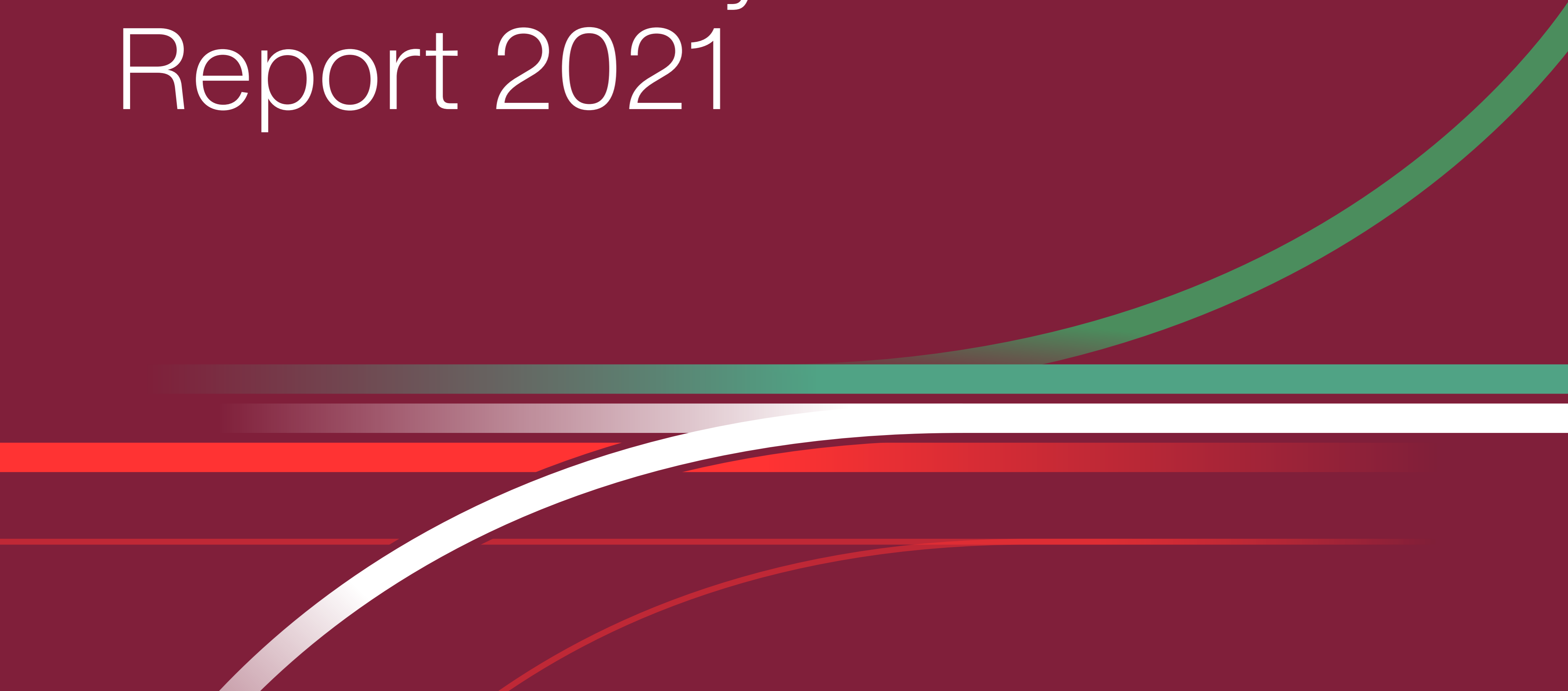


EP Logistics International

# Sustainability Report 2021



# Report Content

1

2

3

4

5

6

## Introduction

## EPLI and Its Business

## Governance

## Environmental Impact

## Social Impact

## Annex

Introduction	1	EPLI and Its Business	8	Governance Overview	17	Environmental Impact Overview	28	Social Impact Overview	45	Annex	56
Letter from our CEO	2	2021 Business Highlights	10	Governance Structure and Key People	20	Reduction of Emissions	31	Employment	48	Report Boundaries	57
ESG Approach	4	Subsidiaries	11	Ethics & Compliance	22	Beyond Emissions	38	Health & Safety	52	Abbreviations	58
2021 ESG Highlights in Numbers	6	Business Segments	12	Risk Management	23	Promoting Sustainable Rail Transport	41	Adding Value Through Challenging Times	54	List of Graphs, Tables and Figures	59
		Geographical Presence	15	Quality Customer Experience	27					Financial Results	60
		Vision & Mission	16							GRI Content Index	61

# Introduction

This is the first Sustainability Report published by EP Logistics International (EPLI) focusing on Environmental, Social and Governance (ESG) issues important to our company. In this opening chapter of our report, a → [Letter from our CEO Zbigniew Klepacki](#) presents EPLI's sustainability vision and key strategic ESG achievements in 2021. This is followed by an introduction of our → [ESG Approach](#), including strategy, goals, and reporting methodology. To enable readers a rapid snapshot of our achievements and goals in all three ESG pillars, please see the one-page overview of our → [2021 ESG Highlights in Numbers](#).

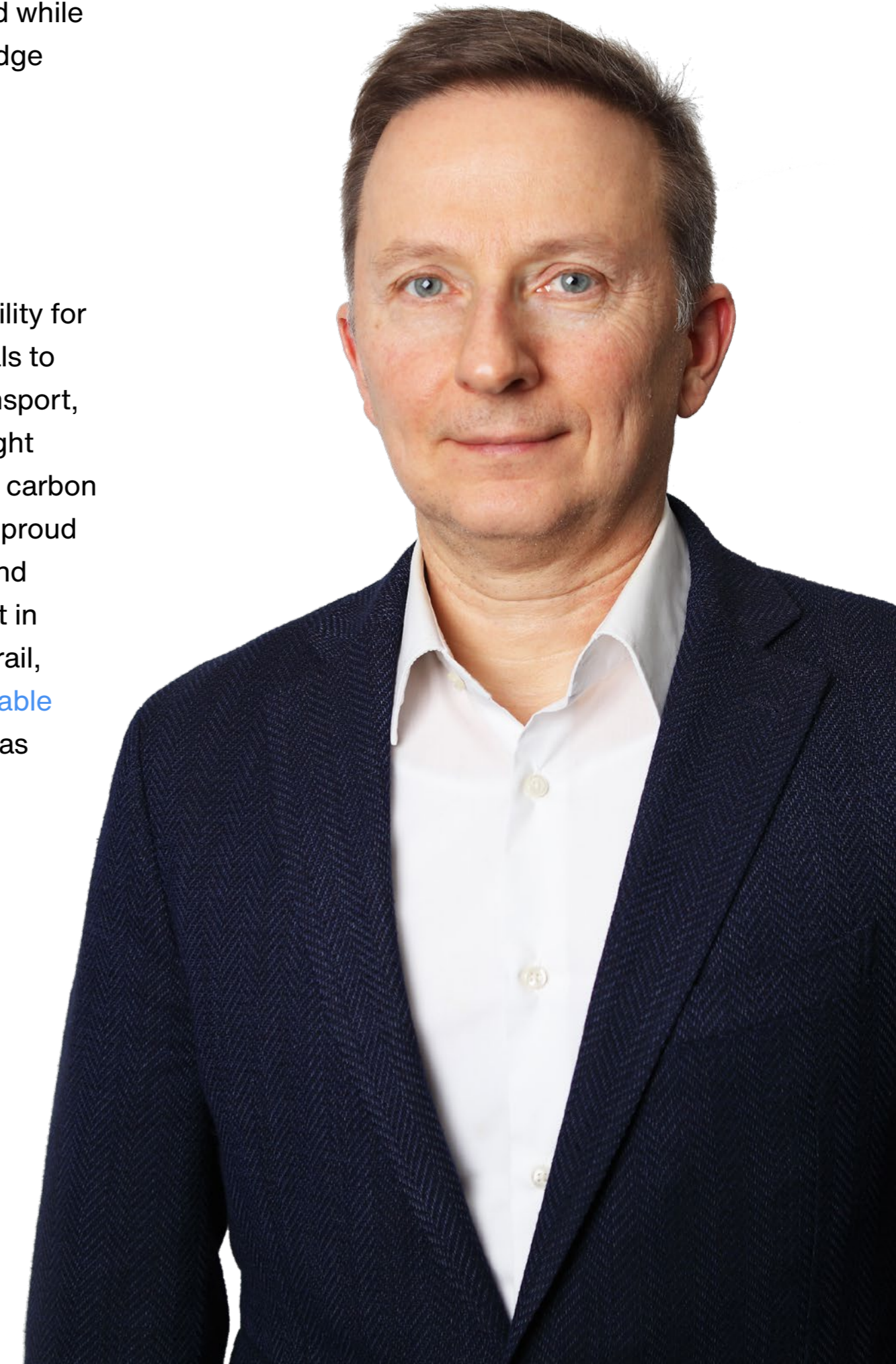
# Dear readers,

The past months and years have shown clearly how local problems can quickly escalate into global crises. The COVID-19 pandemic and ongoing war in Ukraine erupted against the backdrop of climate change, interacting to turn global supply chains and systems on their heads. Aside from the humanitarian imperative to support those suffering most from these crises, no one – whether in business, politics or civil society – would be wise to ignore the broader risks they pose. Global collective action is needed, including serious commitments by all players to address the problems at hand with the required urgency.

As a provider of transport and logistics solutions, we know that our industry has an important role to play. COVID-19 highlighted how our globalised world depends on the transport and logistics industry to survive. However, we cannot deny the significant environmental impact of our business. Globally, transportation accounts for over a quarter<sup>1</sup> – and global trade-related freight transport over 7% – of CO<sub>2</sub> emissions, and global freight demand is predicted to triple by 2050.<sup>2</sup> With increasingly interconnected global supply chains, transport systems will have to be

redesigned to meet this increasing demand while preserving the environment. We acknowledge that the transition will be challenging but are taking all steps possible to reduce our emissions.

There is no silver bullet, but rail represents a highly effective route to sustainable mobility for the future. The EU has accordingly set goals to improve the carbon footprint of freight transport, including driving up the share of rail in freight transport as well as a 40% increase in low carbon fuels in freight transport by 2050.<sup>3</sup> We are proud of our strengths in innovative intermodal and rail approaches, which have enabled a shift in some of our transport routes from road to rail, as we highlight in the [→ Promoting Sustainable Rail Transport](#) section of this report. This has both met a growing need by customers to find ways to transport their goods in times of strained supply chains and contributed to our environmental goals.



## 1. Introduction

### 1.1. Letter from the CEO

1) International Energy Agency (2019) Emissions by sector. Available at: <https://www.iea.org/reports/greenhouse-gas-emissions-from-energy-overview/emissions-by-sector>

2) International Transport Forum (2015) The Carbon Footprint of Global Trade: Tackling Emissions from International Freight Transport. Available at: <https://www.itf-oecd.org/sites/default/files/docs/cop-pdf-06.pdf>

3) European Commission (2013) Doprava. Available at: <https://eur-lex.europa.eu/legal-content/CS/TXT/PDF/?uri=CELLAR:b172dcb1-744b-4530-8630-b1046c144d21&from=FR>

Our strategy includes joining our holding company EPH's important commitment to become → **carbon neutral by 2050** and to slash emissions by 60% by 2030. In line with our belief that global problems require global solutions, we fully support the European Green Deal, the United Nation's Sustainable Development goals, and the Paris Climate Agreement. Rather than waiting passively for the challenges of our time to blow over, we have been taking active steps to → **reduce our emissions** including running innovative projects with the electric locomotives in our fleet, installing new IT solutions to make our business more efficient, and building our intermodal business, among others.

Our climate efforts are tightly interlinked with our goals of ensuring a healthy, safe and happy workforce. We are proud to have continued to grow our number of employees in 2021 despite financial setbacks brought on by COVID-19. We always prioritise high quality training for our drivers and other technical staff, which has enabled us not only to maintain our track record of zero fatalities, but to also optimise the fuel efficiency of our rail and road operations.

To assist in the creation of a strong culture of ethics and compliance among all employees, we have newly implemented new Group-wide policies on several social, environmental and governance topics. We have also assigned designated members of our management to oversee and track our progress in all ESG areas.

Realizing that global challenges are only set to increase in future, we are committed to determining long-term ESG goals and reporting annually on our progress. We stand by our vision of becoming a trusted leader in European logistics and remain confident that great opportunity lies in addressing the challenges of our times.

Thanks for reading,

**Zbigniew Klepacki**  
CEO EPLI

→ Our strategy includes joining our holding company EPH's important commitment to **become carbon neutral by 2050 and to slash emissions by 60% by 2030.**

## 1. Introduction

### 2. EPLI and Its Business

### 3. Governance

### 4. Environmental Impact

### 5. Social Impact

### 6. Annex

# ESG Approach

## ESG Strategy

To adapt to the growing pressures on our industry, in 2021 EPLI developed its own ESG strategy, aligned with the sustainability and ESG-related agenda of our parent company Energetický a průmyslový holding (EPH) as well as its [→ ESG Master Policy](#). The EPLI ESG strategy is based on an internal analysis of where our company has its biggest impacts on its internal and external stakeholders (the key material topics), in addition to industry benchmarking, looking at global trends and risks in the ESG area. We have set long-term goals in each E, S and G pillar corresponding to these material topics (see [→ Material Topics and Goals](#)).

In the coming years, we aim to undertake a materiality analysis based on a thorough stakeholder assessment, to verify if our material topics and goals are correctly aligned and on track. We see room to report on further indicators, specify our long-term goals in greater detail, and improve our performance in all pillars.

## Alignment with Global Goals

In addition to our internal ESG goals, we furthermore aim to remain aligned with the Sustainable Development Goals (SDGs), a set of 17 goals set up by the United Nations (UN) in 2015 to unify and guide global efforts towards a more sustainable future. Of relevance to our business are the following SDGs:



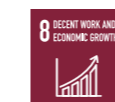
**SDG 3:**  
Good health and wellbeing.



