



# SUSTAINABILITY REPORT

2023

”

Back in 1928, my grandfather, Henri Essers, laid the foundations of what our company is today. The company owned just one truck at that time. Today, the third generation is at the helm and we are now one of the biggest players in the European value added logistics sector.

Yet, one thing is still the same: we are one big family. And as a family, we take care of each other, of our customers and of our environment.

**Hilde Essers**, Chair of the H.Essers Board of Directors





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# INTRODUCTION<sup>1</sup>

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Dear reader,

It is our pleasure to present you with our 2022 Sustainability Report. This report once again reflects our unwavering commitment and dedication to ensuring the maximum sustainability of our activities. In a dynamic and constantly changing world, we are more determined than ever to create a sustainable future as a logistics service provider, an employer and a pioneer in our sector.

We not only strive for economic growth, we also want to make a social and economic impact. Reaching the one billion euro turnover mark in 2022 was a historic milestone, but one that would mean much less in the absence of other important milestones. This includes establishing our own academy for talent development and game changers in the field of energy transition, such as HVO insetting and the expansion of our rail network.

Last year we faced unprecedented macroeconomic challenges as well. While still trying to overcome the effects of the pandemic, new developments made it harder for us to achieve our sustainability goals, from the war in Ukraine to the energy crisis, rising inflation and extreme weather. Nevertheless, our willingness to achieve these objectives never waned. We see the same drive in our strategic clients in the healthcare and chemical sectors, who increasingly value our sustainable services and proactive approach.

Our ambitions therefore remain the same: to develop sustainable solutions in co-creation with our clients. Collaboration is the key to effecting a positive change in our sector. With this report we hope to shed light on our achievements last year and inspire you to continue working towards a better future with us.

**Happy reading.**

**Christopher Van den Daele**, COO Transport



# ABOUT THIS SUSTAINABILITY REPORT <sup>2</sup>

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This sustainability report provides an objective, transparent insight into the actions and business data of H.Essers. It explains what we stand for, how we want to shape our future, what our ambitions and challenges are, and which progress we are making. The report is published annually and describes the business data and initiatives of H.Essers BV for the previous calendar year, aligned with our financial reporting. This edition for the reporting year 2022 was published in June 2023.

The content is based on the standards of the Global Reporting Initiative (GRI), the international reference for generally accepted guidelines for sustainability reporting. It enables organisations to communicate about economic, environmental and social performance in all transparency and uniformity. The GRI platform was originally established under the auspices of the United Nations Environment Program and remains to this day a reliable reference for policymakers and financial institutions.

Furthermore, as an external standard, a limited assurance validation of this report is performed on behalf of H.Essers by Vinçotte – an independent party and a reference in the field of certification and compliance evaluation. This validation takes place for each annual report.

You can also consult this report [on our website](#).

If you have any questions about the content of this report, we will be glad to help you at the following email address: [communication@essers.com](mailto:communication@essers.com).

# ABOUT H.ESSERS<sup>3</sup>

## H.ESSERS' DNA

H.Essers was founded in 1928 by Henri Essers and has since become one of the leading logistics services companies in Europe for sectors such as Chemicals, Healthcare, Infrastructure and Parts. Today, Hilde Essers is the third generation to lead the family business. Entrepreneurship is in the blood of the Essers family, just like their passion for logistics. The corporate philosophy is supported by a large and motivated team in numerous sites and countries in Western and Eastern Europe. The company's headquarters are located in Genk, a major international logistics hub.

Thanks to its agile management, H.Essers is able to respond quickly and proactively to the changing demands and needs of the customer and the shifts in the international market. In recent years, the company has experienced solid expansion thanks to its autonomous and organic growth and a number of strategic acquisitions. The proactive attitude and family character of H.Essers ensure that we maintain a close relationship with our customers. Our aim is to constantly enter into durable and strong partnerships.

## H.ESSERS CONSOLIDATED FINANCIAL FIGURES

turnover <b>1.095 million euro</b>	distributed economic value <b>1.083,4 million euro</b>
direct economic value <b>1.097,5 million euro</b>	maintained economic value <b>14,1 million euro</b>
Total capitalisation of debts and equity	
<b>23%</b>	
equity <b>182,4 million euro</b>	debts <b>297,7 million euro</b>



**7.619**  
employees



**88 sites and  
10 on-site operations  
in 18 countries**



more than  
**1.300.000 m²**  
warehouse space



**1.420  
Trucks  
4.060  
Trailers**



**660  
Safeboxes  
2.160  
Isotanks**



covered  
**3,3 bln. tkm**  
by road, rail  
and water



delivered  
**5,7 mln.  
tonnes**  
of goods



loaded and unloaded  
**13,4 mln.  
pallets**



had in total  
**15,3 MWp + 12,4  
MW**  
solar and wind capacity

## OUR CORPORATE VALUES <sup>4</sup>



### RELIABILITY

We are a reliable long-term partner, who communicates openly and acts honestly with respect for laws and regulations.



### CARING

We create a safe environment where everyone feels respected and gets the opportunity to develop.



### ENTREPRENEURSHIP

We invest in the growth of our company. Our employees help us think and are not afraid to innovate.



### POSITIVISM

We are a passionate, dedicated partner. We think in terms of solutions and work constructively together.



### SIMPLICITY

We stay true to ourselves in everything we do, we are always to-the-point and simplify matters whenever we can.



OUR SITES <sup>5</sup>

H.ESSERS HAS 88 SITES IN 18 COUNTRIES EN 10 ON-SITE OPERATIONS.  
THE HEADQUARTERS ARE LOCATED IN GENK (BELGIUM).



Argentina - Belgium - Bolivia - Bulgaria - Denmark - Germany - France - Italy - Lithuania - Luxembourg - Moldova - The Netherlands - Norway - Poland - Romania - Spain - Turkey - United Kingdom







H.ESSERS HEADQUARTERS



HEALTHCARE CROSSDOCK GENK



GHENT



RAILPORT GENK



HEALTHCARE VALLEY GENK



DRY PORT GENK



WINTERSLAG IT



WINTERSLAG



LOMMEL



# OUR VISION AND MISSION

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## VISION

H.Essers aims to be the global logistics reference in all aspects of serving our strategic market segments. This means that we are constantly working on the future of these segments and anticipating changes and new challenges. One of our goals is to build a fully synchromodal transport network. By being a leader in this field, we want to inspire other companies to take action towards a more sustainable world as well. In addition, we continuously invest in new technologies that will enable us to optimise the safety, punctuality and efficiency of our supply chain activities.

## MISSION

We are a partner in offering sustainable, best-in-class solutions in a complex and challenging supply chain environment. In doing so, we create mutual sustainable growth and enable our customers to think out of the box and move forward. Despite our enormous national and international growth in recent years, we always stay close to home when it comes to our operating methods and philosophy. Every action or decision is always based on our identity, which is formed by our five corporate values. Each of these values is a crucial building block in our DNA as a logistics service provider. Through the years we have experienced how important it is that we project what we stand for as a company. In this way, customers, partners and employees know what to expect, while we have a guide for the course we are taking without compromising our identity as an honest family business.



One of our aims is to further expand our synchromodal transport network. This involves the intelligent and dynamic combination of road, rail and water transport. In this way, we not only limit the impact on the environment, but also optimise the cost price and transit times for our customers. The ideal basis for a sustainable future.

Christopher Van den Daele, COO Transport

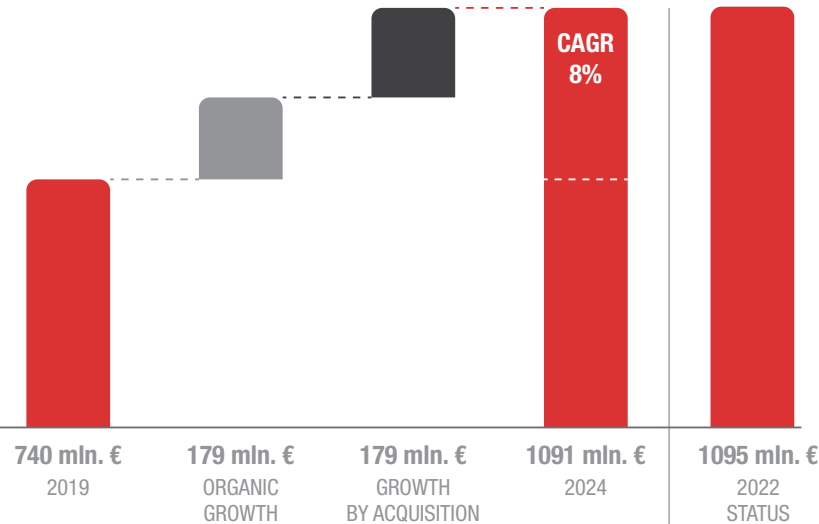




## THE SUSTAINABLE STRATEGY OF H.ESSERS

Our ambition is very simple: we want to be the primary logistic reference for our customers within our strategic segments, with customer intimacy as an operations model. Not only in economic terms, but also when it comes to sustainable solutions and solid long-term relationships with partners, customers and employees.

In a world that is changing rapidly, we keep our finger on the pulse by means of a five-year growth strategy, which is the guiding principle of our policy. The current strategy covers the 2020-2025 period. Our company grows by about 8% each year. We want to maintain and continue this trend with the same profitability, by means of organic growth and strategic acquisitions. In 2022 we are well ahead in reaching our strategic revenue target within the 2020-2025 strategy, and we aim to continue 8% yearly growth in the next years.



## SEGMENTS <sup>6</sup>

Excellence in service and solutions means focusing and making clear choices. In our growth strategy, we focus on four strategic customer segments: Chemicals, Healthcare, Infrastructure and Parts. In addition, we provide transport for our industrial customers. We are a reliable partner for both SMEs and multinationals.

This specialisation enables us to understand our customers even better.



CHEMICALS



HEALTHCARE



INFRA



PARTS

## CUSTOMER FOCUS

We want to be a valuable partner for our customers and truly connect with them. By creating a close long-term relationship with our customers, we can understand their products, company and supply chain through and through, thereby also understanding their needs.

This enables us to collaborate intensely and to actively think along with our customers. As a result we can continuously and in co-creation develop solutions to further optimise the supply chain. On a daily basis, we are a partner who handles their products with the greatest care, as well as all employees, the environment and society.

Customer intimacy comes natural to our company, because we understand that by supporting the growth of our customers in close co-creation and with excellent service and solutions, we also create our own growth opportunities. A win-win situation indeed.





CHEMICALS



HEALTHCARE



INFRA



PARTS





ONE-STOP-SHOP <sup>7</sup>

For customers in our strategic segments, we want to be the partner that excels in both advanced warehousing and synchromodal logistics. We translate complex logistics issues into clear, efficient and sustainable solutions that meet the strictest standards. Our company and human capital are constructed in a way that allows us to have all the solutions in-house to assist our customers throughout their entire supply chain.

We offer advanced logistics services with storage according to the strictest regulations, extensive picking and packing activities, value-added services such as filling lines and ISO tank terminals with heating installation.

We have a complete multimodal transport network throughout Europe and beyond, by water, rail or road, in function of our customers' needs. Our Forwarding & Customs services guarantee quick and reliable solutions worldwide.

All these complex operations require complete and integrated IT solutions. Our in-house developed Warehouse Management System (WMS) and Transport Management System (TMS) enable us to realise in-depth system and process integration with our customers. In short, we are a one-stop partner for every logistical need.

ASSET-BASED STRATEGY

H.Essers is an asset-based company. This means that we have our own fleet, warehouses and IT-systems. Aside from our transport fleet of trucks, trailers, safeboxes and ISO tanks, we have our own workshops where we carry out maintenance, and we invest in our own intermodal terminals. With our own engineering and solution design departments, we also invest in product and process knowledge. In this way we can offer our customers the most reliable services and tailor-made solutions, while also being able to respond quickly.



WAREHOUSING



Reception



Picking: pallet - box - unit



Packing



Shipping



VAS & LATE PRODUCT DIFFERENTIATION



(Re-)labeling



Thermobox packing



Kitting / Assembling



CLP labelling



GMP processing



Filling



ISO tank storage & heating



Testing & Sampling



Mixing



TRANSPORT



Express



Groupage / LTL



FTL



Exceptional



Multimodal



Secured



Temperature controlled



Liquid bulk



Dry bulk



FORWARDING & CUSTOMS



Global partner network presence



Door-to-Door service



Air & Sea



Customs declarance with simplified procedures



Different entrepot licenses

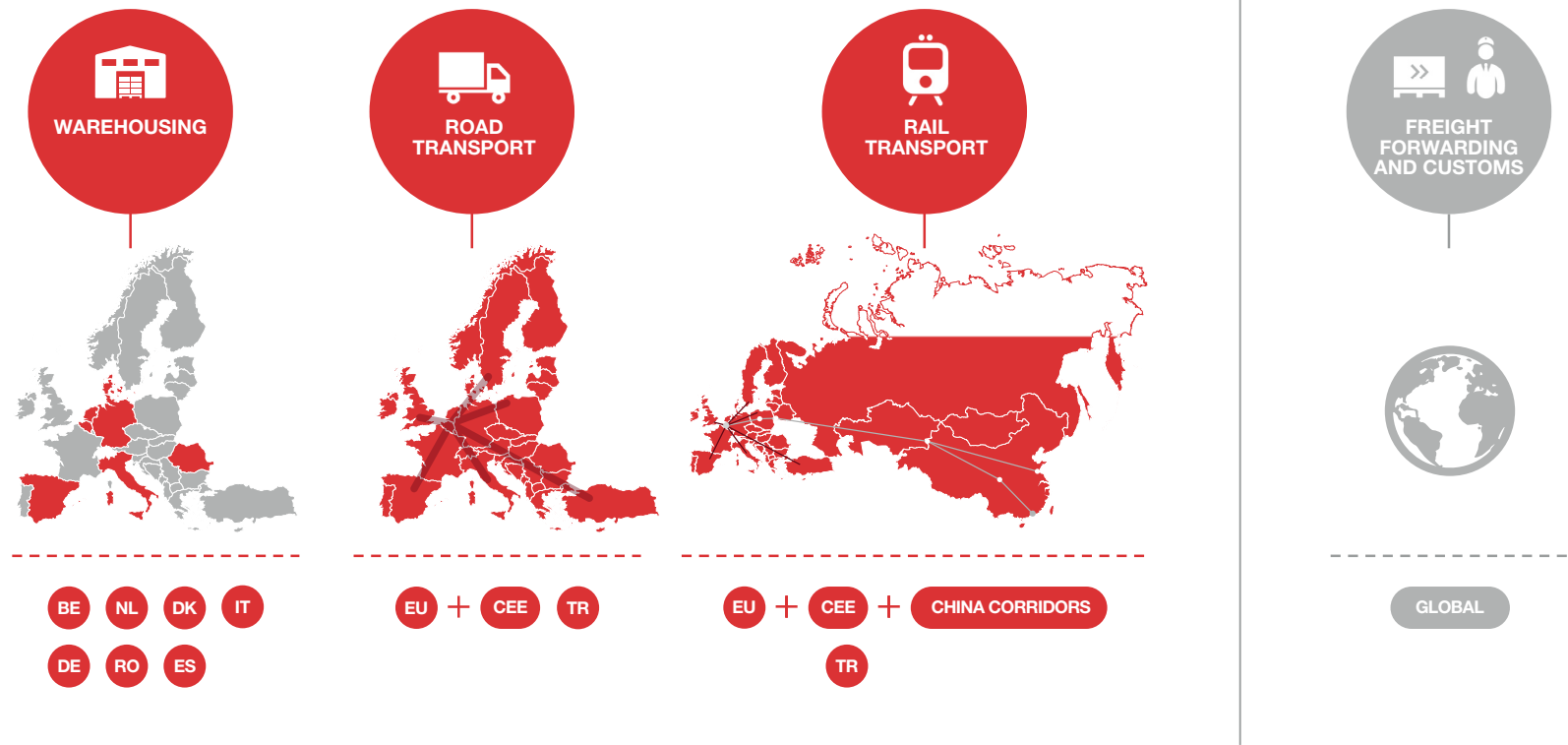


GEOGRAPHICAL SCOPE <sup>8</sup>

We maintain a broad view of the world, with a specific focus on Europe. Within the current strategy in the 2020-2025 period we are expanding our European presence and realising a complete synchromodal network. Close to the European clusters of our strategic segments, we will develop multi-client mega warehouses which act as hubs, enabling maximal consolidation and cross-docking opportunities. These trimodal sites will be closely linked to our widespread synchromodal transport network. We will strengthen that network by further developing multi-modal corridors across Europe, through the realisation of our own intermodal terminals and new intermodal connections.

The rail corridors offered in our international train solutions from Europe to China are stable and sustainable alternatives at present. We will expand our network in Asia to Taiwan, Japan and India, and we will strengthen our intermodal services for secured and cold-chain transports for Healthcare, high-value and dangerous goods.

Our Forwarding & Customs services guarantee quick and reliable solutions worldwide.





## SUSTAINABLE ENTREPRENEURSHIP

Aiming for sustainability from an economic, social and ecological point of view: the corporate values within our family business are the foundations to make this possible.

The United Nations has drawn up 17 Sustainable Development Goals (SDGs) in view of a sustainable future.

**We selected 5 SDGs that are perfectly in line with our corporate values.**

The United Nations' 17 SDGs

## FIVE POLICY OBJECTIVES AS A BENCHMARK <sup>9</sup>

How can we create sustainable added value together with our stakeholders? This question is what our course of action is based on. It can be summarised in five main policy objectives, each of which is supported by one of our corporate values and a sustainable development goal. Together they form our benchmark on the way to a sustainable future.



CARING



### POLICY OBJECTIVE 1

Ensuring the mental and physical well-being of current and future employees

Taking care of our employees, our customers, and our society: this is one of the cornerstones of our policy. The logistics sector is exposed to many health and safety risks. We are absolutely aware of this. In fact, we are constantly developing initiatives to support and guarantee the mental and physical well-being of our employees and stakeholders. A safe working environment and a healthy lifestyle contribute to healthy and sustainable growth.



POSITIVISM



### POLICY OBJECTIVE 2

Stimulating lifelong learning and sharing knowledge to promote development and research

We believe in people's self-reliance and growth potential. By working together constructively, we ensure that they understand and are able to apply technical and technological evolutions. We think in terms of solutions and see lifelong learning and further training as a solution for the scarcity on the labour market. We train people to develop themselves and thus offer them new opportunities. Our investments in partnerships contribute to knowledge sharing, research and product development in our society.



ENTREPRENEURSHIP



### POLICY OBJECTIVE 3

Encouraging sustainable economic growth and creating meaningful employment for all

We pursue a sustained growth strategy that responds to the needs of our customers in our strategic segments. We do this by anticipating and investing in specialised and high-quality solutions, systems and technologies. Entrepreneurship is in our and our employees' DNA. As a family business, we have been providing fair employment, both directly and indirectly, at home and abroad since 1928. Through our activities, we also create jobs at other companies, in both the regular and the social economy.



SIMPLICITY



### POLICY OBJECTIVE 4

Innovation as a driving force to simplify our services and relieve our customers as much as possible

As a logistics service provider, we have sustainable sites and an efficient transport network in Europe for the benefit of our customers and society. Whenever possible, we simplify our operations by optimising our processes with new concepts, technologies and partnerships. We believe in innovation with concrete applications to continuously improve our services without making them unnecessarily complex. In addition, we invest in renewable energy and in increasing our efficiency. In this way, we take matters off our customers' hands, allowing them to fully concentrate on their core tasks.



RELIABILITY



### POLICY OBJECTIVE 5

Take rapid action to combat climate change and its consequences

We are committed to a sustainable society. We respect the law and act and communicate openly and honestly about our impact on the environment. In addition, we are constantly looking for alternative fuels and sustainable solutions to reduce our ecological footprint. When making new investments, we always investigate what the most eco-friendly solutions are. Society can count on us as a stable long-term partner.



# POLICY OBJECTIVES

1

Ensuring the mental and physical well-being of current and future employees

3 GOOD HEALTH AND WELLBEING



3

Encouraging sustainable economic growth and creating meaningful employment for all

8 DECENT WORK AND ECONOMIC GROWTH



5

Taking rapid action to combat climate change and its consequences

13 CLIMATE ACTION



2

Stimulating lifelong learning and sharing knowledge to promote development and research

4 QUALITY EDUCATION



4

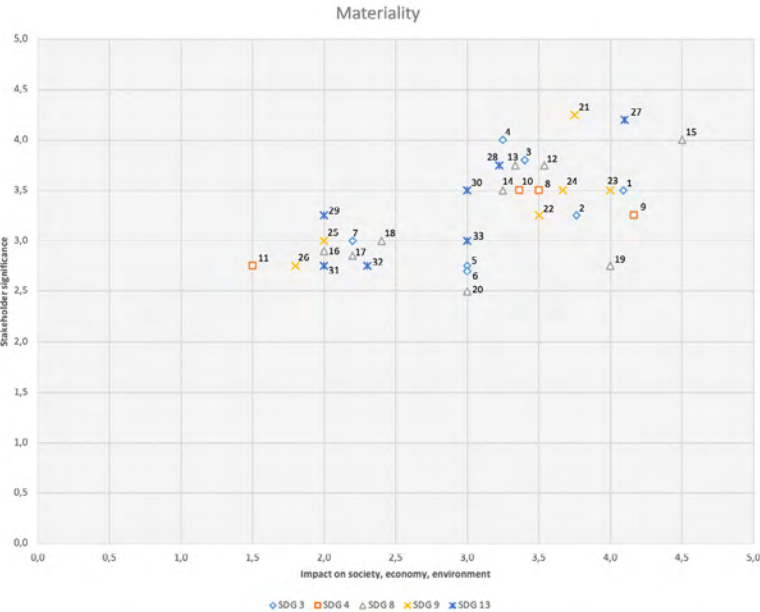
Innovation as a driving force to simplify our services and support our customers as much as possible

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



MATERIAL TOPICS: FROM ANALYSIS TO SELECTION <sup>10</sup>

Our five policy objectives were translated into 33 material topics. These are concrete ambitions that we wish to achieve in the short or long term in our sustainable strategy. In order to determine which topics we want to prioritise in the coming years, an accurate materiality analysis was carried out. In the analysis we determine, on the one hand, the importance attached by our stakeholders to the proposed topics (X-axis) and, on the other hand, the impact of these topics on the economic, social and ecological level (Y-axis). Based on the score (see figure) we selected 19 relevant material topics that we want to implement in our 2020-2025 strategy in the short and long term. We prioritised according to the importance attached to the proposed topics by stakeholders. In 2022 the material topics and priorities have remained unchanged.



