

SUSTAINABILITY REPORT 2017 - 2018

COMMITTED TO SUSTAINABILITY

*En route to a
sustainable chain*



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CSR TAKES SHAPE



Can you be sustainable when using 14 billion litres of fuel each year?

Our answer to that question is yes. You can and indeed you must. As a family firm, we are very conscious of the generations that follow us. Respect for people and the planet is in our DNA, as is the focus on continuity. In our sustainability report for 2015-2016, we gave an account of our journey towards sustainability for the first time. We promised to continue to go the extra mile(s) in terms of corporate social responsibility (CSR).

In this report, you can read what drives us when it comes to sustainability. We selected the key themes from the CSR guideline ISO 26000 that are important to our stakeholders.

Now in 2019, we are happy to say that we have indeed committed ourselves to sustainability. Hence the title Committed to Sustainability. CSR is anchored in our mission, vision and core values. In everything we do, we consider the impact on people and the planet, alongside a financially healthy future of course. We were already very active in CSR, but this broadly supported CSR policy is helping us to become even more effective and to formulate clear targets. We are now therefore making measurable progress, whether it concerns low-CO2 fuels, sustainable deployment of our employees, building heating using residual heat or our support of a worthy cause.

Our approach always focuses on the expectations of our stakeholders and insight into the chain. True progress can only be achieved together with our chain partners.

Willem Prinsen
Chief Executive Officer

Maurice de Wilde
Chief Financial Officer



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DRIVEN BY COMMITMENT

Mission

We are Koopman, innovative and down-to-earth entrepreneurs in logistics services. We have respect for people and the planet, and opt for sustainable collaborations.

Vision

Together with our clients, we develop innovative solutions that add value and contribute to an optimum logistics chain. We are driven by development and the welfare of our employees. Any choice we make takes account of the impact on people and the planet.



2.

HOW DO WE SEE SUSTAINABILITY?

We believe that sustainability is primarily about continuity, about continued existence. That requires a healthy balance between People, Planet and Profit. We feel responsible as an enterprise and as a family firm, but also as an employer, business partner and innovator. We want to be a 'good steward' of our company, in order to pass it on to the fifth generation of Koopman in the future. In everything we do, we take account of the impact on people and the planet.

Our mission and vision give direction. The CSR policy allows us to concretise our mission and vision, inspired by the international CSR guideline ISO 26000. We shape our policy and targets on the basis of our stakeholders' expectations. Once every two years, we publish a sustainability report in order to share our progress and plans with those stakeholders.

The importance of an active role in the chain

A number of our primary stakeholders are part of the same chain. Collaboration has a favourable effect on the consequences of our actions for people and the planet. We therefore ensure our chain partners are aware of our joint impact on the 3 Ps and we encourage them to apply their own active policy.

• Clients

Together with our clients, we optimise the chain through an integral approach to processes. This is not only about cost reduction or quality improvement, but also control of the impact on People, Planet and Profit. We believe we can promote CSR on the client side of the value chain by making it part and parcel of our proposition.

• Suppliers

Other organisations can be influenced via our purchasing policy and purchasing decisions. We aim to stimulate the local economy through sustainable buying, and to contribute to employment opportunities for people distanced from the employment market, wherever possible.

As long as the quality is equal and the price economical for us, we will always opt for a supplier that tangibly contributes to CSR. We believe in the importance of dialogue with clients regarding the impact on People, Planet and Profit. Every effort is made to encourage tangible improvements. We do so by formulating hard targets with our suppliers, and actively monitoring those targets. At least one initiative must be started together with a client each year, to reduce the CO2 footprint.

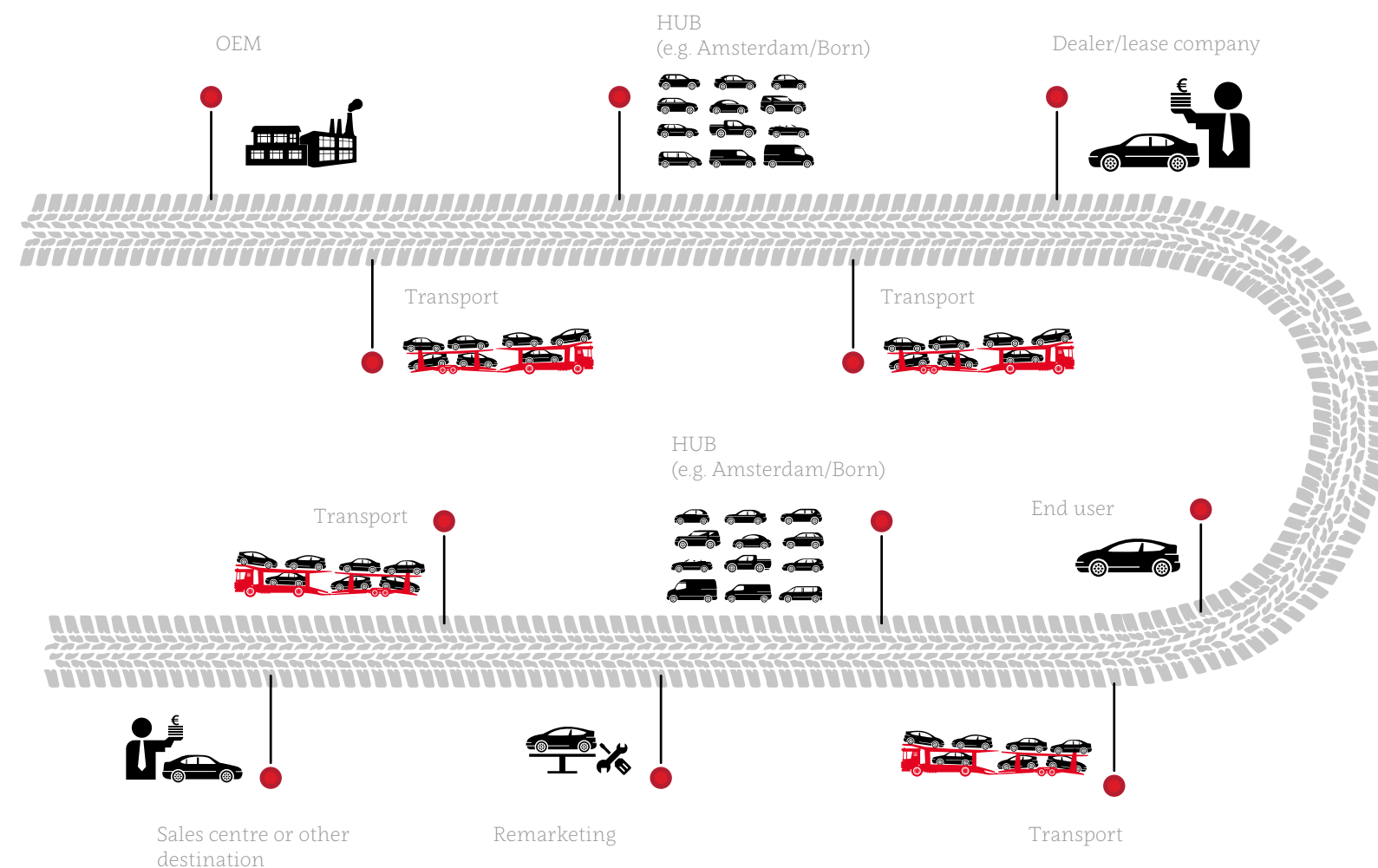
“We ensure our chain partners are aware of our joint impact on the 3 Ps and we encourage them to apply their own active policy.”

