

# Sustainable vision

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***No Limits*** in the pursuit of sustainable distribution and logistics

# Contents

## FOREWORD 3

## KEY FIGURES 4

## VISION 2030 5

PILLARS 6

GOALS 6

## ENVIRONMENT 7

INTRODUCTION 7

ACHIEVEMENTS AND GOALS 8

ACTIONS 9

More efficient transport 9

Cleaner transport 10

Sustainable real estate 11

CO2 compensation 12

Sustainable waste management 13

Responsible packaging 14

Sustainability for the customer 15

## PEOPLE 16

INTRODUCTION 16

ACHIEVEMENTS AND GOALS 17

ACTIONS 18

Diversity and inclusion 18

Development 19

Safety and health 20

Sponsorships and charities 21

## MANAGEMENT 22

INTRODUCTION 22

ACTIONS 23

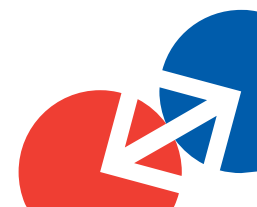
Transparency and ethics 23

Responsibilities 24

Responsible supply chain 25

## ROADMAP 26

ROADMAP 2050 26





# Foreword

When we started CTS GROUP (then Wings & Wheels Express) in 1995, our main mission was to gain a foothold in the then already competitive logistics market. Over the past decades, thanks also to the commitment of our employees and the trust of our customers, we have grown into a reliable and innovative service provider with a unique product line. Organically, we have embraced people and our environment in our growth. Local involvement and personal attention to employees, our customers and other stakeholders quickly became central.

In recent years, awareness of the impact of our activities on the environment and our society has increased. We see it as our duty to safeguard tomorrow's world for future generations in the broadest sense. In other words; to be a good future-proof employer. To do this properly, we have drawn up a sustainability policy plan. A dynamic document that serves as a guideline for all the activities we undertake, and we are happy to share it with you. Not only to provide insight in our ambitions, but also because we need all our stakeholders to achieve them.

Our sustainability policy plan is based on 3 pillars: people, environment and management (according to the ESG principle).

- 1. Environment:** we are determined to minimise our carbon footprint and reduce the negative impact of our activities on the environment. In addition, we will design our logistics processes to minimise waste and operate as circularly as possible.
- 2. People:** we believe in the importance of our employees and the environment in which we operate. We are committed to sustainable employability and promoting job satisfaction. Developing talent and encouraging active sport are the pillars on which many of our social initiatives are based.
- 3. Management:** transparency and accountability are essential for a sustainable organisation. In the coming years, we will continue to build a transparent and future-proof organisation with a clear structure and room for development of 'own' employees.

