new threats.
<b>Foreign exchange risk</b>	The year 2023 has seen a relative stabilisation of Polish zloty in relation to key foreign currencies, including the Euro, which has an impact on nominal sales revenues (approximately 96% of settlements in Euro) <u>Medium risk</u>	The company developed the document "Risk Management Policy for ABC Czepczyński sp. z o.o. sp. k." in order to minimise foreign exchange risk and exchange rate fluctuations on the currency market. The Management Board regularly monitors foreign currency receivables and liabilities and cash flows.
<b>Risk of increased employee turnover</b>	The phenomenon of "stealing employees" is a common practice in the transport and logistics sector. <u>Medium risk</u>	ABC Czepczyński, through the planned activities of the HR Department, tries to minimise the risk in question. The incentive schemes put in place and permanent contact with the company's employees minimises the risk of fluctuation.
<b>Risk of downturn</b>	Deepening global crisis, the war in Ukraine, brought double-digit inflation and steep price increases. Production is in decline, resulting in lower need for transport and a reduction in freight rates. <u>Medium risk</u>	The company has permanent access to a large number of orders from permanent clients and is cost-flexible. The possibility of reducing sales personnel is a guarantee of business flexibility to enable the company to survive a period of downturn. Most clients are from the FMCG industry, which resisted a downturn.
<b>Risk related to unstable geopolitical situation</b>	The current armed conflict in Ukraine has affected many industries both in Poland and in Europe. The impact of the conflict on the European economy will depend on the duration of military operations. <u>Medium risk</u>	The war in Ukraine has no direct impact on the company's operations, as it conducts no operations east of the European Union and does not cooperate with partners in these areas. Additionally, the FMCG industry is stable despite the war. The company will continue to monitor the threat and respond so as to mitigate any negative impact on the company.
<b>Cybersecurity, personal data protection</b>	The company is fully digitised. It is dependant on the quality of the software used, the IT infrastructure and staff awareness of risks involved. <u>High risk</u>	The company takes measures to minimise the risk of a successful cyberattack on the company's IT infrastructure or the leakage of personal data. Employees receive training and security-related software. The company has its own TMS IT system and undergoes external and internal audits.

# ESG risk management



## COMPANY ACTIONS

### Risk analysis of the Integrated Management System

The company also analyses risks to achieve the organization's objectives. Results of the analysis are used to define directions, specific projects and actions, expected results, deadlines and responsibilities.

Within the Integrated Management System, ABC Czepczyński analyses and manages **risks** related to the performed **services of consignments of medicinal products and food**.

This approach makes it possible to **ensure food safety** by identifying and estimating the scale of risks from the point of view of food health requirements and risks during all stages of food production and sales. This system is also aimed at identifying methods of elimination or mitigation of hazards and determining corrective actions.

The risk analysis has been prepared taking into account all possible hazards that may occur in the specified **stages of the process** implemented by the company and at the same time may have a negative impact on the safety of consignments of medicinal products and food.

Additionally, **each project** accepted in the company must also have **specified risk of its acceptance and non-acceptance** and these are mainly political, economic, social and technological risks (PEST).

### Insurance

Even though not required by law, the company holds civil liability insurance both for the carrier's activity in domestic and international transport and in the scope of the forwarder's activity.

**In addition, the company insures general risks related to its business, such as environmental damage.**

# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives

The superior objective and strategic objectives of ABC Czepczyński have a direct impact on sustainable development



## GOALS

**Overall goal:** working with clients for whom safety and quality of service are a key element in the selection of business partners

**Strategic goal:** creating the optimal structure of clients / carriers and maintaining the highest quality of order execution

**Strategic goal:** development of the transport localisation system

**Strategic goal:** development of E-forwarding

### Additional objectives:

- Environmental protection.
- Combating corruption.
- Quick, professional and timely implementation of the service.
- Monitoring, compliance with and meeting legal and other requirements concerning the provision of the service, environmental protection and identified environmental aspects.
- Employing competent employees, constantly improving professional skills and committed to improving the environment.



## MONITORING

The company regularly monitors processes and parameters that support the achievement of the company's objectives.

