

REVIEW Sustainability Report 2019



Ladies and Gentlemen, Friends of our Company,

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

Recent events across the globe clearly demonstrate how fragile life can be, and how precarious our daily lives are. With the exception of during times of war, it is hard to think of a more turbulent, uncertain or challenging period for individuals, society in general and companies.

Nevertheless, the HOYER organisation will undoubtedly survive these difficult times and eventually continue to thrive in our marketplace. That is because my family – the Hoyer family – has always been and remains totally committed to our customers and our employees and to running our company in a prudent but entrepreneurial way. My father, Walter, founded his company some 75 years ago with a philosophy of future-oriented thinking and forwardlooking action. That philosophy is what has made us so successful over the years and will sustain us as a family-run business for many more years to come.

Since we count on being in business over the long term as we further develop our transport and logistics services and geographical coverage, being part of a world and an economy that sustains itself is critical to our future. We therefore have both a fundamental interest and an obligation in playing our part in creating and benefiting from that sustainable future. This report will explain to you how HOYER tackles the important sustainable management topics of today and tomorrow. It sets out how HOYER supports and embraces sustainable initiatives and how our business is run with the minimum possible impact on our planet, its population and our environment.

Sustainable management is one of our traditional values and principles that guides how the company is run. These values and principles flow directly into our short and, especially, our longer-term strategy, which is to achieve a positive and sustained development of our company over the long term rather than cashing in on short-term profits. My company's top management are constantly challenged to work already today on tomorrow's solutions, to be



innovators and early adopters of new technologies and business methods, and to be proactive with our customers before they start – as they surely will – to make demands of us. That is why our sustainable management efforts are being stepped up as we strive to remain at the forefront of our marketplace.

HOYER has always had a reputation for top quality, which by definition means running our company in a professional, safe and sustainable way. We believe that our customers, our employees and all other stakeholders appreciate us for that.

The HOYER Group, with its around 6,100 highly-skilled and dedicated professionals working diligently in over 115 countries across the globe, is well placed to play its willing and active part in developing a more sustainable future for generations to come.

With warmest regards from Hamburg.

turn Gran.

Thomas R. J. Hoyer Shareholder and Chairman of the HOYER Group Advisory Board

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our aspiration Sustainability Report 2019

The HOYER Group sets high expectations on the company's actions. In the following report, we provide detailed insights into our performance in the sustainability-related areas of safety, health, environment and quality.



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

Around 6,100 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. Safely and reliably fulfilling our customers needs and going even further with every logistics solution is the core of our identity and distinguishes us from the competition.

HOYER operates around 40,800 tank containers, 2,200 trucks, 2,400 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 to our 2019 Report

We are pleased to present our eighth HOYER Group Sustainability Report for 2019.

The HOYER Group, now in its 74th year, 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 in the privately-owned hands of the second and third generations of our founder Walter Hoyer's family. HOYER will remain that way into the future as well.

The Hoyer family continues to recognise that the ways in which their company is owned, steered and managed are fundamental to achieving that objective. This is why measures are being taken to systematically prepare and increasingly introduce the third generation of shareholders, and to integrate them into the enterprise.

The Hoyer family also understands that in today's increasingly global marketplace, running their business in an environmentally and economically responsible way is critical to their people-dependent, service-oriented company continuing to be successful into the long-term future.

This is why, in 2012, HOYER decided to develop and introduce a Sustainability Policy. In 2019, all policy matters relating to Sustainability, and to Health and Safety, which were previously dealt with separately, have now been brought together into a single comprehensive Sustainable Management Policy. This Policy renews commitments regarding how our company is run, sets out plans for the future and introduces more comprehensive management and measurement systems that will help us to achieve our objectives.

The company thereby demonstrates its responsibility for its employees, its customers and the environment. HOYER is pleased to openly disclose its sustainability objectives so that stakeholders can hold the company and its management to account.



RESPONSIBLE ACTION IS CRITICAL FOR PEOPLE AND THE ENVIRONMENT

3. The HOYER Group Sustainable Management Policy



The updated policy, re-issued in 2019, brings together the Group's Guiding Principles and Core Values and confirms our absolute commitment to Safety/Security, Health, the Environment, and to Quality (SHEQ). The policy also sets out our objectives with regard to People, the Environment, Performance and Business Relations.



HOYER Group Sustainable Management Policy

The HOYER Group is an international logistics company and one of the world's leading bulk logistics services and solutions providers working for our customers by transporting and handling chemicals, foodstuffs, gas and petroleum products. This leading position has been achieved, amongst other things, because of our philosophy of professionalism and high quality.

We take our responsibility for our employees, logistics partners and customers, all other business stakeholders and the general public that we come into contact with, as well as the environment, very seriously.

