



# Sustainability Report 2015

## Foreword

Ladies and gentlemen, dear friends of our company,

2016 is our 70th anniversary, and the Hoyer family take pleasure and satisfaction in knowing that HOYER has developed strongly and organically ever since its foundation in 1946. We have never abandoned our roots, even though our operations now extend over a wide geography and portfolio of service offerings and have experienced strong volume growth.

Our everyday concern at that time was for a road tanker to be able to transport milk from Hamburg to Berlin without breaking down. The difficulties and the improvisations necessary in day-to-day operations back then are indescribable. Nowadays, we routinely execute demanding operations, such as carrying tank containers of gases between continents and undertake a wide variety of logistics functions behind the chemical industry's works gates, to mention but a few.



Running and growing a professional, safe, environmentally friendly and sustainable business with long term responsibility for its people and the world around us was the central pillar on which our father and founder Walter Hoyer built his family business that has, 70 years and three generations later, grown to become one of the leading logistics and transportation providers across the globe.

The fact that we have not changed the purpose of our company's business significantly in all that time means that our company founder Walter Hoyer's idea was correct and far-sighted. HOYER remains an exciting challenge for our family, and all our employees across the world. We will continue to build new structures and create new jobs so long as we apply sound and sustainable management and preserve the Honourable Businessman's good old virtues. As a Hamburg family business we feel a special sense of responsibility in this regard.

With warmest regards from Hamburg,

A handwritten signature in black ink, appearing to read 'Thomas Hoyer'.

Thomas Hoyer  
Shareholder and Chairman of HOYER Group Advisory Board

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# 1 Overview and Vision

We are pleased to present our fourth HOYER Group Sustainability Report.

The HOYER Group, now celebrating its 70th anniversary, is determined to continue to be a leading player in worldwide bulk transport and logistics for the long term. HOYER has been in business since 1946, and is now in the privately owned hands of the third generation of our founder Walter Hoyer's family.

The Hoyer family continues to recognise that the ways in which the company is owned, steered and managed are fundamental to achieving that objective. The Hoyer family also believes that in an increasingly global marketplace social, environmental and economic responsibility is critical to achieving sustainable long-term business success.

This is why several years ago, HOYER decided to develop a Sustainability Policy, which makes commitments regarding how our company is run, sets out plans for the future and puts management and measurement systems in place to help us achieve our objectives. The company thereby demonstrates its responsibility for its employees and the environment, and openly discloses its objectives.

The Sustainability Policy and strategy focusses on three broad but essential areas:

- Social responsibility, both internal and external
- Protection of the environment
- Economic sustainability

The Sustainability Policy makes commitments in nine key areas, with a range of targets and a measurement and monitoring system to manage our progress in all these areas.

At the top of our agenda are three critical areas.

1. Given the nature of the business we are in and the variety of dangerous products we carry around the world, the health and safety of our employees and of the general public as well as the protection of the environment are at the top of the list of the things we are absolutely committed to getting right in the way we run our business. This is increasingly important as we extend our business across the globe and into markets which are less mature than our historic heartland of Europe and where the infrastructure and professional practise is less developed.



2. Climate change continues to pose enormous challenges for business in general and for the transport and logistics industry in particular. Population growth and the economic development of some of the most populated countries of the world continue to place increased demands and pressures on our planet. The political drive for reductions in CO<sub>2</sub> emissions will undoubtedly continue to have repercussions for the transport sector. This is something we will both have to cope with and respond to which is why optimising our use of energy and managing our CO<sub>2</sub> emissions is the second key focus of our strategy for a sustainable business. Our decision to proactively respond to the EU Energy Efficiency Directive and the ESOS regulations are key actions for 2016 and the future.
3. Our third main focus is our people and in the highly complex and demanding service industry in which we operate our people are our most important resource. Having the right people, taking care of our people and supporting them to perform at the highest level and develop their careers with HOYER is the only way our business will survive and thrive in the long term.

This report sets out our targets for a sustainable business, makes comment on progress and provides detail of a variety of initiatives which are designed to improve our performance over the next few years.

