



# 2020 SUSTAINABILITY REPORT



Storage of liquid bulk products is a business with a long-term horizon. We build terminals that last at least fifty years and forge long-term partnerships with our customers to provide them an infrastructure to develop the business with their customers.

To be successful, our employees and contractors develop a deep knowledge of the terminal systems that we operate. We handle hazardous products, and it is therefore imperative that we have the highest operating standards and business conduct to ensure that people at our terminals and in neighboring communities can rely on us for their safety. Operating these systems requires knowledge, experience, and diligence, which is why it is important to invest in the development and retention of our key employees.

Our shareholders invest pension premiums in companies with the expectation that these companies are still around and can support the payment of pensions in 40 years' time. They are highly committed to making a positive impact through responsible investment decisions. This is reflected in their approach to ensure value creation for all stakeholders by investing in sustainable growth and contributing to long-term social and environmental solutions. Therefore, sustainable business practices are at the heart of what we do at LBC.

We have been reporting KPIs on our health and safety performance for many years. Two years ago, we embarked on a journey to make our internal reporting compliant with the standards set through the Global Reporting Initiative (GRI) reporting framework, which enables us to benchmark LBC's performance with other companies. We also tested the relevance of the KPIs we defined at LBC with the priorities of our many stakeholders.

This report is our first GRI based Sustainability Report. We regard this as a baseline to define further improvement objectives. We are proud of our performance so far. At the same time, we continue to strive for positive developments that contribute to a sustainable future for LBC and its stakeholders.

# INTRODUCTION





# CONTENTS

INTRODUCTION	2
SUSTAINABILITY HIGHLIGHTS	4
LBC AT A GLANCE	5
Terminal of the future	8
OUR APPROACH	10
Making impact as a responsible value creator	11
Leading CSR performance	11
Risk management and control	15
Reporting framework	17
Stakeholder engagement and materiality assessment	18
Group performance overview	21
OUR PERFORMANCE	23
SOCIETAL	24
Process safety	24
Occupational health and safety	25
Talent attraction and retention	26
Community engagement and charity	28
ENVIRONMENTAL	31
Water, soil and groundwater pollution	31
VOC emissions	32
CO <sub>2</sub> emissions and energy use	33
Waste	36
GOVERNANCE	37
Business ethics and integrity	37
Application of best practices	38
Customer focus	40
Sustainable procurement	41
Cybersecurity	42
LIST OF DEFINITIONS	43
GRI CONTENT INDEX	44
ABOUT THIS REPORT	47

# SUSTAINABILITY HIGHLIGHTS

## OUR FY20 PERFORMANCE

### SOCIETAL

### ENVIRONMENTAL

### GOVERNANCE

0.11

PROCESS SAFETY EVENTS PER 200,000 HOURS

0

SIGNIFICANT SPILLS TO THE ENVIRONMENT

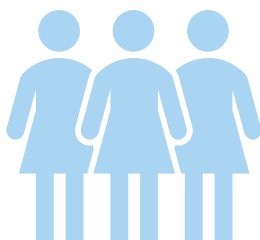
0

SIGNIFICANT CYBERSECURITY BREACHES

TRIPER 1.06  
RECORABLE INCIDENTS PER 200,000 HOURS

VOC EMISSIONS 5.14g PER TON THROUGHPUT

137  
EMPLOYEES TRAINED IN BUSINESS ETHICS



LEADERSHIP POSITIONS  
20% WOMEN



CO<sub>2</sub> EMISSIONS 2.55kg PER TON THROUGHPUT



ECOVADIS  
SILVER MEDAL





# LBC AT A GLANCE

# LBC AT A GLANCE



TERMINAL	LOCATION	CAPACITY (x1000 m <sup>3</sup> )	OWNERSHIP
BAYPORT	HOUSTON, TEXAS	1,058	100%
SUNSHINE	BATON ROUGE, LOUISIANA	486	100%
FREEPORT	FREEPORT, TEXAS	98	100%
LBC SEABROOK JV	SEABROOK, TEXAS	512	50%
ANTWERP	ANTWERP, BELGIUM	274	100%
LBC CEPESA	ANTWERP, BELGIUM	47	75%
ROTTERDAM	ROTTERDAM, THE NETHERLANDS	112	100%

CATEGORY	CHEMICALS	PETROLEUM	BASE OILS	OTHER
PRODUCTS	benzene, methanol, ethylene derivatives, propylene derivatives, phenol and acetone	crude oil, transport fuels, bitumen	Group I, Group II, Group III, naphthenic	vegetable oil, biodiesel, tallow
USES	blending in gasoline, chemical production, plastics production, resins production	feedstock (import/export) transportation, road surfacing	lubricants, transformer oils	blending fuels, cosmetics
TYPES OF USERS	industrial goods manufacturers, household product manufacturers, chemical producers	refineries, traders, fuel distribution, bitumen distribution	lubricant manufacturers	fuel distributors, chemical production

LBC Tank Terminals is an independent operator of midstream and downstream bulk liquid storage facilities for chemicals, oils, and refined petroleum products. We currently own and operate seven terminals located in Houston, Freeport, Baton Rouge, Antwerp, and Rotterdam with combined storage capacity of 2.6 million m<sup>3</sup>, serving over 100 customers including all major players. Many of the storage facilities are located in important strategic deep-water ports.