With this in mind, the owner family and the top management of the HOYER Group have articulated a set of guiding principles and core values that govern the way the business across the globe is run.

GUIDING PRINCIPLES OF THE HOYER GROUP

- I We set standards by developing customer-oriented solutions.
- We contribute to our customers' success. For us that is both an incentive and an obligation.
- We take a strategic and long-term business approach and place our focus on sustainable business values rather than on short-term effects.
- Our reputation as a highly professional organisation, based on safety, quality, service and reliability counts as company capital which is a key success factor that convinces customers to decide in our favour.
- We attach great importance to identification with HOYER as a family company.
- We take on responsibility for all stakeholders and the environment in the long term, and that determines our measures and actions.

OUR CORE VALUES

- We value people and teamwork as key factors for our success.
- We encourage group-wide cooperation, communication and collaboration.
- We strive to deliver the services promised, and exceed expectations whenever and wherever we can.
- We take and delegate responsibility and encourage ownership.
- We think and act with integrity, respect, openness, honesty and fairness.

SAFETY/SECURITY, HEALTH, ENVIRONMENT AND QUALITY (SHEQ)

The HOYER Group has unreservedly committed to aligning itself with the United Nations definition of sustainable actions, and sets goals regarding fulfilling the highest standards of sustainable safety, quality, and environmental performance. That is why HOYER invests extensively in the people, training, infrastructure, equipment and systems necessary to uphold this commitment.



OBJECTIVES OF OUR SUSTAINABLE MANAGEMENT SYSTEM

People, Environment and Performance

- Management commitment and active participation in sustaining a quality culture throughout the company.
- Commitment of managers and all employees to the wellbeing and protection of human life, having a duty of care for the environment, protecting assets and delivering excellent customer satisfaction, using our Plan-Do-Check-Act (PDCA) cycle and our Code of Conduct to guide our actions.
- Promotion of the welfare, wellbeing and professional competencies of our employees.
- Responsible and efficient use of natural resources and energies.
- Ensure that appropriate, effective an regularly reviewed policies, procedures and standards are in place that facilitate the continuous management and improvement of occupational health, safety, environmental and quality systems and business performance.

Business Relations

- Compliance with all legislation and customer requirements.
- I Meeting the expectations of our customers and other interested parties, and exceeding them where possible.
- Protection and security of assets, business systems and information.
- Protection and security of personal data.
- Development of sustainable long-term business relations with customers and other business partners.
- Sustainable improvements in efficiency by continuous optimisation of operations, processes and technologies.

All activities, employees and logistics partner providers are integrated in the HOYER Sustainable Management System. Each employee and provider is responsible for undertaking their daily work in accordance with the policies, procedures and work instructions as laid down in the company's electronic Total Quality Management system *(eTQM system)*. This includes compliance with our core values, guidelines and any other relevant company instructions.

The company has developed and introduced a suite of multi-level Key Performance Indicators (*KPIs*) to measure, monitor and manage our performance with regard to this policy. Managers use these KPIs as key business tools in terms of both honouring our commitments and driving improvements in our performance.

The company will comprehensively audit for compliance with both the sentiments and detail of this policy. Audits will be undertaken throughout the organisation and verified by external bodies.

The company will review the Sustainable Management Policy at least every three years to ensure that it remains relevant to the needs of the business, all stakeholders and the environment.

Ortwin Nast Chief Executive Officer Hamburg, June 2019 Gerd Peters Chief Financial Officer Hamburg, June 2019