**SDG 4:**  
Quality education and lifelong learning.



**SDG 5:**  
Gender equality.



**SDG 8:**  
Decent work and economic growth.



**SDG 11:**  
Sustainable cities, communities, and transport.



**SDG 13:**  
Climate action.



**SDG 16:**  
Peace, justice, and strong institutions.



**SDG 17:**  
Partnerships for goals.

## ESG Reporting Methodology

This first Sustainability Report lays out EPLI's achievements in each of the three pillars of Environment, Society and Governance, covering the timeframe of 1st January 2021 to 31st December 2021. The content of this report is based on the material topics defined in the ESG strategy and with reference to the Global Reporting Initiative (GRI) Standards. The Annex of this report contains all report [→ Abbreviations](#), a [→ List of Graphs, Tables and Figures](#), our [→ Report Boundaries](#) defining the geographic and operational scope, data tables with [→ Financial Results](#), and a [→ GRI Content Index](#) mapping our report content onto GRI's indicators. For further information, the reader can refer to our parent company EPH, which has been publishing annual sustainability reports since 2015. We aim to report annually and plan to issue our next Sustainability Report for 2022 in 2023.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Material Topics and Goals

## Governance



- Governance Structure and Key People
- Ethics & Compliance
- Risk Management
- Quality Customer Experience

- Ethical and transparent business
- Highest quality customer experience
- Zero fines

## Environment



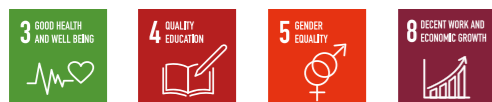
Material Topics

- Reduction of Emissions  
(GHG emissions and other air pollutants, transport efficiency)
- Beyond Emissions  
(Noise pollution and supporting environmental projects)
- Promoting Sustainable Rail Transport

Goals

- Carbon neutrality by 2050 and contributing to 60% reduction of EPH CO<sub>2</sub> emissions by 2030
- Increased use of innovative rail and intermodal solutions
- Use of expertise for active support of environmental projects

## Social



- Employment  
(Diversity & Inclusion and Training)
- Health and Safety  
(Health & Safety management and certification)
- Adding Value through Challenging Times  
(Natural disaster assistance and COVID-19 response)

- Zero fatalities
- Diverse and healthy workforce
- Helping communities through natural disasters and other humanitarian crises

# 2021 ESG Highlights

in Numbers



## Governance

**Zero**

finances

**Zero**

sanctions  
or litigations

**100%**

adherence to ethical,  
human rights and  
anti-corruption policies

## Environment

**7%**

reduction in total  
CO<sub>2</sub> emissions

**19%**

improvement  
in carbon intensity

**5%**

increase in transport  
efficiency

**28,610**

(at least) trucks kept off  
the road thanks to rail projects  
→ see Case Studies

## Social

**157**

new hires

**23%**

increase in training  
hours

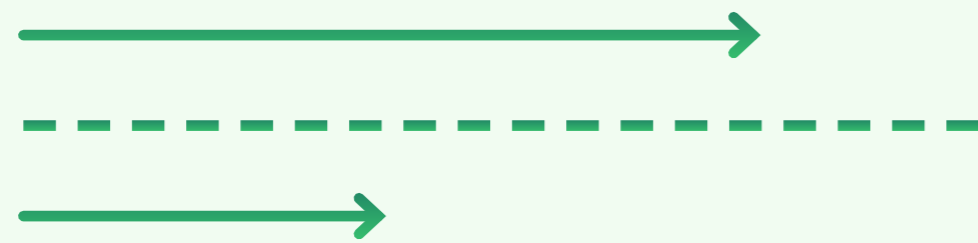
**Zero**

fatalities

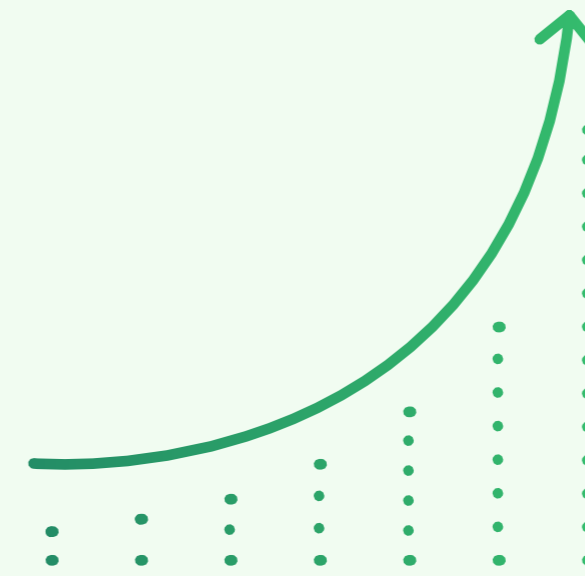
**16%**

steady turnover rate





**2.15 billion**  
tkm of goods  
transported



**€192 million**  
revenue  
in 2021

# EPLI and Its Business

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

## In this section

- 2021 Business Highlights
- Subsidiaries
- Business Segments
- Geographical Presence
- Vision & Mission



EPLI is a group of logistics companies of the Energetický a průmyslový holding (EPH) specialising in the transport needs of internal and external trading partners.

Our business focuses on rail, road, and intermodal transport, providing complex logistical services and solutions. We additionally offer staffing and employee training related to railway work as well as short- and long-term locomotive leasing. Since its inception, EPLI has achieved steady and dynamic growth. To-date, it has transformed into a profitable company with a well-established reputation. EPLI has a strong representation in the Czech Republic, Slovakia, Poland, and Germany.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# 2021 Business Highlights

Czech Republic,  
Slovakia,  
Poland,  
Germany,  
Hungary,  
Austria

6 countries

636

employees

98

trucks

Rail, Road,  
Intermodal

3 segments

79

locomotives

2001

wagons

2.15  
billion tkm

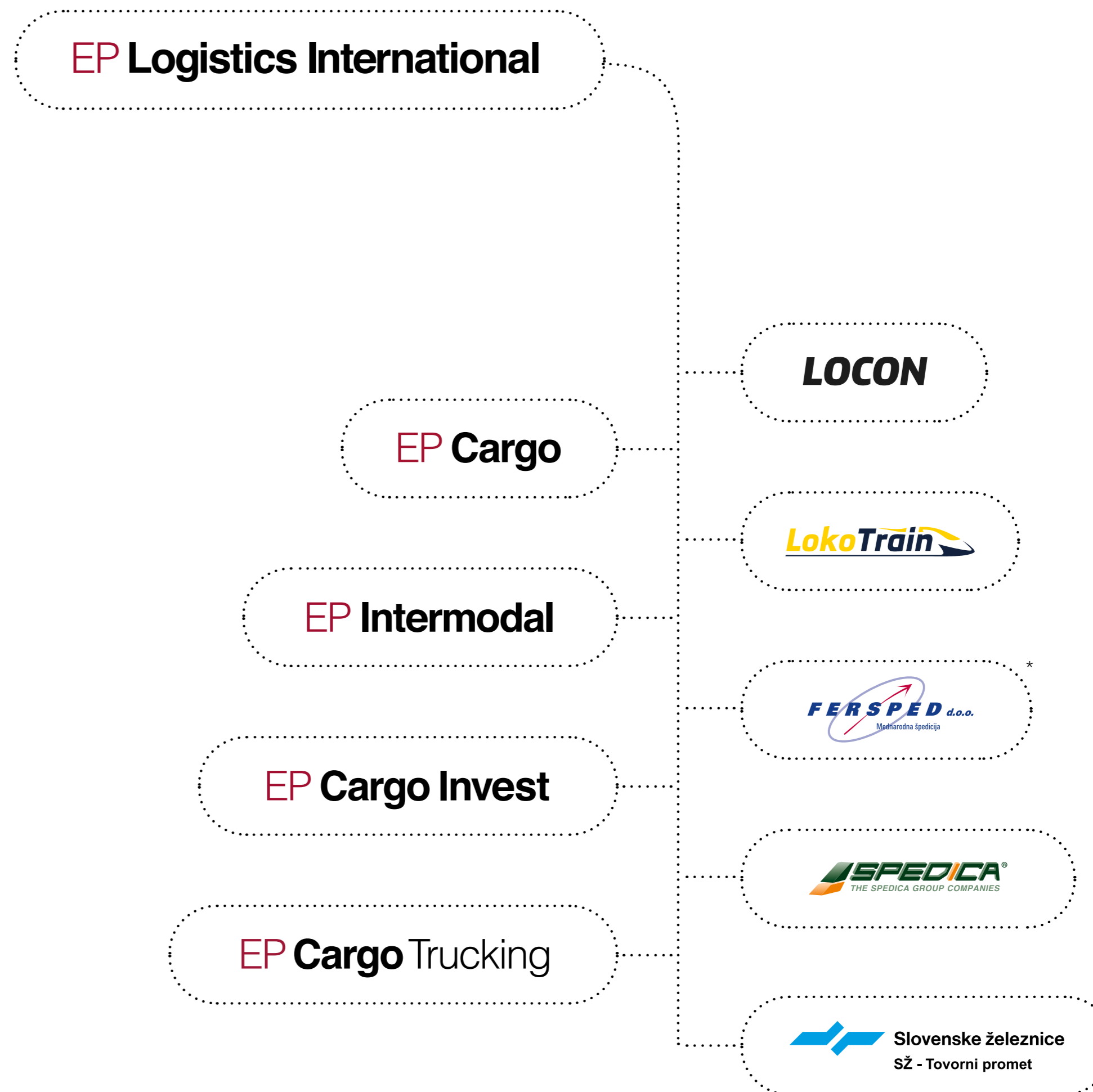
transported  
1,993 million tkm rail  
161 million tkm truck

€192  
million

Revenue in 2021

EPLI is made up of multiple subsidiaries providing services in three main segments: **Rail, Road, and Intermodal.**

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex



\* EP Logistics International closed strategic partnership agreement with Slovenian SŽ d.o.o. in January 2022.

Figure 1: EPLI Subsidiaries

EPLI has three main segments – Rail, Road and Intermodal – which are described in more detail below.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Business Segments

## Rail

### Overview

The Rail business segment includes a range of offerings, from specialised national and international rail transport, forwarding, first and last mile service, optimisation, and logistics solutions, to the provision of freight wagons, trains, railway personnel, training, and insurance. Our subsidiaries are present in the Czech Republic, Poland, Slovakia, and Germany, and operate across Europe, transporting a variety of materials, including dry bulk, agricultural commodities, wood, fuels and coal, energy by-products (energy gypsum, fly ash, coal dust) and railway construction waste and debris. In 2020, we modernised our rail fleet, acquiring ten new modern electric locomotives, eight Siemens Vectron multi-system locomotives and two Bombardier Traxx single system locomotives.

**79**  
locomotives operated

### Highlights

We focus on continuously modernising and upgrading our fleet of wagons and locomotives to achieve greater efficiency and to offer specialised forms of transport. In 2021, we:

- Operated 79 locomotives (31 electric and 48 diesel) and 2001 wagons;
- Transported almost two million tkm by rail;
- Launched our Baulogistics Centre, focusing on rail transport for railway construction projects;
- Provided 212 railway personnel for hire to third parties.

### Companies

EP Cargo

EP Cargo Deutschland

EP Cargo Polska

EP Cargo Invest

**LokoTrain**

**LOCON**

**Railsped s.r.o.**

**RM LINES**

**Slovenske železnice\***  
SŽ - Tovorni promet

\* EP Logistics International closed strategic partnership agreement with Slovenian SŽ d.o.o. in January 2022.

# Business Segments

continued

## Road

### Overview

The road freight segment provides a complete logistics solution for customers specialising in the transport of bulk materials such as fly ash, coal dust, cement, lime, calc, and chemical granulates using silo trucks, tipping semi-trailers, or sliding floors. We focus on road freight transport both with our own fleet of vehicles and using forwarding services.

### Highlights

EPLI's trucking segment has almost 30 years of experience in the field of handling bulk substrates in the areas of thermal power plants and coal mines. This includes finding solutions to transport secondary energy products (fly ash, energy gypsum, slag, etc.).

EPLI belongs among the largest silo truck transportation companies in the Central European region (Czech Republic, Slovakia, Poland, Hungary, Austria, and Germany) with its fleet of 98 trucks.

### Companies

**EP Cargo** Trucking

---

**30**

years of experience in the field

---

**98**

trucks in the fleet

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Business Segments continued

## Intermodal

### Overview

The Intermodal business segment focuses on combined road and rail transport and is the fastest growing segment in rail cargo transport. It is a new business for EPLI in which we see great growth potential given the benefit of a lower environmental impact and greater reliability associated with rail transport. It involves the transport of goods in transport units (e.g., ISO containers of various dimensions such as dry containers, reefer and tank containers, swap bodies or semi-trailers), which is executed by using different modes of transport without handling the contained goods. In many cases the most efficient and cost-effective strategy is to move the transport units by train and then transfer them to trucks for last mile delivery to the customer.

### Highlights

EPLI creates independent and flexible service through our knowledge and long-term experience in the development and sustainability of our intermodal transport network.

EPLI has expertise in hauling transport units by rail in multiple weekly roundtrips between various destinations (e.g., Paskov, Czech Republic to Trieste, Italy; Budapest, Hungary to Koper, Slovenia; Brno, Czech Republic to Budapest, Hungary; Malaszewicze, Poland to Nürnberg, Germany).

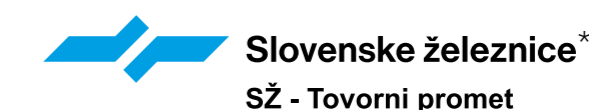
A joint venture concluded in January 2022 with the Slovenian state railways (Slovenske železnice, SŽ) has expanded EPLI's complex intermodal service coverage to the southeastern European countries.

EPLI has a strong focus on establishing intermodal services in the corridor between Europe and Turkey.

### Companies

**EP Intermodal**

**LOCON**



9

terminals, where we are active

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

\* EP Logistics International closed strategic partnership agreement with Slovenian SŽ d.o.o. in January 2022.



# Geographical Presence

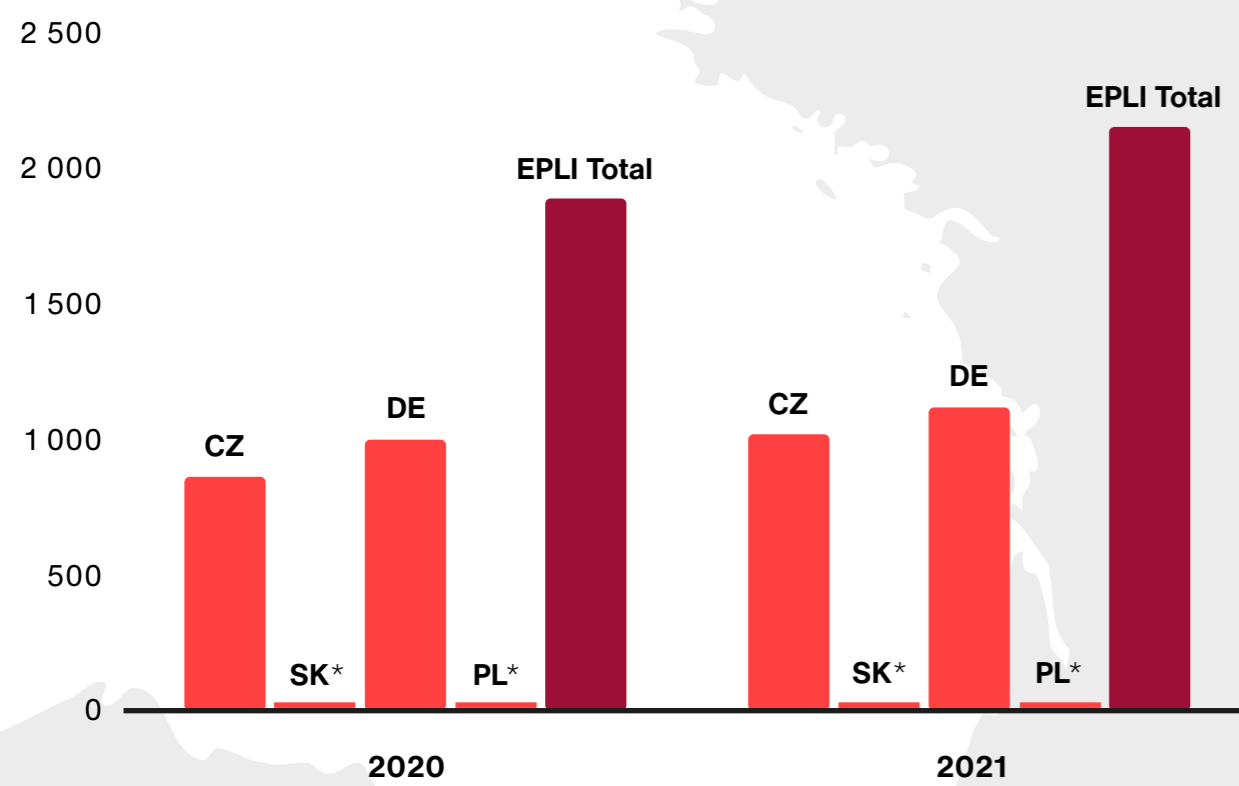
**2.15b**  
tkm transported in 2021

**12m**  
kilometres travelled in 2021

In 2021, our fleet travelled a total of 12 million kilometres, with routes stretching across the European continent. Our business grew in all our operating units in the Czech Republic, Slovakia, Poland, and Germany. Additionally, we have served customers in Austria and Hungary from the Czech operating unit. In total, we transported 2.15 billion tkm in those countries, a 14% increase over the previous year.

Tkm Driven by Country

(million tkm)



\*Tkm drive for SK and PL are negligible for both 2020 and 2021 compared to CZ and DE.