## 2 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 complex logistics solutions to the chemical, food, gas and petroleum industries.

Around 6,000 employees 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.

HOYER operates 36,400 tank containers, 2,700 trucks, 3,000 road tankers, 24,900 intermediate bulk containers, and numerous logistics facilities, transport depots, tank cleaning stations and specialist tank workshops.



## 3 HOYER Sustainability Policy



### The HOYER Sustainability Policy

Sustainability is commonly defined as meeting the needs of current generations without compromising the needs of future generations. HOYER considers the following key elements to set a strong sustainable approach throughout the company:

**Social responsibility**

- Adherence to all relevant applicable laws, directives and guidelines
- Promoting well-being and professional skills of employees
- Contributing to the communities in which we operate

**Environmental protection**

- Minimising impact of all operations on the environment
- Reducing carbon footprint of transport operations
- Optimising use of natural resources

**Economy**

- Continuously seeking to improve efficiency in all areas
- Looking for business growth based on principles of sustainability
- Promoting sustainable business with suppliers and customers

The HOYER Group is committed to Responsible Care® and sustainable logistics.

  
Ortwin Nast  
Chief Executive Officer

Hamburg, in December 2010

  
Gerd Peters  
Chief Financial Officer

**HOYER**  
WHEN IT MATTERS ■

## Social Responsibility

Objectives	Description	Indicators
Adherence to all relevant applicable laws, directives and guidelines	<ul style="list-style-type: none"> <li>▪ No child labour</li> <li>▪ No discrimination based on sex, age, ethnicity, nationality etc.</li> <li>▪ Observing the HOYER Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>▪ Age distribution and ethnicity of employees</li> <li>▪ Male / female ratio</li> <li>▪ HOYER Code of Conduct</li> </ul>
Promoting well-being and professional skills of employees	<ul style="list-style-type: none"> <li>▪ Providing a safe and healthy environment for our employees</li> <li>▪ Analysing incidents, identifying causes and implementing corrective action</li> <li>▪ Implementing an annual audit and follow-up plans</li> <li>▪ Developing risk assessments for all safety critical tasks and activities</li> <li>▪ Ensuring proper training plans for all staff members</li> <li>▪ Variety of SHEQ initiatives and campaigns</li> <li>▪ Ongoing promotion of health and wellbeing</li> <li>▪ Biennial employee surveys</li> <li>▪ Regular, open and inclusive communication and information to all employees</li> </ul>	<ul style="list-style-type: none"> <li>▪ KPI personal injuries</li> <li>▪ KPI vehicle incidents</li> <li>▪ Reporting major (called 'main') incidents</li> <li>▪ Internal, external and major client audits/observations each year</li> <li>▪ Set annual targets for managers</li> <li>▪ Training days per white-collar employee</li> <li>▪ Training days per blue-collar employee</li> <li>▪ HOYER Code of Conduct</li> <li>▪ Local well-being and health campaigns / initiatives</li> <li>▪ Take up of early retirement and sabbatical possibilities</li> <li>▪ Employee survey results and follow up</li> <li>▪ Communication in newsletters</li> </ul>
Contributing to the communities in which we operate	<ul style="list-style-type: none"> <li>▪ Supporting charitable and social services for the communities in which HOYER operates</li> </ul>	<ul style="list-style-type: none"> <li>▪ Report by Friedel und Walter Hoyer Stiftung (Foundation)</li> <li>▪ Local budgets for community/ employee support</li> <li>▪ Community news articles in HOYER-Kreis and on the Intranet</li> </ul>