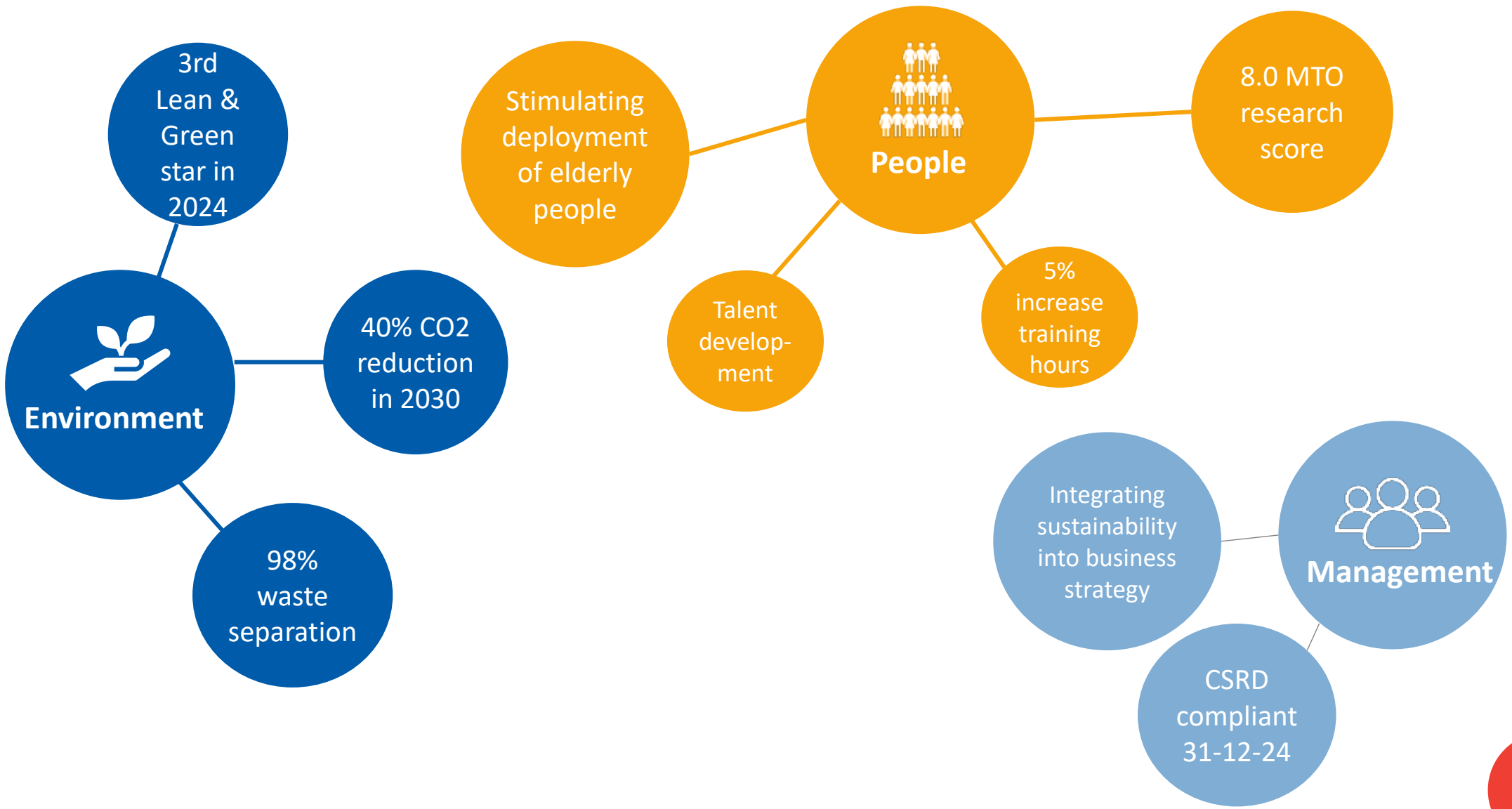
**Edwin Beentjes & Miriam de Groot**  
Founders CTS GROUP

“Moving towards a  
sustainable future together!”





# Key figures







# Vision 2030

**“We consider it our duty to safeguard tomorrow's world for future generations in the broadest sense. In short: to be a good future-proof employer.”**

CTS GROUP stands for premium quality. Not only in service for our client, but also for our employees, society and the world around us. We believe that sustainability plays a vital role in the future-proofing of CTS GROUP. Not only because of developments in the logistics sector, but also because we want to take responsibility for the generations to come.

To achieve this, we focus our commitment to sustainability on three pillars: environment, people and management (or ESG). These pillars are the benchmarks by which we assess the impact of our business operations.





# Pillars



## Environment

The logistics sector is responsible for a quarter of global emissions. We have set a goal as a world: to stay below 1.5 degrees of warming and CTS GROUP wants to take responsibility for that. We limit our impact on the environment as much as possible by minimising our emissions and acting more circularly. Within the environmental pillar, CTS GROUP focuses on the topics of climate and circularity.



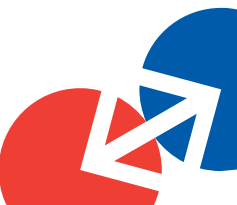
## People

In every activity of our company, our employees are our greatest asset. That is why we want to take care of the health and job happiness of our employees. We also extend this to the people in our chain and community. Here, too, health and happiness play a central role in our vision. Within the people pillar, CTS GROUP focuses on the subjects employees and community,



## Management

Corporate responsibility starts with good management with clear roles and responsibilities and systems that encourage and facilitate good management. At CTS GROUP, we act transparently, honestly and responsibly. Within the management pillar, CTS GROUP focuses on ethics and a fair supply chain.





