

SUSTAINABILITY REPORT

2023



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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 2023 was published in June 2024.

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 [via 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.

INTRODUCTION ²

Dear reader,

We are proud to present you with our fifth sustainability report. The sustainable path we embarked on a few years ago is more relevant than ever today, as we see a growing interest in sustainability both internally and externally. In our volatile world, we are convinced that a sustainable strategy is the only way to tackle the complex circumstances we face. Consider the new technologies on the horizon, staff shortages that hinder our growth, price hikes beyond our control, stricter regulations, and geopolitical threats, to name just a few.

The answer to many of these challenges lies in a sustainable vision; a shared purpose that is clear for everyone. This is precisely why we've decided to consolidate the nineteen ambitions we've defined over the past few years into a simple framework of five ambitions that also encompass the other well-known topics. Not because we've become less ambitious. On the contrary, now more than ever we see a drive to create impact and make a difference together. Through simplicity we can create more transparency, more focus, more support, and more engagement. We have therefore concentrated our efforts into five ambitions: CO₂ Reduction, Great Place to Work, Safety, Customer Focus, and Integrity.

We are pleased to introduce this new approach to you in our 2023 report. You can also read about our progress on existing initiatives and learn more about our new projects. We hope to inspire you with our efforts towards sustainable warehousing and transport operations, our drive towards inclusivity and diversity of our teams, and the innovative steps we are taking to care for our customers, including through the use of AI. What we do today can indeed make a difference tomorrow.

Happy reading.

Carlo Theunissen, COO Warehousing





” 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

ABOUT H.ESSERS ³

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 and Healthcare. 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 at 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 1.078,4 mln. €	distributed economic value 1.062,2 mln. €
direct economic value 1.081,7 mln. €	maintained economic value 19,4 mln. €

total capitalisation of
debts and equity

22%

equity
188,7 mln. €

debt
381,6 mln. €



7.631
employees



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



more than
1.300.000 m²
warehouse space



1.396
Trucks
3.950
Trailers



680
Safeboxes
2.068
ISO tanks

IN 2023
we have



covered
2,7 bln. tkm
by road, rail and water



delivered
4,8 mln. tonnes
of goods



loaded and unloaded
11,8 m. pallets



had in total
18,1 MWp + 12,4 MW
solar and wind capacity



OUR CORPORATE VALUES ⁴



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 ⁵

H.ESSERS HAS 89 SITES IN 18 COUNTRIES AND 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



A SELECTION OF OUR SITES



H.ESSERS HQ, GENK, BE



RAILPORT, GENK, BE



GENK, BE



GHENT, BE



H.ESSERS ACADEMY, GENK, BE



GENK, BE



GENK, BE



WILRIJK, BE



H.ESSERS IT, GENK, BE



GENK, BE



LOMMEL, BE

HEALTHCARE CHEMICALS



OUR SITES UNDER DEVELOPMENT

We pursue a sustained growth strategy that responds to the needs of our customers in our strategic segments, by means of strategic acquisitions and organic growth, including redesigning or renovating existing H.Essers sites and developing entirely new sites.



CONTAINER TERMINAL, BERGEN-OP-ZOOM, NL



LOMMEL, BE



BUCHAREST, RO



ROMANO TRASPORTI, IT



GENK, BE



RINGSTED, DK



BRUSSELS, BE



HEALTHCARE

CHEMICALS



OUR VISION AND MISSION

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 synchronomodal 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 synchronomodal 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.

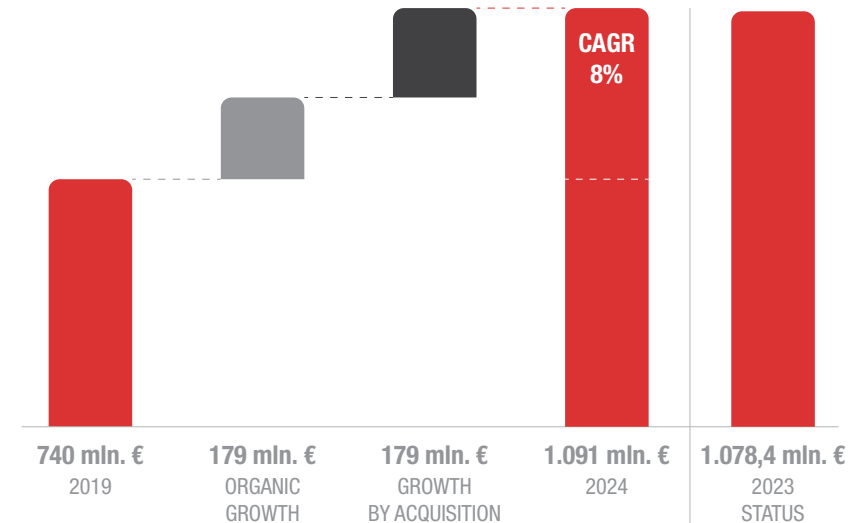
Christopher Van den Daele, COO Transport



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.



SEGMENTS ⁶

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

This specialisation enables us to understand our customers even better.



CHEMICALS



HEALTHCARE

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.

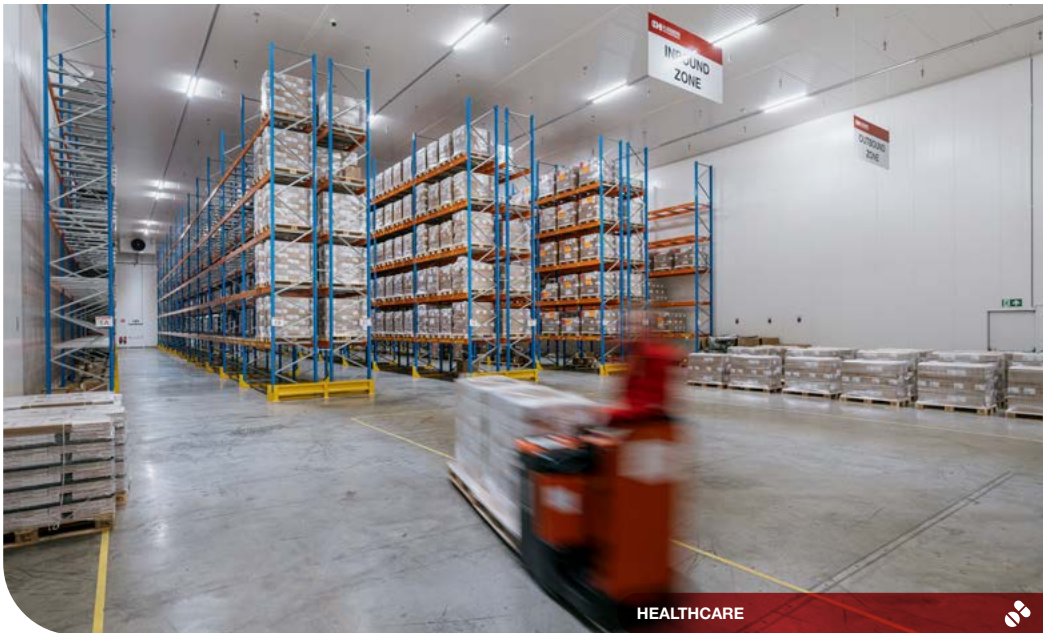




CHEMICALS



CHEMICALS



HEALTHCARE



HEALTHCARE



 HEALTHCARE  CHEMICALS



ONE-STOP SHOP ⁷

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



Control Tower

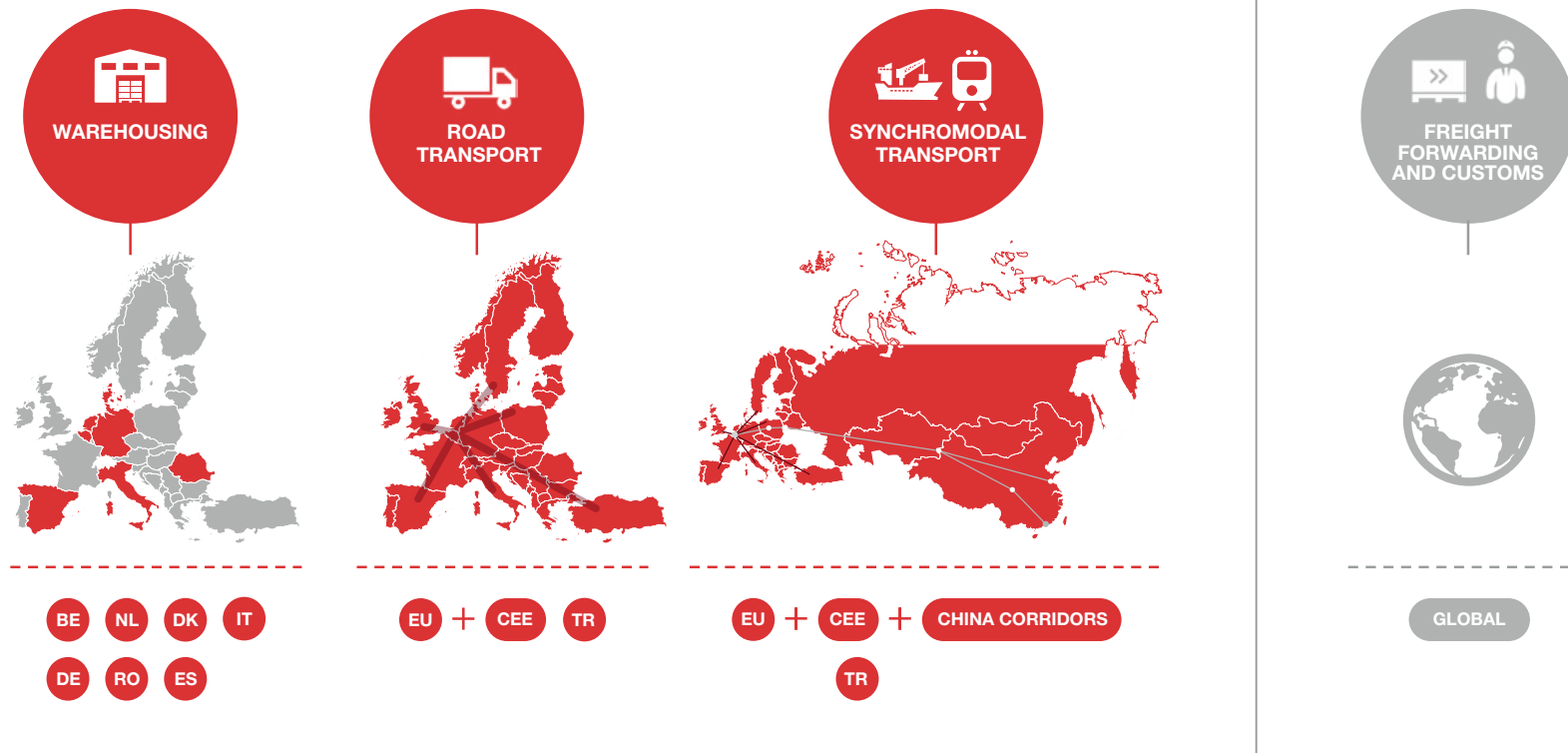


GEOGRAPHICAL SCOPE ⁸

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 and Japan, 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.

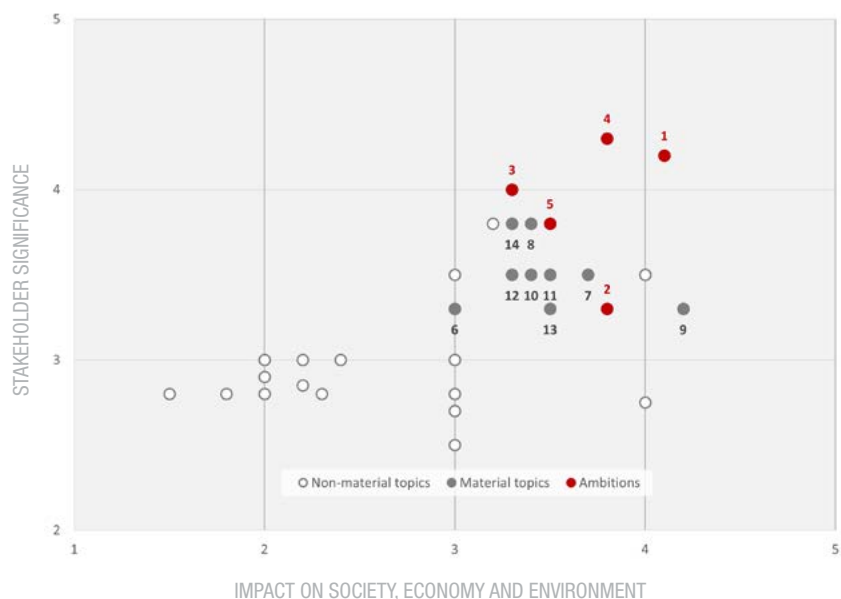


SUSTAINABLE ENTREPRENEURSHIP: MATERIAL TOPICS ⁹

Shared value is an important concept for our company. It means that with our sustainable strategy, we aim to create added value for our stakeholders from an economical, social and ecological perspective. In everything we do, we apply the precautionary principle by paying attention to the possible effects of our activities, and by always striving for maximum positive impact.

The compass towards our sustainable future and the priorities in our 2020-2025 sustainable strategy have been determined based on an accurate materiality analysis. As a first step, we compiled a list of all the topics of interest to our stakeholders. We then determined on the one hand the impact of each topic on an economic, social and ecological level (X-axis) and on the other hand the importance of each topic to our stakeholders (Y-axis). Based on the resulting score, we selected the material topics that we aim to achieve in our strategy in the short and long term. Each year we evaluate our approach, priorities and progress with regards to our material topics as part of the annual review of our corporate strategy by the Management Board.

