FY2025

Sustainability Report

Vanderlande Industries Holding B.V.
Financial Year (FY) 2025

VANDERLANDE
a TOYOTA AUTOMATED LOGISTICS company

MOVING YOUR BUSINESS FORWARD

About this Report

Welcome to Vanderlande's FY2025 Sustainability Report. This Report provides an overview of our sustainability strategy, approach and performance during the past financial year (1 April 2024 to 31 March 2025).

We have continued to align our reporting where possible with the EU's Corporate Sustainability Reporting Directive (CSRD), which will apply to Vanderlande from FY2028. Our Report reflects the underlying environmental, social and governance (ESG) structure of the European Sustainability Reporting Standards (ESRS), accompanying the CSRD.

E1-1 S1-6 To support preparation for compliance with the CSRD, we have included tags throughout this Report (see example in the margin) to indicate disclosures that correspond to Vanderlande's reporting requirements under the ESRS. These are for information purposes only.

Our FY2025 Sustainability Report contains five main sections:
- **General**, which describes our business, operations and vision
- **Sustainability strategy**, which sets out our approach and focus areas, as well as our material topics and their impacts, risks and opportunities
- **Environmental**, which discloses our approach and performance against our goals to mitigate climate change and advance the creation of a circular economy
- **Social**, which describes our approach to improving wellbeing for our people and for workers in our value chain, and our performance in these areas
- **Governance**, which outlines our approach to developing a corporate culture with high ethical standards that is compliant with laws and regulations

The Report also includes an **Appendix**, with background information on our approach to sustainability reporting and compliance with reporting requirements.

Terminology
- throughout this Report, we use the term sustainability to refer to our strategy and performance. ESG, meanwhile, relates to the framework our strategy is based on.
- our Report also refers to solutions for customers – these solutions may comprise systems, equipment, parts and components, as well as other products and services.
- *we*, *our* and *us* are used to refer to Vanderlande and its business activities.

To discover more about Vanderlande and its business, please refer to www.vanderlande.com. Further contact details are available on page 42.

Statement from our Board of Directors
As Vanderlande's Board of Directors, we take responsibility for the content and accuracy of this FY2025 Sustainability Report. We believe this Report provides a fair and balanced picture of Vanderlande's sustainability approach, strategy and performance, as well as its ability to create value for stakeholders and wider society. We also believe this Report offers a strong basis for future compliance with the EU's Corporate Sustainability Reporting Directive (CSRD) and accompanying European Sustainability Reporting Standards (ESRS).

Signed: **Members of the Vanderlande Board of Directors**

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Statement by our CEO

Vanderlande has ambitious growth plans and making sustainability a priority will help us achieve them. Across our markets, we see demand for solutions that use less energy, minimise greenhouse gas emissions, require fewer virgin raw materials and provide users with a better experience. Suppliers and customers are working together to meet these goals.

In FY2025, we updated our sustainability strategy to focus on where we have the greatest impact, externally and internally. It is now fully embedded in our overall strategy. At the same time, it is more tangible, with a greater number of short- and near-term targets, and more firmly focused on business opportunities.

This sharper focus contributed to the good progress we made in the financial year towards integrating sustainability in our ways of working. To help us decarbonise our business, we created a roadmap for cutting greenhouse gas emissions through to FY2034 and obtained validation from the Science Based Targets initiative (SBTi).

Having worked with customers to identify sources of waste, we introduced processes to reduce it – and recover much of the lost value. We finished training product management teams in circular design and are launching products that can be more easily reused, remanufactured or recycled, besides using less energy and prioritising the safety of users.

We also reiterated our commitment to increasing the diversity of our workforce. We believe that tapping into a bigger pool of talent will strengthen our ability to serve a diverse set of customers across the globe, and ultimately improve our business performance.

To ensure that management stays focused on executing our sustainability strategy, bonuses for our senior leadership in FY2026 will for the first time be linked to targets for energy efficiency, safety and gender diversity.

In May 2025, we acquired the business of Siemens Logistics in Europe, the Middle East and Asia. Thanks to its strong track record on sustainability, we look forward to its contribution to our ambition. Given the recent date of the acquisition, this business has not yet been factored in to our sustainability strategy or targets.

We still have much to do, but our updated sustainability strategy has brought new momentum. Firstly, by focusing on what matters most to our company, our people, our customers and our suppliers. Secondly, by detailing the steps we need to take to reach our long-term sustainability targets. I'm proud of the work our people have done.

I'm also grateful to the suppliers and customers who are working with us to make our industry more sustainable. The more concrete our plans become, the clearer it is that creating a sustainable economy within the next two decades is something we can only achieve by working together. Our collaboration gives me great confidence about the future.

Andrew Manship
CEO

Andrew Manship, ***CEO***

OUR SUSTAINABILITY FOCUS AREAS: FY2025 PERFORMANCE AT A GLANCE

Performance FY2025

Zero carbon footprint

Target: 59% reduction in scope 1 and 2 emissions and 35% reduction in scope 3 emissions by FY2034 vs. FY2022[I]

-10%

decrease in combined scope 1 and 2 emissions since FY2022 due mainly to lower energy consumption.

We have chosen not to report progress this year on our scope 3 emissions target while we work on further improving our data collection. See page 21 for current scope 3 emissions data.

Circular economy

Target: zero waste at our main Veghel campus[II] and 90% of waste diverted from disposal at all sites by FY2030[III]

94%

waste recycled at Veghel following the launch of a zero waste campaign at our campus. See page 23.

93%

waste diverted from disposal at own sites, up from 91% the previous year due mainly to reduced waste at our Veghel campus.

While we currently only include data from our own sites[IV], we are working to include data from customer sites in future years, and we expect that the inclusion of that data will bring down the total figure for waste diverted.

Wellbeing

Target: 20% yearly reduction in lost time incident rate (LTIR)

Target: 20% female employees in company and in senior leadership positions[V] by FY2030

-9.4%

decrease in LTIR vs. FY2024 due to our continued focus on strengthening our safety standards and culture. See page 26.

16.8%

female employees, up from 16.4% the previous year, showing further progress towards our FY2030 target. See page 27.

13.4%

female employees in senior leadership positions, up from 11.9% in FY2024 as management prioritises workforce diversity. For details, see page 27.

Good business

Target: CSRD-compliant by FY2028

100%

of strategic and preferred suppliers have now signed our Supplier Code of Conduct. See page 33.

Achieved

On track

for CSRD compliance by FY2028 after completing our first double materiality assessment during the past year and rolling out a new ESG data process. See page 15.

I *Scope 2* refers to scope 2 market-based emissions. *Scope 3* covers emissions from our material categories: emissions from purchased goods and services (3.1) and energy use of sold products (3.11).

II Relates to all waste to be recycled or recovered in other ways.

III Target covers waste from both Vanderlande and customer sites.

IV Data taken from ten of our 18 offices and three of our four manufacturing sites (covering 80% of Vanderlande employees by FTE).

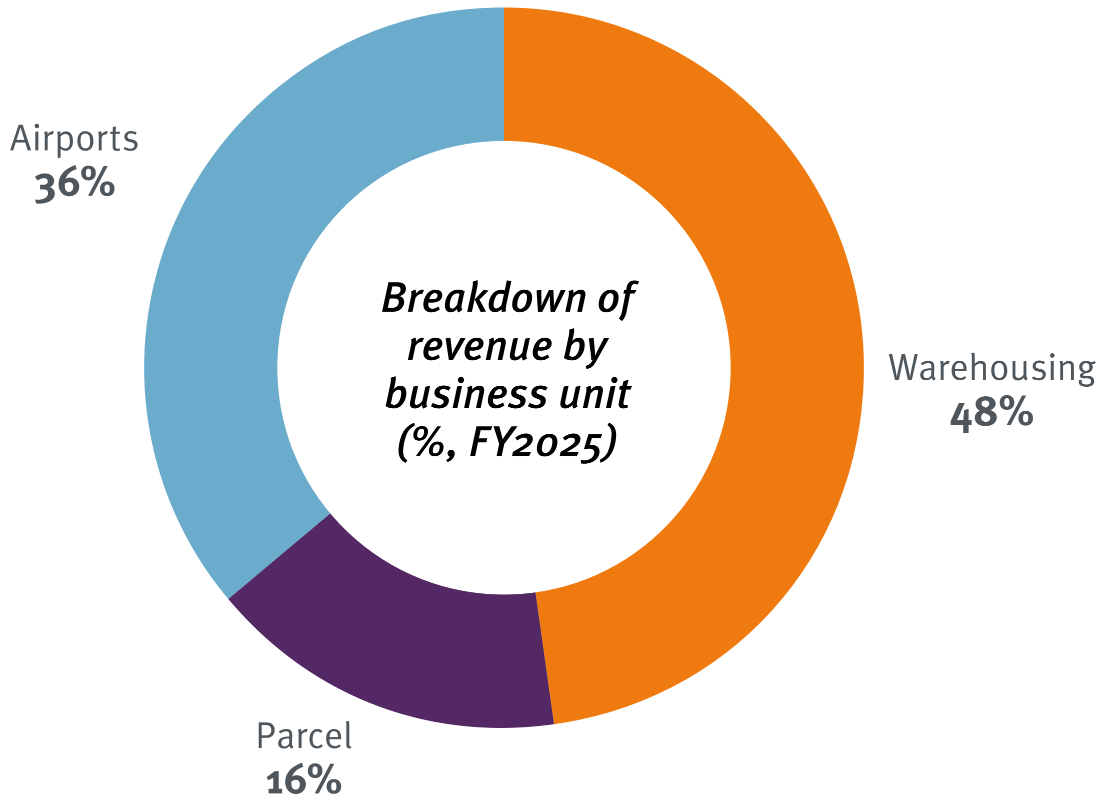
V Employees comprises all staff on Vanderlande's payroll, while *senior leadership* refers to employees at HAY grade 90 or above.

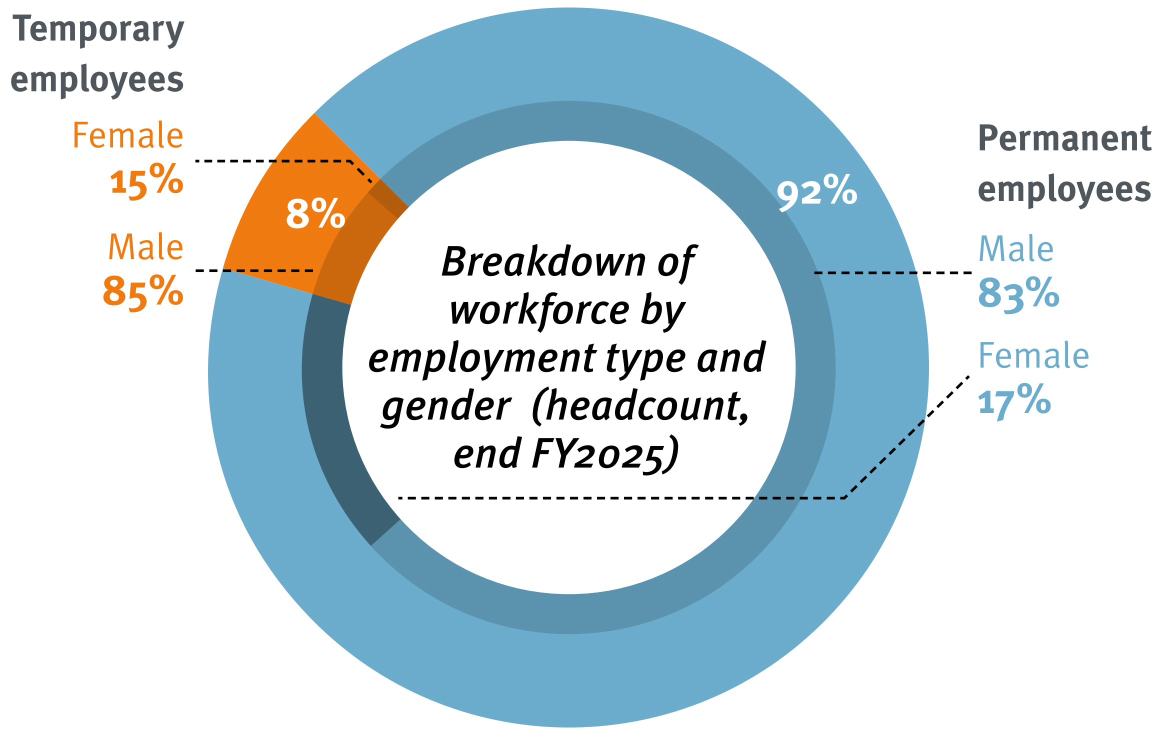
VANDERLANDE IN FY2025

ESRS 2 SBM-1

Our business in FY2025

Vanderlande is a leading logistics automation company for the warehousing, airports and parcel markets. Established in 1949, we now have more than 9,200 people worldwide and annual revenues of over EUR 2.3 billion. Our mission is to improve the competitiveness of the companies we work with by providing fast, reliable and efficient automation technology.





Our business units

Warehousing
Vanderlande works with leading companies in the food, fashion and general merchandise sectors. Our solutions help companies fulfil their promise of same-day delivery to billions of shoppers worldwide. We provide advanced and intelligent solutions for automated storage and retrieval, conveying, sorting, sequencing and picking of goods.

Parcel
Millions of parcels are sorted every day by Vanderlande solutions. As e-commerce continues to grow, our solutions play an increasingly important role, loading and unloading, as well as sorting and screening parcels for the world's leading delivery firms.

Airports
Vanderlande supplies solutions for baggage handling, storage and reclaim as well as passenger security systems. These help make airports more efficient and easier for passengers to navigate. We are active in more than 600 airports, including 12 of the world's 20 busiest[1].

VANDERLANDE IN FY2025

Vanderlande acquires Siemens Logistics in Europe, Asia and the Middle East

In October 2024, Vanderlande agreed to acquire the logistics business of Siemens AG. In May 2025, we completed the acquisition of Siemens Logistics outside the United States and immediately began its integration. The acquisition supports our strategic ambition to accelerate our growth in automated logistics, particularly in the airport industry, and continue focusing on sustainability. Airports are modernising as passenger travel increases, creating a positive outlook for airport automation. Siemens Logistics provides baggage and cargo handling systems, high-value generating software for the digitalisation of airport logistics, and a range of smart maintenance and services. The process of obtaining regulatory clearance for the acquisition of its operations in the United States is ongoing. The acquired business is not covered in our FY2025 sustainability disclosures.

VANDERLANDE IN FY2025

ESRS 2 SBM-1

Our operations

Vanderlande has manufacturing sites, warehouses, customer centres, offices and software houses in 28 countries. In 2017, Vanderlande was acquired by Toyota Industries Corporation (TICO), and is part of the Toyota Automated Logistics Group (TALG), also comprising Toyota L&F, Bastian Solutions and viastore.

