



BETTER **TOGETHER** IN A **VOLATILE YEAR**

DEN HARTOGH ANNUAL REVIEW 2021



INTRODUCTION



I usually prefer to look forward rather than look in the rear-view mirror. In this case, however, I am proud to look back on the highlights of 2021 with you. As you will read in this Den Hartogh Annual Review, we have had a very healthy year financially. The figures show a record year in both turnover and EBITDA. A fantastic result achieved by a flexible and above all hardworking Den Hartogh family.

Many operational challenges preceded this in what has continued to be an extremely volatile market caused by the pandemic. I'm sure that everyone in our sector has experienced that no day has been the same, with one change presenting itself after another, all requiring a quick response. Take the blockade by the Ever Given in the Suez Canal, for example. This all placed a heavy burden on our operational people, who, besides well-deserved compliments for their efforts, also received a financial appreciation.

Fun in business is still one of our most important core values and although we pay a lot of attention to this, the connection within our teams sometimes came under pressure with many of us only meeting online as we continued to work from home. Mental and physical fitness received extra attention at Den Hartogh this year as it will in the coming year.

We can assume that we will continue to face disrupted supply chains for the time being. Fortunately, responding to the ever-changing demands of the market is in our DNA and, in combination with our great team, I am sure that these challenges will also offer Royal Den Hartogh Logistics great opportunities in 2022. I'm looking forward to it!