## Environmental Protection

Objectives	Description	Indicators
Minimising impact of all operations on the environment	<ul style="list-style-type: none"> <li>▪ Avoiding pollution through safe operations</li> <li>▪ Implementing waste disposal at all sites</li> <li>▪ Reducing waste and increasing recycling</li> <li>▪ Wastewater treatment in cleaning operations</li> </ul>	<ul style="list-style-type: none"> <li>▪ KPI spills and leaks</li> <li>▪ Amount of waste generated during cleaning operations</li> <li>▪ Amount of recycling</li> </ul>
Reducing carbon footprint of transport operations	<ul style="list-style-type: none"> <li>▪ Expanding and encouraging use of intermodal transport</li> <li>▪ Measuring and implementing actions to reduce emissions</li> </ul>	<ul style="list-style-type: none"> <li>▪ % of intermodal transports Emissions (CO<sub>2</sub>) tonnes/km</li> <li>▪ % of Euro version tractors</li> </ul>
Optimising use of natural resources	<ul style="list-style-type: none"> <li>▪ Use of latest technology to minimise environmental impact of emissions from all our activities</li> <li>▪ Reducing fuel consumption, use of detergents and other consumables</li> <li>▪ Energy management</li> </ul>	<ul style="list-style-type: none"> <li>▪ Energy consumption by cleaning operations, workshops, logistics facilities and offices</li> <li>▪ Fuel consumption</li> <li>▪ ESOS Energy Efficiency Audits</li> </ul>

## Economy

Objectives	Description	Indicators
Continuously seeking to improve efficiency in all areas	<ul style="list-style-type: none"> <li>▪ Improving operational efficiency by sharing knowledge, using technology, experience and good practice</li> <li>▪ Sharing goals across the group</li> </ul>	<ul style="list-style-type: none"> <li>▪ Turnover</li> <li>▪ EBT</li> <li>▪ Investment</li> </ul>
Looking for business growth based on principles of sustainability	<ul style="list-style-type: none"> <li>▪ Long-term economic success</li> <li>▪ Good corporate governance (compliance with financial and legal requirements in the countries where HOYER operates)</li> <li>▪ Prudent and long-term investment and borrowing strategies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Turnover</li> <li>▪ EBT</li> <li>▪ Investment</li> </ul>
Promoting sustainable business with suppliers and customers	<ul style="list-style-type: none"> <li>▪ Open dialogue with stakeholders</li> <li>▪ Fair treatment of customers and suppliers</li> <li>▪ Reviewing and reducing customer complaints, and implementing corrective action</li> </ul>	<ul style="list-style-type: none"> <li>▪ Commitment to Responsible Care® and action plans</li> <li>▪ KPI customer complaints</li> </ul>



## 4 HOYER Group Key Targets

- Reduction of 50 per cent in our most serious accidents and incidents by 2020
- 25 per cent cut in CO<sub>2</sub> emissions per tonne/km by 2020