## OUR TERMINALS

All terminals are 100% owned except for LBC Cepsa (75%) and LBC Seabrook (50%) which is accounted for using the equity method.

## EXPANSION PROJECTS

LBC has several expansion projects under construction in both the United States and Northern Europe. These projects form one of the pillars in our strategy, which is to build out the terminals to meet both contracted and non-contracted market demand and opportunities.

In Bayport, the construction of 12 new tanks and the conversion of 8 existing tanks with a total capacity of 334k m<sup>3</sup> is underway to meet a long-term contract commitment. This project is scheduled for commissioning in Q2 2021.

At LBC's Seabrook Terminal, construction is underway on 3 tanks with a capacity of 119.2k m<sup>3</sup> for crude oil storage. In addition, a new Light Suez Max tanker dock (SD5) is under construction to support both import and export crude oil movements. Both projects are scheduled for commissioning in Q4 2020.

At LBC Rotterdam, construction is under way to add 18 tanks with a combined capacity of 68.8k m<sup>3</sup>. This project is scheduled for commissioning in Q4 2021.

# LBC AT A GLANCE

## OUR SERVICES

Our terminals are used for the storage of liquid products across a variety of large end markets, including chemical, industrial, and agricultural. We focus on three product groups: chemicals, petroleum, and base oils.

Storage, production including blending and compounding, drumming, IBC filling and warehousing. Our storage terminal and production sites simplify supply chains and optimize total costs.

We keep a close relationship with our customers to make sure we meet their every need. From custom built solutions on-site to document processing and labelling. Our flexible company culture allows us to quickly respond to any requests and put our customers' needs first.

## OUR PEOPLE

The number of employees (headcount) as of 30 June 2020 was as follows:

NORTHERN EUROPE (including headquarters in Mechelen)	214
UNITED STATES (including regional office)	264
TOTAL	505

In addition, the group employed 43 people on a temporary basis as of 30 June 2020.

Our employees in the United States are not unionized, whereas substantially all our employees in Northern Europe are either unionized and/or operate under collective labor agreements.

## OUR STRATEGY

Our goal is to be the preferred independent global provider of bulk liquid storage solutions, specifically for hazardous products. We aim to fulfill an essential role in our customers' supply chains by delivering superior service at high HSSEQ standards. Key components of our business strategy are listed below.

- **Building-out** of our existing landbanks in key hub markets are essential to enable assets to be available to our customer base and their respective supply chain organization. This is currently underway at various terminals as previously referenced in the introduction section.
- **Expanding** our offering of storage solutions in growing markets, as well as expanding our global footprint into new locations is necessary to meet the expectations of our existing and future customer base.
- **Optimizing** and continuous improvement and sustainability of our operations to enable us to meet our customers' expectations, as well as to become a safe, environmentally friendly, and highly efficient terminal operator.

We are confident in achieving our goals since our activities are founded upon a sound risk management philosophy that involves ensuring a healthy and responsible balance between taking advantage of opportunities and fostering an innovative and entrepreneurial spirit while managing risks to acceptable levels. This way, we strive to minimize any negative impacts on society and to secure a sustainable future for LBC. This is evidenced by the fact that some of our original customers from 1947 are still with us today. It is a fact that underlines our core values: responsibility, transparency, respect, integrity, and empowerment.

In addition to our values, innovation is at the core of our culture as we aim to continually meet and exceed the needs of our stakeholders by providing inherently safe and creative solutions.



# TERMINAL OF THE FUTURE

We continuously strive to improve our performance, service and transparency towards our customers, to enhance employee satisfaction and to increase cost efficiency. That commitment is reflected in our initiative to become the terminal of the future, hereby aspiring to further optimize, digitize, and automate all our LBC operations.

The terminal of the future project consists of two strategic initiatives: automated terminal and data-driven planning.

The automated terminal initiative will reduce all non-value-added actions and risk-prone human interventions in all aspects of daily terminal operations. It will focus on operational efficiency, customer intimacy and Corporate Social Responsibility (CSR).