PEOPLE, ENVIRONMENT AND PERFORMANCE

OBJECTIVES	DESCRIPTION	INDICATORS
Management commitment and active participation in sustaining a quality culture throughout the company	 Involvement of top management for strategic quality culture implementation Communications with organisation and workforce 	 Signed management commitment Delegation of responsibility Targets for managers Board management reviews Company magazines and newsletters
Managers and employees are committed to the wellbeing and protection of human life, having a duty of care for the environment, protecting assets and delivering excellent customer service and satisfaction, using our Plan-Do- Check-Act (PDCA) cycle and our Code of Conduct to guide our actions	 Adherence to the HOYER Code of Conduct Development and implementation of best practices Implementation of wellbeing initiatives Implementing a yearly audit programme SHEQ and Customer Service reporting and management systems, incl. investigations, analysis, corrective and preventive actions 	 Audits per year Follow-up of audit results Reporting and follow-up of all SHEQ incidents (<i>incl. Root Cause Analysis (RCA)</i>) Reporting and follow-up of customer complaints and performance incidents Whistleblowing reports SHEQ and sustainability targets for all parts of the business
Promotion of welfare and professional competencies of our employees	 Providing a safe and healthy environment for our employees Developing risk assessments Ensuring proper training and career development plans and adherence Providing training in safety and health-related topics (e.g. Behaviour-based Safety or equivalent, drug and alcohol misuse, use of seat belts, dangers of mobile phones when driving, tiredness and fatigue) 	 Audit and observation results Training days per employee Training test results and records Count of sick leave days Work risk assessments Succession plans Drug and alcohol testing Occupation Health assistance & referrals
Responsible and efficient use of natural resources and energies	 Monitor and reduce fuel consumption Monitor and reduce energy consumption Monitor and reduce other relevant resource consumption Recycle where possible 	 Fuel consumption Energy consumption Consumption of relevant natural resources Sustainability KPIs incl. CO₂ per tonne-km
Ensure that appropriate, effective and regularly reviewed policies, procedures and standards are in place that facilitate the continuous management and impro- vement of occupational health, safety, environmental and quality systems and business performance	 Continuous review of processes, procedures, instructions and standard and legal requirements Formal recording and follow-up of all incidents Conducting internal audits Measurement of processes 	 Internal audit results Management review KPI core processes SHEQ Incident Record Sustainability report External audit/assessment against ISO9001, IMPCAS and SQAS



BUSINESS RELATIONS

OBJECTIVES	DESCRIPTION	INDICATORS
Compliance with all legislation and customer requirements	 No child labour No discrimination based on sex, age, ethnicity, etc. Observing the HOYER Code of Conduct Observing and following all applicable legal requirements Fair treatment and equal opportunities for all stakeholders 	 Age pattern of employees Male/female ratio Whistleblowing reports Complaints and grievances
Meet and where possible exceed the expectations of our customers and other interested parties	 Customer requirements known and documented Formal annual review with major customers Customer surveys 	 KPI customer complaints KPI performance events KPI not-on-time delivery Performance evaluation by customers (<i>if applicable</i>) Bonus/penalty and continuous improvement mechanisms in contracts
Protection and security of assets and business systems	 Risk assessment and development of security plans for each location Regular security assessment of all operations, use of SQAS packages where applicable Develop security provisions for each site 	 Measurement of security breaches Security tests/assessment/audit results Emergency response plans, business continuity plans and exercises together with customers and authorities
Protection and security of (personal) data	 Adherence to data protection regulations Compliance with ISO 27001 Security arrangements for all business systems 	 Measurement and monitoring of IT breaches Measurement of security breaches Annual Information Security Report
Development of sustainable long-term business relations with customers and other business partners	 Improving operational efficiency by sharing knowledge, experience and good practice Sharing goals across the Group Open dialogue with stakeholders Fair treatment of customers and business partners Reviewing and reducing customer complaints, and implementing corrective and preventive actions Good corporate governance (compliance with financial and legal requirements in the countries where HOYER operates) 	 Investments Commitment to Responsible Care and action plans KPI customer complaints Performance reviews of business partners Code of Conduct Turnover Earnings Before Taxes (EBT)
Sustainable improvements in efficiency by continuous optimisation of operations, processes and technologies	 Long-term economic success Implementing ISO 9001 Standards Continuous improvement of operations and processes 	 Investments Management Review Operational parameters including utilisation, load size, empty kms Turnover EBT

4. The Clear Call for Action

Interest in the negative effects and causes of climate change has been building amongst scientists for some time. Questions about a more sustainable use of the planet's natural resources, and reducing damage to and contamination of the environment have accompanied this growing interest.

The interest of society in general has lagged behind the voice of science but is now catching up fast, especially amongst young people, and pressure is building on governments and on the world's population at large to really do something. Well-known and often authoritative voices, such as Greta Thunberg, Jürgen Resch, Al Gore and David Attenborough, and organisations such as the United Nations, The Green Party, Friends of the Earth and Greenpeace also add weight and profile to the discussion.

In the past, much of society viewed these matters and the need for action to be somewhere between overstated in terms of lasting impact and too difficult or too disruptive to daily life and unaffordably expensive to improve. The voice of high-profile deniers such as Donald Trump has caused many in society to be unsure about the facts and has reduced momentum for affirmative action. Things have changed. The body of evidence is now overwhelming and accepted by the vast majority of people. There is a realisation that whilst it is difficult, disruptive and expensive to do something, not doing something – and not doing it quickly – will be worse.

The obligation placed on organisations to play their part, and the pressure applied to organisations by stakeholders – in our case customers, employees, the general public, governments and shareholders, has never been higher. In these circumstances it is difficult to see how any organisation can survive and be successful unless it plays its willing and active part in protecting the lives of society today and the planet for the future.