# Environment: Introduction

## Climate

**With our efforts to minimise our CO2 emissions, we contribute to global efforts to combat climate change. In this way, we limit our impact on the environment.**

In recent years, various measures have been taken to reduce our emissions. Such as organising our logistics more efficiently with cleaner vehicles, making the property more energy-efficient and offsetting and reducing CO2. Our philosophy is that by working together we can not only operate more efficiently and gain great knowledge of local conditions, we are already saving 20% CO2 emissions through network distribution compared to the traditional mode of transport.

### **But we go further...**

Our goal is to be climate neutral by 2050 and to emit at least 40% less CO2 by 2030, compared to the base year 2020. We are working towards achieving this goal by:

- More efficient and cleaner logistics
- Deployment of equipment using non-fossil fuels
- Making property more sustainable
- CO2 reporting and compensation
- Staff and customer awareness

## Circularity

**Our ambition is to work more with recycled materials and recycle more. An important step towards circularity, reusing raw materials as much as possible and minimising waste.**

In our logistics process, we use various materials to package, store and transport products: from cardboard boxes and pallets to pallet film. In doing so, we create waste. CTS GROUP already pays attention to efficient packaging, reuse and recycling.

### **But we see room for improvement...**

Our goal is to work more circularly by separating at least 98% of our waste and working with sustainable packaging. We are working towards achieving this goal by:

- Sustainable waste management
- Responsible packaging
- Preventing the transport of air
- Investing in technical solutions
- Advising our customers on packaging methods





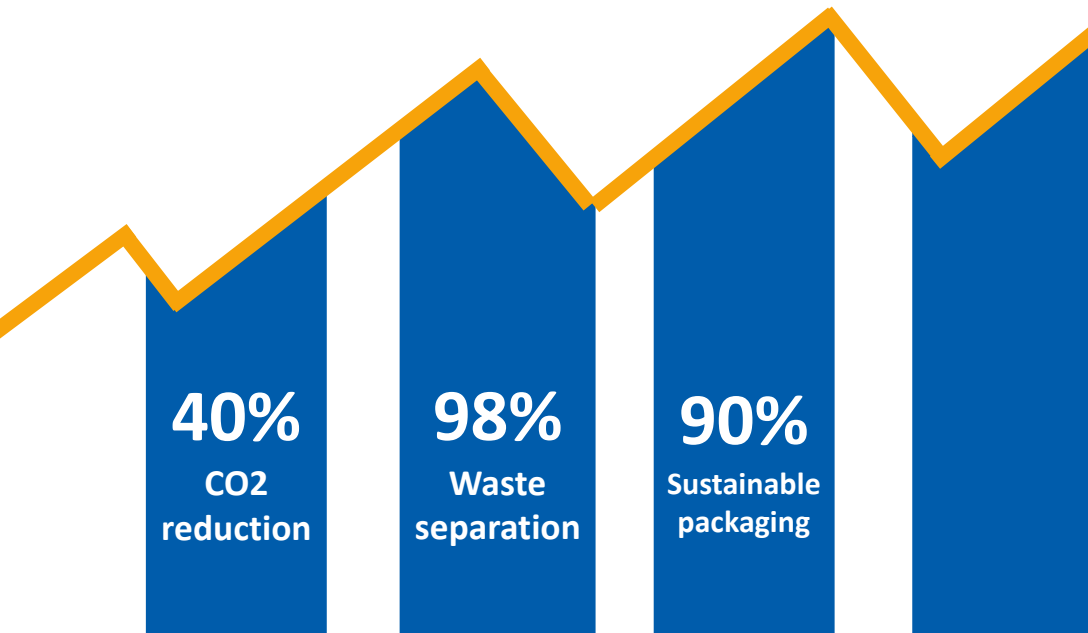
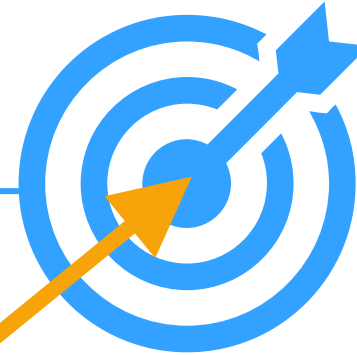


# Achievements and goals

40% less CO2 emission in 2030, compared to 2020

90% sustainable packaging in 2030

98% waste separation percentage





# More efficient transport



## Current and completed initiatives



Efficient and smart (automatic) planning of routes, including through **network distribution**



Training our drivers to drive more economically & driver mentor



Lean & Green two stars with 30% CO2 reduction



Use of Business Intelligence for preliminary advice on planning international shipments.