CSR balance

Will we meet our targets? The CSR balance provides insight. The CSR balance is our dashboard of measurable indicators, distributed over the various key CSR themes. These indicators are the basis for formulation of our targets and activities undertaken to achieve those targets.

Environmental barometer

We use the environmental barometer to map out the environmental effects of our business and to measure our carbon footprint.



Vinturas: pioneering in the chain

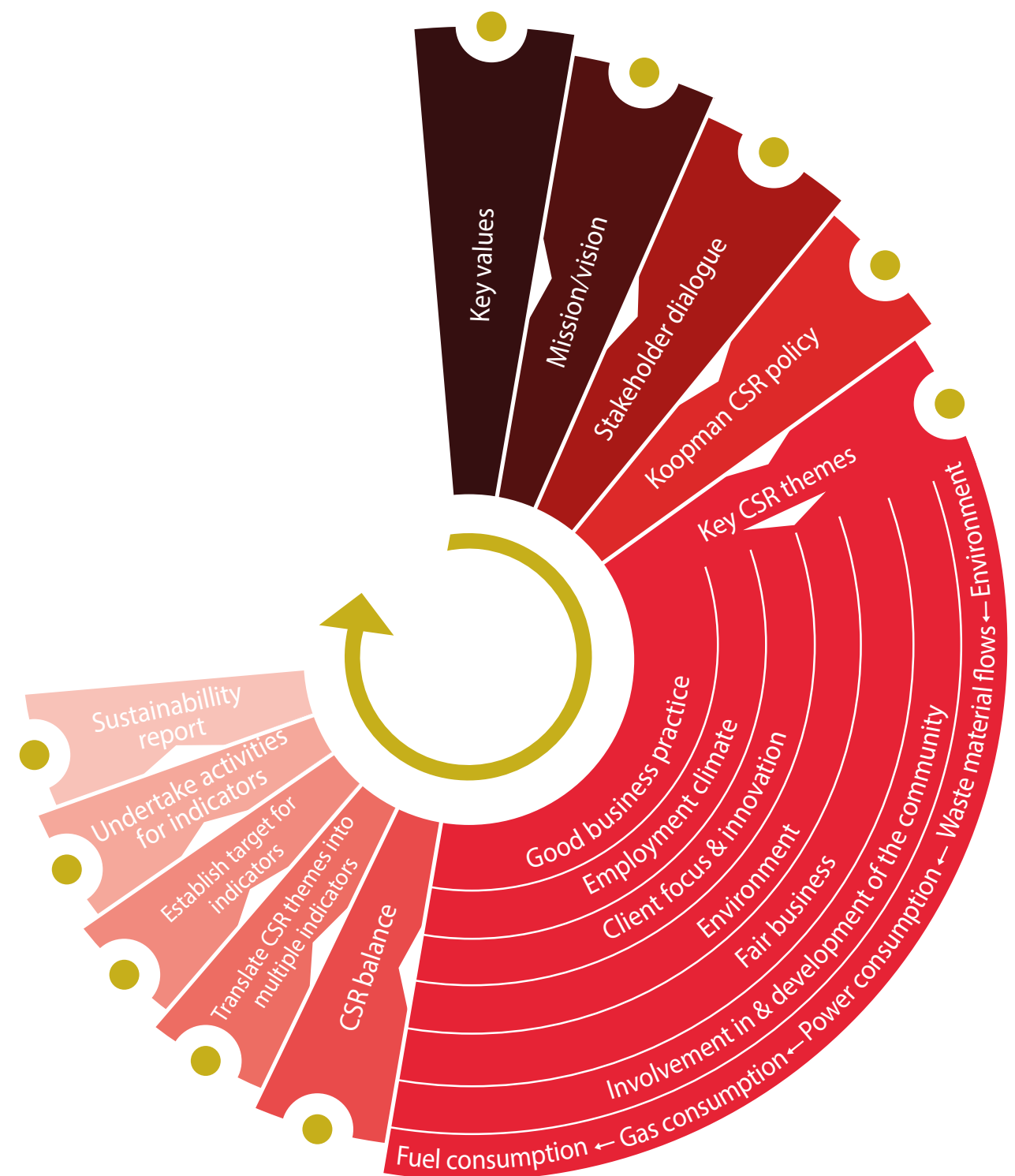
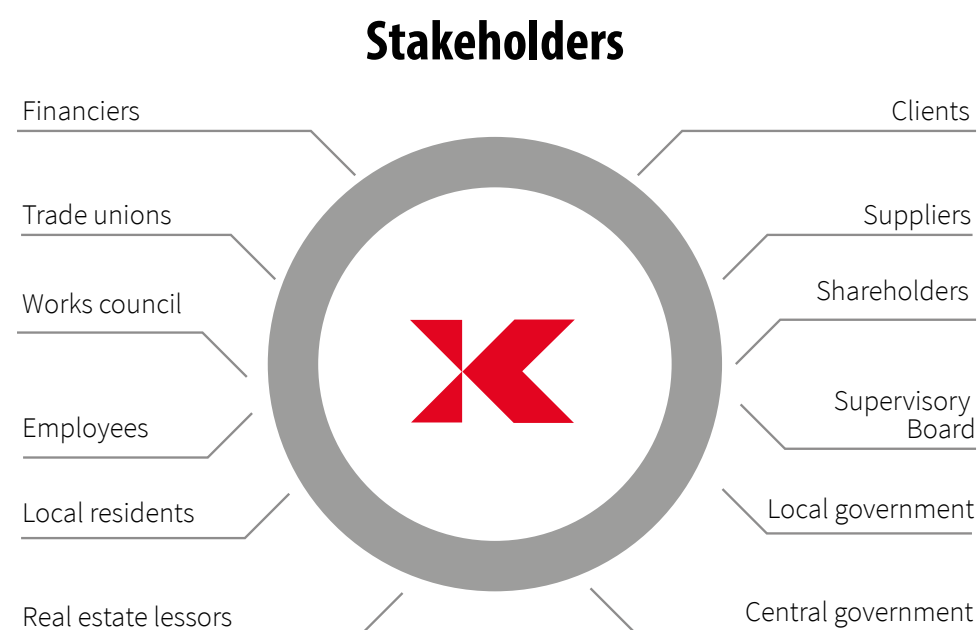
Koopman Logistics Group is the first European logistics service provider to develop a solution based on block chain technology, to fully digitalise the logistic processes of all chain partners in the transport and storage of new and used cars. It is a promising concept that we will now be developing together with other European logistics service providers in a new consortium: Vinturas. In spring 2018, we delivered the first car for which no paper freight document was generated. For transport clients, this translates into full digitalisation of the vehicle transport process, from factory to dealer. The delivery process thereby takes place fully digitally, preventing any unnecessary waste of paper. As the entire process is contained within a block chain environment, the data is optimally secured between the participating parties.

By registering all data of the vehicle throughout the logistics chain, our clients gain added insight into their chain, allowing them to optimise their processes. Moreover, this digital solution has the potential to prevent fraudulent behaviour in vehicle tax and mileage registration; a well-known problem in the international sale of used vehicles.

