



**REVIEW**

# Sustainability Report 2021

## *Ladies and Gentlemen, Friends of our Company,*

As a family-owned company, we think in generations and act based on our environmental, social and economic principles which define how we manage our business in a sustainable way. We are accountable for our actions and their consequences and always take the opportunity to drive change in logistics. This is why we strive to be the leading safe and sustainable logistics solution provider in our market.

HOYER is a leading bulk logistics provider travelling 1.2 billion kilometres per year, including 30 per cent by CO<sub>2</sub>-intensive road journeys. We take our responsibility seriously and are focussed on doing everything we can to reduce our greenhouse gas emissions by optimising logistics and powering our business with clean, renewable and environmentally-friendly energies.

As an organisation that is heavily invested in market leadership and business success over the long term, the HOYER Group is also determined to run our business in a safe, professional, ethical and responsible way.



It is critical that we speed up, introducing new technologies and adapted ways of working as quickly as possible. Our committed and expert staff located across the globe have a key role in this work. They drive and implement the improvements needed as we push towards carbon-net-zero operations and help to protect society and our planet for today and the future.

I hope you find this 2021 Sustainability Report interesting and informative.

With warmest regards from Hamburg,

Björn Schniederkötter  
*Chief Executive Officer of the HOYER Group*

## INDEX

1. Profile of the Company
2. Introduction
3. Sustainability Situation
4. Sustainability Performance 2021
5. Key Initiatives to Improve Our CO<sub>2</sub> Emissions
6. Core Values and Guiding Principles
7. Our Sustainability Targets
8. Key Strategies to Further Reduce Emissions
9. UN Goals and Introduction Sustainability Policy
10. Our Sustainable Management Policy

# 1. Profile of the Company

HOYER is an independent family enterprise dating back to 1946 which has become one of the world's leading bulk logistics providers, offering comprehensive national and international transport services and interlinked logistics solutions to the chemical, food, gas and petroleum products industries.

Around 6,500 employees and representatives in 115 countries across the globe help its customers to become even more successful in their respective markets, with the aid of bespoke and sophisticated logistics solutions.

Safely and reliably fulfilling our customers' needs and going even further with every logistics solution are the core of our identity and distinguish us from the competition. HOYER operates around 37,600 tank containers, 2,200 trucks, 2,600 road tankers, 50,100 intermediate bulk containers, and numerous logistics facilities, transport depots, tank cleaning stations and specialist tank workshops around the globe.

## 2. Introduction

We are pleased to present the HOYER Group Sustainability Report for 2021. It reflects on our strategic efforts to proactively take responsibility for the long-term environmental, economic, and ethical aspects of our corporate activities.

In it, you will find graphs and figures illustrating our recent performance, and our emissions and safety targets for 2025 and 2030. We are happy to openly disclose them so that stakeholders can hold the company and its management to account.

The Tenth Sustainability Report further communicates an insight into our guiding principles and values. It provides you with an overview of our strategies for the future and, maybe most interestingly, of key sustainability projects: practicable and scalable initiatives that can make material inroads into reducing emissions as quickly as possible.

**50,100**

IBCs

**6,500**

EMPLOYEES

**37,600**

TANK CONTAINERS

**2,200**

TRUCKS

**115**

COUNTRIES WITH  
HOYER REPRESENTATIVES

**2,600**

ROAD  
TANKERS



### 3. Sustainability Situation

In a decade of solid improvements in our sustainability performance, we have already accomplished a lot towards our mission to get as close as possible to a business that is run net zero carbon. But we want – and need – to improve even faster to further reduce our impact on the planet and help avoid the worst effects of global warming.

The next ten years may prove to be crucial for HOYER. We want to strengthen our role as an increasing force for good in the responsible way we run our company and take care of our people. Therefore, the HOYER Group publicly re-dedicates its commitment, as a global leader in the specialised logistics of liquid bulk products, to making a positive contribution. The resolve of our shareholders, executive directors and top management has never been higher.