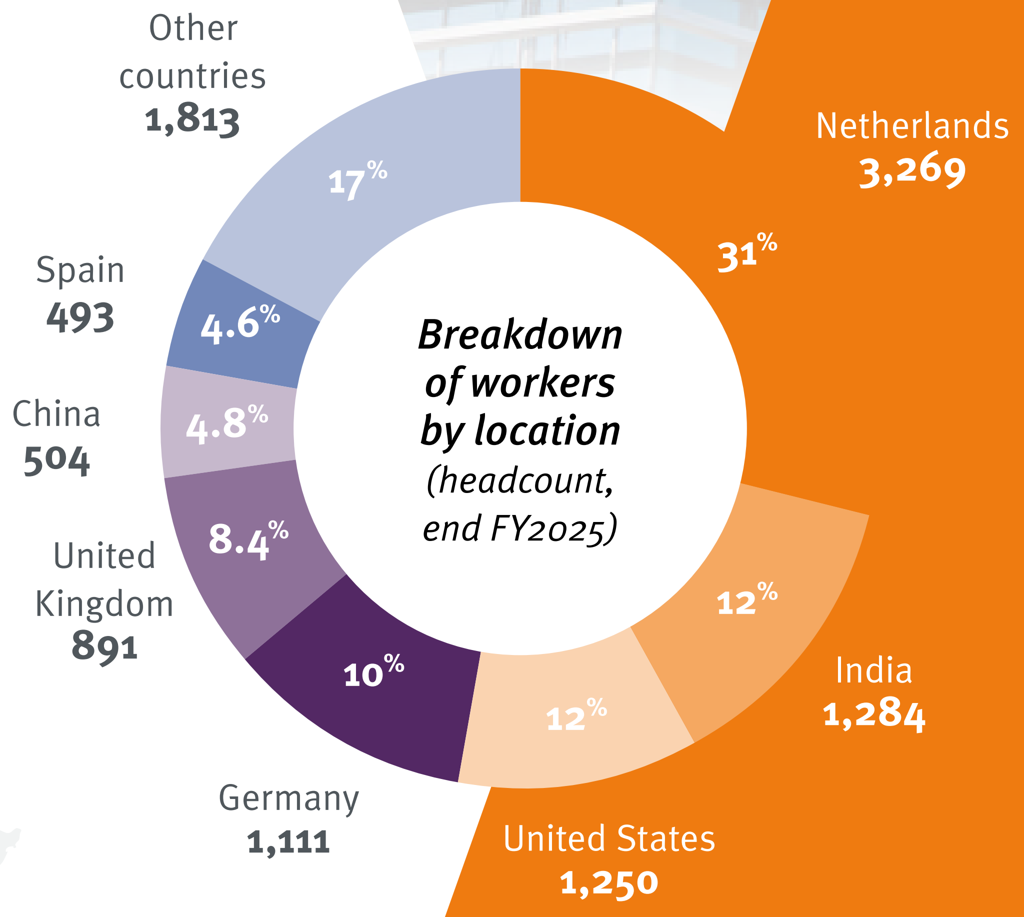
TALG companies are working together increasingly closely, for example on joint sourcing and development projects. This collaboration helps expand our solution offering and allows us to offer greater consistency in customer service.

Customer centres and offices

Software houses

Manufacturing sites

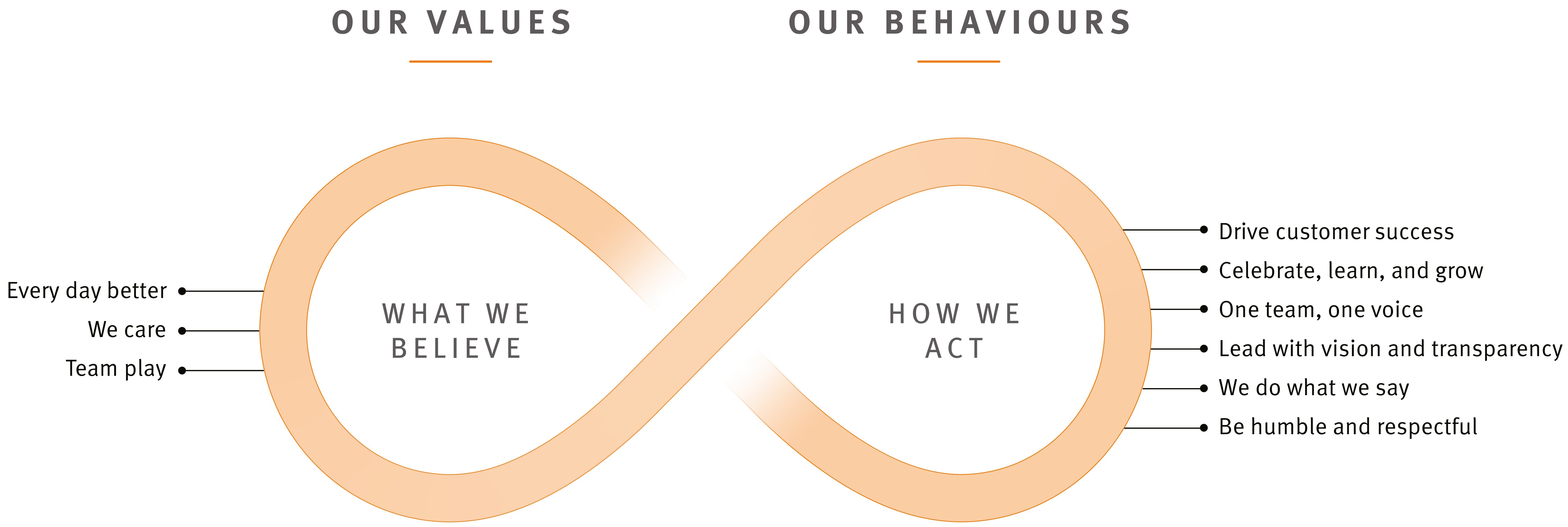
Please refer to our website at www.vanderlande.com for more information about our company, products and technology.



Data above includes contingency workers.

Our vision and values

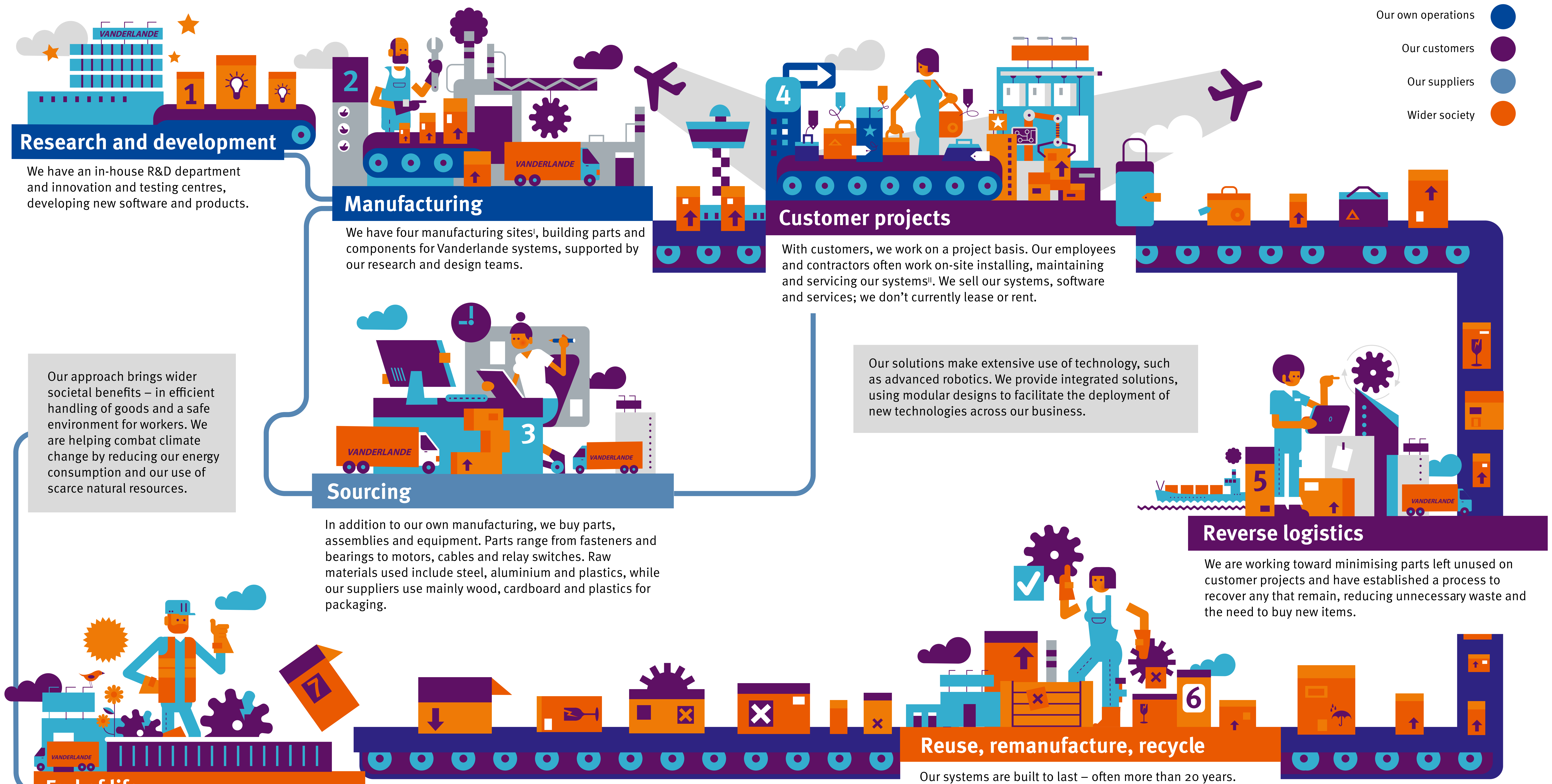
We have refreshed our values to make them simpler and better aligned with those of our parent company Toyota Industries Corporation (TICO). Since our values guide how we behave, they are embedded in skills and leadership training (see page 27). In line with TICO, we care is a value that reflects our commitment to doing business sustainably. Our separate brand values[2], which determine how we present ourselves in the market, also include the goal of being sustainable.



VANDERLANDE IN FY2025

ESRS 2 SBM-1

Our business model



Research and development

We have an in-house R&D department and innovation and testing centres, developing new software and products.

Manufacturing

We have four manufacturing sites[I], building parts and components for Vanderlande systems, supported by our research and design teams.

Customer projects

With customers, we work on a project basis. Our employees and contractors often work on-site installing, maintaining and servicing our systems[II]. We sell our systems, software and services; we don't currently lease or rent.

Sourcing

In addition to our own manufacturing, we buy parts, assemblies and equipment. Parts range from fasteners and bearings to motors, cables and relay switches. Raw materials used include steel, aluminium and plastics, while our suppliers use mainly wood, cardboard and plastics for packaging.

Our approach brings wider societal benefits – in efficient handling of goods and a safe environment for workers. We are helping combat climate change by reducing our energy consumption and our use of scarce natural resources.

Our solutions make extensive use of technology, such as advanced robotics. We provide integrated solutions, using modular designs to facilitate the deployment of new technologies across our business.

Reverse logistics

We are working toward minimising parts left unused on customer projects and have established a process to recover any that remain, reducing unnecessary waste and the need to buy new items.

Reuse, remanufacture, recycle

Our systems are built to last – often more than 20 years. During that time, we need to carry out maintenance. We take these opportunities to upgrade our solutions, installing new software for example, and replacing parts such as motors, belts or IT equipment.

End of life

At the end of their useful lives, our systems are dismantled. We can help customers ensure all usable parts are reused, repaired or refurbished.

I These are located at Veghel in The Netherlands, Siegen in Germany, Great Valley in the United States and Santpedor in Spain.

II All our systems and products are electric and do not use diesel or other fossil fuels. As a company, Vanderlande is not active in the fossil fuel, chemical production or controversial weapons sectors.

Research and development

Continuous innovation is vital to our long-term success. Our R&D department focuses on the latest developments in areas such as AI, robotics and autonomous vehicles. It has contributed to our line-up of innovative products including passenger and luggage screening systems for airports, robotics and automated storage and retrieval systems for warehouses, and fast and scalable sorting systems for the parcel sector.

Sustainability strategy

Our approach to people and the environment

"CSRD helps us to drive our strategic agenda. A key step in FY2025 was refreshing our sustainability strategy with a sharper focus and clear targets."

Fieke Fleskens, Corporate Sustainability Officer

Current operating environment

The airport, parcel and warehouse industries that we serve are putting an ever greater focus on sustainability. Climate risks, regulation, technological change, and the expectations of customers and employees are among the trends driving a focus on sustainability.

Climate risks: like other companies, we contribute to climate change through the greenhouse gas (GHG) emissions of our activities. We are mitigating the risks by committing to reduce our emissions and by helping suppliers and customers to reduce theirs.

Customer expectations: increasingly, customers are demanding more sustainable solutions. It is becoming the norm in requests for proposals (RFPs) and tenders. We are working with customers to develop and deploy solutions that have less of an impact on people and the environment.

Rising costs: inflation and import tariffs are affecting operational costs, increasing the urgency to use energy and raw materials more sparingly. This contributes to the competitiveness of our own business and also helps our customers to reduce their costs.

Labour scarcity: in many markets it is getting harder to find labour. Automation helps solve labour shortages, while non-office jobs can be made more attractive by deploying equipment for these roles that is lighter, quieter and more ergonomic.

Employee expectations: people increasingly want to work for companies that reflect their values. Committing to a business model that is respectful of the environment, of people's diverse backgrounds and of ethical norms makes it easier to attract and retain talent.

New technologies: advances in technology are helping in our work with customers, particularly in areas like AI and robotics. Data analytics, for example, gives us better insight into patterns of energy use – and means we can become more energy efficient.

Regulation: companies are also responding to new legislation, such as the EU's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD), requiring companies to be more transparent about their sustainability performance and supply chain management.

ESRS 2 SBM-1

Our sustainability strategy

Vanderlande's ambition is to improve the competitiveness of customers by automating their logistics processes. Our sustainability strategy contributes to this goal: by integrating sustainability in our ways of working, we can reduce greenhouse gas emissions, cut energy and material costs, and improve health and safety for our customers as well as ourselves.

The needs of our customers are among the main trends driving a focus on sustainability (see page 12). These trends explain why sustainability is an important pillar in our corporate strategy[3].

Our sustainability strategy has four focus areas – zero carbon footprint, circular economy, wellbeing, and good business (see Vanderlande's sustainability strategy framework page 14). The strategy is aligned with the sustainability topics identified through our double materiality assessment (DMA) as having the greatest impact on people and the environment, as well as potentially the greatest financial risks and opportunities for Vanderlande (see page 16).

We have set short-, medium- and long-term targets for each focus area. In the short term we are focusing on compliance with applicable legislation and responding to customer demands. We aim to further integrate sustainability into our business by 2030, making it a core part of our operations, culture and decision-making, and collaborating with stakeholders in our value chain to develop sustainable solutions.

Our long-term sustainability ambitions are:
› to be a net zero carbon and regenerative company
› to deliver safe and user-friendly solutions and offer a workplace that fosters safety, inclusivity, equity and personal development
› to have strong business ethics and choose our partners accordingly

We have a strong system of governance to develop, approve and execute on our sustainability strategy (see page 31). Our targets do not yet take account of the acquisition in May 2025 of Siemens Logistics in Europe, Asia and the Middle East (see page 7).

Further embedding sustainability into our organisation

In FY2025, we put considerable effort into turning our long-term sustainability ambitions into practical steps to be executed by our business units.

After setting science-based targets to reduce carbon emissions by FY2034, we developed a strategy covering scope 1, 2 and 3 emissions, focused on two key areas: reducing the energy use of our solutions and cutting emissions within our supply chain. Together, these areas account for nearly all Vanderlande's carbon footprint. To support this strategy, we have launched several key emission reduction initiatives. Each of our business domains now has its own decarbonisation targets to improve accountability and progress.

Although our own emissions are a small part of the total, we have also identified levers for cutting these.

Meanwhile, we are making further progress towards circular processes. Our Circular Supply Chain Programme developed and implemented a new process for reducing excess new parts on customer projects (see case study page 24). The programme is now working on a similar process for taking back old equipment, upgrading it and reselling it.

Finally, budgets for FY2026 have been aligned with our targets for the financial year and beyond, and performance against our sustainability targets will now affect the remuneration of senior leadership[4].

Emissions commitment validated by Science Based Targets initiative

Vanderlande Industries Holding B.V. commits to reduce absolute scope 1 and 2 GHG emissions by 59% and scope 3 GHG emissions from purchased goods and services and use of sold products by 35% by FY2034 from a FY2022 base year.

OUR APPROACH TO PEOPLE AND THE ENVIRONMENT

Sustainability strategy framework

We have updated our sustainability strategy to focus on the topics identified through our double materiality assessment as the most relevant to our business and stakeholders. We are prioritising four areas that guide our actions in our own operations, as well as with suppliers and customers.

	Environmental		Social	Governance
	Zero carbon footprint	Circular economy	Wellbeing	Good business
Our operations	Reduce energy use and emissions from our business activities	Reduce waste and improve circularity in our operations and projects	Offer a safe, inclusive and equitable place of work. Promote personal development	Ensure compliance and transparency
Our suppliers	Reduce emissions from purchased goods with a focus on metals	Ensure suppliers deliver according to circular requirements	Act responsibly to ensure decent labour conditions in our supply chain	Work with suppliers that share our values
Our customers	Reduce the energy use of our products in new and existing solutions	Use circular designs and materials with supporting business models	Provide a positive working experience for our customers' employees	Build responsible partnerships with customers

Our double materiality assessment

Material sustainability topics
We conduct regular assessments to identify our material environmental, social and governance (ESG) topics.