- Key parameters for the client
- Performance of internal processes
- Finance



## REPORTS

The company regularly prepares reports which constitute basis for non-financial reporting

- KOBiZE Report
- BDO report
- CRO Report
- Audit report
- IFS Audits Report
- Ecovadis Report



## DEVELOPMENT

In its development plans, ABC Czepczyński takes into account the company's influence on sustainable development

Basis for development:

- Optimum structure of reliable clients
- Development of projects related to geolocation of vehicles
- Digitalisation of document flow.



## INVESTMENTS

PLN 2 mln

In 2023 ABC Czepczyński invested **PLN 2 015 000,00** in sustainable development and plans further investments for ESG development in the company.



# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives



## COMPANY ACTIONS

### Path to decarbonisation

In 2025, the company plans to develop a decarbonisation pathway.

### Defined ESG goals

In the near future, the company plans to define goals and develop ESG Strategy, as well as calculate its carbon footprint from the base year to which it will refer its current results in achieving ESG objectives.

This ESG Report identifies the company's current ESG activities. The company takes 2023 as the base year for calculating the carbon footprint. ESG Strategy will accompany this report. However, it should be emphasised that each strategic objective of ABC Czepczyński is consistent with the assumptions of sustainable development and may be considered as ESG objectives which, after supplementing with other important objectives of sustainable development, along with their operationalisation (determining measures and current and target levels, as well as initiatives supporting their implementation), will be describing the ESG Strategy.

### Including ESG goals in the company's strategic goals

Strategic goals are set at the level of the Management Board. The company's external and internal context and the impact of stakeholders on the company are periodically identified. SWOT analysis is made at the level of individual branches and groups and the Management Board.

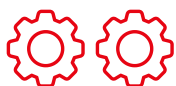
### Company strategic goals

The strategic direction of the company is "maintaining a high position, which is built through continuous improvement of services provided, increasing client satisfaction with mutual benefits and responsible conduct in the area of environmental protection."

The main objective of the organisation is "meeting the needs and requirements of the clients for the forwarding services offered on the domestic and international market, taking into account legal regulations for the declared quality of services (ESG - S and G), environment (ESG - E), health safety requirements for consignments of medicinal products and food (ESG - S and G)."

The aim is also to work with clients for whom security issues (ESG - S and G) and service quality issues (ESG - S and G) are a key element in the selection of business partners. (ESG - S and G) Both the provision of security and the highest quality of services are goals placed in the areas of sustainable development: S-Society and G-Corporate Governance.

# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives



## COMPANY ACTIONS

### COMPANY STRATEGIC GOALS

- **Creating an optimal structure of clients / carriers (ESG - S and G) and maintaining the highest quality of order execution (ESG - S and G), measured by:**
  - the margin,
  - the number of orders with Production clients,
  - the margin with Production clients,
  - the number of orders with new clients,
  - the of margin with new clients,
  - the number of complaints,
  - the number of orders with foreign arriers,
  - process efficiency.
- **Development of the transport geolocation system (ESG - E), measured by:**
  - the no. of integrated carriers
  - the number of integrated vehicles
  - the number of orders executed with integrated carriers
- **Development of E-forwarding (ESG - S and G), measured by:**
  - the use of the SCL Exchange in the execution of a transport order,
  - the number of orders concluded using the SCL Exchange,
  - the number of valuations submitted by carriers on the SCL Exchange,
  - the number of transactions (orders) concluded with the use of algorithms the number of orders concluded without paper.

### OTHER GOALS

In its activities, the company also pursues other objectives that are 100% sustainable:

- **Environmental protection (ESG - S and G), through:**
  - preference of cooperation with transport companies which have new rolling stock meeting high emission standards (EURO 5 and EURO 6),
  - increasing the number of electric vehicles in the company car fleet on regular basis,
  - efficient media management and ecological waste management, including prevention of pollution and environmental risks.
- **Combating corruption (ESG - S and G):**
  - each agreement submitted for the Management Board's signature requires prior approval of the Legal Department.
  - the company bases its activities on the "Anti-Corruption Policy" document.
- Fast, professional and timely service execution (ESG - S and G).
- Monitoring, compliance with and meeting legal and other requirements concerning the provision of the service, environmental protection and identified environmental aspects (ESG - E,S and G).
- Employing competent employees who know their place and role in the company, constantly improving their professional skills and commitment to improving the environment (ESG - E,S and G).

# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives



## COMPANY ACTIONS

### Company development

In its development plans, ABC Czepczyński takes into account its impact on sustainable development.