With kind regards,

Pieter den Hartogh

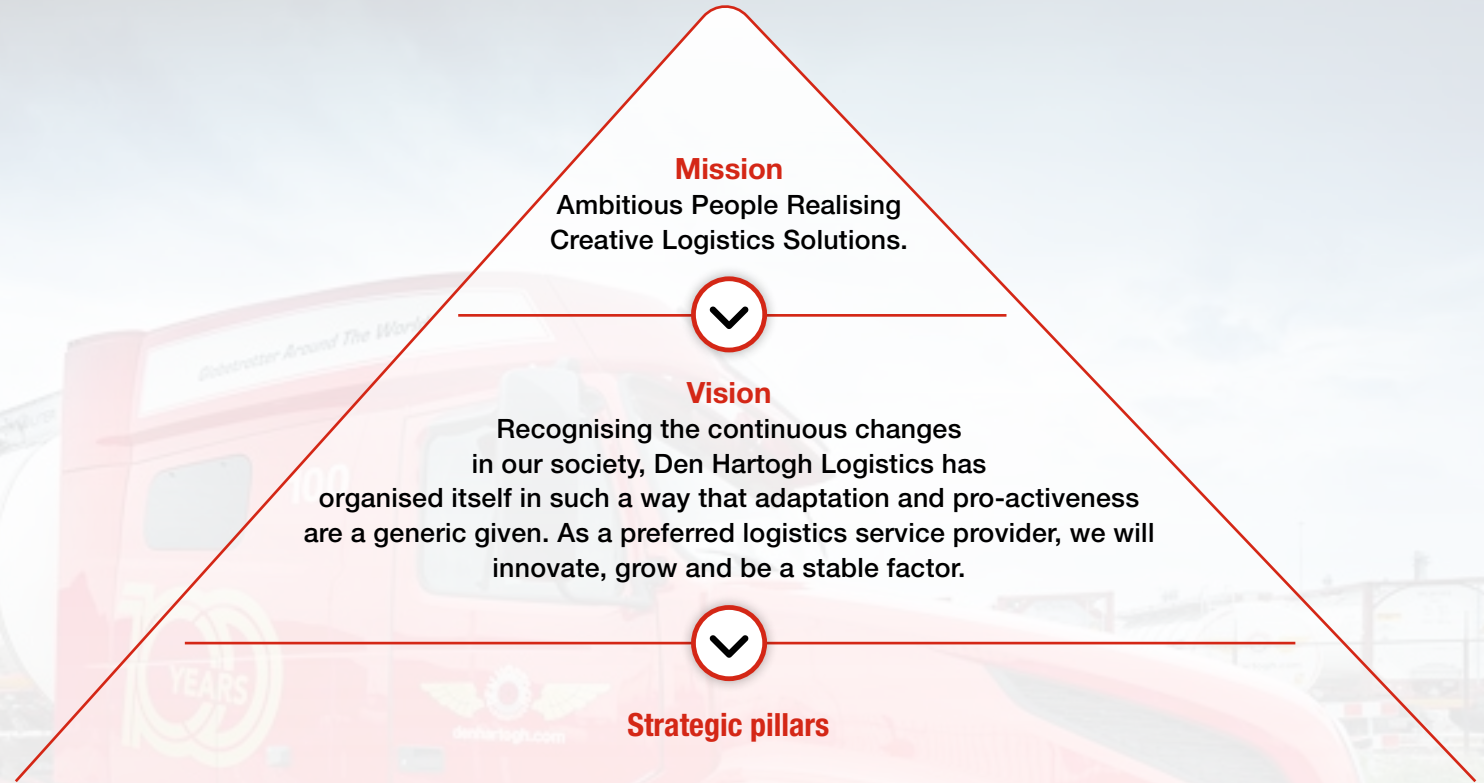


DEN HARTOGH IN A NUTSHELL

The Den Hartogh Vision and Mission are a good match for who we are and how we look at the world. Given the volatility we are experiencing in the world right now, and specifically in the markets we serve, our chosen words have only gained strength.

When we talk about creating long-term value for the company and for the world we live in, we are referring to sustainable growth. Our concept of sustainable growth is summarised in our five pillars.

We are convinced that we can only grow sustainably as a company if we achieve our goals with respect to safety, profitable growth, employee engagement, customer satisfaction, and environmental sustainability. These five ambitions go hand in hand.



SAFETY
Will always be our #1 priority
Always making sure everyone gets home safely

PROFITABLE GROWTH
Grow to remain a stable factor for the long term

EMPLOYEE ENGAGEMENT
A great place and culture to work, with motivated teams

CUSTOMER SATISFACTION
Best in market
Our customers recognise and value our service

ENVIRONMENTAL SUSTAINABILITY
Environmental sustainability plays a prominent role in the overall priorities



2021 VISUALISED

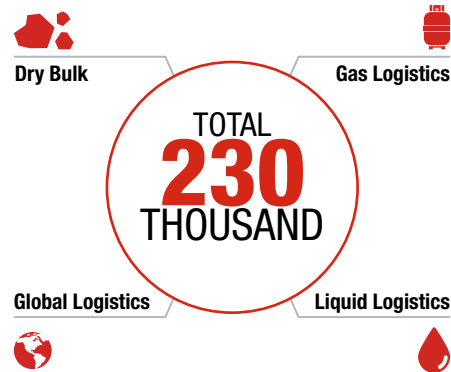
TURNOVER IN MILLION €

TURNOVER
572
MILLION

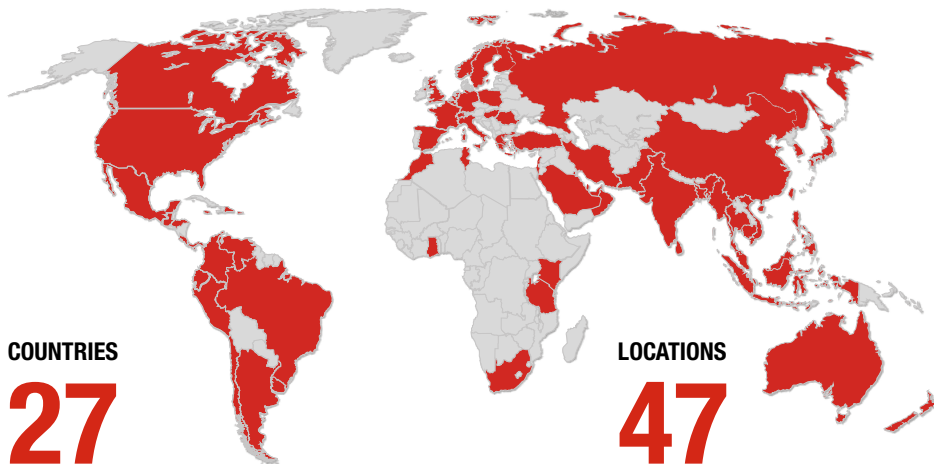
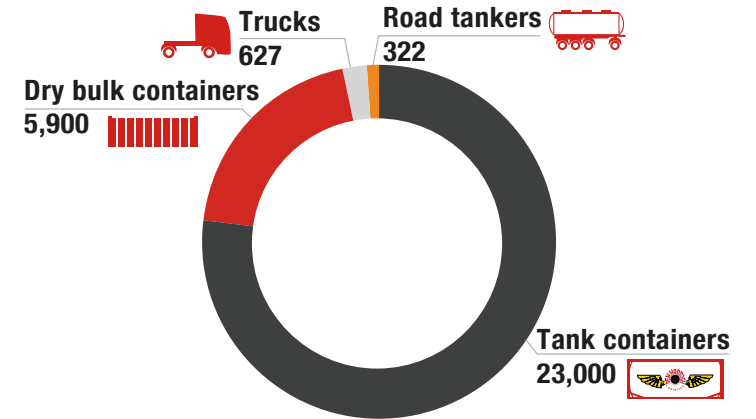
EBITDA IN MILLION €