Discussions with customers about measures that can limit CO2 emissions



Discussions with subcontractors about how they (will) limit CO2 emissions



## Planned initiatives



Monitoring efficient driving behaviour of drivers



Research into solar panels on cars and electric fleet



Renewing the fleet (continuous replacement plan)



Further expanding the European partner network to reduce final mile kilometres



Achieving third star in Lean & Green program



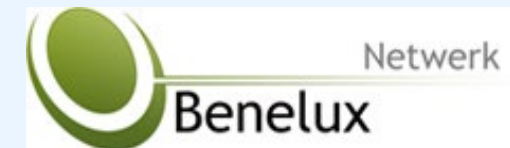
Enriching customer data for better service and preventing wasted deliveries

## Network distribution



### Smart distribution in the Benelux

CTS GROUP is initiator of Network Benelux and part of several networks in Europe. Through network distribution, we ensure fewer (unnecessary) transport movements, an optimal load factor and, by working with partners with local knowledge, we prevent futile deliveries.





# Cleaner transport



## Current and completed initiatives



All vehicles are at least EURO-6



Sustainable leasing policy with electric cars



Participant in pilot group Connected Transport Corridor Amsterdam west side



Electric motor vehicle for a cleaner last mile



HVO 100 for part of the fleet



Shipments via our own fleet are 100% climate neutral through compensation



## Planned initiatives



Expand the number of vehicles running on HVO 100



Investigating expansion of charging options at property and business park



Further electrification of fleet. Initial application for 2 electric tractors submitted



Research into deployment of LHV's



100% electric lease for employees



Offering option to book transport on HVO100 biodiesel at additional cost

## HVO and electrification

### Smart distribution in the Benelux

In the coming years, we will increasingly focus on cleaner forms of logistics. HVO 100 diesel is produced without fossil fuels and is therefore (almost) CO2 neutral. However, the current price of HVO 100 is still considerably higher than normal diesel. When more charging options become available at our premises and the TCO is more positive, we will invest further in electric cars.

### Lean & Green and Circulair West

CTS GROUP has been a long-time participant in both initiatives. At Lean & Green, CTS has joined the e-trucks user group. The purpose of this group is to exchange experiences with e-trucks. At Circulair West, CTS GROUP is working on iconic projects, of which mobility is one. As a friend of Circular West, CTS GROUP is closely involved in this.





# Sustainable real estate

## Generating own energy consumption

### How can we meet our biggest demand?

In collaboration with Circular West, a pioneering group is investigating whether the energy needed to charge the electric pump trucks can be self-generated. This is currently the biggest power demand in our premises. Here, we are looking at, for example, solar panels, installing a wind turbine or other innovative techniques.



### Current and completed initiatives



BREEAM certificate and solar panels for site Pudongweg, Rozenburg



Research on solar panels for Schillingweg site



Heat pipe insulation



LED lighting throughout the building



Lowering temperature in warehouse (incl. supply of warm clothing)



Investigating reuse of heat from warehouse to rest of property



### Planned initiatives



Better shell insulation of the business premises



From stand-by to off



Investing in energy-efficient equipment such as research into replacing pump trucks



Buying completely green energy



Increase nature inclusiveness in surroundings of business premises (insect hotel, nesting boxes)



Feasibility study developing fully sustainable new business premises







# Featured: CO2 compensation in Brazil

## Climate

**Since 2020, all shipments driven by our own fleet have been 100% climate neutral. We offset the CO2 emitted by investing in the Maísa climate project, in collaboration with Climate Neutral Group, which combats climate change by reducing deforestation in Brazil.**

Trees play an important role in slowing climate change. Yet Brazil is subject to major deforestation. The Maísa climate project reduces CO2 emissions by working with the local population to prevent deforestation and combat unplanned and illegal logging.

Moreover, the project focuses on fighting mechanism poverty, preserving biodiversity and maintaining vital ecosystem services.