NR.	SDG	MATERIAL TOPICS	IMPACT	SIGNIFICANCE
1	3	Promoting employee motivation and engagement	4.1	3.5
2	3	Providing a great place to work	3.8	3.3
3	3	Ensuring a healthy and ergonomic workplace	3.4	3.8
4	3	Working on safety as a top priority	3.3	4.0
5	3	Creating equal opportunities	3.0	2.8
6	3	Facilitating a good work-life balance	3.0	2.7
7	3	Supporting society	2.2	3.0
8	4	Managing our knowledge	3.5	3.5
9	4	Sharing knowledge with schools	4.2	3.3
10	4	Training staff and stimulating their development	3.4	3.5
11	4	Contributing to self-reliance in society	1.5	2.8
12	8	Maintaining integrity	3.5	3.8
13	8	Assuring quality	3.3	3.8
14	8	Collaborating with suppliers	3.3	3.5
15	8	Anchoring and creating jobs locally	4.5	4.0
16	8	Contributing to safety in society	2.0	2.9
17	8	Guaranteeing transparent communication	2.2	2.85
18	8	Monitoring and improving labour conditions	2.4	3
19	8	Supporting the social economy	4.0	2.75
20	8	Investing in asset based solutions	3.0	2.5
21	9	Thinking and working with customer focus	3.8	4.3
22	9	Innovating and developing sustainable solutions	3.5	3.3
23	9	Increasing our operational efficiency	4.0	3.5
24	9	Managing all our sites sustainably	3.7	3.5
25	9	Strengthening the collaboration with partners	2.0	3.0
26	9	Leading by example	1.8	2.8
27	13	Reducing our CO <sub>2</sub> emissions	4.1	4.2
28	13	Increasing our energy efficiency	3.2	3.8
29	13	Reducing other emissions	2.0	3.3
30	13	Reducing and recycling waste	3.0	3.5
31	13	Handling water sustainably	2.0	2.8
32	13	Compensating for ecological impact	2.3	2.8
33	13	Minimising local emissions	3.0	3.0



# MATERIAL TOPICS: OUR 19 AMBITIONS

3 GOOD HEALTH AND WELLBEING	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	13 CLIMATE ACTION
#1 Ensuring a healthy and ergonomic workplace	#5 Training staff and stimulating their development	#8 Maintaining integrity	#12 Increasing our operational efficiency	#16 Increasing our energy efficiency
#2 Working on safety as a top priority	#6 Managing our knowledge	#9 Anchoring and creating jobs locally	#13 Thinking and working with customer focus	#17 Reducing our CO <sub>2</sub> emissions
#3 Providing a great place to work	#7 Sharing knowledge with schools	#10 Ensuring quality	#14 Innovating and developing sustainable solutions	#18 Reducing and recycling waste
#4 Promoting employee motivation and engagement		#11 Collaborating with suppliers	#15 Managing all our sites sustainably	#19 Reducing other emissions

# ORGANISATIONAL STRUCTURE <sup>11</sup>

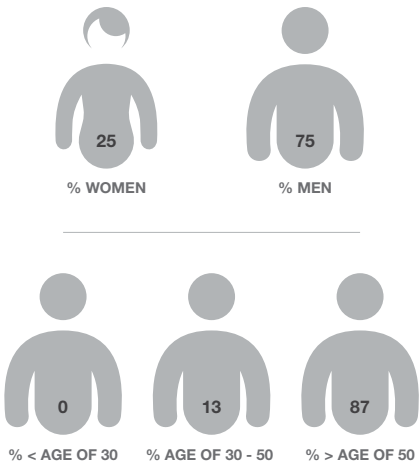
## 100% FAMILY BUSINESS

The company is fully owned by the Essers family. Financing consists of equity and financed capital.

As a family business, we strongly believe in sustainable governance and a good corporate governance model consisting of the Board of Directors, the Management Board, the remuneration committee, the audit committee and the evaluation committee.

## BOARD OF DIRECTORS <sup>12</sup>

The Board of Directors takes a central position in our corporate governance model, and ensures a good balance between the governance of the company and the governance of the family. With Hilde Essers as chair and Noël Essers as honorary chairman of the Board of Directors, the family character of the company is substantiated and guaranteed. In addition, we consciously choose independent, external directors who are non-executive members. All members contribute an extensive professional experience with the market and the sector, ensuring that the strategic choices within the long-term vision of the company are always widely supported and substantiated.



Members of our Board of Directors as of the start of 2022, from left to right: Lode Essers, Leen Geirnaerd, Filip De Keersmaecker, Hilde Essers, Gert Bervoets, Noël Essers, Johnny Thijs en Stijn Bijns.



## The role of the Board of Directors <sup>13</sup>

The Board of Directors is the highest management body within our organisation. It exercises control over the day-to-day activities of the authorised bodies of the group entities and defends the interests of our shareholders. Each board member is responsible for their own expertise and brings know-how into our organisation. The Board is also involved in important strategic and operational decisions of our company, while remaining in compliance with the conflict of interest procedures described in articles 7:96 and 7:97 of the Belgian Companies and Associations Code.

Hilde Essers adopts the role of chairman of the Board of Directors on behalf of the controlling shareholder. She sees to it that all members act on the basis of a long-term vision for the company.

- **Assuming responsibility**

Final responsibility for all actions and decisions is taken by the Board of Directors.

- **Steering the organisation**

The Board of Directors determines the purpose and vision of our organisation, sets our ambitions and objectives, approves the strategy and is responsible for the appointment of the Management Board.

- **Determining norms and standards**

The Board of Directors consolidates the policy and objectives of our company with regard to economic, environmental and social topics. They define our company's corporate values and code of ethics.

- **Supervision and control**

The Board of Directors monitors the company's economic, environmental and social results and makes an assessment of any risks we may face. They decide on investments and the resources we use to achieve our objectives. They also supervise that all our activities are carried out in full compliance with the legislation. In this role, the Board of Directors is supported by the Audit Committee and the Director Internal Audit who reports directly to the Board of Directors. The Board of Directors also monitors the relevance and progress of our sustainability ambitions. To this end, it is supported by the Sustainability Committee which reports annually to the Board of Directors.



The Board of Directors is not only responsible for the economic prosperity of a company, but also gives direction to its future. Innovation and sustainable progress are two important guidelines. The comprehensive and diverse experience of the various members always proves to be of great importance. It leads to new initiatives and targeted investments which put our company on the logistics map in Europe and far beyond. Also in terms of sustainability.

**Johnny Thijs**, Chairman of the Board of Directors at Electabel, Recticel, Golazo and Hospital Logistics. Member of the Board of Directors at H.Essers.



## ACTIVITIES AND RESPONSIBILITIES <sup>14</sup>

BOARD MEMBER	COMMITTEES AND POSITIONS AT H.ESSERS			OTHER POSITIONS AND COMMITMENTS
	MANDATE	EXECUTIVE / NON-EXECUTIVE	ECONOMIC / ENVIRONMENTAL / SOCIAL COMPETENCES	
HILDE ESSERS	Chair of BoD	Non-executive	Economic, Environmental, Social	Member of Executive Committee VKW Limburg
	Member of Audit Committee	Non-executive		Member of BoD VKW Limburg
	Chair of Remuneration Committee	Non-executive		Director at LRM
	Member of Evaluation Committee	Non-executive		Member of Audit Committee LRM
				Director Polymer Team
				Member of BoD KU Leuven
NOËL ESSERS	Honorary Chairperson	Non-executive	Economic, Environmental, Social	Director Polymer Team
	Member of Evaluation Committee	Non-executive		
GERT BEROETS	Member of BoD	Executive	Economic, Environmental, Social	Member of Executive Committee Voka Limburg and Voka Nationaal
	CEO	Executive		Member of BoD Voka Limburg and Voka Nationaal
	Member Executive Board	Executive		Member of BoD Hospital Logistics
	Member of Audit Committee	Executive		Member of BoD Greenyard NV
	Member of Remuneration Committee	Executive		Director Extrapower Holding BV
				Director Nadaco BV
JOHNNY THIJS	Member of BoD	Non-executive	Economic, Environmental, Social	Chairman of BoD Electrabel
				Chairman of BoD Recticel
	Member of Remuneration Committee	Non-executive		Chairman of BoD Golazo
				Chairman of BoD Hospital Logistics
				Director Tajo Genk
STIJN BIJNENS	Member of BoD	Non-executive	Economic, Environmental, Social	CEO Cegeka Group
	Member of Remuneration Committee	Non-executive		Member of BoD Punch Powertrain
				Member of BoD Voka Nationaal
LEEN GEIRNAERDT	Member of BoD	Non-executive	Economic, Environmental, Social	CFO House of HR
	Chairperson of Audit Committee	Non-executive		Director DEME
				Member of Audit Committee DEME
LODE ESSERS	Member of BoD	Non-executive	Economic, Environmental, Social	Member of Strategic Committee VBO
				Member of Executive Committee VKW Limburg
				Member of BoD VKW Limburg
				Member of BoD Industriegroep Pelt
FILIP DE KEERSMAECKER	Member of BoD	Non-executive	Economic, Environmental, Social	-



## EVALUATION COMMITTEE <sup>15</sup>

In order to evaluate the functioning of our Board of Directors, an internal Evaluation Commission was set up, consisting of Hilde Essers (Chair of the Board of Directors), Noël Essers (Honorary Chairman of the Board of Directors) and Gert Bervoets (CEO). Each year the committee examines the functioning and contribution of the members of the Board of Directors, who are appointed for a term of one year. After the evaluation, the Evaluation Committee decides which mandates are to be renewed and which are not. The evaluation is carried out at three levels:

- **Evaluation of the members:**

Composition of the Board with the right profiles, time allocation and remuneration of the members.

- **Evaluation of the internal operations:**

Expertise and contribution with regard to economic, environmental and social aspects, trust and cooperation, division of tasks and competences, frequency of meetings.

- **Evaluation of external operations:**

Relations with other parties involved (management, shareholders, employees, etc.), reporting and accountability.

### Selection policy and remuneration

Our organisation has a policy for the composition of our governing body. Based on our needs and those of our clients, we draw up a profile of the ideal candidate director. Together with external experts, we look for the right match. Our main focus is on the expertise, experience and added value that the candidates can offer us in the economic, environmental and social fields. In the composition of our Board of Directors, we always strive to take into account the desired number of directors, a balanced spread of age and gender, the cumulation of activities, the duration and rotation of the mandate and the regulation of conflicts of interest.

The policy lays down the procedures for nominating, renewing and possibly dismissing external directors. The remuneration of the members of the Board of Directors is determined by the Evaluation Commission on the basis of competencies, expertise and market conformity.

## AUDIT COMMITTEE

The audit committee consists of four members: the Chairperson of the audit committee who is a member of the Board of Directors, the Chairperson of the Board of Directors, the CEO and the CFO. The committee supports the Board of Directors in fulfilling its supervisory task in view of a supervision in the broadest sense, from financial reporting, to the concrete application of the ethical and integrity policy and up to monitoring the human capital of the organisation. Additionally, the Director Internal Audit reports directly to the chairperson of the audit committee.

## REMUNERATION COMMITTEE AND POLICY <sup>16</sup>

Our organisation has set up a Remuneration Committee (internally trained) which meets twice a year with the aim of determining an overall remuneration policy and payroll strategy for all the countries where we operate. The committee consists of the CHRO, the CEO, the Chairman of the Board of Directors and two members who report to the Board of Directors.

The Remuneration Committee decides on the salary package of the Management Board and is assisted by external experts for market compliance. They also monitor the corporate objectives and set the annual objectives for the Management Board. The members are all self-employed.

The salary of all our employees is managed by a payroll organisation set up with external experts in accordance with the market and on the basis of the sector's pay scales. The salary package we offer is quite extensive and consists of several elements: fixed salary, variable salary, bonuses, reimbursement of expenses, meal vouchers, group insurance, healthcare insurance, company car, structural and occasional working from home, etc.

Salaries are awarded on the basis of position and scaled job category, as defined by the internal evaluation committee, which is specifically trained and certified to evaluate jobs. In our payroll policy we make no distinction between genders or other discriminating factors. Our employee benefits apply to both full-time and part-time employees in all countries. They are calculated pro rata to the number of days worked with the exception of healthcare insurance, which is the same for everyone. We also apply a notice period for all our employees in accordance with legislation.

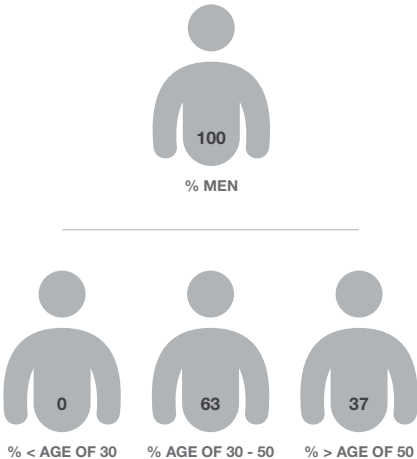




MANAGEMENT BOARD <sup>17</sup>

The day-to-day management is entrusted to CEO Gert Bervoets and a multidisciplinary team of Directors. The role of this Management Board is defined in our organisation's articles of association, and a delegation of authority matrix which clarifies which responsibilities and mandates are transferred from the Supervisory Board to the Management Board, and which require the approval of the shareholder's competent body. In order to guarantee proper and efficient management, we have additionally drawn up an internal code within the Management Board to formalise the processes regarding decision-making and conflicts of interest, expectations with regard to integer, ethical and responsible behavior, as well as the power of representation to third parties.

The members of our management board are responsible for economic, ecological and social topics as part of the day-to-day management, and thus also for determining and realising our sustainability ambitions. For each ambition, one of our directors is responsible, and the status and next steps are discussed individually and on a quarterly basis with our Senior Expert Sustainability. The overall status and progress of our ambitions is reported on a regular basis during a meeting of the Management Board, which also provides a final review and approval for publication of our annual sustainability report.



**Management Board as of April 2022, from left to right:**  
Lieven Leenders (CFO), Pascal Vranken (CCO), Christopher Van den Daele (COO Transport), Salvatore Napolitano (CPO), Gert Bervoets (CEO), Hilde Essers (Chair of the Board of Directors), Erik Lamoral (CIO), Carlo Theunissen (COO Warehousing) and Mike Dautzenberg (CHRO).



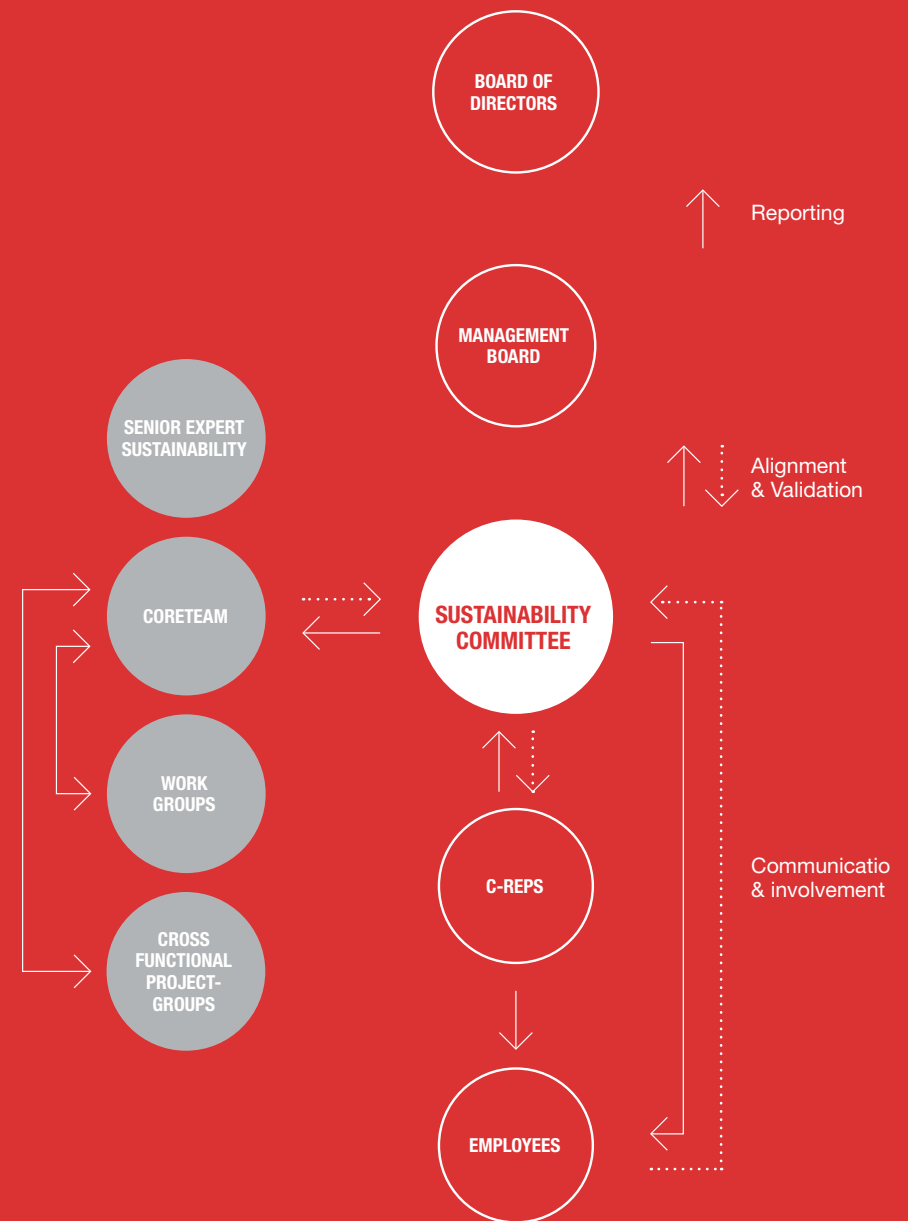
## SUSTAINABILITY COMMITTEE - SUSTAINABILITY GOVERNANCE <sup>18</sup>

In order to increase the support for and commitment to sustainability in our company, we made it an integral part of our organisational structure. H.Essers is fully committed to a sustainable strategy, and our entire organisation carries the responsibility for achieving it. As previously described, our Management Board plays an essential role in this, and is assisted in steering the organisation in the right direction by our Senior Expert Sustainability and Sustainability Committee. Our CEO Gert Bervoets is the sponsor and driving force of this sustainability committee, not in the least because of his personal commitment and conviction.

Throughout the entire organisation we analyse potential risks and opportunities and enter into dialogue with our stakeholders. Based on the information obtained, the Sustainability Committee guides the responsible executives in the definition of the company's sustainability ambitions and action plans. The Sustainability Committee monitors our progress and the level of ambition, and provides guidance to the Senior Expert Sustainability and the Core Team Sustainability to create the necessary support and commitment throughout our company and to translate our ambitions into practice. It also reports the status and progress regularly during a meeting of the Management Board, and annually to the Board of Directors, which bears final responsibility in its role.

The Senior Expert Sustainability supports our organisation on a daily basis. He monitors the overview and progress of each of our ambitions and action plans. He reports to the Sustainability Committee on a quarterly basis, after individual discussion with each responsible member of the Management Board. Within the various actions and projects we carry out, on the one hand he assumes a steering role together with the Core Team Sustainability, and on the other hand he assumes a supporting role as an expert on sustainability developments, standards and methodology. He also ensures there is both internal and external communication about our ambitions and achievements.

Our C-REPS are the 200+ senior managers in our organisation who are a crucial link with all our employees, customers, suppliers and other stakeholders. Not by chance, the name is an abbreviation that stands for company representatives in full, and was formed with the first letters of our company values. Our C-REPS are not only crucial in creating involvement and support throughout the organisation, but also in achieving our ambitions and action plans as these are translated into practice throughout the organisation through cross-functional working groups and projects.



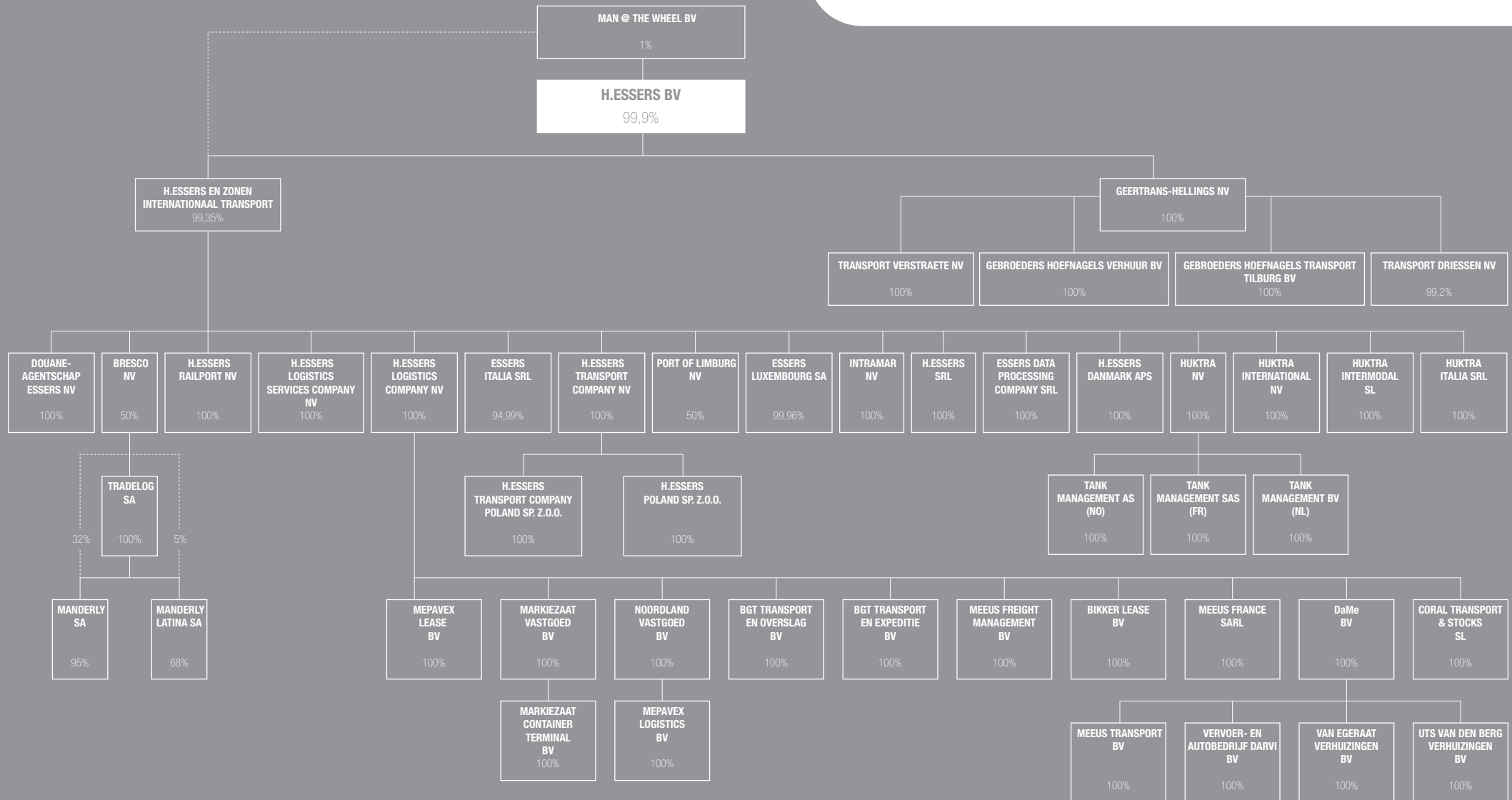
It's not about a sustainability strategy, but rather about a sustainable strategy.