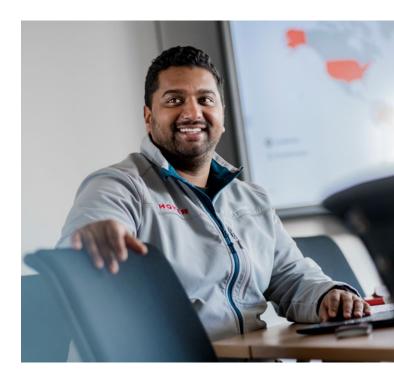
The way that any organisation deals with these matters and responds to the undoubted huge environmental challenge is part of their identity and brand – for better or worse. The HOYER Group has been an environmentally responsible provider, partner and employer since its foundation some 75 years ago in 1946, but it is now time to shift our efforts and our environmental performance onto another level.

5. HOYER Group Key Targets, Plans and Initiatives

In 2009 the HOYER Group publicly declared that it would strive to improve its CO_2 emissions performance per tonne of cargo carried and per km travelled in transport operations by 25 per cent over the next ten years as part of its Vision 2020 business strategy. As we approach the end of the decade HOYER is well on the way to achieving that ambitious target, having improved our performance by 23 per cent by 2019 with another year still to go.

The HOYER Group has now identified eight of the United Nations 17 Sustainable Development Goals as being the key ones on which we will focus:

- 1. No Poverty
- 3. Good Health and Wellbeing
- 4. Quality Education
- 6. Clean Water and Sanitation
- 8. Decent Work and Economic Growth
- 9. Industry, Innovation and Infrastructure
- 12. Responsible Consumption and Production
- 13. Climate Action



The Company has also developed a number of plans to better manage and further improve our environmental performance in the future:

- a. In recognition of the increased profile that HOYER wishes to give to these very important matters, the current corporate label "SHEQ" is being extended to include the phrase "Sustainable Management". This new label completes a journey that was described a long time ago as Health & Safety, and then SHEQ (Safety, Health, Environment & Quality), and now SHEQ and Sustainable Management.
- b. For the time being, our energies will be devoted to reducing our direct CO_2 emissions down to mature levels for the business and market we are in. We believe there is more that we can and will do to achieve this. We accept that carbon offset options will be necessary to achieve a net zero carbon footprint position, but see this as a route to achieve carbon neutrality when we have done everything reasonably possible to optimise our direct emissions performance.
- c. From 2019, our CO_2 emissions reporting will be extended to include our growing and now sizeable and widespread non-transport operations that include cleaning stations, specialist workshops, depot and storage operations and a number of supply chain services and logistics facilities.
- d. From 2020 we will change our measurement and reporting of carbon emissions generated by freight transport from the long-standing and well-accepted McKinnon Study activity-based methodology to the Global Logistics Emissions Council's (GLEC) Framework. The GLEC Framework is a globally recognised methodology for harmonised calculation and reporting of the logistics GHG (Greenhouse Gas) footprint across the multi-modal supply chain used by many shippers, carriers and logistics service providers. The Framework uses a mixture of energy and activity-based approaches to calculation methods. GLEC is more complex, more sophisticated and more detailed and therefore provides a more accurate measure of the HOYER Group's individual performance as an organisation. Within this, HOYER measures emissions against the principle of Tank-to-Wheel (TTW). The key metrics are total tonnes of CO₂ generated by the business from both our Transport and Non-Transport activities, and frequency measures of grammes of CO₂ generated per tonne-km (tonne of cargo carried and per km travelled) in Transport Operations and grammes of CO₂ per man-hour in Non-Transport Operations.
- e. HOYER will also use the internationally recognised EcoTransIT CO₂ calculation tool to support us in measuring and modelling the generation of CO₂.
- f. The vast majority of our business decisions have historically been driven by cost, customer service or quality. For example, the HOYER organisation historically made truck procurement decisions on 'whole life costs'. From now on, CO₂ emissions performance will be added as an important new parameter to the suite of decision-making metrics. The amount of CO₂ generated by an activity will be monetised using carbon offset costs available to the organisation so that decisions can be judged in economic terms.
- g. HOYER will calculate and share with customers the CO₂ emissions value of each revenue-generating activity undertaken on their behalf and provide alternative options to improve CO₂ emissions. This sometimes means the price of the activity needs to be higher, or sometimes the speed of the activity (such as order-to-delivery times) is slower. Mutual decisions will then be discussed and agreed regarding the best way forward. Where there are alternative options available which improve CO₂ emissions and can be implemented without a negative effect on cost or speed, then HOYER will push for these to be actioned.
- h. HOYER will seek to agree Sustainability Partnerships with main customers, business partners and providers wherever possible. These partnerships will set improvement objectives, plans and timetables to capture improvements for the volumes carried and primary kms travelled to deliver the cargo of our customers to their customers. This may well involve working with the customer to remodel the supply chain for transport flows, especially where bigger and more regular volumes are involved.
- i. As an expert intermodal operator, HOYER is ideally placed and equipped to actively recommend and promote to customers the conversion of cargoes currently transported by CO₂-intensive road journeys to alternative, and two and a half times less CO₂-intensive, intermodal journeys that take advantage of sea, rail, and river barge options. These options are especially interesting when cargo has to travel over longer distances.