Looking back on 2021, our sustainability performance shows a mixed picture. Although this does not coincide with matching our aims, it is hardly surprising: 2020 was an extraordinary Covid-19-effected, operational year in which we were still able to achieve several improvements better than the historic trend. Nevertheless, we are confident that our performance remains generally in line with our long-term targets.

HOYER has decided on a potent mix of strategies to further reduce key emissions, which we will describe later in this Report. Naturally, we will continue to research, trial and monitor the development and progress of all existing technologies and ways of working that appear to have a potential to help reduce emissions. Nevertheless, in such a fast-moving situation it is impossible to predict which technologies will emerge best and earliest. It is clear to us that things will change – the picture we have now may look very different in a few years' time. We therefore will stay open-minded and flexible enough to modify our thinking and plans accordingly.

**– 29%**  
**CO<sub>2</sub> emissions**

Reduction since 2010

**THE HOYER GROUP  
PUBLICLY RE-DEDICATES  
ITS COMMITMENT,  
AS A GLOBAL LEADER IN  
SPECIALISED LOGISTICS  
OF LIQUID GOODS,  
TO MAKING A POSITIVE  
CONTRIBUTION.**



# 4. Sustainability Performance 2021

Sustainability considerations play an essential role in all areas of our business and in all links in the delivery chain. We therefore set ourselves challenging targets as we strive to reduce our emissions and improve the safety of people and minimise our impact on the environment.

### EMISSIONS

The frequency rate of emissions reductions stalled in 2021. This was due to the effects of the coronavirus pandemic: It caused both a tank container shortage and an acute shortage of shipping space, especially in our overseas intermodal operations. Consequently, the proportion of CO<sub>2</sub>-intensive road km within our intermodal operations increased. There was also an increase in empty and re-positioning km needed to be travelled to meet demand.

However, we are still on the long-term correct track. This is evidenced by the overall percentage of km travelled by intermodal operations: For the first time in our company's history, it topped 80 per cent. The proportion of our vehicles powered by emissions-reducing Euro-6-engines also increased to 95 per cent.



#### HOW WE MEASURE EMISSIONS

HOYER uses a variety of methods to determine scope-1- and scope-2-emissions in its transport and non-transport operations. For example, we calculate and report CO<sub>2</sub> emissions in accordance with the GLEC Framework, using many of our actual performance parameters. Where we are currently unable to measure the emissions performance of parts of our operations that are outsourced to partners and providers, we use the industry standard parameter recommended by GLEC.

In addition, we use:

- the EcoTransIT CO<sub>2</sub> calculation support and modelling tool
- the methodology of the German Federal Office for Economics and Export Control (BAFA)



### EMISSIONS OF CO<sub>2</sub> TRANSPORT OPERATIONS

# - 29%

over the past 10 years  
Emissions of CO<sub>2</sub>  
(g CO<sub>2</sub>/tonne-km): **18.31**



# 95%

No. OF EURO-6-TRUCKS IN FLEET



# 80.5%

INTERMODAL TRANSPORTS  
per cent of km travelled by  
intermodal transports

### Emissions of CO<sub>2</sub> Non-Transport Operations

# 10.70

Kilogrammes of CO<sub>2</sub> generated  
per man-hour

**SAFETY**

The increase in the frequency of main incidents in 2021 is at least in part a legacy effect from restrictions on how HOYER was able to run its business during the coronavirus pandemic. These restrictions impacted heavily on our possibilities to deliver training and behaviour programmes. We are working hard to catch up on that essential work in 2022.