Graph 1: Tkm Driven by Country

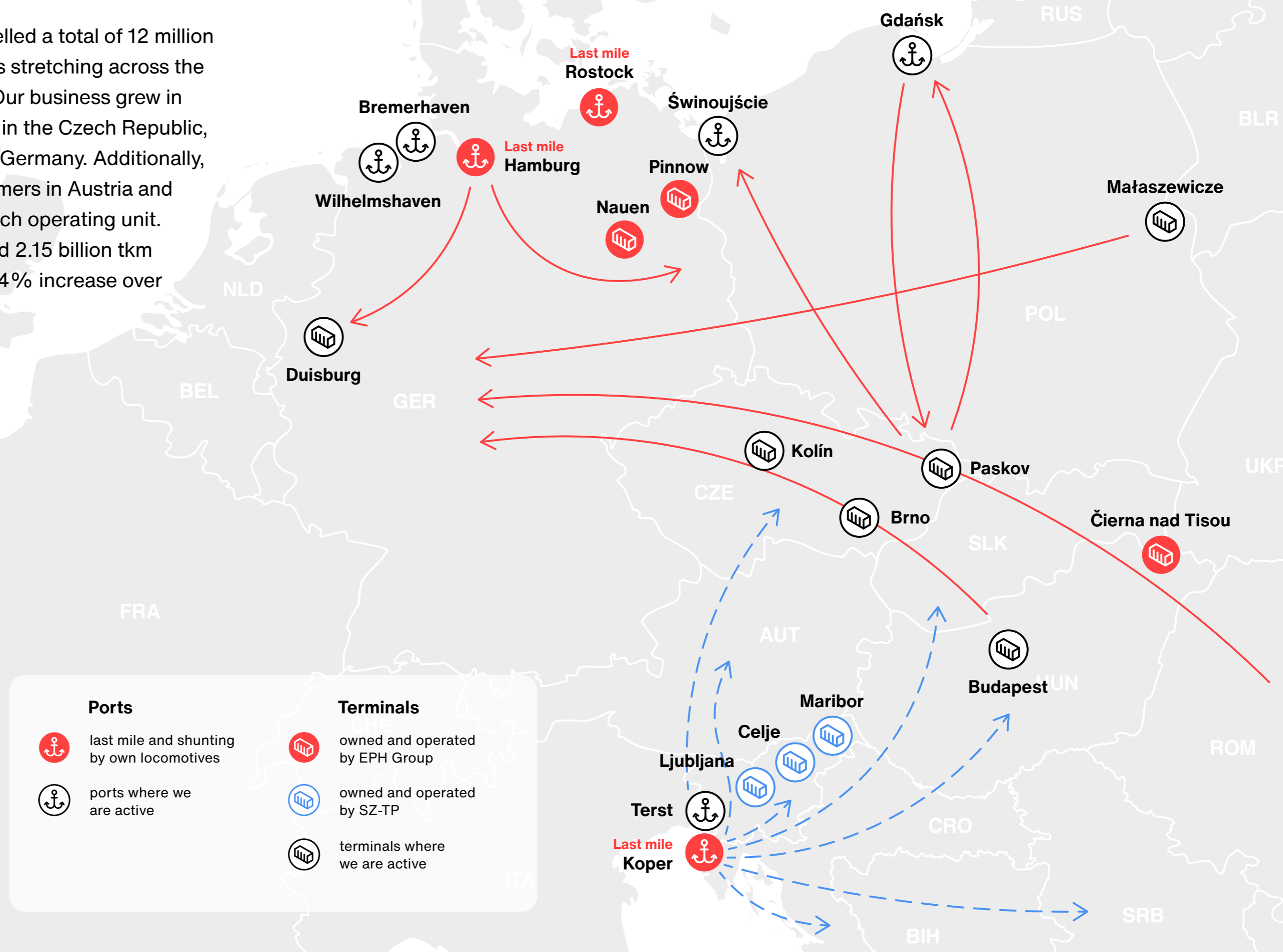


Figure 2: EPLI Terminals and Ports

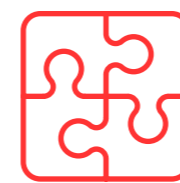
# Vision & Mission

Our goal is to become a trusted European leader in logistics with interconnected professionals, hardware, and service.



## Customer orientation

We emphasise the reliability, efficiency and high quality of transport services offered both in rail and road freight transport. It is important for us to be a reliable and responsible partner for our customers.



## Complexity of offered services

Our goal is to offer top and reliable services in all areas of freight transport, which include rail, road, intermodal, and freight forwarding services. Thanks to the wide range of our services, we can propose complex transport solutions.



## Development

As we grow, we are becoming a flexible and innovative private operator in the countries of Central Europe. We are constantly developing the combined transport segment to enable unique tailor-made solutions and to move less traditional commodities from road to rail. We are expanding to other countries across the continent and continue to enlarge and renew our extensive fleet of locomotives and trucks.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Governance

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

## In this section

- Governance Overview
- Governance Structure and Key People
- Ethics & Compliance
- Risk Management
- Quality Customer Experience

At EPLI, we know that the protection of our employees and customers is central to our success, as is our company's reputation in the communities in which we operate.

Therefore, we take good governance seriously and believe it is an essential pillar of corporate sustainability. Having a strong governance structure and policies in place ensures the fair treatment of all our stakeholders, from our drivers to our customers, as well as the stability of our company. We see this as an essential element of our vision of becoming a leading freight transport company in Europe.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Governance Overview

In 2021, EPH finalised formalisation of its [ESG policies](#), which EPLI fully implemented in 2022. This also includes the Code of Conduct, which covers our activities with key stakeholders: business partners, customers, employees, suppliers, and communities. Handling all these stakeholders with an ethical and transparent approach is of utmost importance to us.

This chapter looks at our approach to responsible governance, including our company's management structure, consisting of our Senior Management team, Board and Supervisory Board, as well as the policies we comply with on ethics and risk management.

## Our contribution to the governance-related SDGs:



### SDG 16:

We aim to be an effective, accountable, and inclusive organisation.



### SDG 17:

We strive to be a supplier of choice in the pursuit of excellence and sustainability.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Governance Structure and Key People

## Supervisory Board

→ Three members elected by the General Meeting of Shareholders.

→ Responsible for revising the activities of EPLI and the Board of Directors in its management of EPLI.

→ Power to inquire into all documents concerning financial matters and review year-end financial statements, including profit allocation proposals.

**Marek Spurný**

Chairman of the Supervisory Board

**Pavel Horský**

Member of the Supervisory Board

**Petr Sekanina**

Member of the Supervisory Board

## Board of Directors

→ Five members, representing EPLI in all matters related to daily business management.

→ Approves EPLI's ESG strategy and goals and monitors progress to achieving targets. Approves annual sustainability reports.

**Tomáš Novotný**

Chairman of the Board of Directors

**Radim Kotlář**

Vice Chairman of the Board of Directors

**Jana Vlášková**

Member of the Board of Directors

**Zbigniew Klepacki**

Member of the Board of Directors

**Petr Kudela**

Member of the Board of Directors

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Governance Structure and Key People continued

## Senior Management

→ Responsible for day-to-day operations as well as key business decisions.

→ Drives sustainability commitment, ensuring it is embedded at every level of the business.

→ Monitors the ESG indicators and analyses the state of EPLI's progress towards its goals and targets.

### Zbigniew Klepacki

CEO – development and strategy of EPLI

### Juraj Kačuriak

CFO – management of financial issues of EPLI

### Jana VlÁdková

Executive Director EP Cargo – development and strategy-setting of Rail Freight Segment

### Roman Nábělek

Executive Director EP Cargo Trucking – development and strategy-setting of Road Freight Segment

### Martin Luňák

Executive Director EP Intermodal and Business Development Manager – development and strategy-setting of Intermodal & Forwarding Segment

## Compliance Committee

EPH level

→ Focuses on ensuring compliance with new legislation.

→ Reviews existing EPH policies and identifies new areas that should be covered by those policies.

→ Addresses issues of non-compliance reported by EPH operational companies and provides support regarding these incidents.

## Risk Committee

EPH level

→ Helps to develop a culture of enterprise risk and credit risk across EPH.

→ Integrates risk management into the organisation's goals.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Ethics & Compliance

At EPLI, we are committed to upholding the highest standards of business ethics throughout our companies. We take our commitment very seriously, as it not only ensures good business practices, but also strong relationships with all our stakeholders. We always ensure that we act in accordance with local and EU legislation. To our knowledge, all subsidiaries are fully compliant with the current legislation and regulation in their respective countries of operation. Currently, there are no open material cases of investigation, litigation, or sanction.

Our inherent approach to Ethics and Compliance was formalised at the beginning of 2022 through the implementation of the EPH policies (see Figure 3), including a [Code of Conduct](#). Among the key policies that we deem very important to us are those covering Human Rights, Anti-bribery, Anti-corruption, and Cybersecurity. We believe that embedding high standards of business behaviour into the day-to-day activities of all our employees will help strengthen the foundation on which EPLI's performance and reputation are built.

EPH Policies	Policy description
<b>ESG Master Policy</b>	The document sets out a comprehensive policy framework and basic guidelines for the EPH Group as well as defining the core principles for sustainability related policies within the EPH Group and its subsidiaries. Specific policies described below act as add-ins to this Master policy.
<b>Environmental Policy</b>	The policy describes basic principles we follow in terms of the climate change and carbon footprint reduction, protection of biodiversity, Environmental Management System, environmental impacts of the product portfolio, customer efficiency, regulatory compliance, renewable and clean energy promotion, resource and energy efficiency, waste management and end cycle management.
<b>Biodiversity Policy</b>	Protecting biodiversity in the areas where the EPH Group operates is among the top goals of the EPH Group. The purpose of the policy is to provide a comprehensive and consistent framework of commitments and underlying principles in the area of biodiversity.
<b>Operational Policy</b>	The policy covers the basic principles we follow in matters of the access to basic services, health and safety management, environmentally safe operation of facilities, social impacts of our products, innovation and modernisation, emergency management, stakeholder engagement and responsible marketing.
<b>Procurement Policy</b>	The policy is focused especially on the monitoring of our supply chain and encouraging that our suppliers, as well as our customers, are compliant with local regulations and with our internal policies related to human rights, employees, and environmental matters.
<b>IT Cyber security Policy</b>	The EPH Group companies follow as minimum the key group cybersecurity principles (security governance, access control management, malware protection, network security, cyber resilience, ICS, remote workplace, etc.) and are responsible for a selection and implementation of specific security measures to meet these principles.
<b>Code of Conduct</b>	The EPH Group Code of Conduct contains standards of behavior to be upheld by all employees and is designed to ensure good relationships with all stakeholders.
<b>Tax Governance Policy</b>	The purpose of the policy is to ensure compliance with tax rules in various countries and territories in which the Group operates, prevention and reduction of significant tax risks and strengthening of the relationships with tax authorities.
<b>Equality, diversity and inclusion Policy</b>	The purpose of this policy is to provide equality, fairness and respect for all in our employment and to oppose and avoid all forms of unlawful discrimination.
<b>Whistleblower Policy</b>	The purpose of this policy is to provide EPH employees with the means of reporting compliance concerns and compliance violations without fear of retaliation or retribution
<b>Asset integrity management Policy</b>	The policy outlines the principles and practices that govern decisions on asset management at EPH to ensure that EPH responsibly manages asset integrity risks across all facilities that we design, construct or operate.
<b>Anti-corruption and anti-bribery Policy</b>	Acceptance of gifts and donations including charitable donations is regulated. Receipt or payment of bribes including facilitation payments is strictly prohibited.
<b>Anti-money laundering Policy</b>	The so called four-eyes principle is applicable for business transactions, and cash payments above a predefined cash limit.
<b>Sanctions Policy</b>	We do not establish or maintain business relations with persons, entities or countries that are subject to economic or financial sanctions, trade embargoes or other restrictive measures imposed by the European Union, the United Nations, the United States of America, or the United Kingdom.
<b>Anti-trust Policy</b>	All employees and directors are obliged to observe anti-trust laws and are aware of serious consequences that any infringement of anti-trust laws may have.

Figure 3: EPH Policies



# Risk Management

EPLI abides by our parent company EPH's approach to risk management, which is managed by the EPH's Risk Committee. Sound risk management mechanisms protect both our company and our local communities by making us more resilient to crises and unforeseen events.

The transport industry in particular faces risks to our people, equipment, and the infrastructure we depend on, posed by climate change and other environmental disasters. We furthermore face threats to our business in the realm of financial, operational, and strategic risks.

## Climate change related risk

## Risk management approach

### Physical risks

More frequent and extreme weather events are a risk as they can cause damage to our infrastructure assets and equipment, leading to interruptions in our ability to provide transport and logistics services.

- We adequately insure key infrastructure.
- EPLI's short-term investment decisions are always based on the rigorous analysis of long-term projections of investment needs.

### Transition risks

Growing operating costs due to pricing pressures on emission allowances. Substitution of existing products and technologies with lower emission alternatives.

- We run pilot projects to test the feasibility of using lower emission technologies in our fleet, such as LNG trucks, with especially our customers benefiting from this solution.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Risk Management continued

## Financial risk

### Credit risk

The primary exposure to credit risk arises from conducting business with unreliable counter-parts.

### Risk management approach

- EPLI follows EPH's Credit policy.
- We have a Know Your Customer ("KYC") Directive in place to ensure that all potential business partners are thoroughly checked prior to committing to a business relationship or transaction.
- Each new customer requesting products/services over a certain limit (which is based on the size and nature of the particular business) is analysed individually for creditworthiness.
- EPLI uses credit databases for analysis of creditworthiness of new customers, who are also subject to Risk Committee approval.

### Liquidity risk

Lack of liquid financial resources poses great risk on everyday activities of EPLI, including the ability to pay suppliers and employees.

- EPLI management focuses on methods used by financial institutions, i.e. diversification of sources of funds.
- This diversification makes EPLI flexible and limits our dependency on one financing source.
- Various methods of managing liquidity risk are used by individual companies.

### Commodity risk

EPLI's primary exposure to commodity price risk primarily arises from its dependence on fuel for its trucking business.

- In order to eliminate the fuel commodity risk, EPLI has added a fuel formula into its contracts.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Risk Management continued

## Operational risk

### Failures, breakdowns, outages and natural disasters

Delays or interruptions in our supply can increase capital expenditures, negatively impact EPLI's business and reputation, or cause significant harm to the environment.

## Risk management approach

- Predictive maintenance processes are in place, allowing us to proactively identify and respond to vulnerable areas of our business.
- We ensure that our key assets are adequately insured.

### Cyber risk and system failure

As part of our operations, information systems must have proper security measures in place that are aligned with regulation, while maintaining the highest degree of industry standards.

- EPLI cyber security is adopted with regular reviews of risks and selection of corresponding measures for the most effective protection.
- EPLI companies follow the requirements of several information security standards and frameworks, as well as laws, e.g. the GDPR (General Data Protection Regulation) or EU NIS Regulations (Network and Information Systems Regulations 2018).

### Regulatory risk

Apart from the regulated tariffs, risks also arise from the changes in the European energy legislation, which affects the scope and market price of the European Emission Allowance and Green Deal package.

- Trusted and open relationships with regulatory bodies.
- Geographic focus on countries with stable and established regulatory regimes.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Risk Management continued

## Strategic risk

## Risk management approach

### Socio-economic and political risk

EPLI's business is exposed to political, economic and social developments in Slovakia, the Czech Republic, Central and Eastern Europe regions, and elsewhere. This includes the COVID-19 pandemic and the war in Ukraine.

→ Open dialogue with local communities and authorities, with timely communication of our business intentions.

### Reputational risk

Reputational damage may arise from miscommunication, or lack thereof, and low transparency with stakeholders.

→ We only present information about our business that is based on facts, and we do so in a clear and reliable manner.  
→ We constantly monitor public media so that we may warn our stakeholders in a timely manner about any false information related to EPLI that was released.  
→ We promote a responsible marketing approach, making all information regarding our business, such as our services and their possible risks, available and factual.