3. COLLABORATION WITH OUR STAKEHOLDERS

Our stakeholders have ever-increasing expectations of us. By entering into the dialogue and cooperating with them, we can gear our efforts to their expectations. We do so using the Koopman CSR cycle (see illustration). By repeating the CSR cycle, we can continuously improve our efforts and results.

Alongside our normal contact with the stakeholders, we will be organising a stakeholders panel at least once annually, as of 2019. All our stakeholders will be represented in this panel, in a varying composition.





4. PEOPLE

At Koopman, it is all about people. This means that we treat each other with respect and encourage each other to develop our potential.

Good and engaged employer

Koopman employees are given all possible opportunities for participation. We encourage them to suggest new ideas. We also regularly organise employee surveys. The most recent survey was conducted early in 2018, and resulted in compliments such as trust, pride and understanding. However, it also identified the necessity for better communication with our remote employees, our drivers. We have analysed the results per operating company and have put together action plans. Organisational changes have been made in order to improve communication with the drivers. Furthermore, an Intranet application is to be introduced in 2019, also suitable for use with a smartphone.

Our objectives for 2019-2020:

- To create an open culture and offer a listening ear for business and personal circumstances of employees;
- To map out the six principles of a good employer.

Personal development and training at work

Koopman employees can always continue to grow, both within and beyond their own professional field. Together with their manager, they determine any need for training and education. We conduct evaluation interviews with those employees at a standard work location, twice annually. While this cannot yet be achieved for colleagues on the road, the aim is to conduct such an interview at least once annually. Since 2018, we offer all employees the Goodhabitz Online Training: they have complete freedom to opt for more than 120 e-learning modules. In 2017 and 2018, we offered a variety of in-company training courses, in

subjects such as communication, situational leadership and Microsoft Excel.

We have also continued our Lean training programme. Lean is a globally recognised and applied improvement methodology. By the end of 2018, 163 Koopman employees had followed Lean training:

- Yellow Belt (basic): 139 employees
- Green Belt (initiation and leadership of improvement projects): 21 employees
- Black Belt (steering of Green Belts): 3 employees

Our objectives for 2019-2020:

- More employees with a personal development plan or personal development targets
- Additional dialogues on sustainable deployability.

TRAINING HOURS IN 2018



14.112

Health and safety at work

We are determined that our employees must be able to work for Koopman in a safe, healthy and pleasurable manner. In order to achieve this, we create insight into the health and safety risks involved in our activities. We want to prevent personal damage, environmental damage and material damage at all costs. And in the unfortunate event of an incident, we will limit the impact where possible. The way in which we limit these risks and improve health and safety is described in our Occupational Health policy, that was reformulated in 2018. We have also conducted a Risk Assessment & Evaluation update at all Koopman locations at the end of 2018. This resulted in plans of approach to be implemented in 2019.

There were zero reportable incidents in 2017 and 2018. We also register non-reportable incidents. We encourage our employees to tell us what went nearly wrong. That is the only way we can move from protocols with hindsight to relevant prevention with foresight, throughout our business.

Our objectives for 2019-2020:

- Reduction in absenteeism through illness, to 5%;
- Strive for zero reportable incidents;
- Mapping out of LTIFR (Lost Time Injury Frequency Rate), to be subsequently reduced by 10%.

The distribution of our personnel

In 2018 we employed an average of 992 people or 933 FTE. The vast majority are male, at 98%. Figures 7.1 and 7.2 also show the distribution in permanent and temporary contracts that we concluded with male and female employees. We do not expect this distribution to change much in the near future.

Involvement in the community

We believe it is absolutely essential to maintain good contact with the communities in which we are active. We do so through membership of trade associations, for example. We also invest energy in a good relationship with local government bodies. This keeps us involved in issues in the community, and allows us to participate.





Since 2016, we have been encouraging employees to share the good cause for which they work, in the 'Koopman shares' initiative. By convincing us of the social need of the cause and their own involvement, their good cause has a chance of a contribution of € 10,000.

- In 2017, we sponsored a food transport project to Moldavia, on the initiative of a driver.
 - Another driver and his son together completed the seven-day Duchenne Heroes mountain bike challenge.
- There is also a smaller budget for local initiatives. We can support one or two initiatives annually, per Koopman company. Local or international. On the condition that the employee actively participates, of course.

Our target is to anticipate in 10 social initiatives each year, either through donations or by providing people and resources.

Offering opportunities to the region

Via the Koopman training institute, we provide young people with broad logistics training, in collaboration with various secondary colleges. After training, they can become a driver or choose a different function. An opportunity for them, and continuity for Koopman. Our strive is to always have around 15 students at the Koopman training institute. In 2017 and 2018, a total of 10 students graduated from the Koopman training institute, eight of whom are still employed at Koopman.

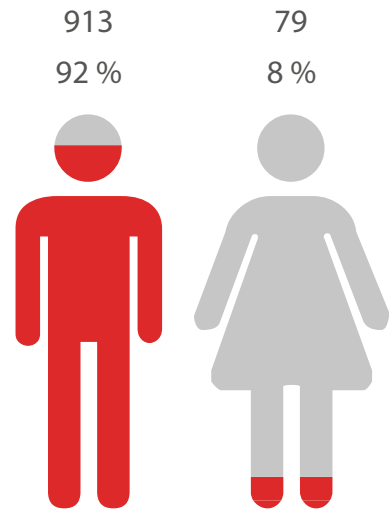
Inclusive business operations

Together with JINC, Locus and 'De Harde Leerschool' (rugby based training initiative), we involve people who are distanced from the employment market in our process. For example in facilities services and at the terminal in Amsterdam. This offers a fantastic fresh start for this group of people, and a number of them have since moved on to a regular job. Admittedly, these people are not always suitable for all posts, but where possible we ensure suitable work, support and of course a safe and pleasant environment.

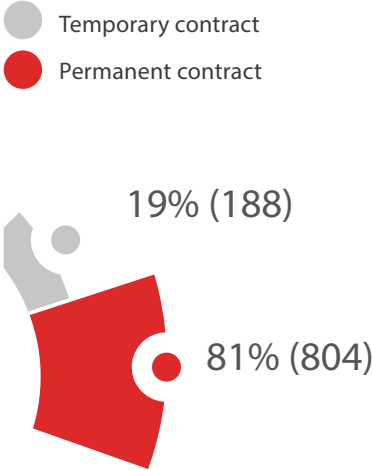
Our objectives for 2019-2020:

- Active participation in two employment projects per year in the region, offering annual training, etc.
- Offering training to 10 people with an atypical profile, in order to contribute to their work-based development.

DISTRIBUTION OF EMPLOYEES M/F



DISTRIBUTION OF EMPLOYMENT CONTRACTS



5. PLANET

We are familiar with our carbon footprint and have insight into how it arises. It is measured according to the internationally recognised CO2 parameters.

Prevention of environmental pollution

We are familiar with our carbon footprint and have insight into how it arises. It is measured according to the internationally recognised CO2 parameters. We monitor our use of fuel, power, gas and waste, and thereby the development of our carbon footprint. This insight can then be applied to work at reducing CO2 emissions as a result of our activities. Whereas Koopman Logistics Group BV is ISO 14001-certified, we are now working on certification of all Koopman operating companies. This certification is a guarantee of an effective environmental management system. It allows us to take even better control of our impact on the environment. Along the same lines, we register environmental incidents and apply a policy to entirely prevent or reduce such incidents. There were zero reportable incidents in 2017 and 2018.