In FY2025, we completed a double materiality assessment (DMA) that identified ESG topics with the greatest impact on people and the environment (impact materiality) and those with the greatest risks and opportunities for our business (financial materiality).

It was our first DMA and was conducted according to the criteria in the European Sustainability Reporting Standards (ESRS) and implementation guidance from the European Financial Reporting Advisory Group (EFRAG). See page 38 for detail on the methodology and process followed. In the past, we performed a materiality assessment according to the Global Reporting Initiative (GRI) standards. We consider the outcome of our DMA to align well with our prior GRI assessment.

We plan to assess annually whether our DMA needs to be revised, and to validate our assessment with our stakeholders. In addition, we plan to perform a full DMA every three years.

Our DMA identified 13 material topics (see table opposite and chart on page 16), which form the basis of our sustainability strategy (see page 14) and reporting.

ESRS 2 IRO-2 Results of the double materiality assessment

Category	Material topic	Corresponding European Sustainability Reporting Standard
Environmental	Climate change mitigation	E1 Climate change (see page 19)
	Resource inflows	E5 Resource use and circular economy (see page 22)
	Resource outflows	
	Waste	
Social	Health and safety	S1 Own workforce (see page 26)
	Diversity	
	Training and skills development	
	Adequate wages	
	Health and safety	S2 Workers in the value chain (see page 28)
	Working time	
	Adequate wages	
Governance	Corporate culture	G1 Business conduct (see page 31)
	Corruption and bribery	

ESRS 2 SBM-3 Material impacts, risks and opportunities (IROs)
For each of these topics, we identified whether they are material to our stakeholders (impact materiality) or to Vanderlande (financial materiality). We also identified specific material impacts, risks and opportunities for these topics, and mapped these IROs against our value chain (see table page 17). Each impact is categorised as *actual* or *potential*, and either *positive* or *negative*.

More information on how we manage our material IROs is included in the chapters Environmental, Social and Governance.

Towards compliance with EU sustainability regulation
As a large company based in the European Union, Vanderlande is required to comply with the EU's Corporate Sustainability Reporting Directive (CSRD) and its accompanying European Sustainability Reporting Standards (ESRS) by FY2028.

Completing a DMA was an important first step towards this goal. Following this, we appointed topic owners for each ESRS and identified what data was available and what was missing. Where data is available, we are evaluating its quality, and whether its collection could be improved or automated.

We are also defining a process for gathering each data point, and implementing or upgrading the software or tooling required to automate data collection.

The project to achieve compliance with CSRD was set up as an *acceleration programme* with a joint leadership and budget, and representatives from all relevant functions and businesses. Responsibility for data collection now rests with the functions and business units (see ESRS content index page 39).

For Vanderlande, this process has also been an opportunity to sharpen our sustainability strategy with a clearer focus and actionable targets (see page 13).

Vanderlande was on track to comply with CSRD by FY2026 before the EU extended the deadline by two years. We will continue to collect the data required and move ahead with our preparations to implement CSRD. Furthermore, we will monitor changes to the regulation that are expected to be enacted during the delay in its implementation.

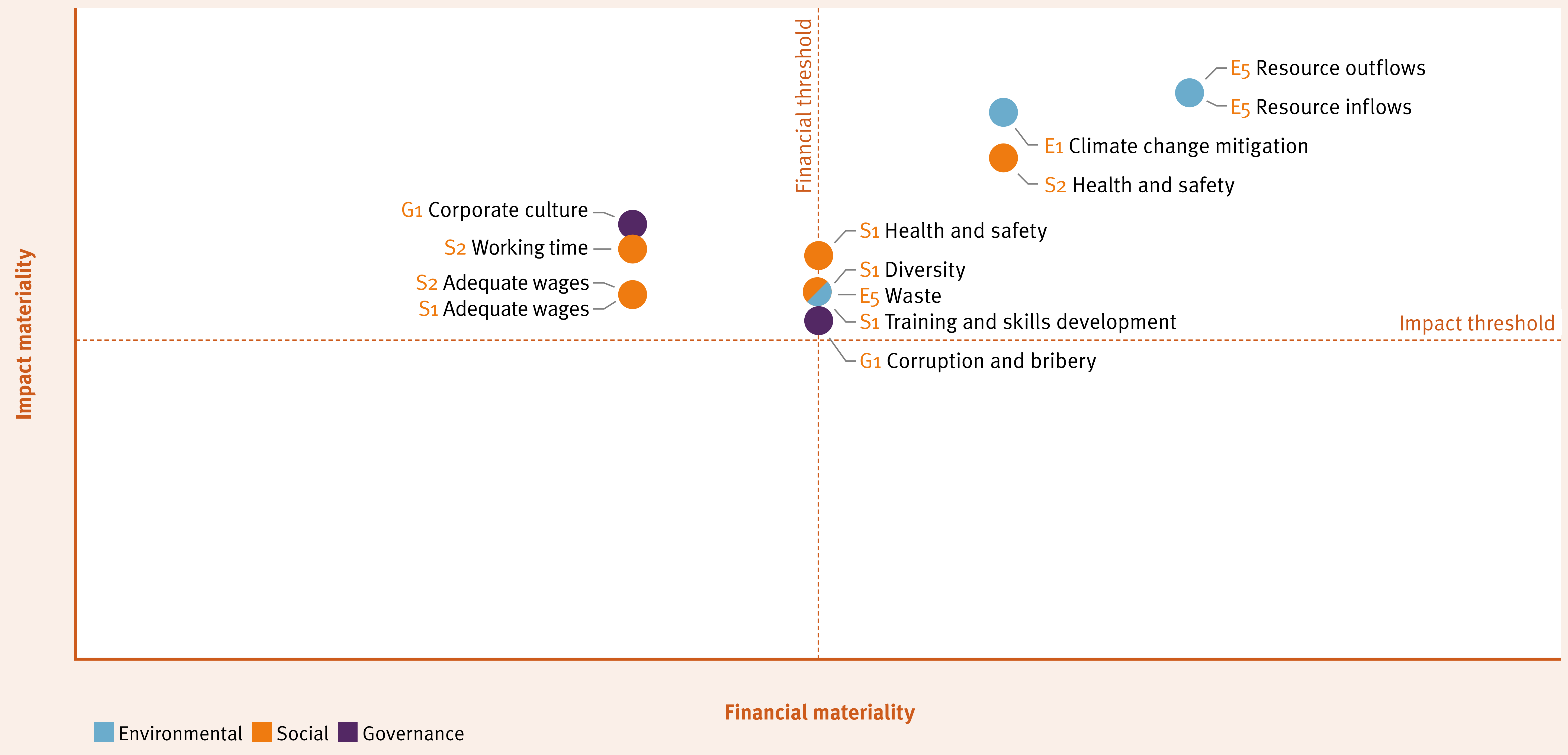
Preparation for compliance with other EU sustainability regulation is underway. The EU taxonomy for sustainable activities, a classification system for activities that support the EU's environmental goals, is set to apply to Vanderlande from FY2028. Meanwhile, the EU's Corporate Sustainability Due Diligence Directive (CSDDD), designed to prevent adverse human rights and environmental impacts in the value chain, is due to apply from FY2029. We will continue implementing third party processes to identify and mitigate risks in our value chain as one of the means to address the requirements of CSDDD.

OUR APPROACH TO PEOPLE AND THE ENVIRONMENT

ESRS 2 SBM-3

Materiality matrix FY2025 (per material topic)

Our double materiality assessment shows the sustainability topics considered most relevant to our stakeholders (impact materiality) and to our business (financial materiality). The process and methodology that we followed to identify these topics is outlined on page 38.



Material topic
- Climate change mitigation (E1)
- Resource inflows (E5)
- Resource outflows (E5)
- Waste (E5)
- Health and safety (S1)
- Diversity (S1)
- Training and skills development (S1)
- Adequate wages (S1)
- Health and safety (S2)
- Working time (S2)
- Adequate wages (S2)
- Corporate culture (G1)
- Corruption and bribery (G1)

OUR APPROACH TO PEOPLE AND THE ENVIRONMENT

ESRS 2 SBM-3 Material impacts, risks and opportunities (IROs)

Upstream | Own operations | Downstream

Material topics	Impact materiality	Financial materiality	Value chain	Time horizon	Impacts	Risks and opportunities	Impact mitigation
E1 Climate change							
Climate change mitigation	✓	✓	Upstream, Own operations, Downstream	› Long term	**Actual negative:** › Greenhouse gas emissions	**Risks:** › Cost of stricter regulation on emissions and of investments to lower them › Higher cost of capital if Vanderlande cuts emissions too slowly or not at all › Lack of availability of renewable energy › Reputational damage from suppliers with high emissions **Opportunities:** › Lower costs and increased profitability through reduced energy use › Lower cost of capital if Vanderlande succeeds in reducing emissions › Higher sales by meeting stakeholder expectations on emissions reduction	› See page 19
E5 Circular economy							
Resource inflows	✓	✓	Upstream, Own operations	› Medium term	**Actual negative:** › Use and depletion of finite resources › Generation of waste	**Risks:** › Costs to develop new processes, equipment and sources of alternative materials › Disruption to supply chain affecting ability to deliver customer projects › Cost of stricter regulation on use of virgin materials or on waste **Opportunities:** › Lower costs and increased profitability through repurchase of waste and reduced use of virgin materials › Higher sales by meeting stakeholder expectations on use of virgin materials	› See page 22
Resource outflows	✓	✓	Own operations, Downstream	› Medium term			
Waste	✓	✓	Upstream, Own operations, Downstream	› Long term			
S1 Own workforce							
Health and safety	✓	✓	Own operations	› Medium term	**Actual negative:** › Employee health and safety affected by workplace-related accidents or illnesses **Actual positive:** › Employee wellbeing through inclusive, diverse and equitable work environment › Employee satisfaction and career progression through training and development › Employee wellbeing and satisfaction through decent working conditions	**Risks:** › Legal issues and/or reputational damage due to failure to meet health and safety regulations or standards, impacting costs and recruitment › Increased costs and impaired operations due to high rates of sick leave › Hesitancy of customers to work with impaired brand › Harm to effectiveness of operations and worker safety due to inadequate training › Increased employee turnover and loss of competencies due to low satisfaction **Opportunities:** › Strong record for safety, training, etc. improving ability to attract and retain talent › Improved business opportunities due to attraction of employees from wider talent pool due to commitment to diversity	› See page 26
Diversity	✓	✓	Own operations	› Medium term			
Training and skills development	✓	✓	Own operations	› Short term			
Adequate wages	✓		Own operations	› Medium term			
S2 Workers in the value chain							
Health and safety	✓	✓	Upstream, Downstream	› Medium term	**Actual negative:** › Worker health and safety affected by workplace-related accidents or illnesses **Potential negative:** › Worker wellbeing affected by poor working conditions in relation to working time and adequate wages	**Risks:** › Reputational impact from working with unethical employers › Higher costs and operational risk related to changing to suppliers with a better safety record › Loss of business from declining to work with unethical customers › Loss of business due to inability to provide adequate transparency on upstream impact **Opportunities:** › Higher sales due to safety performance of systems	› See page 28
Working time	✓		Upstream	› Medium term			
Adequate wages	✓		Upstream	› Medium term			
G1 Business conduct							
Corporate culture	✓		Own operations	› Long term	**Potential positive:** › Confidence and trust of stakeholders › Work environment founded on ethics, integrity, transparency and accountability **Potential negative:** › Influencing decisions through corruption or payment of bribes	**Risks:** › Legal issues and/or reputational impact, increasing costs and ability to attract and retain talent › Breakdown in relationship with suppliers leading to change in suppliers › Loss of important government customers because of involvement in corruption or bribery incidents, impacting financial performance **Opportunities:** › Strong record for ethical conduct improving ability to retain talent › Increased business due to ethical conduct	› See page 31
Corruption and bribery		✓	Upstream, Own operations, Downstream	› Long term			

Environmental

“We've taken significant steps in FY2025 towards cutting emissions and developing processes to reuse, remanufacture and recycle parts and materials.”

David Duque Lozano, Sustainability Project Manager

Focus area 1: zero carbon footprint

Focus area 2: circular economy

Climate change mitigation

We aim to decarbonise our business, an ambitious target that will require close collaboration with suppliers and customers. Our FY2034 emission reductions targets have now been validated by the Science Based Targets initiative (SBTi) and call for greater use of renewable energy, further energy efficiency measures, and the use of lower-carbon parts and equipment.

To help us plan the decarbonisation of our activities, we have set emissions reduction targets for FY2034, reflecting SBTi's requirement for near-term targets to have a time horizon of no more than ten years. Our targets are both for emissions from our own facilities and purchased energy (scope 1 and 2 emissions) and for emissions from our value chain (scope 3 emissions).

Our target is to reduce scope 1 and 2 emissions by 59% by FY2034 compared with a baseline of FY2022. Our main levers for achieving the target are switching to renewable sources of energy[5], modernising our natural gas heating facilities and increasing the share of electric vehicles in our fleet[6].

Scope 1 and 2 emissions, however, account for just 1% of the total attributable to our value chain. The remaining 99% are scope 3 emissions that occur outside Vanderlande operations[7]. Nearly a third come from the goods and services we buy – particularly equipment made with steel and aluminium – the rest from the electricity our customers use to run our solutions and equipment.

Our target is to reduce these scope 3 emissions by 35% by FY2034 compared with our FY2022 baseline. To do so, we plan to use more recycled and 'green' metals, and to work with suppliers and customers to increase energy efficiency throughout our value chain.

We intend to develop a net zero transition plan once our acquisition of Siemens Logistics in Europe, Asia and the Middle East has been integrated into Vanderlande (see page 7). In FY2026, we aim to develop a plan for a 40% reduction in emissions.

For the time being, we have made a deliberate choice not to invest in carbon offsets or removals, preferring instead to prioritise carbon reduction.

We plan to conduct an assessment in FY2026 to evaluate the potential impact of climate change on our business. This assessment will allow us to develop measures to increase resilience and adapt to the effects of climate change.

Throughout Vanderlande, we emphasise the importance of good environmental management. We have an Environmental and Energy Policy, which applies to all our operations. This policy promotes energy efficiency and waste reduction. In addition, our parent company Toyota Industries Corporation (TICO) is committed to zero carbon through its environmental vision, and we also fall under TICO's Environmental Policy.