EBITDA
67
MILLION

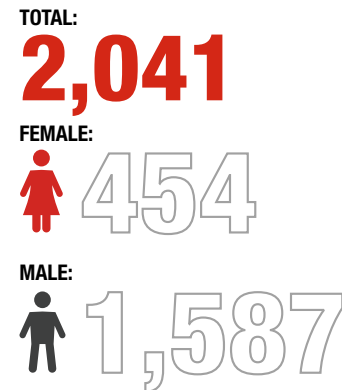
NUMBER OF TRANSPORT ORDERS PERFORMED:



EQUIPMENT:

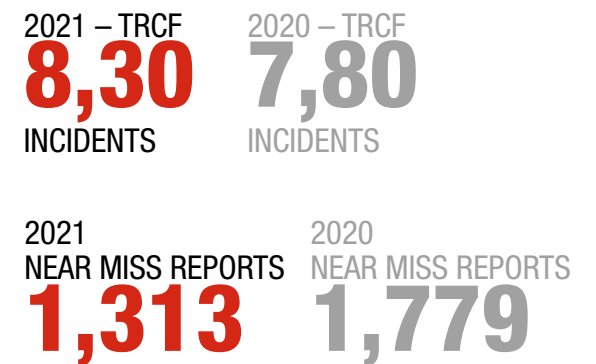


NUMBER OF EMPLOYEES**:



** IN FTE

SAFETY RATES





FINANCIAL PERFORMANCE

We can proudly look back on 2021, which, in financial terms, was our best ever year in revenue, EBITDA and profit before tax, despite all the challenges we faced concerning shipping and trucking capacity, blank sailings, port congestion & Brexit and extended lead times.

Figures show a +18% increase of revenue compared to 2020, EBITDA rise of +62% and 233% increase in result before tax compared to last year. Bottom-line, the result in 2021 is a turnover of €572 million compared to €487 million in 2020 and an extraordinary EBITDA of €67 million compared to €46 million in 2020 and profit before tax rose from €11 million to €35 million.

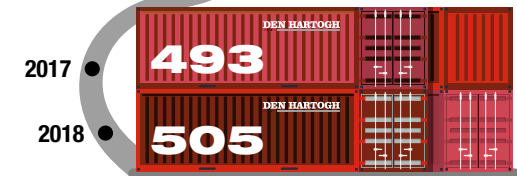
Exceptional results in a difficult year where our employees faced many challenges due to supply chain disruption in every corner of the world.

Investments

In 2021, the total investments reached €50 million, which is significantly higher than previous years, making Den Hartogh ready for the future to further develop, professionalise and achieve our growth strategy.

A huge part of this involves investments in equipment like new tank containers, box containers, chassis, new LNG trucks and ultralight trailer equipment. But we are also investing in activities that make this fleet safer, more efficient and run more economically (e.g., heating, storage depots, trucking).

572 MILLION TURNOVER





INVESTMENTS €50 MILLION

We strengthened our global network with the integration of Tschudi Logistics Oy in Finland and the merger with Muto Logix in Korea, Thailand and Malaysia in November.