**COMPANY**

**91%** SQAS  
AUDIT (% Y  
ANSWERS)

**SPILLS**

in transport operations in 2020, per  
1k customer orders

Spills (own) **0.10**

**0.143**

MAIN INCIDENTS PER 1M KM  
IN TRANSPORT OPERATIONS



**2.49**

MOTOR VEHICLE INCIDENTS  
per 1m km in transport operations

**0.19**

PERSONAL INJURIES  
per 1m km in transport operations

**Non-Transport  
Operations**

**0.12**  
Main Incidents

**0.42**  
Personal Injuries

**0.68**  
All incidents  
per 10k man-hours

**PEOPLE**

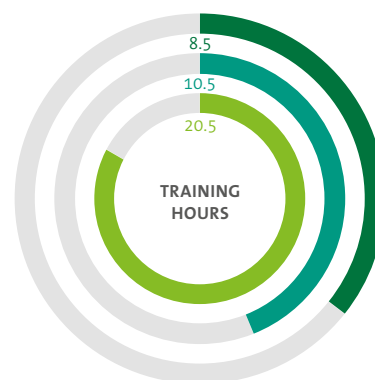
**WOMEN IN  
MANAGEMENT  
POSITIONS  
IN 2021**

**28%**

**Training hours**

per employee and  
sub-contractors in 2021

- Staff and Managers
- Drivers, Technicians and Operatives
- Fully-Integrated Subcontractors



## 5. Key Initiatives to Improve Our CO<sub>2</sub> Emissions

# 11.7

per cent

improvement of CO<sub>2</sub> emissions due to a 20 per cent blend of HVO biodiesel with standard fossil fuel diesel

### HVO BIODIESEL

HVO biodiesel is an important building block of the energy mix revolution in transportation.

HOYER has therefore initiated two trial projects using biodiesel to both confirm the improvement of CO<sub>2</sub> emissions, and test the practical consequences of using alternative energies in daily operations.

One trial involved the introduction of a 20 per cent blend of HVO biodiesel which replaced standard fossil fuel diesel. The fuel mixture was used on highly intensive road transport operations in the Netherlands, Belgium, and Germany. The result: CO<sub>2</sub> emissions were improved by 11.7 per cent. Calculated on an annual basis, this saves nearly 400 tonnes of CO<sub>2</sub> per year and reduces the g of CO<sub>2</sub>/tonne-km by 20 per cent.

A second trial involved the introduction of 100 per cent HVO biodiesel on bitumen operations for a major oil company in the United Kingdom. The result: CO<sub>2</sub> emissions were improved by 84 per cent. The trial already saved 81 tonnes of CO<sub>2</sub> and reduced the g of CO<sub>2</sub>/tonne-km by 90 per cent. The ambition of HOYER and our customer is to achieve an annual CO<sub>2</sub> reduction of over 3,600 tonnes within the next three years.



OVER  
**3,600**

TONNES REDUCTION  
of annual CO<sub>2</sub> emissions  
within the next three  
years is our ambition

### FURTHER ADVANTAGES OF HVO BIODIESEL:

- | no increased fuel and AdBlue consumption
- | no discernible negative effect on engine power and performance
- | no discernible negative impact on vehicle repair and maintenance costs
- | non-compromised vehicle warranty



### HVO BIODIESEL

Hydrotreated vegetable oil (HVO) biodiesel is produced using vegetable oils, waste, and oils and fats from residues, such as used cooking oil. Its chemical structure is almost identical to regular fossil fuel diesel but it can only be used safely and flexibly in vehicles powered by Euro-6- engines, with which already 95 per cent of our current fleet are equipped.



WE CONSTANTLY ENCOURAGE  
EVERY EMPLOYEE TO LIVE OUR  
VALUES, CULTURE, AND ETHOS.

## 6. Core Values and Guiding Principles

We are a sustainable, global company and make our decisions from an ecological, social, and economic perspective. This alignment is regularly audited at every level. We think in generations and constantly strive to minimise our carbon footprint.

Safety and sustainability are both core values and guiding principles of the HOYER Group. They frame our thinking, behaviour, decision-making and actions throughout our organisation – everywhere in the world. We believe that excellence in these matters is a key differentiator.