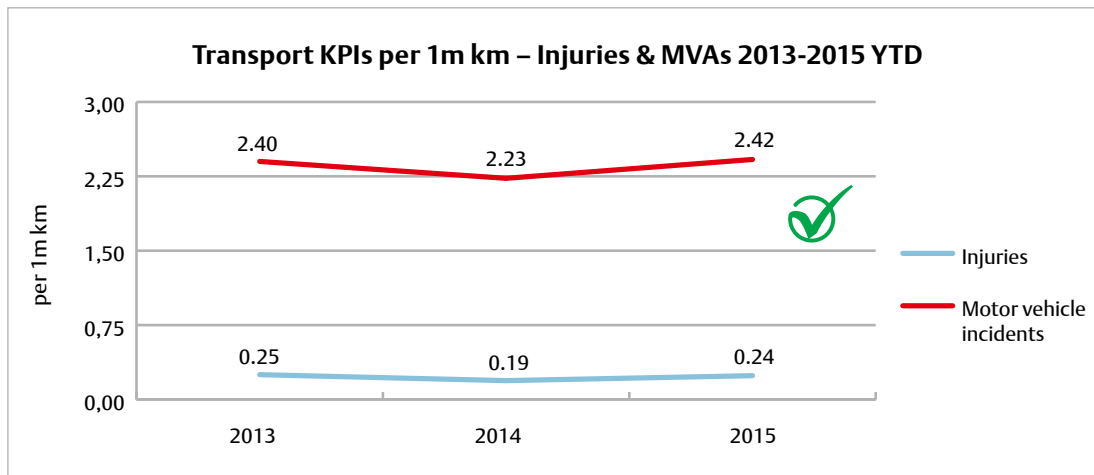
### Key Initiatives

- Optimising payload, transport flows, empty running and kilometres driven in transport operations, including exploring the use of digitisation to achieve this
- Migration of truck fleet to more than 95 per cent Euro V and VI engines
- Trialing of alternative cleaner fuel engines in our vehicles which produce significantly lower pollutant emissions
- Optimise truck fuel efficiency by maximising potential of economical driver training and driver and vehicle performance monitoring systems (OTCs)
- Carriage of maximum tonnes of cargo by intermodal operations, using sea and rail to transport, especially over the longest distances
- Increased training of staff, including in customer service techniques
- Creation of working groups better looking at and recommending use of emerging, maturing and increasingly affordable technologies which have the potential to engineer out many risks and reduce reliance on driver/operator skill and good behaviour
- Increased driver training, management, audit and field spot checks of key hauliers (subcontractors) and agency workers, especially in less mature countries
- A range of measures in our tank cleaning operations to reduce energy, water and waste water, by up to 5 per cent per order using new and optimised heat recovery and waste water technologies
- A revised company car scheme with a focus on safety features, engine performance and fuel efficiency
- Extensive development and roll-out of e-learning tools to improve performance and efficiency, whilst reducing the environmental impact of delivering the training
- Ongoing development of the HOYER Wellbeing Programme and employee fitness competition “HOYER in Motion”, with a special focus on weight management and musculoskeletal problems in middle aged drivers and blue-collar workers
- Launch and rerunning of an extensive employee survey
- Friedel and Walter Hoyer Foundation supports Leuphana Summer Academy Educational Project, the Concordia Social Project providing support for children, young people and the elderly in need in Romania, Moldova and Bulgaria. Further social projects are the Don-Bosco-Haus that helps people with severe multiple disabilities, the Round Table School of Hope in Kenya and the Kultur Forum 21 in Hamburg which supports musical and arts projects across schools in disadvantaged areas.
- Funding for and employee involvement in a variety of community projects across all HOYER locations

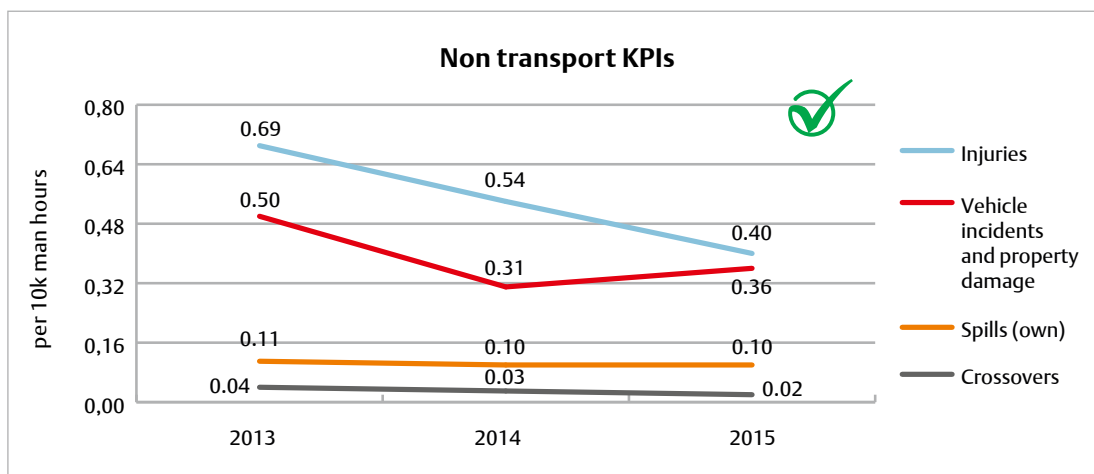
Based on the HOYER Group Safety, Health, Environment and Quality (SHEQ) Policy and the Sustainability Policy, a number of KPIs have been identified to monitor performance. The main ones are listed below:

### 4.1 SHEQ KPIs for Transport and Non Transport

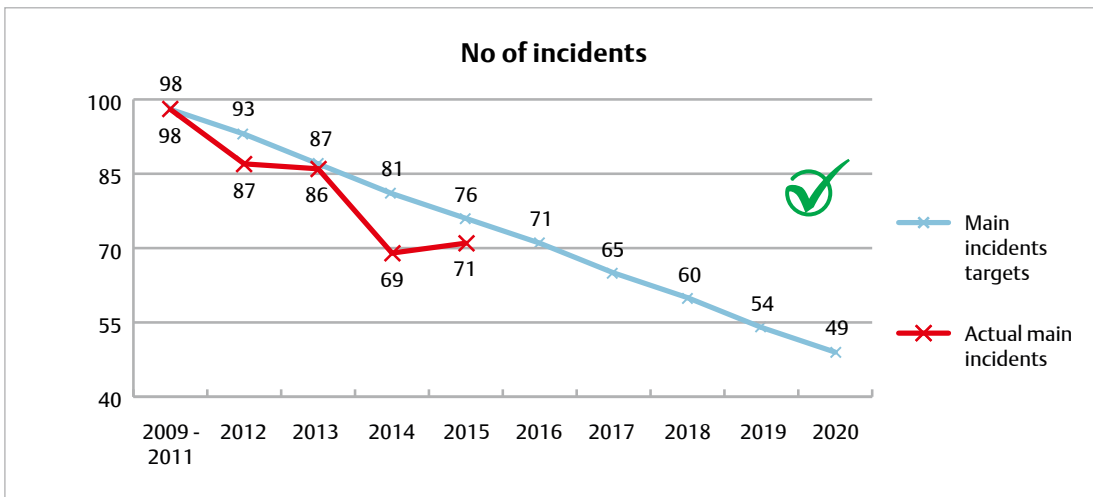
SHEQ KPIs Transport	2013	2014	2015
Motor vehicle incidents (per 1m km)	2.40	2.23	2.42
Injuries (per 1m km)	0.25	0.19	0.24



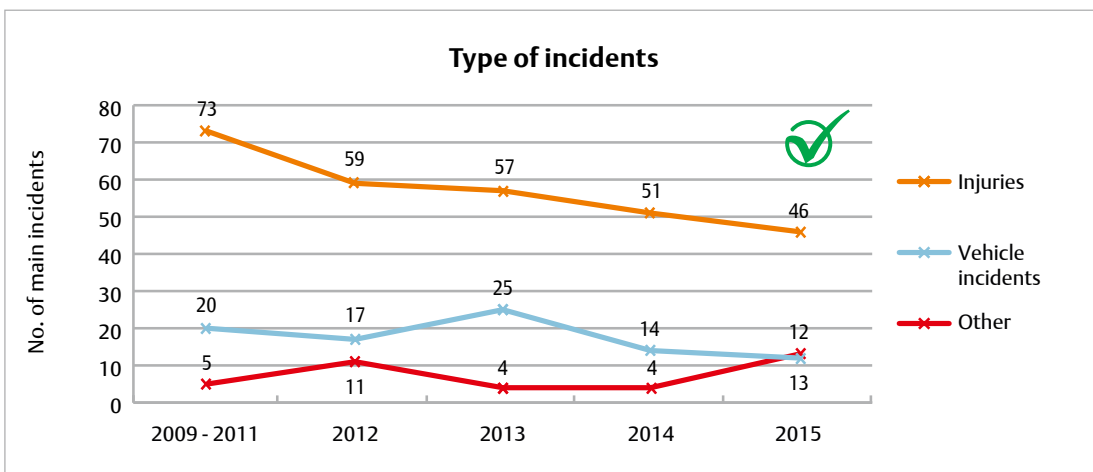
SHEQ KPIs Non Transport	2013	2014	2015
Injuries (per 10k man hours)	0.69	0.54	0.40
Vehicle incidents and property damage (per 10k man hours)	0.50	0.31	0.36
Spills (per 10k man hours)	0.11	0.10	0.10
Crossovers (per 10k man hours)	0.04	0.03	0.02