The specific part of the business case for this strategic initiative focused on CSR consists of the following elements:

- Reduction of incidents and overall improvement of compliance as well as personal and process safety
- Reduction of human intervention in hazardous situations
- Clear insight into actual energy and material consumption
- Reduction of corrective maintenance by improving upon predictive maintenance

The data-driven planning initiative will digitize our planning horizon and set up an execution model which will allow us to orchestrate action with customers, transporters, and other participants in the supply chain. Furthermore, our strategy will optimize procurement, reduce materials used and, in general, will make operations more effective, while simultaneously having positive effects on job satisfaction, workload reduction and employee retention as our work processes get smarter. Moreover, this approach will increase production efficiency and will allow us to do much more with the same assets and resources.





# TERMINAL OF THE FUTURE

## AUTOMATING OUR CORE PROCESSES AS A FIRST STEP TOWARDS DIGITIZATION

In a first step towards digitization, we started to automate our key core and supporting processes. Our focus has been on (but not limited to):

- Finance: accounting and fixed assets, budgeting and performance management
- Procurement (OPEX and CAPEX)
- Order handling: from contract to invoicing (order to cash)
- Stock management
- Maintenance (Northern Europe)
- Product movement (DCS) (Northern Europe)

We aim to maximize automation through further integration of our loading/unloading activities (order handling, stock management and product movement) and cost accounting of our operations (finance, procurement, fixed assets, order handling and maintenance).

## CREATING OUR FIRST INSIGHTS HELPS TERMINAL MANAGEMENT TO HAVE TRANSPARENCY AND CONTROL ON ITS OPERATIONS

Terminal dashboards to drive efficiency improvement and limit downtime have been created with our business intelligence (BI) tools. In further driving the improvement of planning, prediction of activity timelines and streamlining workflows, relevant visualization of actionable information and insights are continuously built. In addition, a smart decision support system, such as a terminal control tower, will provide transparency on real-time data and exception handling to all stakeholders in the logistic chain.

A low-angle, upward-looking photograph of an industrial facility. The image shows several large, cylindrical storage tanks with metal walkways and railings. A complex network of pipes, including prominent silver and red ones, crisscrosses the scene. The sky is a clear, bright blue. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the text 'OUR APPROACH' in white, uppercase letters.

# OUR APPROACH



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

What follows in the current report is an insight as to how we approach our shared responsibility to create value for all our stakeholders. This concerns responding to the strategic ambitions of our shareholders, the safety and well-being of our employees, the quality and efficiency of our operations, our long-term relevance and responsible behavior in society and, at a minimum, complying with laws and regulations. We consider our first Sustainability Report as an integral part of our strategy and a step in the right direction to map and evaluate - not to mention anticipate on - the needs and expectations of our stakeholders as well as our current and future opportunities and limitations.

## LEADING CSR PERFORMANCE

### WORKING STRUCTURE

The overall accountability for CSR lies with our group CEO, supported by the CSR team. We believe in a holistic approach to corporate governance.

To this end, the CSR team works closely with HSSEQ staff members and group directors with diverse expertise to ensure that the context in which we operate and in which risks present themselves are fully understood and managed responsibly.

Everyone at LBC plays a role in CSR, whether this pertains to following our safety rules, providing input for policies, helping our colleagues to identify and correct potential unsafe situations or simply making better choices in our company environment. All of us are involved in creating and maintaining a sustainable business culture.

### THE VISION AND MISSION OF OUR SUSTAINABILITY PROGRAM

Our Corporate Social Responsibility Governance Program is integrated throughout the organization, is furthermore practiced in our relationships, and focuses on contributing to sustainable development including health and the welfare of society, meeting the expectations of our stakeholders and being compliant with applicable law and consistent with local and international norms of behavior.



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

Our commitment to sustainable development is represented in our CSR policy, covering the below mentioned topics.



## HEALTH AND SAFETY

Safety is part of all decision making at all levels within the organization. Everybody who works at LBC is a safety leader and coached to recognize hazards, report unsafe situations, and carry out successful safety dialogues to ensure that our work environment is a safe place.



## ENVIRONMENT

We aim to minimize the impact of our operations on the environment and protect the welfare of our neighbors and the communities in which we operate.



## ENERGY

We are committed to responsible use of energy and management of our carbon footprint.



## SECURITY

Our facilities are protected 24 hours a day and our digital environments are protected against cyberattacks and breaches of data privacy regulations.



## QUALITY

Our ambition is to guarantee continuous improvement in all our processes and to meet or exceed the needs of all our stakeholders.



## COMMUNITY PARTNERSHIPS

We are committed to making a positive contribution and building lasting relationships with our stakeholders in the communities in which we operate.