By creating an agile, challenging and appreciative environment, we constantly encourage every employee to live our values, culture and ethos. HOYER depends on its many committed teams of individuals – their blend of expert knowledge and experience, skills and ideas creates value-added know-how. Hence, we aim for sustainability in their careers and those of our dedicated partners. We secure a sustainable pipeline of talented and motivated people who identify with the company's vision and therefore work to achieve it – generation after generation.

### THE HOYER VALUES

Our Company Values show what HOYER and all its employees worldwide stand for. They guide us and provide orientation for our actions.



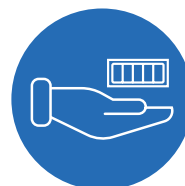
**STRIVING FOR  
EXCELLENCE**



**COOPERATION**



**INTEGRITY**



**RESPONSIBILITY**



**SAFETY AND  
SUSTAINABILITY**



# 7. Our Sustainability Targets

## OUR SUSTAINABILITY TARGETS

Having achieved its ten-year Vision 2020 objectives, HOYER is already working to meet the declared medium-term emissions and safety improvement targets. We have also committed to longer-term emissions targets, which we aim to achieve by 2030.

“WE ARE DRIVING HARD TO REACH NET ZERO AS CLOSE AS POSSIBLE, AS FAST AS POSSIBLE.”

**Mark Binns,**  
Group Operating Board  
Member SHEQ of the  
HOYER Group



### TARGETS 2025 Emissions of CO<sub>2</sub> Transport Operations

**- 10%** 

**TRANSPORT EMISSIONS**  
Reducing our direct tank-to-wheel CO<sub>2</sub> emissions rate (scopes 1 and 3) by this at least (measured in grams of CO<sub>2</sub> per tonne-kilometre) versus 2019.

### EMISSIONS OF CO<sub>2</sub> NON-TRANSPORT OPERATIONS

**- 27%**

Reducing our direct scope 2 CO<sub>2</sub> emissions by this at least (measured in kilograms of CO<sub>2</sub> per man hour) versus 2019.

**10%**

**TRANSPORT SAFETY**  
Improving our rate of main incidents by this amount versus 2019.

**30%**

**NON-TRANSPORT SAFETY**  
Improving our rate of main incidents by this amount versus 2019.

### TARGETS 2030 Emissions of CO<sub>2</sub> Transport Operations

**- 25.6%** 

Reducing our direct tank-to-wheel CO<sub>2</sub> emissions rate (scopes 1 and 3) by a further 15.6% to this total reduction (measured in grams of CO<sub>2</sub> per tonne-kilometre) versus 2019.

# 90%

## REDUCTION

of CO<sub>2</sub> emissions made possible by using HVO 100 biodiesel



## 8. Key Strategies to Further Reduce Emissions

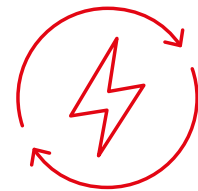
The HOYER Group continuously and thoroughly assesses the advantages and disadvantages of all measures that could help to improve our CO<sub>2</sub> emissions. We direct our attention on the ones that seem most beneficial to us at the present time. Therefore, we decided that our transport operations will focus, at least over the next three to five years, predominantly on:

- | logistics and operational optimisation and efficiency across the business
- | maximum takeup of the highest possible strength biodiesel as well as other alternative drivetrain energies in trucks deployed in both road and intermodal transport operations
- | maximum use of renewable electricity in our non-transport operations

Regarding logistics and operational optimisation for the purpose of emission reduction, we consider the following options to be effective:

- | increase the average payload carried closer to the maximum physically and legally possible
- | reduce the proportion of empty and positioning kilometres we travel
- | introduce an increased number of modal shifts that can reduce the emissions intensity of the kilometres travelled between loading and delivery points
- | adjust the speed and just-in-time nature of supply chains that currently build in increased emissions as well as increased cost, without having a negative effect on customer service

We know that there's great potential in the use of HVO biodiesel and some smaller potential in the use of CNG-powered vehicles. However, whilst we are confident that electric and hydrogen-powered vehicles will, in the longer term, significantly reduce emissions in our transport operations, we do not see the use of such technologies as being realistically scalable at least in the next five years.