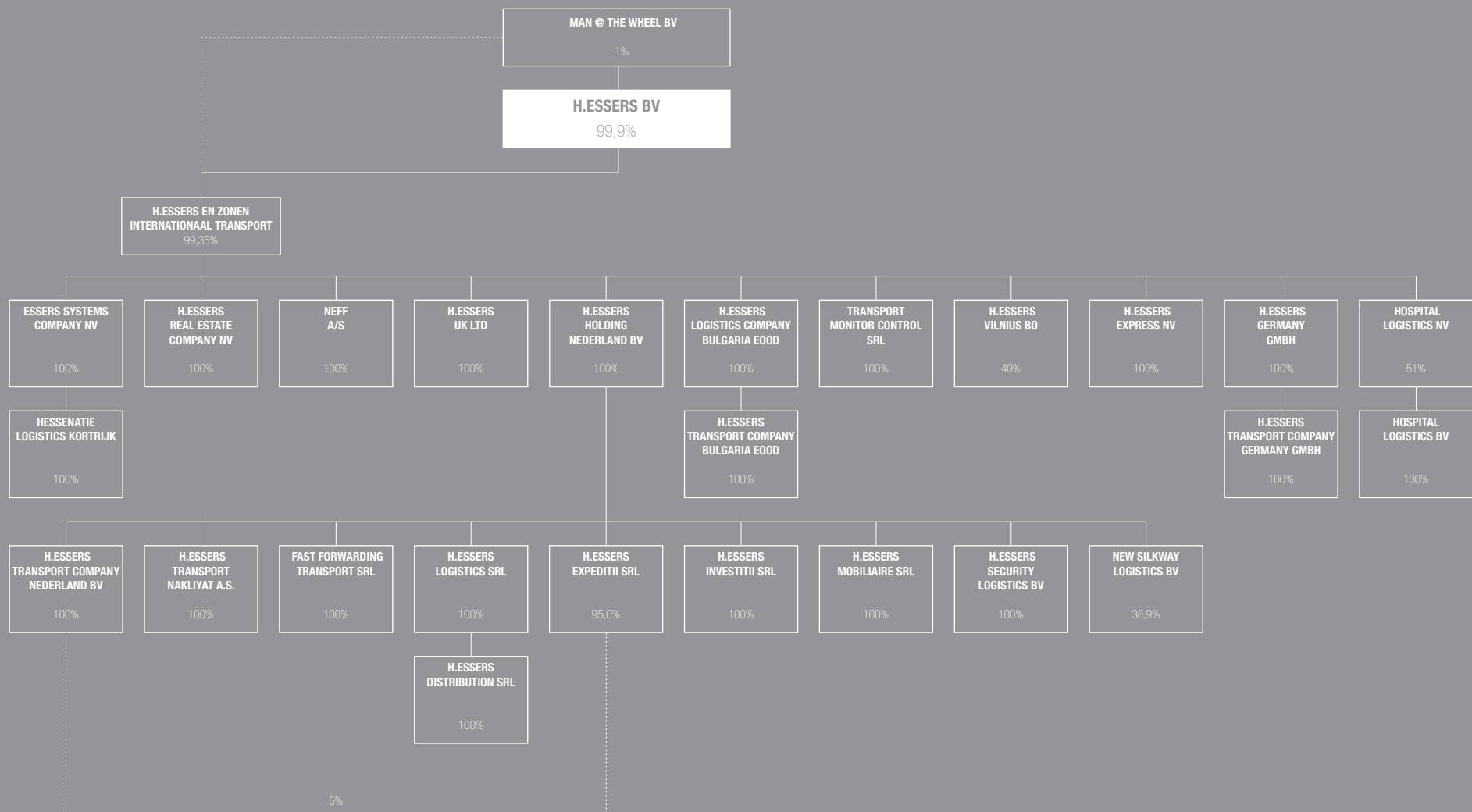
Gert Bervoets, CEO H.Essers



## NATURE OF OWNERSHIP AND LEGAL FORM <sup>19</sup>

An overview of the legal entities and joint venture participations of H.Essers.





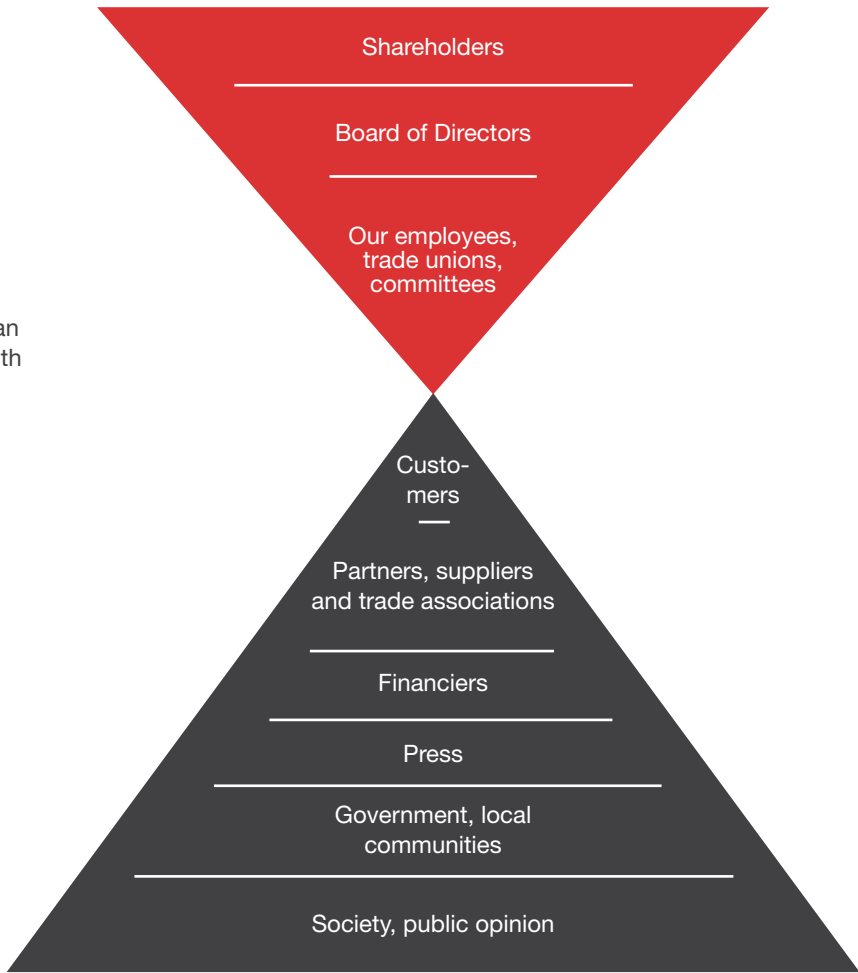
# KEY PARTNERS IN OUR SUSTAINABLE STRATEGY

## STAKEHOLDER INCLUSIVENESS <sup>20</sup>

H.Essers’ policy and future perspective are based both on our own input and on the needs and expectations of all our stakeholders. They are an active and integral part of the company, and their identity, engagement and vision of our services determine the curve of change along which our business operations continue to grow. We call this stakeholder inclusiveness.

We have both external and internal stakeholders. Our external stakeholders are individuals, groups and organisations that are not involved in our operations on a daily basis. The internal stakeholders are our own employees, board members, etc.

The overview below provides insight into the stakeholders that are involved and have an impact on H.Essers’ sustainability policy: their interests, how we enter into dialogue with them, and which topics are covered.



An overview of our stakeholders.



## SHAREHOLDERS

### INVOLVEMENT & INTEREST

- Optimal use of resources made available
- Reporting about the company's performance
- Vision and long-term strategy

### TOPICS

- Investments
- Acquisitions
- Strategy
- Financial reporting

### CHANNEL AND FREQUENCY OF DIALOGUE

Annual council meeting with all shareholders



## BOARD OF DIRECTORS

### INVOLVEMENT & INTEREST

- Defining and propagating a sustainable strategy
- Reporting and consultation about the company's performance

### TOPICS

- Company performance
- Investments
- Strategic acquisitions
- Sustainability policy
- Budgets

### CHANNEL AND FREQUENCY OF DIALOGUE

Five meetings a year



## EMPLOYEES

### PERMANENT AND TEMPORARY EMPLOYEES

### INVOLVEMENT & INTEREST

- A safe, healthy and pleasant workplace
- Involvement and engagement
- An attractive employer
- Investing in training and development

### TOPICS

- Implementing and propagating the corporate values
- Actions and reporting on safety, health and well-being in the workplace
- Development of talent and career perspectives
- Raising awareness and applying a sustainability policy
- Transparent and up-to-date internal communication
- Sharing and expanding knowledge
- Adopting an expert role to strengthen strategic segments

### CHANNEL AND FREQUENCY OF DIALOGUE

- Biennial satisfaction survey: survey, action plan and reporting
- Bilateral consultation, team meetings, toolbox meetings, internal knowledge sharing platforms
- Monthly meeting with all managers
- Monthly steerco with global industry leads
- Tutorship and mentorship for new drivers and operators
- Internal communication channels







## ATTRACTING NEW EMPLOYEES

### INVOLVEMENT & INTEREST

- Provision of fair (local) employment
- A strong employer brand

### TOPICS

- Employer value proposition: the employee comes first – working for a large family and a reliable employer – with good entrepreneurship there are plenty of opportunities to grow
- Vacancies for permanent and temporary employees

### CHANNEL AND FREQUENCY OF DIALOGUE

- Propagating the employer brand in everything we do
- Publication of campaigns and vacancies through external communication channels



## STRATEGIC CUSTOMERS

### INVOLVEMENT & INTEREST

- Investing in knowledge, research and technological development
- An efficient and sustainable service
- Quality assurance in H.Essers processes
- Making the customer's supply chain more sustainable

### TOPICS

- Safety and quality, corporate and customer-specific
- Strategic, tactical and operational challenges and solutions
- Operational updates: KPIs, initiation and reporting of improvements, progress of actions and projects

- Innovation and technological development
- Sustainability
- Degree of satisfaction with the collaboration, services provided and the image of H.Essers

### CHANNEL AND FREQUENCY OF DIALOGUE

- Strategic, Quarterly and/or Monthly Business Review meetings, depending on the customer
- Customer satisfaction survey
- Platforms and knowledge sharing channels
- Formal and informal meetings



## PARTNERS FOR SUSTAINABILITY ASSESSMENT

### SAFETY & QUALITY ASSESSMENT FOR SUSTAINABILITY

#### INVOLVEMENT & INTEREST

- Carrying out a safety and quality assessment for sustainability
- Making assessment reports available to companies in the chemical sector so that they can evaluate their logistics service provider according to their requirements and standards

#### TOPICS

- Reporting on quality, safety, security, the environment and corporate social responsibility
- Optimisations in the current report: more focus on better integration of and reporting on sustainability, both within the company and in the communication with stakeholders

#### CHANNEL AND FREQUENCY OF DIALOGUE

- Every three years an assessment report on the basis of a questionnaire to be completed
- Publication of the report for companies in the chemical sector



## ECOVADIS (REFERENCE IN BUSINESS SUSTAINABILITY RATING)

### INVOLVEMENT & INTEREST

- Carrying out a sustainability assessment
- Granting a sustainability rate with regard to environmental, social and ethical performance

### TOPICS

- Reporting a sustainability score
- Optimisations to increase the score

### CHANNEL AND FREQUENCY OF DIALOGUE

- Yearly scorecard based on a questionnaire
- The report is available at the request of our customers

## CDP

### INVOLVEMENT & INTEREST

- Carrying out a sustainability assessment
- Granting a sustainability rating with regard to climate change

### TOPICS

- Reporting a sustainability score
- Transparently reporting a detailed questionnaire

### CHANNEL AND FREQUENCY OF DIALOGUE

- Yearly scorecard about our actions and impact with regard to climate change, based on a questionnaire
- The score and the report are available at the request of our customers



## SUPPLIERS

### INVOLVEMENT & INTEREST

- Providing services and goods with sustainable cooperation
- Assess, discuss and improve delivered products and processes
- Economical and efficient use of scarce resources and energy sources

### TOPICS

- Quality
- Fair price
- Innovation
- Sustainability
- Service

### CHANNEL AND FREQUENCY OF DIALOGUE

- Tendering process for the selection of a supplier, depending on the nature of the service provided
- Supplier assessment on an annual or quarterly basis depending on the size of the supplier and the importance of the services



## MEMBERSHIPS OF TRADE ASSOCIATIONS

### INVOLVEMENT & INTEREST

Exchange of knowledge and expertise to invest in the development of the economy and logistics sector

### TOPICS

Challenges and sustainable solutions throughout the logistics chain

### CHANNEL AND FREQUENCY OF DIALOGUE

- Frequent performance as a guest speaker
- Consultation moments with trade associations
- Memberships of Boards of Directors and committees





## FINANCIERS & FINANCIAL INSTITUTIONS

### INVOLVEMENT & INTEREST

- Financial health
- Profitable growth
- Sustainability policy

### TOPICS

- Quarterly: financial figures, short-term future, investments, financial institutions' vision of the economy
- Annual: H.Essers' strategy, long-term future and sustainability policy

### CHANNEL AND FREQUENCY OF DIALOGUE

- Quarterly bilateral meetings
- Annual strategic meetings



## PRESS

### INVOLVEMENT & INTEREST

- Correct and transparent information
- A good reputation

### TOPICS

- Investments and strategic acquisitions
- Innovation and new developments
- Corporate affairs
- H.Essers services

## CHANNEL AND FREQUENCY OF DIALOGUE

- Follow-up of publications in the media through specific tools
- Giving interviews and organising press conferences
- Publication of press releases
- Platforms and knowledge sharing channels



## GOVERNMENT AND LOCAL COMMUNITIES

### NATIONAL AND LOCAL AUTHORITIES

#### INVOLVEMENT & INTEREST

- Being compliant with standards and regulations
- Providing licences and certificates

#### TOPICS

- Food safety
- Security of goods
- Transport and storage of hazardous goods
- Transport and storage of medicines (GDP and GPM standards)
- Environment
- Environmental permits for new construction, regularisation and refurbishment of existing H.Essers buildings or renovation of other existing sites
- Several cooperations, e.g. preventive fire drills with fire department
- During inspection visits

### CHANNEL AND FREQUENCY OF DIALOGUE

- With each licence application
- For the organisation of public information events
- In the event of amended legislation
- In the event of significant changes made by H.Essers
- When an incident occurs



## EDUCATIONAL INSTITUTIONS

### INVOLVEMENT & INTEREST

Sharing knowledge and offering opportunities to the workforce of the future

### TOPICS

- Development of logistics studies
- Research for technological development
- Inspiring and training students and pupils on logistics topics
- Providing a platform for trainees in our company
- Providing cooperation on final papers and theses

### CHANNEL AND FREQUENCY OF DIALOGUE

- Frequent consultation moments with universities and schools
- Giving guest lectures



## SOCIETY AND PUBLIC OPINION

## SOCIETY

### INVOLVEMENT & INTEREST

- Realising added value for the economy and society
- Ensuring fair employment
- Creating a safe, sustainable and harmonious environment
- Reducing our ecological footprint

### TOPICS

- Offering and expanding our necessary services to society, always in compliance with legislation and with a focus on sustainability.
- Commitment to sustainable entrepreneurship: efficient use of energy, CO<sub>2</sub> and waste reduction, alternative energy sources, etc.
- Offering and creating (local) jobs

## CHANNEL AND FREQUENCY OF DIALOGUE

- Setting up public information events for local residents
- Transparent and correct communication in the press
- Sharing information via external communication channels

We attach great importance to the interaction with our stakeholders. In the future, we will focus even more strongly on this. In this way we will achieve valuable dynamics that will help steer our sustainable course, not only in the short term, but also in the long term.



## SUPPLY CHAIN <sup>21</sup>

H.Essers is an asset-based company. This means that we have our own fleet, warehouses, terminals and IT-systems.

### Broad supply

Within the selection of activities to be outsourced, we work with suppliers for various products and services. These can be small, local companies, or large multinationals. We maintain a list of preferred suppliers, but always keep a critical eye on the partnership. This means that we re-evaluate our major suppliers every year according to a review process. And since our needs change and evolve, our choice of suppliers is partly dependent on this.

Exceptional macroeconomic factors were also the norm last year. While still trying to work through the aftermath of the corona crisis, the pressure on the industry has been increasing due to the war in Ukraine, energy prices, general inflation and extreme weather conditions. Although the market calmed down with the onset of the endemic COVID phase, delivery times remained a general concern. In isolated cases, serious problems manifested in the supply chain, in particular the consequences for the European automotive industry due to the destruction of wiring harness production plants in Ukraine. For H.Essers, this resulted in several postponements of deliveries of new trucks in the first half of the year. In addition, we see a general trend of price increases. The onset of upward price pressure in 2021 from the corona crisis continued into 2022. The conflict in Ukraine and the energy crisis are at the root of this continuation, with the most intensive price increases for energy and energy-related products, vehicle fleet and equipment, as well as a number of consumables such as pallets and wrapping films. Further price increases are also expected in 2023 as a result of wage indexation across Europe.

International transport volumes were also affected by the war, of course those to and from Russia and Belarus as a global response to the war, but also those by train between Europe and China that had to come via a different route. Within its European train network, H.Essers has diversified the portfolio of rail operators to guarantee the continuity of our services.

## Overview of external costs

### COST CENTERS

- Charters, subcontractors, correspondents
- Clothing
- Consultancy & fees
- Energy costs
- Finance
- Forklift trucks
- Fuel
- Treatment costs
- Personnel management
- Insurance
- Legal and judicial expenses
- Machines
- Marketing & Communication
- Office materials
- Packaging
- Passenger cars
- Personnel costs
- Maintenance and repair of buildings
- Maintenance and repair of the fleet
- Maintenance and repairs of IT infrastructure
- Road, railway and shipping costs
- Taxes
- Travel and accommodation costs





## ASSOCIATION <sup>22</sup>

As a major player in the international market, our company believes in the importance of social and commercial interaction, social investment and representing the interests of our sector. After all, we are not an isolated organisation – our services will have more room for further growth if we join forces and exchange knowledge with other actors. That is why H.Essers is involved in the work of many organisations in and around the logistics sector. The memberships we hold focus on substantive cooperation and knowledge sharing. An extensive list of our most important memberships is provided in Addendum 1. The list comprises memberships where H.Essers is involved at an organisational level and memberships where H.Essers is part of the administrative body, projects or committees.





# OUR PEOPLE










“ Even though I don’t have a higher degree, I get the chance to learn and get better at my job. I’ve already been able to take serious steps here!

Annelies Jansen, Finance Business Partner



## OUR EMPLOYEES <sup>23</sup>

A total of 7.619 employees (7.343 own employees and 276 employees of social enterprises) work at our company, including at the companies in which H.Essers holds a stake of less than 100%.

		PERMANENT EMPLOYEES			TEMPORARY EMPLOYEES			TOTAL	
									
COUNTRY	ARGENTINA	204	220	47	0	25	0	496	
	BELGIUM	1,331	1,234	616	123	775	150	4229	
	BOLIVIA	3	2	1	0	0	0	6	
	BULGARIA	9	1	102	0	0	0	112	
	DENMARK	11	20	0	0	0	0	31	
	GERMANY	15	4	54	0	0	0	73	
	FRANCE	19	0	0	0	0	0	19	
	ITALY	35	2	6	2	0	0	45	
	LITHUANIA	9	0	0	0	0	0	9	
	LUXEMBOURG	4	0	15	0	0	0	19	
	MOLDOVA	98	0	0	0	0	0	98	
	THE NETHERLANDS	165	236	261	15	69	76	822	
	NORWAY	20	0	0	0	0	0	20	
	POLAND	26	0	253	0	0	0	279	
	ROMANIA	272	145	445	5	9	0	876	
	SPAIN	80	107	0	0	0	0	187	
	TURKEY	13	1	0	0	0	0	14	
	UNITED KINGDOM	8	0	0	0	0	0	8	
	TOTAAL	2,322	1,972	1,800	145	878	226	7,343	
GENDER	NUMBER OF WOMEN	911	216	116	57	144	3	1447	19.71%
	NUMBER OF MEN	1411	1756	1684	88	734	223	5896	80.29%
	TOTAL	2,322	1,972	1,800	145	878	226	7,343	
AGE CATEGORY	NUMBER BELOW THE AGE OF 30	545	337	125	63	438	35	1543	21.01%
	NUMBER BETWEEN THE AGE OF 30 - 50	1334	1060	866	35	305	103	3703	50.43%
	NUMBER ABOVE THE AGE OF 50	443	575	809	47	135	88	2097	28.56%
	TOTAL	2,322	1,972	1,800	145	878	226	7,343	
WORK REGIME	NUMBER OF FULLTIME EMPLOYEES	2012	1659	1741	137	819	216	6584	89.66%
	NUMBER OF PART-TIME EMPLOYEES	310	313	59	8	59	10	759	10.34%
	TOTAL	2,322	1,972	1,800	145	878	226	7,343	



## COLLECTIVE BARGAINING AGREEMENT <sup>24</sup>

All agreements on employment conditions for our employees are laid down in collective labour agreements concluded at sector level. The conditions are always in accordance with the applicable joint committees. In addition, in some countries, collective labour agreements have also been concluded per company. For those entities where we determine the policy, such agreements have been made for 76,63% of our employees, while we respect the applicable national regulation for all other employees.

## COOPERATION WITH THE SOCIAL ECONOMY

Creating meaningful and valuable work, for everyone. That's one of the spearheads of our HR policy. We want to look beyond the regular economy and also offer employment to vulnerable groups in the social economy. For certain activities we work together with social enterprises. It involves a wide range of tasks, from manually unloading containers, classification and scanning of CMR's, kitting, blistering, stickering, maintenance of greenery to packing pralines. In total, we were able to provide work to 276 people in 2022; that is 3,6% of our total employee population.





## H.ESSERS CODE OF CONDUCT <sup>25</sup>

H.Essers is a true family business. Not only in name and management, but also in the workplace and in our daily operations. Our Code of Conduct describes the standards and values we expect from all H.Essers employees in the workplace. This applies to dealing with colleagues, customers, stakeholders and company property. The Code of Conduct is enclosed as an addendum to the employment contract and is available in 12 languages. We also provide training for managers and risk groups, and organise various internal awareness campaigns to promote ethical behaviour. The Code of Conduct is structured around 6 shared commitments.

### Protecting the interest of the H.Essers customer

To foster the relationship with our customer, we invest heavily in customer intimacy. We strive to communicate transparently and honestly with customers, to take the time to listen and understand, and to handle any complaints constructively and promptly.

### Respecting standards and laws <sup>26</sup>

National and local governments are important stakeholders in our business. They create the legal and regulatory framework within which we operate and we strictly monitor compliance with them. We strive to comply with the law not only in letter but also in spirit.

In 2022, H.Essers did not commit any significant violations of the legislation. This is based on the information regarding fines in our financial reporting, with a lower limit of 0,5% of the balance sheet total as a benchmark.

### Acting with integrity <sup>27</sup>

At H.Essers, we are committed to honest and ethical business practices. Our company does not accept any form of corruption or bribery. We have an anti-corruption policy in place, which can be downloaded from our website. We take care of our employees, customers, suppliers and other stakeholders, including their confidential data. We have zero tolerance for bullying, discrimination, intimidation, child and forced labour and human rights abuses. For H.Essers, the rule of fair competition is very simple: 'fair play'. Unfair competition is unacceptable.

In 2022, no cases of corruption were registered in our company.



Cover of our  
H.Essers Code of Conduct





## Creating a safe and healthy working environment

The logistics sector is exposed to many safety and health risks. We continuously develop initiatives to support and guarantee the mental and physical well-being of our employees, partners and stakeholders. We expect all employees to do their part by paying attention to safety and health, to lead by example and to encourage the same behaviour in other colleagues or partners.

## Sustainable and responsible action

The logistics sector plays a crucial role in the transition to a climate-neutral and sustainable society. Our company is a pioneer in this field within our sector. Our employees share the responsibility of actively contributing to the realisation of our sustainability ambitions. We publish an annual sustainability report in which we communicate openly and transparently.

## Respecting each other and striving for a good reputation

H.Essers has a positive corporate culture that is promoted by our employees. Mutual respect and a constructive attitude are crucial. We expect all our employees to maintain high standards of professional behaviour.