Saving consumption of fuels and resources

For our clients, true cost reduction is not simply a few Euro less transport costs per trip. We aim to study the entire process together with the client, searching for true savings, in terms of both costs and the environment. If we optimise the entire chain, less kilometres will need to be driven, resulting in direct cost and emissions savings. In 2018, our car transporters drove 1.2 million kilometres less than in 2017, and that is reflected in the diesel consumption. We are taking on more national

work and opting to contract out the international work, with its long distances, to parties that can operate more efficiently. Furthermore, we continue to work at optimum planning with as few empty kilometres as possible. The renewal of our fleet of vehicles has also proven to save fuel.

Our objective for 2019-2020:

2% less CO2 emissions related to turnover.

DISTRIBUTION OF CARBON FOOTPRINT KOOPMAN 2018.



CARBON FOOTPRINT

*CARBON FOOTPRINT EXCLUDES THE CO2 EMISSIONS FROM COMMUTER TRAFFIC
 * SOURCE CO2 PARAMETER: MILIEUBAROMETER.NL, BIO-DIESEL (HVO) FROM WASTE OIL/FAT)

Consumption m3/kWh			CO2 Parameter	Footprint (ton CO2)		
	2017	2018		2017	2018	Difference (%)
Companies' Carbon Footprint						
Gas consumption	596.344 m³	681.969 m³	1,890 kg CO ₂ / m³ gas	1.127,09	1.288,92	14,36%
Urban heating		63.800 m³				
Electricity	2.719.440 kWh	2.901.484 kWh	0,649 kg CO ₂ /kWh	1.764,92	1.883,06	6,69%
Total companies' carbon footprint				2.892,01	3171,98	9,68%
Fuel consumption Carbon Footprint						
HVO *		235.139	0,345 kg CO ₂ / Liter			
Diesel	15.024.615 Liter	14.215.298	3,23 kg CO ₂ / Liter		81,12	
Total companies' carbon footprint				48.529,51	45.915,41	-5,22%
Total carbon footprint (companies + fuel consumption)				51.421,51	49.168,52	-4,38%

Electric driving in Groningen city centre

On 31 October 2018, Groningen councillor Paul de Rook and Arthur van Dijk, chairman of Transport and Logistics Netherlands, unveiled a 100% electrically driven Koopman TransMission delivery van. We now drive CO2-neutral to Groningen city centre on a daily basis with a full load of goods for delivery. And so we are the trendsetter within the plan for emission-neutral transport in the city centre by 2025.



More and more Euro 6

We shall continue to replace older trucks with Euro3 engines by new vehicles. We purchased 59 new combinations in 2017, all of them fitted with the more environment-friendly Euro6 engine. By 2018, this number had even increased to 71. Another sustainable choice is to equip trailers with a new Euro6 truck, to give them a second lease of life. We did just that in 2018 for 45 combinations of Koopman Autotransport and Möhlmann.

Fuel & CO2 per transported unit

Over the company as a whole, there is a recognisable effect of having replaced Euro3 vehicles by Euro6 vehicles. Car transport has become more national instead of international. International trips are contracted out more often. This has resulted in 1.2 million less kilometres using our own vehicles. At Möhlmann, we were confronted with a growing shortage of personnel and consequently redundant vehicles. Within General Cargo, we transferred part loads from Koopman Cargo to Koopman TransMission. This allowed us to plan more efficiently, drive less kilometres and therefore use less fuel.

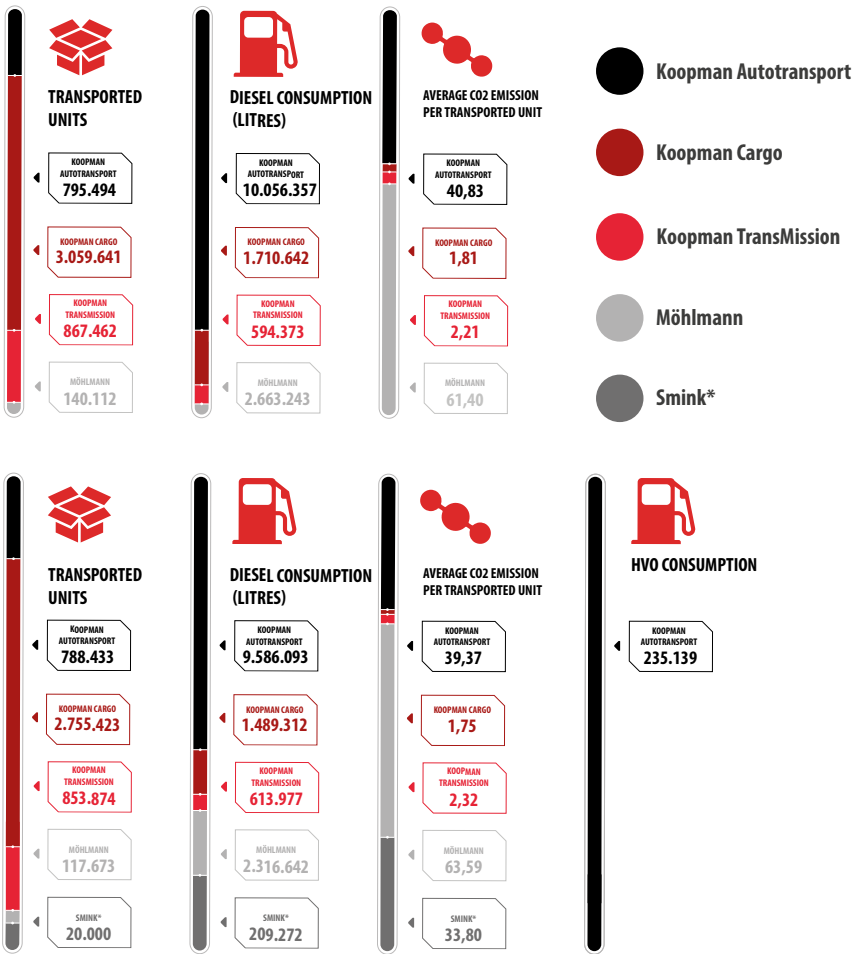


DISTRIBUTION OF VEHICLE FLEET EURO CLASS 2018



2017

2018



The average CO2 emission per transported unit is based on the NEN-EN 16258 standard.
*estimate



Pure HVO: 89% less CO₂

In 2018, we invested in our own HVO fuelling station at our location in Nijkerk. HVO is a synthetic diesel produced from waste and residual flows such as frying oil. It is therefore low in CO₂. Whereas many companies deploy a mix of HVO with conventional diesel, we have opted to use pure HVO. The CO₂ reduction per kilometre is no less than 89%. Our target is that HVO accounts for 10% of our total consumption. This is our way of complying with the explicit wish of our clients, that CO₂ be reduced. Alongside HVO, we also deploy an LPG mix in a limited number of combinations of Koopman Car transport and Koopman Cargo.