After evaluation in 2023, we revised our initial framework consisting of the 5 so-called policy objectives (SDGs) and the 19 initially selected material topics, to ensure clearer focus and communication. We introduced a new framework composed of 5 sustainability ambitions and 14 underlying material topics. Some of the initial 19 topics were no longer retained after re-evaluating the impact, were placed under one of the other topics or were merged.



NR.	MATERIAL TOPICS	IMPACT	SIGNIFICANCE
1	Reducing our CO ₂ emissions	4,1	4,2
2	Providing a great place to work	3,8	3,3
3	Working on safety as a top priority	3,3	4,0
4	Thinking and working with customer focus	3,8	4,3
5	Maintaining integrity	3,5	3,8
6	Reducing other emissions	3,0	3,3
7	Managing all our sites sustainably	3,7	3,5
8	Ensuring a healthy and ergonomic workplace	3,4	3,8
9	Sharing knowledge with schools	4,2	3,3
10	Training staff and stimulating their development	3,4	3,5
11	Managing our knowledge	3,5	3,5
12	Collaborating with suppliers	3,3	3,5
13	Innovating and developing sustainable solutions	3,5	3,3
14	Ensuring quality	3,3	3,8
15	Increasing our operational efficiency	4,0	3,5
16	Increasing our energy efficiency	3,2	3,8
17	Reducing and recycling waste	3,0	3,5
18	Handling water sustainably	2,0	2,8
19	Compensating for ecological impact	2,3	2,8
20	Minimising local emissions	3,0	3,0
21	Creating equal opportunities	3,0	2,8
22	Facilitating a good work-life balance	3,0	2,7
23	Guaranteeing transparent communication	2,2	2,9
24	Monitoring and improving labour conditions	2,4	3,0
25	Anchoring and creating jobs locally	4,0	3,5
26	Supporting the social economy	4,0	2,8
27	Supporting society	2,2	3,0
28	Contributing to self-reliance in society	1,5	2,8
29	Contributing to safety in society	2,0	2,9
30	Investing in asset based solutions	3,0	2,5
31	Strengthening the collaboration with partners	2,0	3,0
32	Leading by example	1,8	2,8



SUSTAINABILITY AMBITIONS: FOCUS 2023-2025



REDUCING OUR CO₂ EMISSIONS

REDUCE CO₂ EMISSIONS INTENSITY ANNUALLY BY 5%

- Reducing our CO₂ emissions
- Reducing other emissions
- Managing all our sites sustainably



PROVIDING A GREAT PLACE TO WORK

BECOME A 'GREAT PLACE TO WORK'

- Providing a great place to work
- Ensuring a healthy and ergonomic workplace
- Training staff and stimulating their development
- Sharing knowledge with schools



WORKING ON SAFETY AS A TOP PRIORITY

IMPROVE FREQUENCY RATE OF WORK ACCIDENTS ANNUALLY BY 10%

- Working on safety as a top priority



THINKING AND WORKING WITH CUSTOMER FOCUS

IMPROVE THE NPS SCORE BY 20% BY 2025

- Managing our knowledge
- Thinking and Working with Customer focus
- Innovating and developing sustainable solutions



MAINTAINING INTEGRITY

OBTAIN A SILVER ECOVADIS SUSTAINABILITY RATING

- Maintaining integrity
- Ensuring quality
- Collaborating with suppliers



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, as well as our sustainability strategy and material topics



The United Nations' 17 SDGs

ORGANISATIONAL STRUCTURE ¹⁰

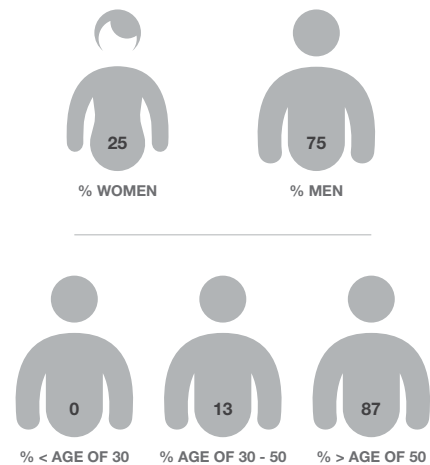
100% FAMILY BUSINESS

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 ¹¹

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. The members assume their mandate in person or through a management company, as published in the appendices to the Belgian Official Gazette. They 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 2023, from left to right: Lode Essers, Leen Geirnaerd, Filip De Keersmaecker, Hilde Essers, Gert Bervoets, Noël Essers, Johnny Thijs and Stijn Bijns.



THE ROLE OF THE BOARD OF DIRECTORS ¹²

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. 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 Electrabel, Recticel, Golazo and Hospital Logistics. Member of the Board of Directors at H.Essers.

ACTIVITIES AND RESPONSIBILITIES ¹³

COMMITTEES AND POSITIONS AT H.ESSERS

BOARD MEMBER	MANDATE	EXECUTIVE/NON-EXECUTIVE	ECONOMIC/ENVIRONMENTAL/ SOCIAL COMPETENCES	OTHER POSITIONS AND COMMITMENTS
Hilde Essers	Chair of BoD	Non-executive	Economic, Environmental, Social	Member of BoD VKW Limburg
	Member of Audit Committee	Non-executive		Director at LRM
	Chair of Remuneration Committee	Non-executive		Member of Audit Committee LRM
	Member of Evaluation Committee	Non-executive		Director Polymer Team Member of BoD KU Leuven Member of Remuneration Committee KU Leuven
Noël Essers	Honorary Chairperson	Non-executive	Economic, Environmental, Social	Director Polymer Team
	Member of Evaluation Committee	Non-executive		
Gert Bervoets	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 Chairman of BoD Golazo Chairman of BoD Hospital Logistics
	Member of Remuneration Committee	Non-executive		Director Tajo Genk
Stijn Bijmens	Member of BoD	Non-executive	Economic, Environmental, Social	CEO Cegeka Group
	Member of Remuneration Committee	Non-executive		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 Charman of BoD Pami Holding
Filip De Keersmaecker	Member of BoD	Non-executive	Economic, Environmental, Social	-



EVALUATION COMMITTEE ¹⁴

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 three members: the Chairperson of the audit committee who is a non-executive member of the Board of Directors, the Chairperson of the Board of Directors and the CEO, with the CFO and the Director Internal Audit as permanent guests. 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.

REMUNERATION COMMITTEE AND POLICY ¹⁵

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, including any sustainability-related objectives. 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.

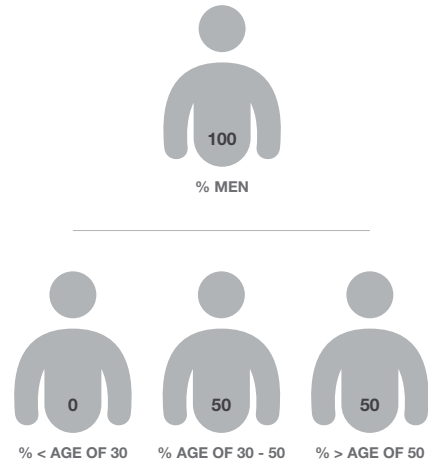
The total remuneration is assigned based on the generic job profile and the assigned job level, as defined by the internal evaluation committee which is specifically trained and certified to evaluate jobs. In our payroll policy we make no distinction between genders or other discriminating factors. Our 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 where applicable. We also apply a notice period for all our employees in accordance with legislation.



MANAGEMENT BOARD ¹⁶

The day-to-day management is entrusted to CEO Gert Bervoets and a multidisciplinary team of Directors. They each assume their mandate through a management company, as published in the appendices to the Belgian Official Gazette. The role of the Management Board is defined by the Belgian Companies and Associations Code, and additional clarification on their mandate is provided in our organisation's articles of association. To guarantee proper and efficient management, our Management Board's internal code formalises the processes regarding decision-making and conflicts of interest and expectations regarding integer, ethical and responsible behaviour, 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.



Hilde Essers together with the members of our Management Board in 2023, from left to right: Lieven Leenders (CFO), Pascal Vranken (CCO), Christopher Van den Daele (COO Transport), Salvatore Napolitano (CPO), Gert Bervoets (CEO), Erik Lamoral (CIO), Carlo Theunissen (COO Warehousing) and Mike Dautzenberg (CHRO).



SUSTAINABILITY COMMITTEE AND GOVERNANCE ¹⁷

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.

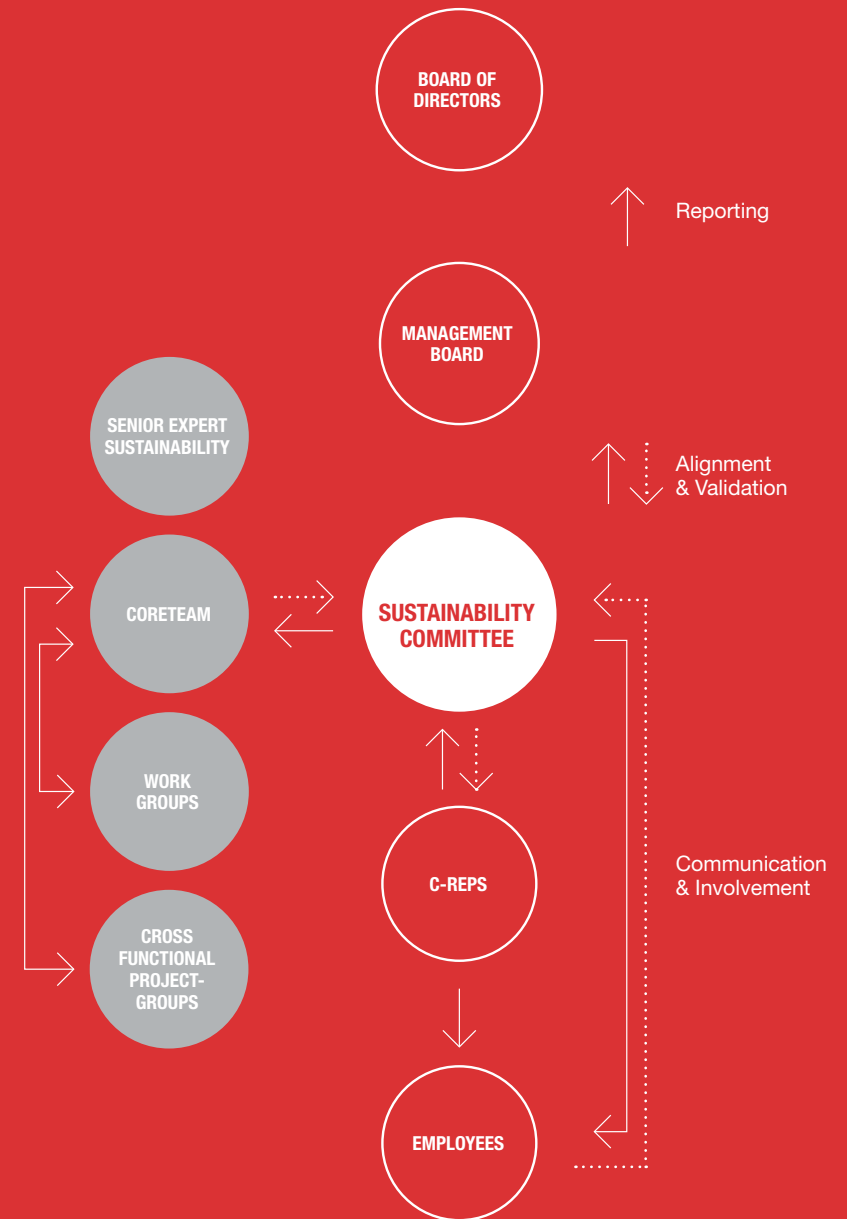
It's not about a sustainability strategy, but rather about a sustainable strategy.

Gert Bervoets, CEO H.Essers

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.

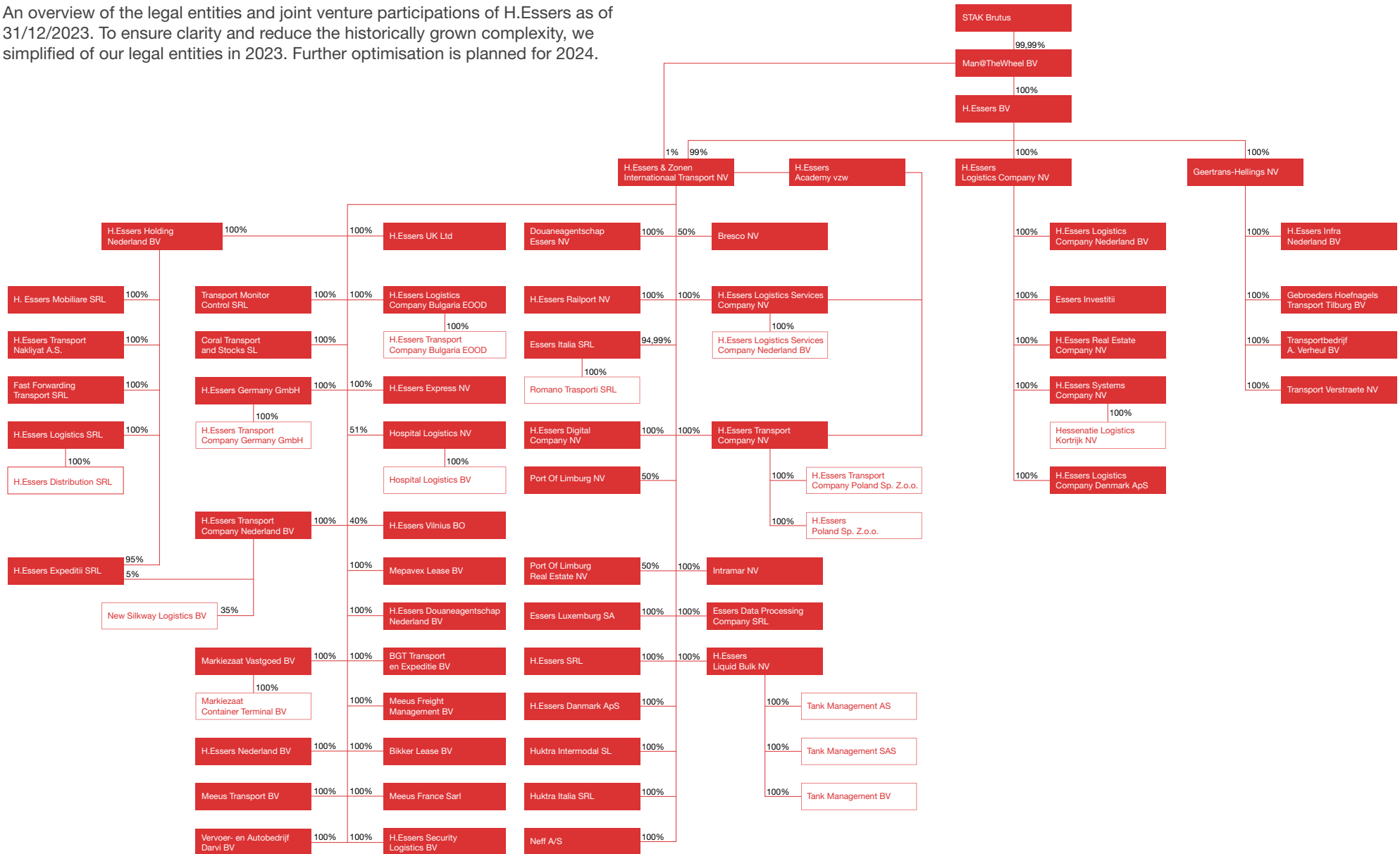


Visual representation of our sustainability governance.