Significant IT investments in digitisation have been made to enable us to become a truly strategic differentiator for colleagues and customers. We have enhanced and acquired digital transformation capabilities, both internally and externally via strategic partnerships. We have invested in talent development and recruitment and will continue to do so in the coming years.

Our Transportation Management System TransFusion is being modernised. Den Hartogh is migrating from the current IT landscape to a more adaptative hub and bespoke architecture consisting of cloud-based applications.

To become a data-driven organisation that uses real time data to support decisions based on facts, we have made major steps forward in delivering a modern

intelligence platform with a Power BI front end. Data from all our critical applications are now fed into our BI solutions and multiple dashboards and reports have been created.

We are implementing a new truck container and driver truck planning solution that will allow our teams to better plan and interact with our drivers in the field. Multiple enhancements have been implemented in our CRM Salesforce solution. A new learning management system has been rolled out.



MUTO GROUP OF COMPANIES IN ASIA

At the end of 2021, we significantly expanded our Asia Pacific (APAC) presence with the acquisition of Muto group of companies in Korea, Thailand and Malaysia. The merger will propel Den Hartogh to be a leading intra-APAC logistics service provider and reflects our commitment to the region with the addition of 2,500 tank containers to our global fleet. Our strong regional presence across 5 offices, including Singapore and Shanghai, will help boost customer satisfaction by providing tanks at the right place, right time and in the right quantities.

Den Hartogh APAC will be a one-stop shop offering both intra-APAC short-sea services as well as deep-sea services to other geographical regions. Our increased ability to speak in the local languages in these key growth markets will enable us to provide more personalised and innovative logistics solutions. Lastly, with local representation, Den Hartogh will be able to provide safer and more cost-effective door-to-door services.



CREATING SUSTAINABLE LOGISTICS SOLUTIONS TOGETHER

Den Hartogh is a networked organisation, and we believe in the value of our people and partners. Each component of the network plays its own role in the group's development and growth. Each business unit, each region, each country and each team has its own responsibility for this. Success is not something you achieve alone at Den Hartogh, but always together.

We have responded to the travel restrictions and closed offices by adopting new technologies for remote communication. With Personal Development as one of the core values within Den Hartogh Logistics, we launched a virtual Leadership Programme. Everyone in a leadership role participated in 6 virtual modules in 2021, with important topics related to

self-awareness, psychological safety and value building behaviours.

To bring our senior leaders from all over the world together, we needed to organise our yearly leadership meeting in a different way due to COVID-19. The solution was found by broadcasting live from a Virtual Event Studio, doing interviews on stage, listening to guest

speakers, switching live to all continents, discussing together or meeting in break out rooms, having fun and most importantly continuing to build on a strong team of leaders who, together with all Den Hartogh employees worldwide, lay the foundation for the future of Den Hartogh.

Dumai

We actively listen to the needs of our customers, so we facilitated requests from customers in Dumai, Indonesia, to open up international ISO tank shipping routes. Previously, Dumai oleochemical refineries had to send their goods by land for international exports through other neighbouring ports in Sumatra. Delivery of goods to Port Klang via such ports takes three days of travel, via Dumai Port only 22 hours.





WORKING WITH
DEDICATED TEAMS
OF TRAINED AND
REGISTERED DRIVERS
INCREASES FREE
FLOW AND SAFETY.



EFFICIENT SUPPLY CHAINS

We have implemented an initial version of the supply chain visibility portal for our customers, to share relevant shipment information pro-actively based on real-time-best-effort data. In 2022, we will continue to enhance this with additional functionality, aiming to deliver a best-in-class customer engagement platform by 2023. We have continued creating on-site applications that integrate seamlessly with on-site processes at our customers' plant.

For over 10 years, Den Hartogh has been working on various telematics projects. In close cooperation with customers, we have further introduced SMART containers to improve safety, cargo quality and give us more transport visibility.

In 2021, Den Hartogh equipped its entire TDI container fleet with GPS Temperature Telematics, providing live GPS positioning and temperature control. This enables us to make data-driven decisions in real time based on GPS positions, product temperature and heating settings.