Main Incidents Targets	2009 - 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Main incidents targets	98	93	87	81	76	71	65	60	54	49
Actual main incidents	98	87	86	69	71					

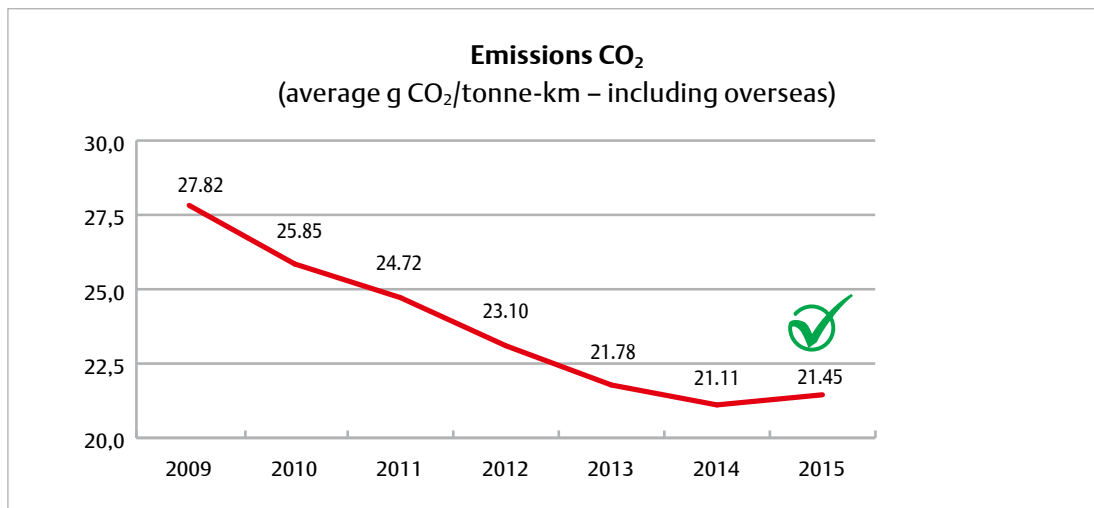


Type of Main Incident	2009 - 2011	2012	2013	2014	2015
Injuries	73	59	57	51	46
Vehicle incidents	20	17	25	14	12
Other	5	11	4	4	13