NATURE OF OWNERSHIP AND LEGAL FORM ¹⁸

An overview of the legal entities and joint venture participations of H.Essers as of 31/12/2023. To ensure clarity and reduce the historically grown complexity, we simplified our legal entities in 2023. Further optimisation is planned for 2024.



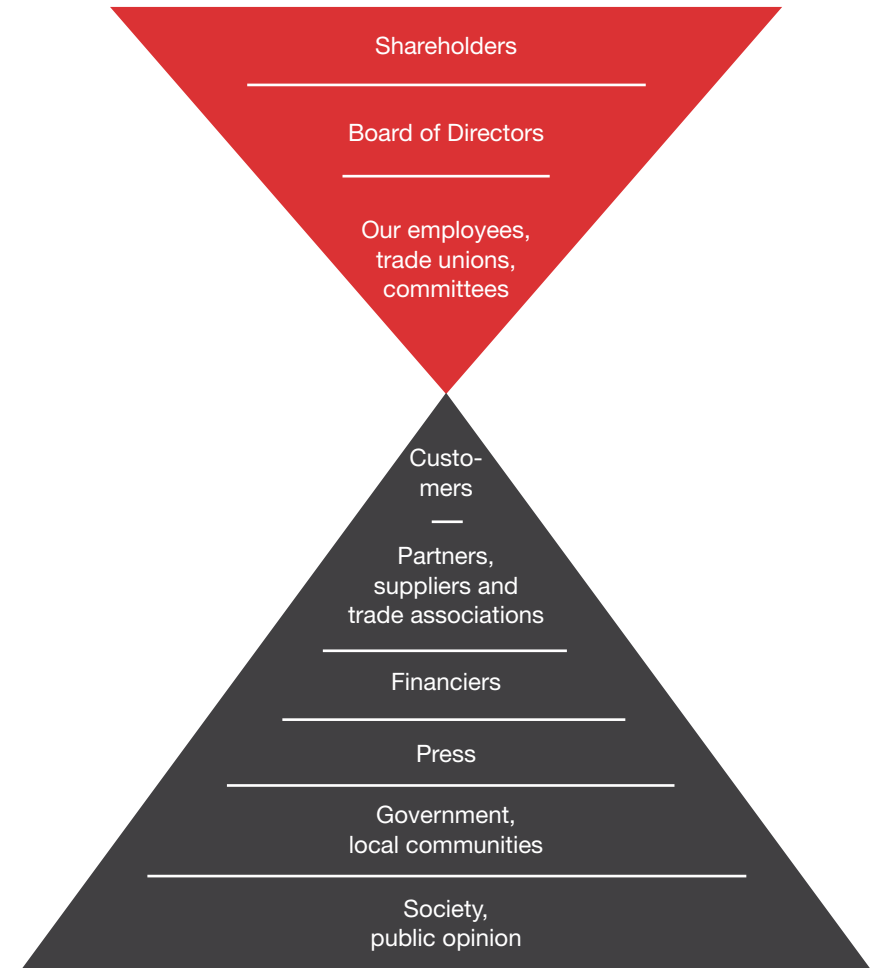
KEY PARTNERS IN OUR SUSTAINABLE STRATEGY

STAKEHOLDER INCLUSIVENESS ¹⁹

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



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 employee

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, CO₂ 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 ²⁰

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 geopolitical and macroeconomic factors have been the norm in recent years and 2023 was by no means different, with amongst others the Israel-Hamas war and the Red Sea crisis. After the smooth recovery following the pandemic lockdowns, the European economy has thus had to deal with one crisis after another. As a result, it reported a weak year, with the chemical industry in particular reporting a strong decline in production. This also reflected on European transport demand, with higher capacity in the market leading to significant pressure on rates. Meanwhile, prices for both energy and consumables fell after peaking in 2022, albeit stabilising at significantly higher levels than before. Delivery times also seem to have largely normalised. Due to disruptions in the supply chain of our main truck supplier caused by a combination of the previously mentioned factors, H.Essers implemented a strategic change in our fleet purchasing policy in 2023. Henceforth, a two-brand policy will be applied to ensure the continuity of our services and the integration of new technology.

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



ENVIRONMENTAL INFORMATION



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.

SUSTAINABILITY OF OUR SITES AND FLEET ²¹

We are constantly working on improving the sustainability of all our activities, as set out in our [corporate environmental policy](#) which applies uniformly to both existing and new sites, as well as our fleet. The environmental policy gives direction to the way we will make our fleet sustainable and the way we will organise our sites sustainably: occupation of space, paved areas, inclusion of natural elements, reducing energy consumption and deploying renewable energy, reducing CO₂ emissions, handling raw materials and water sparingly and reducing waste streams. The necessary resources are made available to implement the policy. Progress and results are monitored and transparently communicated.



EXPANSION VS. DEFORESTATION

The space available to us is limited and the development of a site can 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 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:

- No deforestation of forests with a protected status such as VEN, Natura 2000 or old forests.
- Limited deforestation in zone-foreign forests with a paved destination (such as industrial zones), possible only up to 10% of the site surface area, with an upper limit of 2 hectares.
- Any other legal deforestation in industrial areas will be more than compensated for by planting and setting up new natural areas or forests.
- Improving and further developing the biodiversity on every new site we develop as of 2020, by managing at least 15% of the new site surface area as biodiverse green space.

ROADMAP TO DECARBONISATION

We are continuously exploring new opportunities to systematically reduce the greenhouse gas emissions of our transport and warehousing activities within the four domains of our program framework: improve, avoid, shift and inset (based on insights from i.a. [ALICE](#) and the [Smart Freight Centre](#)). Within our 2020-2025 strategy we aim for an annual CO₂ reduction of 5% per m² of warehouse space as well as 5% per km of transport.

ROADMAP TO DECARBONISATION: A MULTIDISCIPLINARY PROGRAM

IMPROVE



AVOID



SHIFT



INSET



This program framework is in line with 'The roadmap towards zero emissions', edited by [ALICE](#) (The Alliance for Innovation & Collaboration in Europe).



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 18,1 MWp solar capacity, as well as 12,4 MW thanks to 6 wind turbines. Together, they produced over 34 GWh of green electricity in 2023, 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.

ELECTRIFICATION OF HEATING AND COOLING

H.Essers is fully committed to the electrification of heating and cooling, by installing heat pumps that provide fossil-free heating and cooling while making use of our green electricity. This has been the standard technique for our new build temperature-controlled warehouses and offices in Belgium for several years, and in 2023 this was extended to new build non-temperature-controlled warehouses. We also apply this standard for new build sites which we develop ourselves in other countries, opting for full electric or hybrid installations according to the local climate and type of warehouse, among other things. All existing temperature-controlled warehouses were already retrofitted, so that these require only limited additional heating capacity with conventional fuels in exceptional conditions.

ENERGY EFFICIENCY

We reduce our energy consumption as much as possible. For years, we have built our new warehouses with a higher level of insulation than the EPB requirements and with energy-efficient LED lighting. For existing sites, we also maintain a focus on energy efficiency through post-insulation, conversion of the interior and exterior lighting at our existing sites in Belgium and Romania to LED lighting, and installation of destratification fans in all suitable warehouses to prevent heat accumulation under the roof and thus save energy, among other things.

ROLLING STOCK POWERED BY GREEN ELECTRICITY

From forklifts to cleaning machines. Virtually our entire fleet of rolling stock in our warehouses at home and abroad is electrically powered. This concerns a total of about 960 machines. A great result of our switch to electric equipment that we successfully initiated a few years ago. The use of our own green electricity completes the picture.

LOW GWP REFRIGERANT GASES

Refrigerant gases play a crucial role in the electrification of our heating and cooling, including in the heat pumps and the industrial refrigeration systems in our buildings. Because traditional refrigerant gases have a very high Global Warming Potential (GWP), H.Essers decided as early as 2019 to transition to low-GWP refrigerant gases. Our industrial refrigeration units were maximally converted from Freon to CO₂ (GWP of 1) as refrigerant gas. For other plants, fewer alternatives are available, but we are already taking a significant step in the right direction thanks to refrigerant gases with a maximum GWP of 750. This puts us one step ahead of future regulations.

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 already achieved this as the first logistics service provider for our site in Courcelles, and since 2022 for all new build warehouses.



STRATEGIC AND OPERATIONAL EFFICIENCY

Thanks to the powerful mathematical heuristics of our strategic and operational routing tool Thor, we can make our logistics network and that of our customers even more efficient and reduce the need for transport. On the one hand, the tool allows simulations on our own real network or that of the customer, even over long periods of time. In addition, the tool not only makes it possible to create the most optimal transport planning every day, but also to respond quickly and specifically to changing realities. Through all kinds of operational reporting, we further monitor our operational efficiency and make targeted adjustments to our operations and our network.

EFFICIENT FLEET AND DRIVING

Our fleet is regularly renewed, always using the latest technologies that are more efficient and environmentally friendly. In addition, all our drivers are trained on Behavior Based Safety (BBS) and efficient driving. This primarily results in safer driving and more comfortable driving for the driver, with the added benefit of lower energy consumption!



SYNCHROMODALITY

Synchromodality is our main asset. We want to combine the various alternative modes of transport (road, water, rail) in an even smarter and more dynamic way. We therefore invest heavily in our systems, our multimodal fleet, our own intermodal infrastructure such as a rail terminal, inland water terminals and trimodal sites, as well as the development of new multimodal networks.

ALTERNATIVE FUELS

Not all transportation will be possible by rail or water. To reduce the unavoidable impact of road transport, we focus on alternative energy sources. We see long-term applications for both electric trucks and hydrogen trucks, although we see the electric truck taking the most relevant share due to its higher maturity, strong technical developments, and shorter-term availability. Equally important are biofuels such as bio-LNG and HVO renewable diesel, which play an essential role in achieving significant and scalable reductions both now and in the future.

HVO INSETTING

Since 2021, we offer our customers the possibility to decarbonise their transport using our unique HVO insetting concept. We apply an externally validated book & claim principle, due to the limited public availability of HVO in several European countries, and due to operational constraints such as return trips for other customers. The CO₂e emissions of the participating customer's shipments are compensated internally by using HVO in another part of our own fleet. In 2023 we achieved some 3.600t CO₂e WTW reduction, a sharp increase from the approximately 200t CO₂e WTW reduction in launch year 2021. An increase that we expect to continue in 2024.

ELECTRIC PASSENGER 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. All new vehicles will be fully electric from now on. This will lead to a fully electric fleet in a few years, while already amounting to 27% of all company vehicles at present, with quite some vehicles still on order.



ENCOURAGE CUSTOMERS TO REDUCE CO₂ EMISSIONS

Our company is taking a leading role in the decarbonisation of our sector, and we actively involve our customers in this pursuit. First of all, we provide them with CO₂e reporting according to the GLEC framework, drawn up using the software tool EcoTransIT World, and with data from our operational systems. This makes their existing impact transparent and enables us to identify the right reduction opportunities and then monitor the achieved reduction. Furthermore, we expanded our existing Value Creation format in order to co-create solutions within our program framework: improve, avoid, shift and inset. In doing so, we contribute to achieving the substantial climate goals within our customers' supply chains.

Watch the **introductory video** of our CO₂ report:



OTHER EMISSIONS

In addition to greenhouse gases, we continue to pay attention to the reduction of noise, odor, particulate matter, nitrogen and other emissions that we have as a transportation and logistics service provider, with environmental and health impacts on our immediate surroundings. As previously reported, there are insufficient models, standards, or norms available to determine such impact, unlike the impact of greenhouse gases. A number of drivers are known, and partly within our control. Indeed, the actions explained above to reduce our CO₂ emissions also have an impact on other emissions. Other aspects are however beyond our control, including technological developments, regulation, and emission standards.