### Competition risk

Many of the markets in which EPLI's business operates are increasingly competitive and as such, EPLI is exposed to the risk of not being able to compete effectively on an on-going basis.

→ We focus on providing tailor-made products and solutions, not only "transport", building up a loyal following of customers and treating them well.

### Employment related risk

EPLI's ability to maintain its competitive position and to implement its business strategy is largely dependent on its ability to attract and retain qualified personnel, such as managers and senior executives.

→ Regular dialogue with employees and union representatives.  
→ Competitive salaries and benefits for employees.  
→ We delegate main responsibilities across multiple executives to reduce the amount of risk managed by one position.  
→ Engagement with schools, universities and talent recruitment programmes at our subsidiaries and with our union representatives.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Quality Customer Experience

As a provider of premium transport services, we aim for quality in all that we do, underlined by a responsible, ethical, flexible, and bespoke approach to our business. This means that we work together with our customers to develop tailor-made solutions, implementing unique aspects of our fleet, expertise, and network to ensure the best possible outcome. This approach has allowed us to become the supplier of choice for many of our major customers, as demonstrated in the following case study.

## Case Study

### LOCON as a Supplier of Choice

#### Professional and responsible approach

Thanks to its professional and ethical approach, certified management of waste and transparent record keeping, our German subsidiary LOCON has become a supplier of choice for several railway infrastructure projects in Germany. Certification by the German Waste Management Association for Transport and Environment (Entsorgungsgemeinschaft Transport und Umwelt e.V.) is a sign of our awareness and an important prerequisite for the professional implementation of construction site transport.

#### Long-term Partnership with DB Netz

For several years, LOCON has been a reliable framework contract partner of DB Netz AG (a subsidiary of Deutsche Bahn operating most of the German railway system) and is therefore one of a small group of selected railway companies that are exclusively commissioned with the supply and disposal of railway construction sites. Our traction vehicles and railway carriages are used throughout Germany for DB Netz AG. In 2021, this long-term contract was extended for the coming years.

#### Excellent customer relationships

We cooperate in a network with selected partner companies to fully optimise capacity utilisation and bundle traffic and keep an eye on our principle of sustainable resource planning. Thanks to this we have excellent customer relationships with all players, and it is possible to implement the entire transport chain across all trades – including loading and unloading within the construction sites – with the same locomotive and wagon. In most cases, this means that no intermediate storage or handling of building materials is necessary, which, in addition to the high level of cost-effectiveness and efficiency, also means considerable savings in resources, energy and storage space.

#### Specific 2021 achievements included:

1. Based on its waste disposal certification and provision of complete documentation and electronic verification, LOCON was commissioned as the sole logistics service provider for a railway modernisation project between Leipzig and Dresden in Germany. LOCON designed a sophisticated supply and disposal concept, implementing numerous locomotives and railway wagons. The aim

of higher speeds of up to 200 km/h and thus shorter travel times, additional capacity for passenger trains and the instalment of electronic interlocking technology was achieved.

2. LOCON played a key role in the renovations of the high-speed line from Berlin to Hamburg in Germany. It planned the construction and operational processes, as well as provided all the necessary work with its locomotives, shunting personnel, railway wagons and a logistician to coordinate the construction site to ensure smooth supply and disposal of the construction site. 400,000 metres of rails, 15,000 sleepers and 30,000 tons of ballast, as well as 24 switches were exchanged. The aim to again enable travel with the ICE train on this route at a top speed of 230 km/h was achieved.

# Environmental Impact

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

## In this section

- Environmental Impact Overview
- Reduction of Emissions
- Beyond Emissions
- Promoting Sustainable Rail Transport

EPLI is aware of the impacts of our industry on the environment, in particular emissions from road transport and their contribution to climate change and air pollution.

Both our industry as a whole and our own businesses are growing, highlighting an urgent need to come up with more environmentally-friendly ways of transporting goods. We know that the transition to a zero-carbon economy and more efficient use of natural resources is both inevitable and desirable for both the long-term continuation of our services, as well as the wellbeing of society and the environment we operate in. Therefore, we are embarking on a path to achieve greater environmental sustainability.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Environmental Impact Overview

Our goal is to achieve zero emissions by 2050, guided by both the SDGs and EU legislation, as well as the goals of our parent company EPH. As we work to identify the further material topics relevant to our business in the environmental pillar, as described in the [ESG Approach](#) section of this report, we will strive to monitor and report on other relevant indicators. We also will keep monitoring all legislative developments within the EU such as the new Taxonomy regulation and ensure our compliance with it.

This chapter covers the activities we undertook in 2021 to achieve greater environmental sustainability, in particular our GHG-reduction efforts, driven by improvements to the efficiency and modernity of our fleet and our innovative approach to transporting goods by rail that would normally be moved by truck.

## Our contribution to the environment-related SDGs:



### SDG 3:

We understand that reducing emissions is vital not only for tackling climate change, but for the well-being of our stakeholders as well.



### SDG 11:

We are conscious that sustainable transport is a key element of creating safe, resilient, and sustainable cities and human settlements.



### SDG 13:

We are striving to better understand the impacts of our business on climate change.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex



# Reduction of Emissions

## Climate Change and common goals

We recognise the urgency of addressing climate change and as a result, committing EPLI to participating in joint global efforts to lower global temperatures. In particular, the 2015 Paris Agreement, adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 21), aligned participants on emissions reduction commitments to restrict the rise in average global temperatures above pre-industrial levels to at most two degrees Celsius. EPLI welcomes the Paris Agreement and fully supports its goal. As of 2021, we are committed to the EPH's goals of achieving carbon neutrality by 2050 and 60% reductions by 2030, also in line with the official 2050 EU climate-neutrality objective.

EPLI is aware that the emissions associated with rail and road freight transport, and the resulting consequences in terms of both climate change and air pollution, represent our largest environmental impact. Therefore, we are working to reduce our emissions, in alignment with our parent company EPH's goal of achieving carbon neutrality by 2050 and a 60% reduction of 2020 CO<sub>2</sub> emissions by 2030.



### → GHG emissions

We aim to fully understand the direct and indirect impact that our business has on GHG emissions. Through our continual modernising and optimisation of our fleet and operations, EPLI aims to take active part in its parent company EPH's decarbonisation goals and GHG emissions reduction targets.



### → Other air pollutants

We are aware of the significant impact of road transport on air pollution and therefore monitor the air pollutants associated with our operations and are committed to decreasing these emissions in future. We are in close touch with truck producers to search for sustainable vehicles, including those implementing electric motors, Liquefied Natural Gas (LNG), and hydrogen technologies.



### → Transport efficiency

Since 2020, we have been measuring our transport efficiency to track improvements in the amount of cargo we are able to transport relative to our consumption of energy. This is one of the most important indicators we track, as improving efficiency is core to our emissions reduction strategy.



### → Our emissions reduction efforts

Given the importance of reducing our emissions of CO<sub>2</sub> and other air pollutants, we are engaging in several activities to improve transport efficiency and make our fleet greener.

# Reduction of Emissions continued

## GHG Emissions

EPLI recognises that the freight transport industry produces significant greenhouse gas emissions, in particular CO<sub>2</sub> from the combustion of diesel fuel. Transportation accounts for over a quarter<sup>4</sup> – and global trade-related freight transport over 7% – of global CO<sub>2</sub> emissions, and global freight demand is predicted to triple by 2050.<sup>5</sup> Therefore, in 2020 we decided to focus on tracking our CO<sub>2</sub> emissions and aim to reduce them in line with our parent company EPH’s goal of decarbonisation, as well as broader European and international GHG emissions reduction targets.

**-7%**

CO<sub>2</sub> emissions compared to 2020

**-19%**

emissions intensity compared to 2020



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Reduction of Emissions continued

## GHG Emissions

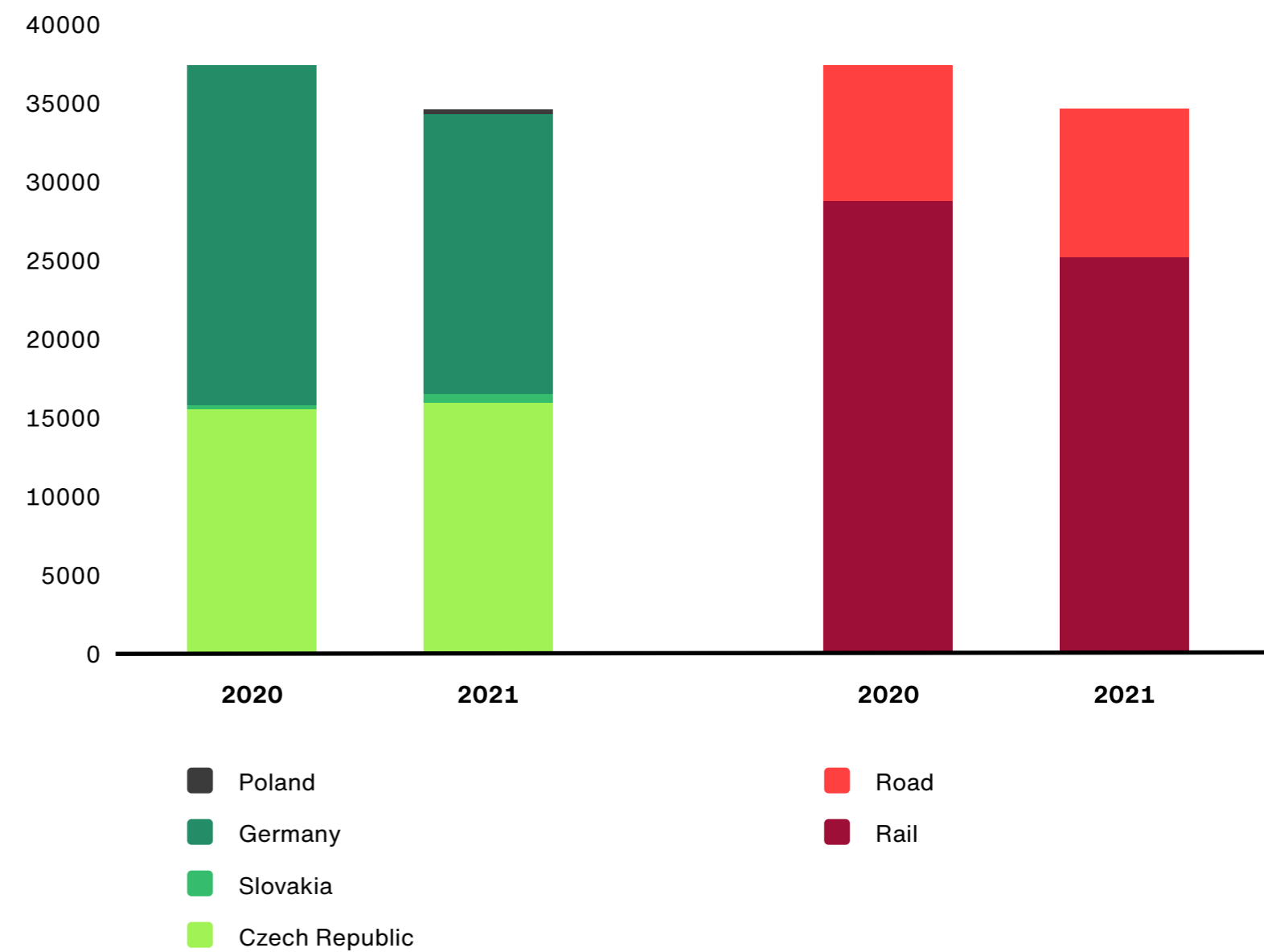
### Total CO<sub>2</sub> Emissions & Emissions Intensity

Overall, we emitted 34,621 tonnes of CO<sub>2</sub> in 2021, a 7% reduction compared to the previous year, when we started measuring our CO<sub>2</sub> emissions. This reduction was mostly attributable to our rail freight business, which experienced a 12% reduction in total emissions. In 2021, our rail freight business made up 75% of our total emissions, given the possibility of higher volumes of transported goods compared to our trucking business. Indeed, in terms of tkm, a standard measure of freight transport, we transported nearly two billion tkm by train in 2021, compared to approximately 160 million tkm by truck. When viewing our CO<sub>2</sub> emissions per tkm transported, known as emissions intensity, we saw an improvement of 19% from 19.8 g/tkm in 2020 to 16.1 g/tkm in 2021, an indicator of our improving operational efficiency.

Geographically, roughly half of our total emissions came from our business in Germany, with the other half originating from our Czech business, plus small contributions from Poland and Slovakia. Our emissions in Poland followed the significant growth of our business in this geography in 2021.

### EPLI 2021 CO<sub>2</sub> Emissions by Segment and Geography

(tonnes)



Graph 2: EPLI 2021 CO<sub>2</sub> Emissions by Segment and Geography

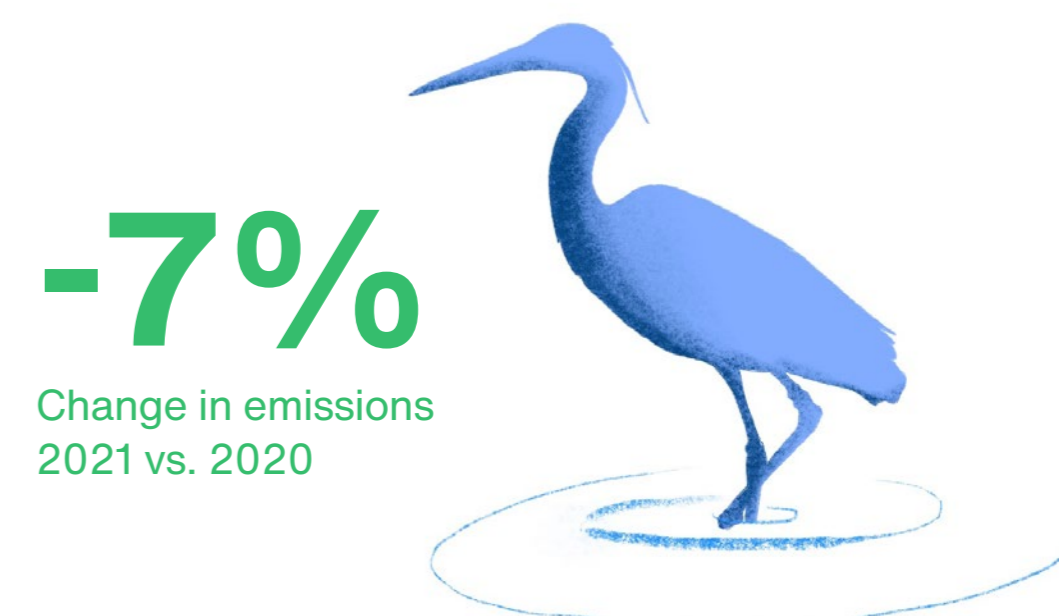
- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Reduction of Emissions continued

## GHG Emissions

### Scope 1 and 2 Emissions

Our Scope 1 emissions, which include direct emissions from diesel consumption in our fleet, comprised approximately one third of our total emissions and increased by 9% in 2021 relative to the previous year. Our Scope 2 emissions, which include indirect emissions from purchased electricity for operation of our electric locomotives, decreased by 12%.