## Reporting guidelines and sanctions <sup>28</sup>

Our Company strictly condemns any violations of this Code of Conduct, which applies to all of our facilities and activities. Serious breaches may, depending on their nature and the applicable laws and regulations, lead to (labour) law sanctions and, in certain cases, even criminal charges and/or prosecution. We believe it is crucial to listen to the concerns expressed by our employees and to understand and respond to them in the fairest and most effective way. Employees can contact the established and customary channels, their supervisor, the HR business partner, the driver mentor, a member of the Prevention and Protection at Work Committee, the union representative, the confidential advisor or the Compliance Manager. In accordance with the law, we have an internal and external procedure.

In 2022, 0 formal and 7 informal reports were registered in Belgium by the external service IDEWE. Reports can be made for very diverse reasons and difficulties at the workplace, as indicated in our campaign and Code of Conduct. Each formal and informal report is considered individually and, if necessary, additional measures will be taken.

## EVERY TALENT IN THE RIGHT PLACE

Our company is growing rapidly. This growth can only be realised if we allow our employees to grow at the same pace. We create a talent-driven work environment where they can be the best version of themselves, and where the success of our organisation is also the success of our people. We strongly believe in the talents of our employees and we consider them consciously. We create an environment and conditions where employees are given room to develop their talents and use them optimally in our organisation. The greatest care for the well-being of our people, in combination with close involvement make our company 'A Great Place to Work'.

### House of talents as a compass

The basis of our talent policy is the H.Essers house of talents, which forms a compass for employee engagement, external recruitment, internal mobility, training & development, career paths and competence management within our company. The talent house is a generic policy with generic job profiles. This means that the profiles are generally described across the departments. We talk about roles and responsibilities and name competencies instead of focusing on the hierarchical position and tasks.

### More than 7.500 reasons to work for H.Essers

To attract new talent, our own people are the best ambassadors. Our more than 7.500 employees are not afraid to be entrepreneurs, are ready to seize opportunities and make the difference every day through simple measures. As a company this allows us to continuously invest in sustainable growth with a positive view of the future. Our people are what drives us. We take care of their personal and professional development, provide modern tools and pay attention to their work-life balance. Yes, our more than 7.500 employees know why they choose H.Essers.

### Investing in diversity & inclusion

We are an employer that pushes boundaries and builds a sustainable working environment. In our family, every talent has a place and we work on diversity and equal opportunities. We also like to welcome new talents from the inclusive labour market. To properly integrate new populations, we invest in language training and diversity and inclusion coaches. This is how we turn our family into a large team.

## Development as the driver of growth <sup>29</sup>

At H.Essers people really come first. We are a company that lives up to its promises on the labor market. Employees are given opportunities to further develop and grow in the organisation. We objectively assess the growth potential of each employee during the annual coaching & performance cycle. We then support their further development through training programmes, coaching trajects and internal internships.

In order to fill our critical positions in the future and ensure our operations, we are developing growth paths throughout the organisation. At the same time, we offer our employees new opportunities, encourage internal mobility and focus on retaining and involving our employees. Based on our values, we prefer coaching and development to assessment. With our talent-driven mindset, we ensure a sustainable future for both our company and our people.





## RECOGNISED INHOUSE H.ESSERS ACADEMY

As a sustainable employer, we strongly believe in lifelong learning. We bring this vision to life by developing an inhouse training and coaching center: H.Essers Academy.



## Qualified learning

Our Academy is a recognised and renowned training institute that bears a quality label on the market. Our own coaching center is equipped with high-quality infrastructure suitable for educating, training and coaching employees, drivers, operators and technicians in the logistics sector. The instructors are our own qualified employees who themselves have a solid portion of business experience. This makes the big difference in quality. In our Academy, we offer people space and time to develop themselves through the most modern learning forms in theory and practice. The H.Essers Academy is a strong added value for retaining our employees and attracting new talent.

## Working certified

Our employees work according to the strictest standards in the logistics sector. In our Academy we train them to perform their job in strict compliance.

We invest heavily in safety through first aid and ADR training, among other things. We guide our own and new talents in obtaining forklift and reach truck certificates and various truck driving licenses. Talents without any prior experience are trained from scratch.

## Managing competences

The Academy offers a training program to further develop the talents and competences of our employees in function of the job profile, interests, personal development plans or defined growth paths. Our people are also trained and coached in our internal processes and our strategy. We attach great importance to the quality of leadership within our company. That is why our 400 managers receive intensive leadership training. We encourage entrepreneurship and self-development. Our employees have the opportunity to choose from a wide range of open trainings from different domains and in different languages.

## Learned young

Today's youth is the future of our company. That's why we start right at the school benches. By giving guest lectures, offering internships, traineeships and student jobs, young talents are introduced to H.Essers as an employer. In this way, they will easily find their way to a permanent job in our company later on.



## FIT2GROW: LOOKING AFTER THE WELL-BEING OF OUR PEOPLE <sup>30</sup>

We want all our employees to feel good, both physically and mentally. That is why we launched a health programme at the end of 2018: Fit2Grow. This programme includes a plan of action, with initiatives that promote well-being, be it physically, mentally, medically or environmentally.

### Moving together

What better way to promote physical well-being than to present our staff with a sporting challenge from time to time? In this context we organise exciting challenges and adventurous sporting events. 2022 was all about teamwork. Our employees were able to register for a step challenge, a cycling challenge and a bingo challenge in which they took on various small challenges. The icing on the cake this year was our participation in Spartacus Thor, a 7 kilometer obstacle course.

### A healthy mind

We are convinced that happy people produce the best results. That is why we invest heavily in mental health. To promote mental well-being, we regularly organise workshops and webinars on mental and social well-being, both for managers and employees. MyMindScan is one of the initiatives that was launched, entirely focused on the mental well-being of our employees.

### A healthy body

We are also concerned with our employees' general health, even when unrelated to work. That is why we are setting up non-occupational health campaigns. For example, we help and stimulate our employees to get their flu shot, we encourage vaccination, and we invite all staff members over 50 and those with specific complaints for a medical examination.

## The power of nature

We are fortunate enough to be located in green surroundings. This contributes greatly to the environmental well-being of our employees. Nature not only enhances the ability to concentrate, but it also helps with stress recovery and reduces long-term physical complaints. That is why 15% of our new site areas will not be paved, to give more space to nature. It is also a place where our employees can recharge their batteries by taking a walk, having lunch, or hosting a meeting out in the open.







## Precautionary principle <sup>31</sup>

Safety first: it's a principle that we not only talk about, but also comply with. Based on the precautionary principle we do everything we can to prevent unsafe situations, limit risks and prevent any disruptive impact on our environment. We employ risk analyses in virtually every aspect of the business and for all sites: operational activities, support services, IT support and high-risk jobs, including truck driving. We assess the processes mainly according to the Fine-Kinney-method, although diverse methods are applied depending on the process. This means that we assess the probability and severity of an event on the basis of a risk score and decide on the proactive measures to be taken on that basis. H.Essers also has an internal and external emergency plan in place, in case a crisis should occur at or around one of our sites. The plan is regularly rehearsed and updated to eliminate any bottlenecks.

## Secure use of computers

To ensure maximum information security, we have integrated an ISMS or Information Security Management System into our IT organization. This collection of procedures and processes enables us to manage and continuously improve data security. We formalised our efforts with ISO 27001 certification for the IT environment in our company.

We strongly promote secure use of computers to protect the digital environment of both our company and our employees. Our Acceptable Use Policy sets the rules for the correct use of all available IT equipment for all (temporary) employees, contractors, consultants and other workers. We also raise awareness among our staff about the dangers of internet use, encourage them with awareness campaigns to report unsafe situations to the H.Essers Service Desk, and through the Phished Academy we provide short, periodic training sessions of maximum 10 minutes on recognizing and handling of cyber threats.

Through an Information Security Policy we protect all personal and professional information stored by H.Essers against any threat, whether internal or external, intentional or unintentional. Furthermore, we use various security programs to protect our servers, computers and users. This software regularly scans and monitors all systems, while being managed centrally by our administrators.

Finally, our company uses two active data centres, both of which are located on an H.Essers site. All our data is stored in these data centres, with the exception of the back-up tapes, which are stored by a specialised company at an offshore location. The hardware components in the data centres are redundant with synchronous data storage to ensure business continuity at all times.



## H.ESSERS HEALTH & SAFETY POLICY <sup>32</sup>

Safety is our highest priority. We believe H.Essers can be an incident-free company, and we will do everything in our means to achieve this goal. Safety is interwoven throughout our entire organisational structure, and forms part of our operational and policy decisions. Aside from daily safety moments at shift start-up, operational safety meetings and specific working groups there are specific committees on safety at different levels, chaired by our CEO and COO's of our different departments. Ultimately, all focus points culminate into the global prevention plan, resulting in an annual action plan.

H.Essers conducts an active prevention policy centered on the seven welfare domains, with specialists within each domain. We cover all welfare and safety domains in extensive risk assessments, including fire safety, chemical and biological agents, ergonomics, psychosocial aspects and health. The dynamic aspect gives us the opportunity to continuously evolve towards an even safer working environment.

For both Transport and Logistics a general Risk Inventory and Evaluation (RIE) is drawn up by our prevention department in collaboration with the hierarchical line. Our qualified employees use this general RIE as the basis for their periodical action trackers and safety meetings, with support from our prevention advisors whenever necessary. From the function of manager warehouse onwards, they therefore receive external training as 'prevention advisor level 3' and an external or internal training 'hierarchical line'. The risk analysis is carried out internally, unless additional qualification is required for the preparation and validation of the analysis, such as for the start-up of new operations or activities. In many cases, this concerns process industry such as filling installations or sample rooms for chemical products.

In our pursuit of continuous improvement we set ourselves goals, which we measure, track and communicate. We monitor and analyse all occupational accidents with the aim of optimising our preventive policy and processes. Reporting an occupational accident follows a fixed procedure, with the aim of obtaining a clear picture of the accident as quickly as possible, and taking the correct measures. We proceed with rollout of such solutions throughout the group if necessary. Each Business Unit Manager is responsible for communicating and complying with the procedure for an occupational accident within his department. An extensive internal process flow provides insight into the steps and associated responsibilities.



” The safety culture can only be improved if all employees coach each other consistently and consequently with regards to (un)safe behaviour, with an eye for and respect for each other.

Frederic Buntinx, Senior Manager Safety





## Awareness

We ensure that all our employees understand their responsibilities in relation to welfare, and can work in a safe and targeted manner. Through onboarding, recurrent training and coaching they are aware of the risks in the workplace, as well as the existing instructions and the applicable technical and organisational measures. Safety training is provided by both our internal qualified trainers and by external experts. Depending on the job content, we offer our employees compulsory education and training on specific topics such as chemical agents and spill management for warehousing and ADR training, cargo security and Behaviour Based Safety (BBS) training for transport.

Awareness is further stimulated by making 'Safety' a regular agenda item at our daily start-up, by weekly team meetings and staff meetings with a focus on safety and by starting most meetings and events with employees and customers with a safety moment. With campaigns via different channels, we regularly emphasise safety tips or specific procedures.

The presence and monitoring by our managers, prevention advisors, safety stewards, safety specialists and driver mentors in the workplace enables us to monitor the application of existing measures and procedures in practice, and where necessary to further coach our employees in the desired, safe behaviour. In addition, we focus on positive results through our 5S award or damage-free certificates for drivers!

## Technical & organisational measures

In order to guarantee the highest level of safety at all times, we focus on both technical and organisational measures for all our activities and we provide our employees with correct and necessary training, instructions and work equipment.

### 5S audit and award

As part of our operational excellence programme, we are strongly committed to the 5S method which we already implemented in all our warehouses. In order to guarantee a neat, orderly and safe working environment, H.Essers has added "Safety" and "Security" to the well-known 5S steps (Sort–Straighten–Sanitize–Standardize–Sustain). On a monthly basis our Warehouse operations carry out a 5S audit themselves, and on a quarterly basis an independent audit is performed by our engineering department, after which a winner of our 5S award is determined.

## Behavior based safety (BBS) training

Every driver at H.Essers receives a BBS and efficient driving training after six months of employment, which is renewed every five years. During this training, our driver mentors teach our drivers how to behave even more safely while performing their job. Topics covered include road safety, the prevention of accidents at work, cargo securing, securing vehicles against theft and illegal immigrants, how to deal with aggression, and a correct driving style (e.g. braking, coasting). This follow-up not only results in safer driving behaviour but also has the added advantage of lower energy consumption and less wear and tear on materials.

## Ergonomic investments

We are strongly committed to the preventing physical injury caused by ergonomic problems, for all departments and employees throughout the company. This requires our constant attention.

The fleet of trucks and warehouse rolling stock are renewed every 5 years, ensuring the latest ergonomic and safety additions such as extra high cabins, ergonomic driver's seat and air suspension for our trucks. We continuously investigate additional measures in both transport and warehousing, such as electric pallet lifts, pneumatic lifts and vacuum lifts for heavy lifting, telescopic roller conveyors for unloading of containers, pallet dispensers, automation, and so forth.

All office workers have ergonomic office chairs. They can also obtain height-adjustable desks, footrests and document holders, or call on the prevention service or ergonomist to optimise the workspace. In addition, we periodically provide training to teach staff what the best sitting posture is for deskwork.

## Safetyfied

With the Safetyfied project we continue to focus on the combination of awareness, technical and organisational measures in function of the warehouse rolling stock in our warehouses.



# OUR ENVIRONMENT

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Shared value is an important concept for our company. It means that with our sustainable strategy we want to create added value for our stakeholders, both in economic, social and ecological terms. In everything we do, we pay attention to the possible effects of our activities, and we strive for maximal positive impact on our environment.

As a major player in the logistics sector, we are capable of making a huge contribution to the economy. With our activities we ensure the necessary flow of goods and provide society with vital products, even in times of crisis. As our company grows, we want to shrink our environmental footprint. By growing, we create added value for the economy, we provide extra employment opportunities and we work on the services of our customers. At the same time, this growth increases our consumption of materials and energy sources, which is an additional challenge in our ambition to reduce our environmental footprint.

## EXPANSION VS. DEFORESTATION

In order to respond to the growing needs of our customers, we are expanding. We do this by redesigning existing H.Essers sites, building new sites and taking over and renovating existing sites. In this way, we create new and fair employment opportunities

and are able to offer applicants and internal employees a high-quality working environment. The space available to us is limited and may in some cases have an impact on the environment, e.g. if deforestation and asphaltting are required. We are very aware of this impact and are working hard to find the right solutions, always in line with the relevant legislation. We make optimal use of the available space by guaranteeing a minimal amount of surface area for our activities. We also prefer to look into the possibilities of renovating and repurposing existing sites.

We are committed to a moratorium on new deforestation that would cause serious damage to the Flemish forest area. In concrete terms, this means that deforestation in zone-foreign forests with a paved destination (such as industrial zones) is possible only up to 10% of the surface area of our sites, with an upper limit of 2 hectares. In addition, there will be no deforestation of forests with a protected status such as VEN, Natura 2000 or old forests. Any other legal deforestation in industrial areas will be more than compensated for by planting and setting up new natural areas or forests. In addition, our company is committed to improving and further developing the biodiversity on our sites. In doing so, at least 15% of the area will be managed as biodiversified green space on every new site we develop from 2020. Both commitments also fit within the SDG15 directives.



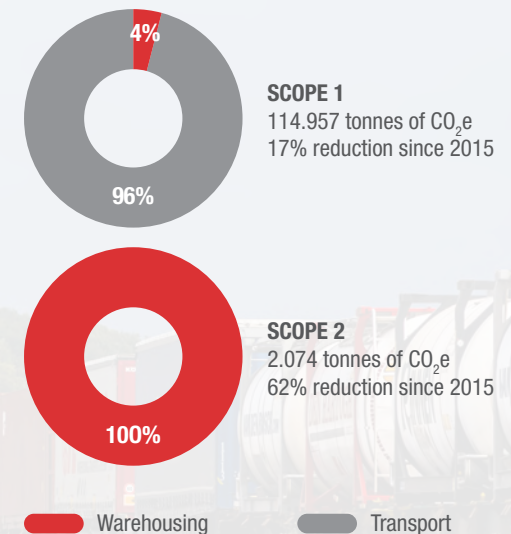




## OUR AMBITION TO ACHIEVE A CO<sub>2</sub>-NEUTRAL COMPANY <sup>33</sup>

As a sustainable company our ambition is to become CO<sub>2</sub> neutral. The scope 1 and 2 emissions of our transport and storage activities are calculated according to the operational control approach, with 2015 as reference year following the establishment of the Sustainable Development Goals by the United Nations.

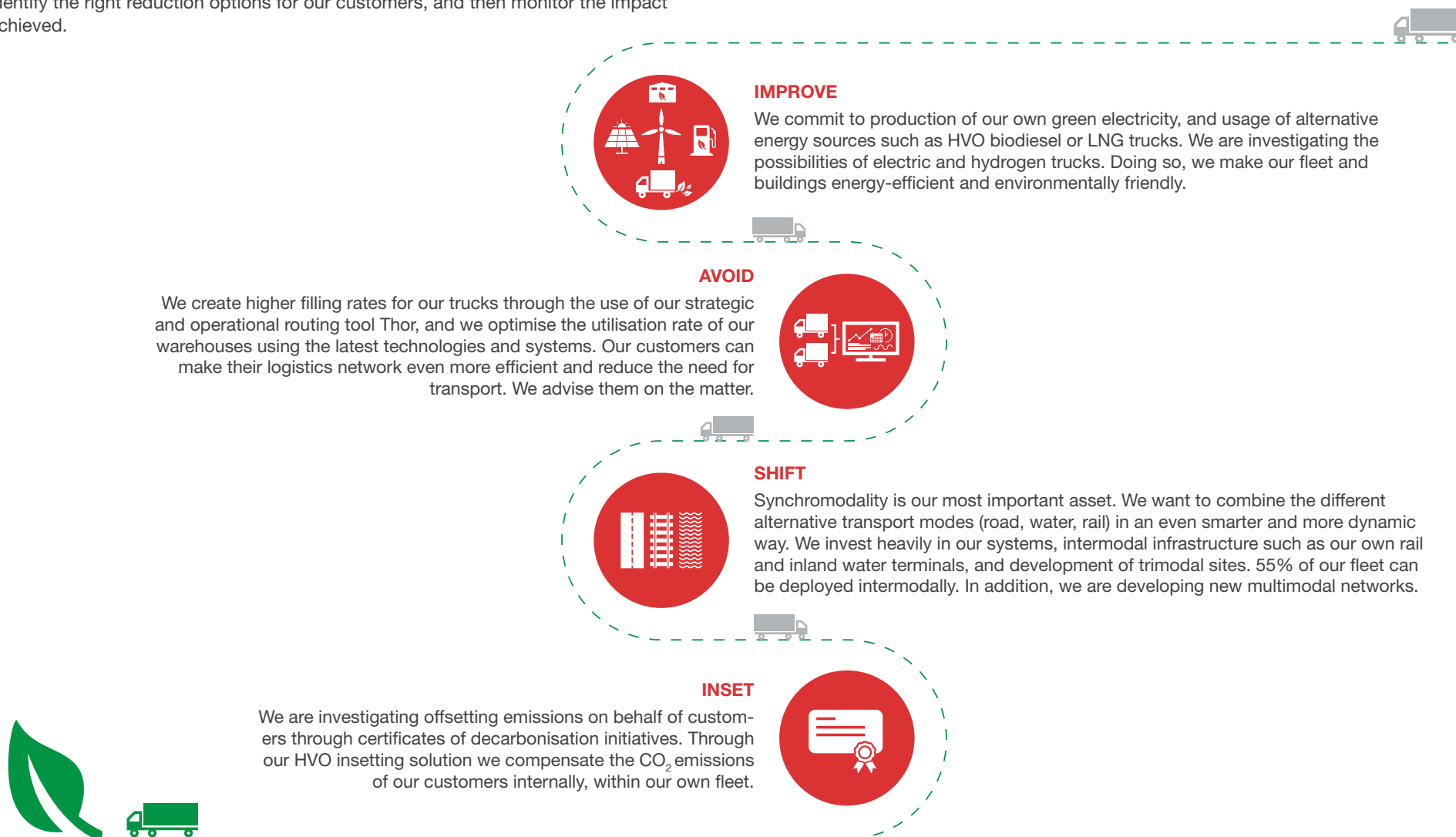
The scope 1 emissions include the direct energy emissions from natural gas, heating oil and diesel consumption of all our operations, excluding the loss of refrigerants generated by air conditioning systems.



H.Essers generated 1.074 tonnes of biogenic CO<sub>2</sub>e emissions in 2022 (outside of scopes).

We are continuously exploring new opportunities to reduce our carbon emissions within the four domains of our programme framework: improve, avoid, shift and inset. We make this transparent and usable for our customers through CO<sub>2</sub>e reporting, based on the software tool EcoTransIT World and data from our operational systems. The reporting was implemented in 2022 and will be made available to our customers in phases, starting in 2023. The report enables us to identify the right reduction options for our customers, and then monitor the impact achieved.

This programme framework is in line with “The roadmap towards zero emissions logistics in 2050”, drawn up by ALICE (The Alliance for Innovation & Collaboration in Europe), and is based on insights from “Decarbonizing Logistics” (Prof. A. McKinnon - 2017) and [Smart Freight Centre](#).





## SUSTAINABILITY OF OUR SITES <sup>34</sup>

We are constantly working on improving the sustainability of our sites, as set out in our corporate environmental policy. This policy is uniform across all our sites, both existing and new. The environmental policy gives direction to the way we will organise our sites sustainably: occupation of space, paved areas, including natural elements, reducing energy consumption and using renewable energy, reducing CO<sub>2</sub> emissions, handling raw materials sparingly, including water, and reducing waste flows. The necessary resources are made available to implement the policy. The results achieved will be monitored and made transparent.

## Investments in renewable energy sources

The energy we require is maximally obtained through our own renewable sources. Across all our sites we have now installed 15.3 MWp solar capacity, as well as 12.4 MW thanks to 6 wind turbines. Together, they produced over 35 GWh of green electricity in 2022, a significant share of our electricity need. Additional opportunities are continuously being investigated, in consultation with the environment and stakeholders when expanding, or through acquisitions.





## BREEAM 'Good' for all new sites

BREEAM is an international certificate for sustainable buildings that have a minimal environmental impact, offer an optimum environment for its users and help protect or increase biodiversity. This broad definition of sustainability aligns nicely with our sustainable strategy. We strive to achieve a score of 'Good' for all new sites. We were already the first logistics service provider to achieve this rating in Courcelles. In 2022 we opened our new Healthcare Crossdock in Genk for which the certification process is ongoing, and in 2023 we will commence works in Lommel and Gent on the next warehouses for which we intend to achieve a BREEAM rating.

## LED relighting

We reduce our energy consumption as much as possible. Lighting is a relevant part of our energy consumption, which is why we are systematically retrofitting all our sites with LED lighting, both inside and outside of our buildings. Naturally, all our newly developed sites are equipped with LED lighting. Thanks to this energy-efficient form of lighting, we are preventing a significant amount of energy consumption, and thus annually saving several hundred tonnes of CO<sub>2</sub> emissions.