REDUCING AND RECYCLING WASTE

We want to realise maximum value retention of materials and products and not increase the waste mountain, by recycling as much of our waste streams as possible. As a logistics service provider, we are however not a waste-intensive company and many of the waste streams we produce are similar to household waste. Due to the activities in our strategic segments, we do however come into daily contact with materials and products that require specific attention. The same applies to the chemical and pharmaceutical waste that can be generated in the process. The management of our waste streams is carried out in line with applicable legislation, and relies on external partners who are responsible for collection and processing, typically in well-developed circuits present in the European countries where we are located.

OPERATION CLEAN SWEEP (OCS)

Operation Clean Sweep is an international, industry-led program established by the American Chemistry Council's Plastics Division and the Plastics Industry Association (PLASTICS), and was implemented in Europe starting in 2015. It aims to support companies in eliminating plastic granule losses in their operations, thereby protecting water quality, the environment and employee health and safety. H.Essers committed in 2019 by signing the OCS pledge. Since then, we performed risk analyses for the relevant processes and sites and a number of targeted solutions were implemented. We also implemented training for our own drivers and operators, and we encourage our subcontractors to commit through the OCS Pledge.



PROGRESS AND PROJECTS

Our ambitions and projects were reaffirmed in 2023, amid murky economic conditions. Our projects regarding science-based targets (SBTi) and corporate scope 3 emissions are a witness to this. Both in transport and warehousing, we continue with existing and new solutions.

Renewable energy continues to grow more crucial in our sustainable strategy. As planned, we installed solar panels on both Romanian sites in 2023, and commissioned our sixth wind turbine. In addition, we studied the technical possibilities for solar energy on free roof space of our Belgian sites, and initiated studies in our other countries. We use this energy as wisely as possible, which is underlined by i.a. the post-insulation of existing halls, the choice of floor heating in our garage and the roll-out of energy monitoring. The ultimate proof of our sustainable strategy lies in the sustainable growth we achieve internationally with new sites or expansions of existing sites. Indeed, in the expansion of our high-seveso site near Bucharest, the expansion of our Healthcare site in Brussels and the realisation of our new Healthcare site in Ringsted, we have consistently equipped our new warehouses with renewable energy installations and heat pumps to electrify our heating and cooling!

Our vision for transportation and our fleet is equally brought further into practice in 2023. We continued the roll-out of our new CO₂ report for customers, as the energy transition in transport will not be feasible without them. We focus on efficiency in our transport network and that of our customers, and on synchromodality through our new LCL solution and innovations such as the safe coolbox, the solar powered safebox and powerwagon as enablers to enable temperature controlled and secured rail transport. We also made strides on the road, with multiple improvements allowing us to reach our overall reduction target. After real-world testing of different brands, we introduced new vehicles and technology into our fleet, with clear impact on our fuel consumption. In 2024 we expect even more new technology, including i.a. the first trucks with camera monitoring systems instead of mirrors. Our HVO insetting solution provided a strong share of the achieved reduction in our scope 1 emissions with over 3.000t CO₂e, thanks to new and large customer commitments. In 2023, a quarter of our passenger car fleet was already electrified, and the groundwork was laid for the electrification of our trucks from 2024 onwards.

Science-based targets	We committed in 2023 to set near- and long-term emission reduction targets in line with the Paris Agreement, to limit global warming to 1.5°C. Officially, we have been “committed” on the SBTi website since early 2024. We plan to submit our targets for validation in 2024.
Scope 3	A project was initiated to map our scope 3 emissions according to the methodology of the GHG Protocol, starting from a screening based on the available data in our systems, which will be finalised in 2024. Subsequent actions and refining of measurements will be prioritised as informed by the screening.
Energy monitoring	To obtain more in-depth insights about our energy consumption and more accurate consumption by warehouse typology, we implemented energy meters at specific locations in Belgium in 2023. Consumption data of electricity, gas and fuel oil will be collected over a relevant period, after which we will move to analysis in 2024.
Expansion Bucharest	More information on our website
Expansion Brussels	More information on our website
Ringsted	More information on our website
Expansion garage Genk	Our garage in Genk is one of the cornerstones of our fleet, and in 2023 it was renovated and expanded in order to ensure our services now and in the future. The perfect time to address the existing fossil-fired air heaters in the workshop. Our technicians now enjoy a much more pleasant environment thanks to the floor heating installed. Moreover, fully electrified and more energy efficient!
LCL China	Our synchromodal solutions extend beyond Europe. We have been transporting full container loads to and from China for years. Now we are proud to introduce a new addition to our rail portfolio: the LCL rail solution to China. By combining a sustainable LCL service with short lead times, we can make the difference for our customers. More information on our website
Safe coolbox	In recent years, this new concept was developed internally. After successful pilots, we took the next step in 2023. For our rail transports to China we commissioned 50 safe coolboxes, and also for our secure, temperature-controlled rail transports within Europe we invested in 20 mono-temp safe coolboxes which will be commissioned in 2024.
Solar powered safebox	Six containers equipped with solar panels in different setups were tested in practice for a full year, to validate the intended support to our security systems under the influence of i.a. weather conditions and operational use. After positive completion of the tests, the concept will be finalised early 2024, after which further rollout will be decided upon.









METRICS AND TARGETS

The greenhouse gas emissions from our transport and warehousing activities are calculated using the operational control approach, with 2015 as reference year following the establishment of the Sustainable Development Goals by the United Nations. We apply the GHG Protocol and the Global Logistics Emissions Council (GLEC) framework, and emission factors from both the International Energy Agency (IEA) and the GLEC framework. Impacts include greenhouse gases CO₂, NF₃, CH₄, N₂O, SF₆, PFCs and HFCs.

Scope 1 direct emissions are determined by energy consumption in both transportation and warehousing, consisting of natural gas, fuel oil, diesel, LNG, HVO renewable diesel and bio-LNG. In addition, it includes fugitive emissions from refrigerant losses from our refrigeration plants and mobile refrigeration units.

Scope 2 indirect emissions are determined by consumption of purchased grey electricity and self-generated or purchased green electricity.

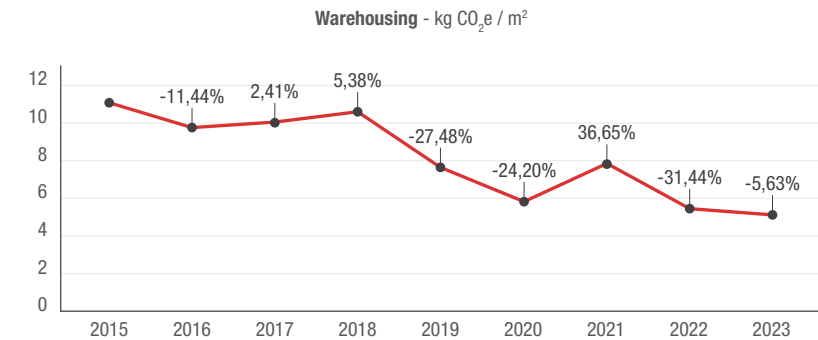
ABSOLUTE EMISSIONS ²²

scope 1	112.195 tonnes CO ₂ e	 4%  96%  23% reduction since 2015
scope 2	2.281 tonnes CO ₂ e	 99%  1%  61% reduction since 2015
outside of scopes	3.609 tonnes CO ₂ e	Biogenic emissions

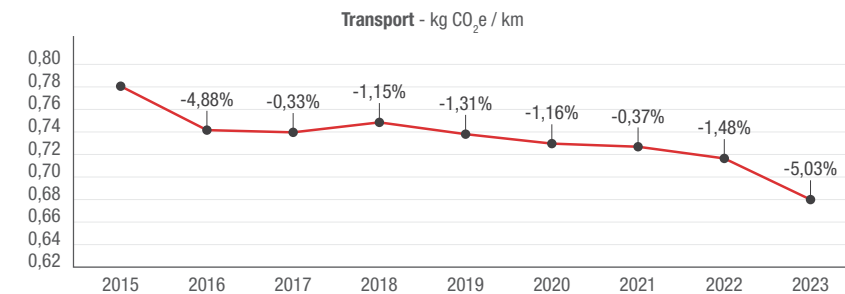
EMISSION INTENSITY ²³

OBJECTIVE WITHIN THE 2020-2025 STRATEGY

- The CO₂e emissions generated by H.Essers warehousing decrease annually by 5% per m² of warehouse space
- The CO₂e emissions generated by H.Essers transport from road freight decrease annually by 5% per km of total distance covered.



The evolution of our scope 1 and 2 CO₂e emissions from warehousing, in relation to the area of our warehouses in Belgium, Denmark, Germany, Italy, the Netherlands, Romania and Spain.



The evolution of our scope 1 and 2 CO₂e emissions from our fleet, relative to the distance travelled in kilometer.



OVERVIEW METRICS AND TARGETS

		SCOPE	UNIT	TARGET	BASE YEAR (BY)	BY VALUE	2022		2023	
Energy consumption by source ²⁴	Fuel consumption from crude oil and petroleum products		MWh		2015	545.043	447.114		409.216	
	Fuel consumption from natural gas		MWh		2015	8.725	18.797		15.007	
	Purchased or acquired grey electricity		MWh		2015	19.669	6.826		7.931	
	Total energy consumption from fossil sources		MWh		2015	573.437	472.737		432.155	
	Fuel consumption from renewable sources including HVO, bio-LNG		MWh		2015	34.044	42.117		46.848	
	Purchased or acquired electricity from renewable sources		MWh		2015	4.173	21.414		20.676	
	Consumption of self-generated electricity		MWh		2015	5.519	13.010		13.121	
	Total energy consumption from renewable sources		MWh		2015	43.736	76.540		80.645	
	Total energy consumption		MWh		2015	617.173	549.277		512.799	
Energy consumption by end use ²⁴	Total electricity consumption		MWh		2015	29.362	41.249		41.457	
	Total heating consumption		MWh		2015	12.426	22.867		19.766	
	Total transportation consumption		MWh		2015	575.385	485.162		451.577	
	Total energy consumption		MWh		2015	617.173	549.277		512.799	
Energy production ²⁴	Renewable electricity production		MWh		2015	9.692	34.452		34.098	
	Renewable electricity sold		MWh		2015	0	852		767	
	Non-renewable electricity sold		MWh		2015	4.173	20.591		20.210	
Energy intensity ²⁵	Energy consumption per net revenue		MWh / €		-	-	-		0,00050	
	Energy consumption per area of warehouse space		kWh / m ²		2015	53,7	48,2		45,2	
	Energy consumption per transport distance		% change YoY	-1% per year	2021	-	-0.30%	×	-1.02%	✓
GHG emissions absolute ²⁶	Scope 1		tonnes CO ₂ e		2015	145.618	123.476		112.195	
	Scope 2 location-based		tonnes CO ₂ e		2015	5.798	1.883		2.281	
	Total scope 1+2 location-based		tonnes CO ₂ e		2015	151.416	125.359		114.477	
GHG emissions intensity (scope 1+2) ²⁷	Emission intensity per net revenue		tonnes CO ₂ e / €		-	-	-		0,00011	
	Emission intensity warehousing		kg CO ₂ e / m ²	-5% per year	2015	11,086	5,367	✓	5,149	✓
	Emission intensity transport		kg CO ₂ e / km	-5% per year	2015	0,780	0,716	×	0,680	✓
Metrics for intensity ratio	Net revenue		mln. €		-	-	-		1.026,1	
	Area of warehouse space		m ²		2015	778.885	1.328.989		1.353.861	
	Transport distance (road)		mln. km		2015	183,1	164,9		158,1	



		SCOPE	UNIT	TARGET	BASE YEAR (BY)	BY VALUE	2022		2023	
Waste generated ²⁸	Wood	BE	tonnes		2019	1.878	1.754		1.301	
	Paper & Cardboard	BE	tonnes		2019	1.834	1.176		1.219	
	Foil	BE	tonnes		2019	326	585		809	
	Metal	BE	tonnes		2019	36	89		45	
	Glass	BE	tonnes		2019	12	52		23	
	PMD	BE	tonnes		2019	3	1		1	
	Residual waste	BE	tonnes		2019	1.664	1.667		1.396	
	Chemical waste	BE	tonnes		2019	1.336	1.347		4.257	
	Other	BE	tonnes		-	-	-		287	
Waste directed from disposal ²⁹	Preparation for reuse, hazardous	BE	tonnes		-	-	-		1.494	
	Recycling, non-hazardous	BE	tonnes		-	-	-		996	
	Preparation for reuse, non-hazardous	BE	tonnes		-	-	-		4.366	
Waste directed to disposal ³⁰	Other disposal operations, hazardous	BE	tonnes		-	-	-		83	
	Incineration (with energy recovery), non-hazardous	BE	tonnes		-	-	-		134	
	Other disposal operations, non-hazardous	BE	tonnes		-	-	-		2.204	
Waste intensity	Waste intensity per net revenue	BE	tonnes / €		-	-	0,00910			
	Waste intensity per area of warehouse space	BE	kg / m ²		-	-	-		9,37	
	Residual waste intensity per area of warehouse space	BE	kg / m ²	No increase vs. 2019	2019	2,06	1,72	✓	1,39	✓
Land use & biodiversity	Area biodiverse of new sites	BE	hectares		2020	3,50	6,87		N/A	
	Area of new sites	BE	hectares		2020	23,32	34,16		0	
	Share biodiversity of new site surface	BE	%	15% of new site surface	2020	15%	20,12%	✓	N/A	-



SOCIAL INFORMATION



Caring for our employees, our customers and our society is a cornerstone of our sustainable strategy. Our sustained growth strategy responds to the needs of the customers in our strategic segments, by anticipating and investing in specialised and high-quality solutions, systems and technologies. In this way, we take matters off our customers' hands, allowing them to fully concentrate on their core business. As a family business we have been providing fair employment since 1928, both directly and indirectly, at home and abroad. Our people are what drives us, and at H.Essers they truly come first. We create an attractive workplace and conditions, so that every employee can be themselves and develop themselves. Safety is a fundamental principle; we want all our employees and contractors to return home safely after their day's work.