	Description	2020 emissions (tonnes CO <sub>2</sub> )	2021 emissions (tonnes CO <sub>2</sub> )	Change in emissions 2021 vs. 2020	2020 emissions per 1 mEUR revenue (tonnes CO <sub>2</sub> / 1 mEUR)	2021 emissions per 1 mEUR revenue (tonnes CO <sub>2</sub> / 1 mEUR)	Change in emissions per 1 mEUR revenue 2021 vs. 2020
<b>Scope 1</b>	Direct emissions from diesel consumption of our fleet	8,660	9,430	+9%	54.7	49.2	-10%
<b>Scope 2</b>	Emissions from energy purchase for electric locomotives	28,746	25,191	-12%	181.6	131.4	-28%
<b>Total emissions</b>	Scope 1 + Scope 2	37,406	34,621	-7%	236.4	180.6	-24%

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

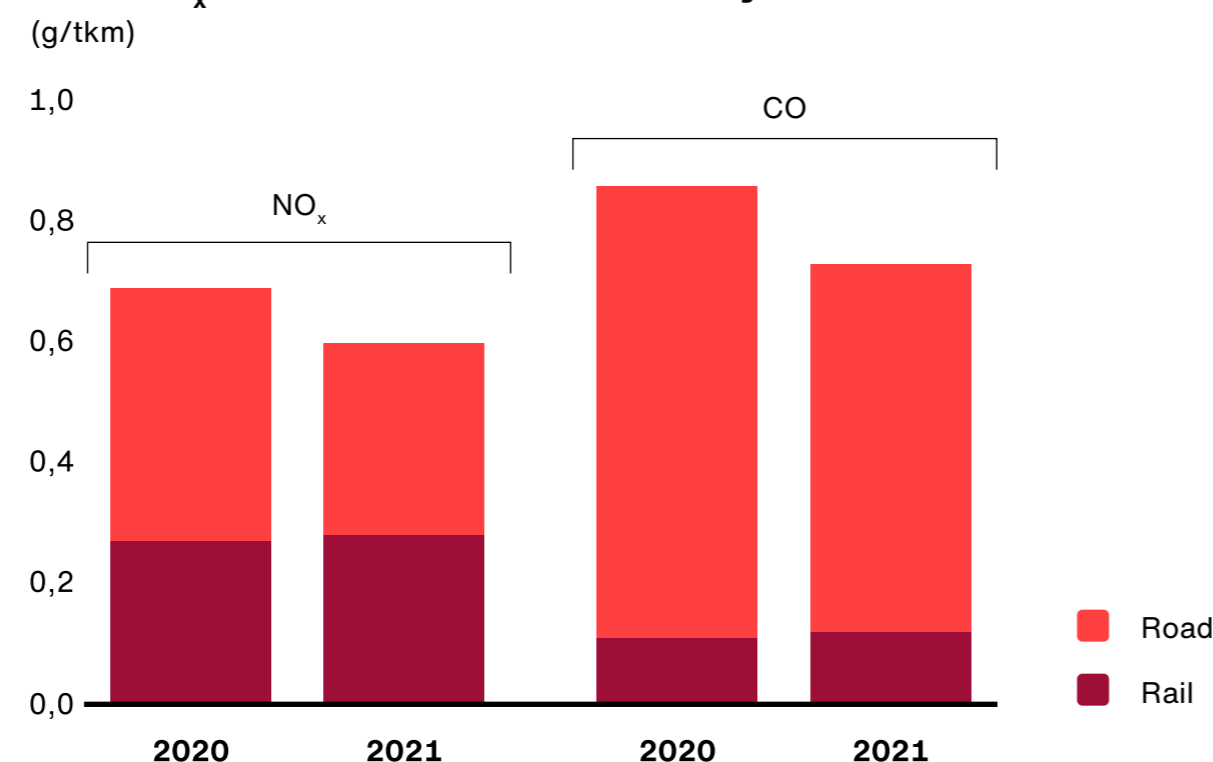
Table 3: EPLI Scope 1 and 2 Emissions

# Reduction of Emissions continued

## Other Air Pollutants

In addition to CO<sub>2</sub>, it is well known that the transport industry contributes to the emission of other pollutants into the atmosphere. More than two thirds of global NO<sub>x</sub> emissions and approximately 10% of other air pollutants come from transport, particularly road transport and rail transport carried out by diesel locomotives.<sup>6</sup> To keep track of our impacts in this area, we therefore started tracking our NO<sub>x</sub> and CO emission intensity in 2020.

**EPLI NO<sub>x</sub> and CO Emissions Intensity**



Graph 3: EPLI NO<sub>x</sub> and CO Emissions Intensity

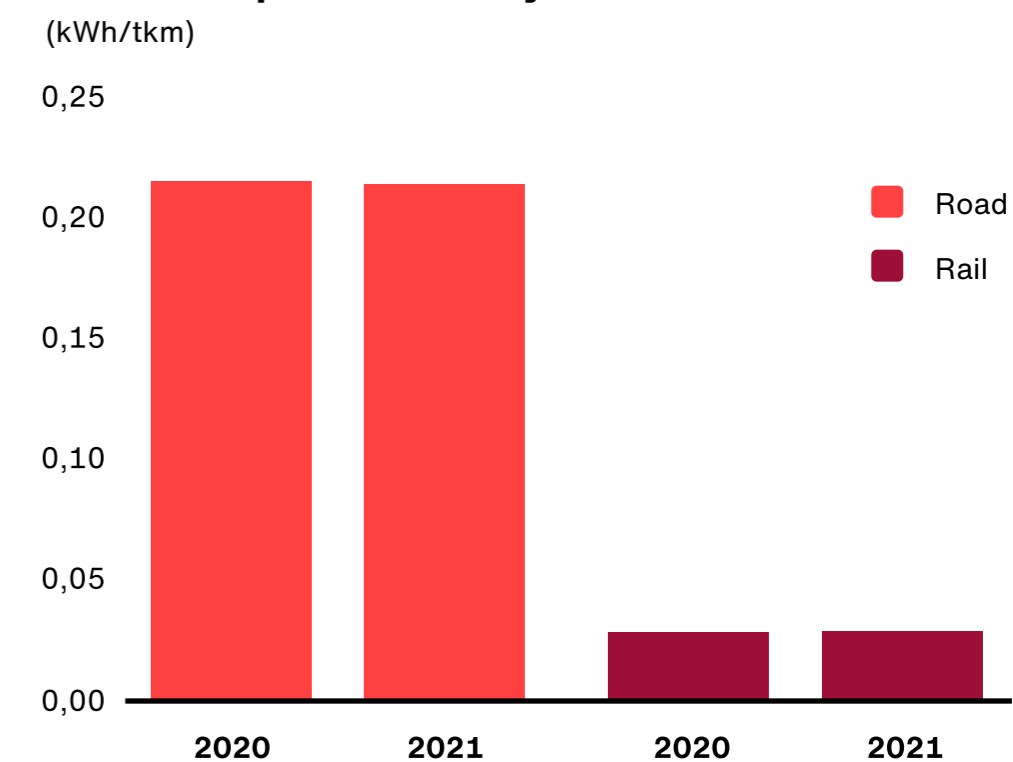
## Transport Efficiency

A cornerstone of our emission reduction efforts is optimising the volume of material we can transport per unit of energy consumed, also known as transport efficiency. Despite a 20% increase in our overall energy consumption in 2021, we were able to increase our transport efficiency by 5%, mostly driven by the rail segment.

Underlying the relatively minor increase in transport efficiency in 2021 was a limitation in our ability to use our full transport capacity due to

the impact of the COVID-19 crisis on global trade. In particular, the drop of production and export of goods from China and resulting underutilisation and skyrocketing prices of maritime transports on the Far East-Europe route, caused knock-on effects on rail transport. We expect some growth of our transport efficiency as pandemic recovery continues, however the impacts of the war in Ukraine, including escalated energy prices, supply chain disruptions and declining transport reliability, is bringing added strain to our industry.

**EPLI Transport Efficiency 2020 and 2021**



Graph 4: EPLI Transport Efficiency 2020 and 2021

6) European Environment Agency (2021). Emissions of air pollutants from transport. Available at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-air-pollutants-8/transport-emissions-of-air-pollutants-8>

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Reduction of Emissions continued

## Emissions Reduction Efforts

Our main strategy for achieving emissions reductions is through modernising and increasing the efficiency of our fleet. Primarily this is through our innovative use of rail, particularly electric locomotives. However, this does not mean that we plan to abandon our trucks, which still offer superior flexibility in route planning for specific materials despite overall lower energy efficiency. Rather, as described below, we are working on ways to improve the efficiency of our trucking business, including technology modernisation, optimisation through IT solutions and fuel-efficient driving techniques. In future, we will continue our efforts to reduce our emissions, in line with EPH's goals of achieving zero emissions by 2050.

### Electric locomotives

In 2021, we continued to operate our fleet of 31 electric locomotives. Our Siemens electric locomotives are energy efficient in both their production and operation. They are built to recover excess kinetic energy when braking and convert it into electrical energy for reuse within the system. Furthermore, they also save energy while waiting at stations by disconnecting unnecessary circuits, such as the transformer refrigerant pump or electric rectifier. In many cases, these and other benefits have convinced customers to use electric locomotives instead of trucks (see our [Promoting Sustainable Rail Transport](#) section) and have also led

us to convert routes from diesel to electric locomotives. For example, at the beginning of 2021, we implemented an electric Bombardier locomotive on a route between the Bremen and Hamburg freight centres. With a full utilisation of 50 weeks with six round trips, approx. 78,000 km were driven with an electric instead of diesel locomotive. This corresponds to around 500 tonnes of CO<sub>2</sub> saved per year just for the traction change of the locomotive.

**500 t**  
CO<sub>2</sub> saved per year

### Deployment of Electric Locomotives on Bremen to Hamburg Route

	km	Diesel consumption per km	kg CO <sub>2</sub> per litre	KWH per km	kg CO <sub>2</sub> per KWH	t CO <sub>2</sub>
Diesel	78 000	4,750	2,650			982
Electricity	78 000			17,000	0,366	485
CO <sub>2</sub> saving p.a.						-497

Table 4: CO<sub>2</sub> Savings from Switching Route from Diesel to Electric Locomotive

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Reduction of Emissions continued

## Emissions Reduction Efforts

### Truck modernisation

In 2021, a pilot trial of compression trailers was run, which confirmed operational benefits of using this technology. Such trailers contain a compressor, which enables the remote loading and unloading of bulk materials. These improve transport efficiency and are useful especially in combined transport, as part of the journey can be completed via rail. In the case of a road accident, bulk materials can be safely reloaded into a new trailer and the discharged trailer can be manipulated more easily, resulting in safety benefits. The first trailer has been ordered and will be delivered in 2022.

### IT solutions

In 2021, we implemented a software tool for our trucking business that will enable more efficient planning and utilisation of resources, real time monitoring of our trucks and better allocation of costs, therefore allowing us to analyse the profitability of individual customers and destinations almost entirely online. To date, this project has resulted in savings of 1% of trucking kilometres, 20% of human resources in dispatching and one headcount in administration. For our rail business, we will launch a project with specialised consultants at a later point to describe the current processes and needs and to help us define processes and IT tools to automate and increase the efficiency of our business.

### Fuel-efficient driver training and incentives

Since 2016, we have had a Driver Training and Remuneration System based on fuel efficiency in place, which considers four parameters for economical driving. Drivers' remuneration can be either increased or decreased based on the results. The total effect is estimated to save 1-4l/100km, i.e., up to 3-10% of total fuel consumption.

# 3-10%

total fuel consumption saved

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Beyond Emissions

Beyond the vital importance of reducing emissions and fighting climate change, we are also aware that our business has other interrelated environmental impacts, both positive and negative. On one hand, we are conscious that our business has impacts on surrounding ecosystems and communities through noise pollution. From a more positive perspective, we also see how our unique logistics network and expertise have the potential to support projects that benefit the environment and encourage customers to consider more sustainable forms of freight transport in future.



## → Noise pollution

Aside from emissions and energy use, noise pollution is another area in which our industry, particularly road freight transport, has a significant impact. We therefore are conscious of how our vehicles impact on the noise landscape and are working to reduce this impact, as we describe below.



## → Supporting environmental projects

Supporting environmental projects, including the building of rail infrastructure and the transport of materials for reuse that would otherwise be deposited in landfill, is another area in which we are able to contribute using our unique network and expertise. In many cases clients choose us as a supplier based on our specific vehicles, expertise, certification, and track record.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex



# Beyond Emissions continued

## Noise Pollution

According to the World Health Organisation (WHO), noise pollution is the biggest environmental stressor on society after air pollution, resulting in numerous health problems.<sup>7</sup> Road traffic is the biggest source of noise pollution in Europe.<sup>8</sup> EPLI is conscious of the noise pollution resulting from our road transport and is working to mitigate this impact in accordance with EU legislation. We are doing this by finding ways to keep trucks off European roads with

our innovative approach to rail and growing the number of electric locomotives in our fleet (see our [Promoting Sustainable Rail Transport](#) section).

EPLI owns 31 electric locomotives, which provide a significant contribution to the reduction of noise in our transport operations. Our own Siemens electric locomotives are equipped with silent brakes and thereby meet the noise pollution criteria set by the European Railway Authority

(ERA). Additionally, these locomotives reduce noise while waiting at stations by disconnecting unnecessary circuits, such as the transformer refrigerant pump or electric rectifier.

We are conscious of the benefits of rail transport when it comes to reduction of noise pollution and are therefore looking at ways of capitalising on our strategic advantages in this segment, particularly through our new intermodal business.



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Beyond Emissions continued

## Supporting Environmental Projects

Our environmental focus is just as much about reducing our negative impact as it is about increasing our positive impact. Given our range of offerings, ranging from our network of routes to our modern fleet, trained personnel, and unique innovative approaches that we have honed over years of experience, we are often able to help customers achieve pro-environmental outcomes that would not be possible without our expertise. This includes transporting waste materials for reuse and repurposing and facilitating the building of sustainable transport infrastructure.

### Enabling circular use of wood waste

One excellent example of our ability to realise environmental benefits thanks to our specific value proposition, is a project which involved transporting German wood waste, which would otherwise be discarded, to a factory in Slovakia where it could be transformed into valuable wooden boards for furniture production. This project was only possible because of our specific ability to transport this material to the relevant

destination in Slovakia, due to our existing rail coverage and expertise, which allowed for a favourable price-quality ratio. Had we not enabled the transport of this material by train, it would have proved too costly, resulting in the wood waste being disposed of and not reused in this circular economy approach.

### Facilitating railway infrastructure projects

Our German subsidiary LOCON has become a key partner in several projects to repair, modernise and expand the German railway infrastructure. In Germany, the government plans to invest billions in expanding the railway infrastructure with more numerous construction projects planned than ever before. Since it was founded, LOCON has provided railway construction services in the construction logistics division and thus made a significant contribution to the expansion of the railway infrastructure in Germany (see [LOCON as a Supplier of Choice](#) case study in the [Governance](#) section for more details).



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Promoting Sustainable Rail Transport 41

Our activities in rail demonstrate how EPLI's work contributes across a spectrum of environmental impacts. They show how we not only prioritise reducing GHG emissions and consequently fighting climate change and air pollution, but also how we are minimising noise pollution and energy consumption, supporting environmentally-friendly projects and ultimately, changing the behaviour of our clients in favour of more sustainable forms of transport.

Developing rail is part of our long-term strategy. We see this fast, climate-neutral, and cost-efficient form of transport as key to the future sustainability of our industry. Trains show clear benefits over trucks in terms of emissions per tonne of material transported. Electric trains in particular show the greatest benefits, outperforming both diesel trains and trucks in terms of reducing noise and air pollution, and emissions. With our intermodal business, which we have recently launched and plan to develop in future, we explore ways of combining road and rail to achieve the most efficient and effective outcome.

As shown in the below case studies, in 2021 EPLI convinced several customers to use rail instead of trucks thanks to our specific network and expertise, resulting in many environmental benefits. Taken together, these projects kept at least 28,610 trucks off European roads, resulting in equivalent savings of 8,600 tonnes of CO<sub>2</sub> as well as immeasurable reductions in noise and air pollution.