- j. HOYER has now committed to achieve ISO 50001 certification in Energy Management for all of HOYER's European operations in 2022, and for all other operations outside Europe by 2025. This will help us to continually improve our conserving of resources as we run our daily business through efficient energy management.
- k. HOYER will also arrange for the Group to be scored against the EcoVadis sustainability rating system during 2021. Only certain parts of HOYER's worldwide network have historically been scored against this assessment tool that is frequently used by procurement professionals, because the SQAS audit system of the European chemical industry continues to be our primary independent external assessment.

HOYER will continue to work on a number of key initiatives to improve and optimise our environmental performance and manage our business in a safe and sustainable way:

- Increasing and optimising payload, transport flows, empty running and re-positioning, and kilometres driven in transport operations, including exploiting the use of sophisticated logistics softwares, digitalisation and other related technologies to achieve this
- Increase the payload of selected transport operations by introducing vehicles designed and built from specialised lightweight composite plastic
- Migration of the truck fleet, including our dedicated and fully integrated subcontractor partners, to more than 90 per cent Euro 6 engines
- Introducing and operating as many vehicles as possible that produce lower CO₂ emissions due to being powered by LNG, LPG, biofuels and hydrogen
- Optimising truck fuel efficiency by maximising the potential of economical driver training and driver and vehicle performance-monitoring systems (OTC's)
- Increased driver training, management, audit and field spot checks of key hauliers (subcontractors) and agency (temporary) workers, especially in less mature countries
- Creation of working groups that look better at and recommend the 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
- A range of measures in our tank cleaning operations to reduce energy, water and waste water by up to 5 per cent per order, by using new and optimised heat recovery and waste water technologies
- Measures to reduce the use of energy per order in our specialist workshops, depot and storage operations and in a number of supply chain services and logistics facilities

- A revised company car scheme with a focus on safety features, engine performance and fuel efficiency.
 Scale-up options for certain company cars to be hybrid or all-electric, and placing electric vehicle charging points in our company car parks
- Extensive development and roll-out of e-learning tools to improve performance and efficiency, whilst reducing the environmental impact of delivering the training
- Reducing CO₂-intensive business travel by increasing the use of electronic communications and video-conferencing
- Responding positively to requests for remote and home working so as to reduce the environmental cost of employees travelling to their normal place of work
- Ongoing development of the HOYER Wellbeing Programme with a special focus on mental health, weight management and musculoskeletal problems in middle-aged drivers and other blue-collar workers
- Electronification of HR, finance and accounting documents used group-wide which reduces paper and other administrative costs and consumables
- The Friedel and Walter Hoyer Foundation demonstrates the Hoyer family's commitment to social responsibility through its ongoing funding of charitable, social and cultural activities in Germany and other countries. The second and third generations of the family have pledged to continue this legacy that places a part of their business success back into society for the common good
- Local budgets established in each HOYER branch office to support employee voluntary work and projects in the community, and to sponsor voluntary and charitable deserving causes that are located close to our offices and depots

6. UN Global Goals for Sustainable Development



THE 17 SUSTAINBLE DEVELOPMENT GOALS ...

... of the United Nations recognise that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests. www.sdgs.un.org/goals

	CODE OF CONDUCT	SUSTAINABLE MANAGEMENT POLICY
1. No Poverty	Social responsibility Child labour Remuneration/wage dumping	 Promotion of welfare and wellbeing Compliance with all legislation and customer requirements Age distribution of employees Fair treatment and equal opportunities for all stakeholders
3. Good Health and Wellbeing	 SHEQ Social responsibility Anti-discrimination Occupational safety Cooperation, communication and collaboration Individual responsibility and involvement Employee personal and career development 	 Implementation of wellbeing initiatives Promotion of welfare and professional competencies of our employees Drug and alcohol testing Workplace and activity risk assessments Occupational health assistance and referrals Monitoring of sick leave days and trends
4. Quality Education	SHEQ Staff development	 Ensuring proper training plans and career development and adherence Promotion of welfare and professional competencies of our employees Training days per employee Training follow-up
6. Clean Water and Sanitation	SHEQ Environmental	 Monitor and reduce other relevant resources Responsible use of natural resources and energies Consumption of relevant natural resources
8. Decent Work and Economic Growth	 Economic efficiency Honest and fair dealings Transparency and integrity in all business dealings Competition law and anti-trust 	 Development of sustainable long-term business relations Sustainable improvements in efficiency by continuous optimisation Investments EBT Turnover