A GREAT PLACE TO WORK

Our company is growing rapidly. This growth can only be realised because we take the greatest care of our employees. Our employees dare to be entrepreneurs, are ready to seize opportunities and make the difference every day through simplicity.

THE TRUST INDEX SURVEY AS STRATEGIC MEASUREMENT

At H. Essers we want to be a place where our people really matter. By no coincidence, 'caring' is one of our core values. That is precisely why we attach great importance to the opinion of our employees. To better understand what's on their mind, we use a strategic measurement: the Trust Index Survey of the Vlerick Business School. It gathers feedback from our employees on five focus domains: credibility, honesty, respect, pride and collegiality towards management, colleagues and work. The survey is much more than just a questionnaire, it is an instrument that allows us to identify concrete improvements. The survey is therefore conducted every two years, so that after each survey we first have sufficient time to analyse and discuss the results, but then also allow concrete improvements to take effect before initiating a new survey.

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. Therefore, this valuable recognition is the objective we strive for within our current strategy.

FOUR CORE THEMES AS A STARTING POINT

We define four core themes central to our pursuit of a positive work environment: appreciation, connection & communication, development and well-being. Together, these form the cornerstones of a workplace where every employee feels appreciated, supported and stimulated. We strive to be A Great Place to Work and continuously work to improve the well-being and satisfaction of our employees.

Appreciation is the basis of our policy. We recognise and reward the commitment and contributions of our employees in a consistent and transparent manner. By showing appreciation, we create a culture where everyone feels motivated.

Connection & communication form the backbone of our company. We strive for openness, transparency and effective communication at all levels. By fostering a strong connection between employees, we create a close and collaborative work culture.

We believe in their self-reliance, talents and growth potential. We deal with this very consciously by taking care of their personal and professional **development**, and by constantly engaging in dialogue. We see great potential in lifelong learning and offer an extensive range of skills development trainings. In this way the success of our organisation, is also their own success.

Well-being is high on the agenda. We continuously develop initiatives to support and ensure the mental and physical well-being of our employees and stakeholders. A safe work environment and a healthy lifestyle contribute to sustainable and healthy growth.



APPRECIATION

We strive to create a culture where transparent compensation, promotion opportunities and active internal mobility are the norm. Our goal is to create an environment where every employee is actively recognised and rewarded for his or her efforts. Moreover, we want to encourage all our employees to dare take the leap and grow within our company and we support them in their endeavour in the best possible way.

We base our success on the 5 A's of labour: labour organisation, labour content, terms of employment, labour conditions and labour relations. We believe this focus on appreciation and development contributes to the sustainable success of our organisation.

COLLECTIVE BARGAINING AGREEMENT ³¹

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 77,29% of our employees, while we respect the applicable national regulation for all other employees.

CONNECTION & COMMUNICATION

We highly value the mutual bond between colleagues and the positive atmosphere on the work floor. We are proud of the freedom employees experience to be themselves, and we cherish social events such as the staff party which are warmly welcomed.

We recognise the importance of strong communication and the involvement of all our employees. Our ambition is to create a corporate culture where open communication is central and where employees are actively involved in decision-making and corporate goals. We strive to give every employee a voice that is heard and valued.

SOCIAL DIALOGUE

Our commitment to social dialogue reflects our belief that a 'Great Place to Work' can only be achieved through collaboration and involvement of all stakeholders. We continue to strive for an environment where employees feel heard, respected and represented, allowing us to collectively have a positive impact on our organisation

and our community. We are therefore committed to interactive communication sessions, representation of all target groups in decision-making, and we recognise the importance of unions and employee representatives as essential channels. As such, 71,27% of all employees in sites where we determine the policy are represented by formally elected employee representatives, and 71,04% are represented in a formal joint committee between employee representatives and management.



DEVELOPMENT

Based on our corporate values and growth strategy, we strongly believe in lifelong learning, and we choose coaching and development rather than assessment. With our talent-driven mindset, we ensure a sustainable future for both our company and our people.

COACHING AND DEVELOPMENT ³²

Employees are given opportunities for further development and growth within the organisation. We objectively assess the growth potential of each employee during the annual coaching & performance cycle, and offer them possibilities to develop through training programs, coaching tracks and internal internships. In order to fill our critical positions in the future and ensure the operations, we develop growth paths throughout the organisation. At the same time, we offer our employees new opportunities, encourage internal mobility and are committed to employee retention and engagement.

QUALIFIED LEARNING IN OUR H. ESSERS ACADEMY

As a sustainable employer, we strongly believe in lifelong learning. We bring this vision to life at our in-house training and coaching centre: H. Essers Academy. A recognised and renowned training institute that carries a quality label in the market and is equipped with a high-quality infrastructure suitable for educating, training and coaching employees, drivers, operators and technicians in the logistics sector. Part of our site in Genk-Zuid has been made available for this purpose, featuring 5.500m² of warehouse space, well-equipped training rooms for theoretical training and an outdoor area where our truck drivers can train manoeuvres. The instructors are our own qualified employees who themselves have a solid portion of business experience. This is how they make the difference in quality.

In our Academy, we offer people space and time to develop through the most modern forms of learning in theory and practice. We enable them to perform their jobs in strict compliance with the most demanding standards in the logistics sector. We also invest heavily in safety through first aid and ADR training, among other things. We guide our own talents and new talents alike 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 according to 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 and provide our 400 managers with 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

Through close cooperation and interaction with academic and educational institutions, we increase our and their knowledge, and keep in touch with tomorrow's talent. 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.



WELL-BEING ³³

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 the 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. Our focus is not just on the physical challenge, but more so on teamwork. Employees can get involved in groups to take on small challenges together or to try out new sports. In this way we make exercise fun for the entire population.

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.



INVESTING IN DIVERSITY AND 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.

WOMEN IN LOGISTICS

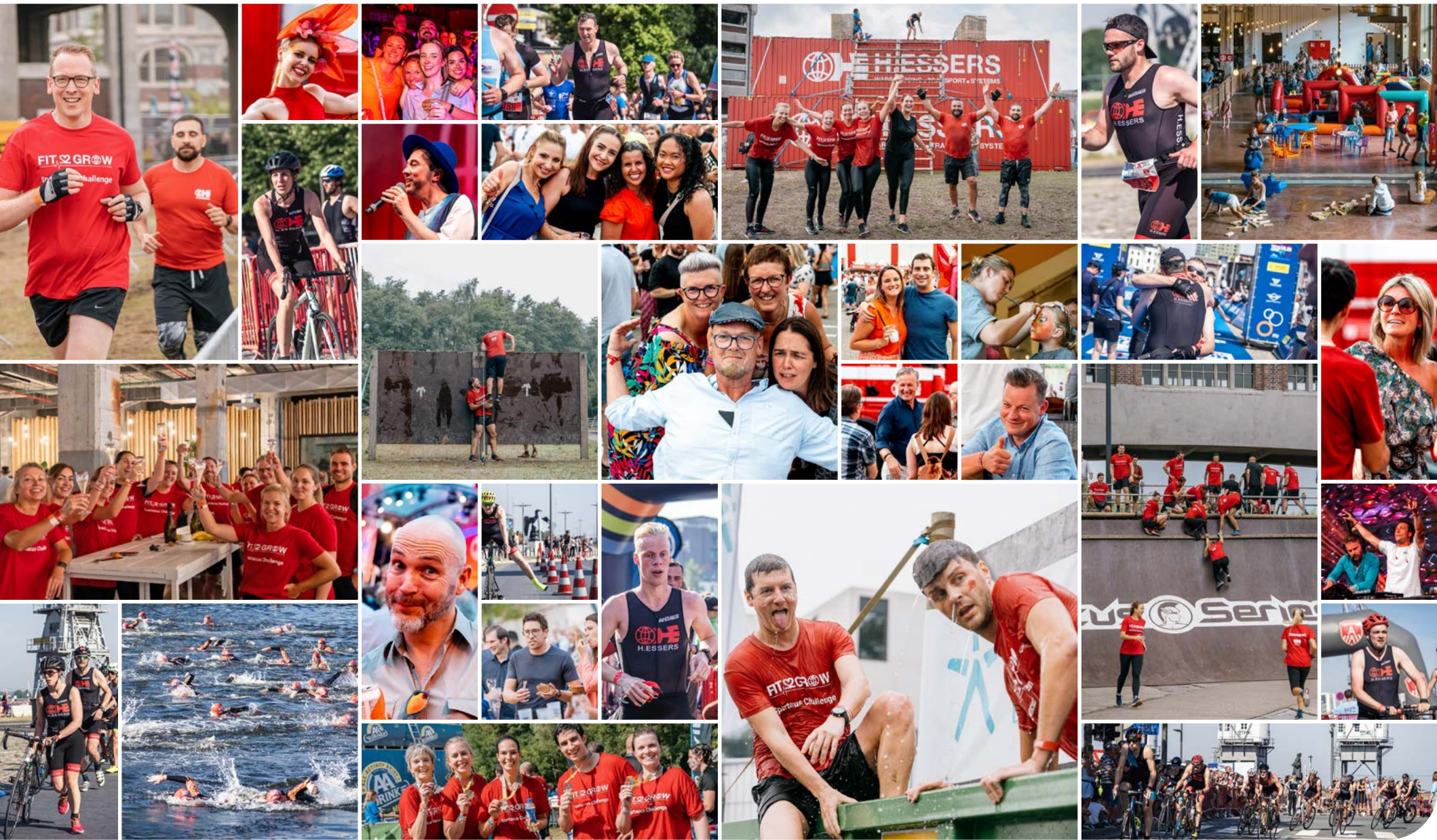
Women in Logistics is an industry-wide initiative founded by Dow and H.Essers, along with sector associations ECTA and CEFIC and six other board members – Den Hartogh, Bertsch, Suttons, LyondellBasell, Eastman and Covestro. The consortium is a living example of co-opetition: collaboration beyond competition. The pioneering industry-wide initiative is dedicated to foster gender diversity and inclusion within the traditionally male-dominated logistics sector. It strives to create a more attractive, equitable, innovative and sustainable logistics sector, by driving meaningful change and fostering a more inclusive and diverse logistics industry landscape.



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 273 people in 2023; that is 3,7% of our total employee population.





HEALTH AND SAFETY POLICY ³⁴

Safety is our highest priority. We believe that H. Essers can be an incident-free company, and we will do everything possible in our means to achieve this goal. Safety is interwoven throughout the 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 COOs of the different departments. Ultimately, all focus points cumulate into the global prevention plan, resulting in an annual action plan.

H. Essers conducts an active prevention policy around the seven welfare domains, with specialists within each domain. We cover all welfare and safety domains in extensive risk assessment, 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 optimizing 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. In addition, we regularly highlight safety tips or specific procedures through campaigns on various channels.

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 & 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 - Sanitise - Standardise - 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, and have the option of height-adjustable desks, footrests and document holders. In addition, the prevention service can always be called upon to optimise the workspace, and we have the necessary training and guidelines to provide the best sitting posture during desk work.

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 warehouse and cross-dock environments.



THINKING AND WORKING WITH CUSTOMER FOCUS

We want to think with our customers to make their supply chain more sustainable and efficient. Customer Intimacy is an approach that has characterised our company since its early years. It means that we are very close to the customer and want to further connect with them by understanding their needs, finding solutions together, excelling in our services and investing in sustainable long-term relationships. For our strategic customers, we apply a tailor-made strategy plan with an adapted service and development model. In addition to the intensive operational and commercial contacts, 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 operational Monthly Business Review meetings every month. They follow a fixed agenda and substantive format with room for input from both the customer and H.Essers, on a strategic, tactical and operational level.

SATISFACTION SURVEY AS A SHARED INSTRUMENT

For our strategic customers, we conduct an annual satisfaction survey as a shared instrument with our customer. This survey enables us to arrive at quantitative findings based on the Net Promotor Score, as well as qualitative findings which we discuss with our customer and use to identify follow-up steps, optimise processes, develop new solutions, and so on. Our target is to improve the Net Promotor Score by 20% by 2025 compared to 2022 as base year.

MANAGING OUR KNOWLEDGE

We want to be a research-oriented organisation and make new and accumulated knowledge accessible by sharing it with others. We are investing in high-quality processes, systems and resources to ensure quality and thoroughness. Every year, H. Essers organises 3 expert events for strategic customers and other stakeholders and sends out 3 segmented newsletters. Depending on the topic or for specific expert events, we also launch white papers to share our knowledge with our stakeholders.

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.

We brought the coordination of our innovation projects under the TomorrowLOG program, which is supervised by the innovation manager and focuses on the domains of Smart Warehousing, Smart Transport and Digitisation of Administration. A steering committee has been set up for each domain and meets quarterly. An innovation board is held periodically with representation from management as well as the CEO. TomorrowLOG offers insights into our portfolio of innovation projects and their progression through the innovation tunnel: from idea generation and analysis, via design/development and proof of concept, finally leading up to realisation and scaling up. We aspire to launch at least six projects annually within each of the domains Smart Warehousing and Smart Transport.

SMART WAREHOUSING

Goods to man
Vision based sorting
Drone cyclecount
AI-processing SDS documents
Brownfield warehouse automation

SMART TRANSPORT

Power wagon
Battery electric tractor
AI-masterplan
Automated forwarding
Solar on chemical cool trailer
AI-transport order management



PROGRESS AND PROJECTS

The Great Place to Work survey was rolled out in 2022 as a pilot for all employees in Belgium. In 2023, our focus was mainly on collecting and processing the feedback obtained. Not simply at corporate level, but rather for each individual department. More than just a survey, the survey already allowed us to identify and kick off the first concrete improvements within our four core themes. Connection and communication form the backbone of our company. To ensure powerful and effective communication, we commenced with the implementation of a 'one-stop-shop' portal for all employees. Our Fit2Grow program also continues in full force, while reorienting towards more local Fit2Grow initiatives to increase engagement. We are also taking further steps regarding mental health and support, through our MyMindScan platform. After the official opening of our H.Essers academy, it demonstrated our commitment to lifelong learning in full, throughout 2023. Together, these efforts form important steps towards optimising our work environment and increasing employee satisfaction. Looking ahead to 2024, we plan to extend our survey to all international employees, in all countries. We continue to strive for a consistent improvement of our organisation, based on feedback and with concrete projects for each of our core themes.