# 15%

## ELECTRICITY

Approximately 15 per cent of the emissions generated in our supply chain, cleaning and workshop operations comes from activities powered by electricity. Through a mixture of own generated electricity produced using a combination of photo-voltaic and wind technologies, together with the remaining electricity consumed being purchased from wholly renewable sources, we are confident that all these emissions can be saved by 2025. However, the reduction of emissions generated from operations that use natural gas remains challenging.

## 9. UN Global Goals for Sustainable Development

The 17 Sustainable Development Goals of the United Nations recognise that ending poverty and other deprivations must go hand-in-hand with strategies to improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. HOYER's efforts focus on the eight highlighted goals.

[www.sdgs.un.org/goals](http://www.sdgs.un.org/goals)



## 10. Our Sustainable Management Policy

This Policy has been updated from the previous version dated 2019 and is endorsed by Executive Board Members Björn Schniederkötter (CEO) (right) and Dr Torben Reher (CFO) (left).

**WE CONTINUOUSLY  
ASSESS MEASURES  
TO IMPROVE OUR  
CO<sub>2</sub> EMISSIONS.**



**HOYER GROUP**

# Sustainable Management Policy

We are the leading provider of logistics solutions for liquid bulk products in the chemical, petroleum, gas and food industries. We take our responsibility towards our employees, business partners, customers, all other stakeholders of the company and the general public as well as the environment very seriously.

The shareholders and the management of the HOYER Group have implemented this Policy with guiding principles and core values that govern how the company is managed worldwide.

The company will demonstrate compliance with these policies and manage the effectiveness of our Sustainable Management System in a consistent and detailed manner. For this purpose, appropriate internal and external audits are carried out across the entire organisation to ensure continuous improvement of our performance.

The company will revise this Policy regularly – at least every three years – in order to be constantly in line with the strategic objectives.

**OUR STRATEGIC GUIDING GOALS****People**

We inspire people to live our values by creating an agile, challenging and supportive environment. In particular, the customer-focused skills of our employees determine our success. We support everyone to achieve outstanding performance through excellent training and personal development measures.

**Sustainability**

We are a sustainable, global company and make our decisions from an ecological, social and economic point of view. One key point of interest lies in reducing our carbon footprint. We do not engage in active offsetting, but find ways to reduce CO<sub>2</sub> through our own efforts by, amongst other things, optimising our payloads, offering intermodal solutions and using CO<sub>2</sub>-efficient vehicles.

**Innovation/Technology**

We are always one step ahead due to our wide range of innovative logistics solutions. Our customers benefit from the added value created by our technological edge. We think and act digitally in our processes. Our level of technology enables us to implement improved processes effectively and efficiently.

**Operational Excellence**

We have an agile organisation structure that promotes global collaboration across the company. We think and work in terms of standardised, automated and efficient processes. The constant improvement of our processes continuously enhances our efficiency.

**Customer Solutions**

We actively develop logistics solutions by value creation together with our customers. With our expertise and high-quality standards, we are connected with our customers in long-term partnerships. Our customers rely on us.

**Core Market Growth**

We achieve double market growth in our core markets. The effects of this growth are directly reflected in our EBT returns. We are equipped to achieve profitable and sustainable growth anywhere in the world.



## OBJECTIVES OF OUR SUSTAINABLE MANAGEMENT SYSTEM

We are committed to adhering to the United Nations definition of sustainable action and take responsibility for our people, the environmental impact of our activities, our customers, business partners and society. All our decisions are guided by environmental, social and economic principles.

Our Sustainable Management System includes all processes, employees, our supply chain and our assets.