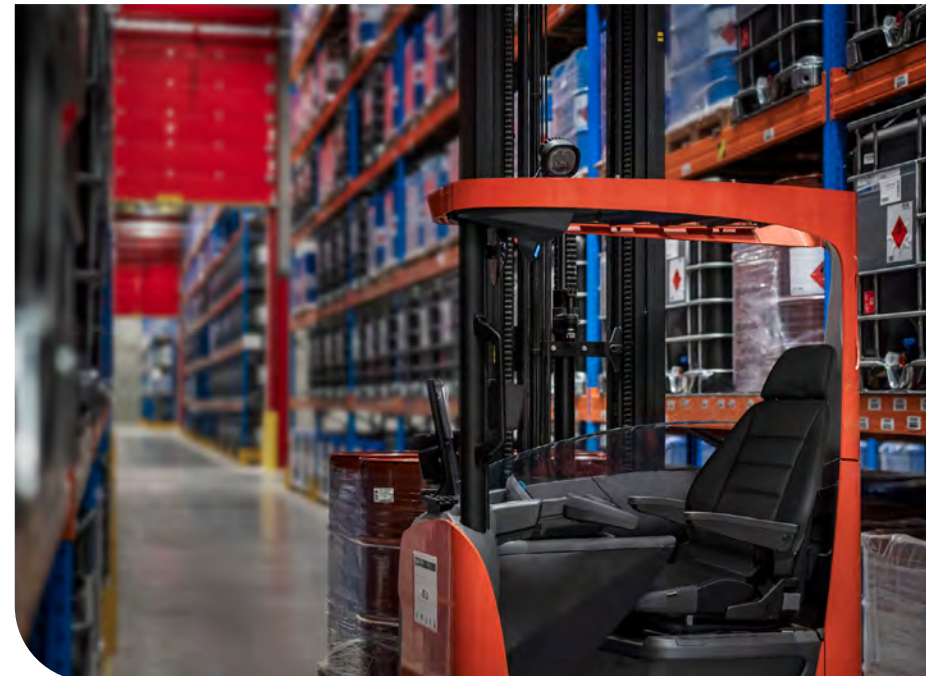


## Heat pumps

In new warehouses, new offices or renovations of existing offices we always consider installing heat pumps, which use our own green electricity to provide heating and cooling. Several realised and planned examples are the new IT offices in Winterslag, the new headquarters and the renovation of the old headquarters. Furthermore, all temperature-controlled warehouses (15-25°C) that we develop from now on will be equipped with heat pumps. All existing temperature-controlled warehouses were already switched to heat pumps, so that these will only need some additional heating capacity with conventional fuels in exceptional conditions.

## Warehouse rolling stock powered by green electricity

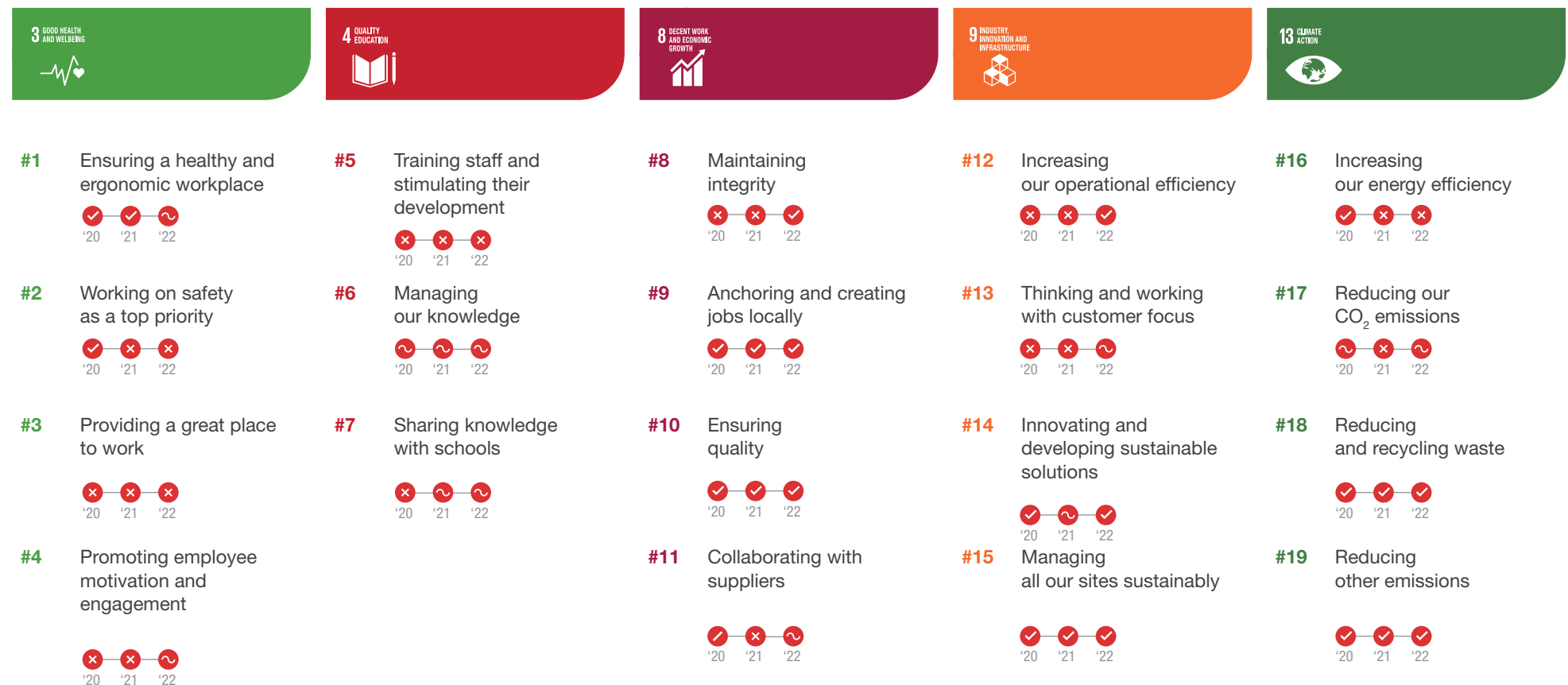
From forklift trucks to cleaning machines. Virtually the entire fleet of rolling stock in our warehouses at home and abroad is now electrically powered. In total it concerns about 950 machines. A great result of the switch to electrical equipment that we successfully initiated a few years ago and which will lead to a fully electric fleet in 2023. The fact that the electricity used is also generated sustainably thanks to the solar panels and wind turbines at our various sites makes the green picture complete.



# SUSTAINABILITY TRANSLATED INTO PRACTICE <sup>35</sup>

The selection of our 19 material topics forms the basis for the conversion of sustainability ambitions into sustainable practice. Each topic includes real, tangible action points. In this way, we created the reference points for the practical implementation of our sustainability strategy, and this report highlights these concrete

actions. We make a distinction between achieved actions (which will be continued and further consolidated) and new actions. In this way, we create the points of reference for the practical implementation of our sustainability strategy.



## LEGENDA

✓ Objective achieved  
 ~ Objective partly achieved  
 ✗ Objective not achieved  
 / N/A





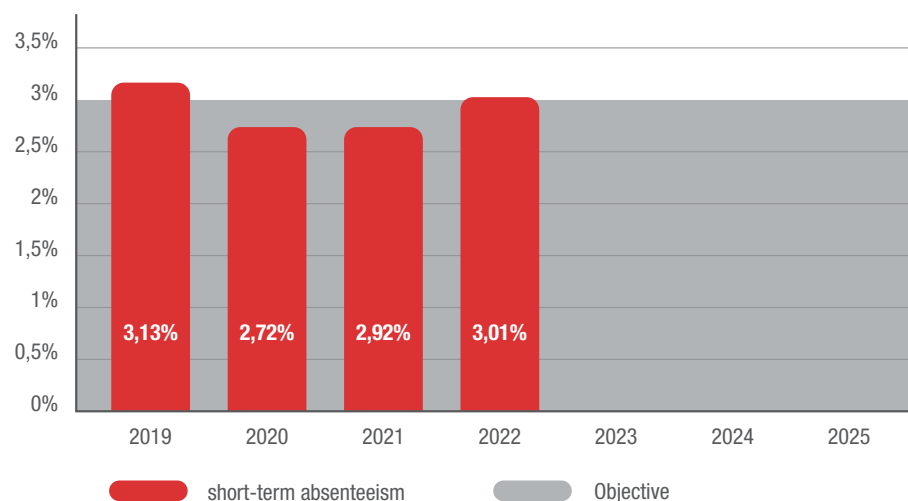
## 1. ENSURING A HEALTHY AND ERGONOMIC WORKPLACE

The health of our employees and contractors is our responsibility too. We continue to invest in a healthy and ergonomic working environment. This enables us to guarantee a responsible and effective work situation throughout their careers.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

THE PERCENTAGE OF **SHORT-TERM ABSENTEEISM** OF ALL PERMANENT H.ESSERS EMPLOYEES IS **MAXIMUM 3% ACROSS ALL TARGET GROUPS**.



Overview of the short-term absenteeism percentage of permanent employees in Belgium, Romania and Bulgaria (from 2019). The short-term absenteeism reported for the aforementioned countries is conform Belgian legislation, specifically for absences longer than four weeks.



### OUR PROGRESS & PROJECTS

Short-term absenteeism is largely caused by circumstances and social factors. In that respect, significantly more employees in Belgium were affected by short-term illness, a general upward trend in recent years, with a clear impact in 2022 from the Omikron variant of the coronavirus and a severe and early flu season. In Romania, on the other hand, we see a decrease, most explicitly among white-collar workers because they choose to work from home when they have mild symptoms of illness. Since the corona crisis, it is more than ever unacceptable to work during illness. However, the guaranteed wage differs per country, and 2022 was a financially challenging year for many due to the energy crisis. In addition, working from home has become more accessible and established.

As an employer, we can do our part by focusing on those factors within our control, such as working conditions, work-life balance, management style and corporate culture. These elements are addressed in our other ambitions such as 'Working on Safety as a Top Priority' or 'Providing a Great Place to Work'. We also support our employees to maintain a healthy lifestyle, with ergonomic investments, the MyMindScan tool, and many small and large Fit2Grow challenges throughout the year.

#### FIT2GROW SPARTACUS CHALLENGE

Our colleagues tackled the obstacle run in teams. [Watch the video here](#)

#### MYMINDSCAN: GET STARTED WITH YOUR MENTAL WELL-BEING AND DETECT OVERLOAD EARLY ON

We invested in the scientific tool MyMindScan that allows our employees to measure their own mental health. The scan takes only 20 minutes and contains a number of tests and exercises that don't require any specific knowledge. Each participant receives a personal report and access to various online training courses and tips. This way, they know whether they are suffering from mental fatigue, to what extent, and how they can maintain their mental health.





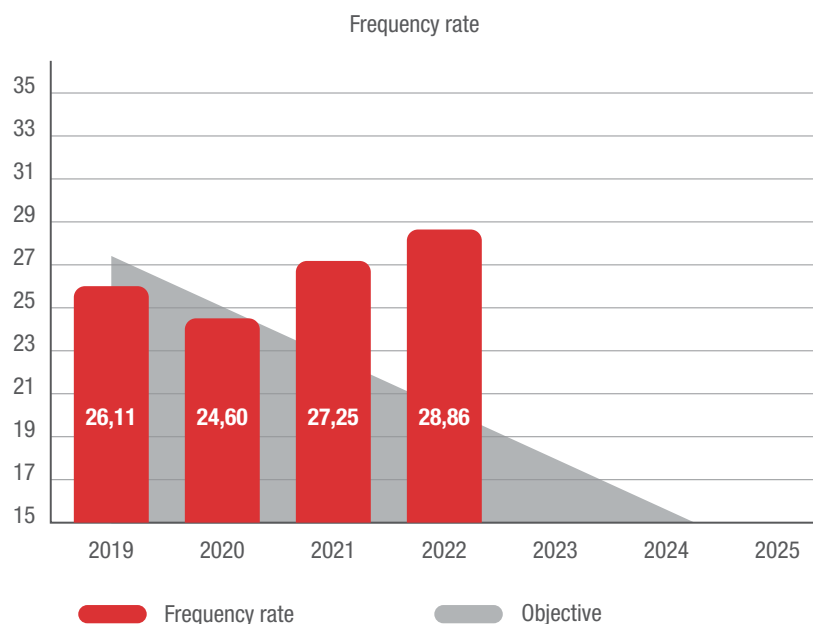
## 2. WORKING ON SAFETY AS A TOP PRIORITY

Safety is a top priority every day. On the shop floor, but also outside of work. We want all our employees and contractors to get home safely after their day's work. No compromises are tolerated.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

THE **FREQUENCY LEVEL** RELATED TO ACCIDENTS AT WORK **IMPROVES ANNUALLY BY 10%.**



Overview of the frequency rate in Belgium (from 2019). The frequency rate is the ratio of the total number of occupational accidents to the number of hours of risk exposure, multiplied by 1.000.000.



### OUR PROGRESS & PROJECTS

In recent years we have been under increasing pressure due to various external factors such as the corona crisis and the energy crisis. This impacts the entire industry, and also results in strongly fluctuating volumes and workload for H.Essers. We also started new and often complex activities, continued to grow strongly and attracted a lot of new and often less experienced talent for this. In addition, the mindset is also developing towards faster and more correct reporting of incidents. A positive trend, which is reinforced by a general post-corona trend to report illness, ergonomic complaints and other incidents more quickly. We thus continue to focus on our known methods, and put them in the spotlight with communication campaigns and practical tools for safety tips, safety moments, and the like. In addition, we launched our H.Essers Academy in 2022, where a number of training courses are now provided by our own colleagues instead of external parties. This not only ensures a shorter line of communication, but also makes the content more specific to our context.

#### ROLL-OUT RIE CHEMICAL AGENTS

We initiated a thorough update of our Risk Inventory and Evaluation (RIE) and training for chemical agents, taking into account all hazard classes. After a pilot project in a number of warehouses, we are proceeding with a general roll-out. This also enables us to deal with certain products in a more targeted manner, or even to exclude them.

#### APPROVAL AND FOLLOW-UP OF PPE'S VIA IVALUA

A specific flow was implemented in our purchasing system Ivalua to ensure that appropriate personal protective equipment (PPE) is used. It ensures that PPE purchased for the first time or for new activities are more smoothly and effectively approved by our Safety team.







### 3. PROVIDING A GREAT PLACE TO WORK

We continuously pay attention to the well-being of our employees. We offer opportunities for growth and a challenging and stimulating work environment. This makes us an attractive employer for a variety of talented job candidates in a scarce labour market.



#### OBJECTIVE WITHIN THE 20-25 STRATEGY

THE **SATISFACTION SCORE** OF OUR EMPLOYEES WITH REGARD TO JOB CONTENT, TERMS OF EMPLOYMENT, LABOUR CONDITIONS AND LABOUR RELATIONS **IMPROVES BY AT LEAST 10%** (THE SURVEY IS CONDUCTED EVERY TWO YEARS).



The Trust Index of A Great Place to Work for H.Essers employees in Belgium in 2022. The survey gathers feedback from our employees in five focus domains: Credibility, Respect, Honesty, Pride and Collegiality. With a minimum score of 70% for a representative sample of our employees, we obtain the quality label 'A great place to Work' awarded by the international Business School Vlerick.



#### OUR PROGRESS & PROJECTS

We care deeply about the well-being of our employees and strive to foster team spirit and engagement among our employees. This requires daily attention. To better understand what is on the minds of all our employees, we are rolling out a new strategic measurement among our employees: the Trust Index Survey of the Vlerick Business School. It was rolled out as a pilot case in Belgium in 2022, where we did not yet achieve the label with a score of 63% after this first measurement. Naturally, the survey provides interesting insights. Particularly, the results show that we are a reliable and inclusive employer that offers a safe working environment, where employees immediately feel at home and are proud of the work they do. There are certainly aspects where we score lower, which will be the focus of our efforts. The results were analysed at the end of 2022 and reported and discussed separately for each department, in order to set up action plans. We will build on this in 2023 and will implement the resulting improvement actions.

#### DIVERSITY & INCLUSION COACH

We are making targeted and intensive investments in diversity and inclusion, and in 2022 we introduced a new role in the HR department: our diversity & inclusion coach! The coach helps to shape and realise our policy, which we shape through tailor-made and work-related language training for non-native speakers, as well as integrated workshops for our managers about dealing and communicating with non-native speakers. In this way we ensure that they feel at home, during the coffee break and on the workplace!

#### INTERNATIONAL FAMILY DAYS IN BELGIUM, SPAIN, ROMANIA AND MOLDOVA

In 2022 we organised several international family days. H.Essers colleagues in Belgium, Romania, Moldova and Spain were invited together with their families for a pleasant day. Each country provided a local organisation and geared the activities to the employees.





#### 4. PROMOTING EMPLOYEE MOTIVATION AND ENGAGEMENT

Through an open corporate culture and communication, we aim to stimulate the team spirit and engagement of our people and to create support for our business objectives. This requires daily attention from our managers and the HR department.



##### OBJECTIVE WITHIN THE 20-25 STRATEGY

THE **JOB SATISFACTION SCORE** FROM ALL OUR EMPLOYEES WITH REGARDS TO ENGAGEMENT AND INVOLVEMENT IMPROVES BY **AT LEAST 5% IN TOTAL** (THE SURVEY IS CONDUCTED EVERY TWO YEARS).



##### OUR PROGRESS & PROJECTS

The progress and next steps described above under the ambition 'Providing a Great Place to Work' also apply to this ambition. We are evaluating whether these two ambitions can converge in the future, given that they are closely linked in terms of content and will also be questioned, followed up and managed in the same way with the Survey.

Since this year, progress towards this ambition has also been measured through the Vlerick Trust Index survey. In the survey the aspects of engagement and involvement are also questioned, however the results refer to the 5 previously mentioned focus domains: Credibility, Respect, Honesty, Pride and Companionship. In the current reporting year, we therefore make a one-off mapping ourselves. The questions 'I want to work here for a long time' (engagement) and 'Management involves people in decisions that affect their job or work environment' (engagement) from the Trust Index were positively scored by 74% and 48% of the respondents. Compared to the minimum score of 70% required for the label 'A great place to Work', we therefore consider this ambition to be partly achieved in 2022.





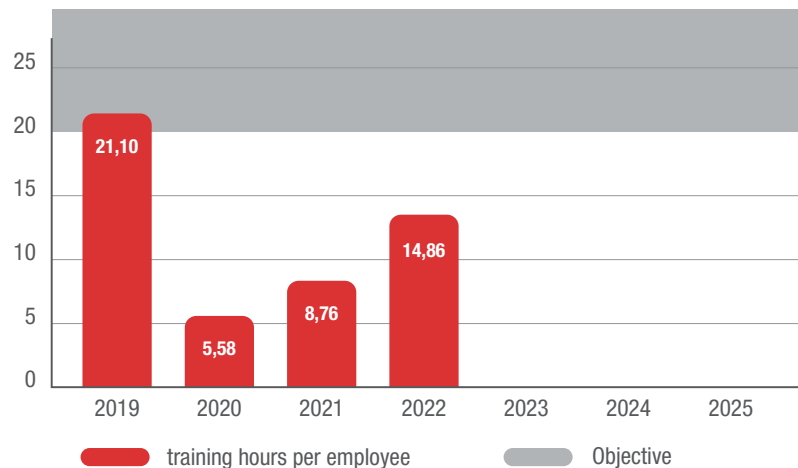
## 5. TRAINING STAFF AND STIMULATING THEIR DEVELOPMENT

Our employees are the real engine of our company. Without their daily commitment, we cannot grow, we have no future. We continue to invest in their knowledge, so that they can thrive in their job, but can also benefit in terms of personal development.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

**H.ESSERS INVESTS AT LEAST 20 TRAINING HOURS PER EMPLOYEE PER YEAR IN ALL THE COUNTRIES WHERE OUR COMPANY IS LOCATED.**



Average number of training hours per employee in Belgium, Romania, Bulgaria, Poland (from 2019), Denmark, Moldova (from 2020), Germany, France, Italy, Luxembourg, the Netherlands (from 2021) and Turkey (from 2022). For other countries, the number of employees is included without any training hours.

YEAR	NUMBER OF EMPLOYEES	NUMBER OF TRAINING HOURS	KPI
2019	5.351	112.919	21,10
2020	5.387	30.067	5,58
2021	5.846	51.227	8,76
2022	6.344	94.288	14,86



### OUR PROGRESS & PROJECTS

Without the daily commitment, knowledge and skills of our employees, we have no future. They are therefore given every opportunity to develop and grow within the organization, and also follow mandatory training to ensure that they understand their responsibilities in relation to well-being and can work safely and in a targeted manner. Only in this way can we achieve the safety and quality required for our strategic segments. In the past year we further optimised our training matrix, as well as the way we track the training status for our various warehousing operations. We registered plenty more training hours, but these do not yet provide a complete picture as non-mandatory and external training are currently not fully registered in our Workday platform.

With the launch of our H.Essers Academy at the end of 2022, we are starting a great new chapter in unlocking the potential of our people. In addition, we attract inexperienced and foreign-language talents, and the Academy ensures a smooth onboarding through in-house logistics training, and tailor-made and work-related language training. We also ensure that they feel at home through guidance from our diversity & inclusion coach, and workshops that teach managers how to deal with and communicate with non-native speakers.

#### OPENING OF OUR IN-HOUSE H.ESSERS ACADEMY

Part of our Genk-South site is made available to H.Essers Academy. 5,500m<sup>2</sup> warehouse space and well-equipped training rooms for theoretical training and teaching new skills for workers and employees, and an outdoor area where our truck drivers can train maneuvers!

#### DIGITISATION OF OUR DRIVER MANUAL

We started digitising our driver handbooks in 2022, and after the roll-out in 2023 our drivers will easily be able to find a QR code via their on-board computer, which refers to the correct and centralised driver manual. In this way we not only guarantee that every driver has easy access to the necessary information, but also that we can update it faster and more efficiently.





## 6. MANAGING OUR KNOWLEDGE

We want to be a research-oriented organisation and make new knowledge accessible by sharing it with others. We are investing in high-quality processes, systems and resources to ensure quality and thoroughness.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

EVERY YEAR H.ESSERS ORGANISES **3 EXPERT EVENTS FOR STRATEGIC CUSTOMERS AND OTHER SHAREHOLDERS**, WE SEND **3 SEGMENTED NEWSLETTERS** AND PUBLISH **2 EXPERT PAPERS**.



### OUR PROGRESS & PROJECTS

Shared knowledge is key to successfully creating impact as an industry and as society. We contribute by making the knowledge and insights that we have gathered accessible to our stakeholders as much as possible. This often also starts a dialogue, allowing us to get to know each other through and through and to connect strongly with customers and other stakeholders. Although we were faced with unprecedented circumstances again in 2022, we could in fact leave part of that turbulent period of the past months and years behind us with some relief, and come together and connect in person again. And we were only too happy to make up for the proverbial damage with once again plenty of events on our schedule to share knowledge about various current themes, ranging from the energy transition, HVO insetting, synchromodality and cross-docking. Where relevant, we also bundle the knowledge of such events in an expert paper, although finalization and publication of two planned papers has been postponed. Our new video newsletter is further proof that we dare to search for other concepts to make our knowledge even more accessible.

#### EXPERT PANEL: TACKLING CLIMATE CHALLENGES IN LOGISTICS TOGETHER

More info on our websites:

[Healthcare](#)  
[Chemicals](#)

#### INNOVATIVE CONCEPT FOR OUR NEWSLETTER

At H.Essers, we love to keep moving forward. With innovation, usability and durability. That's why we brought you our newsletter in a video format for the first time in 2022. Less reading, more viewing. And more interaction with our experts.