**28,610**  
trucks kept off European roads

**8,600**  
tonnes of CO<sub>2</sub> saved

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Promoting Sustainable Rail Transport

continued

Case Study

## EP Cargo's Unique Rail Expertise

In 2021, EP Cargo ran several projects involving the rail transport of construction waste and debris and other materials that are often moved by truck rather than train. Despite being less flexible than truck transport, rail transport has greater fuel and emissions efficiency, which combined with EP Cargo's loading and unloading expertise, makes it an excellent option for clients seeking a tailor-made service for transportation of specific types of materials. As a result, customers chose rail transport and hundreds of trucks were kept off the roads, leading to comparatively lower carbon emissions, fuel use and noise pollution, as well as cost savings (see Table 5):

### Energy gypsum

In 2021, EP Cargo transported 24 thousand tonnes of energy gypsum, a power station by-product, by rail from the industrial site Opatovice in the Czech Republic to the Netherlands, where it was used in a construction materials factory. In this project, one train carried the capacity of 60 trucks, leading to relative savings of 7,700 litres of diesel fuel. Moreover, by being able to relocate this valuable material in a more efficient way, it was prevented from being disposed of in a special landfill.

### Biomass

In 2021, EP Cargo trains transported 48 thousand tonnes of wood chips to the Plzeňská teplárenská (Pilsen heating plant) from various places in the Czech Republic. Wood chips represent a renewable and efficient form of biomass to replace coal, which is becoming ever more important as the prices for coal emissions allowances, as well as the pressure to reduce CO<sub>2</sub> emissions, continue to increase. In this project, one wagon could carry the equivalent of two trucks, meaning that a total of 2,166 trucks were not used in 2021 for the transport of this material. EP Cargo also enables an efficient use of resources by unloading chips from the existing wagons formerly used for coal transport.

### Wood waste

Starting in July 2021, EP Cargo began rail transport of one to two trains per month of wood waste collected by German recycling companies, which is brought to a factory in Zvolen, Slovakia for processing into boards and subsequently furniture. EP Cargo's rail expertise and capabilities enabled the client to transport a particular material on a specific route at the quality and price ratio that was needed, which could not have been achieved by truck transport. One train carried the equivalent of 33 trucks, saving 673 tonnes of CO<sub>2</sub> emissions per month.

### Building materials, waste, and construction debris

In 2021, EPLI established the BauLogistics centre, which focuses solely on railway transport of special fractions of building materials, waste shipments, and construction debris – which are not normally transported by rail – to and from railway construction sites. In total, the newly created centre saved 843 tonnes of CO<sub>2</sub> in 2021. In 2022, this number is expected to more than double as EP Cargo plans to continue to grow in this segment.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

4. Environmental Impact

4.3. Promoting Sustainable Rail Transport

# Promoting Sustainable Rail Transport

continued

Project	Total distance (km)	Total transport (tonnes)	Number of trucks kept off the road	Number of trains used	Emissions trucks (t CO <sub>2</sub> )	Emissions rail (t CO <sub>2</sub> )	Emission savings (t CO <sub>2</sub> )
Energy Gypsum	2,000	24,000	960	16	1,913	162	-1,751
Biomass	400	48,000	2,166	361	863	730	-133
Wood Waste	2,200	18,000	594	18	863	122	-741
Building Materials	55	31,500	1,050	30	58	8	-50
Waste Shipments	220	110,000	3,670	85	801	95	-706
Construction debris	210	14,500	483	15	103	16	-87

Table 5: 2021 Savings of Road Space and CO<sub>2</sub> Emissions from Transporting by Rail vs. Truck



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Promoting Sustainable Rail Transport

continued

Case Study

## LOCON's Innovative Approach to Last Mile Rail

In 2021, LOCON was able to convince both new and existing customers regarding the sustainability of rail cargo transport. Some of these customers had previously used trucks to transport goods from their plants. Due to LOCON's innovative strategy – encompassed by our last mile rail technology and loading/unloading expertise – it was possible to shift these transports to rail and to develop a concept tailored precisely to customer needs. As a result, the customers benefited from both a more efficient workforce and higher CO<sub>2</sub> savings.

### Rail technology for the last mile

LOCON uses a series 187 Bombardier TRAXX F160 AC3 (LMD) electric locomotive that offers the option of last-mile diesel. This makes it possible for LOCON to use the locomotive as a shunting locomotive without an available traction power line in the final port and thus offers increased flexibility and efficiency.

### Offering a full and tailored service

LOCON has developed a tailored approach to meeting its client's needs with professional personnel and expertise. On its Nauen-Hamburg route, it provides not only the wagon fleet, wagon inspector and shunting team, but is also responsible for loading and unloading the wagon fleet using two modern reach stackers, allowing its customers the highest degree of flexibility. In 2022, the customers on this route decided to continue their cooperation with LOCON, confirming the high quality and added value of this service.

### Cutting emissions and keeping trucks off the road

With projects like these, LOCON actively contributes to significant savings in space, capacity, and CO<sub>2</sub> on German roads. On our Minden-Hamburg route, we used 266 train trips to transport 22,370 twenty-foot equivalent (TEU, a standardised unit of cargo capacity) of cargo, which would have required 11,185 trips by truck – a 42-fold difference. On our Nauen-Hamburg route, we used 224 train trips to transport 17,000 TEU of cargo, which would have required 8,500 trips by truck. As a result of the switch to rail on these routes, we saved 2,112 and 3,020 tonnes of CO<sub>2</sub>, respectively.

Route	TEU (unit of cargo capacity)	Route distance (km)	Number of trips by train	Number of trucks kept off the road	CO <sub>2</sub> savings (tonnes) per year compared to road transport
Minden-Hamburg	22,370	260	266	11,185	-2,112
Nauen-Hamburg	17,000	500	224	8,500	-3,020

Table 6: 2021 CO<sub>2</sub> Savings with Rail transport vs. equivalent TEU transport by Road

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Social Impact

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

**In this section**

- Social Impact Overview
- Employment
- Health & Safety
- Adding Value Through Challenging Times

With over 600 employees and a fleet transporting goods across multiple European countries, the needs and expectations of our customers are our focus, and our workforce is our most important asset.

Therefore, we aim to offer a high-quality service while prioritising health, safety, fairness and inclusion. We are also aware that the systemic nature of our business makes it essential that we protect our employees and keep operating smoothly even through times of crisis.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex



# Social Impact Overview

To ensure we keep meeting the needs of our employees and customers, our goal is to continue offering a safe work environment with zero fatalities and accidents. Furthermore, we aim to offer secure, fairly paid and rewarding jobs with the opportunity for flexibility. Finally, we strive to increase the training and development opportunities for our employees as we believe that qualified and motivated employees are the key to our success.

This chapter focuses on issues relating to employment, health and safety and our response to social crises, including the COVID-19 pandemic. We give an overview of our hiring practices, employment conditions and training programs, our efforts to keep our employees and customers healthy and safe, and our achievements in offering high quality service regardless of challenging external situations.

## Our contribution to the social-related SDGs:



### SDG 3

We prioritise the health and wellbeing of our employees and communities.



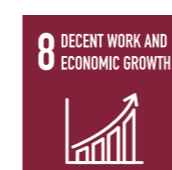
### SDG 4

We offer our employees opportunities for lifelong learning.



### SDG 5

We strive to offer equal opportunities for women.



### SDG 8

We are proud that our business contributes to regional and national economic growth and provides decent work opportunities.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

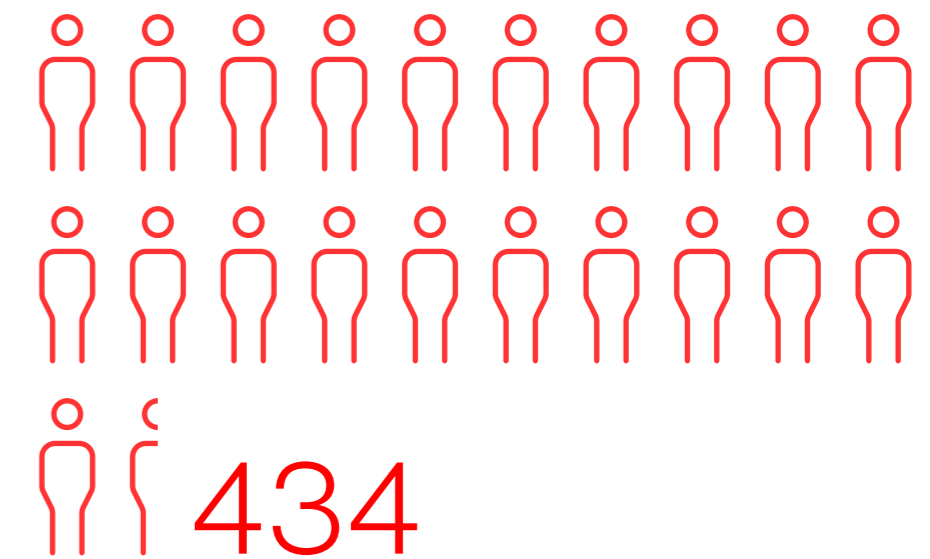
# Employment

Despite challenging times posed by the COVID-19 pandemic, our company continued to grow in 2021 with 157 new hires, bringing our total number of employees in 2021 to 636. Our turnover rate remained stable at 16%, a rate comparable to other players in our industry.

We strive to create a diverse and inclusive work environment in which each of our employees benefit from fair contracts, a pleasant work environment, opportunities for training and development and additional benefits such as a year-end bonus and extra week of vacation. We value our employees and aim to offer most of them permanent contracts after completion of their first year, thereby giving them the stability of long-term work. We are proud that almost 90% of our employees had permanent contracts and most of our workers were directly employed in 2021. Unions are active in one of our companies, EP Cargo Trucking, where a collective agreement has been signed for two years and management meets union representatives every quarter.

## 2021 EPLI Headcount by Country

Czech Republic



Germany



Poland

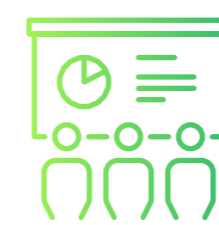


Slovakia



### → Diversity & Inclusion

We believe in the value of diversity and inclusion in our hiring, in line with the EPH Policy on Equality, Diversity and Inclusion, which has been implemented at the beginning of 2022.



### → Training

We ensure that our employees complete legislated training to be able to offer our services at the highest safety standard, while also offering our employees the means to develop their skills according to their specific needs.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

Figure 4: 2021 EPLI Headcount by Country

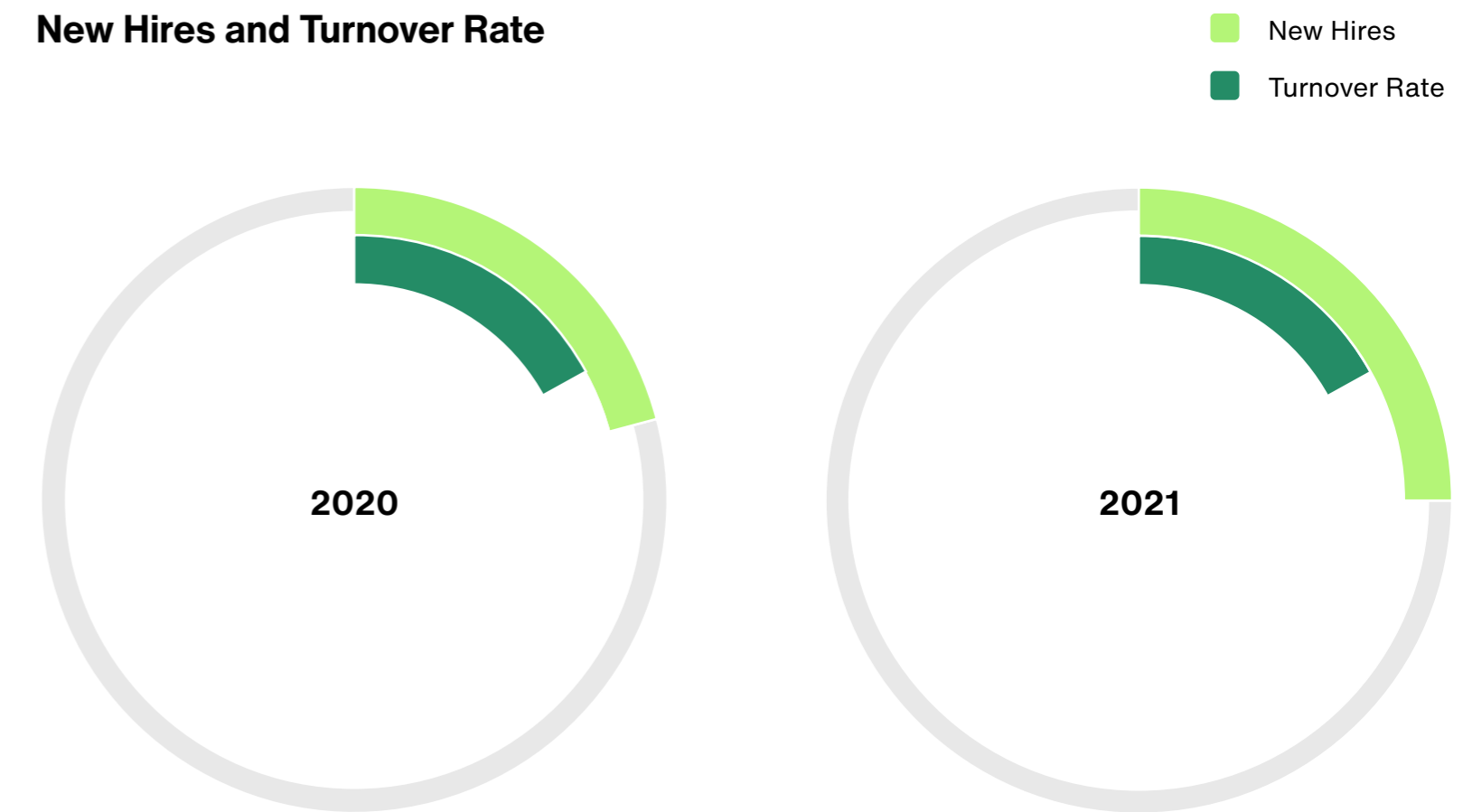
# Employment continued

→ Despite difficult times posed by the COVID-19 pandemic, **our company continued to grow** in 2021 with the addition of 157 new employees.