We think and act in terms of sustainable solutions, always keeping the well-being of our employees in mind, and managing our business in a sustainable way for the long term. We make strategic long-term decisions and investments that support our company's sustainable vision, values and business strategies.

In order to meet our commitment to sustainable action and to achieve our targets, we provide all necessary information and resources, establish corporate policies, guidelines and procedures, and set targets to meet the highest standards of sustainability. We invest in employees, training, infrastructure and technology, and we align our procurement processes accordingly.

All managers are obliged to ensure that the processes in their area of responsibility are well established and documented. This includes establishing written instructions, procedures and process descriptions as well as appropriate training programmes and an effective control of documented information.

All incidents and nonconformities must be reported and investigated by the respective management at a reasonable level to ensure root causes and contributing factors are well determined and effective corrective and preventive actions are taken.

All employees are obliged to complete their work tasks in compliance with our policies, guidelines and procedures, their individual job descriptions and the instructions provided by their respective management. We encourage all employees to report unsafe situations and conditions and to stop a job which is considered to be unsafe. All managers are obliged to take any report and concern seriously and to take appropriate action.

Wherever appropriate, the Safety and Quality Assessment for Sustainability (SQAS) or similar audit systems shall be applied for periodic external auditing of our operations.

### Safety, Health, Security & Environment

Safety is our highest priority. We are committed to developing and maintaining a strong safety culture across the company to ensure safe and secure operations, the health and well-being of our employees, the protection and security of our assets and the goods entrusted to us by our customers during transport, storage and handling. In particular, this includes the responsible handling of dangerous goods, and compliance with good manufacturing practices (GMP) when handling medical, pharmaceutical or feed and food products.

This also includes the protection of the environment by appropriate control of our emissions, energy performance and generation of waste and wastewater, by responsible and efficient use of natural resources and energy, and by respective improvement programmes to ensure continuous improvement of our environmental performance.

The HOYER Group SHE Guideline defines minimum Safety, Health, Security and Environmental standards that apply to our whole organisation. Risk Management procedures are applied to establish, assess and manage risks in a systematic and standardised way. Our aim is to mitigate risks to a level as low as reasonably practicable (ALARP) by applying appropriate control measures.

Safe behaviour principles shall be promoted by the implementation of adequate BBS (Behaviour-Based Safety) programmes.

**Information Security**

Our Information Security Policy and further guidelines and procedures have been established to ensure compliance with data protection regulations, the confidentiality, availability and integrity of our information processing systems and personal data and their protection against dangers and threats. Risks and potential threats are regularly reviewed and procedures adopted when needed. Our IT systems are continuously adjusted to developments and needs.

**Quality and Compliance**

The organisation is committed to providing high-quality services in compliance with all binding obligations, and we strive to meet the expectations of all interested parties. This includes legislation, regulatory requirements, agreements with customers, business partners and normative requirements as defined in applicable ISO standards. In order to verify our commitment, we obtain and maintain certification to the above-mentioned standards.

**Corporate Social Responsibility**

Our actions and decisions are shaped by and depend on our social and ethical responsibility, consideration of our environment, human rights and fair business practices as defined in our Code of Conduct, which must be adhered to by all employees in our organisation and by all partners in our value chain.

**Key Performance Indicators**

The company has implemented multi-level Key Performance Indicators (KPIs) to measure, monitor and control our performance in relation to this policy. All managers use these KPIs as central control tools to meet our commitments and actively improve our performance.

Björn Schniederkötter

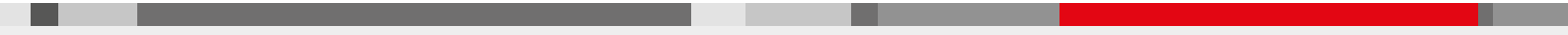
Chief Executive Officer

Hamburg, August 2022

Dr Torben Reher

Chief Financial Officer

Hamburg, August 2022



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**Internationale Fachspedition**

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