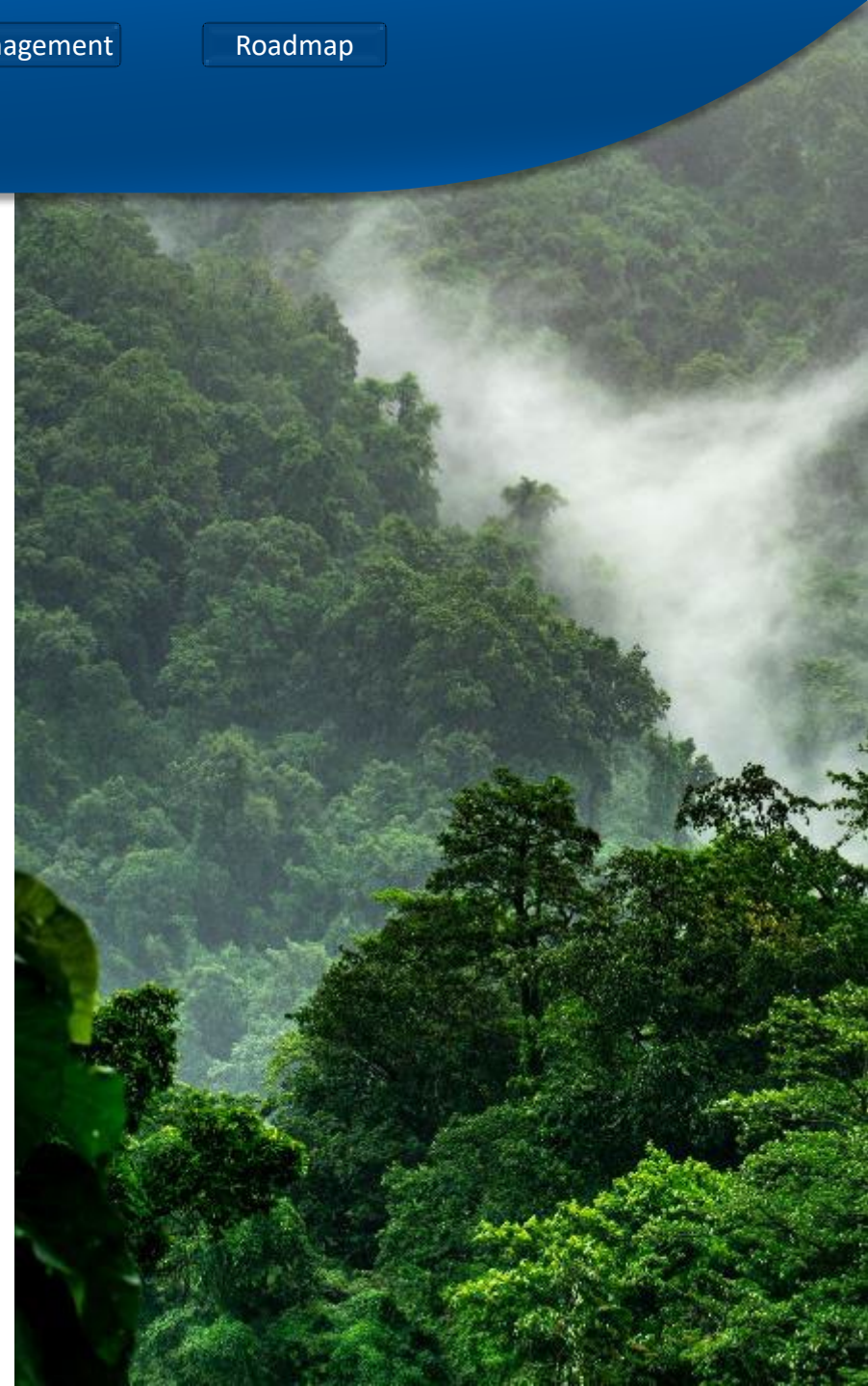
To offset our CO2 emissions, we work with Climate Neutral Group. This organisation is a member of the International Carbon Reduction and Offset Alliance and guarantees reliable climate offsetting. The climate project is VCS-certified and audited. Socio-economic benefits and biodiversity conservation comply with the Community and Biodiversity Standard (CCBS)



CTS GROUP will always first and foremost invest in preventing and limiting CO2 emissions before investment in CO compensation.



We will offer customers the option to offset the CO2 emissions of the entire shipment, even if it was (partly) not provided by our own fleet







# Sustainable waste management



## Current and completed initiatives



Waste separation of paper, cardboard, plastics and wood in the warehouse and shipping area



Non-reusable pallets will be offered for recycling



Analysis and maintenance of waste reports



## Planned initiatives



Instructions for better waste separation and use of more types of waste bins



Reduce paper flow.  
Reduce copying/printing by digitising.