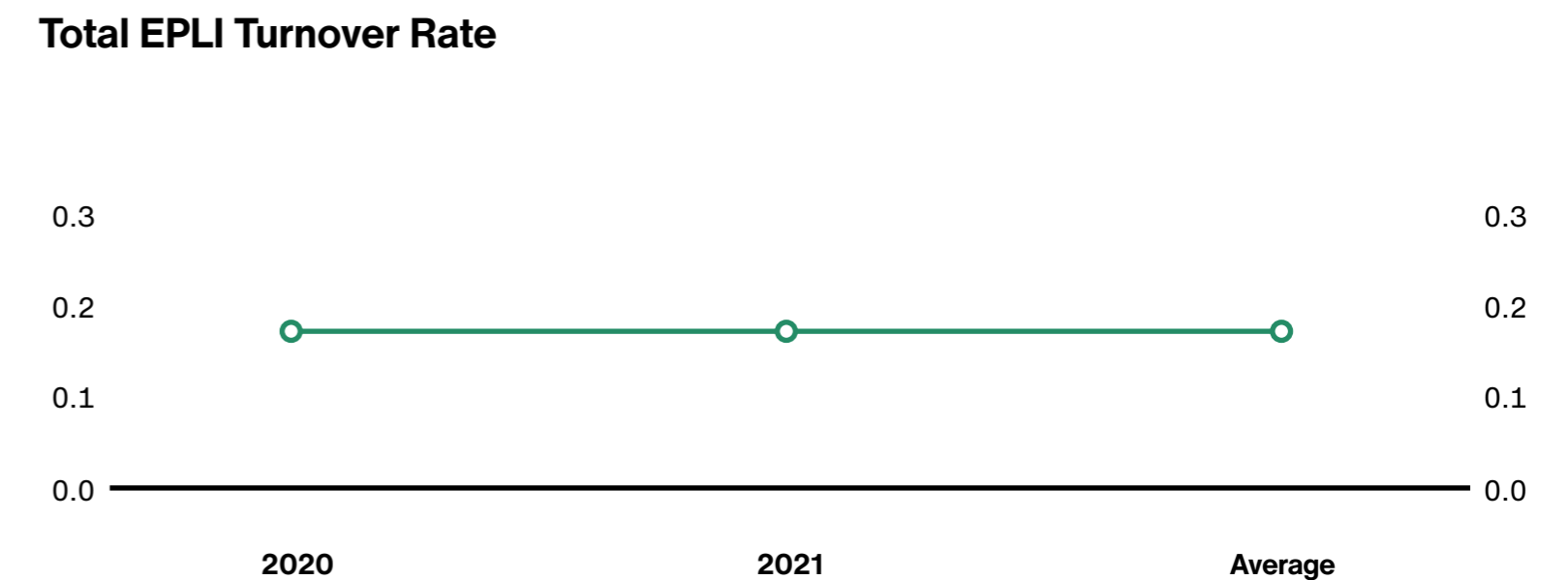
- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

New Hires and Turnover Rate



Graph 5: New Hires and Turnover Rate, 2020–2021

Total EPLI Turnover Rate



Graph 6: Turnover Rate by Country, 2020–2021

# Employment continued

9) European Commission (2017). Women in Transport: EU Platform for Change. Available at: [https://transport.ec.europa.eu/transport-themes/social-issues/women-transport/women-transport-eu-platform-change\\_en](https://transport.ec.europa.eu/transport-themes/social-issues/women-transport/women-transport-eu-platform-change_en)

## Diversity & Inclusion

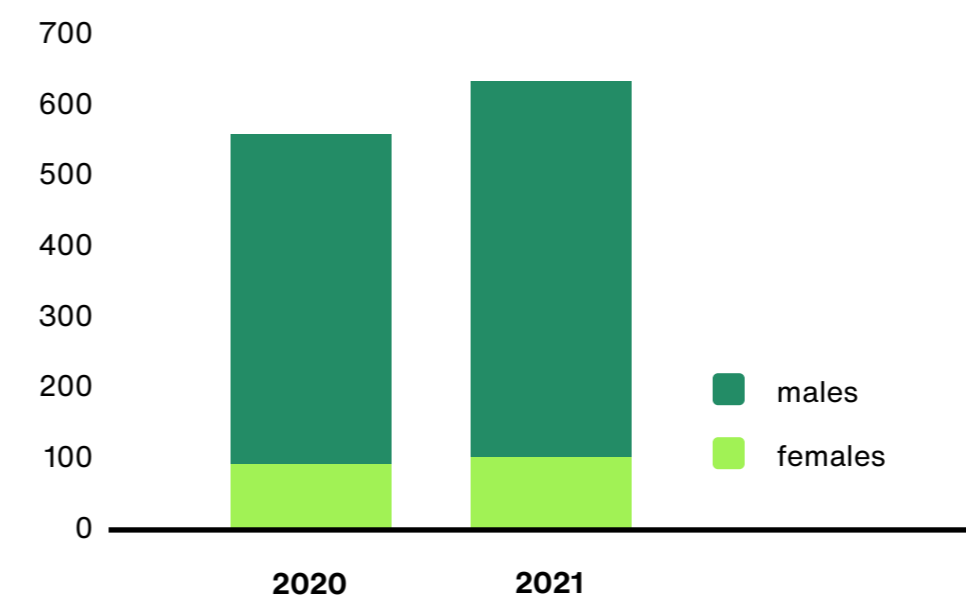
Since 2021, EPLI formally adheres to EPH's **Equality, Diversity, and Inclusion Policy**, committing to inclusive and respectful treatment of our employees. We believe that diversity provides a rich source of innovation and creativity in our company and employ people without discrimination based on age, disability, gender, or other factors.

We are conscious that our industry is still male dominated. In the EU, women make up only 22% of the transport industry.<sup>9</sup> Therefore, we are proud that in 2021 there was a 10% increase in the number of female employees at EPLI. Overall, women make up 16% of the company's employees, and 14% of our top and middle management. We realise that there is a global move for females to play a greater role in transport jobs traditionally seen as "men's work" and are also exploring ways of creating more opportunities for women within our companies.

We furthermore are proud to employ the most experienced members of society, with around 30% of our employees over the age of 50, a subsegment of our workforce that increased by 14% in 2021. We also offer increasing opportunities for younger employees at the beginning of their careers.

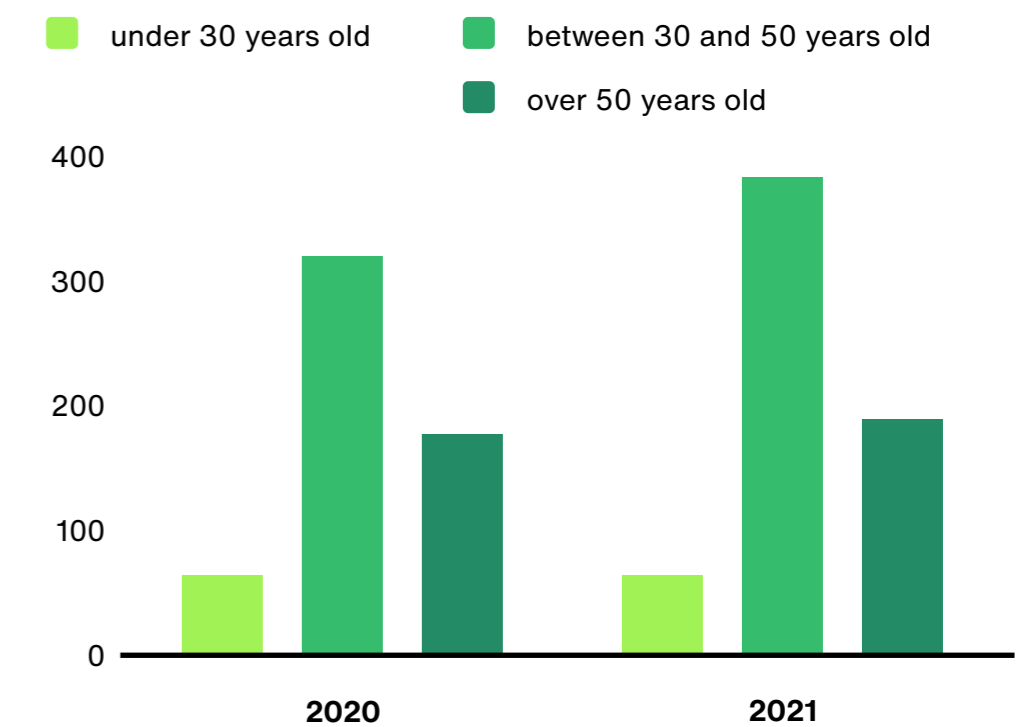
- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

Headcount by Gender



Graph 7: Headcount by Gender, 2020–2021

Headcount by Age Group



Graph 8: Headcount by Age Group, 2020–2021

# Spotlight

## EP Cargo Trucking's Tailored Training for Branch Managers

EPLI prides itself in offering training tailored to the current needs of our employees. As an example, in 2021, EPLI management asked for a special training for branch managers to assist them in communicating and problem solving with dispatchers, who represent an important first contact to drivers. The most frequent questions dispatchers receive were compiled, and this was incorporated into the training, allowing branch managers to learn how to respond effectively to these common requests.

# Employment continued

## Training

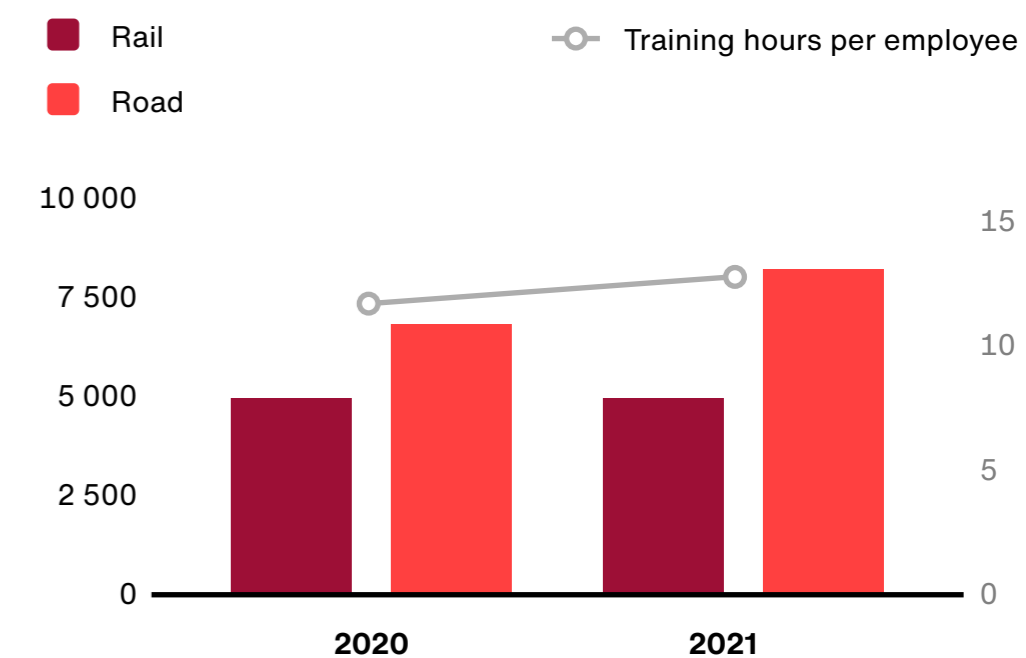
We believe that providing training is an important way to give our employees a sense of fulfilment and personal growth while also developing the skills they need to excel in their work. In 2021, the number of training hours at EPLI was up 23% compared to the previous year. A total of 8,221 hours of training were completed by employees, consisting of an average of 13 hours of training per employee.

For all employees at EPLI companies, training is offered to develop soft skills such as communication and negotiation, as well as management skills training for 100% of our managers. Trainings are tailored to the needs of each subsidiary, which are regularly given the opportunity to submit any special training needs to our human resources team.

In addition to soft skills training, we provide professional training required by legislation or to develop special skills related to our railway and trucking operations. This includes a yearly preventive training to promote safe driving, and a biennial occupational health and safety and fire safety training.

Due to COVID-19, most of our training in 2021 was held virtually, except for our technical training, which required in-person presence.

**Total Training Hours by Segment**

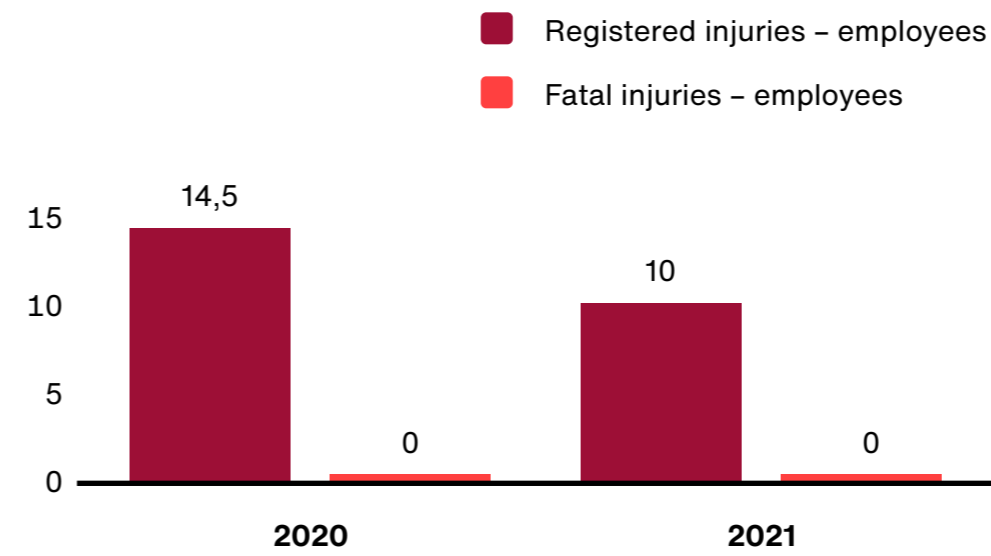


Graph 9: Total Training Hours by Segment, 2020–2021

# Health & Safety

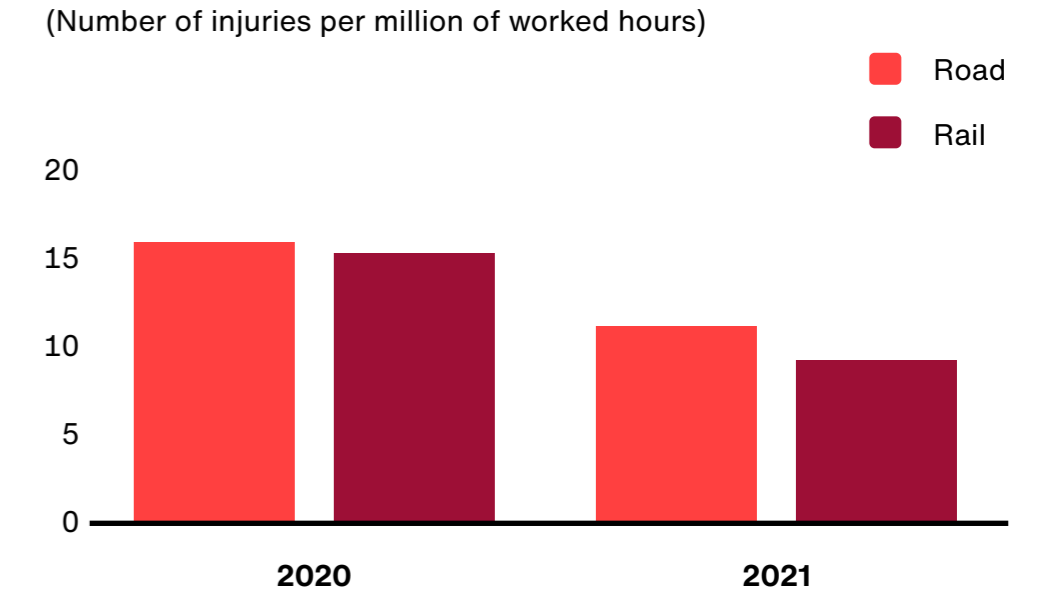
EPLI prioritises the health and safety of all its employees, whether administrative or operational. We are proud to have maintained a record of zero road fatalities of drivers or third parties in our years of operation, as well as a declining injury frequency rate. In 2021, there was only one accident in our entire fleet and the total number of registered injuries among our employees dropped by 33% compared to the previous year, with ten minor injuries occurring in 2021.

Registered Injuries



Graph 10: Registered Injuries 2020-2021

Injury Frequency Rate



Graph 11: Injury Frequency Rate, 2020-2021



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Health & Safety continued

## Health & Safety Management

To achieve our goals of zero fatalities and accidents, we ensure that our employees fulfil legislated occupational health and safety and fire safety training every second year as well as a yearly preventive training.

We furthermore are looking into new technologies that can improve the safety of our business. For example, in our trucking business, we ran a pilot program in 2021 for compression trailers that improve safety on the roads. These trailers enable the remote loading and unloading of ashes, meaning that in the case of road accidents the ashes can be safely unloaded to a new trailer and the discharged trailer manipulated more easily. The first such trailer has been ordered and will be delivered in 2022.

## Health & Safety Certification

We take care to ensure that our working spaces adhere to national and international guidelines and operate according to the Operational Policy of EPH as well as having ISO 45001 (formerly OHSAS18001) certification.

To ensure safety and prevent accidents, all locomotives in EPLI's fleet are certified according to mandatory EU regulations. The certification process for the "Entity in Charge of Maintenance" ("ECM") safety certification as defined by the Directive (EU) 2016/798 was completed for our subsidiary LokoTrain and is ongoing for RM Lines and LOCON. As the name suggests, this certification ensures that all railway vehicles are operated in a safe and serviceable condition. Besides the legislative obligation valid as of June 2022, ECM certification will also secure higher quality, security and tracking of the performed maintenance.



- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Adding Value Through Challenging Times

EPLI's ability to offer the systemically important service of freight transport by road and rail in a professional and efficient manner puts us in the unique position to add value to society even during challenging times. Through a variety of types of crises, we have applied our expertise and hard-working spirit to solving problems and keeping the wheels of our trains and trucks turning.

## Natural Disaster Assistance

In the aftermath of a tornado on 24th June 2021 in south-eastern Moravia, EPLI did not hesitate to rapidly release some capacity and actively participate in transporting 14,500 tonnes of waste debris from the town of Hodonín to the debris depot in Čáslav, by rail. The tornado had destroyed or damaged 1,500 buildings and infrastructure in seven Czech municipalities. Thanks to our quick response and logistical expertise, we were able to help in the efforts to transport and dispose of a huge amount of construction debris as quickly as possible and prepare the affected area for reconstruction and recovery.

## Coronavirus Response

The COVID-19 crisis has created great disruptions for the transport and logistics industry, given that its smooth functioning depends on the health and safety of all employees. At EPLI, we are proud that despite the challenges posed by the pandemic, we did not lay off any employees, and in fact our company continued to grow. Although some of our subsidiaries experienced fluctuations in financial results, this did not have a negative impact on wages.

To keep our employees and customers safe, we followed government recommendations of making masks, disinfectants, and antigen tests available in all workplaces. Employees were also offered the opportunity to work from home where possible, and a special online training was prepared for employees with small children at home. At EP Cargo Trucking, there was a change in the benefit system so that employees could draw benefits via a payment card usable for recreation, sport, and education.

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex



# Adding Value Through Challenging Times continued

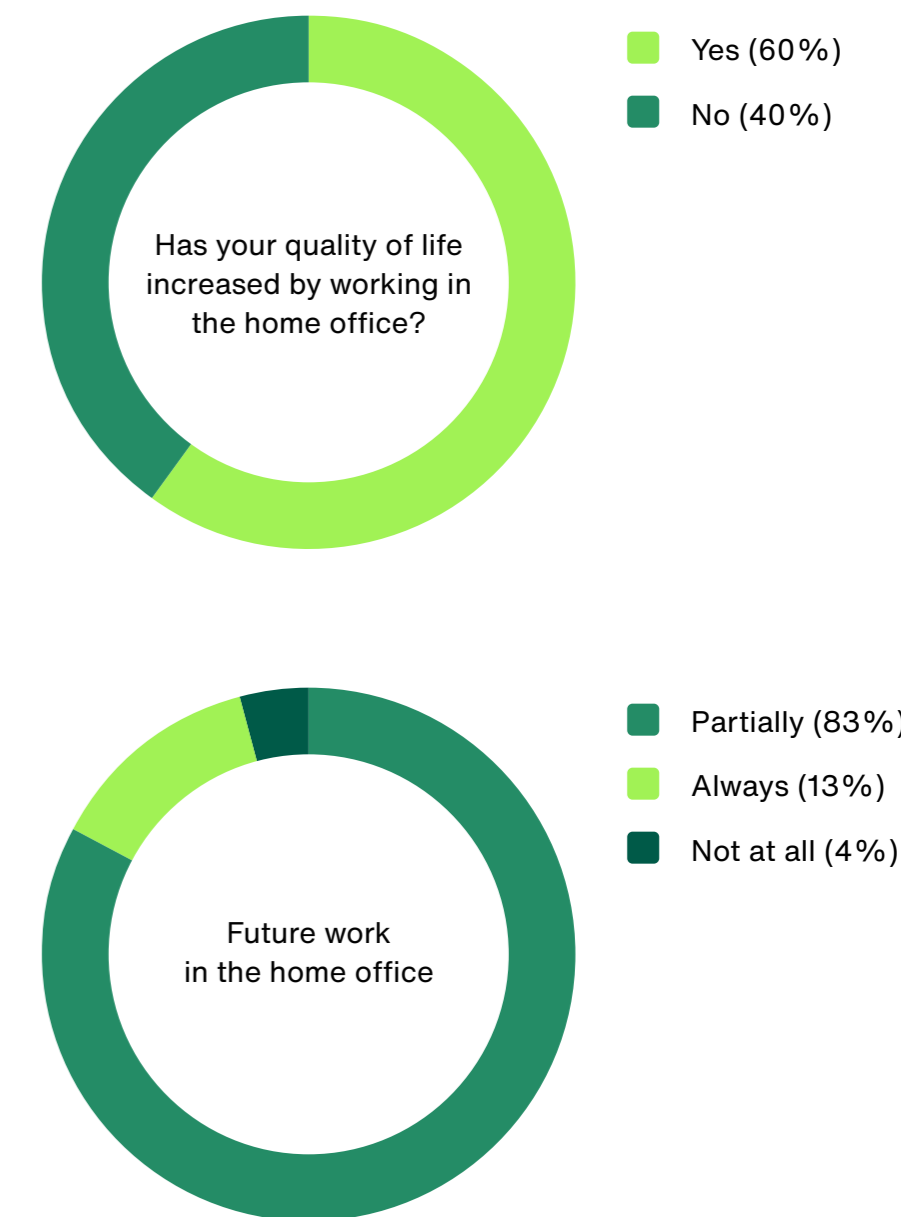
## Case Study

### EPLI at Full Speed Even During the COVID Pandemic

Given EPLI’s national and international freight transport business, our services are systemically important. Therefore, key employees such as train drivers, shunting attendants and wagon inspectors were expected to continue working despite the COVID-19 pandemic. However, this could only be guaranteed if the administrative tasks of the commercial employees continued to be fulfilled. Ensuring continuous functioning of the control centre was considered vital; if COVID-19 were to spread among employees, the constant monitoring and processing of trains could not be guaranteed.

For the health and safety of employees, EPLI’s board decided that most of its commercial workforce should work from home, despite initial concerns that home office would negatively affect the quality and reliability of our transport. As we now look back, we can proudly confirm that no train has stood still, and we managed to maintain our operations at the same level. Furthermore, a survey of EPLI employees showed that most surveyed employees saw home office as a benefit. For this reason, EPLI will continue to enable its employees to work from home in the future.

#### EPLI Home Office Employee Survey



Graph 12: LOCON Home Office Employee Survey

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex

# Annex

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

## In this section

- Report Boundaries
- Abbreviations
- List of Graphs, Tables and Figures
- Financial Results
- GRI Content Index

# Report Boundaries

The content of this report is based on data, information and case studies gathered in the 2021 calendar year. The Report content includes all our operations in the Czech Republic, Slovakia, Germany, Poland, Austria, and Hungary. For more information on our countries of operation and legal entities, please refer to the [EPLI and Its Business](#) section of this Report. The list of EPLI subsidiaries covered by this Report can be found in the following table. According to the EPLI reporting approach, data from newly acquired entities is included in the consolidated reporting. Therefore, a company acquired on June 30th will be included in the financial and non-financial performance data that is presented in the period from 1st July to 31st December.

Rail freight	Management share
EP Cargo Invest, a.s.	100%
EP Cargo a.s. (EŽC a.s.)	100%
LOCON Logistik & Consulting AG	100%
LokoTrain s.r.o.	100%
LokoTrain DE GmbH	100%
EP Cargo Deutschland GmbH	100%
EP CARGO POLSKA s.a.	100%
EP Intermodal a.s. (AVE SR Východ a.s.)	100%
SPEDICA LOGISTIC, s.r.o.	84%
RAILSPED, s.r.o.	84%
RM LINES, a.s.	84%
Spedica s.r.o.	84%
Trucking	
EP Cargo Trucking CZ s.r.o.	100%
EP Cargo Trucking PL Sp. z o.o.	100%
EP Cargo Trucking SK s.r.o.	100%

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Abbreviations

<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>COP 21</b>	2021 Conference of the Parties to the United Nations Framework Convention on Climate Change
<b>EBITDA</b>	Earnings before interest, taxes, depreciation and amortization
<b>ECM</b>	Entity in Charge of Maintenance
<b>EPH</b>	Energetický a průmyslový holding
<b>EPLI</b>	EP Logistics International
<b>ERA</b>	European Railway Authority
<b>ESG</b>	Environment Social Governance
<b>EU</b>	European Union
<b>GDPR</b>	General Data Protection Regulation

<b>GHG</b>	Greenhouse Gases
<b>GRI</b>	Global Reporting Initiative
<b>HR</b>	Human resources
<b>ISO</b>	International Organisation for Standardisation
<b>LNG</b>	Liquified Natural Gas
<b>LOCON</b>	Locon Logistik & Consulting AG
<b>NO<sub>x</sub></b>	Nitric Oxide
<b>CO</b>	Carbon Monoxide
<b>SDGs</b>	Sustainable Development Goals
<b>UN</b>	United Nations
<b>YoY</b>	Year-on-Year
<b>WHO</b>	World Health Organisation

## Units

<b>#</b>	Number
<b>%</b>	Percentage
<b>g/tkm</b>	Gram per tonne-kilometre
<b>Km/h</b>	Kilometres per hour
<b>Km</b>	Kilometres
<b>L</b>	Litre
<b>KWh</b>	Kilo-watt hour
<b>mEUR</b>	Millions of Euros
<b>Mil. tkm</b>	Million tonne-kilometres
<b>TEU</b>	Twenty-foot equivalent
<b>tkm</b>	Tonne-kilometres

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# List of Graphs, Tables and Figures

Graph 1:	Tonne-kilometres Driven by Country	Table 1:	Material Topics and Goals	Figure 1:	EPLI Subsidiaries
Graph 2:	EPLI 2021 CO <sub>2</sub> Emissions by Segment and Geography	Table 2:	2021 ESG Highlights in Numbers	Figure 2:	EPLI Terminals and Ports
Graph 3:	EPLI NO <sub>x</sub> and CO Emissions Intensity	Table 3:	EPLI Scope 1 and 2 Emissions	Figure 3:	EPH Policies
Graph 4:	EPLI Transport Efficiency 2020 and 2021	Table 4:	CO <sub>2</sub> Savings from Switching Route from Diesel to Electric Locomotive	Figure 4:	2021 EPLI Headcount by Country
Graph 5:	New Hires and Turnover Rate 2020–2021	Table 5:	2021 Savings of Road Space and CO <sub>2</sub> Emissions from Transporting by Rail vs. Truck		
Graph 6:	Turnover Rate by Country 2020–2021	Table 6:	2021 CO <sub>2</sub> Savings with Rail transport vs. equivalent TEU transport by Road		
Graph 7:	Headcount by Gender 2020–2021				
Graph 8:	Headcount by Age Group 2020–2021				
Graph 9:	Total Training Hours by Segment 2020–2021				
Graph 10:	Registered Injuries 2020–2021				
Graph 11:	Injury Frequency Rate 2020–2021				
Graph 12:	LOCON Home Office Employee Survey				

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# Financial Results

Further financial data can be found in the [EPH Consolidated Annual Report 2021](#).

## EBITDA and Revenues<sup>10</sup>

Revenues	2020 (mEUR)*	2021 (mEUR)*	Change 2021 vs. 2020
Total	158	192	+21%
(out of which)			
Rail	138	170	+24%
Trucking	20	21	+3%

\* Numbers are rounded.

EBITDA	2020 (mEUR)*	2021 (mEUR)*	Change 2021 vs. 2020
Total	27	37	+37%

\* Numbers are rounded.

10) Amounts before IC eliminations. When calculating indicators, we use EBITDA without considering intercompany transactions.

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# GRI Content Index

**Statement of use** EP Logistics has reported the information cited in this GRI content index for the period 1.1.2021 - 31.12.2021 with reference to the GRI Standards.

**GRI 1 used** GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	a. EPH Consolidated AR 2021 pp. 152-153 b. EPH Consolidated AR 2021 pp. 152-153 c. EPH Consolidated AR 2021 (Notes to the Czech statutory financial statements), p. 10 d. EPLI and Business, Geographical presence, p. 15
	2-2 Entities included in the organization's sustainability reporting	a. Annex, Report Boundaries, p. 57 b. No differences c. Annex, Report Boundaries, p. 57
	2-3 Reporting period, frequency and contact point	a. 1.1.2021 - 31.12.2021 b. 1.1.2021 - 31.12.2021 c. August 2022 d. sustainability@eplogistics.cz
	2-6 Activities, value chain and other business relationships	a. EPLI and its Business, Business Segments, p. 12 b. EPLI and its Business, Business Segments, other than that EPLI does not use external suppliers c. Governance, Quality Customer Experience, p. 27
	2-7 Employees	a. Social Impact, Employment, Diversity and Inclusion, Graph 7, p. 50 b. Employment, p. 48 c. Employment, Annex, Report Boundaries, p. 48, 57 d. Employment, p. 48 e. No significant fluctuations, Employment, Graph 5, p. 49

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# GRI Content Index continued

2-8 Workers who are not employees	a. 19 b. On-site contractors, temporary agency workers, consultants and freelancers c. Number of workers who are not employees decreased by 17% from 2020 to 2021
2-9 Governance structure and composition	a-c. Governance Structure and Key People, p. 20
2-10 Nomination and selection of the highest governance body	Governance Structure and Key People, p. 20
2-11 Chair of the highest governance body	Governance Structure and Key People, p. 20
2-12 Role of the highest governance body in overseeing the management of impacts	Governance Structure and Key People, p. 20
2-13 Delegation of responsibility for managing impacts	Governance Structure and Key People (EPLI Senior management), p. 21
2-14 Role of the highest governance body in sustainability reporting	Governance Structure and Key People, p. 20
2-22 Statement on sustainable development strategy	ESG Approach, p. 4
2-23 Policy commitments	Governance, Ethics and Compliance, p. 22
2-27 Compliance with laws and regulations	Ethics and Compliance, p. 22
2-30 Collective bargaining agreements	Employment, p. 48
<b>GRI 3: Material Topics 2021</b>	
3-1 Process to determine material topics	ESG Approach, ESG Strategy, p. 4
3-2 List of material topics	ESG Approach, Material Topics and Goals, p. 4
3-3 Management of material topics	Described under each specific material topic

- 1. Introduction
- 2. EPLI and Its Business
- 3. Governance
- 4. Environmental Impact
- 5. Social Impact
- 6. Annex



# GRI Content Index continued

<b>GRI 201: Economic Performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	Risk Management, p. 23–26
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	Governance, Quality Customer Experience, p. 27
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	Governance, Ethics and Compliance, p. 22
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Environmental Impact, Reduction of Emissions, Transport Efficiency, p. 35
	302-3 Energy intensity	Environmental Impact, Reduction of Emissions, Transport Efficiency, p. 35
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Environmental Impact, GHG Emissions, p. 32–34
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Impact, GHG Emissions, p. 32–34
	305-4 GHG emissions intensity	Environmental Impact, GHG Emissions, p. 32–34
	305-5 Reduction of GHG emissions	Environmental Impact, GHG Emissions, p. 32–34
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Impact, Other Air Pollutants, p. 35
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Social Impact, Employment, Graph 5, p. 49
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Impact, Employment, p. 48–51
	403-1 Occupational health and safety management system	Social Impact, Health and Safety Management, p. 52–53

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

# GRI Content Index continued

<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	Social Impact, Health and Safety Management, p. 52–53
	403-9 Work-related injuries	Social Impact, Health and Safety, Graphs 10 & 11, p. 52
	403-10 Work-related ill health	Social Impact, Health and Safety, p. 52–53
	404-1 Average hours of training per year per employee	Social Impact, Training, p. 51
<b>GRI 404: Training and Education 2016</b>	404-2 Programs for upgrading employee skills and transition assistance programs	Social Impact, Training, p. 51

1. Introduction
2. EPLI and Its Business
3. Governance
4. Environmental Impact
5. Social Impact
6. Annex

Published in August 2022 by  
EP Logistics International, a.s.  
Náměstí Hrdinů 1693/4a  
140 00 Praha 4  
Czech Republic