In the world of logistics and especially at H. Essers, safety is our highest priority. Our realisation of a historically low frequency rate in Belgium in 2023 is no small achievement. The human factor is crucial in this regard, and maintaining a continuous focus on safety requires daily attention from all our employees, across all departments. Awareness and communication are therefore key aspects of our safety policy and have consequently received even stronger focus in recent years. Our H.Essers Academy is a cornerstone for qualitative training and retraining of our employees and leadership, while our centralised safety dashboard guarantees easier follow-up, and our 'safety days on site' increase the involvement of our leadership even more. To create the safest possible environment, we continue to focus on technical and organisational measures. Besides our well-known, specific programs such as the 5S audit & award, we cannot understate the importance of our continuous investment in high-quality, modern infrastructure and fleet. Through our TomorrowLog innovation program, we are ever on the lookout for new technologies and applications, with direct or indirect impact on safety and ergonomics. For example, the rollout of our e-desk not only leads to a more efficient registration process for drivers, but the reduced on-site traffic indirectly leads to improved safety just as well. Similar indirect effects are at play for the rollout of asset tracking, automation and AI projects.

Our innovation program of course explores solutions with positive impact on various aspects other than safety. Multiple applications of AI solutions were investigated in past years, and some were already successfully scaled up. Previously reported examples include our RPA bot or AI document processing for our customs department. While the technology proved insufficient for plenty other applications

at that time, strong developments of AI technology such as large-language GPT models, urged us to re-evaluate in 2023. In the meantime, we have initiated the AI processing SDS documents project in 2023 and have taken steps towards an AI masterplan that will be shaped in 2024.

We want to be a valuable partner for our customers, collaborate intensively and actively think along with them. As an enabler for such a collaborative partnership, we want to truly connect with them, through various channels. The formal meeting structure that we have been implementing with our strategic customers for several years is bearing fruit. We continue to connect and exchange knowledge on highly actual topics for our customers through numerous expert events, newsletters and white papers. Just consider our initiatives regarding filling & drumming, energy transition, decarbonisation or intermodal transport for healthcare. This connection with our customers requires our daily attention and involvement, which is why we decided to optimise and expand our internal operations in 2023 with i.a. country-specific plans, larger target groups and expansion of our industry lead teams. The satisfaction survey was scheduled and conducted more rigorously within our intended target audience, on top of a streamlined approach, a simplified questionnaire and a more representative score weighed at the level of the customer instead of the individual respondent. As we consider the survey a shared instrument with the client, we ensure that qualitative feedback from the survey is followed up via the correct systems and trackers.



H.Essers Portal	We started implementing a centralised portal where all our employees throughout Europe will be able to find all communication, information and documentation in one clear place. We expect this portal to go live in 2024 for Belgium and Romania, with other countries following early 2025. The scope was determined through working sessions with all different departments. Through focus groups, we collected feedback from all our target groups company-wide, based on concrete cases in a demo environment.
Local Fit2Grow initiatives	To increase engagement and involve as many employees as possible in our Fit2Grow program, we took a different approach to our Fit2Grow program in 2023. Instead of large and centralised initiatives, we opened up the program to employee ideas for smaller initiatives, or local initiatives within their department or site. We also organised more accessible events centrally, and made the necessary resources available in all our European countries to realise Fit2Grow initiatives.
MyMindScan	We launched MyMindScan in 2022, a science-based platform that allows our employees to measure their mental health themselves. This year we initiated a new campaign in Belgium and launched the platform in Romania and Moldova as well. Moreover, since 2023 we also offer our Belgian colleagues free access to a professional coaching program with an external partner, depending on their personal results.
Our in-house H.Essers academy	With the launch of our H.Essers Academy late 2022, we started a great new chapter to unlock the potential of our people. With several training courses per week and an average of some 40 hours of training per person, it is already coming up to speed in 2023.
DE&I working groups	Caring for our employees has been a spearhead of our strategy for many years. We offer a working environment and conditions in which they can be the best version of themselves and have equal opportunities. Therefore we launched a project on Diversity, Equity & Inclusion in 2023 to setup a strong and explicit policy. To better understand their concerns, employees from across our organisation were represented in a working group for each target group. Further steps are foreseen in 2024.
Women's Business Enterprise certification	Inspiring companies to drive value through inclusivity: it's part of our mission as a pioneer in sustainability. In that regard, we are proud to announce that we are the first Belgian company to receive the Women's Business Enterprise (WBE) certification from WEConnect International. This demonstrates that our company is at least 51% owned, managed and controlled by women, and we believe this shows just how committed we are to this cause. Moreover, we aim to be an inspiration to others.

Safety dashboard	To facilitate simplified monitoring and communication throughout the organisation, we implemented a safety dashboard in our corporate PowerBI environment in 2023. It provides insight into the evolution of the frequency rate and severity rate, as well as an analysis of the types of accidents and injuries. The dashboard currently available for our Belgian activities, and is actively used in recurring internal communication.
Local safety days for managers	To increase awareness and knowledge, we initiated the concept of local safety days at our Belgian Seveso sites in 2023. During these biannual events, local leadership is gathered for several hours, from trainers and managers warehouse, to business unit managers. Involvement is increased by exchanging information in various and interactive formats, including presentations on self-selected topics, quizzes and discussions. The concept will be further rolled out to other warehousing and crossdock operations in 2024.
AI processing SDS documents	Due to our specialisation in Chemicals, we are annually confronted with more than 30.000 Safety Data Sheets (SDS). These are essential to determine how to correctly store and handle the related goods, taking into account environmental, fire and occupational safety. An intensive and crucial process, that was historically performed manually, and can now be automated cost-effectively and with high accuracy thanks to GPT AI models. In 2023, the solution was tested for SDS processing in our commercial process, in 2024 this will be finalised and rolled out further.
Automated box sorting and palletising	We previously investigated the automatic palletising of one of our customer's loaded containers. Today a manual and repetitive process, the ergonomics and quality of which improves through automation. The concept and order for the installation was finalised in 2023, commissioning is expected in 2024.
Opening Filling & Drumming Wilrijk	Watch the aftermovie of our expert event
EPCA session: Sustainable Supply Chains	Watch the entire session co-hosted with Port of Antwerp-Bruges
Challenges in Pharma Logistics	Watch the aftermovie of our expert event
Energy transition in the supply chain	Read the white paper here

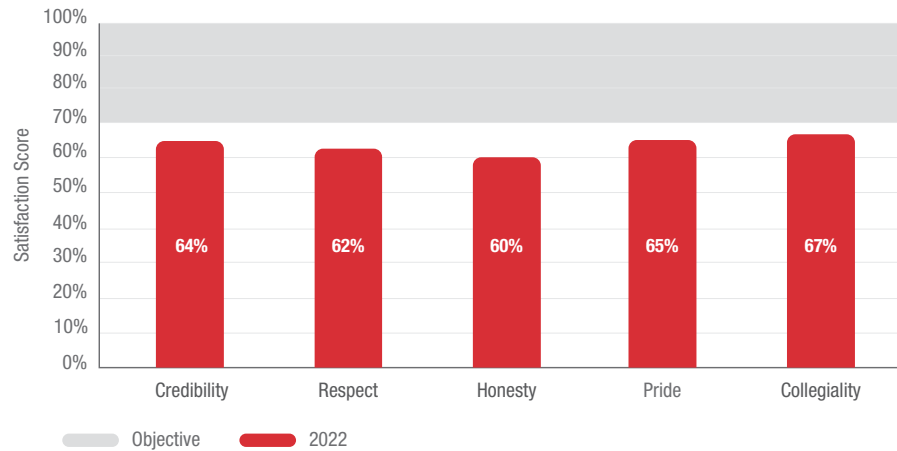


METRICS AND TARGETS

OBJECTIVE WITHIN THE 2020-2025 STRATEGY

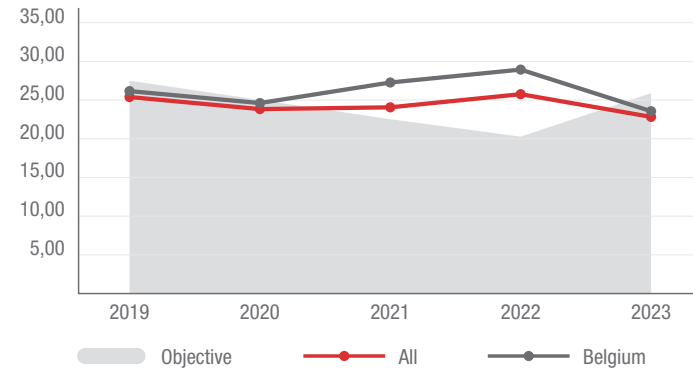
- Attain the quality label 'A Great Place to Work'
- The frequency rate of occupational accidents improves annually by 10%
- The Net Promoter Score (NPS) resulting from the customer satisfaction survey among our strategic customers improves by 20% by 2025, compared to 2022

'A GREAT PLACE TO WORK'



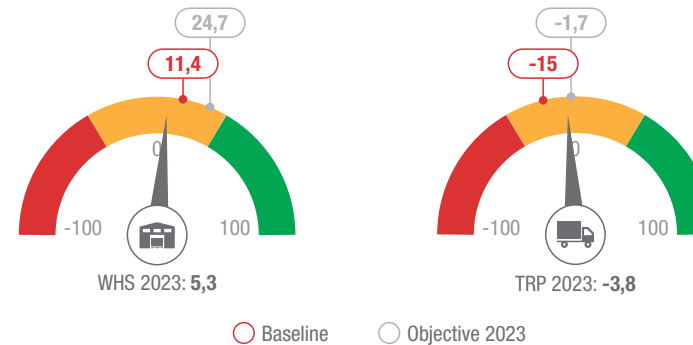
The Trust Index of A Great Place to Work for H.Essers employees in Belgium in 2022. The survey gathers feedback from our employees in five focus domains: Credibility, Respect, Honesty, Pride and Collegiality. With a minimum score of 70% for a representative sample of our employees, we obtain the quality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

FREQUENCY RATE ³⁵



Overview of the frequency rate of our warehousing operations in Belgium, Denmark, Romania, Italy (as of 2019), the Netherlands (as of 2021) and Spain (as of 2023), as well as our transport operations in Belgium (as of 2019) and Spain (as of 2023). 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.

NET PROMOTOR SCORE



The Net Promoter Score indicates to which extent our customers would recommend H.Essers to friends and colleagues. This is expressed as the difference between the percentage of promoters and detractors, which respectively indicated a score of 9 or 10, and a score of 6 or less. Specifically, we translate our target of +20% in 2025 compared to reference year 2022 into a total improvement of 40 points in 2025, which we convert into annual targets according to a linear trajectory.



OUR EMPLOYEES ³⁶

A total of 7.631 employees work at our company (7.358 own employees and 273 employees of social enterprises)
- including companies in which H.Essers holds a stake of less than 100%.

	PERMANENT EMPLOYEES			TEMPORARY EMPLOYEES			TOTAL	
	 WHITE COLLAR	 BLUE COLLAR	 DRIVER	 WHITE COLLAR	 BLUE COLLAR	 DRIVER		
 Argentina	185	225	46	0	44	0	500	
 Belgium	1.393	1.399	650	78	492	112	4.124	
 Bolivia	4	3	5	0	0	0	12	
 Bulgaria	9	1	93	0	0	0	103	
 Denmark	11	18	0	0	0	0	29	
 Germany	17	3	94	0	0	0	114	
 France	20	0	0	0	0	0	20	
 Italy	52	7	97	0	0	0	156	
 Lithuania	9	0	0	0	0	0	9	
 Luxemburg	1	0	14	0	0	0	15	
 Moldavia	104	0	0	0	0	0	104	
 The Netherlands	184	249	251	18	91	57	850	
 Noorway	10	0	0	0	0	0	10	
 Poland	24	0	325	0	0	0	349	
 Romania	263	136	357	3	1	0	760	
 Spain	102	82	0	0	2	0	186	
 Turkey	11	1	0	0	0	0	12	
 United Kingdom	5	0	0	0	0	0	5	
TOTAL	2.404	2.124	1.932	99	630	169	7.358	
Women	991	261	108	32	117	3	1.512	20,55%
Men	1.413	1.863	1.824	67	513	166	5.846	79,45%
Age <30	565	399	107	41	333	22	1.467	19,94%
Age 30-50	1.367	1.071	894	24	204	75	3.635	49,40%
Age >50	472	654	931	34	93	72	2.256	30,66%
Full-time	2.135	1.888	1.872	87	577	166	6.725	91,40%
Part-time	269	236	60	12	53	3	633	8,60%