Efficient drivers and vehicles

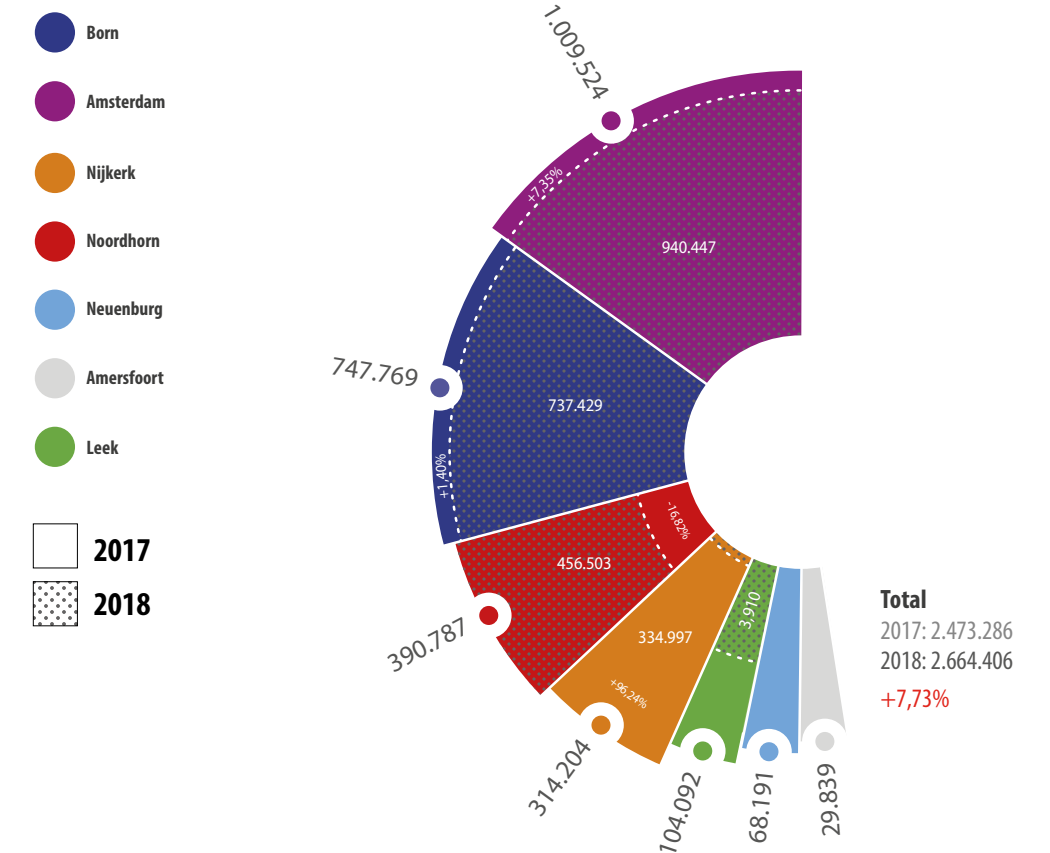
Our drivers spend part of their Code 95 refresher courses working on their driving style. By driving defensively, they can reduce their fuel consumption. Furthermore, the combination of skilled drivers and advanced vehicle technology results in

optimum loading. Koopman Cargo has been using EcoCombi vehicles for a number of years now. In an EcoCombi, the consumption per transported palette is 25% lower. In 2019, Koopman TransMission will also receive an EcoCombi.

Electricity

In Amsterdam, we sustainably generated 5443 kWh and returned 337 kWh to the network. The solar panels in Noordhorn were good for 21,169 kWh, of which 1212 kWh was returned. The higher consumption at the terminals can be explained by the increase in remarketing activities. The Leek location was leased as of late 2017. The employees of the auxiliary departments moved into the office on 1 January 2018.

POWER CONSUMPTION (KWH)





Urban heating and solar panels

At the Koopman Car Terminal in Amsterdam, 100% sustainable urban heating and nearly 1250 solar panels were commissioned in autumn 2018. This project was realised in collaboration with the Port of Amsterdam, Orgaworld and Zonel. The transition from natural gas and electricity to organic residual heat and solar panels results in an annual CO2 reduction of 590 ton.

Koopman Car Terminal uses the heat for the spraying and drying cabins in the workplace and for heating the office building. Thanks to guarantees regarding the source of the

energy, Koopman Car Terminal can rest assured that the energy used has been sustainably generated. Solar panels were also fitted in Noordhorn, and commissioned in June 2018.

Gas

Over the company as a whole, we have seen the effect of the higher number of heating degree days in spring 2018. When the number of HDD increases, gas consumption also increases progressively. Our gas consumption was therefore higher than the same period in 2017.

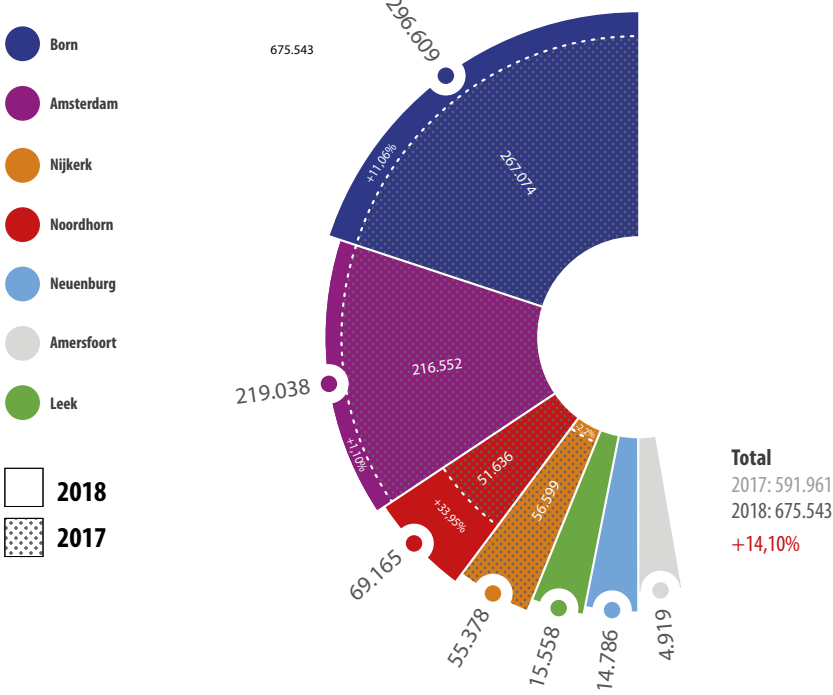
Osmosis water in Amsterdam

In Amsterdam, we wash the cars using osmosis water. This is water from which all minerals, metals and bacteria present in mains water, have been removed. The cars are therefore streak-free after washing, which saves a great deal of polishing work. After use, we discharge the osmosis water to the sewer via an oil separator.