CODE OF CONDUCT	SUSTAINABLE MANAGEMENT POLICY
Not mentioned	Processes and Developments
	Sustainable improvements in efficiency by continuous optimisation of operations, processes, and technologies
Environment	Responsible and efficient use of natural resources and energies
	Fuel and Energy Consumption
	Consumption of other natural resources
	Sustainability KPI's incl CO ₂ per tonne-km
Environment	Responsible and efficient use of natural resources and energies
	Fuel and Energy Consumption
	Consumption of other natural resources
	Sustainability KPI's incl CO ₂ per tonne-km
	Not mentioned Environment

7. Comments on 2019 Figures

In 2019, the HOYER Group achieved a modest improvement in its overall SHEQ performance, which included some important reductions in the number of most serious incidents that can result in major road vehicle accidents or injuries to employees. Time Losing Injuries (TLI's) in both transport and in non-transport operations, which were a focus for improvement from 2018, were the lowest since 2014 and 2015 respectively. Regrettably, one of our people was fatally injured in an incident in the Benelux, and our thoughts remain with the family.

Good progress was achieved towards our HOYER Group Vision 2020 commitments made back in 2010 to reduce the frequency of serious incidents (HOYER labels them 'main incidents') in transport operations by 25 per cent and in



non-transport operations by 50 per cent, as well as reducing Transport CO_2 emissions, measured in grammes of CO_2 per tonne-km, by 25 per cent. The Group is on track to achieve all three targets by 2020.

As part of our widening commitment, CO_2 emissions generated in our now sizeable worldwide non-transport operations are being reported for the first time in 2019.

 CO_2 emissions were further reduced in 2019 as a proportion of kilometres travelled by the less CO_2 -intensive intermodal operations increased to 79.5 per cent. More than 90 per cent of our fleet complement of vehicles are now powered by more fuel-efficient EURO 6 compliant engines, with a number of our bigger country operations already at close to 100 per cent, as we strive to achieve our long-term target of migrating more than 95 per cent of our worldwide fleet to Euro 6. These two improvements have enabled us to reduce the g of CO_2 per tonne-km in transport operations to below 20 for the first time.

The HOYER Group continues to be certified according to ISO 9001 and to be comprehensively and independently audited according the European chemical industry's SQAS assessment system, as well as being audited by a number of major customers according to their own stringent assessment systems.

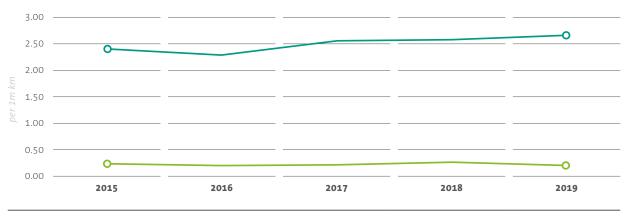
It is pleasing to report another increase in the percentage of women in management positions in the Group, which is now at 25 per cent. However there remains more to do as we strive to achieve a 50/50 balance in a diverse team of multi-aged, multi-national, multicultural and BAME colleagues.

Despite the progress made in 2019, the HOYER Group is not complacent and continues to be committed to making further progress in running our business in a safe, environmentally friendly and sustainable way.

SHEQ KPIs for Transport and Non-Transport

SHEQ KPIS TRANSPORT	2015	2016	2017	2018	2019
Motor Vehicle incidents (per 1m km's)	2.42	2.32	2.53	2.54	2.63
Injuries (per 1m km)	0.24	0.21	0.23	0.25	0.23

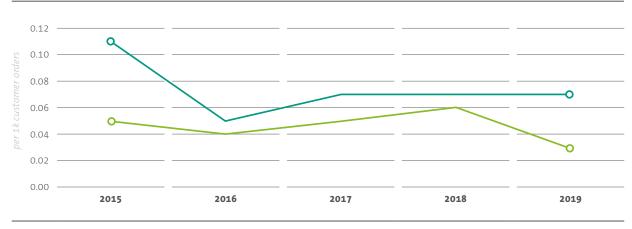
Transport KPIs per 1m km – Injuries & MVAs 2015 – 2019