#### The company's growth is based on two fundamental pillars:

- close, long-term cooperation with reliable clients across Europe (long-term contracts),
- close and long-term collaboration with trustworthy transport partners.

#### The key drivers of development include:

- an optimal client structure (with a focus on the FMCG sector and financially reliable partners),
- the expansion of projects related to vehicle geolocation (tracking and monitoring of transports),
- further development of the proprietary TMS operating system and internal SCL freight exchange,
- digitalisation of document workflows (primarily invoices and consignment notes),
- planned revenue growth accompanied by improved profitability over the coming years, primarily driven by the implementation of IT tools developed through R&D efforts. The use of artificial intelligence and machine learning will enable increased efficiency without additional employment costs, and offer a competitive edge over companies that have not invested in technological innovation,
- management decisions aimed at investing in new sales channels and expanding telecommunication infrastructure, which are expected to result in a growing client base and more stable cooperation with subcontractors,
- a key condition for further growth is the implementation of RTV (Real-Time Visibility), allowing transport to be tracked in real time. This will enable the optimisation of operational processes and more effective use of subcontractor fleets,
- the company recognises that technological advancement is becoming a client requirement (e.g., EDI, e-documents, real-time shipment tracking), and is committed to continuing development in this area.

# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives

## COMPANY ACTIONS

### Monitoring

- The company continuously monitors processes that support the achievement of its business objectives. These include, among others:
- **key parameters** for the client (e.g. timeliness of deliveries, damages)
- **internal process efficiency** (e.g., resource utilisation, IT system performance, number of orders and invoices issued, number of verifications),
- **financial indicators** (e.g., freight margin, turnover, number and type of complaints).

Monitoring is carried out at both team leader/manager level and Management Board level. The results are analysed by the Development Department and serve as the basis for corrective and preventive actions, including at a strategic level.

### Investments

Aware of the need to engage in sustainable development, the company has for several years been investing in initiatives that support the transition to sustainable management. In 2024, compared to 2023, spending decreased by 2.12%, amounting to 0.52% of operational costs. ABC Czepczyński plans to maintain its current investment levels and to launch new initiatives aligned with its ESG objectives.



# Defined decarbonisation path, ESG objectives, company strategy taking into account ESG objectives

## In 2024, the company prepared the following reports and statements:

- **KOBiZE Report** (National Centre for Emissions Management) – sources and volume of greenhouse gas emissions,
- **BDO Report** (Database on Products, Packaging and Waste Management) – waste generated and waste management processes,
- **CRO Report** (Central Register of Operators) – registration and inspection of equipment: refrigeration, air-conditioning and fire protection systems,
- **Report from internal and certification audits** in line with ISO standards,
- **IFS Audit Report** (International Featured Standards) – ensuring safety in the processes of food production, packaging, storage and distribution,
- **EcoVadis Report** (Sustainability Ratings Provider) – supplier ESG practices, including formal policies, processes, procedures and principles supporting sustainable management,
- **SMETA Report** (Sedex Members Ethical Trade Audit) – based on the ETI Base Code, covering environmental, health and safety, labour and business ethics standards.

## Sustainability issues, particularly in the areas of social responsibility and corporate governance, are defined, among others, by the following documents:

- Quality Manual,
- Anti-Discrimination and Anti-Mobbing Policy,
- Anti-Corruption Policy,
- Company Code of Conduct,
- Remuneration Policy,
- Subcontractor Verification Procedure,
- Health and Safety Guidelines for Remote Work,
- General Health and Safety Instructions,
- Work Regulations,
- Occupational Risk Assessment Sheet,
- Salary Regulations,
- Data Protection Policy,
- Company Car Usage Procedure,
- Procedure for Preventing Non-Compliance with the Obligation to Report Tax Schemes (MDR).