OVERVIEW METRICS AND TARGETS

		SCOPE	UNIT	TARGET	BASE YEAR (BY)	BY VALUE	2022		2023	
Trust Index survey	Credibility	BE	%	70%	2022		64%		nvt	
	Respect	BE	%	70%	2022		62%		nvt	
	Honesty	BE	%	70%	2022		60%		nvt	
	Pride	BE	%	70%	2022		65%		nvt	
	Collegiality	BE	%	70%	2022		67%		nvt	
	H.Essers total score	BE	%	70%	2022		63%	×	nvt	-
Collective agreements and social dialog ³⁷	Employees covered by collective bargaining agreements		%		-	-	81,22%		77,29%	
	Employees represented in formal joint committees		%		-	-	72,28%		71,04%	
	Employees covered by formally elected representatives		%		-	-	76,92%		71,27%	
Lifelong learning	Total number of training hours		hours		2019	112.919	94.288		151,574	
	Average number of training hours per employee		hours / employee	Min. 20h / employee	2019	21,10	14,86	×	23,60	✓
Sharing knowledge with schools	Total number of interns		# interns		2019	73	112		134	
	Number of interns compared to permanent white collar employees		%	Min. 4%	2019	4,52%	5,53%	✓	6,27%	✓
Fit2Grow	Medical examinations	BE	#				2.008		2.428	
	Short-term absenteeism	(a)	%	Max. 3%	2019	3,13%	2,90%	✓	3,34%	×
Diversity & Inclusion ³⁸	Female employees		%		2019	18,16%	19,71%		20,55%	
	Female members of our Board of Directors		%		2019	12,50%	25,00%		25,00%	
	Female members of our Management Board		%		2019	0,00%	0,00%		0,00%	
	Employees under 30 years old		%		2019	17,88%	21,01%		19,94%	
	Employees between 30-50 years old		%		2019	54,10%	50,43%		49,40%	
	Employees over 50 years old		%		2019	28,02%	28,56%		30,66%	
	Full-time employees		%		2019	91,96%	89,66%		91,40%	
	Part-time employees		%		2019	8,04%	10,34%		8,60%	
	Cooperation with the social economy		# employees		2019	348	276		273	
	Cooperation with the social economy		%		2019	5,4%	3,60%		3,70%	

(a) BE, BG, PL, RO

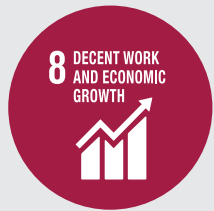


		SCOPE	UNIT	TARGET	BASE YEAR (BY)	BY VALUE	2022		2023	
Health & Safety ³⁹	Frequency rate of work-related accidents	(b)	N/A	-10% per year	2019	25,32	25,74	×	22,94	✓
	Severity rate of work-related accidents	(b)	N/A		2019	0,75	0,92		0,72	
	Number of recordable work-related accidents	(b)	#		2019	127	141		135	
	Number of fatalities as a result of work-related accidents	(b)	#		2019	0	0		1	
	Number of days lost to work-related accidents	(b)	days		2019	3.676	4.980		4.259	
Thinking and working with customer focus	NPS Transport		N/A	20% improvement by 2025	2022		11,4		5,3	
	NPS Warehousing		N/A	20% improvement by 2025	2022		-15,0		-3,8	
	NPS H.Essers		N/A	20% improvement by 2025	2022		-1,2	-	0,6	×
	Expert events		#	Min. 3	2019	1	7	✓	4	✓
	Segmented newsletters		#	Min. 3	2019	3	3	✓	2	×
	Expert papers		#		2019	4	1		1	
	Innovation projects Transport		#	Min. 6 per year	2019	6	6	✓	6	✓
Innovation projects Warehousing		#	Min. 6 per year	2019	6	6	✓	5	×	

(b) See p.55



GOVERNANCE INFORMATION



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.

ENSURING QUALITY

Anyone who works with us or engages our services knows that H. Essers always strives for excellent quality. We want to ensure the quality of all our processes to the maximum, thus being a partner that unburdens the customer in all areas. All our people are fully committed to this quality guarantee, and the close cooperation of our transport and warehousing operations with our supporting departments is a crucial success factor. The various management systems have a mature and stable operation, which we constantly optimise and refine and maximally standardise and digitise with our electronic quality system Bizzmine. In function of specific activities and customer requirements, we implement various quality systems. Given our continued growth strategy, we regularly start up new sites. In case of high-Seveso sites, we aim to obtain the specified certificates, namely ISO 9001, ISO 14001 and SQAS within 18 months after start-up.

- ISO 9001: Quality management systems

All H.Essers activities.

ISO 9001 defines how a quality management system (QMS) must be established, implemented, maintained, and continually improved. Conformity means that an organisation has put in place effective processes and trained staff to deliver flawless products or services time after time.

- ISO 14001: Environmental management systems

All warehousing activities on high-seveso sites.

ISO 14001 provides a framework for organisations to design and implement an environmental management system (EMS), and continually improve their environmental performance. This allows organisations to ensure they are taking proactive measures to minimise their environmental footprint, comply with relevant legal requirements and achieve their environmental objectives.

- SQAS: Safety and Quality Assessment System for sustainability

All warehousing activities on high-Seveso sites and transport activities of our Chemicals segment.

SQAS is a globally recognised assessment system developed by Cefic that evaluates the safety, environment, security, health, quality and corporate social responsibility, of logistics service providers and chemical distributors enabling them to achieve supply chain excellence.

- GDP: Good Distribution Practices

All warehousing and transport activities of our Healthcare segment.

The EU Good Distribution Practices (GDP) guidelines are standards provided by the European Union to ensure control of the distribution chain of medicinal products for human and veterinary use. When a company is compliant with the GDP guidelines it can be licensed by the Ministry of Health with a GDP certificate, this is a proof for the customer that the company is a safe step in the distribution chain to maintain the quality and integrity of the medicinal product.

- ISO 27001: Information security, cybersecurity and privacy protection

All IT services provided from Genk to our various business departments, including the supporting services directly impacting the former.

ISO 27001 defines the requirements and guidelines for establishing, implementing, maintaining and continually improving an information security management system. Conformity means that an organisation or business has put in place a system to manage risks related to the security of data owned or handled by the company, and that this system respects all best practices and principles.



INFORMATION SECURITY AND SECURE USE OF COMPUTERS

H. Essers recognises that with information systems, the unexpected can and will happen – from simple situations to major outages. To ensure continuity, we integrated an ISO 27001-certified Information Security Management System (ISMS) into our IT organisation. Our policies and procedures define how the different areas of information security are managed. Management and monitoring are done through our Information Security Steerco. Security is understood broadly: physical security of data centres, offices, vehicles and assets, state-of-the-art firewalls, access control, and so on. A clear change management process ensures that changes work as intended and the security and safety of our operational systems is guaranteed. Any incidents are managed through an incident response plan, and disaster recovery procedures are available for all critical systems. Again, the human factor is crucial. All employees are required to act in accordance with policies, guidelines and procedures. Our Code of Conduct reiterates these expectations. We run awareness campaigns, and we provide short, periodic training sessions of maximum 10 minutes on cyber threats.



H.ESSERS CODE OF CONDUCT ⁴⁰

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

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.

ACTING WITH INTEGRITY

At H. Essers, we are committed to honest and ethical business practices. Our company does not accept any form of corruption or bribery. 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.

CREATING A SAFE AND HEALTHY WORKING ENVIRONMENT

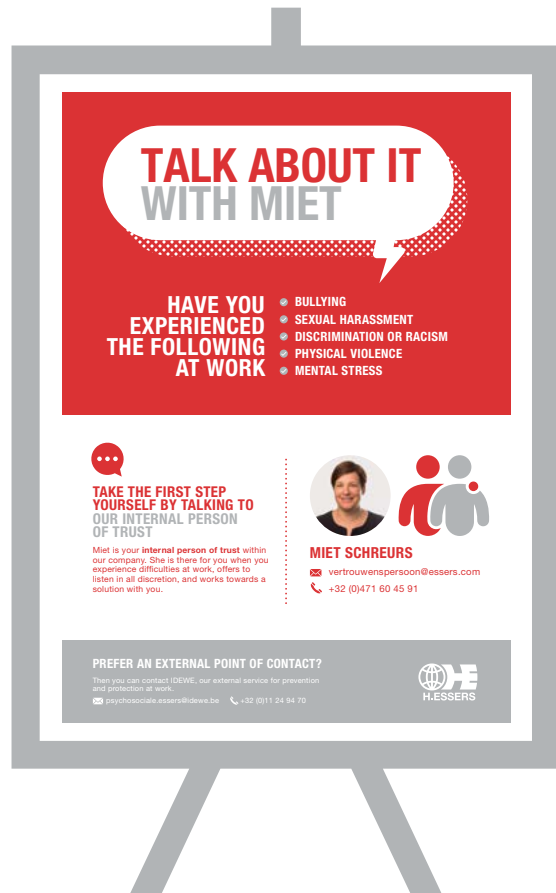
The logistics sector is exposed to many safety and health risks. We continuously develop initiatives to support and guarantee the mental and physical well-being of our employees, partners and stakeholders. We expect all employees to do their part by paying attention to safety and health, to lead by example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

ACTING SUSTAINABLY AND RESPONSIBLY

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 ⁴¹

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 reach out via the established and customary channels: their manager, confidential contact person, local HR business partner, safety coordinator or site manager. Employees can turn to the compliance manager if for any reason matters cannot be reported through the above-mentioned channels, or if serious matters are suspected. In accordance with the law, we have an internal and external procedure. Each report is considered individually and additional measures are taken if necessary.

WHISTLEBLOWER POLICY AND CHANNEL ⁴²

H.Essers is committed to conducting its business in accordance with all applicable laws, rules and regulations and we believe in acting and communicating openly, honestly and fairly. This commitment and these requirements apply both internally to our employees and externally when collaborating with customers, suppliers and third parties. Our Whistleblowing policy provides additional guidance in the specific context of Whistleblowing as per the EU Whistleblower Directive (EU 2019/1937) and its implementation in the respective national legislations. We strongly encourage our employees to internally, confidentially or anonymously report any facts that could be detrimental to H.Essers, using the whistleblower tool provided. In this way, the Whistleblowing report can be handled quickly according to the steps defined in our policy, by a specialised and expert team of Whistleblowing Officers, which have the necessary understanding of the H.Essers structure and activities to carry out a thorough investigation, with guarantees for the Whistleblower against Retaliation, whilst also ensuring all parties confidentiality. Our policy also refers to external reporting channels to the extent those have been made available by national laws and the competent authorities.



COLLABORATING WITH SUPPLIERS

Our procurement policy aims to generate added value for all internal stakeholders by providing sustainable, qualitative and cost efficient solutions. In this way, we ensure continuity and consistent growth within our corporate growth strategy. Our policy is centred on three core values: Long-term relationships, innovation and sustainability. We strive to establish long-term relationships with our suppliers with integrity, through short communication lines and frequent review meetings. H.Essers wants to continue to focus on innovation, which our purchase department facilitates by carefully analysing innovative products and evaluating them for added value. We want to enter into a dialogue with our preferred suppliers to improve the sustainability of their products or services and their operations. We are happy to share our own experience and support their efforts wherever possible. We integrate ecological and social aspects as much as possible in our purchasing criteria, and clarify the minimum standards that our suppliers must meet via the H.Essers [Supplier Code of Conduct](#) which is part of our general terms and conditions of purchase.

MEMBERSHIP OF ASSOCIATIONS ⁴³

As a major player in the international market, our company believes in the importance of social and commercial interaction, social investment and representation of 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 follows or participates in the work of multiple associations in and around the logistics sector. We distinguish between the associations in Addendum 2 in which we hold a position on a governance body or provide a financial contribution beyond routine membership dues, and the associations of which we are regular members. In both cases, we focus on content collaboration and mutual knowledge sharing, not on exerting political influence.



PROGRESS AND PROJECTS

The year 2023 will go down in the history books as a period when a lot of legislations and directives materialised at European level. As always, we followed this with great interest. For instance, we already implemented a whistleblower policy according to the relevant EU directive. A great deal of our attention was directed towards understanding and providing internal insights regarding the EU Corporate Sustainability Reporting Directive (CSRD), initiated follow-up steps for 2024, and have even taken first steps towards the new directive with this very sustainability report. At the same time, our ongoing or the planned projects on our strategic roadmap will clearly contribute to these reporting requirements. Just consider the previously mentioned projects such as our scope 3 emissions, our SBTi commitment, our new safety dashboard or the initiated DE&I working groups. The fact that we are organically growing towards these upcoming requirements to a significant extent, confirms once again that sustainability is an integral part of our strategy, that we are making the right choices and are proactively deploying the necessary capabilities.

In addition to increasing requirements from upcoming legislation, sustainability in all its forms is increasingly becoming a part of quality systems. In particular, a revised version of the SQAS questionnaire was launched in 2023, with significant expansion of the sections regarding greenhouse gas emissions and plastic granule losses (OCS). In this context of increasing complexity and additional expectations, we achieve consistent and excellent scores. For the first time we also targeted SQAS certification for our Bucharest site, and in fact achieved an excellent score. In the meantime, we made all preparations to obtain the SQAS certificate within 18 months of starting up our new site at Lommel Kristalpark.

We have been using the EcoVadis ESG rating as a metric for this ambition in previous years, with the objective of achieving and maintaining a silver medal. We do not consider the rating as an ultimate goal in itself, but as a reflection and reward of our approach and initiatives. As such, we are not worried about the fact that we didn't achieve a noteworthy result in 2023 after two prior years of excellent progress of respectively 10 and 12 points. We have continued to strongly pursue existing solutions during the assessed period and initiated new initiatives which we expect will materialise in future reporting periods. However, the methodology, content and assessment criteria of the EcoVadis rating are evolving as well. As announced, from 2024 onwards the silver medal will only be awarded to the top 15% scores, and no longer to the top 25% scores as before. We confirm our ambitions and maintain our goal of achieving a silver medal at H.Essers group level, despite this significant change.