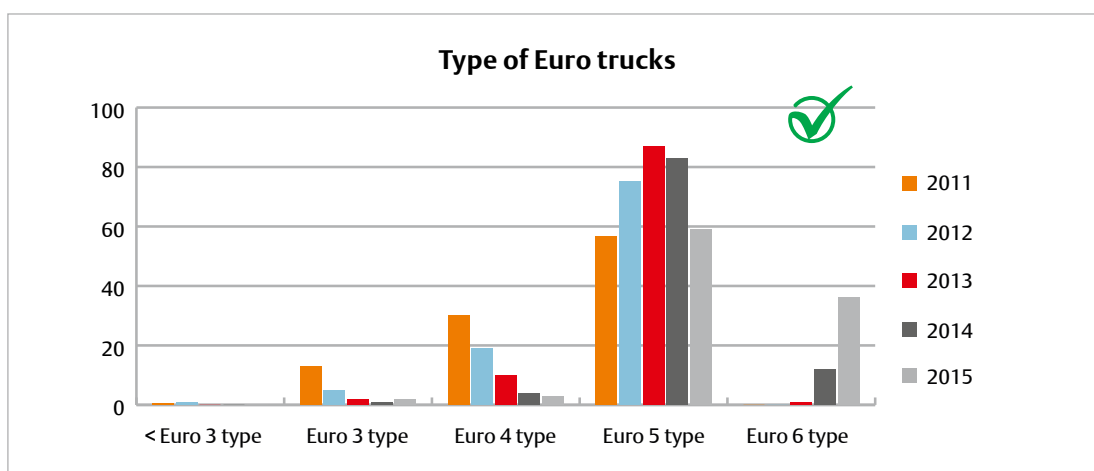


## 4.2 Environmental Protection KPIs

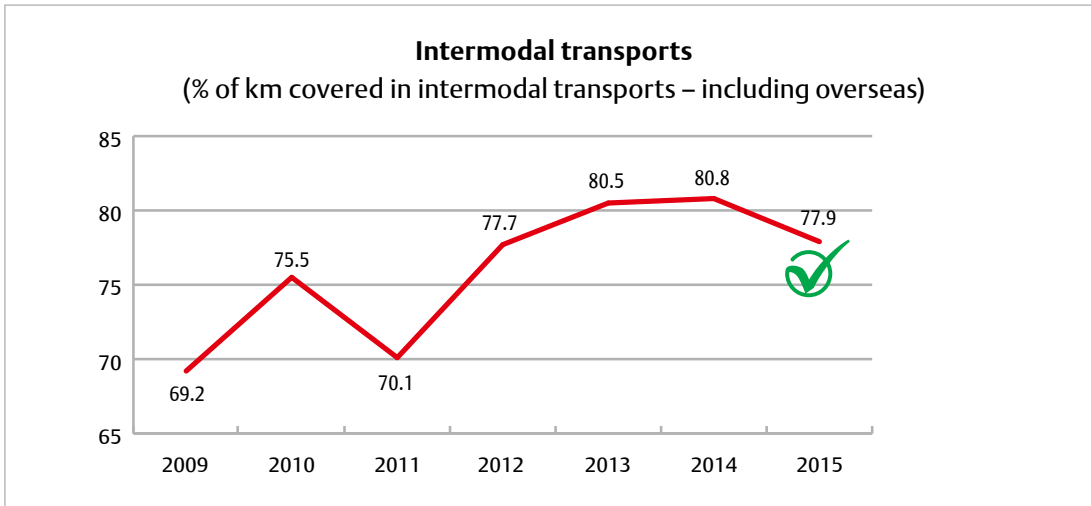
Environmental Protection KPIs Transport	2009	2010	2011	2012	2013	2014	2015
Emissions CO <sub>2</sub> (average g CO <sub>2</sub> /tonne-km – including overseas)	27.82	25.85	24.72	23.10	21.78	21.11	21.45



Environmental Protection KPIs Transport	2011	2012	2013	2014	2015
Type of Euro trucks (%)					
< Euro 3 type	0.4	1	0	0	0
Euro 3 type	12.8	5	2	1	2
Euro 4 type	30.1	19	10	4	3
Euro 5 type	56.6	75	87	83	59
Euro 6 type	-	-	1	12	36

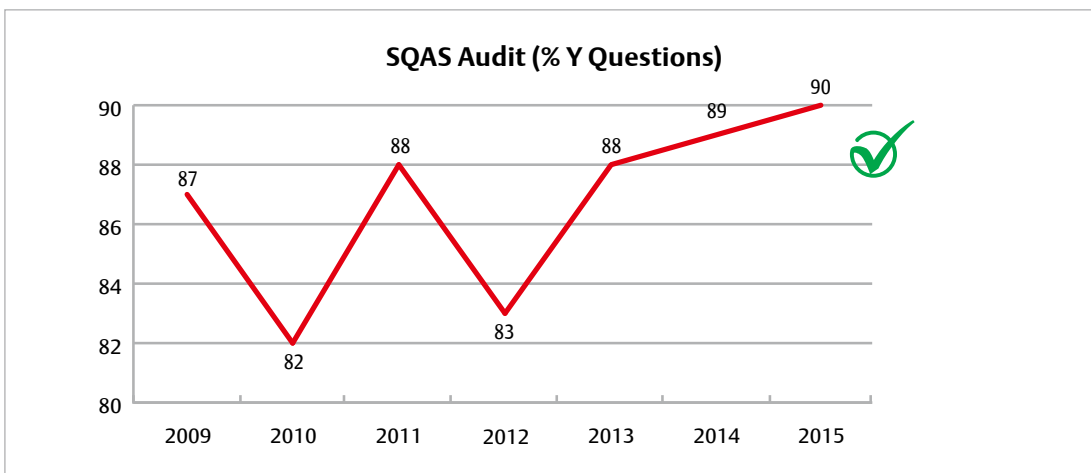


Environmental Protection KPIs Transport	2009	2010	2011	2012	2013	2014	2015
Intermodal transports (% of km covered in intermodal transports – including overseas)	69.2	75.5	70.1	77.7	80.5	80.8	77.9