# Defined decarbonisation path, ESG objectives, **company strategy taking into account ESG objectives**



## THE COMPANY'S INITIAL PLANS

### In the near term:

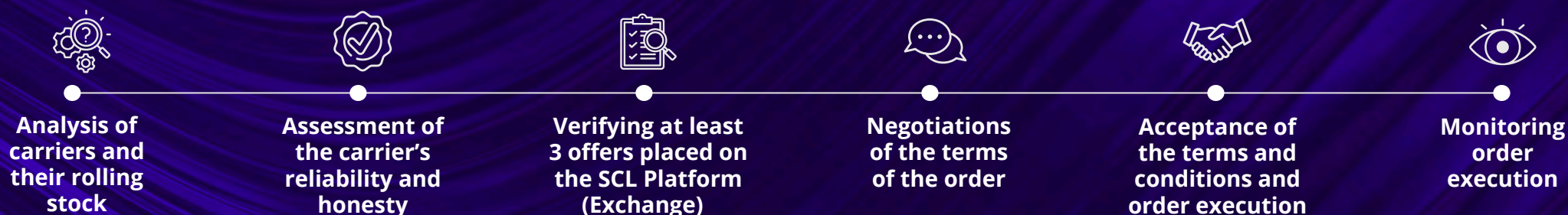
- Monitor the company's environment on a regular basis and react quickly in case of external changes.
- Implementation of whistleblower protection regulation.

### In the longer term:

- Establish synergies between all company affiliates (e.g. for a start, ABC + Foundation and Simple Way, and then other entities).
- Create a diagram describing the synergies between other entities.
- Establishing a decarbonisation strategy
- Verify and summarise the achievement of ESG objectives.

# Cooperation within the value chain

ABC Czepczyński, taking care of the security of the service provided in the supply chain, takes a very reliable approach to verifying the contractors



The company has an anti-corruption policy in place



# Cooperation within the value chain



**Sustainable development issues, especially in the Social Area and Corporate Governance, are specified in formal documents**

- Quality Manual,
- Regulations on preventing discrimination and mobbing,
- Anti-Corruption Policy
- Code of Conduct of the company
- Remuneration Regulations
- Subcontractor verification procedure
- Procedure for preventing non-compliance with the obligation to provide information on tax schemes (MDR).



**In order to continuously improve the quality of the service and monitor the procedures applied in the company, the structures established for this purpose are**

- Legal Department
- Quality Department
- Internal auditor
- Compliance Team
- Compliance Officer
- Complaints Department



**In ABC Czepczyński, the standard is to seek an amicable solution to disputes within the value chain**

- Complaints Procedure P07 is described in the company's Quality Manual.
- There is a separate Complaints Department in the company, cooperating with the Legal Department and persons designated to handle particular clients.
- The operations team is responsible for first contacting and explaining problems with the client.



# Cooperation within the value chain

## COMPANY ACTIONS

### **Defined formal cooperation rules with subcontractors and liabilities management (including overdue)**

- The principles of establishing relationships with subcontractors, including the management of obligations (including overdue ones) in the company are defined and compliant with ISO 9001.
- Cooperation is based on written contracts and standardised terms and conditions of service provision and in accordance with the Anti-Corruption Policy and the company Code of Conduct. The rules describe systemic payment notifications, including via the SCL platform.
- The terms and conditions of cooperation are reliably communicated to subcontractors.
- As a rule, the company does not allow overdue liabilities to arise – it provides its subcontractors with feedback on an ongoing basis. It also applies the procedures of the Debt Collection Department, and in order to facilitate cooperation and information flow, it engages dedicated Departments responsible for individual aspects of cooperation, e.g. the Freight Forwarding Department, the Accounting Department.
- The company also conducts reliable verification of clients and subcontractors before commencing cooperation.
- The unique SafeCargo controlling system allows for very thorough verification of carriers, which ensures security throughout the supply chain.
- Additionally, contracts are verified by the Legal, Accounting and Operations Department before any obligations are taken.
- The company runs a research project on the development of the SafeCargo.TMS operating system and the SCL platform (SafeCargo.LINK), whose goals will include integration between operating systems in the supply chain.
- Whenever possible, the company selects subcontractors meeting high emission and noise standards: EURO 5 and EURO 6.
- ABC Czepczyński also undertakes individual lobbying activities in order to inspire companies from their supply chain to joint sustainable development activities.
- The company does not undertake structured lobbying activities, but broadly promotes the idea and activities of responsible business (CSR) among business partners.