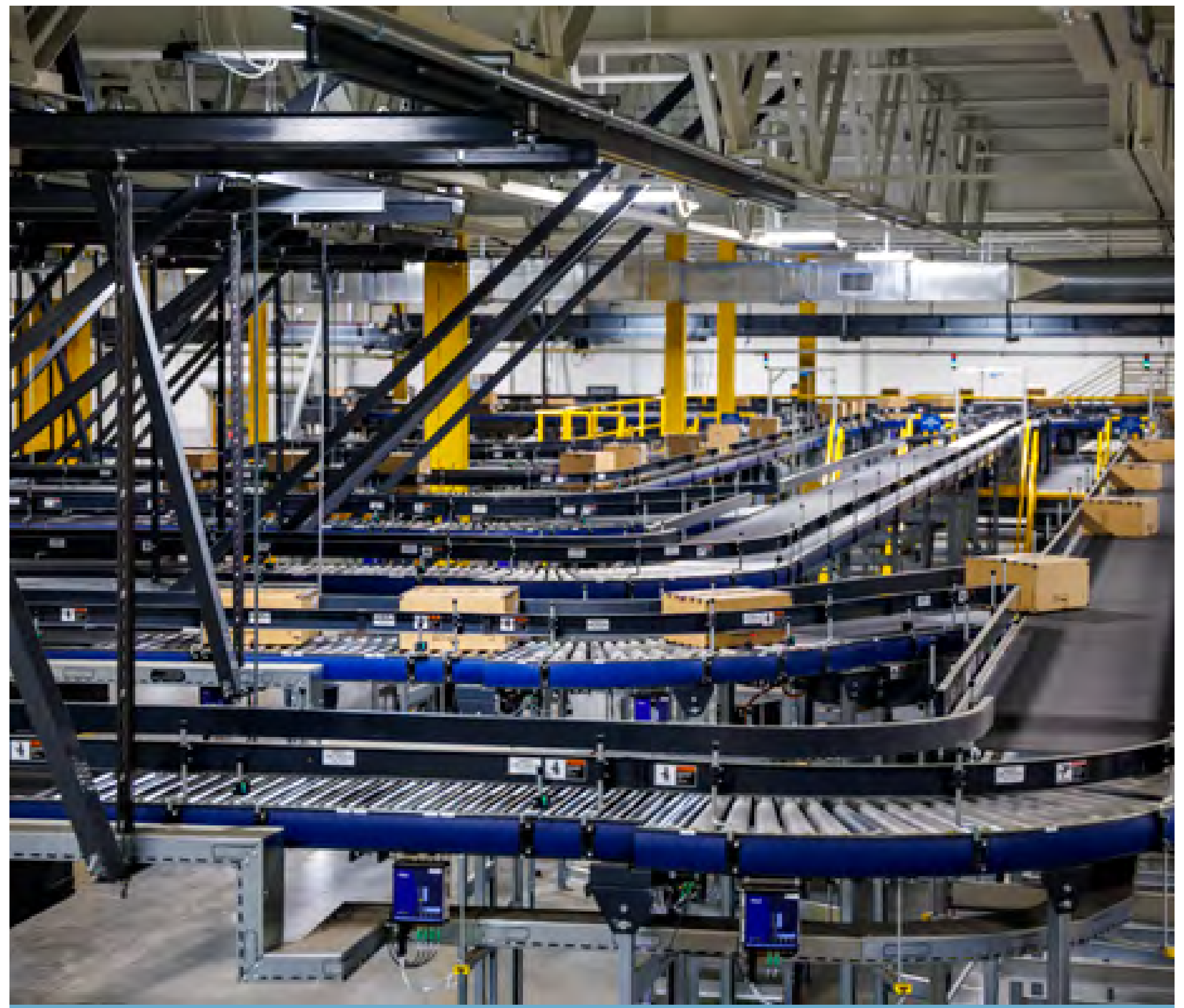
Implementation of our environmental policy is ensured by management teams across the business. They are supported by e-champions who oversee compliance and continuous improvements at our largest offices and manufacturing facilities.

To support energy efficiency, we are rolling out ISO 50001 energy management certification to our largest locations[8]. Currently, we have certification at ten sites (representing 75% of our total energy use). We plan to add our sites in the United States in FY2026. Eventually, our aim is to have 90% of our total energy consumption covered by ISO 50001 certification.

We aim to reduce energy use in our ISO 50001 certified facilities by 2% annually through measures such as improving building insulation, installing smart lighting systems and electrifying equipment. In FY2026, we have a goal to improve energy efficiency in our own facilities by 8%.

We have already significantly increased our use of renewable energy. We have installed solar panels at Vanderlande sites and increased the amount of electricity from renewable sources that we purchase. Renewables accounted for 60% of our electricity consumption in FY2025. In FY2026, we aim to reduce carbon emissions from our own facilities by 20% compared with our FY2022 baseline.

We see clear business opportunities in moving to net zero. With better insight into energy use, we can improve product and system design, for example, optimising layouts and grid connections, improving energy efficiency and helping customers meet their own emission reduction targets.



E1-3 Increasing warehouse energy efficiency

Pilot projects at a European distribution centre of a leading footwear manufacturer have demonstrated how small changes can bring significant savings without impacting operational efficiency.

For example, we were able to cut energy consumption by 30% in a year-long test of low-friction conveyor belts. For the centre's sorting system, we cut energy consumption by 10% by using its full speed only during the busiest month of the year.

We also adjusted the material handling system's settings to save more energy when it is not carrying parcels, resulting in a 12% decrease in energy consumption during a four-month trial.

FOCUS AREA 1: ZERO CARBON FOOTPRINT

E1-3 E1-6

In FY2025, we started Design for Sustainability training for engineers in research and development (R&D). Participants are taught how to make informed decisions about the energy profile of their designs based on the materials used and the types of energy required to run them. The training also covers the principles of designing for circularity by using fewer virgin materials and generating less waste (see page 23).

In FY2025, we've focused on measures to improve the energy efficiency of our solutions; these include installing low-friction belts on conveyors, deploying high-efficiency drives (IE5+) and using algorithms to move items in batches rather than singly. We've also replaced power distribution panels with busbar technology and swapped out pneumatic for electric actuators. Together, these initiatives are expected to reduce energy use across our portfolio by a further 10% by the end of FY2026. The initiatives are overseen by a team comprising experts in R&D and product management across airports, warehousing and parcels; this team will continue to work on new energy reduction initiatives.

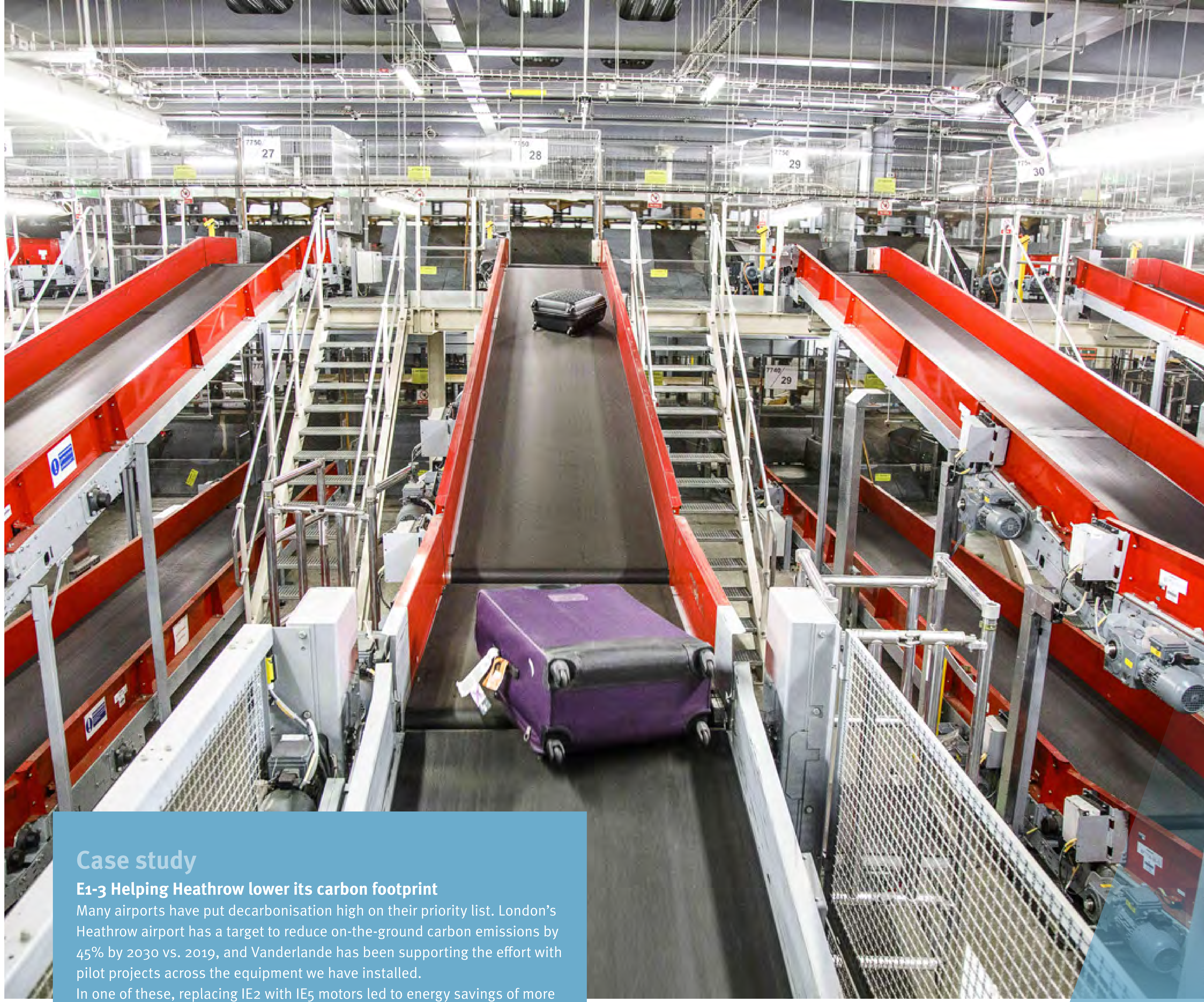
In meeting these decarbonisation opportunities, we have significant dependencies, including the availability of renewable energy and alternative low-carbon materials, long lead times particularly in our airport business, as well as our ability to deliver sustainability training for our sales staff and to scale new products.

We will also have to make investments to realise these opportunities. In FY2025, we established a process to track our capital expenditure related to sustainability initiatives.

As our data collection continues to mature, we have restated scope 1 and 2 emissions for previous years. The update reflects corrections to calculation errors as well as data from the whole company rather than selected countries only.

Scope 1 and 2 emissions declined by 16.2% in FY 2025, despite increased business volume. Savings achieved through energy efficiency measures were offset by an increase in electricity and/or gas consumption at several locations. These included our North American distribution centre after it took over regional manufacturing activities, as well as Santpedor in Spain following growth in the business.

We made solid progress in measuring our scope 3 emissions in FY2025 and can now report on most categories. We have temporarily excluded emissions from the use of sold products (category 11) from our reported scope 3 total for FY2025 while we review our methodology. Currently, we recognise category 11 emissions at handover in line with the GHG Protocol[9]. However, because handovers can span several years, we are reviewing whether this approach provides the most accurate view of these emissions. We remain committed to strengthening our scope 3 reporting and will continue to refine our methodology accordingly.



Case study

E1-3 Helping Heathrow lower its carbon footprint

Many airports have put decarbonisation high on their priority list. London's Heathrow airport has a target to reduce on-the-ground carbon emissions by 45% by 2030 vs. 2019, and Vanderlande has been supporting the effort with pilot projects across the equipment we have installed.

In one of these, replacing IE2 with IE5 motors led to energy savings of more than 50%. Based on the airport's energy cost and the investment needed to replace certain key equipment, this would represent a return on investment of just 3.5 years.

As a result, Vanderlande and Heathrow Airport have agreed to transition to IE5 motors over three years on selected equipment, including TUBTRAX systems for rapid and high-volume baggage transport.

FOCUS AREA 1: ZERO CARBON FOOTPRINT

E1-4 E1-5 E1-6

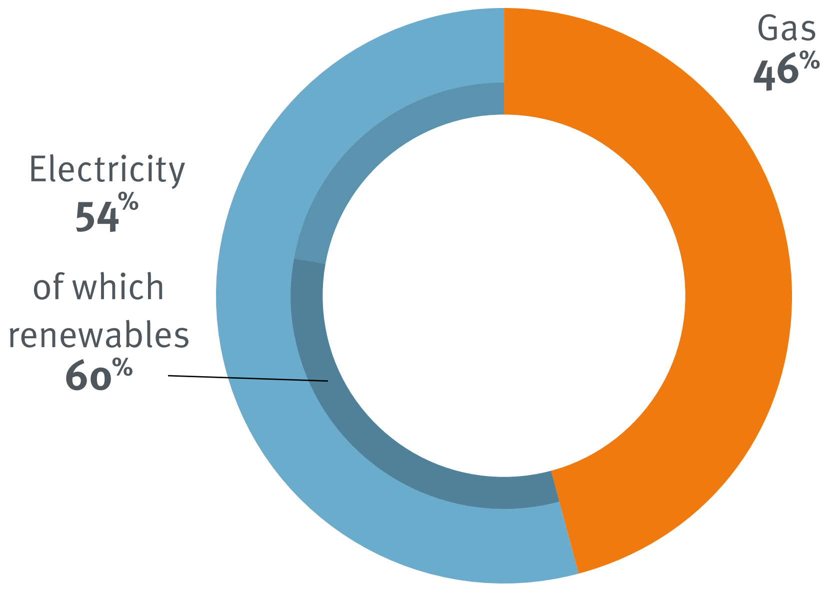
E1-4 Our science-based targets for FY2034

Greenhouse gas emissions	Target reduction	Main levers
Scope 1 and 2	-59%	› Increased use of renewable energy › Modernisation of natural gas heating facilities › Expand share of electric vehicles in fleet
Scope 3	-35%	› Increased use of recycled and 'green' steel and aluminium › Improvements in energy efficiency by suppliers › Improvements in energy efficiency of solutions sold to customers › Decarbonisation of electricity supply

Scope 1 refers to emissions from sources owned or controlled by a company, scope 2 to emissions from energy purchased by the company and scope 3 to emissions caused indirectly by the company's operations either upstream in its supply chain or downstream through the use of its products or services. These definitions are based on the Greenhouse Gas Protocol; for more information, see www.ghgprotocol.org. Emissions derive primarily from consumption of gas and electricity.

E1-5 Current energy mix

(%, FY2025)



Of total electricity use in FY2025, 60% came from renewable sources (including wind, solar, hydropower, biofuels and energy produced by Vanderlande's own solar panels).

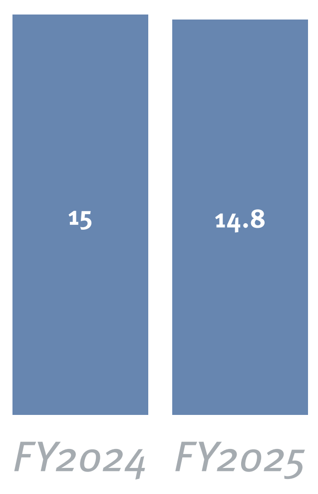
E1-6 Vanderlande carbon emissions *(tonnes of CO_2-equivalent)*

Please note: FY2024 and FY2025 figures for the following do not include emissions from use of sold products: total gross indirect (scope 3) GHG emissions / total GHG emissions (both location- and market-based), as shown in italics, below. As such, no comparison should be made between these totals and figures for our FY2022 baseline year. For further details, please refer to page 20.