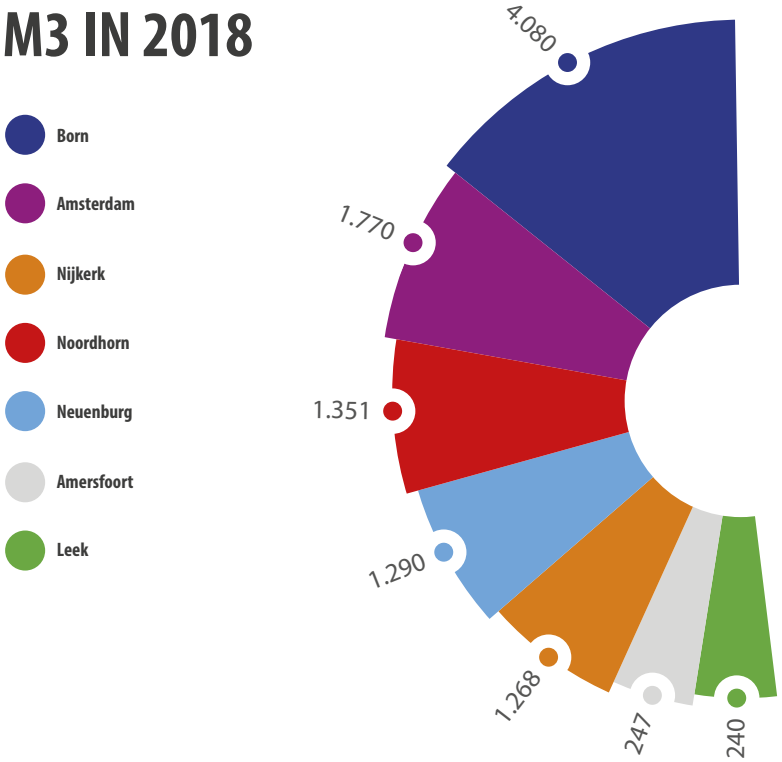
Water

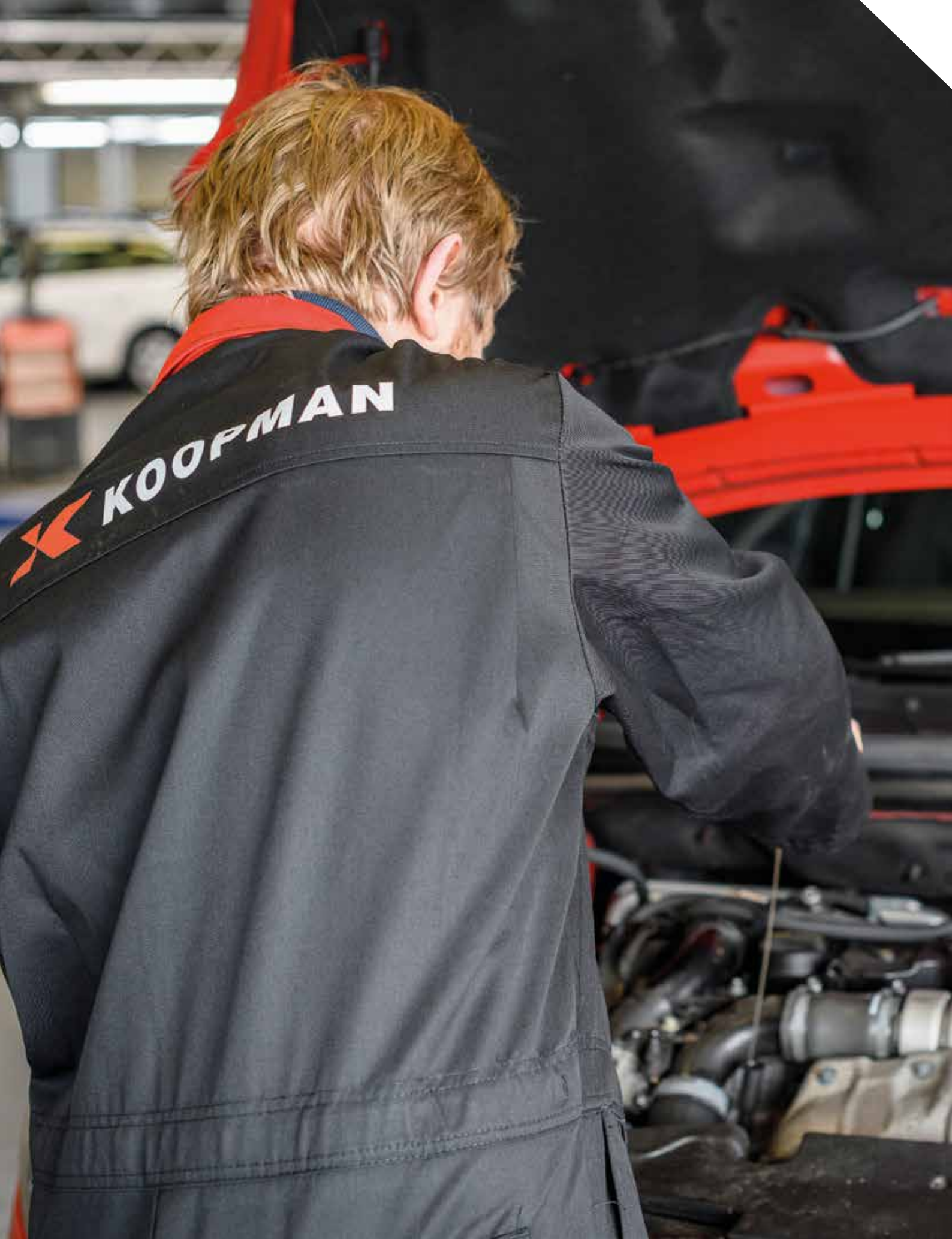
Over the company as a whole, water consumption remains stable. In Amsterdam, approximately 50% of the water used is now osmosis water. The use of osmosis water is CO2-neutral.

GAS CONSUMPTION M3



WATER CONSUMPTION M3 IN 2018





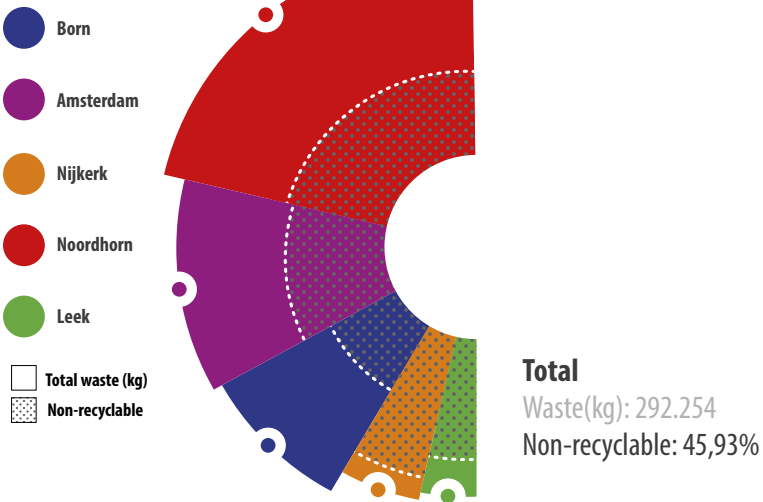
Away with waste

Although there were variations per category and per location, we produced less waste in 2018 versus 2016 (2016: 344,496 kg). This despite the opening of our new branch in Leek. We separate our waste where possible and try to keep the share of non-recyclable waste to an absolute minimum. This share of non-recyclable waste is stable, at around 45%. In our workshops we distinguish two types of waste:

- Metals;
- Chemical waste (such as engine fluids and spent oil).