Together with Huntsman Polyurethanes, we launched ShuntPlan, a custom-built yard schedule system. This new tool gives control over all logistical operations at and

around the Huntsman plant at Rotterdam Botlek, creating significant improvements in the supply chain visibility in the on-site logistics processes.

Based on the input and pain points from customers, our teams executed multiple Supply Chain projects, increasing efficiency and safety on customer sites e.g., fast gates upon entry. Working with dedicated teams of trained and registered drivers increases free flow and safety. On-site yard and container storage gives flexibility and efficiency, pre-loading assures high performance levels for short distance deliveries and savings due to the elimination of loading demurrage.



SOCIAL INVESTMENTS

At Den Hartogh, we embrace and live by a set of core values that reflect the chemistry and atmosphere we want to work in. We create the right environment to deliver our smart solutions. Our 6 values are: **Openness, Respect, Fun in Business, Initiative, People Development and Caring.**

We care about the health and wellbeing of all employees. It is increasingly important for all of us to continue to focus on our mental and physical health and most importantly to keep having fun in business and in everything we do. Many initiatives like the 'How are you today' newsletter, webinars and energisers were rolled out in our offices around the world to engage and motivate.

WE CREATE THE RIGHT ENVIRONMENT TO DELIVER OUR SMART SOLUTIONS.



As Den Hartogh, we want to stimulate and support our teams in participating in and/or organising local charitable initiatives within their communities. The Den Hartogh Community Cares (DHCC) programme provides employees with the support to participate in socially responsible and charitable events and aims to combine and centralise knowledge and passion in social responsibility. Our employees and passionate DHCC volunteers organised multiple community events around the world despite Covid restrictions.

In 2021, we conducted an engagement survey for all Den Hartogh employees. With a record 72% response rate, we achieved a higher response rate than previous surveys. Based on the input of employees, we now have clearer insight into what's working well and where we have room for improvement. The overall engagement score for the Den Hartogh Group is 7.8, which is slightly higher than the logistics industry benchmark. About 19,000 comments were shared. In those comments, we read appreciation for the company, for our culture and for our strategy. But we also acknowledge concerns and areas where we can improve.

A selection of Den Hartogh Community Cares projects





SUSTAINABLE SOLUTIONS

Den Hartogh further increased its focus on sustainability by introducing environmental sustainability as the fifth pillar of growth in 2021, besides safety, employee engagement, customer satisfaction and profitable growth. The main goal of this step is to contribute to a carbon-neutral world in 2050 and to increase the speed of transition. The 2025 target is a 25% reduction in carbon emissions for all transport activities of Den Hartogh.

The main path towards reducing the CO2 impact is by further implementing modal shift options to reduce the percentage of trucking and by moving to alternative fuels for trucks. In 2021, we ran our first pilots, such as using the barge to move tanks between Rotterdam and Antwerp and an electric truck for heavy transport in the Rotterdam port area. Operationally, Den Hartogh already has years of experience working together with customers on modal shift opportunities and running

Den Hartogh's Sustainable Development Goals



WATER:
reduce water consumption and increase the use of recycled water.



ENERGY:
reduce energy consumption and stimulate the use of alternative energy sources.



CONGESTION:
reduce the number of transport movements by road in densely populated areas with high volumes of traffic.



WASTE:
reduce waste disposal.



EMISSIONS:
reduce Greenhouse Gas (GHG) emissions.



LNG trucks in their trucking fleet. In the coming years, we will need to take action to achieve our ambition of 25% CO2 reduction in 2025. Our primary focus is a reduction in CO2 emissions. However, five activities have been added to the full scope of environmental sustainability. These activities are mainly derived from the 17 SDGs (Sustainable Development Goals) as formulated by the United Nations and applied to Den Hartogh's operations.

To achieve our objectives, we will reduce our energy consumption by intensifying our operational efficiency and applying intermodal solutions, increase the use of sustainable energy with fuels that generate lower emissions, apply technological innovations and use alternative fuels for our fleet and compensate emissions that we cannot prevent.