#### HVO INSETTING EVENT

[More info on our website](#)







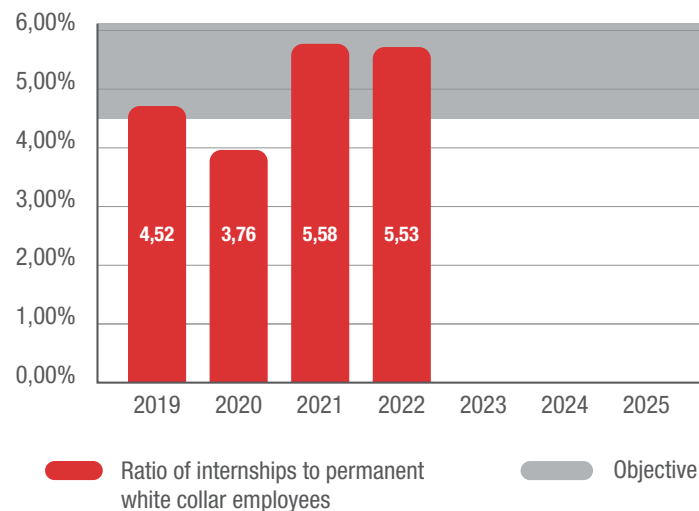
## 7. SHARING KNOWLEDGE WITH SCHOOLS

Close collaboration and interaction with academic and educational institutions should increase our and their knowledge and allows us to keep in touch with tomorrow's job candidates. We share our knowledge by providing practical examples, and we are in turn keen to learn from these stakeholders.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

IN EVERY COUNTRY WITH H.ESSERS SITES, WE COLLABORATE WITH **AT LEAST ONE EDUCATIONAL INSTITUTION**: OF THE TOTAL NUMBER OF PERMANENT WHITE COLLAR EMPLOYEES IN EACH RESPECTIVE COUNTRY, **AT LEAST 4% IS AN INTERN**.



The percentage of interns to the total number of permanent white collar employees employed by H.Essers in Belgium (from 2019), Denmark (from 2020) and Spain (from 2022). For other countries, the number of employees is included without any internships.

YEAR	PERMANENT WHITE COLLAR EMPLOYEES	INTERNS	KPI
2019	1.615	73	4,52%
2020	1.621	61	3,76%
2021	1.898	106	5,58%
2022	2.027	112	5,53%



### OUR PROGRESS & PROJECTS

We continue to make active efforts and invest time and resources in close cooperation and interaction with educational institutions. In recent years, despite continuing restrictions and measures in response to the Corona crisis, we managed to stay connected. We continued to focus on knowledge sharing through guest lectures, and fortunately, we were able to physically connect again and organised numerous company visits at our sites, in order to introduce young people of all ages to the reality of a company in the transport and logistics sector, up close and in a practical way. We also continued to focus on blind spot training in various primary schools in both Belgium and Romania, to ensure that the most vulnerable road users are also aware of this potential danger.

In 2022, we were once more able to provide 112 trainees with practical knowledge. We continue to promote this with educational institutions, but also within our own operations in order to create even more interesting opportunities. We are looking for ways to offer such hands-on experience not only for white-collar workers, but also blue-collar workers and drivers. Our commitment to cooperate with educational institutions also carries outside of Belgium, for example in Romania in 2022 we established more contacts with educational institutions with the intention of working together for internships in the future. An adapted workflow is being setup, which will allow us to organise and embed our internship activities more efficiently in our organisation.

#### H.ESSERS' SUPPORT FOR THE TALIM PROJECT

In Flanders, 12.1% of young people drop out of school early, without a diploma. In the former mining municipalities in Limburg, this average is even higher, at 20.8%. The Talent Academy Limburg (TALim) was set up to do something about this, through a three-year Saturday trajectory for teenagers, followed by an alumni trajectory. At H.Essers, we support the project and organise several sessions to give young people a practical introduction to logistics.





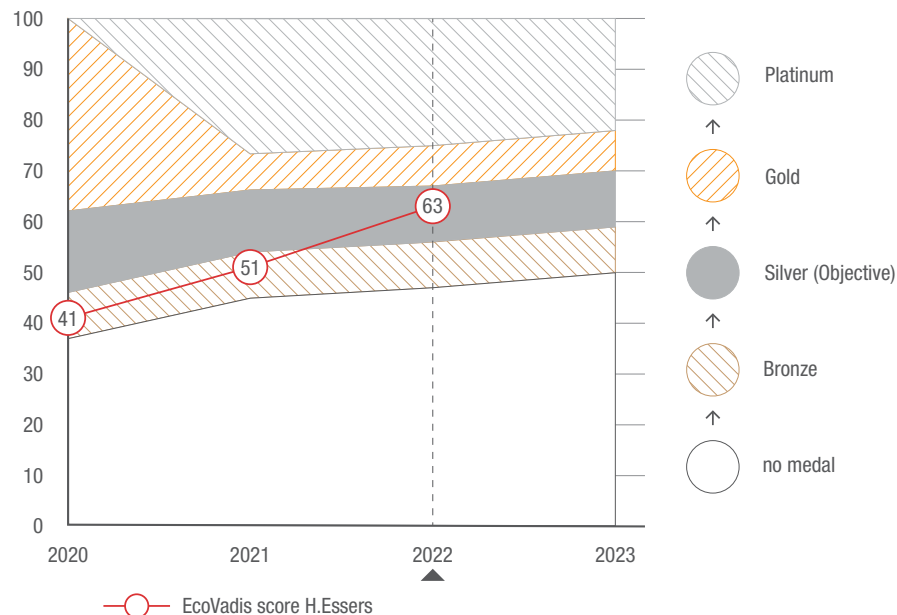
## 8. MAINTAINING INTEGRITY

Integrity, respect and unconditional compliance with applicable standards and values are the foundations on which we built our business model. We want to reflect this in all our processes, in all employees and at all sites. Our name and reputation stand for good, transparent relationships and partnerships with all stakeholders, focusing as much as possible on long-term partnerships.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

IN 2021 H.ESSERS WANTS TO OBTAIN THE ECOVADIS 'SILVER' SUSTAINABILITY RATE AND, AS A MINIMUM, MAINTAIN IT.



EcoVadis, the reference in business sustainability rating, awards an annual sustainability score for ethical entrepreneurship. The assessment covers environmental, social and ethical performance. The indicator shows the evolution of the EcoVadis overall score achieved by H.Essers from 2020 onwards, as well as the yearly evolution of the EcoVadis requirements per medal.



### OUR PROGRESS & PROJECTS

Our overall approach to environmental, social and ethical performance was already rewarded in 2021, with an increase of 10 points and a bronze medal. In the current reporting year, we record an even stronger increase of 12 points, placing us in the 86th percentile of all assessed companies. With this, we comfortably achieve the silver rating from EcoVadis, our target within the 2020-2025 strategy.

In the Environment and Labor & Human Rights categories, we are among the best-rated companies in our industry thanks to further strong progress, and we are also making progress in terms of Ethics, thanks to our ISO 27001 certificate, among other things. In the Sustainable Procurement category, our initiatives of the past 2 years with regard to our sustainable purchasing policy and our Supplier Code of Conduct weighed insufficiently compared to new questions in this category by EcoVadis.

H.Essers will continue to work on integrity and sustainability in the future, and we expect that our holistic approach and increasing maturity will be reflected in our EcoVadis score.

#### PHISHED ACADEMY: TOGETHER WE MAKE CYBER SECURITY TRANSPRESSIBLE!

To better arm our company and people against cyberattacks and phishing, we started the Phished Academy training courses in October 2022. These short, periodic sessions of maximum 10 minutes all our colleagues to recognise cyberthreats, and how best to deal with them.

#### SECURITY FIRST: H.ESSERS AWARD ISO 27001 CERTIFICATE

[More info on our website](#)





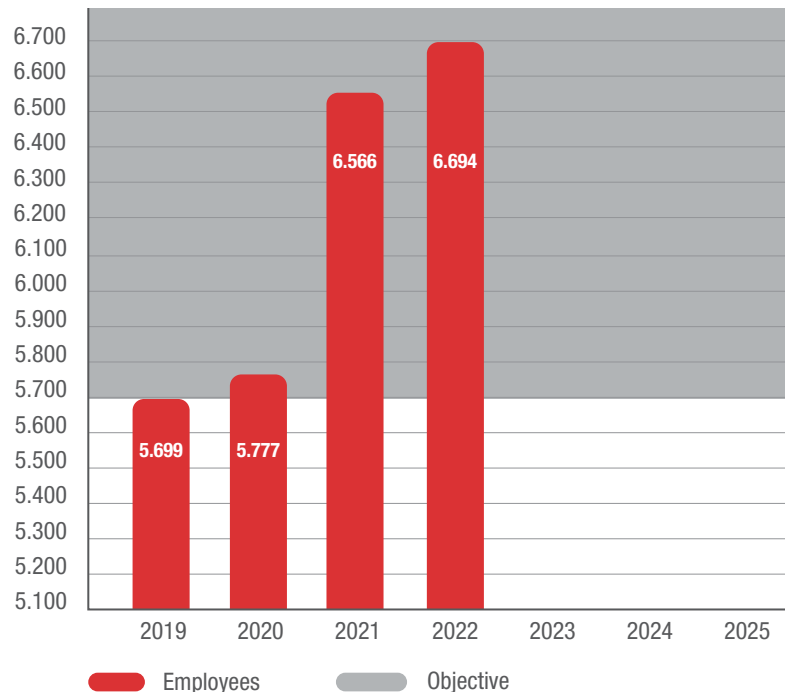
## 9. ANCHORING AND CREATING JOBS LOCALLY <sup>36</sup>

As a family-owned and locally rooted company, we take responsibility for supporting local employment. We will also translate this approach to our other sites, at home and abroad. In doing so, we consciously pay attention to diverse and inclusive jobs and the realisation of economic value. This results in a lasting bond with the community.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

H.ESSERS INTENDS TO ACHIEVE A POSITIVE GROWTH OF THE NUMBER OF EMPLOYEES EVERY YEAR, EITHER ORGANICALLY OR THROUGH ACQUISITIONS.



Overview of the number of permanent and interim employees of H.Essers, as well as employees of social enterprises. Excluding joint ventures.



### OUR PROGRESS & PROJECTS

2022 was another year full of challenges, with a turbulent supply chain among other things due to the after-effects of COVID-19, the war in Ukraine and the resulting energy crisis and sharply rising inflation. Nevertheless, we remain committed to our course, and resolutely continue our growth strategy. After a historic year in 2021 with our largest acquisition to date of the chemical logistics of the Meeus Group in the Netherlands, as well as the acquisition of Coral Transport & Stocks in Spain, we are continuing to integrate these activities into our processes and systems this year. With the acquisition of Verheul Transport in the Netherlands, we will also enter a new growth phase for our Infrastructure segment in 2022. And we continue our organic growth thanks to the opening of our Healthcare crossdock in Genk, the works for our filling & drumming master plan in Wilrijk, and the groundbreaking for our brand new chemical site in Lommel. In addition, in the midst of these circumstances, we are well ahead in reaching our strategic revenue target within the 2020-2025 strategy.

**INFRA SEGMENT ENTERS NEW GROWTH PHASE AND INCREASES Foothold IN THE NETHERLANDS**

[More info on our website](#)

**OPENING NEW HEALTHCARE CROSSDOCK IN GENK**

[More info on our website](#)

**TURNING THE FIRST SOD AT NEW CHEMICALS SITE IN LOMMEL**

[More info on our website](#)





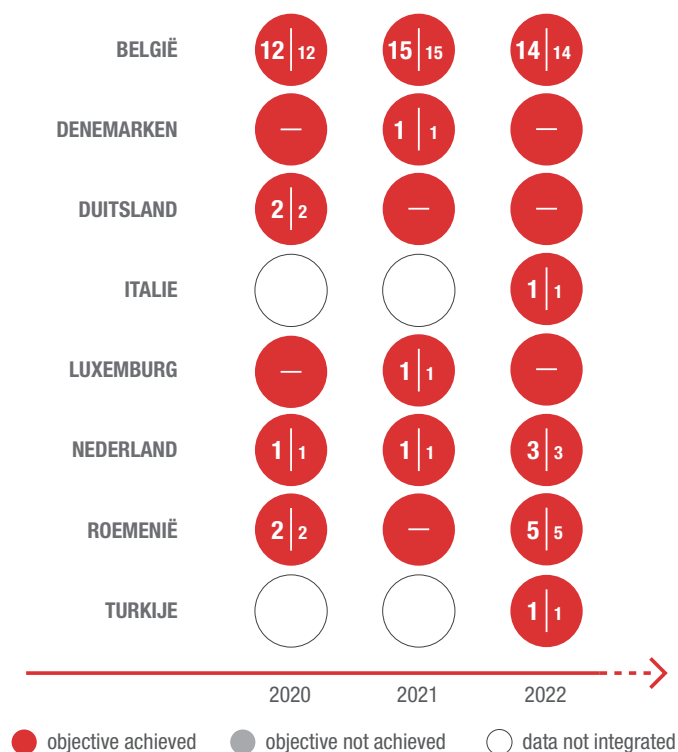
## 10. ENSURING QUALITY

We want to assure the quality of all our processes to the maximum. This will enable us to meet customer requirements and the applicable standards and regulations. In our operations we try to avoid and eliminate waste and failure costs as much as we can.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

H.ESSERS IS COMMITTED TO A **100% CERTIFICATION** OF ALL STANDARDS PREVIOUSLY OBTAINED AND TO BE OBTAINED, AS WELL AS EXTENSIONS.



Overview of all planned and completed audits broken down by country, including surveillance audits, recertification audits, extensions and new certificates or attestations.



### OUR PROGRESS & PROJECTS

As always, H.Essers strives for excellent quality. Given the nature of our activities, quality, safety and sustainability are paramount. We want to be a partner that unburdens the customer in all areas, and we are committed to continuously providing the best solutions. Our various management systems have a mature and stable operation, reinforced by the recent implementation of our electronic quality system Bizzmine. This is once again confirmed by successfully completing all planned audits and interim audits the past year. We further demonstrated a great deal of ambition by extending this accumulated experience and mature approach to IT. In order to guarantee maximum information security, we have already taken a lot of action in the past, and have now set up an ISMS or Information Security Management System and integrated it into our IT organization. We materialised these efforts in the official ISO 27001 certificate.

#### SECURITY FIRST: H.ESSERS AWARD ISO 27001 CERTIFICATE

[More info on our website](#)

#### ISO 14001 CERTIFICATE FOR OUR HIGH-SEVESO SITE

In 2022 we again obtained the ISO 14001 certificate for all our high-seveso sites. With the help of an environmental management system according to this standard, the environmental risks of business operations can be managed and reduced.







## 11. COLLABORATING WITH SUPPLIERS

We want to enter into a dialogue with our suppliers in order to improve the sustainability of their products or services and their operations. We are happy to share our own experience and support their efforts whenever we can. We take account of ecological and social aspects in our purchasing criteria as much as possible.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

IN 2021 H.ESSERS WILL DEVELOP A **CODE OF CONDUCT FOR SUPPLIERS**, WHICH WILL BE SUCCESSFULLY IMPLEMENTED AT STRATEGIC SUPPLIERS AS OF 2022.

The H.Essers [Supplier Code of Conduct](#) is part of our general terms and conditions of purchase and clarifies the minimum standards that our suppliers must meet.



### OUR PROGRESS & PROJECTS

We set out to develop a code of conduct for suppliers in 2021, which was finalised early 2022. From that moment on, it was added as a part of our general terms and conditions of purchase. In the meantime, 153 of our suppliers have signed these updated terms and conditions, but we consider this ambition to be partly achieved as these suppliers are not necessarily the preconceived strategic suppliers, and for the time being represent a limited number of our supplier base. In the future, we will evaluate the further roll-out, and in particular how we can create impact together with our suppliers on the most relevant themes.

It is true that in 2022 we entered into very extensive discussions with many stakeholders in the supply chain, especially in the context of the legislation and targets imposed by Europe, the current possibilities and future developments of alternative fuels and powertrains such as biofuels, electric trucks and hydrogen trucks and the related infrastructure. We gained a lot of up-to-date and relevant knowledge and shared it with our customers and other stakeholders through our Challenges events, which in 2022 revolved around the energy transition in supply chains. In addition, we expect that the new insights will crystallise into follow-up steps in 2023.

#### LAUNCH SUPPLIER CODE OF CONDUCT

In 2022, we launched the H.Essers [Supplier Code of Conduct](#) as part of our general terms and conditions of purchase.

#### EXPERT PANEL: TACKLING CLIMATE CHALLENGES IN LOGISTICS TOGETHER

More info on our websites:

[Healthcare](#)  
[Chemicals](#)





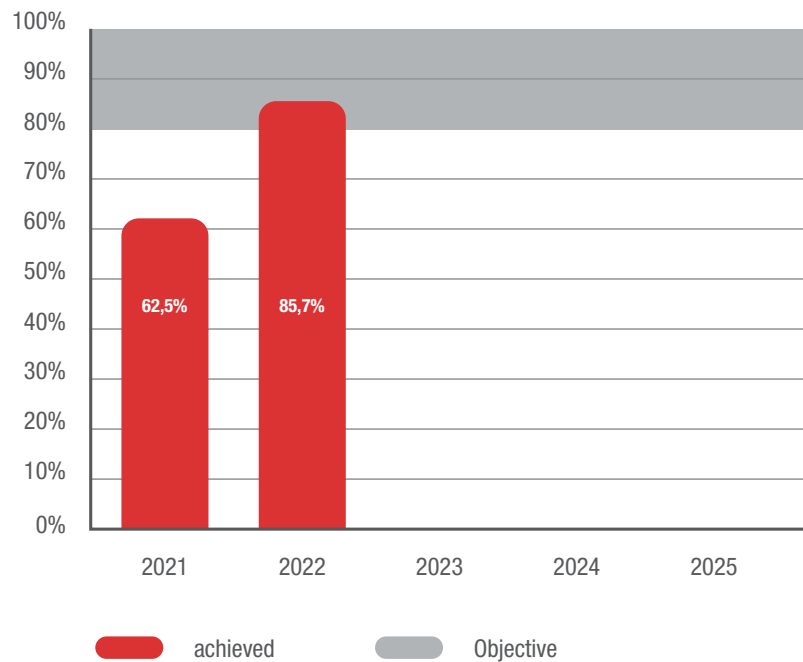
## 12. INCREASING OUR OPERATIONAL EFFICIENCY

We want to use scarce resources sparingly. Creating maximum added value for customers and society is the focus of all our processes. In doing so, we aim to waste as little raw material, time, energy, financial resources and talent as possible.



### OBJECTIVE WAREHOUSING WITHIN THE 20-25 STRATEGY

H.ESSERS WAREHOUSING AIMS TO HAVE DEMONSTRABLE **CONTINUOUS IMPROVEMENT INITIATIVES** FOR AT LEAST **80% OF ITS STRATEGIC CUSTOMERS**.



### OUR PROGRESS & PROJECTS

We set ambitious but realistic goals, which we do not expect to achieve from day one. However, in our previous sustainability report we remarked that continuous improvement is not (yet) relevant for some strategic customers as we do not, insufficiently or too recently carry out warehousing operations for them. We expect such cases in the future, so we will leave them out of the scope of our metric from now on. In addition to the initiatives already underway, we started new, small and large initiatives together with our customers, which led us to achieve our target in 2022. A good example can be found in the multi-day value creation days that we organised with one of our customers, and the resulting action plan. We also continued to monitor our processes and systems, optimizing a.o. our flows for spare parts and express deliveries.

We successfully implemented plenty of new acties, and migrated various activities following the acquisition of Meeus to our own H.Essers WMS. The size and complexity of such projects is growing with us, so that in 2022 we worked on both our largest project in one phase and our largest project in total scope. During one start-up of new activities we experienced a lot of complexity and difficulties, which we were able to convert into a very satisfied customer thanks to intensive cooperation.

Finally, we increasingly investigate the automation of specific processes, actions and broader concepts, with the aim of not only improving efficiency, but also reducing manual and repetitive work and improving ergonomics for our employees. We expect to be able to convert some of these into specific test cases or implementation in 2023.

### VALUE CREATION DAYS

Together with one of our strategic warehousing customers, we organised a multi-day kaizen workshop to improve the efficiency of the end-to-end warehousing process from inbound to outbound, as well as the link to transport. Thanks to the good teamwork, a number of inefficiencies on both sides of the processes were identified and immediately translated into a concrete action plan, which is since being implemented and followed up.





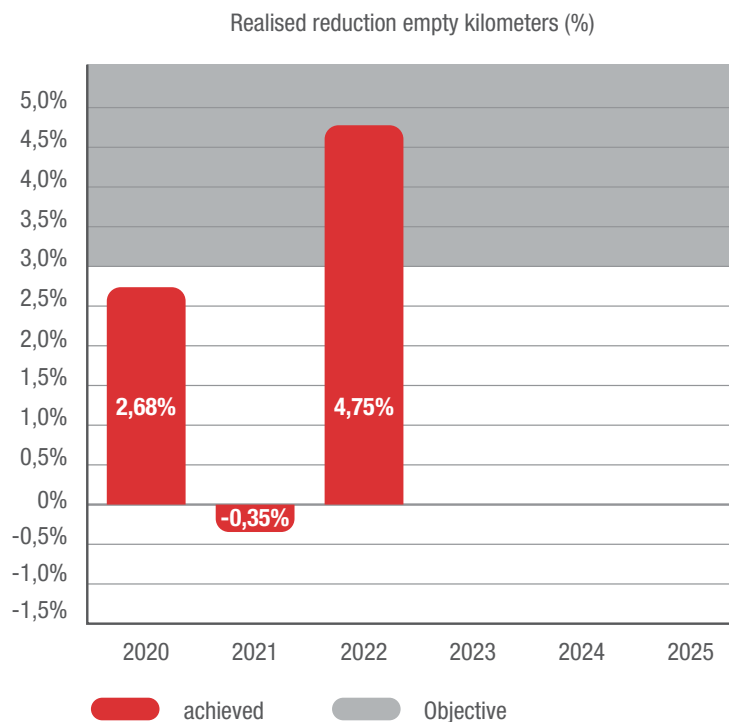
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### OBJECTIVE **TRANSPORT** WITHIN THE 20-25 STRATEGY

THE NUMBER OF KILOMETRES DRIVEN BY EMPTY TRUCKS IS **REDUCED BY 3% ANNUALLY**.



Overview of the realised percentual reduction of empty kilometers compared to the total number of empty kilometers. The empty kilometers are calculated based on trip data from our operational TMS system.



### OUR PROGRESS & PROJECTS

Reliability is one of our company values. That's why we optimised our operating model for part of our activities in 2021 and early 2022, with a primary focus on the stability, profitability and quality of our services. We were already able to confirm the favorable effects of the optimisation in the previous sustainability report, and in the course of 2022 we saw a continuation of this positive evolution.

However, the entire industry remained under pressure from various external evolutions. In particular, the impact of the war in Ukraine, the global energy crisis and the sharply rising inflation was noticeable for both us and our customers. In many sectors, this led to falling production volumes, in some cases to temporary and even permanent closures. The European transport sector is also confronted with an increasing driver shortage. In this context, many transports were subsequently tendered, in search of more capacity and better rates. All this led to less predictable, fluctuating transport volumes, creating a challenging environment to maintain the balance with the return volumes and connections in our network. Nevertheless, we continued to plan optimally in our network, so that the relative number of empty kilometers remained in line with previous years.

#### ANALYSIS OF THE CONNECTIONS IN OUR NETWORK

In 2022, we carried out an analysis of the connections in our transport network for the FTL-synchromodal business unit, which is responsible for our intermodal transports. Follow-up actions were defined that enabled us to optimise the impact both operationally and financially.