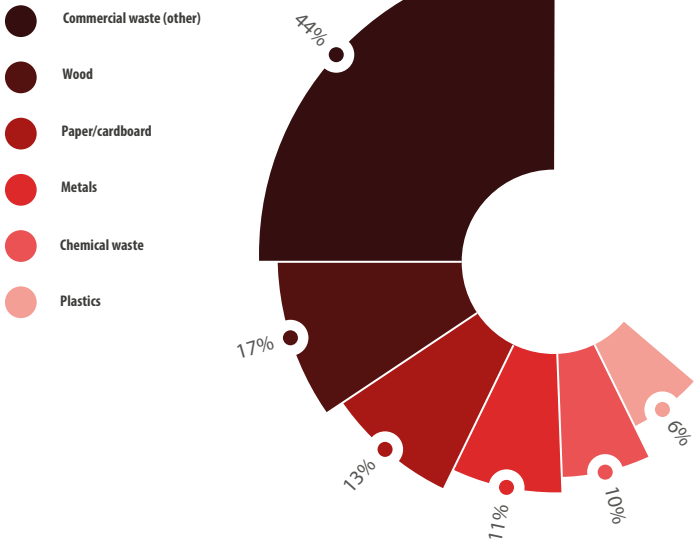
We separate our waste where possible at all our sites. At our compounds in Amsterdam and Born in particular and in the repair garages for our own trucks, we separate more and more waste, such as plastics, headlights, bumpers and metals.

WASTE 2018



Data are not yet available for Amersfoort and Neuenburg

WASTE PER CATEGORY 2018



6. PROFIT



Strong client focus is a precondition for continuity. We want to understand any market developments affecting our clients, and react with enterprising initiatives.

Client focus

We are focused on developments in IT technology and changes in the supply chain, at the strategic level. We also take advantage of opportunities within our processes and within the chain to reduce the impact on People, the Planet and Profit. In the operational field, we aim to reduce costs and to work more efficiently through automation. We continue to optimise, innovate and welcome opportunities for alternative, more enterprising methodologies. We want to continue to meet our clients' needs now and in the future.

“We believe that innovation increases our resilience as a company and we thereby accept that not all innovations can be successful.”

A part of this integral approach is the process analyses we conduct together with our clients. Two examples are:

- Together with a manufacturer of climate control technology, we have analysed the entire logistics process of production, sale, forwarding, transport and delivery. This provided insight into each others' processes, as the producer and service provider (transporter). But also internally within

the commercial, production and forwarding departments. It resulted in less last-minute action being required throughout the chain, particularly in forwarding and transport. It also reduced costs due to less Just In Time deliveries and therefore more efficient trip planning and resultant less CO2 emissions.

- Together with a large dealer organisation of young used cars, we conducted a Value Stream Map, from the moment of purchase to the moment of sale. Our role included both damage expertise and damage repair, as well as polishing and photography of the vehicles. The VSM enabled us to map out the entire process together with all stakeholders. The resultant action taken reduced the total turnaround time by 30%.

Our objectives for 2019-2020:

- To develop one partnership per year with a client, in terms of sustainability;
- To start up a process analysis initiative with two clients per year in order to eliminate waste from processes;
- Formulation and execution of client plans for the five largest clients per Koopman company.

Innovation: our own think tank

Innovations for us is not only optimisation of the existing situation but also developing new possibilities with an open mind. As a family firm, we have a long-term focus, which means that you must continue to develop personally. We believe that innovation increases our resilience as a company and we thereby accept that not all innovations can be successful. Innovation allows us to continue to meet the expectations of our stakeholders. An Innovation Team

has been established within Koopman, comprising five staff members. This think tank considers innovative ideas, separates the wheat from the chaff and makes recommendations about new processes and structures. The team is currently working together with Fier Automotive to research the possibilities for electrification, the option of electric transport.

Our objective for 2019-2020:

- To develop one innovative activity per Koopman company per year.

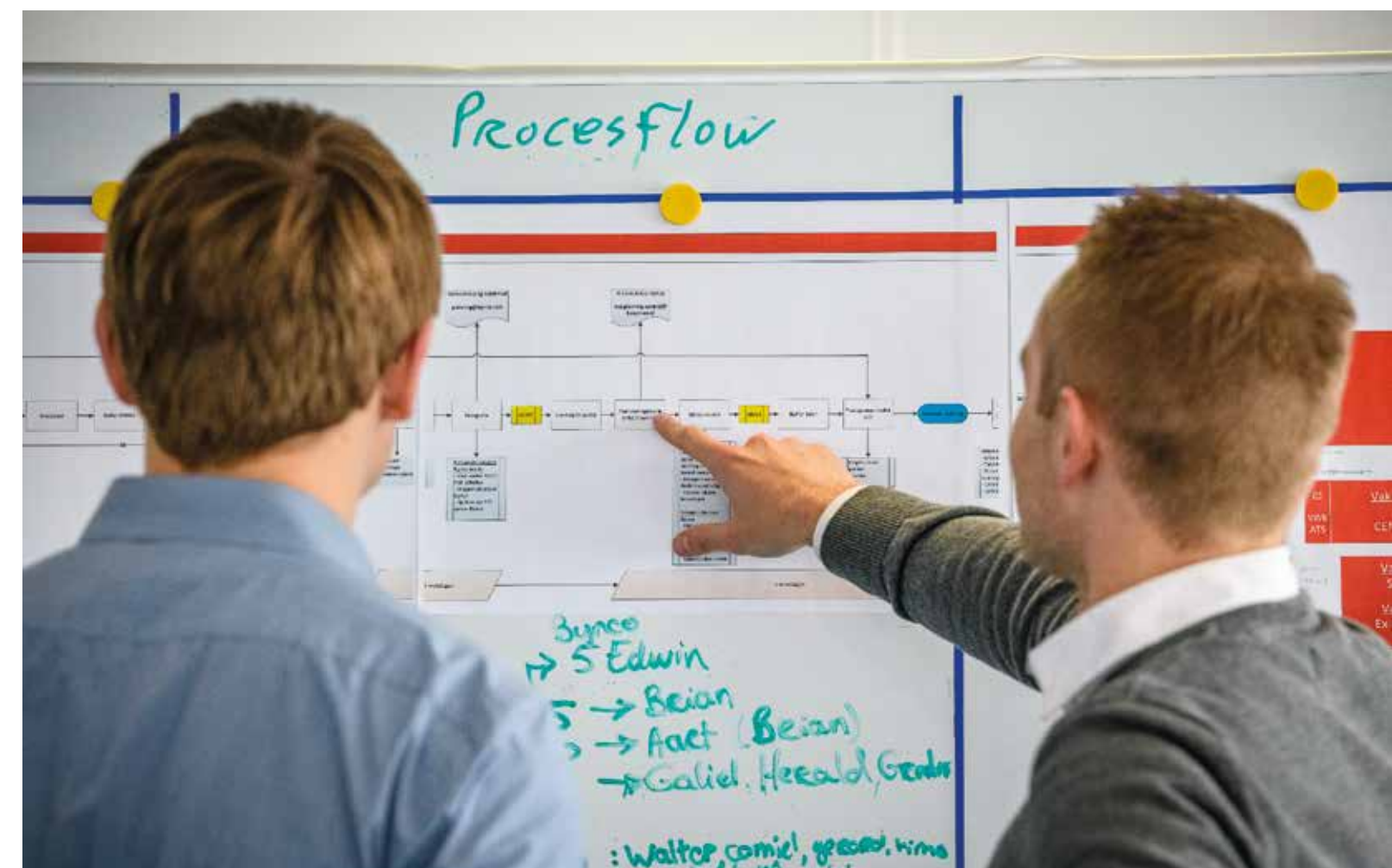
Fair competition: a level playing field

Competition results in a stimulus to develop and to innovate. A precondition for fair competition is a level playing field. To begin with, awareness of this theme plays an important role.