S H E Q

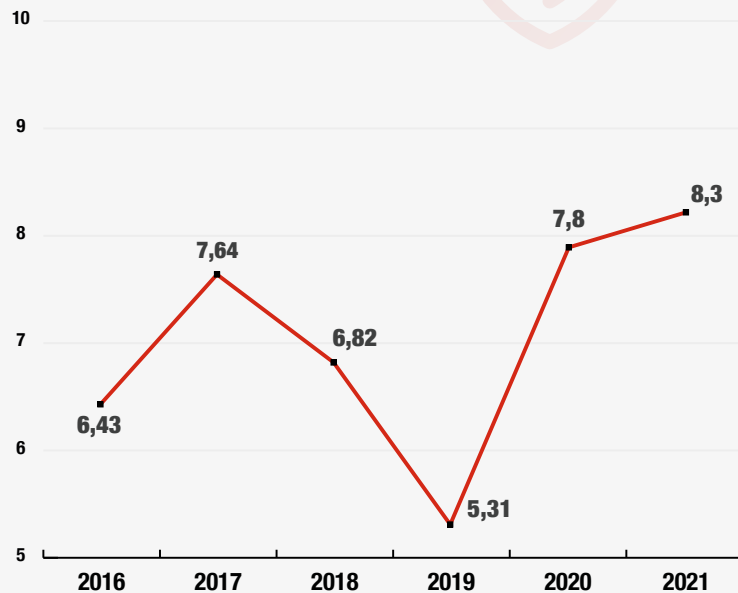
AFETY EALTH NVIRONMENT UALITY



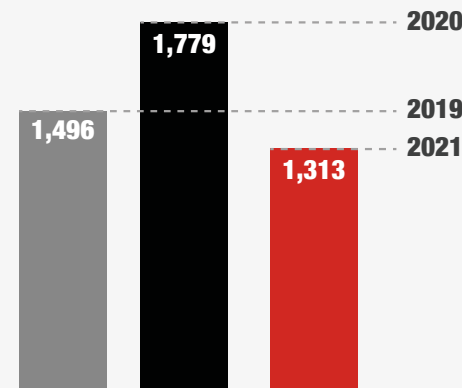
Den Hartogh remained on its focused path of Safety, Health, Environment & Quality (SHEQ) culture development. We continued our drive and journey to reach our zero-harm goal, with a SHEQ plan delivered through stakeholder involvement, safety innovation and leadership in the industry. Safety remains at the forefront of our activities and within our peoples' culture.

It is always our aim to achieve a proactive safety culture with zero major incidents and everyone getting home safely at the end of the working day. Tomorrow is better than today and better than the local market standard everywhere in the world. The safety performance measure TRCF in 2021 was 8.3, increasing from 7.7 as recorded in 2020. This equates to 3 more people being hurt in the year over the 38 of 2020.

The central programme for our SHEQ cultural measure and development is the Power of Safe. This continued at pace through 2021, with new projects added as other initiatives were delivered and implemented. We reached completion of *improvement areas* through the 3-year cycle across 7 locations, setting up for repeat zero assessment and measurement of their movement up the safety culture ladder next year. The Power of Safe Zero Assessment event was delivered with the Singapore Team, leading to formation of four improvement teams to work on topics.



TOTAL RECORDABLE CASE FREQUENCY (TRCF) INCIDENTS



NEAR MISS REPORTING





We instigated 'Walking the Talk – Together' in 2021. All senior leaders around the world were challenged to be more engaged, to be active, to increase their visibility and lead by example, to leave their normal sphere and comfort zone and to have one-to-one discussions with others – 'safety contact' moments, sharing the safety message and hearing from others.

16 new front-line leaders were trained alongside a new course facilitator. The Front-Line Leader training assists our mentor drivers, senior mechanics and other front-line leaders in developing their safety leadership.

The on-going coronavirus impacted on direct driver seminars, driver meetings and opportunities to meet and discuss performance matters. The supplier audit programme, depot visits and safety observation tours were all impacted because of restricted access to locations due to Covid. In-person audits of our own offices were affected by travel restrictions; whilst remote audits took place, the face-to-face assessments did not. SQAS Transport Services audits were carried out at 9 European locations, scoring between 93% and 96%.





SMARTER LOGISTICS WE'RE BETTER TOGETHER