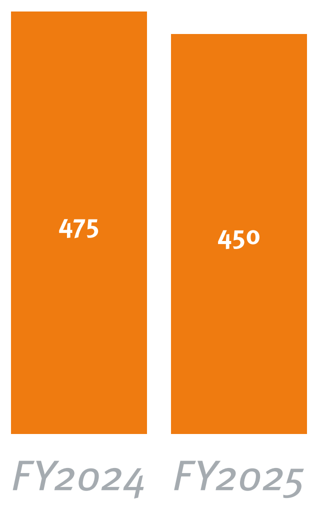
	Baseline (FY2022)	FY2024	FY2025	% 2025 vs. 2022
Scope 1 GHG emissions				
Gross scope 1 GHG emissions (tCO_2eq)	5,438	4,481	4,893	−10.0
Scope 2 GHG emissions				
Gross location-based scope 2 GHG emissions (tCO_2eq)	5,755	6,211	5,979	3.9
Gross market-based scope 2 GHG emissions (tCO_2eq)	2,718	4,284	2,447	−10.0
Scope 3 GHG emissions				
Total Gross indirect (scope 3) GHG emissions (tCO_2eq)	1,140,433	*413,731*	*378,865*	N/A
Purchased goods and services	403,284	358,707	324,963	−19.4
Capital goods	1,601	1,524	1,510	−5.7
Fuel- and energy-related activities	849	765	731	−13.9
Upstream transportation and distribution	17,276	29,584	24,676	42.8
Waste generated in operations	562	616	962	71.2
Business travel	14,039	13,829	16,637	18.5
Employee commuting	7,445	7,785	8,191	10.0
Use of sold products	694,429	TBD	TBD	N/A
End-of-life treatment of sold products	948	921	1,195	26.1
Total GHG emissions				
Total GHG emissions (location-based) (tCO_2eq)	1,151,626	*424,423*	*389,737*	N/A
Total GHG emissions (market-based) (tCO_2eq)	1,148,589	*422,496*	*386,205*	N/A

The following scope 3 emission categories are not applicable to Vanderlande: upstream leased assets, processing of sold products, downstream leased assets, franchises, downstream transportation and distribution, financial investments.
TBD - to be determined. See page 20 for further details.
N/A - not applicable

E1-5 Energy intensity *(MWh)*

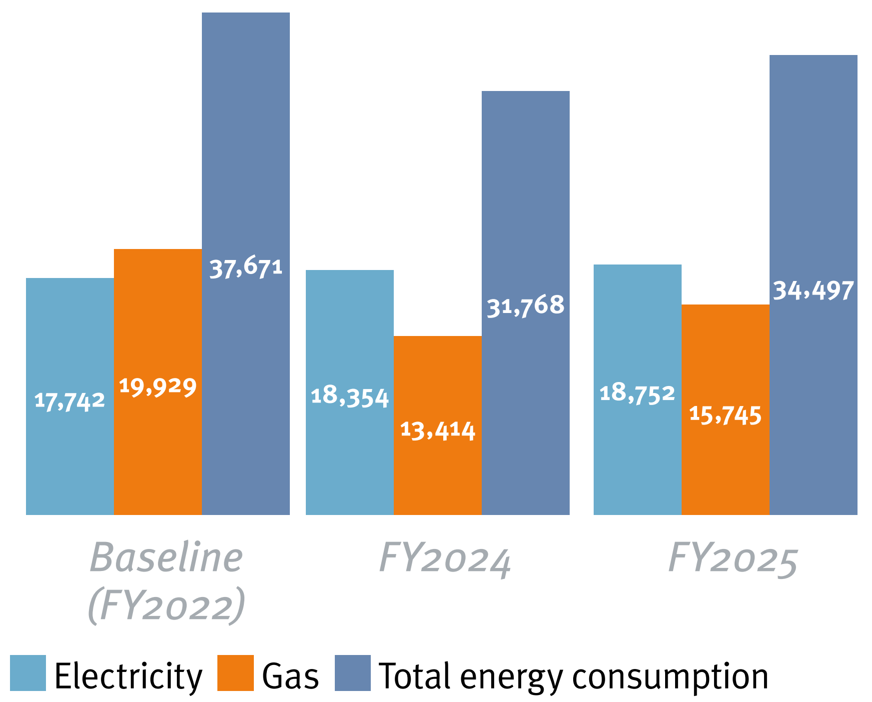


E1-6 Emissions intensity *(tonnes)*



E1-5 Total consumption of electricity and gas

(MWh used)



E1 Climate change

FOCUS AREA 2: CIRCULAR ECONOMY

E5-1 E5-2 E5-4

Resource flows and waste

We are aiming to reduce waste to a minimum by creating circular processes where materials are reused, remanufactured and recycled. In this way, we reduce the impact of our operations and solutions on the environment, reduce costs and improve the competitiveness of our customers.

We believe circularity brings clear benefits for both our business and the environment: it helps us reduce waste, retain products and their materials in use for longer, and keep pace with environmental legislation. At the same time, it reduces our reliance on scarce natural resources, and shields us from fluctuations in material prices and disruptions in the supply chain. Above all, however, it helps us meet growing demand among customers looking to reduce their own impact on the environment.

Our Circular Supply Chain Programme, established in FY2024, is working to establish effective circular material and product streams within our business, and achieve sufficient scale for these new business models to be viable.

E5-1, E5-2, E5-4 Resource inflows

Through our Supplier Code of Conduct, we require suppliers to incorporate circularity into product design so that, as far as possible, parts and components are suitable for repair, refurbishment and recycling. The Code also contains specific provisions on environmental permits, reporting on environmental performance and handling hazardous waste. Beyond our Supplier Code of Conduct, we are also introducing circularity as a requirement in product and supplier criteria.

To achieve our goals, we will buy bio-based, recycled or recyclable materials where possible, and make sure the parts and components we buy can be reused and easily maintained. At the same time, we are looking at alternative materials to reduce our use of primary natural resources – for example, replacing certain steel structures with wood, and virgin plastics with recycled equivalents for various standardised plastic components in our conveyors.

We are building circularity into our own product design. Over the past two years we have trained all of our product development teams in circular design. We are also bringing in standard requirements for new products, covering areas such as energy use, maximum lifetime for parts and components, facilitating repair and replacement.

We made significant progress in FY2025 in developing material passports for the components that we develop and buy. These passports – or lists of materials and their characteristics – are now available for approximately 75% of our parts by weight. They will help us to incorporate circularity into products from the first design stage, as well as contribute to identifying any potentially hazardous materials[10] and conflict minerals.

Material passports will form the basis for Life-Cycle Assessments (LCAs). Eventually, we expect that LCAs will become standard practice across our business as a basis for developing customer solutions for optimal sustainable performance during their life-cycle. However, success will ultimately depend on available, reliable data and the 'traceability' of the materials and components we use.

These LCAs will, in turn, be used to develop detailed Environmental Product Declarations (EPDs), offering condensed, accurate and verified insight into the environmental impact of our products – an increasingly common request in customer RFPs and tenders. Our goal is to develop four to eight EPDs in FY2026 (equivalent to 10-15% of our solutions).

Our aim is also to add 'quick scan' LCAs to support one-off decision-making – as an input for engineers choosing materials, for example. We are currently extending training to R&D engineers and systems architects so they can incorporate LCAs into product development. Our goal is to develop quick scan LCAs for 50% of our new products in FY2026. We are also working with knowledge partners and industry peers to develop a standardised approach to LCAs adapted to our industry.

FOCUS AREA 2: CIRCULAR ECONOMY

E5-2 E5-5

E5-2, E5-5 Resource outflows

In FY2025, we developed and implemented a process for our Veghel campus to manage leftovers on customer projects – the parts and equipment unused at the end. This process will also identify the root causes of any excess. Leftovers are retrieved, categorised, and reused or resold, while being tracked throughout the process.

Various pilot projects with customers have helped us establish a baseline against which we can measure our target to reduce leftovers by 50% by FY2026. This work has also served to validate the business case for *reverse logistics* (see Recovering value from unused parts on page 24) and is the basis for a Reverse Logistics Policy we are developing.

Our Circular Supply Chain Programme is now working on a similar process for remanufacturing – taking equipment back, upgrading it and reselling it. We have already developed a technique to remanufacture one complex part used in the parcel industry (see Turning old parts into new for the parcel industry on page 24).

Our approach to remanufacturing complements our current Revisions, Modifications and Retrofits services, which extend the lifetime of our solutions for our customers. We perform upgrades, examine and repair worn equipment, and clean and recalibrate systems and components.

At the same time, we are developing predictive and condition-based maintenance through the use of sensors, helping customers avoid unplanned downtime and reducing emissions by ensuring parts are replaced only when necessary. For example, at Schiphol airport in Amsterdam and London Heathrow, sensors on our equipment gather data on vibrations and variations in temperature that we can use to predict breakdowns before they happen.

E5-5 Waste

To support our waste target, we are expanding ISO 14001 environmental management certification for Vanderlande locations. Currently, four are ISO 14001-certified: our Veghel campus, our manufacturing sites in Siegen in Germany and Santpedor in Spain, as well as our office in Barcelona. We are working on extending certification to sites in the United States including our manufacturing site at Great Valley and our office and test centre in Marietta.

Across Vanderlande facilities, we have waste separation in place. We have launched a zero waste campaign at Veghel and encourage recycling, including items such as used workwear. In FY2026, we will start a programme aiming to reduce packaging and production waste.

E5-5 *Waste generation in own facilities*[1]

	FY2024	FY2025
Total waste generated (tonnes)	2,256	2,222
% diverted from disposal	91%	93%
% hazardous waste	0.70%	1.40%

1 For FY2024, from our Veghel, Santpedor and Barcelona sites only. For FY2025, from three out of four manufacturing sites (Veghel, Siegen and Santpedor) and ten out of 18 offices, covering 80% of employees (FTEs).

The waste streams consist predominantly of metals (68%), wood (12%), residual waste (11%), and paper and cardboard (8%). Smaller waste categories include plastics, organic materials, hazardous substances and specialised waste such as electronics and chemicals. We've also improved data collection on hazardous waste, including coating waste water for the first time in FY2025.

We have also been testing a way to manage stocks of items that are being phased out so that we can minimise the amount scrapped. In a pilot project, teams from supply to R&D devised a process for side covers and brackets that both reduced waste and delivered financial savings.

In FY2025, we increased the proportion of waste from our own operations that was diverted from disposal – meaning it was either reused, recycled or recovered in other ways – to 93%, compared with 91% in FY2024.

We have a target to divert 90% of waste from disposal by 2030 across both our own operations and customer sites. Currently, we're not able to measure waste accurately from customer sites. However, we have started pilot projects to initiate the tracking of waste data during the installation and commissioning phase of new customer projects.

In FY2025, total reported waste from these eight pilots was 817 tonnes, consisting predominantly of packaging wood (77%), residual waste (10%), paper and cardboard (6%), plastic (5%) and metals (3%).

There is a correlation between project size and waste outflows. However, we recognise that this data covers a small portion of projects, which limits our ability to draw meaningful conclusions at this stage. In FY2026 we will continue to monitor the waste streams on customer sites, in close collaboration with our customers, to obtain insights into waste treatment and define opportunities to reduce waste and improve treatment methods.

Our goal is to reduce waste by 5% in FY2026.

E5 Resource use & circular economy

FOCUS AREA 2: CIRCULAR ECONOMY

E5-2 E5-5

E5-2 Turning old parts into new for the warehousing industry

In collaboration with a major customer, we have developed a way to remanufacture a divert switch, a mechanism that redirects items on material handling systems to a different pathway.

When the switches reached the end of their operational life at the customer's site, we took them back and recovered and regenerated as many parts as possible. Using these parts, we restored the switches to an 'as new' condition, reducing raw material inputs and carbon emissions when compared with manufacturing a new part.

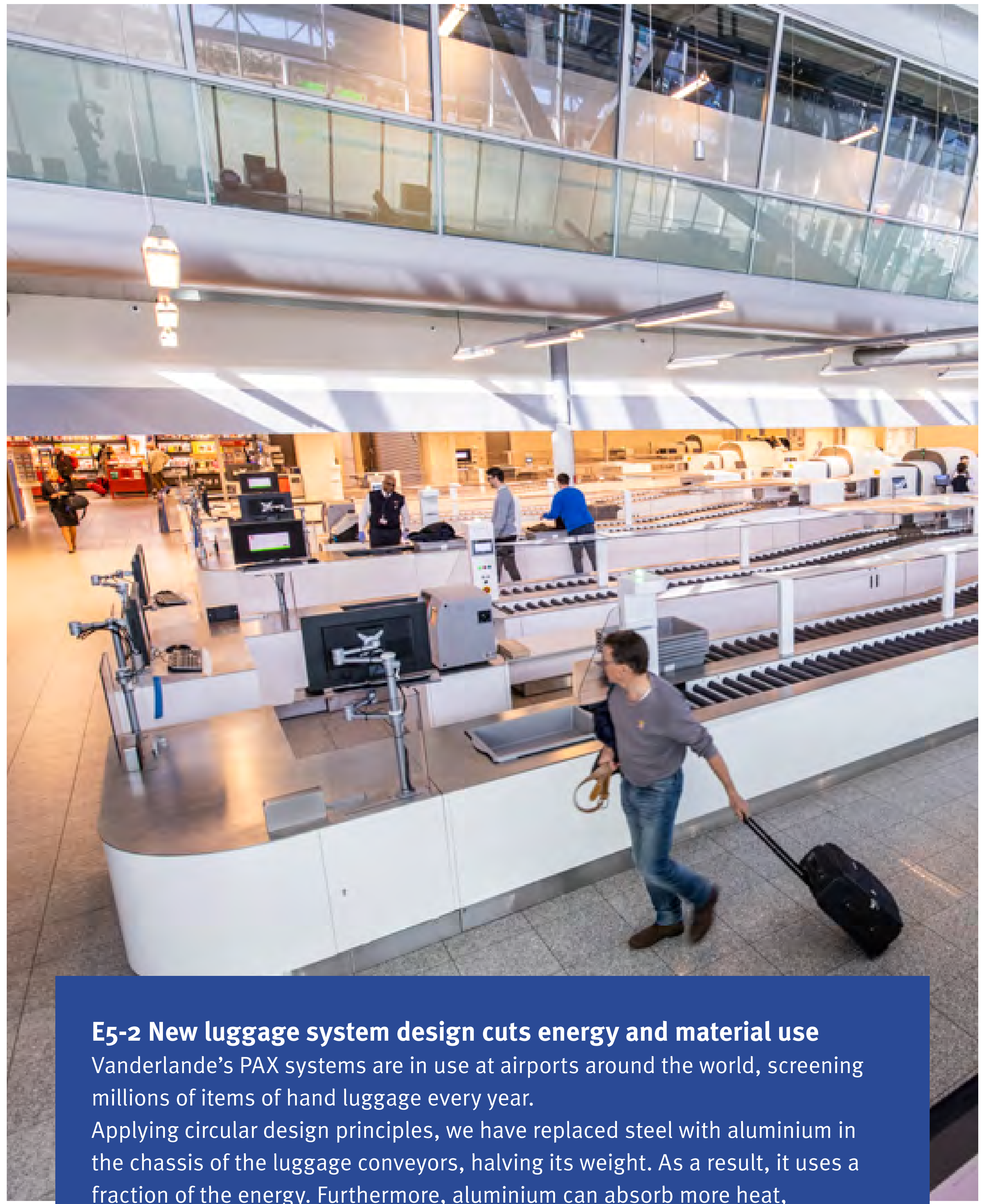
In this way, we are able to provide the customer with a more sustainable, cheaper and readily available alternative to new switches – and have established a business case for remanufacturing complex parts.

E5-2, E5-5 Recovering value from unused parts

Working with six customers in Europe and the Middle East – including DPD, H&M, FedEx, Brussels Airport and Ahsell – we ran pilots to identify what material remained unused at the end of a project, and why.

Across all the projects, we found the value of unused equipment to be 3-5% of the total supplied. Root causes included insufficient communication between employees on site and in Vanderlande engineering teams, inadequate tooling and rounding up of quantities required.

Our goal for FY2026 is to recover half of the value of these leftovers and reduce the amount of unused equipment.



E5-2 New luggage system design cuts energy and material use

Vanderlande's PAX systems are in use at airports around the world, screening millions of items of hand luggage every year.

Applying circular design principles, we have replaced steel with aluminium in the chassis of the luggage conveyors, halving its weight. As a result, it uses a fraction of the energy. Furthermore, aluminium can absorb more heat, eliminating the need for cooling fans.

We also replaced welding with adhesive bonding, which increases precision and reduces the need for highly specialised labour. And we have redesigned the security lanes so that almost 100% of the chassis can be reused at the end of its operational life.

Social

Focus area 3: wellbeing

"We're fostering a culture with zero compromise on safety, throughout the entire life cycle of our equipment and for everyone involved."

Koen Arts, Global HSE Project Manager

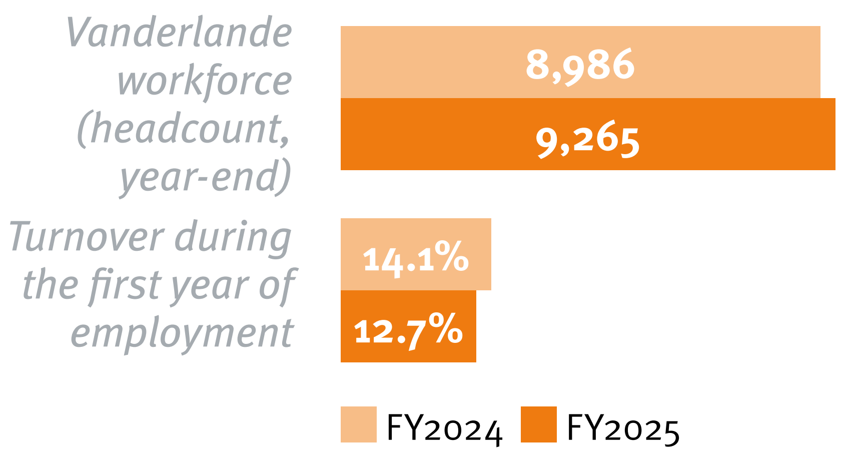
Own workforce

Creating a high-performance culture is a priority of our corporate strategy, making us more competitive and resilient. To achieve this goal, we foster conditions in which our people can excel: putting safety first, encouraging diverse people into our workforce, and offering training and career development.