Subsequently, the detection and discussion of possible risks for fair competition in our sector becomes important. As far as Koopman is concerned, this means that we wish to continue to offer the market opportunities, when it comes to recruiting suppliers. The promotion of fair competition in our purchasing and tender processes is anchored in our purchasing policy.

Our objective for 2019-2020:

- All employees with commercial or purchasing responsibilities have received training in fair competition.





7. OUR BOARD

Good management of the organisation

Good management is a matter of course. CSR elements, including the balance between People, the Planet and Profit, are anchored in our policy, objectives and decision-making processes.

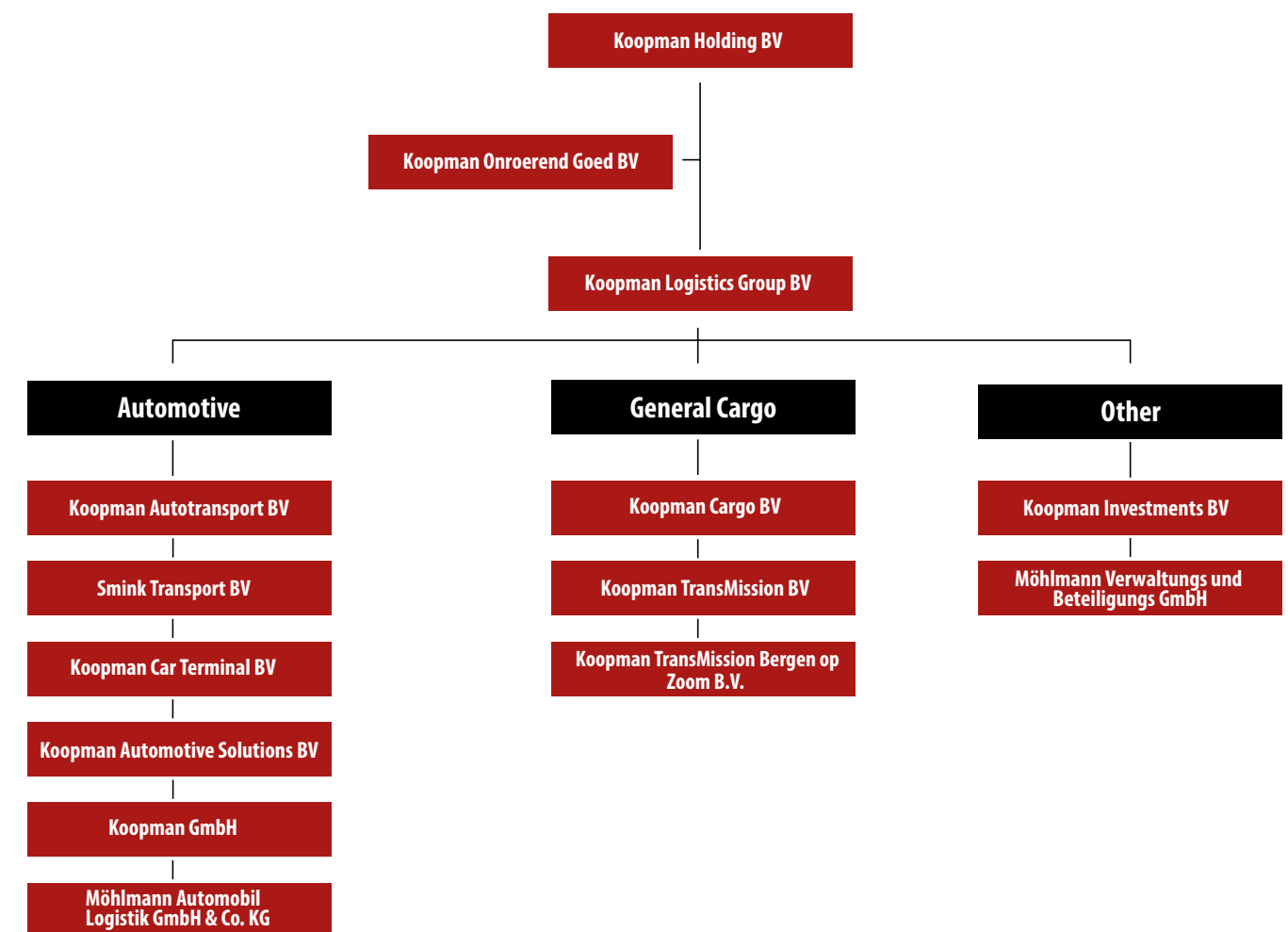
We communicate transparently to our stakeholders regarding our policy, our decisions and the CSR impact of these aspects. We naturally comply with any laws and regulations. We work according to strict compliance processes and have a clear governance structure.

Koopman has been a true family firm since 1930.

Even now, the Koopman family still holds 100% of the shares in the Koopman Logistics Group. Willem Prinsen became our CEO as of 1 April 2019. He is also the Company Director of the foreign operating companies. Willem forms the board together with CFO Maurice de Wilde.

Supervisory Board

Our Board is supported by a Supervisory Board, which appoints the auditor of Koopman.



Organigram as of 1 January 2019

Our operating companies together guarantee our integrated logistics

What started in 1923 as a one-man business in transport has since developed into a specialist in full-service logistics with more than 1,000 employees in the Netherlands, Belgium and Germany.

Through two divisions - Automotive and General Cargo - our operating companies deal with the complete logistics process for our clients, such as the automotive industry. From factory to end user, with a grip on every element of the chain. Here we set out our added value for each of our operating companies.

Koopman Automotive

Transport:

Using open and close trailers, we transport cars and light commercial vehicles, mainly in the Netherlands, Belgium and Germany. We do so under the brand names Koopman, Smink and Möhlmann.

Full-service logistics on land:

At our full-service terminals in Born in Limburg, the Port of Amsterdam and Neuenburg in Germany, we facilitate:

- reception from ships, trains and trucks - storage of 40,000 vehicles;
- preparation for delivery;
- remarketing: used vehicles of fleet owners are prepared for sale.

Koopman General Cargo

No cars, but volume:

We provide the logistics for non-cooled goods in the Benelux region and the German Rhine/Ruhr region. This may be combined loads (CTL), or less than truckloads (LTL). Overnight and dedicated distribution are also part of the options.

We form part of the alliance TransMission, where ten independent logistics providers provide close-knit distribution in the Benelux, 24 hours a day.

Storage plus:

We have warehouses in Noordhorn and Nijkerk. Koopman can even store food. We store in bulk or warehouse formation and provide additional services, such as order picking, labelling, repackaging and affixing stickers.



ACCOUNTABILITY

This is the second sustainability report of the Koopman Logistics Group. It is based on the figures from 2017 and 2018. At the moment, we are working on expanding our Key Performance Indicators. We measure more and have more facts and are looking forward to the results for 2019.

Our sustainability expert would like to hear your thoughts

If you would like to know more about this report,
please contact

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