# Cooperation within the value chain

## COMPANY ACTIONS

### Documented rules for amicable solutions of disputes with Commercial partners

- Complaints Procedure P07 is described in the company's Quality Manual.
- There is a separate Complaints Department in the company, cooperating with the Legal Department and persons designated to handle particular clients.
- The operations team is responsible for first contacting and explaining problems with the client.
- Smaller complaints (defects in documents, security materials), even if they are not formally reported by the client, are recorded in the TMS system to be traced if the client returns to the case after some time. Some smaller cases become complaints.
- In the case of more serious complaints, the client is requested to document any failure or damage and to provide additional information.
- The Complaints Department monitors serious complaints (the number, cost of covering the complaint, % of the order value - below 1% is acceptable).
- The company's standard is to seek an amicable solution to disputes within the value chain.

### Systemic actions against corruption and anti-competitive practices

- The company has an anti-corruption policy, which has been in place since 31.01.2020.
- Thanks to the possibility of concluding agreements with subcontractors only through the company TMS, the company has standardized conditions for all subcontractors, maintains full commercial documentation, monitors business communication channels. It has the ability to differentiate levels of responsibility and authority depending on the job position.
- Based on the principles of cooperation with suppliers and Service Recipients of the company, each agreement submitted for the Management Board's signature requires the prior approval of the Legal Department
- The company bases its actions on the principles of due diligence at each working position, from the forwarder to the members of the management board.
- The introduction of the division of competences and the rule of cross-checking allows the identification of any deviations from the adopted rules and procedures.
- MDR procedure. The team overseeing the implementation of the procedure.

# Implemented security systems



In ABC Czepczyński, a lot of emphasis is placed on securing and maintaining data integrity.

The effectiveness of activities related to cybersecurity is confirmed by internal and external audits:

- DCOS-4,
- ISO 9001:2015,
- Internal data protection system.



## TMS

Due to the rapid adaptation of IT systems to the changing market needs, we have developed our **own TMS system**.



## BIG DATA & CLOUD

Every automation/optimization of processes in our company requires expanding the scope of information collection. We aim to store all our data 100% in the cloud, integrated with our own SafeCargo system.



## DIGITISATION

By 2027, we plan to switch to a fully electronic document flow, both internal and external, automate invoicing, implement an electronic carrier management system, and achieve full integration with the accounting and reporting systems of our partners.



# Implemented security systems



## COMPANY ACTIONS

### Implemented personal data protection and privacy management system for clients/employees

In ABC Czepczyński, a lot of emphasis is placed on securing and maintaining data integrity.

#### GDPR

Guidelines for data protection during remote work (home office) have been developed.

#### System Security

The IT Department ensures the company's cybersecurity across various levels through:

- An internal data protection system, network encryption, and access to company resources via VPN; access rights management at the user, group, and department levels,
- Risk-based security management,
- Internal security audits,
- Security Operations Centre (SOC) – real-time monitoring of system security by a dedicated Security Team and the use of SIEM (Security Information and Event Management) solutions,
- Business continuity assurance (backup systems, resource redundancy, outsourcing agreements),
- EDI – Electronic Data Interchange.

The effectiveness of the company's cybersecurity measures is confirmed by both internal and external audits, including:

- DCOS-4 (Data Centre Operations Standard by EPI),
- ISO 9001:2015,
- The "Zero Outage" programme.



# Implemented security systems



## COMPANY ACTIONS

### Network Security:

- UTM routers: traffic filtering, IPS, antivirus, DDoS protection
- Network segmentation and VLANs for secure communication
- Use of VPN tunnels
- Enforcing TLS 1.2

### Server and Endpoint Security:

- Antivirus on workstations
- Workstation encryption
- MDM for mobile devices
- Regular updates of operating systems, applications, and services

### Identity and Access Management:

- Role-Based Access Control (RBAC)
- Two-Factor Authentication (2FA)
- Cascading management of administrative access

### Monitoring and Incident Response:

- Service monitoring and alerting
- Log collection and XDR
- Active Directory monitoring

### Data Management and Backups:

- Backup of data, virtual servers, and email accounts
- Separation of backups from the production network

# Implemented security systems



## THE COMPANY'S INITIAL PLANS

### In the near term:

- Add to the analysed risks the risk related to the development of artificial intelligence – artificial intelligence dominated logistic systems, but this may pose a threat to the system's operations.
- Identify and add other IT risks.
- Conduct phishing campaigns to increase user awareness.