We aim to recruit people who share our values, nurturing skills that can be used both within and outside the company. We measure employee engagement through our annual Employee Experience Survey and separate onboarding and exit surveys. We view effective onboarding, in particular, as a way of increasing engagement with the company.

The number of employees at Vanderlande increased 3.1% in FY2025 to 9,265. Turnover during the first year of employment decreased to 12.7%.

S1-6 Workforce and employee turnover



S1-14 Health and safety

Working with our solutions involves risk; these solutions may include moving parts and heavy equipment, or require working at height. We have an extensive Health, Safety and Environment (HSE) strategy, supported by a network of HSE managers and minimum safety standards. Our safety standards apply to all Vanderlande sites[11].

On projects, we take a risk-based approach – i.e., we assess possible risk and job hazards rather than simply relying on past trends. For each project, we develop a detailed HSE plan, setting out safety requirements and any training or communication needs. We have all systems inspected before handover by a design safety expert to ensure compliance with all applicable legal and normative design safety requirements. (See also Workers in the value chain, page 28.)

On all sites, we apply our Life Saving Rules and the Vanderlande Safety Code, as well as conducting regular safety checks on machinery. Several of our sites are certified ISO 45001-compliant, the ISO standard for occupational health and safety; these include our operations in the United Kingdom and Australia, as well as at international airports at Amsterdam Schiphol and Istanbul. Around 20% of our people work at these locations.

Employees receive regular health and safety training and all staff at our manufacturing sites are covered by health and safety risk assessments.

In addition, we have launched a broader safety culture programme. More than 300 leaders participated in 22 workshops on safety culture during the year. Starting in FY2026, we plan to roll out training to all our people doing manual work in our own operations and on customer sites, including their team leaders. To further strengthen our safety culture, we have started training focused on reinforcing safe behaviours.

Many of our locations also have wellbeing initiatives. In The Netherlands, for example, we have a Good Living programme to encourage healthy lifestyles. Our Integral Health Policy brings together aspects such as lifestyle, prevention and the need for a healthy working environment, with a view to reducing absenteeism and increasing employee engagement.

During FY2025, we saw a mixed health and safety performance. Our total incident frequency rate (TIFR) rose 4.8%, due mainly to a greater willingness to report incidents. Our programme on safety culture has improved incident reporting discipline in some countries, giving us data from which we can derive insights to further improve our safety performance.

Nevertheless, our lost-time incident rate (LTIR) decreased 9.4%. We have restated our LTIR for FY2024 after identifying inaccuracies related to the manual entry of data. We have since introduced a unified platform for reporting incidents that we expect to improve data quality. To help drive further improvements, FY2026 bonuses for senior management are linked to our LTIR performance, among other metrics.

Serious injuries increased from ten to 17. This deterioration underscores the importance of our efforts to promote a culture of zero compromise on safety through global workshops, training and communication initiatives. In addition, extra focus will be put on the required critical safety controls related to high-risk activities, such as working at height, electrical work and working with moving equipment.

S1-14 Health and safety performance data

Increase Unchanged Decrease

	FY2024	FY2025	% change
Safety incident reporting:			
› total incident frequency rate (TIFR)[I]	3.5	3.7	+4.8%
› lost-time incident rate (LTIR)[II]	1.06	0.96	-9.4%
› fatalities	0	0	unchanged
› serious injuries[III]	10	17	+70%
Employees at manufacturing sites covered by health and safety risk assessments	100%	100%	unchanged
Countries with health and safety committees[IV]	10	10	unchanged
Workers provided with health and safety training[V]	3,977	4,017	+1%

I by contractors
II LTIR is calculated as time lost to injuries for every 200,000 hours worked, including by contractors
III Serious injuries include amputation, head injuries, loss of sight, burns, bone fractures etc., as well as injuries requiring hospitalisation of more than 24 hours
IV Vanderlande has health and safety committees where required by local legislation. Currently, there are ten committees, covering 74% of the company's workforce
V Health and safety training is provided as part of broader mandatory maintenance and operations training. Figures include both Vanderlande's own personnel and customer employees.

FOCUS AREA 3: WELLBEING

S1-9 S1-10 S1-13

S1-9 Diversity

We believe that workforce diversity will help drive a high-performance culture within Vanderlande. For this reason, it is a management priority, with sponsors on our Board of Directors for our diversity programmes and initiatives.

We provide voluntary training to tackle unconscious bias in hiring and promotion decisions, and work with employee resource groups[12] to address diversity-related issues. Vanderlande has also signed up to the Women's Empowerment Principles of the United Nations (UN).

Our aim is to have at least 30% female candidates in our talent acceleration programmes, so we begin to build a pipeline of female managers coming through into senior positions. In North America, we have a dedicated supplier diversity programme, have worked to bring in more job applicants from minority groups and operate through external organisations to promote greater diversity, such as the National Minority Supplier Development Council and the Women's Business Enterprise National Council.

Our target is to increase the proportion of female employees in the company and in senior leadership positions to 17% by FY2026 and to 20% by FY2030. In FY2025, female employees comprised 16.8% of the company's workforce globally and 13.4% of the senior leadership. This is higher than the previous year but remains below our target. This partly reflects the history and reputation of logistics and technology as male-dominated industries.

Among the measures we have taken to accelerate progress towards our targets in this area is the introduction of sub-targets for each business unit, for which they are accountable. We are also creating a senior global role in our human resources function to increase focus on diversity, equity and inclusion.

S1-13 Training and skills development

We encourage continuous learning and strive to develop a new generation of leaders within Vanderlande – crucial to ensuring the company's long-term, profitable growth.

Across the organisation, we are working to build a more integrated approach to talent management. The framework for this will be our core values and behaviours, which we revised in FY2025 (see page 9). We have already introduced a regional talent acceleration programme and a new global version for more senior positions within the company. As part of our new approach, we are developing performance and reward strategies, and expect to implement these in FY2026.

We provide extensive training for all our people; our aim is to make this as practical and hands-on as possible. Given the nature of our business, some training is mandatory for all staff – in business ethics, for example. To support skills development, we have two learning platforms – Percipio and Pluralsight – that give our people access to self-development courses and technical training programmes.

In FY2026, our learning priorities will focus on developing what we consider to be critical capabilities. This includes our Leading by Example programme to strengthen the leadership capabilities of our managers, for example by committing to our new values and behaviours (see page 9). We will also focus on sales skills to drive growth centred on customer needs, and project management to strengthen execution across the business. To enhance our adaptability, we will also continue to train our teams in agile ways of working.

On sustainability, safety training remains a priority to uphold our commitment to creating a safe working environment (see Health and safety above). We are also continuing to upskill our product owners, engineers and systems architects. In FY2025, we finished training product owners on circular design and extended the training to teams in R&D. In addition, we started courses for engineers in R&D on Design for Sustainability to ensure we embed energy efficiency, safety and circularity into product development. In addition, mandatory e-training in sustainability is included as part of our onboarding process to ensure new employees are familiar with our sustainability strategy.

Nonetheless, average training hours per employee decreased by 25% to 12 in FY2025. The share of employees who received training during the year, however, increased to 93% from 89%.

S1-10 Adequate wages

Pay for employees is set in accordance with local market practices and individual performance. We also have standard job grades and levels[13] to encourage internal mobility and allow employees to map out clear career paths.

S1-9 Gender diversity performance data

	FY2024	FY2025	% change	FY2026 target
% female employees in Vanderlande workforce	16.4%	16.8%	+2.4%	17%
% female employees in senior leadership positions	11.9%	13.4%	+10%	17%
Number of female employees on Board of Directors	1 /7	2/7	+50%	N/A

N/A - Not applicable
Senior leadership positions include all employees at HAY grade 90 and above.
One Board of Directors position was vacant in FY2025.

S1-13 Learning and development performance data

	FY2024	FY2025	%change
Average training hours per employee	16.0	12.0	-25%
% employees receiving training during year	89%	93%	+4.3%
Quality of learning programmes and courses	4.39	4.23	-3.6%
% employees receiving formal performance and development review with manager	91%	93%	+2.2%

Quality of learning scores are based on assessments by participants. Scores are out of five.

To address the different dynamics in local markets, we support pay equity, working to meet – or exceed – legislative standards for the countries we operate in. We also work, where possible, with works councils, trade unions and other employee representative bodies and look to resolve disputes when they arise.

FOCUS AREA 3: WELLBEING

ESRS 2 SBM-3 S2-1 S2-2 S2-3 S2-4

Workers in the value chain

Our responsibility extends beyond our own employees, whether for safety or working conditions. We design projects and systems to protect employees working for our customers from excessive strain and noise. We also seek to work with suppliers who share our commitment to the wellbeing of their employees and others in the value chain.

ESRS 2 SBM-3, S2-1, S2-2, S2-3, S2-4

Health and safety

Workers for our suppliers are in industries that are at risk of poor working conditions, such as manufacturing, electrical equipment, and the extraction and production of materials. They also install our systems at customer sites, where they may face health and safety risks.

In place since 2018, our Supplier Code of Conduct includes provisions in areas such as occupational health and safety and other working conditions (see also Third party risk management below).

We coordinate closely with customers and contractors to ensure they have the information they need to keep workers safe and minimise the risk of accidents. We have increased the frequency of health and safety audits of projects at customer sites, performing 19 in FY2025. In addition, our site and service managers, who lead teams on customer sites, perform self-assessments based on our standards.

We also provide extensive hands-on training, and conduct regular assessments to make sure our systems can be operated and maintained safely.

Alongside standards for our own workforce (see page 26), we have introduced mandatory Corporate Health and Safety Standards for Suppliers and Contractors[14]. They cover use of personal protective equipment, contractor safety, working at height and incident management, among others. In FY2025, we updated our standard on working at height and added standards in four new areas: electrical safety; confined spaces; mobile equipment; and training competence and awareness.

Further, we are working to raise awareness among the employees of our suppliers and customers of our Speak Up system for reporting suspected breaches of our policies and standards, including on health and safety (for more on Speak Up, see Prevention and detection of corruption and bribery on page 33). To assess the effectiveness of our approach, we benchmark the number of Speak Up reports against data published annually by Navex[15].

We incorporate safety into product design, and where possible improve the user experience. We use ergonomics, for example, and deploy new technologies like robotics to minimise the risk of stress injuries among users. By automating systems, we reduce the need for heavy lifting; our autonomous vehicles have extensive safety features to help avoid accidents. We also use smart software – in our baggage handling systems, for example, our VIBES software allows airport employees to plan for late luggage, reducing stress and the chance of mistakes.

We work to reduce noise – a common issue with material handling systems – by installing low-noise wheels, frictionless drives and electric rather than pneumatic actuators. We cut noise emissions on a conveyor system by 16%, for example, by changing the type of belt and using motors without a gearbox.

As part of this, we have brought our equipment into line with the new European EN619:2022 noise protection standard. Excessive noise can cause discomfort among system users and even hearing loss in more serious cases.

We conduct user experience (UX) research with workers at customers who have requested it to help mitigate negative impacts on long-term users. We are developing a process to get more systematic UX feedback from customers' employees in the future.

A design safety dashboard that we introduced in FY2025 is helping to ensure that our projects comply with legally required design safety standards.

S2-1, S2-4 Third party risk management

We want to work with suppliers who uphold high ethical standards of business. To support this goal, we are introducing ESG criteria into supplier selection and audits. Doing so will help us comply with new, stricter regulations relating to supply chain management, including the EU's Corporate Sustainability Reporting Directive (CSRD) and Corporate Sustainability Due Diligence Directive (CSDDD).

S2 Workers in the value chain

FOCUS AREA 3: WELLBEING

ESRS 2 SBM-3 | S2-1 | S2-2 | S2-3 | S2-4

Our Supplier Code of Conduct sets out minimum standards for Vanderlande suppliers relating to issues such as emissions and waste management, working conditions, occupational health and safety (see Health and safety above), and the use of conflict minerals. The Code is based on international standards, including International Labour Organisation (ILO) conventions and the UN Universal Declaration of Human Rights.

By the end of FY2025, 100% of our strategic and preferred suppliers had signed up to the Code.

Alongside the Code of Conduct, we are putting in place a more structured approach to managing supply chain and third-party risk. Our Business Partner Review Policy sets out a step-by-step screening process to ensure we work only with suppliers who share our values.

In FY2025, we launched our Global Supplier Risk Management Policy to help us identify, measure, address and monitor third party supplier risks, including working conditions in our upstream value chain. The policy is the foundation for our supplier risk management process, now being rolled out, which details how we work with our suppliers to address ESG risks (see Promoting responsibility in our supply chain opposite).

We recognise that some of our suppliers – particularly beyond tier 1 companies – operate in countries where there are potential social or environmental risks, often because of weak local regulations or enforcement. The goal of our supplier risk management process is to increase visibility over our supply chain and minimise risk of environmental damage or human and labour rights violations resulting from our business activities.

We also plan to roll out EcoVadis, a tool to assess sustainability risk and performance, in FY2026 to evaluate suppliers. These are invited to share an EcoVadis assessment tailored to their industry, size and country. This helps both us and suppliers to determine the ESG maturity and risks in our supply chain, and to work together to reduce risk and improve performance.

Promoting responsibility in our supply chain

Our customers are taking an ever-closer interest in how we address sustainability and risks beyond our own operations. Tenders increasingly require detail on due diligence in our supply chain. Many of our suppliers are also making significant efforts in this area.

To increase the impact of our efforts, we created the Sustainability and Risk Management team in our supply department. After launching a policy on supplier risk management (see main text), we took steps to translate this into our day-to-day activities.

One of our first steps was to create a dashboard of environmental, social and governance (ESG) risks by supplier, based on their location and industry. This initial assessment was conducted using globally recognised ESG indices.

To help us understand the sustainability maturity of companies in our upstream value chain, we then asked a small number of potentially high-risk suppliers for more information. Our enquiry included questions about their ESG policies and actions in areas including renewable energy, health and safety, human rights, and environmental management. Next, we will work with suppliers to mitigate any risks identified.

Governance

Focus area 4: good business

"Our business is built on integrity – clear controls, employee training, ongoing oversight, and a firm stance against corruption and bribery."

Marije Janssen, Global General Counsel

Business conduct

We aim for high ethical standards in our activities around the world and for compliance with all laws and regulations affecting our business. Our corporate culture is founded on these principles and supported by regular training to help our people manage ethical dilemmas. All stakeholders – internal and external – can report suspected violations without fear of reprisal.

ESRS 2 GOV-2, G1-1 Corporate culture
To support Good business, we have a strong system of corporate governance. We have a dual board structure with a Board of Directors focused on management (see page 34) and a Supervisory Board representing our shareholders and employees focused on oversight (see page 34).

The Board of Directors has no independent members. The Supervisory Board has six members: two are appointed by our shareholder, Toyota Industries Corporation (TICO); two represent Toyota Industries Europe (TIE); and two are chosen by the Works Council[16]. This structure ensures that the Supervisory Board can provide unbiased oversight and guidance, contributing to the company's commitment to transparency and accountability in its governance practices.

In FY2025, the Supervisory Board was chaired by Toru Suzuki. He was succeeded as Chair on May 1, 2025, by Norio Wakabayashi.

The Supervisory Board has established committees with primary responsibility for remuneration, audit, and investment. In addition, an external auditor provides opinions on our compliance with applicable reporting laws and standards.

At the management level, Vanderlande has a Risk Committee that oversees our Good business programme, including legal and regulatory compliance matters. The committee is chaired by our CFO, Astrid van Druten, and also comprises the CEO; General Counsel; head of Ethics, Risk and Compliance; Chief Audit Executive; head of Group Finance and Accounting; and Chief Information Security Officer.

The Risk Committee meets at least quarterly, or more frequently as circumstances require. It monitors the effectiveness of the process used by management to identify, investigate and address allegations of potential misconduct and violations of risk and compliance policies. The Risk Committee updates the Board of Directors on its activities, recommendations and any significant issues related to Vanderlande's risk management and compliance efforts.

The head of Ethics, Risk and Compliance reports twice a year on business conduct to the Supervisory Board's Audit Committee. The Chair of the Audit Committee reports any issues to the Supervisory Board.

Vanderlande has a culture of integrity supported by internal policies in areas such as fair competition, anti-bribery and corruption, human rights, and health and safety. These apply to all employees.