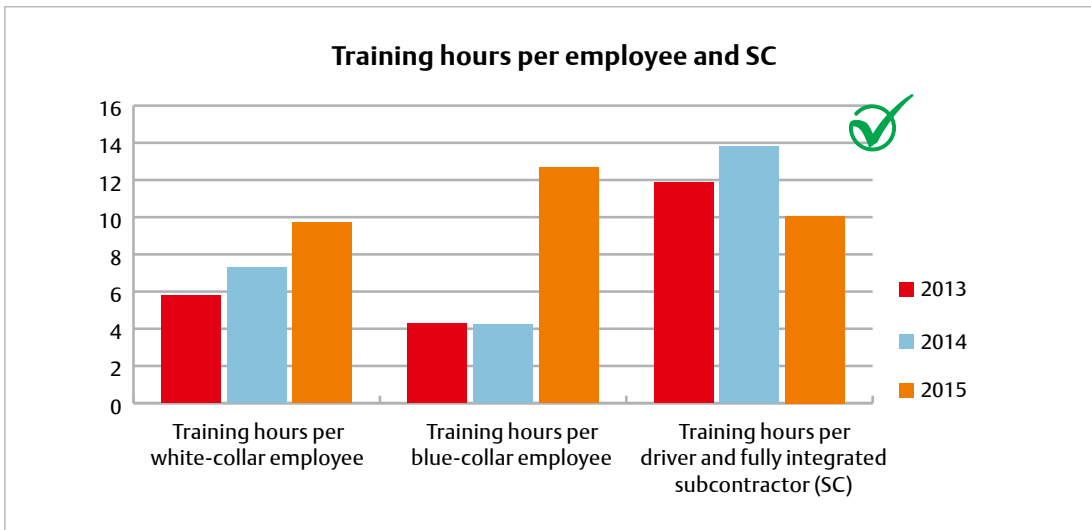


### 4.3 Social Responsibility KPIs

Social Responsibility KPIs	2009	2010	2011	2012	2013	2014	2015
Audits per year	22	29	26	30	48	46	47
SQAS audit (% Y Questions)	87	82	88	83	88	89	90



Social Responsibility KPIs	2013	2014	2015
Training hours per white-collar employee	5.80	7.28	9.72
Training hours per blue-collar employee	4.27	4.24	12.66
Training hours per driver and fully integrated subcontractor (SC)	11.88	13.82	10.06



Social Responsibility KPIs	2011	2012	2013	2014	2015
Age pattern of employees (%)					
<20	0.8	0.9	0.8	1.2	0.8
21-30	10	10	9.3	10.6	12.3
31-40	20.7	19.9	18.9	18.7	18.4
41-50	37.1	37.3	37.4	34.5	32.5
51-60	24.9	26	26.7	27.8	28.4
> 61	6.5	6.0	6.8	7.1	7.5
Male / female ratio in management position (%)	14	10	8	7	7
Code of Conduct violations (N)	-	-	1	1	2
Security breaches (*)	-	40	72	48	49

(\*) Security breaches: only minor incidents, mainly theft

## 5 About HOYER Reporting and Data

When the HOYER Group issued the Sustainability Policy in 2010 it also identified and introduced an initial range of important targets and KPIs to measure and monitor progress. These KPIs remain under constant review as we strive to find the best mix of measures to drive sustainable performance. We expect other KPIs will be added as we refine our system over time.

The definitions of KPIs mentioned in this report are self-explanatory. CO<sub>2</sub> emissions are calculated based on ECTA Responsible Care method (McKinnon study). However the new EU norm (EN 16258) published in 2013 related to the calculation of emissions in transport operations may cause us to adapt our reporting system in the future to bring us in line with any commonly adopted measures consistently used across Europe.



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