# Indicators relevant to disclosed information

Indicators important for G-Governance	2022	2023	2024
Number of risks analysed	14	13	11
Number of ESG policies / degree of fulfilment of ESG policies	7	14	14
Code of Conduct	Yes	Yes	Yes
Number of implemented IT systems affecting data security	1	4	8*
Anti-corruption policy	Yes	Yes	Yes
Regulations for counteracting mobbing and discrimination	Yes	Yes	Yes
Committee for Counteracting Mobbing and Discrimination	Yes	Yes	Yes

\* Data reported cumulatively compared to previous years

# Ensure compliance with EU taxonomy





# Ensure compliance with EU taxonomy

## LEGAL REQUIREMENTS IN SUSTAINABLE DEVELOPMENT (INCLUDING THE EXECUTION OF THE GOALS OF EU TAXONOMY FINANCING SUSTAINABLE ENVIRONMENTAL GOALS)

EU taxonomy is an important issue for companies, especially those operating in sectors that may have an impact on the environment, such as transport. The EU taxonomy is the regulatory framework developed by the European Union, which aims to identify and classify economic activities from a sustainable development perspective.

The Taxonomy Regulation was developed under the EU's Green Deal to redirect investment towards more sustainable activities and projects, aligning them with the EU's 2030 climate and energy targets.

### WHO SHOULD REPORT IN ACCORDANCE WITH THE TAXONOMY:

- entities obliged to disclose non-financial data in accordance with the requirements of Directive 2014/95/UE6 (hereinafter: NFRD7);
- entities belonging to the financial sector that offer investment products, defining them as sustainable;
- from the financial year 2024, companies obliged to provide information on sustainable development in accordance with the updated CSRD Directive, i.e.:
  - All large companies (compliant with two of the three criteria): revenue > EUR 40 million; total assets > EUR 20 million; and > 250 employees.
  - All companies whose securities are listed on EU regulated markets, except micro enterprises

### SIX ENVIRONMENTAL GOALS

In order to comply with taxonomy, the company's activities should meet six environmental objectives:

- Climate change mitigation;
- Adapting to climate change;
- Sustainable use and protection of water and marine resources;
- Transition to a circular economy;
- Pollution prevention and control
- Protection and restoration of biodiversity and the ecosystem.




### MINIMUM GUARANTEES

Actions in line with EU Taxonomy are to be carried out in accordance with minimum guarantees. Minimum guarantees (EU Taxonomy Regulation 2020/852) are one of the criteria determining whether an activity is environmentally sustainable. The role of minimum guarantees is to provide a basic standard of respect for human rights.

# Ensure compliance with EU taxonomy

## COMPANY ACTIONS

### PREPARATION OF THE COMPANY FOR REPORTING IN ACCORDANCE WITH EU TAXONOMY IN CLIENT VALUE CHAIN:

-  ABC Czepczyński is neither a large company nor a listed company, therefore it is not obliged to report non-financial information resulting from the European Union Directive on the sustainable development of Enterprises (CSRD).
-  ABC Czepczyński, identifying its significant impact on the value chain of the clients who are subject to the reporting obligation, takes proactive actions in order to prepare its contribution to their reporting scopes, which includes publication of this ESG Report.
-  Client reporting in compliance with EU taxonomy will consist in reporting the activities of the client company itself for its own purposes as well as the activities of its suppliers, business partners and other related entities.

# Summary of the Report

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Sustainable development is very important to ABC Czepczyński. The company is aware of the importance of sustainability, and issues related to the environment, society, and corporate governance (ESG) are an integral part of its daily business operations. Although these areas are not yet reflected in specific goals and plans, the company demonstrates readiness and openness to develop a long-term business strategy that incorporates ESG objectives.

Despite not being formally required to prepare non-financial reports, the company

- aware of the expectations of its value chain clients and in line with its own values
- has once again decided to prepare an ESG report summarising its current efforts in support of sustainable development.

The report was prepared based on the company's internal materials, information gathered through a survey, meetings with the Management Board, and discussions with delegated employees.

The ESG report includes descriptions of actions already undertaken by the company that positively impact sustainable development across all three areas: environmental, social, and governance.

The report is based on the company's own indicators. These internal indicators largely align with the guidelines of the Non-Financial Reporting Directive (NFRD), but future reports will need to be supplemented with requirements compliant with the Corporate Sustainability Reporting Directive (CSRD) and data analysis in accordance with the European Sustainability Reporting Standards (ESRS). This ESG report covers the period from 1 January to 31 December 2024.





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