Motor Vehicle Incidents 📕 Injuries

SHEQ KPIs TRANSPORT	2015	2016	2017	2018	2019
Spills (per 1k customer orders)	0.11	0.05	0.07	0.07	0.07
Crossovers (per 1k customer orders)	0.05	0.04	0.05	0.06	0.03

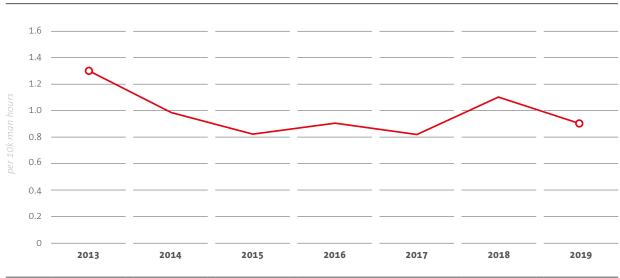
Transport KPIs per 1k Customer Orders – Spills & Crossovers 2015–2019



Spills (own) Crossovers

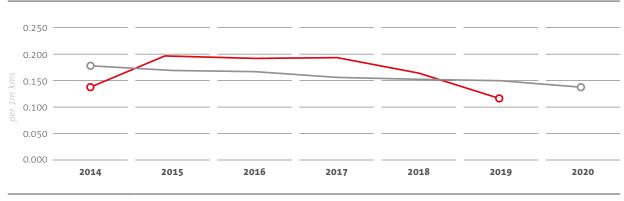
SHEQ KPIS NON-TRANSPORT	2013	2014	2015	2016	2017	2018	2019
All incidents (per 10k man hours)	1.34	0.98	0.88	0.95	0.83	1.12	0.91

Non-Transport KPIs



All incidents

MAIN INCIDENTS TARGETS TRANSPORT	2014	2015	2016	2017	2018	2019	2020
Main incidents targets	0.173	0.168	0.164	0.159	0.155	0.150	0.145
Actual main incidents	0.145	0.198	0.190	0.193	0.169	0.129	

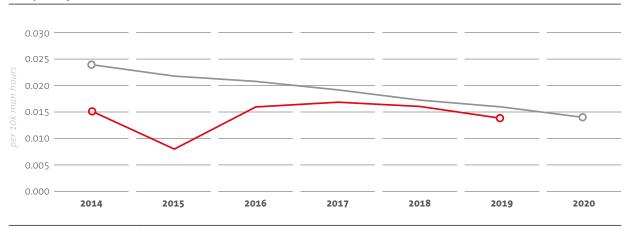


Frequency of Incidents

Main incidents targets Actual main incidents

MAIN INCIDENTS TARGETS NON-TRANSPORT	2014	2015	2016	2017	2018	2019	2020
Main incidents targets	0.024	0.022	0.021	0.019	0.017	0.016	0.014
Actual main incidents	0.015	0.008	0.016	0.017	0.016	0.14	

Frequency of Incidents

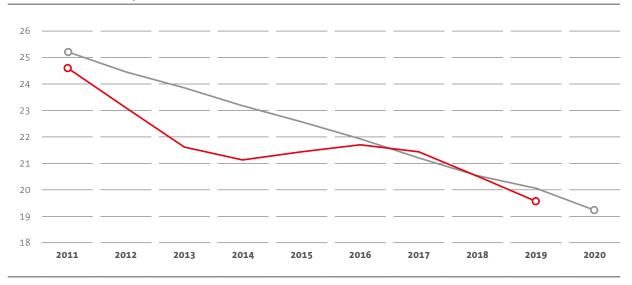


Main incidents targets Actual main incidents

Environmental Protection KPIs

ENVIRONMENTAL PROTECTION KPIS TRANSPORT	2011	2012	2013	2014	2015	2016	2017	2018	2019
Emissions CO₂ (average g CO ₂ /tonne-km – including overseas)	24.72	23.10	21.78	21.11	21.45	21.75	21.44	20.64	19.51
Emission CO ₂ (tonne)	640,434	596,634	563,580	758,892	664,140	601,397	588,589	566,569	551,942

Emissions CO₂ Transport



Emissions CO₂ (average g CO₂ / tonne-km – including overseas) Target

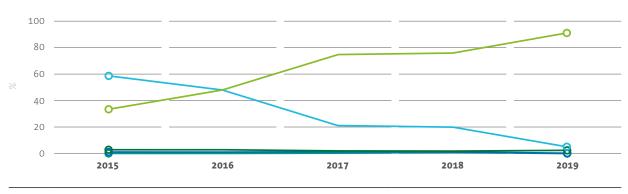
CO₂ Emissions Generated by the HOYER Group's Non-Transport Operations

As has been mentioned earlier in this document, the HOYER Group now, for the first time, reports the amount of CO_2 generated by its extensive worldwide non-transport operations. These activities include its cleaning station, depot and storage, workshop, drumming, bagging and blending operations. CO_2 is generated by the use of electricity, gas, heating oil and diesel.