Setting requirements for suppliers regarding their packaging materials

## Separating and recycling waste

**We have the ambition to work more with recycled materials and recycle more**

CTS GROUP already pays attention to efficient packaging, reuse and recycling. Our goal is to work more circularly by separating more waste and working mainly with sustainable packaging. We want to achieve this by investing in technical solutions.

We also aim to reduce our paper flow by digitising more.



# Responsible packaging



## Current and completed initiatives



Wide variety of box sizes for e-commerce



Packaging machine to prevent the use of filling materials



Reuse of boxes and pallets



Use of paper filling material instead of plastic



Use of paper tape instead of plastic tape



Digitisation of packing slips and warehousing activities



## Planned initiatives



More sustainable pallet film made from recycled material



100% FSC for wood and cardboard



More reusable packaging such as pallets or crates



In discussions with customers and suppliers about used and desired packaging



Stick fewer labels

## From plastic to paper

### Reducing plastic in e-commerce

We use less and less plastic for packaging our e-commerce. For example, we no longer use plastic to fill the boxes and we have now even switched to paper tape. The entire packaging can now be recycled with waste paper.







# Sustainability for the customer



## Sustainability in the chain

**The initiatives taken by CTS GROUP also affect client sustainability, but we, as CTS GROUP, also need our clients to realise the broader sustainability ambitions in the chain.**

By organising our logistics and warehousing more efficiently and cleanly and by offsetting CO<sub>2</sub>, we can save CO<sub>2</sub> emissions, which in turn translates into lower average emissions for our clients.

However, even more environmental impact can be saved if we can make more conscious choices together with customers. By not only informing our customers about the environmental impact, but also advising on more sustainable options, we hope to work with customers to choose more sustainable logistics solutions as much as possible.

Delivering within timeframes, for example, has a negative impact on the environment because it means routes can be planned less efficiently.



### Planned initiatives



Provide insight into the environmental impact per shipment with CO<sub>2</sub> reports for the customer. Including CO<sub>2</sub> emission-increasing factors such as futile deliveries, waiting hours and the impact of time deliveries.



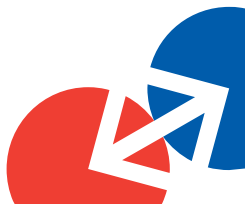
Integrate a sustainable option into Distribloks and add sustainable impact per block.



Developing CO<sub>2</sub> compensation options for transport.



Advise our logistics and E-commerce customers on more sustainable packaging options.





# People: Introduction

## Employees

**Regarding every activity of our company, our employees are our greatest asset. That is why we want to take care of the health and happiness of our employees at work.**

In recent years, we have already taken several measures. These include the CTS GROUP Academy, we have various partners to provide opportunities for people with a distance to the labour market and we invest in the health of our people in various ways.

Our goal is to be an inclusive employer where respect for each other and equal opportunities are self-explanatory. We also aim to enthuse young people for a job in logistics and encourage older people to stay at work for as long as possible. We work towards achieving these goals by:

- ❖ Encouraging diversity and inclusion in the workplace
- ❖ Facilitating employee development
- ❖ Investing in the health and safety of our people.

## Community

**As part of society, not only do we want to take care of our own people, but also to extend this to the chain and community. We sense a strong local commitment and contribute to local development in various ways through sponsorship, partnerships, collaborations and more.**

CTS GROUP is a supporter of several national organisations that promote movement and development. We also like to invest in initiatives and organisations that give a positive boost to local society and entrepreneurship. This is not new to our organisation, CTS GROUP has been committed to local initiatives with a major focus on health for years.

Our aim is to continue our local involvement through sponsorship, partners and other collaborations. We also have the ambition to be more proactive in promoting the health and safety of people in our supply chain.