Our Policy on Good Business – equivalent to a Code of Conduct – outlines our expectations for employees in handling conflicts of interest and preventing bribery, for example, as well as in protecting confidential and personal information.

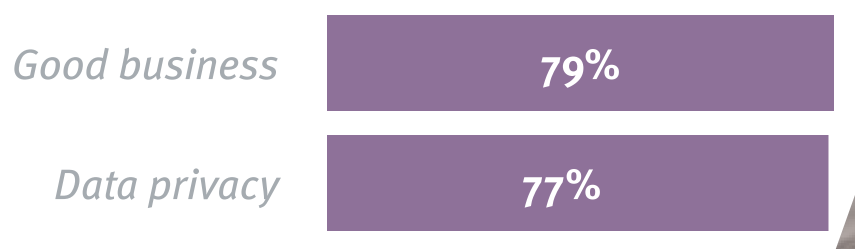
In addition, we have three policies governing our approach to supply chain management: our Supplier Code of Conduct, our Business Partner Review Policy, and our Global Supplier Risk Management Policy (see Third party risk management on page 28).

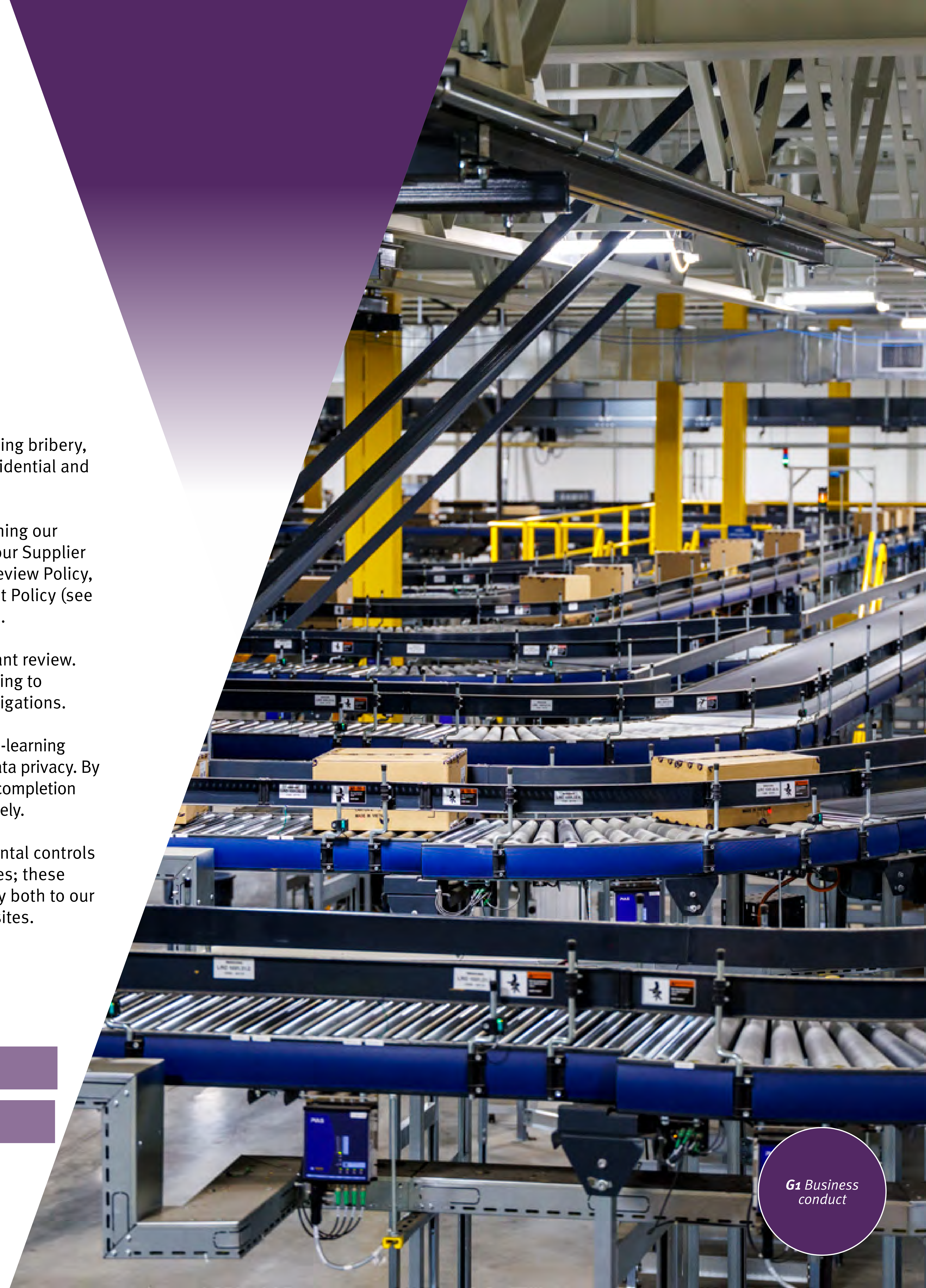
All internal policies are kept under constant review. We monitor compliance and provide training to employees, so they are aware of their obligations.

In FY2025, all employees were enrolled in e-learning courses on good business practices and data privacy. By year-end – prior to the course deadlines – completion rates had reached 79% and 77%, respectively.

In addition, we maintain strict environmental controls and health and safety rules at our facilities; these include our Life Saving Rules, which apply both to our own sites and to workers on customers' sites.

E-learning courses FY2025
(completion rates as % of employees)





FOCUS AREA 4: GOOD BUSINESS

ESRS 2 GOV-2 ESRS 2 GOV-3

ESRS 2 GOV-2, ESRS 2 GOV-3 Sustainability governance
Our Supervisory Board is responsible for long-term value creation and approving the company's sustainability missions, objectives and strategy. At least once a year, management updates the Board on progress against our sustainability missions.

Critical concerns are usually communicated to the Risk Committee or, if urgent, to the CEO and CFO directly. Significant concerns are also shared with the Supervisory Board and, where necessary, reported to the Board's Audit Committee. In addition, we have a process for reporting the most significant concerns to TICO. During FY2025, no critical concerns were reported, affecting – or potentially affecting – external stakeholders (see also Prevention and detection of corruption and bribery on page 33).

At the management level, we have a dedicated Global Sustainability Office (GSO) that is responsible for the sustainability strategy and for proposing appropriate sustainability targets. This office reports directly to the Chief Technology Officer (CTO), Frank van Dijck, who is also Board of Directors sponsor for sustainability together with the Chief Financial Officer (CFO), Astrid van Druten.

The business units are responsible for implementing the strategy. Each business unit has its own sustainability lead, and these meet monthly to coordinate priorities and translate sustainability into our day-to-day business.

Implementation of the strategy is overseen by the Sustainability Steering Committee, led by the CTO. In FY2025, the sustainability leads in the businesses and the sustainability sponsors leading the Steering Committee met quarterly to ensure alignment.

A review of the company's sustainability impacts, risk and opportunities by the Board of Directors also took place quarterly in FY2025. The Board uses portfolio management to select, prioritise and control Vanderlande's sustainability programmes and projects. In FY2026, it will additionally employ objectives and key results (OKR) to meet these goals.

Further, we use EcoVadis to help assess our sustainability management systems and aspire to an EcoVadis silver rating for all relevant sites by FY2026. At the end of FY2025, four Vanderlande sites were rated silver and one was rated bronze.

We have established an approach to ensure that the administrative, management and supervisory bodies possess or can develop the necessary skills and expertise to oversee sustainability matters. This includes training provided periodically by external sustainability experts.

We have identified key individuals on the Board of Directors who are responsible for our material topics under the Corporate Reporting Sustainability Directive (CSRD). Our CFO and CTO, who are the Board sponsors for sustainability, also have specific responsibility for the governance (G1) and environmental (E1 and E5) topics, respectively. The Board members responsible for our other material sustainability topics are Mart Corbijn van Willemswaard, Executive Vice President Supply, and Véronique Stals, Chief Human Resources Officer, who oversee topics related to our supply chain (S2) and our employees (S1), respectively.

The Board's Audit Committee is responsible for overseeing compliance with the CSRD. We also contribute to the TICO sustainability strategy. In addition, our Supervisory Board provides governance and strategy oversight for our business, ensuring that sustainability considerations are integrated into Vanderlande's broader strategic objectives.

To help embed sustainability in the organisation, performance against ESG-related targets will be integrated in the remuneration system for senior management, including the Board of Directors, for FY2026. Under this approach, targets related to energy efficiency, safety and gender diversity will together account for 20% of the long-term incentives awarded in FY2026.

G1 Business conduct

FOCUS AREA 4: GOOD BUSINESS

G1-3

G1-3 Prevention and detection of corruption and bribery
We take a zero-tolerance approach to corruption and bribery and in FY2025 recorded no incidents.

Our sales function is most at risk in this area – we are minimising our risk, for example by reducing the use of commercial agents and limiting the fees we pay them. Further, we are identifying specific roles and countries at 'high risk', and conducting workshops with all employees concerned.

Reporting complaints
Employees and outside parties can report any concerns or suspected violations of our Good business standards using our confidential Speak Up line. Reports can be made anonymously and without fear of retaliation, including about corruption and bribery.

In FY2025, we received *25* complaints through our Speak Up line; 48% were related to human resources, diversity or workplace respect. We investigate each case in accordance with our incident management policy, which provides a blueprint for a consistent and responsive approach to reports of suspected misconduct and to protecting whistleblowers. We act, where necessary, to remedy the complaint and prevent it recurring.

All figures are communicated to our Supervisory Board Risk and Audit Committees.

Good Business performance data

	FY2024	FY2025
% suppliers signing Vanderlande Supplier Code of Conduct[I]	78%	100%
% employees taking part in good conduct training [II]	92.5%	79%
Substantiated complaints concerning breaches of customer, supplier or employee privacy and data	N/A	N/A
Concerns / suspected violations recorded via Speak Up system	27	25
Alleged violations of Policy on Good Business (employee Code of Conduct)[III]	N/A	22
Substantiated violations of Policy on Good Business	N/A	10
Legal cases resulting in fines	0	0

N/A – Not available

I Data covers strategic and preferred product-related suppliers only. We also work with non-product related (NPR) suppliers (including ministries, municipalities, airports, schools and universities, etc.).
II Percentage of employees completing the training.
III The data published last year on this metric for FY2024 was inaccurate. In addition, we changed the metric's method of calculation in FY2025.

IV Refers to employees' enquiries on application of rules, regulations and other standards.

G1 Business conduct

OUR BOARD OF DIRECTORS[I]

ESRS 2 GOV-1

Andrew Manship (Chief Executive Officer, British, born 1970)

Andrew has worked in industrial automation for the past 32 years. He spent more than 15 years at Siemens in international leadership roles, and was formerly Senior Vice President for Swisslog, based in Australia and Switzerland. Andrew joined Vanderlande in 2016 as a Member of the Board and Executive Vice President for Airports & Parcel. He was instrumental in merging Vanderlande's airports and parcels businesses. Andrew became the company's CEO in January 2024. He also leads the Warehousing business on an interim basis.
Skills and experience: strategy, sales, operations and commercial management

Frank van Dijck (Chief Technology Officer and Board sponsor for sustainability in the business, Dutch, born 1967)

As an engineer, Frank worked for ten years at Merck before joining Vanderlande in 2005. He has held several positions since then, including Global Director for Sales Engineering and Director of R&D. In 2020, Frank was appointed Chief Technology Officer and joined the Vanderlande Board.
Skills and experience: innovation, automation and logistics
Responsible for: E1 and E5 sustainability topics

Véronique Stals (Chief Human Resources Officer, Dutch, born 1969)

Véronique has 25 years of experience in human resources in Europe, the United States, Latin America and the Middle East, primarily in the chemical, pharmaceuticals and manufacturing industries. She joined Vanderlande in 2024 from Arlanxeo, a subsidiary of Saudi Aramco, where she was Chief Human Resources Officer.
Skills and experience: human resources management
Responsible for: S1 sustainability topics

Astrid van Druten (Chief Financial Officer and Board sponsor for sustainability compliance and reporting, Dutch, born 1980)

Astrid has more than 20 years' experience in finance in Europe & Latin America. She worked for the Maersk Group before joining Vanderlande in 2016 as Finance Business Partner in the company's airports business. Astrid was appointed deputy CFO in 2021 and became Vanderlande's CFO a year later.
Skills and experience: strategy, operations and financial management
Responsible for: G1 sustainability topics

Timothy Matthews (Executive Vice President Airports & Parcel, American, born 1969)

Timothy began his career at Optosecurity, a Canadian software company, eventually becoming CEO and President. In 2017, Optosecurity was acquired by Vanderlande, and Timothy was appointed President of the Vanderlande Advanced Passenger Checkpoint Solution. In 2024, he was named Executive Vice President and Board Member of Airports & Parcel.
Skills and experience: innovation, security and transportation technology

Mart Corbijn van Willenswaard (Executive Vice President Business Unit Supply, Dutch, born 1980)

Mart has extensive experience in the material handling market, building on his long tenure with the company. A mechanical engineer by trade, Mart joined Vanderlande in 2006 in the engineering department. Since then, he has held several management roles across various parts of the organisation, including Global MD Supply Chain, before being appointed Executive Vice President of Business Unit Supply in 2020.
Skills and experience: supply chain management, project engineering and material handling
Responsible for: S2 sustainability topics

I The composition of our Board of Directors and Supervisory Board is shown as of the end of FY2025. In May 2025, Michael Schneider joined the Board of Directors as CEO of Vanderlande Logistics, following our acquisition of Vanderlande Logistics. In addition, Stephan Heessels was appointed Executive Vice President of Warehouse Solution, joining our Board of Directors at the beginning of June 2025.

OUR SUPERVISORY BOARD[II]

ESRS 2 GOV-1

Toru Suzuki (Chair of the Supervisory Board, Japanese, born 1968, representing Toyota Industries Corporation)

Toru began working for Toyota Industries in 1992. In 2019, he moved to the material handling sector, and was named Executive Coordinator at Vanderlande. He has been Chair of the company's Supervisory Board since 2024.

Member of the Board since: 2024
Committee memberships: Investment Committee (Chair), Audit Committee, Remuneration Committee
Skills and experience: strategy, corporate business planning

Philip Mosimann (Member of the Supervisory Board, Swiss, born 1954, representing TIE AB)

Philip began his career at engineering group Sulzer before joining Bucher Industries in 2002. He serves on the executive committees of Economiesuisse and Swissmem.

Member of the Board since: 2017
Committee memberships: Remuneration Committee
Other Board memberships: Uster Technologies (Chair), Ammann Group Holding (Chair), Bobst Group (member of the Board)
Skills and experience: strategic development and management

Remo Brunschwiler (Member of the Supervisory Board, Swiss, born 1958, representing the Works Council)

Remo was CEO of Vanderlande from 2017 to 2023. He was CEO of warehouse automation company Swisslog from 2003 to 2012 and of the self-service food business Selecta from 2013 to 2016. He worked as a consultant for McKinsey in the 1990s.

Member of the Board since: 2024
Committee memberships: Audit Committee
Skills and experience: strategic development and management

Lars Hägerborg (Vice-Chair of the Supervisory Board, Swedish, born 1965, representing TIE AB)

Lars gained initial experience in the automotive industry. He also worked with consulting firm EY before joining Toyota Material Handling in 2009. He was appointed Regional Vice President for North-Eastern Europe five years later.

Member of the Board since: 2017
Committee memberships: Audit Committee (Chair), Investment Committee
Skills and experience: finance and strategic planning

Tokiko Shimuzu (Member of the Supervisory Board, Japanese, born 1965, representing Toyota Industries Corporation)

Tokiko worked at the Bank of Japan from 1987 to 2024. She held senior positions at the bank in her home country and in the United Kingdom, and was appointed for a four-year term as executive director in 2020.

Member of the Board since: 2024
Committee memberships: Investment Committee
Other Board memberships: Toyota Industries Corporation (member of the Board)
Skills and experience: finance, prudential policy

Lia Belilos (Member of the Supervisory Board, Dutch, born 1962, representing the Works Council)

Lia worked for more than ten years at Shell, in various positions in both Europe and Asia. She also served as Chief Human Resources Officer at KPN, Arcadis and Robeco. She lectures on human resources management at the Hotelschool in The Hague.