- CO_2 generated in our offices, and by the business travel of employees, is not included in these figures
- Operations undertaken by HOYER personnel within our customers' sites (on-site logistics) who retain responsibility for providing and paying for the energy generated on their behalf are also not included in these figures

EMISSIONS CO ₂ NON-TRANSPORT	2019
Total amount of CO_2 generated by all activities worldwide (in tonnes)	17,579
Grammes of CO ₂ generated per man hour	12.4

NVIRONMENTAL PROTECTION KPIS TRANSPORT	2015	2016	2017	2018	2019
ype of Euro Trucks (%)					
Euro 3 type	0	0	0	1	0
uro 3 type	2	1	1	1	0
uro 4 type	3	3	2	1	2
uro 5 type	59	48	21	20	6
uro 6 type	36	48	76	77	92
uro 5 type				20	

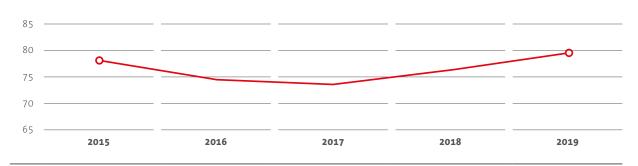


Type of Euro Trucks

🔳 < Euro 3 📕 Euro 3 📕 Euro 4 📕 Euro 5 📕 Euro 6

ENVIRONMENTAL PROTECTION KPIS TRANSPORT	2015	2016	2017	2018	2019
Intermodal transports (% of km covered in intermodal transports – including overseas)	77.9	74.8	74.2	76.2	79.52

Intermodal Transports

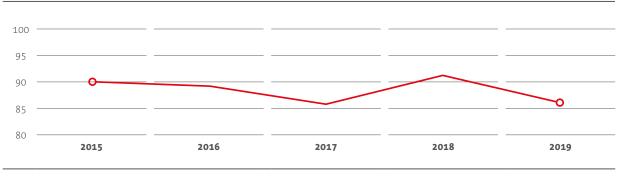


Intermodal transports (% of km covered in intermodal transports – including overseas)

Social Responsibility KPIs

SOCIAL RESPONSIBILITY KPIs	2015	2016	2017	2018	2019
Audits per year	47	29	53	104	101
SQAS Audit (% Y questions)	90	89	86	92	86

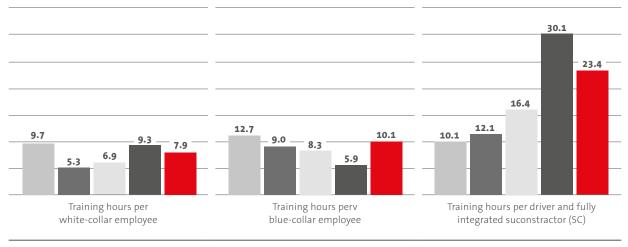
SQAS Audit



SQAS Audit (% Y questions)

SOCIAL RESPONSIBILITY KPIs	2015	2016	2017	2018	2019
Training hours per white-collar employee	9.7	5.3	6.9	9.3	7.9
Training hours per blue-collar employee	12.7	9.0	8.3	5.9	10.1
Training hours per driver and fully integrated subcontractor (SC)	10.1	12.1	16.4	30.1	23.4

Training Hours per Employee and SC



■ 2015 ■ 2016 ■ 2017 ■ 2018 **■** 2019

SOCIAL RESPONSIBILITY KPIs	2015	2016	2017	2018	2019
Age distribution of employees (%)					
<20	0.8	0.8	1.1	1.0	0.6
21-30	12.3	11.0	10.5	11.5	12.1
31-40	18.4	19.2	20.2	20.5	22.6
41-50	32.5	30.2	28.6	27.4	26.4
51-60	28.4	30.7	30.8	30.9	30.1
>61	7.5	8.1	8.7	8.7	8.2
Male / female ratio in management positions (%)	7	11	21	22	25
Code of Conduct violations (N)	2	7	9	12	9
Security breaches**	49	23	27	19	30

**Security breaches: only minor incidents, mainly theft

8. About HOYER Reporting and Data

When the HOYER Group issued its first Sustainability Policy in 2010, it 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_2 emissions are calculated based on the ETCA Responsible Care method (McKinnon study).

As has been mentioned earlier in this report, the measurement of CO_2 emissions will, from 2020 onwards, be calculated in accordance with the Global Logistics Emissions Council (GLEC) framework supported by the use of the EcoTransIT emissions calculation tool.



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