# Achievements and goals

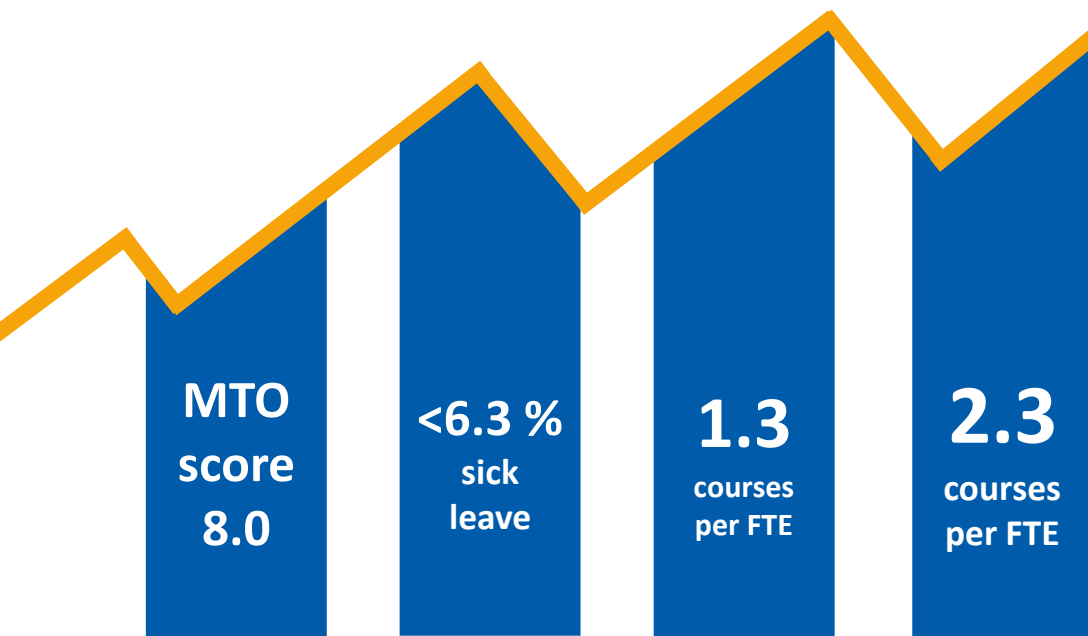
MTO report score 8.0 in 2030

Lower absenteeism% due to illness than sector average

Increase number per FTE



***No Limits in a more sustainable future for employees, the environment and society.***





# Diversity and inclusion



## Current and completed initiatives



Collaboration with stichting Paswerk, Stichting Werkvloer and Stichting Ons Tweede Huis



Zero tolerance policy regarding discrimination, racism and sexual misconduct



## Planned initiatives



Training and education about racism and discrimination in the workplace



Projects and collaborations with organisations to get status holders to work within CTS GROUP



Realising communication in multiple languages

## Offering opportunities to people distant from the labour market.

As a proud partner of Stichting Paswerk, “Stichting Werkvloer en Ons Tweede Thuis”, we like to offer people distant from the labour market the opportunity to develop themselves within our organisation.

3.8%

Employees employed with a distance to the labour market

13

Different nationalities employed

30

Different countries of origin among employees





# Development



## Current and completed initiatives



CTS GROUP Master Plan: through the Master Plan, the level of knowledge among employees is guaranteed and they are given the opportunity to keep developing themselves.



CTS GROUP Talent Plan: an internal development programme for young talents. By shadowing in different departments, they discover what they like and are good at.



CTS GROUP organises tours, lectures and partners with schools to inform the new generation about a career in transport.



## Planned initiatives



Personal development plan for every employee.



Job rotation: becoming familiar with the work of other departments through cross training.



Expanding training opportunities (more than just training).



## CTS Group Academy

Within the CTS GROUP academy, various initiatives are running aimed at developing colleagues, logistics talent and the employees of the future.

With the CTS GROUP Master Plan, we help our current employees develop in various ways. Through the CTS GROUP Talent Plan, on the other hand, we invest in development paths for new young talents. Just like CTS GROUP itself, we believe that our employees too should always be on the move.

**2.5**  
training/FTE

Average number of  
training courses  
completed in 2022  
per FTE





# Safety and health



## Current and completed initiatives



No Limits: internal programme on sustainable commitment and the employees' happiness at work



External confidential counselor and training and education on undesirable behaviour



Workplace controls and a central living room for relaxation



OpenUp is available for all employees (mental health)



Vitality budget (budget is part of CTS GROUP Works!)



There is a major focus on health when choosing sponsors



A constructive feedback structure



## Planned initiatives



Corporate fitness in the field of physical and mental health, working environment and development



Investigate physical strain and efficient use of tools, periodic training to work safety



Expanding options on Good Habitz online training



Retirement scheme (retire early) or continue working if desired

## No limits in work (happiness)

**WORKS!** is our internal programme aimed at promoting sustainable employability and thus the (work) happiness of our employees.