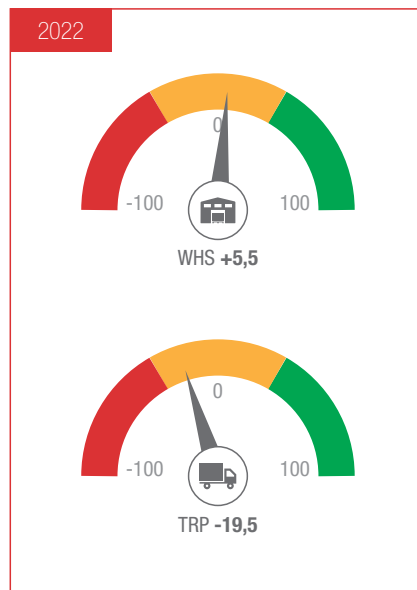
### 13. THINKING AND WORKING WITH CUSTOMER FOCUS

We want to help our customers in deciding how they can make their supply chain more efficient and sustainable. The Customer Intimacy approach has always come natural to our company, ever since the early years. It means that we are very close to our customers and want to connect with them by understanding their needs, seeking solutions together, excelling in our services and investing in long-term sustainable relationships.



#### OBJECTIVE WITHIN THE 20-25 STRATEGY

AS OF 2020-2021 H.ESSERS WILL CONDUCT A **CUSTOMER SATISFACTION SURVEY** AMONG ITS STRATEGIC CUSTOMERS, MEASURING THE **NPS SCORE**. THE SCORE WILL HAVE **IMPROVED BY 20% IN 2025**.



The Net Promoter Score indicates to what extent our customers would recommend H.Essers to friends or colleagues. This is expressed as the different between the percentage of promoters and detractors, which respectively gave a score of 9 or 10, or a score of 6 or lower.



#### OUR PROGRESS & PROJECTS

In order to be close to our customers and to properly understand their needs and specific processes, we organise formal meetings for all our strategic customers: the corporate Strategic Business Review meetings every year, the Quarterly Business Review meetings per business line every quarter and the monthly operational Monthly Business Review meetings. They follow a fixed agenda and format with room for input from both the customer and H.Essers, on a strategic, tactical and operational level. Implementing this structure required the necessary time, attention and involvement to get the right group of people at the table for the various meetings, and to respect the format. The approach does bear fruit through a better connection with our customers and a better understanding of their specific business, strategy and ambitions. This creates an excellent basis for future collaborations, and has already led to new projects and opportunities. We are continuing this success by rolling out to a larger group of customers. In 2022, we conducted our satisfaction survey with 228 respondents from 10 strategic customers, up from 57 respondents from 4 customers in 2021. A more representative result, which will be used as baseline henceforth. After internal evaluation, a number of next steps were identified to ensure a further uptake of the satisfaction survey. These will not only lead to a more complete measurement in 2023, but also to its use as a joint tool with our customers, enabling us to discuss the findings with them and identify next steps towards a better collaboration.

#### HEALTHCARE ROUND TABLE: OCEAN CROSSDOCKING

In 2022, we organised a round table discussion between several stakeholders in our Healthcare segment in the context of a possible horizontal collaboration: an LCL consolidation with a potential improvement in the container fill rate by better aligning constraints and volumes of the parties involved through our ocean crossdock.

#### H.ESSERS WINS AWARD FOR CHEVRON SERVICES IN GENT KLUIZENDOK

[More info on our website](#)





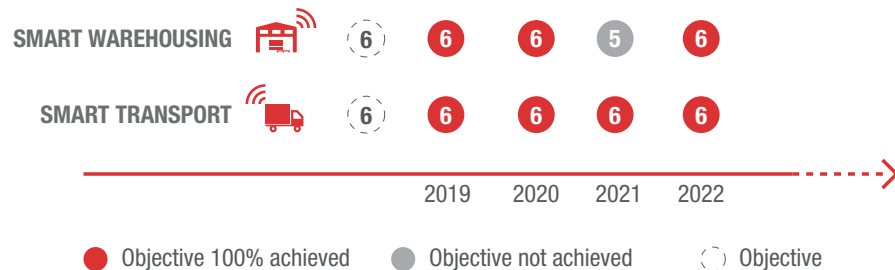
## 14. INNOVATING AND DEVELOPING SUSTAINABLE SOLUTIONS

We continuously invest in research and technological developments to increase our added value for customers and other stakeholders. We challenge existing models to work towards sustainable and innovative solutions for the supply chain of the future. In addition to being a supply chain partner, we also want to be a knowledge partner for our customers. This will help us maintain a pioneering position in our sector.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

EVERY YEAR, H.ESSERS LAUNCHES AT LEAST SIX NEW INNOVATION INITIATIVES IN THE TOMORROWLOG FUNNEL FOR BOTH ITS WAREHOUSING AND TRANSPORT ACTIVITIES.



Overview of the number of new innovation initiatives in the TomorrowLOG-funnel for smart warehousing and smart transport, included as of the analysis phase.

In 2022 we initiated the following:

SMART WAREHOUSING	SMART TRANSPORT
Robotised box unloading	Hydrogen project 2 (NDA)
Vision based boxcounting	Doc classification for invoicing of subcontractors
AMR full pallet automation	Crossdock pallet tracking
Automated box sorting and palletising	Solar powered safebox
Training in VR	Cargo Snap
AI reviewed warehousing contracts	RPA enabled CO <sub>2</sub> reporting



### OUR PROGRESS & PROJECTS

We are steadily adding new ideas for use cases and technologies in the ideation phase of our TomorrowLOG innovation program. In 2022, we again translated a number of these into concrete analyses and projects. The essence of our innovation program is of course to ultimately realise and scale up these innovations. However, as noted earlier, there is no guarantee of success, and lead times are often long for such projects. Some projects that we previously started and reported in our KPI were converted into further successes in the current reporting year. For example, we are implementing the e-desk on new sites after the initial realisation in Boom, and we are completing the roll-out of asset tracking for all rolling stock. Similarly, after previous achievements, both Document Processing and RPA are in the Scaling phase of our innovation funnel, and in 2022 we further investigated new applications of these technologies for other processes and departments.

#### AUTOMATED BOX SORTING AND PALLETISING

We investigated the automatic sorting and palletizing of loaded containers of one of our customers. Today a manual and repetitive process, the ergonomics and quality of which improves through automation. Next steps are expected for 2023.

#### SOLAR POWERED SAFEBOX

After our pilot to limit average diesel consumption with solar panels, we are investigating other applications. In an ongoing pilot we test whether solar panels can guarantee the autonomy of the security systems on our containers, and thus also the reliability of our services.

#### RPA ENABLED CO<sub>2</sub> REPORTING

We scale our RPA bot to other applications, and use it to forward and process trip-order data between our systems and the external software tool EcoTransIT World. As such, the RPA bot is an essential link in our CO<sub>2</sub> reporting at customer level!





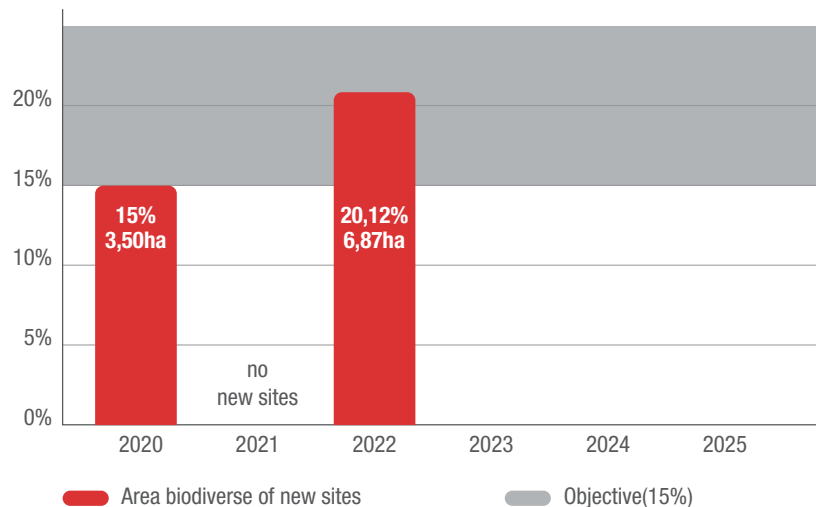
## 15. MANAGING ALL OUR SITES SUSTAINABLY

As one of the larger managers of logistics real estate in Europe, we take responsibility for the optimal use and maintenance of the resources made available. We invest and, where possible, take measures to reduce the ecological footprint of our operations and ensure balanced integration into the environment.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

IN THE DEVELOPMENT OF NEW SITES, **15% OF OUR SITE SURFACE WILL NOT BE PAVED AND INSTEAD PROVIDED WITH GREEN AREAS TO AID THE DEVELOPMENT OF BIODIVERSITY.**



Overview of the planned biodiverse green area and its percentage of the planned total area for new H.Essers sites in Belgium (from the launch of our commitment in 2020). New sites are included from the planning stage, during which biodiversity is already taken into account.



### OUR PROGRESS & PROJECTS

With the opening of our brand new Healthcare crossdock, we are taking the next step in the expansion of our Healthcare Valley in Genk, and our sustainable strategy. The new Healthcare Crossdock is a state-of-the-art building of 15,000m<sup>2</sup>, and offers opportunities for synchromodal transport thanks to its location near our rail terminal. The site is richly supplied with renewable energy as one of our wind turbines is located on this site, and the building itself is equipped with solar panels. In addition, the building offers ergonomically equipped offices and a relaxation area, followed by a modest park that has been planted with respect for the local biodiversity. Although the certification process is still ongoing, we expect that all these efforts will be crowned with a BREEAM rating. The first sod was also turned in 2022 for our new chemicals site at Lommel Kristalpark III, where we also welcome the local nature by designing a significant part of the site in a green and biodiverse way and equipping the office buildings with a green roof. In short, the realization of new sites with a BREEAM good rating and with unpaved and biodiverse zones is part of our policy, and will be continued for all new sites in the future.

**OPENING NEW HEALTHCARE CROSSDOCK IN GENK**

[More info on our website](#)

**TURNING THE FIRST SOD AT NEW CHEMICALS SITE IN LOMMEL**

[More info on our website](#)





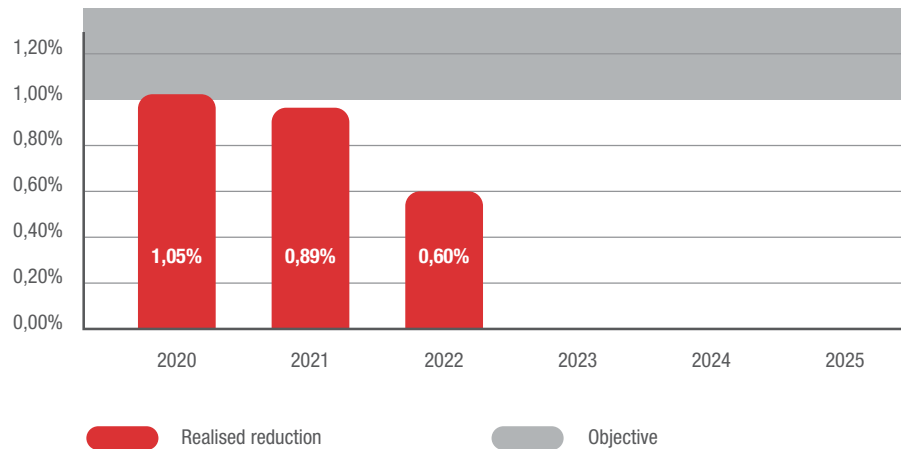
## 16. INCREASING OUR ENERGY EFFICIENCY

We use energy sparingly and efficiently and try to systematically reduce our dependence on fossil fuels in favour of green energy. We generate our own green electricity wherever possible.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

**TOTAL DIESEL CONSUMPTION (IN RELATION TO ROAD KM) WILL BE REDUCED BY 1% ANNUALLY FROM 2021 ONWARDS.**



Overview of the realised percentual reduction of the average fuel consumption of our international fleet.



### OUR PROGRESS & PROJECTS

Our trucks are equipped with the latest technology thanks to the renewal of the fleet every five years. As a result, we continued the downward trend in average diesel consumption of recent years, although we did not fully achieve our 1% reduction target. A deviation in the third quarter is striking, with the trend of recent years being broken for the first time due to a higher average consumption than in the third quarter in 2021. In the absence of accessible models to quantify the impact of various factors on diesel consumption, it is difficult to determine the exact cause of this deviation. While driving style certainly plays an important role, we expect this to be a slower effect acting in the long-term, and thus does not offer an explanation for a short-lived deviation. In addition, the nature of the activities in which the vehicle is used, and external influences such as weather conditions are also important. In that regard, we were faced with exceptional circumstances in 2022. On the one hand, the entire industry was under pressure which led to less predictable and fluctuating transport volumes, and on the other hand the whole of Europe experienced exceptional drought and extreme heat in the third quarter, compared to a relatively cool and wet period in 2021. The war impacted the availability of specific components for the automotive industry, in particular cable harnesses, which are largely produced in Ukraine for the European market. This slowed the delivery of new trucks for our fleet, resulting in existing vehicles remaining in the fleet for a longer time. While this has a temporary impact on the average age of our fleet, an immediate impact on consumption is considered unlikely.

#### NEW INSIGHTS THROUGH REAL-WORLD TRUCK TESTING

To gain new insights, we brought several vehicles from different brands into our fleet. We involved a number of motivated drivers, left the vehicle choice to them, and then sent them out for effective Healthcare transports throughout Europe. With the ultimate goal of gaining as much knowledge as possible, among other things about driver satisfaction, technology, systems, consumption and maintenance, we have since been following the findings closely and as extensively as possible.







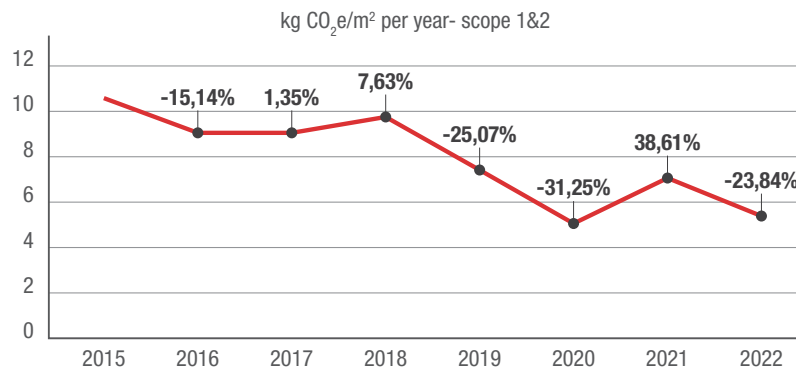
## 17. REDUCING OUR CO<sub>2</sub> EMISSIONS <sup>37</sup>

Reducing CO<sub>2</sub> emissions is a social priority. We are actively looking for solutions to systematically reduce our emissions. We do not only invest in energy-efficient infrastructure and buildings, but also in technology, such as modern, clean trucks. We want to share our knowledge with our sector peers. Where possible, we generate our own green energy.



### OBJECTIVE WAREHOUSING WITHIN THE 20-25 STRATEGY

THE CO<sub>2</sub> EMISSIONS GENERATED BY H.ESSERS WILL BE REDUCED ANNUALLY BY 5% PER M<sup>2</sup> OF WAREHOUSE SPACE.



This indicator projects the evolution of CO<sub>2</sub>e emissions from our energy sources (natural gas, fuel oil, grey electricity, green electricity) for own use and injection, in relation to the surface area of our warehouses in Belgium, Denmark, Germany, Italy, the Netherlands and Romania and Spain. The CO<sub>2</sub>e footprint was calculated according to the operational control approach, and in line with the Global Logistics Emissions Council (GLEC) framework methodology. The emission factors used come from both the GLEC and the International Energy Agency. These emission factors include the following greenhouse gases: CO<sub>2</sub>, NF<sub>3</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, PFCs and HFCs. The basis for our calculations since 2015 was chosen following the establishment of the Sustainable Development Goals by the United Nations.



### OUR PROGRESS & PROJECTS

Europe has been confronted with its energy dependency in recent months. The resulting price fluctuations and uncertainty of the energy supply forced many people and companies to think about their energy. At H.Essers we have been consciously using our energy for some time now, which we have already demonstrated with our well-known programs such as LED lighting, generating our own renewable energy, or the roll-out of heat pumps for offices and Healthcare warehouses. However, given the exceptional circumstances, we have taken another critical look at our consumption. With a few targeted actions, such as correctly setting or lowering the set point at some locations, and raising awareness among our employees, we were able to reduce our heating needs. A sigh of relief was heard throughout Europe because of the mild winter, which naturally also played an important role in the reduced consumption and therefore greenhouse gas emissions. We also continue to focus on the production of our own green electricity via solar panels and wind turbines. For example, 2 of the warehouses acquired from Meeus in the Netherlands were equipped with solar panels, and we expect the commissioning of our 6th wind turbine mid-2023!

OPENING NEW HEALTHCARE CROSSDOCK IN GENK

More info on our [website](#)





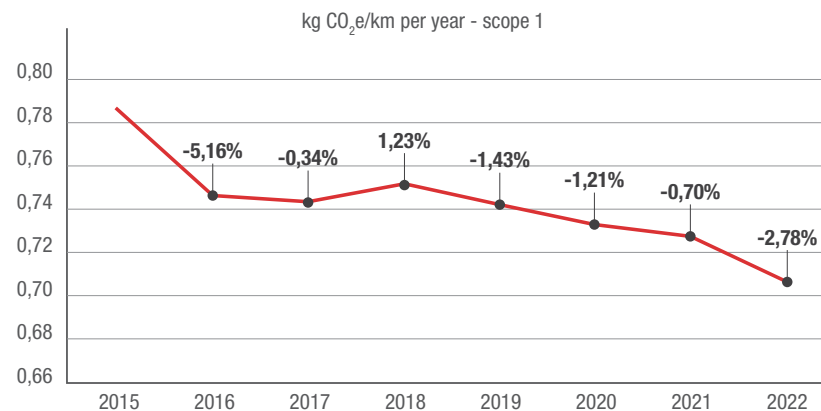
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Reducing CO<sub>2</sub> emissions is a social priority. We are actively looking for solutions to systematically reduce our emissions. We do not only invest in energy-efficient infrastructure and buildings, but also in technology, such as modern, clean trucks. We want to share our knowledge with our sector peers. Where possible, we generate our own green energy.



### OBJECTIVE **TRANSPORT** WITHIN THE 20-25 STRATEGY

**THE CO<sub>2</sub> EMISSIONS WE GENERATE FROM ROAD FREIGHT TRANSPORT DECREASE BY 5% ANNUALLY OVER THE TOTAL DISTANCE (KM) TRAVELLED.**



The evolution of CO<sub>2</sub>e emissions produced by our fleet, in relation to the number of kilometers travelled. The emissions are generated by our energy sources: diesel, HVO biodiesel and LNG. The basis for our calculations since 2015 was chosen following the establishment of the Sustainable Development Goals by the United Nations.



### OUR PROGRESS & PROJECTS

In 2022, we realised a 5.500 ton CO<sub>2</sub>e reduction, which will reduce our intensity per km of transport by 2,78%. We remained strongly committed to different solutions within the four domains of our program framework: improve, avoid, shift and inset. We are taking important steps to build the intermodal supply chain of the future within the Healthcare segment. Within the inset domain, we officially launched our HVO insetting solution during one of our expert events. Together with our customers, we already reduced more than 1,000 tons of CO<sub>2</sub>e in 2022. We even applied the principle to all Merck Healthcare transports in November and December, accounting for more than 400 tons of CO<sub>2</sub> reduction! In addition, we are focusing on energy efficiency (see previous ambition) and alternative fuels. In that regard we started a bio-LNG project with Evonik. We extensively explored the possibilities in terms of electricity and hydrogen for our trucks, and we expect to take follow-up steps in this area in 2023. The transition to fully electric company cars was also successfully initiated. Finally, in 2022 we implemented CO<sub>2</sub> reporting at customer level, which we'll roll out to customers in phases during 2023, and will thus enable the identification and follow-up of reduction opportunities.

#### **HVO INSETTING BY MERCK HEALTHCARE**

[More info on our website](#)

#### **BUILDING THE SUPPLY CHAIN OF THE FUTURE TOGETHER**

[More info on our website](#)

#### **SWITCHING TO ELECTRIC COMPANY CARS**

Our exemplary and leading role in sustainable transport also extends to personal mobility. In 2022 we therefore started the transition of our fleet of company cars in Belgium and the Netherlands. From now on, all new vehicles will be fully electric, leading to a fully electric fleet in a few years.





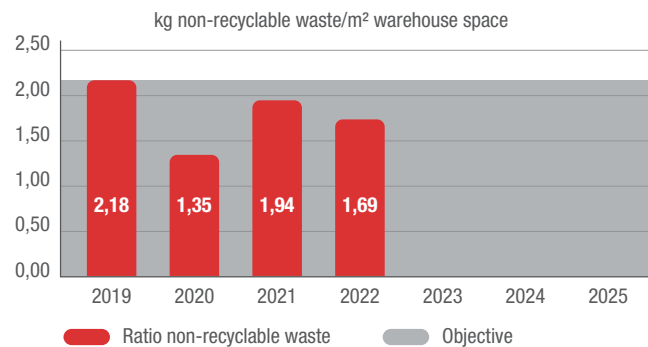
## 18. REDUCING AND RECYCLING WASTE <sup>38</sup>

We don't want to increase the waste mountain. That's why we largely avoid non-recoverable waste and recycle where possible. We realise that this also requires permanent awareness, which must be expressed on the shop floor on a daily basis.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

**REGARDLESS OF OUR GROWTH, THE PERCENTAGE OF NON-RECYCLABLE WASTE (%) WE PRODUCE AT H.ESSERS WILL NOT INCREASE.**



Overview of the volume of non-recyclable waste in kg in relation to the surface of warehouse space in m<sup>2</sup>. Indicator for Belgium (from 2019). The table below illustrates the waste we produced in Belgium in 2022, based on source data of our waste partners. The waste streams foil, wood, paper & cardboard, metal, glass and PMD (plastic bottles, metal packaging, and drink cartons) are recovered. Residual waste is energetically valorised, as is the Chemical waste after processing.

WASTE STREAM	RECOVERABLE	ENERGETIC VALORISATION	ENERGETIC VALORISATION IN CEMENT INDUSTRY
Wood	1754,3 tonnes	-	-
Paper & Cardboard	1175,5 tonnes	-	-
Foil	585,1 tonnes	-	-
Metal	88,6 tonnes	-	-
Glass	51,7 tonnes	-	-
PMD	1,2 tonnes	-	-
Residual waste	-	1667 tonnes	-
Chemical waste	-	-	1347 tonnes
<b>Total</b>	<b>3656,4 tonnes</b>	<b>1667 tonnes</b>	<b>1347 tonnes</b>



### OUR PROGRESS & PROJECTS

As a logistics service provider, we are not a waste-intensive company, but we do come into contact with a number of material flows that require attention on a daily basis. We do not have full control over the waste streams we produce, and are highly dependent on the processes and requirements of our customers and the way they deliver their goods. However, consumables and packaging materials that we purchase and deploy for our customers, will over time and further down the supply chain have fulfilled their function, reaching the end of their useful life. As a logistics service provider, we want to focus on the aspects that we can control ourselves. To a limited extent, this concerns the ordinary waste (similar to household waste) that we can control ourselves. On the other hand it concerns the sustainability of the consumables that we use for customers. The amount of residual waste per square meter of warehouse space in 2022 was in line with previous years, and we achieved our goal of keeping it below the 2019 level. We are continuing to work on more uniform reporting from our waste partners, in order to provide our operations with the necessary tools through more accurate reporting.