Whistleblower policy and channel

At H.Essers, we are committed to conducting all our activities in accordance with applicable rules, regulations, and laws. We believe in acting and communicating openly, honestly, and fairly. That's why we set up a Whistleblowing Policy in 2023, which provides additional guidance in the specific context of whistleblowing as per the EU Whistleblower Directive (EU 2019/1937) and its implementation in the respective national legislations. At the same time, we launched a whistleblower tool, which henceforth allows our employees to internally report any facts that could be detrimental to our organisation. This can be done anonymously and in complete safety thanks to the European Whistleblower Directive, which guarantees fairness and confidential handling of all reports.

Achieving excellent SQAS score for our Bucharest site

Quality and safety requirements for logistics service providers are becoming increasingly complex. We are proud to say we achieved an overall score of 95% for our site in Bucharest, with maximum scores for fire protection, site emergency preparedness and warehouse security. Another confirmation of our dedication to offering excellent quality and best-in-class solutions in a complex and challenging supply chain environment.

Preparing for EU CSRD obligations

In 2020, we voluntarily launched our first sustainability report. Not a marketing tool, but an objective, transparent report drawn up according to the GRI standard that presents the evolution of our material topics and actions. Meanwhile, we have reached the fifth edition, and the EU has introduced the new, mandatory standard through its CSRD directive. We already started initial preparations for the directive in 2023, and initiated follow-up steps for 2024. Even with the current sustainability report, we have taken first steps towards the new directive by adapting the structure and integrating corresponding GRI disclosures.

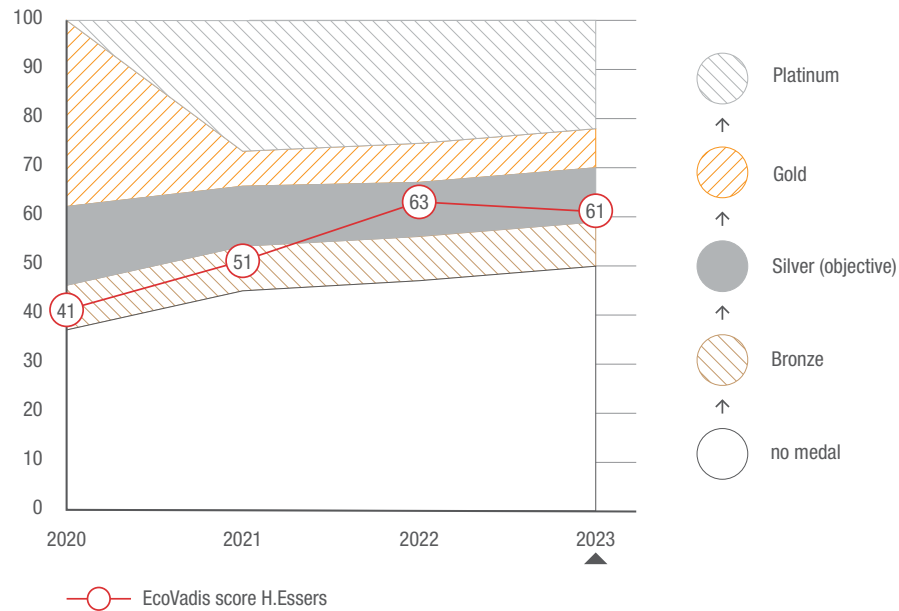


METRICS AND TARGETS

OBJECTIVE WITHIN THE 2020-2025 STRATEGY

H.Essers wants to obtain the EcoVadis 'Silver' sustainability rate and, as a minimum, maintain it.

ECOVADIS



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.



OVERVIEW METRICS AND TARGETS

		SCOPE	UNIT	TARGET	BASE YEAR (BY)	BY VALUE	2022	2023
EcoVadis	EcoVadis score		%		2020	37	63	61
	EcoVadis medal		N/A	Silver	2020	Bronze	Silver ✓	Silver ✓
Quality overall	ISO 9001 certified sites	(a)	% of sites		-	-	-	87%
	ISO 14001 certified sites	(a)	% of sites					28%
	ISO 27001 certified sites	(b)	% of sites		-	-	-	85%
	Confirmed information security incidents ^(c)	(b)	#		-	-	-	0
Quality Warehousing	ISO 14001 certified sites, Chemicals	(a)	% of sites		-	-	-	80%
	SQAS certified sites, Chemicals	(a)	% of sites		-	-	-	80%
	GDP certified sites, Healthcare	(a)	% of sites		-	-	-	100%
Quality Transport	SQAS certified sites, Chemicals	(a)	% of sites		-	-	-	46%
	GDP certified sites, Healthcare	(a)	% of sites		-	-	-	57%
Code of Conduct ⁴⁴	Significant violations of the legislation ^(d)		#		2019	0	0	0
	Registered cases of corruption		#		2019	0	0	0
	Informal psychosocial interventions	BE	#		2019	13	7	11
	Formal psychosocial interventions	BE	#		2019	0	0	0
	Whistleblower reports		#		-	-	-	0
Collaborating with Suppliers	Number of suppliers which signed our SCoC		#		2022		153	153
	Share of spend with suppliers which signed our SCoC		% of spend		2022			6%

(a) Determined based on operational transport or warehousing sites, respectively where we perform transport activities (incl. crossdock, planning and customer service and excl. 5 operational sites in business unit Infra) or logistics activities (excl. on-site activities).

(b) As described in (a), but incl. 5 operational sites in business unit Infra.

(c) Determined based on the number of confirmed violations of corporate policy and successful security breaches.

(d) Determined based on the information regarding fines in our financial reporting, with a lower limit of 0,5% of the balance sheet total.





CLOSING REMARKS

Thank you for reading this sustainability report and for continuing to support our efforts in your role as an employee, manager, customer, or stakeholder. And for your unrelenting effort. Sustainability is a continuous process rather than a task to be ticked off a list. It's a story we continue to write and rewrite as it unfolds.

New insights help us make informed changes to previous frameworks, policies, and initiatives. New developments, regulations, and challenges help lead to new projects. With the renewed approach presented in this report, we aim to create an even clearer framework for these efforts.

Over the past year, we have reaped the benefits of this approach, with 2023 proving to be a year of important milestones for H.Essers. These include a historically low frequency rate and a 5% carbon reduction in both warehouse and transport, more than half of the latter due to our HVO insetting solution.

Behind the scenes, we've been working hard to lay the groundwork for our future. Expectations are high and rising, as we continue our working groups on diversity and inclusion and as we explore additional AI projects to help us optimise our customer service. Just so for the roll-out of our employee communication app, an important step that will allow us to reach even more people, including team members on the road. We are ever more integrating the ambitions of our renewed framework into strategic programmes within our sustainable corporate strategy. This is the only way to stay the course in unstable waters and to make a real difference for our stakeholders, the environment, and future generations.

Thank you for joining us on this journey,

Yannick Dylst, Senior Expert Sustainability



ADDENDA



ADDENDUM 1 | GRI CONTENT INDEX

This report for H.Essers BV was drawn up in accordance with the GRI standards for the period of 1 January 2023 to 31 December 2023. 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

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|---|---|----|---|----|--|
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REASONS FOR OMISSION

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Annual total compensation ratio

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

GRI 2-19
Remuneration policies

The various forms of remuneration we offer the members of our Management Board as requested in GRI 2-19 (a)i-v are not disclosed publicly, given the confidentiality and sensitivity of this information.



ADDENDUM 2 | MEMBERSHIPS

BELGIUM

VOKA NATIONAAL & VOKA LIMBURG

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

MEMBER STEERING COMMITTEE

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 BOD, MEMBER OF THE EXECUTIVE COMMITTEE, MEMBER OF WORKGROUPS

VKW Limburg is an independent employers’ organisation. It connects companies and strengthens enterprises in Limburg.

PICS BELGIUM

MEMBER OF THE BOD

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

MEMBER OF THE BOD

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.

SCORPEON

MEMBER OF THE BOD

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

FORWARD BELGIUM

CHAIRMAN OF THE BOD

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



EKONOMIKA ALUMNI SPONSOR

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

PREBES MEMBER PROVINCIAL COMMITTEE

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.

VEGHO HAVENRAAD MEMBER OF THE BOD

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.

ROMANIA

BEROCC MEMBER OF THE BOD & FOUNDING PARTNER

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.

SPANJE

TRANSCALIT MEMBER OF THE BOD

TRANSCALIT is the Catalan Transport Federation of Barcelona. Since its beginnings as a Federation in 1962, TRANSCALIT has defended and represented the interests of the Transport of Goods by Road before the different Organizations and Administrations. Always with the ultimate goal of improving the quality and professionalism of our companies, helping them adapt to the environment. TRANSCALIT is present in all Administration institutions as well as in Business Organizations at a general and sectoral level.

AEQT DIAMOND BUSINESS PARTNER

The Chemical Business Association of Tarragona (AEQT) was established in 1977 with the objective of representing the chemical sector of Camp de Tarragona and Terres de l'Ebre, the biggest one in Southern Europe. AEQT's Business Partners program is intended for companies that work directly with the chemical sector, and offers them an opportunity to present their products and activities in the heart of Camp de Tarragona's chemical sector.

PLATAFORMA AQP MEMBER OF THE BOD

Plataforma AQP is the association of logistics operators specialised in the chemical sector that offer storage services for dangerous chemical products for third parties. Our mission is to convey to the administration, the chemical sector and society in general the importance of the commitment to safety and the environment that our activity requires and to work for rigorous compliance with the APQ regulations. .

TURKEY

BELGIUM-LUXEMBOURG CHAMBER OF COMMERCE IN TÜRKIYE CHAIRMAN OF THE BOD

The Belgian Chamber of Commerce in Türkiye was founded in 1926 with the aim of supporting economic, commercial, social, and cultural relations. It supports Belgian and Luxembourgish companies established in Türkiye to develop trade and industrial relations with Türkiye, as well as Turkish companies wishing to operate in Belgium and Luxembourg. The Belgian Luxembourg Chamber of Commerce in Türkiye is a member of the Federation of Belgian Chambers of Commerce.



ADDENDUM 3 | RESTATEMENTS OF INFORMATION ⁴⁵

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

FREQUENCY RATE

We integrated data on the frequency rate of our warehousing operations in Denmark, Romania, Italy (from 2019), the Netherlands (from 2021) and Spain (from 2023) and of our transport operations in Spain (from 2023). The calculation method is uniform with the figures reported so far for Belgium. However, the data on working hours are collected from various operational systems, and the data on occupational accidents are processed more manually.

NET PROMOTOR SCORE

We refined the calculation of our NPS score by giving each customer the same weight in the overall score. Previously, this was in fact determined by considering the scores of all correspondents with the same weight. Customers with many respondents therefore weighed more heavily on our final score, or vice versa. Unacceptable considering we use this as a customer satisfaction tool in a B2B context.

EXPERT PAPERS

Our objective on knowledge sharing was adjusted. In particular, we no longer have a specific objective for the number of expert papers to be published, only for expert events and expert newsletters. We continue to focus on expert papers in function of our experts or if the right content presents itself, however not as a goal in itself.

QUALITY SYSTEMS

From now on, we report in a more transparent and representative way about our quality systems. The previous metric indicated the number of audits achieved compared to the number of planned audits, but did not provide the desired insights. We now report the degree of coverage of the quality system relative to the operational sites in scope according to our policy on the one hand, and relative to all our operational sites on the other.

SUPPLIER CODE OF CONDUCT

We are adding more context to the coverage of the supplier code of conduct in our value chain, by no longer just reporting on the number of suppliers who have signed the supplier code of conduct, but by indicating which proportion of our supplier spend this represents.

REDUCING OUR CO₂ EMISSIONS

We integrated data on refrigerant gases from both our warehousing and transport activities. Consumption is based on our maintenance activities, meaning the amount of refrigerant gas refilled in the stationary and mobile installations during maintenance in the reporting year. We have actual data from the year 2020 onwards for our warehousing activities, and from the year 2022 onwards for our transport activities. Given the limited impact of refrigerant gas in both activities, we do not extrapolate to earlier years, we consider the resulting uncertainty insignificant. We use emission factors obtained from our suppliers.

We integrated data of the transport operations from the recent acquisition of Romano Trasporti in Italy. The total consumption is based on the actual 2023 tankings. For preceding years, we assume identical consumption in the absence of sufficiently qualitative data. In the absence of information on distance travelled, we assume an average consumption in line with the rest of our Healthcare fleet.



ADDENDUM 4 | LIMITED ASSURANCE STATEMENT ⁴⁶

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 2024 (reporting year 2023) 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.

14/06/2024

Ramses Stercck
Lead Contract Engineer

Evert Vermaut
Team Leader

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

Subject	KPI
Frequency rate safety	Page 57, validated the value 22.94 regarding the frequency rate for occupational accidents in 2023.
Ecovadis	Page 65, Vinçotte validated the Ecovadis score that H.Essers communicated in the sustainability report for 2023.
Net Promotor Score	Page 54, validated the net promotor score for 2023.
Training hours	Page 64, Vinçotte validated the number of absolute training hours for all employees for 2023. This equals to a total of 151.574 training hours for all employees.
Waste	Page 41, Vinçotte validated the quantities of waste streams stated in the table at "Afval geproduceerd".
Knowledge sharing	Page 67, validated the number of expertevents, segmented newsletters and expert papers launched in 2023.
Certificates	Page 65, Vinçotte validated the percentages mentioned at the different certificates (ISO9001, ISO 14001, ISO 27001, SOAS and GDP). These percentages represent how many of the owned sites are covered by these certificates.
Energy	Page 40, Vinçotte validated the values mentioned related to the energy parameters (Energieverbruik per bron, Energieverbruik per einddoel, energieproductie, energie-intensiteit)
CO ₂ emissions	Page 40, validated the following numbers: - scope 1 emissions 112.195 tCO ₂ e in 2023 - scope 2 emissions 2.281 tCO ₂ e in 2023

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H.ESSERS HQ

Transportlaan 4
3600 Genk



+32 (0)89 32 32 32



communication@essers.com