We do this by creating awareness and taking various measures for six pillars of sustainable employability, namely physical health, mental health, work climate, work-life balance, ownership and development.



**WORKS!**



# Sponsorships and charities



## Ongoing and completed initiatives



Support the athletics union and heptathlete Anouk Vetter



Sponsor of the CTS GROUP Talent Team: (financial) support of up-and-coming top athletes



Co-founder of HMore in business, a platform by and for local entrepreneurs to inspire and motivate each other



Support local sports clubs such as SV Hoofddorp, TC De Kikkers and VVC



AZ Academy partner: a partnership with the exchange of knowledge regarding stimulation and training of youth



Sponsoring walk-in home Adamas

**CTS GROUP supports several national organisations that stimulate movement and development.**



## Planned initiatives



Intensifying specific existing collaborations

## CTS Group Young Talents

### Haarlemmermeer's top sports talent team

Haarlemmermeer is one of the larger talent areas in North Holland and is a breeding ground for talent and top-class sport. Yet not all athletes reach the top because they are hindered by financial and social obstacles they encounter on their way to the top. Through CTS GROUP Young Talents, we give promising athletes an extra boost in cooperation with Topsport Haarlemmermeer.





# Management: Introduction

## Management

**We are committed to ethical, honest and responsible business practices. Good and responsible corporate management is the basis for long-term business success. Transparency, compliance with all laws and ethics underpin all decision-making to ensure the trust of our stakeholders.**

**We trust every employee, supplier and partner to take responsibility for complying with our ethical standards, as set out in our corporate code and policies.**

Within the subject of management, we focus on three topics:

- Transparency and ethics
- Responsibilities
- A responsible supply chain





# Transparency and ethics



## Ongoing and completed initiatives



CO2 reports



## Planned initiatives



Annual sustainability reports



Implementing ISO 14083



Draft CSRD report



## An open and honest conversation with our stakeholders

**CTS GROUP is committed to a more sustainable society, but cannot do this alone. Sustainability is something we must achieve together and to do this we need to be able to communicate openly and honestly with our stakeholders about sustainability.**

We have taken steps to measure our footprint, reduce it and record this in reports, which has been verified by Lean & Green by means of an audit. Our ambition is to report more broadly on sustainability in the form of an annual sustainability report in which CTS GROUP will report not only on CO2 but also on other forms of impact on people and the environment.

We also have a clear code of ethics and promote a culture of integrity and responsibility within our organisation. Employees have the option of reporting undesirable behaviour or other complaints.





# Responsibilities



## Ongoing and completed initiatives



Sustainability is integrated into short- and long-term strategy



Risk analysis is a permanent part of management consultation



## Planned initiatives



Appointing a CSR team



Achieving ISO 27001 standard for cybersecurity



Points of attention determined per department in the field of sustainability



Developing a policy regarding dealing with undesirable behaviour

## Sustainability becomes an important part of operations

The organisational structure of the future is currently being created. Here, we focus on more self-management of our middle management. To achieve this, all managers have or will follow a leadership training.

“**CTS GROUP** develops into a future-proof organisation.”







# Responsible supply chain



## Ongoing and completed initiatives



Supplier terms and conditions were drawn up



## Planned initiatives



Integrate sustainability into the supplier conditions



Establish and communicate mission and vision with regard to sustainability



Conduct discussions with suppliers about possible sustainability opportunities



## Stronger together

**Our main business partners are transport partners as well as our international network partners, with whom we cooperate to offer our logistics services, including in countries where we are not present with our own entities.**

When partners provide services on our behalf, we expect them to comply with ethical standards. This is primarily set out in the contracts we have with our partners, but we also have a specific approval process that includes ethical and environmentally conscious conduct.





# Roadmap zero emission in 2050



**2021**  
Lean & Green 2 star Award  
30% CO<sup>2</sup> reduction



**2022**  
Fleet HVO 100  
Up to 90% CO<sub>2</sub> reduction



**2022**  
Member of Circulair West

**2020**  
Full CO<sub>2</sub>  
compensation



**2021**  
1st electric car



**2023**  
Sustainability policy plan