#### IN-HOUSE REFURBISHMENT OF TRAILERS & TANK CONTAINERS

As an asset-based company, we not only perform our fleet's maintenance in our workshops, we also refurbish our trailers and tank containers ourselves. Some 60 units have already been taken care of, and we'll be taking care of dozens of units annually in the future. This allows us to extend the units' lifespans several times over, and in doing so save a ton of materials, waste, energy and logistics throughout the supply chain.





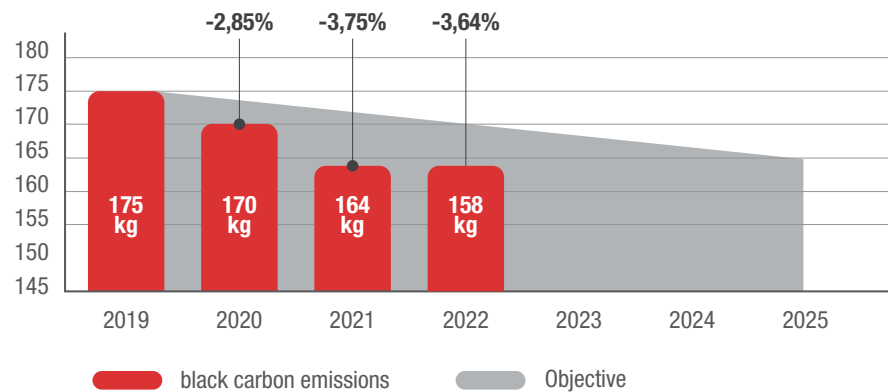
## 19. REDUCING OTHER EMISSIONS

In addition to our focus on CO<sub>2</sub>, we also want to continue to work on reducing noise pollution, odour nuisance, fine dust, nitrogen and all other forms of emissions that have a negative impact on the immediate environment.



### OBJECTIVE WITHIN THE 20-25 STRATEGY

**THE EMISSION OF MICRO-DUST BY OUR TRANSPORT ACTIVITIES WILL BE REDUCED BY 1% EACH YEAR AS OF 2021.**



Evolution of the black carbon emissions for our international fleet, calculated according to the Black Carbon Methodology drawn up by the Smart Freight Center.



### OUR PROGRESS & PROJECTS

Particulate matter or black carbon emissions are irrefutably part of the significant impact that we as a transport and logistics service provider have on our environment, both in terms of the natural environment and in terms of air quality and therefore health. As reported in previous editions of our sustainability report, the science and calculation models we should use to determine our impact are less advanced than for example for greenhouse gas emissions. However, several drivers of this impact are very clear. The particulate matter is created during combustion in the engines of our trucks, tire wear and brake wear. This immediately indicates a number of possible actions. Some of them are entirely under our control. For example, switching to alternative fuels or coaching the driving behavior of our drivers, and ensuring the most recent technology by renewing the fleet. This leads us to conclude that the targeted actions we take to limit our CO<sub>2</sub> emissions nearly always impact our particulate matter emissions to a certain extent. In addition, they impact other aspects such as safety, reliability of our services or costs. A large number of other possibilities are however not (fully) under our control, including technological development and innovation, regulations, or emission standards.

The methodology we currently use mainly depends on the distance traveled. The fact that we have achieved a reduction in 2022 and have thus achieved our target can be explained by the impact of, among other things, the energy crisis on our volumes. However, this model and therefore the result obtained do not sufficiently reflect initiatives such as our HVO insetting or the driving behavior of drivers.





# RESTATEMENTS OF INFORMATION <sup>39</sup>

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The following changes compared to the previous sustainability report apply to the calculation method of specific indicators.

## KPI 3 | Providing a Great Place to Work

We are rolling out a new strategic measurement among our employees: the Trust Index Survey of the Vlerick Business School. The classic satisfaction survey will therefore be discontinued, since there are strong similarities in terms of content, but the results are not fully comparable.

## KPI 4 | Promoting Employee Motivation and Engagement

We are rolling out a new strategic measurement among our employees: the Trust Index Survey of the Vlerick Business School. The classic satisfaction survey will therefore be discontinued, since there are strong similarities in terms of content, but the results are not fully comparable.

## KPI 12 | Increasing our operational efficiency

Last year we decided to calculate this KPI differently, and we are now further refining the result. We add some basic checks to determine only the relevant warehousing customers for whom we intend to roll out continuous improvement initiatives. Customers with insufficient warehousing activities (based on turnover) or insufficient seniority (less than 1 year after start-up) are not taken into account.

## KPI 17 | Reducing our CO<sub>2</sub> emissions

- From this edition onwards, the indicator includes information from 2015 onwards for our entire Infra segment, both for activities in Belgium and for activities from the recent acquisitions of Hoefnagels and Verheul in the Netherlands. We use information from our on-board computers for the kilometers travelled, and tanking records for the consumption. Limited assumptions were made to account for missing historical data.
- From this edition onwards, the indicator includes information from 2015 onwards for the recently acquired transport activities of Meeus in the Netherlands. We use information from our on-board computers for the kilometers travelled, and tanking records for the consumption.
- In view of the integration of the above mentioned activities and the resulting, significant volume of fuel consumed, we have re-evaluated the biofuel share used, and therefore the emission factor of our diesel. We now make a distinction between tankings at home base in Belgium at our own gas stations, and other H.Essers or public locations.
- From this edition onwards, the indicator includes the impact from our use of bio-LNG, which we have been using since 2022.
- The scope 2 CO<sub>2</sub>e emissions for purchased electricity from 2020 onwards were recalculated based on the IEA Emission Factors 2022 data set, with information per country, per year and including the impact of CH<sub>4</sub> and N<sub>2</sub>O.





# CONCLUSION

Sustainability has been an integral part of the decision-making process at H.Essers. By taking responsibility today, we are making a difference for generations to come. Of course, this does not happen overnight. That's why it's crucial to stay the course, despite the rapidly changing world and challenging external factors that force us to make constant adjustments. If you look back on our first sustainability report you'll see that the transition to a sustainable future is in full swing and is bringing us closer to our ultimate goal.

Last year we once again took several important steps, one of which was **founding our own H.Essers Academy** to support new and existing talent. With 51 nationalities represented in Belgium, we are a highly diverse company. And with the recent appointment of our **diversity & inclusion coach**, these unique backgrounds are being given the distinct attention and respect they deserve. We are also making a concerted effort to transform H.Essers into a **Great Place to Work**: a pleasant work environment that encourages employees to achieve their ambitions at their own pace.

On an ecological level, the launch of our **HVO insetting** solution was an important milestone. The concept, which involves compensating the CO<sub>2</sub> output of our transport internally instead of externally using hydrotreated vegetable oil (HVO), has been met with enthusiasm by our clients. We are also investigating the possibility of using **electricity and hydrogen** for our trucks, following the successful transition to electric company cars.

In the field of data security, we have also been making big moves. Achieving **ISO 27001 certification** means we can guarantee maximum data security with our own IT systems. We are also **continuing to innovate and invest in sustainable solutions for our clients**.

These are just a few of the many examples that demonstrate our strong drive to transform and evolve. This evolution forms a rock-solid foundation to accelerate our transition and to prepare for the changing European regulations together with our clients. We are determined to continue down this path in the belief that every step we take will contribute to a better future for us all.

**Yannick Dylst**, Senior Expert Sustainability

# GRI CONTENT INDEX

This report for H.Essers BV was drawn up in accordance with the GRI standards for the period of 1 January 2022 to 31 December 2022. It complies with all reporting principles and requirements set out in the GRI 1 Foundation 2021 edition.

The report contains footnote numbers that refer to the same number in the table below, which contains an index of all the GRI disclosures this report complies with. To find out what content a disclosure relates to, just click on it. We will immediately take you to the right page where you will also find the reference number of the disclosure in question.

## GENERAL AND TOPIC SPECIFIC DISCLOSURES

1. <a href="#">GRI 2-22</a> Statement on sustainable development strategy	4. <a href="#">GRI 2-23</a> Policy commitments	14. <a href="#">GRI 2-9</a> Governance structure and composition <a href="#">GRI 2-11</a> Chair of the highest governance body
2. <a href="#">GRI 2-1</a> Organizational details <a href="#">GRI 2-3</a> Reporting period, frequency and contact point <a href="#">GRI 2-5</a> External assurance	5. <a href="#">GRI 2-1</a> Organizational details <a href="#">GRI 2-6</a> Activities, value chain and other business relationships	15. <a href="#">GRI 2-10</a> Nomination and selection of the highest governance body <a href="#">GRI 2-18</a> Evaluation of the performance of the highest governance body <a href="#">GRI 2-19</a> Remuneration policies
3. <a href="#">GRI 2-1</a> Organizational details <a href="#">GRI 2-2</a> Entities included in the organization's sustainability reporting <a href="#">GRI 2-6</a> Activities, value chain and other business relationships <a href="#">GRI 2-7</a> Employees <a href="#">GRI 201-1</a> Direct economic value generated and distributed	6. <a href="#">GRI 2-6</a> Activities, value chain and other business relationships	16. <a href="#">GRI 2-18</a> Evaluation of the performance of the highest governance body <a href="#">GRI 2-19</a> Remuneration policies <a href="#">GRI 2-20</a> Process for determining remuneration <a href="#">GRI 401-2</a> Benefits provided to full-time employees that are not provided to temporary or part-time employees <a href="#">GRI 405-2</a> Ratio of basic salary and remuneration of women to men
	7. <a href="#">GRI 2-6</a> Activities, value chain and other business relationships	17. <a href="#">GRI 2-9</a> Governance structure and composition <a href="#">GRI 2-13</a> Delegation of responsibility for managing impacts <a href="#">GRI 2-14</a> Role of the highest governance body in sustainability reporting <a href="#">GRI 2-15</a> Conflicts of interest <a href="#">GRI 2-17</a> Collective knowledge of the highest governance body <a href="#">GRI 405-1</a> Diversity of governance bodies and employees
	8. <a href="#">GRI 2-6</a> Activities, value chain and other business relationships	
	9. <a href="#">GRI 3-1</a> Process to determine material topics	
	10. <a href="#">GRI 3-2</a> List of material topics	
	11. <a href="#">GRI 2-9</a> Governance structure and composition	
	12. <a href="#">GRI 2-9</a> Governance structure and composition <a href="#">GRI 405-1</a> Diversity of governance bodies and employees	
	13. <a href="#">GRI 2-12</a> Role of the highest governance body in overseeing the management of impacts <a href="#">GRI 2-15</a> Conflicts of interest	



18. GRI 2-24  
Embedding policy commitments
19. GRI 2-1  
Organizational details  
GRI 2-2  
Entities included in the organization's sustainability reporting
20. GRI 2-29  
Approach to stakeholder engagement
21. GRI 2-6  
Activities, value chain and other business relationships
22. GRI 2-28  
Membership associations
23. GRI 2-7  
Employees  
GRI 2-8  
Workers who are not employees  
GRI 405-1  
Diversity of governance bodies and employees
24. GRI 2-30  
Collective bargaining agreements
25. GRI 2-23  
Policy commitments
26. GRI 2-27  
Compliance with laws and regulations
27. GRI 205-3  
Confirmed incidents of corruption and actions taken
28. GRI 2-25  
Processes to remediate negative impacts  
GRI 406-1  
Incidents of discrimination and corrective actions

29. GRI 404-3  
Percentage of employees receiving regular performance and career development reviews
30. GRI 403-6  
Promotion of worker health
31. GRI 2-23  
Policy commitments  
GRI 3-3  
Management of material topics
32. GRI 403-2  
Hazard identification, risk assessment and incident investigation  
GRI 403-3  
Occupational health services  
GRI 403-5  
Worker training on occupational health and safety  
GRI 403-7  
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
33. GRI 305-1  
Direct (scope 1) emissions  
GRI 305-2  
Energy indirect (scope 2) GHG emissions
34. GRI 203-1  
Infrastructure investments and services supported
35. GRI 3-3  
Management of material topics
36. GRI 203-1  
Infrastructure investments and services supported
37. GRI 305-4  
GHG emissions intensity  
GRI 203-1  
Infrastructure investments and services supported

38. GRI 306-3  
Waste generated
39. GRI 2-4  
Restatements of information
40. GRI 2-5  
External assurance

## REASONS FOR OMISSION

GRI 2-21  
Annual total compensation ratio

The necessary salary information is not available for the whole group, due to majority participations and recent acquisitions.

GRI 2-26  
Mechanisms for seeking advice and raising concerns

We expect implementation of policy and processes in 2023 compliant to the EU directive 2019/1937 on the protection of persons who report breaches of Union law.







# ADDENDA

## ADDENDUM 1 | Memberships

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### IN BELGIUM

#### VOKA NATIONAAL, MEMBER OF THE BOD AND EXECUTIVE COMMITTEE

VoKa is the Flemish network of enterprises and supports the interests of Flemish entrepreneurs. Entrepreneurs can also find advice here and be brought into contact with other companies.

#### FEBETRA, BOARD MEMBER

The royal federation of Belgian carriers and logistic service providers offers support to professionals on the road.

#### LPL, CHAIRMAN

Logistiek Platform Limburg provides strategic support to the logistics sector in Limburg. The LPL Steering Committee shapes the “triple helix” by representing logistics companies, knowledge institutes and the government.

#### VIG, BOARD MEMBER

Verenigde Industriëlen Genk is a Genk-based business association that represents the interests of business leaders, industrial companies and entrepreneurs in Genk and Zutendaal.

#### VIL, BOARD MEMBER

VIL has been appointed by the Flemish government as the single point of contact for logistical companies in Flanders and aspires to create an economic and social added value for companies.

#### VKW LIMBURG

Member of the executive committee and member of the Board of Directors, vice-chairman, member of the work groups: VKW Limburg is an independent employers' organisation. It connects companies and strengthens enterprises in Limburg.

#### POLYMER TEAM NV, MEMBER OF THE BOARD OF DIRECTORS

Polymer Team is a producer of polypropylene compounds. The company is a partner for PP-compounding and contract work commissions.

#### LRM, DIRECTOR, MEMBER OF THE REMUNERATION COMMITTEE, MEMBER OF THE AUDIT COMMITTEE

The Limburgse Reconversiematschappij is an investment company that stimulates economic growth in Limburg on a large scale.

#### PICS BELGIUM, MEMBER OF THE BOARD OF DIRECTORS

PICS is a non-profit organisation and provides knowledge and training about supply chains and logistics to partners in the sector. PICS also creates networking opportunities.

#### LOGISTICS IN WALLONIA, ADVISORY COMMITTEE

Competitive cluster established to develop and promote the transport and logistics domain in Wallonia beyond its borders, by coordinating actions, defining a common strategy and optimising human and technological resources.

#### SCAMELEON, MEMBER OF THE BOARD OF DIRECTORS

Scamelon's ambition is to position the role of supply chain management and procurement more clearly and to promote its added value.

#### FORWARD BELGIUM, MEMBER OF THE BOARD OF DIRECTORS

Represents forwarders, customs agents and logistics service providers and is a single point of contact for anything concerning forwarding, customs, transport organisation and logistics.

#### VIB

The Belgian association of procurement and logistics. This independent network organisation provides network opportunities for procurement, logistics and supply chain professionals.

#### TLV

This Flemish transport and logistics organisation supports more than 1500 companies as the professional association of companies in transport and logistics.

#### UPTR

The union of professional hauliers & logistics entrepreneurs represents and informs Belgian logistics service providers.

#### EKONOMIKA ALUMNI

The production & logistics department of Ekonomika consists of alumni and academics who create a connection between business and innovative academic research.



#### **BEPACT**

The Belgian public affairs community is an association of public affairs professionals in Belgium. The association is committed to influencing the political and social landscape of society.

#### **VSV**

This Flemish foundation for traffic engineering aims to raise people's safety awareness in traffic. Practical education and awareness must result in fewer and preferably zero road casualties.

#### **VIAS**

As a Belgian competence centre, Vias wants to improve road safety and to this end collaborates with governments, companies and research institutes.

#### **BESAA**

The Belgian safety advisors association is an association for safety advisors in Belgium promoting their interests with the government and branch association.

#### **UPIP-VAPI**

A Belgian platform for all Healthcareists active in the Healthcareceutical industry or for those interested in this field; the organisation represents Healthcareists, creates networking opportunities and has a say in national and European legislation.

#### **UNTRR**

The national union of road hauliers from Romania provides the most recent information regarding logistics in Romania quickly and effectively.

#### **BITO VZW**

The Belgian institute for transport organisers stimulates research and realisations to optimise the shipment of goods. The institute also supports the government in drawing up rules and regulations.

#### **TAPA EMEA**

The Transported Asset Protection Association is a unique forum that connects producers, logistics service providers, governments and other stakeholders worldwide to combat loss in international supply chains together.

#### **AIR CARGO BELGIUM**

Wants to make BRUcargo the most attractive, innovative and successful logistics platform and is thus responsible for the further development of air freight.

#### **AIR CARGO NETHERLANDS**

The sector organisation for the air cargo industry in the Netherlands, with the aim of further strengthening the air cargo industry; the focus is on optimising and innovating the air freight chain at Schiphol and regional airports.

#### **TANK CLEANING BELGIUM COMMISSION**

An organisation that protects the interests of tank cleaning companies in the transport sector. It connects with associations and governments and promotes relations with authorities in other countries.

#### **BACD**

The Belgian Association of Chemical Distributors looks after the interests of players in chemical distribution. People, environment and safety are always key.

#### **CARGOVIL VZW**

Aims to sustainably improve the quality of industrial estates. The non-profit association works with companies and stakeholders and enters into a dialogue with them. The results are translated into concrete actions in the development of private and public domain.

#### **PORT OF ZEEBRUGGE**

APZI promotes the Port of Zeebrugge and looks after the interests of the local private sector. It works intensively with the port authority of Zeebrugge to promote the port as efficiently as possible.

#### **PREBES**

Supports people and companies active in health, safety and the environment. Members are given access to an online competence centre, but also all kinds of activities and courses.

#### **FEVIA**

As the federation of the Belgian food industry, Fevia represents hundreds of producers of foodstuffs and beverages in Belgium and is committed to their sustainable growth.

#### **BELTUG**

Beltug is the Belgian association of CIOs and leaders in the field of digital technology. The association represents the interests of ICT business users vis-à-vis suppliers and authorities.

#### **VeGHO HAVENRAAD**

VeGHO offers the Ghent Port Companies specific operation and support in, in order to support an accessible and economically sustainable playing field in the port. With a focus on stable employment and sustainable creation of added value.



## INTERNATIONAL

### DENMARK

#### C4 THE ASSOCIATION

An umbrella organisation that brings together the city and city council of Hillerød under four pillars: Business, Trade, Culture & Tourism and Education.

#### THE BBCS

A professional network for companies and individuals in Scandinavia connected to the Benelux. The purpose of The BBCS is to create a professional and social networking environment that creates direct business value.

#### THE CONFEDERATION OF DANISH INDUSTRY

Also referred to as DI – the biggest, most representative and influential business and employers' organisation of Denmark.

#### GLS-A

The leading employers' organisation for the green sectors. GLS-A advises on all aspects of labour law.

### ROMANIA

#### BEROCC

The Belgian Romanian Chamber of Commerce. Gert Bervoets was a member of this chamber for 6 years, 4 of which as chairman. Berocc is a recognised Chamber of Commerce that wants to promote Belgian, Luxembourg, Romanian and Moldavian trade and investment. H.Essers pays the membership fee through a sponsorship contract.

#### CEO CLUB

H.Essers has been a member of this very strong network organisation for 4 to 5 years. Chief executives meet here to share their valuable expertise and learn from each other. This membership is also covered by a sponsorship contract.

#### APDCR

Asociația Producătorilor și Distribuitorilor de Chimicale din România is the association for distributors and producers of chemical products. H.Essers has been a member for 2 years. APDCR promotes the scientific, technical, environmental, economic and legal aspects of companies operating in Romania in the chemical, petrochemical, Healthcareceutical and plastics sectors.

#### UNTRR

The Romanian National Road Transport Federation aims to support national and international logistics service providers with relevant value-added services, and to be a leader in this field. Within this organisation, H.Essers takes part in study groups (e-CMR) and Road Safety training courses.





# ADDENDUM 2 | Limited Assurance Statement

40

On behalf of H.Essers a limited assurance is provided by Vinçotte, an independent party and a reference in the field of certification and compliance assessment.

## SUSTAINABILITY REPORT ASSURANCE STATEMENT

### H.ESSERS

**VINÇOTTE nv**  
Jan Olieslagerlaan 35  
1800 Vilvoorde, België

**Organisation**

H.Essers bv  
Transportlaan 4  
3600 Genk  
Belgium

**Scope**

On behalf of H.Essers, Vinçotte performed a limited assurance of the H.Essers Sustainability Report 2023 (reporting year 2022) according to the GRI Standards developed by the Global Reporting Initiative.

Validation was done for H.Essers for the reporting principles for defining report content and report quality.

Furthermore a selection of environmental and social Key Performance Indicators (KPI's) and qualitative claims and statements were validated (see annex 1). The review of the financial performance information was excluded from the scope, as Vinçotte assumes it was derived from the audited financial records of H.Essers.

**Level of assurance**

Limited assurance

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**Assurance Engagement**

For the assurance engagement the procedures followed were:

- Adherence of the report against the GRI disclosures stated in the GRI content index in the report;
- Interviews with employees in charge of preparing the Report and data owners, who provided the raw data for the KPI's;
- Audit of the way of processing and aggregating the raw data;
- Sampling of raw data with regard to the reported KPI's;

**Responsibilities**

The report has been prepared by H.Essers, which remains responsible for its content. Vinçotte's responsibility was solely to perform the assurance for selected information.

**Declaration of independence**

The validation was carried out by Vinçotte as an independent third party.

**Conclusion**

Based on the work undertaken, nothing came to the attention of Vinçotte to indicate that the reported content of H.Essers is materially misstated.

16/06/2023

Ramses Sterckx  
Lead Contract Engineer

Josephine Carlé  
Project Engineer

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**Annex 1 (page numbers refer to the Dutch version of the Report)**

Subject	KPI
Short Term absence	Page 54, validated the percentage (3.01%) of short term absence in 2022.
Satisfaction scores of employees	Page 56 & 57, Vinçotte validated the Satisfaction scores (results of the Trust Index of A Great Place To Work) 63% as an overall score for the Trust Index of A Great Place to work. 74% on the question "I want to work here for a long time period" and 48% on the question "the management involves people/employees with regard to decisions that affect the job or work environment."
Percentage of internships	Page 60, validated the percentage of internships (6.53%) in 2022.
Code of Conduct for suppliers	Page 64, Vinçotte validated the implementation of the new supplier code of conduct integrated in the general purchase agreements.
Continuous improvement initiatives	Page 65, validated the percentage (85.7%) of strategic warehousing customers with continuous improvement initiatives in 2022.
Innovation initiatives	Page 68, validated the number of new initiatives (6 initiatives for warehousing and transport activities individually) in 2022.
Biodiverse green area of new sites	Page 69, validated the percentage (20.12%) of biodiverse green area at new sites of H.Essers in 2022.
Diesel consumption international fleet	Page 70, validated the reduction of 0.60% of the diesel consumption for the international fleet.
Energy and CO <sub>2</sub>	Page 49, validated the following numbers: - scope 1 emissions 114.957 tCO <sub>2</sub> e in 2022 - scope 2 emissions 2.074 tCO <sub>2</sub> e in 2022

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