Member of the Board since: 2018
Committee memberships: Remuneration Committee
Other Board memberships: Chair of the Civil Service senior pre-selection committee, Dutch Government
Skills and experience: human resources management

II Members of Vanderlande's Supervisory Board are shown as at the end of FY2025. Norio Wakabayashi will succeed Toru Suzuki as Board Chair from April 1, 2025.

Appendix and reporting notes

Basis for preparation

ESRS 2 BP-1, ESRS 2 BP-2

- the Vanderlande Sustainability Report is published annually. Its purpose is to provide an overview of the company's sustainability strategy, approach and performance during the year.
- the Report is written for all Vanderlande stakeholders.
- this Report continues the process of aligning our disclosures with the EU's Corporate Sustainability Reporting Directive (CSRD) and accompanying European Sustainability Reporting Standards (ESRS), which apply to Vanderlande from FY2028.
- annual performance data relates to Vanderlande's financial year (from 1 April to 31 March), unless otherwise stated in the text. All information reflects Vanderlande's continuing operations (including changes to the company's portfolio of activities).
- all financial information in this Report is taken from internal management reporting or other regulatory disclosures in line with the EU International Financial Reporting Standards (IFRS) and Dutch Civil Code regulations. Financial data is presented in EUR (euros), the group's functional currency.
- the scope of consolidation for this Report is shown in the table of consolidated legal entities on page 37. No subsidiaries are exempt from consolidated sustainability reporting pursuant to Article 29a of Directive 2013/34/EU.
- our time horizons are defined as follows: short term is one year; medium term is two to five years; and long term is more than five years.
- the Report covers the value chain shown on page 10, which is the scope for policies, actions, plans and targets relating to our material sustainability topics. Content for this Report is based on results from our materiality assessment. When choosing specific data, metrics and examples, we applied two basic principles: i) whether required under ESRS, and ii) whether material or 'decision-relevant' for Vanderlande and/or its stakeholders. All content was subject to approval by the Vanderlande Board of Directors prior to publication.
- where feasible, the quantitative data in this Report is presented alongside comparative data from the previous year for context and clarity.
- some figures in this Report have been rounded. Percentages may also have been calculated using rounded numbers. Any material corrections or restatements are included in the text of this Report. Where third-party sources are used, this is indicated clearly in the text.
- this Report was not subject to external assurance.
- no relevant information was omitted for reasons related to classified and sensitive information and intellectual property. Furthermore, Vanderlande has not used any exemptions provided under Article 29a of Directive 2013/34/EU in the preparation of this Report.
- a list of abbreviations used in this Report may be found on page 40, and definitions for our sustainability targets and other non-financial performance metrics on page 5.

Scope and reporting boundaries

This Report covers the following Vanderlande consolidated legal entities:

Entities	Location
Vanderlande Industries Holding B.V.	Veghel, Netherlands
Vanderlande Industries B.V.	Veghel, Netherlands
Vanderlande Industries Contracting B.V.	Veghel, Netherlands
Equipment Supply International B.V.	Veghel, Netherlands
Vanderlande Industries Holding Deutschland Verwaltungs GmbH	Mönchengladbach, Germany
Vanderlande Industries GmbH & Co.	Mönchengladbach, Germany
Vanderlande Industries United Kingdom Ltd.	Birmingham, United Kingdom
Vanderlande Industries España S.A. Sociedad Unipersonal	Cornellà de Llobregat, Spain
Vanderlande Industries Santpedor S.L.U.	Santpedor, Spain
Vanderlande Industries Logistics Automated Systems (Shanghai) Co. Ltd.	Shanghai, China
Vanderlande (Shanghai) International Trading Co. Ltd.	Shanghai, China
Vanderlande Industries Hong Kong Ltd.	Hong Kong, China
Vanderlande Industries Private Ltd.	Pune, India
Vanderlande Industries Inc.	Marietta (GA), United States
Vanderlande Industries BHS, LLC	Marietta (GA), United States
Vanderlande Industries Manufacturing USA Inc.	Acworth (GA), United States

EU sanctions prohibit any direct or indirect economic interaction with listed natural and legal persons, as well as with all companies directly or indirectly controlled by these persons or entities (Art. 2 of Regulation 269 /2014). Consequently, Vanderlande's activities in Russia have been substantially wound down to ensure Vanderlande Industries Holding B.V. is in full compliance with laws and regulations related to sanctions imposed by the United States and EU following Russia's invasion of Ukraine in February 2022.

Entities	Location
Vanderlande Industries Singapore Pte. Ltd.	Singapore
Vanderlande Industries Canada Inc.	Vancouver, Canada
Vanderlande APC Inc.	Quebec, Canada
Vanderlande Industries S DE RL DE CV Jalisco	Ciudad Granja, Mexico
Vanderlande Industries OOO (LLC)*	Moscow, Russia
Vanderlande Industries LLC (49% equity)	Dubai, United Arab Emirates
Vanderlande Industries Do Brasil	São Paulo, Brazil
Vanderlande Industries Australia Pty. Ltd.	Sydney, Australia
Vanderlande Industries (Thailand) Ltd.	Bangkok, Thailand
Smart Robotics Holding B.V.	Best, Netherlands
Libyan Airport Technology Joint Venture Company	Tripoli, Libya

ESRS 2 IRO-1

Materiality assessment process and methodology

Vanderlande completed a double materiality assessment (DMA) in FY2025. The assessment was performed to assess which sustainability matters are material to Vanderlande and determine our reporting scope under the EU's Corporate Sustainability Reporting Directive (CSRD), which will apply to Vanderlande as of FY2028.

Our DMA followed the seven steps outlined below.

1) Setting scope and objectives
The process started with the creation of a project team comprising experts from across Vanderlande and members of the company's management. This team held a series of workshops to develop a common understanding of Vanderlande's organisational context. In this step, the project team mapped out Vanderlande's value chain (see page 10), enabling identification of relevant sustainability impacts, risks and opportunities (IROs).

2) Identification of sustainability matters
During the second step of the DMA, sustainability experts in the project team – the core project team – created a long list of sustainability matters to review. The list was based on desk research, using internal and external sources. These included Vanderlande's previous materiality assessment conducted in 2023, the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG), and other global standards. For each sustainability matter in the long list, the core project team included a source, definition and examples aligned with Vanderlande's business activities. Vanderlande circulated the long list to the extended project team for review, during which 18 sustainability matters were identified as either not applicable to the company or negligible in their impact. This resulted in an intermediate list of sustainability matters to be assessed for materiality by Vanderlande stakeholders.

3) Determination of definitions and thresholds
Next, the project team defined the terms and thresholds to be used during the assessment of the IROs related to these sustainability matters.

Impacts
A sustainability matter is material from an impact perspective when Vanderlande may be considered to have material actual or potential, positive or negative impact on people or the environment over the short, medium or long term. Materiality is determined by assessing the severity of an impact, with potential impacts also assessed for their likelihood.
Severity is based on the scale, scope and – for negative impacts – the extent to which these can be remediated. The Vanderlande project team established the following scoring system for these factors:
› when scoring scale, we assessed the degree of the impact or potential impact on people or the environment. The scale of impacts was scored from zero (none) to five (absolute), based on the actual or potential degree of damage or improvement.
› when scoring scope, we assessed the extent of the impact or potential impact on people or the environment. The scope of impacts was scored from zero (none) to five (global or total), based on the geographic extent of any impacts, and the number of people and/or species impacted or potentially impacted.
› when scoring how remediable actual or potential negative impacts might be, we assessed how difficult it would be to remedy these impacts. Remediability was scored from zero (very easy) to five (impossible or possible only after 20 years), taking into considering the necessary cost and time horizon.

Potential negative impacts were also scored on their likelihood, i.e., how likely the impact is to occur. We scored likelihood from zero (very unlikely) to five (almost certain), based on past evidence of the frequency of occurrence or estimates of the possibility of occurrence. For each impact, we translated its score to a scale from zero to 15.

Risks and opportunities
A sustainability matter is material from a financial perspective if it triggers or may trigger material financial effects on Vanderlande. For sustainability risks and opportunities, materiality is based on the potential magnitude and likelihood of the financial effect. Magnitude was scored by assessing the potential financial effect from zero (none) to five (very significant: catastrophic in the case of a risk, extremely valuable in the case of an opportunity). This was based on the impact on operating profit, on our reputation, and on our ability to execute our strategy or continue business operations. The likelihood of a risk or opportunity was scored from zero (very unlikely) to five (almost certain), based on past evidence of the frequency of occurrence or estimates of the possibility of occurrence. We used the average from the two scores to assess whether a topic is material from a financial perspective.

4) Identification of stakeholders
The project team was also responsible for identifying the relevant stakeholders to involve in the assessment of sustainability matters. They selected internal stakeholders from Vanderlande's functions and business units including sustainability, risk, manufacturing, procurement, finance, strategy, research and development, warehouse solutions, and airport and parcel solutions. Two major customers from the airports and parcel sectors were also identified as relevant stakeholders.

5) Assessment of material topics
To assess the sustainability matters identified as potentially material by the project team, Vanderlande's stakeholders were each invited to an interview. In preparation for the interview, each was briefed on the background to the project and expectations for their involvement, and given material to support their assessment of IROs. The information provided by these stakeholders was consolidated based on the methodology developed by the project team and the guidance provided by EFRAG on how to calculate total impact and financial materiality. A sustainability matter was deemed to be material when its average score exceeded the predetermined materiality threshold. This resulted in 13 sustainability matters being identified as material for Vanderlande (see page 15).

6) Validation
The outcome of the DMA was reviewed by selected internal Vanderlande stakeholders including the Board of Directors and the Sustainability Steering Committee. It was also reviewed by Toyota Industries Europe, the European holding company of Toyota Industries Corporation (TICO). The validation process included a review of sustainability matters whose impact and/or financial scores were within two points of the threshold for materiality in our scoring system.

7) Final reviews and approval
Following the validation step and final adjustments, the DMA was reviewed and signed off by the Board of Directors.

ESRS 2 IRO-2

ESRS content index

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IRO-1	38
IRO-2	15, 39
MDRs	N/A
E1 Climate change mitigation	19-21
E5 Circular economy › Resource inflows › Resource outflows › Waste	22-24
S1 Own workforce › Health and safety › Diversity › Training and development › Adequate wages	26-27
S2 Workers in the value chain › Health and safety › Working time › Adequate wages	28-29
G1 Business conduct › Corporate culture › Prevention and detection of corruption and bribery	31-33

N/A – Not applicable

Stakeholder engagement

ESRS 2 SBM-2
We are open to engagement with all legitimate stakeholders. Engagement is critical to executing our sustainability missions successfully. It is also a way of minimising social and environmental risks. To identify stakeholders, we use a 360° definition: that stakeholders may be any group or individual that affects – or, in turn – is affected by our business activities. Using this definition, we recognise four main stakeholder groups: customers, suppliers and contractors, employees and 'world and society' (encompassing our broader impact on the environment and society). Stakeholder engagement is the responsibility of our business units; we engage stakeholders regularly through meetings, conferences, training sessions, and as part of everyday business. Vanderlande also has policies governing stakeholder engagement (including, for example, our Policy on Good Business and Supplier Code of Conduct).

Stakeholder group	Approach to engagement
Customers	We work closely with our customers; most of our projects are conducted on customer sites. We provide safety training, manage reported safety incidents and work jointly on pilot projects in areas such as user experience, circularity and zero carbon. We regularly measure customer satisfaction across our business units through the Net Promoter Score (NPS).
Suppliers and contractors	As part of our business, we work directly with both contractors and suppliers. We vet our suppliers, and apply minimum social and environmental standards through our Supplier Code of Conduct and supplier audits. Contractors also receive regular safety training.
Employees	To employees, Vanderlande offers fair pay and benefits, training, skills development and opportunities for career advancement. We operate through works' councils, trade unions and other employee representative bodies – and conduct regular employee surveys to gather feedback and address potential disputes.
World and society	We work to reduce our impact on the environment, and uphold good business standards in areas such as human and labour rights. To do this, we work with our customers, suppliers and peers to reduce emissions, encourage greater diversity in our workforce and support the development of a more circular economy.

Abbreviations used in this Report

BP	Basis for preparation
CEO	Chief executive officer
CFO	Chief financial officer
CO_2	Carbon dioxide
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
CTO	Chief Technology Officer
DMA	Double materiality assessment
EFRAG	European Financial Reporting Advisory Group
EPD	Environmental product declaration
ERM	Enterprise risk management
ESG	Environmental, social and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EUR	Euros
FTE	Full-time equivalent
FY	Financial Year
GHG	Greenhouse gas
GOV	Governance
GRI	Global Reporting Initiative
GSO	Global Sustainability Office
HSE	Health, safety and environment
IE	International Efficiency
IFRS	International Financial Reporting Standards
ILO	International Labour Organization
IRO	Impacts, risks and opportunities
ISO	International Organization for Standardization
LCA	Life-cycle assessment
LGBTQ	Lesbian, gay, bisexual, transgender and queer
LTIR	Lost time injury rate
MDR	Minimum disclosure requirement
OKR	Objectives and key results
PPE	Personal protective equipment
R&D	Research and development
RFP	Request for proposal
SBM	Strategy and business model
SBTi	Science Based Targets initiative
TALG	Toyota Automated Logistics Group
TICO	Toyota Industries Corporation
TIE	Toyota Industries Europe
TIFR	Total incident frequency rate
UN	United Nations
UX	User experience

End notes

1 Source: Airports Council International – World airport traffic dataset (published July 2024, based on data for 2023).
2 Vanderlande's five brand values are: reliable, connected, sustainable, innovative and customer-centric.
3 The other priorities are a high-performance culture and platforming, or developing a scalable foundation for a family of products.
4 This group comprises approximately 200 managers from across all business units.
5 Our aim is to make renewable energy standard across Vanderlande by 2030; we are already using exclusively renewable power to operate our operations at Veghel in The Netherlands, and offices in the United Kingdom, Germany and Spain, helped by the increase in renewables used to power national electricity grids.
6 In The Netherlands, our company car policy allows for the lease of fully electric cars only; we also have incentives for eligible employees to install charging stations at home.
7 Scope 3 emissions from purchased goods and services (category 3.1) and energy use from sold products (category 3.11).
8 We have defined our largest locations as those with 250 employees or more. The ten Vanderlande sites with ISO 50001 certification are: Veghel (The Netherlands), Birmingham and London (United Kingdom), Dortmund, Mönchengladbach and Siegen (Germany), Barcelona and Santpedor (Spain), Pune (India) and Shanghai (China).
9 Spend-based data models rely on industry averages. As such, they may not accurately reflect actual emissions in our value chain. Consequently, we are not claiming any reduction in scope 3 emissions in FY2025 compared with the previous year (in line with the GHG Protocol's guidance on transparency). We are working towards using more accurate, activity-based data in future years.
10 Or substances of concern, which pose a risk for humans and/or the environment.
11 Much of our work takes place on customer sites, installing, operating and maintaining our systems. On these sites, our safety standards apply to Vanderlande employees, as well as customers' employees and contractors working with us, assuming we have responsibility for the site. At Vanderlande sites, our standards apply to all contractors, equipment suppliers and company employees.
12 These resource groups include groups in North America for Latin, African and Asian American employees, as well as women and LGBTQ employees.
13 Based on the HAY system.
14 Our Corporate HSE standards cover the following: contractor safety; document development and control; incident management; HSE planning, hazard identification and risk assessment; machinery product safety; working at height; lock-out, tag-out, hot work and electrical energisation; use of personal protective equipment (PPE); electrical safety; confined spaces; mobile equipment; and training competence and awareness.
15 Navex publishes an annual Whistleblowing & Incident Management Benchmark Report, most recently on March 18, 2025.
16 The gender ratio on the Supervisory Board as of end-FY2025 was 2/3 male (four members) and 1/3 female (two members). The composition of the Supervisory Board can be found on page 33.

VANDERLANDE

a TOYOTA AUTOMATED LOGISTICS company

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Publisher: Vanderlande Industries Holding B.V.
Editorial advice and copywriting: Kōan Group (Amsterdam)
Layout, design and typesetting: Kōan Group (Amsterdam)

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