## HUMAN RIGHTS

We strive to enhance the lives of our employees and to contribute to their personal growth as well as to a sustainable future.



## TRANSPARENCY AND INTEGRITY

We have policies in place to ensure that possible conflicts of interest are reported directly, that competition is fair, and that we do not commit or succumb to bribery or corruption in any form.



## EQUALITY AND INCLUSION

We do not include or exclude based on gender, race, nationality, ethnic origin, religion, age, sexual orientation or otherwise.



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

## SUSTAINABLE SAFETY

Our sustainable safety strategy focuses on three main areas: a global framework of policies, process integrity and behavioral safety.

**Our policies** | We have established global policies that aim to minimize risk. The policies relate to health, safety, and the environment, but also to operational and process safety, human resources and legal risks. The policies are translated into local procedures and processes where needed. Our employees and contractors are required to adhere to these policies, procedures and processes while working at our locations.

**Process integrity** | The process integrity of our storage tanks and pipelines is integrated in the design of our installation and secured by an Inspection and Maintenance Program. With this program of maintenance and improvement, we aim to minimize potential negative impact to our employees, contractors, and the environment.

**Behavioral safety** | Our Behavioral Safety Program is our roadmap towards the further implementation of a robust safety culture. Our Sustainable Safety Program, also referred to as the PEER Program, was first introduced in 2016 and continues to be a key element in our Corporate Social Responsibility Program.

### Personalize safety

Ask yourself why safety is important to you and your situation.

### Engage with safety

Everyone is personally empowered to intervene and stop any unsafe act or quickly elevate to a supervisor or manager.

### Empower to act

Safety is about you and your team. One weak link in the chain endangers the safety of everyone.

### Take Responsibility

We are all safety leaders. Take responsibility for your safety and those around you. Look out for each other.



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

## 20 CRITICAL SAFETY RULES

Our 20 critical safety rules are the standards to live by for our employees, visitors, and contractors. These rules are communicated regularly and are included in safety moments at the start of formal meetings.

## SAFETY OBSERVATIONS

Safety observations are an integral part of the PEER Program. They focus on behaviors of workers, both LBC employees and contractors, and they typically include both safe and less safe behaviors.

## INCIDENT REPORTING AND FOLLOW-UP

A key element in the Sustainable Safety Program is our incident reporting process. We allow all employees to enter incidents, near misses or unsafe acts and situations in the database. Due to the reporting culture, the accessibility and foundation of the new improved incident database, we noted an increase in near miss and unsafe act and situation reporting with 370% compared to our previous database, which confirms our proactive safety and reporting culture. Recognizing and reporting near miss incidents can significantly improve worker safety and enhance our organization's safety culture.

We make a distinction between safety and health incidents, operational incidents, including environmental incidents, asset availability incidents and non-compliances, and customer complaints. The incidents are classified according to their actual and potential severity based on the severity impact matrix. Reported incidents are reviewed by the local terminal management teams as well as at group level. We share incidents that have a significant or major severity level with all employees. Where relevant, we share safety alerts within our terminals and offices as part of our learning from incidents process. Root causes of significant and major incidents are investigated by a pool of trained investigators.

**TapRoot® methodology** | During FY20, we introduced the TapRoot® incident investigation methodology at LBC on a global level. To this end, multiple employees were assigned to a training which introduces a systematic process and software designed to find the real root causes of incidents and accidents.

**Business intelligence (BI) as a monitoring and reporting tool** | Monitoring and reporting systems have been improved by means of live and interactive Power BI reports, ranging from HSSEQ, compliance, customer satisfaction to finance. The Power BI reports track and trace all data deriving from the reporting portal, which is fully accessible to our employees and contractors. The key KPIs defined within our organization for each of our terminals, such as incidents, customer complaints, environmental parameters and turnaround times for all the applicable modalities, allow us to identify trends and develop objectives, demonstrating the aim to continuously improve our performance. All the KPIs are monitored monthly and are discussed within the global leadership teams on a terminal, regional and global level during business review and management review recurrent meetings.

**Strengthening the internal audit processes** | We strengthened and improved the internal audit processes in FY20 by training a pool of employees as internal auditors, who have been put to the test when the global audit was conducted. All LBC locations were internally audited on the established KPIs. Gaps were noted and targets for FY21 have been set based on the audit report.

**Contractor safety** | We have an extensive selection process based on safety parameters for the selection of our contractors with whom we work closely to ensure that they understand and live by our procedures and put safety at the forefront of everything they do at LBC locations. In addition, we organize frequent meetings with our main contractors to identify potential improvement opportunities.



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

## RISK MANAGEMENT AND CONTROL

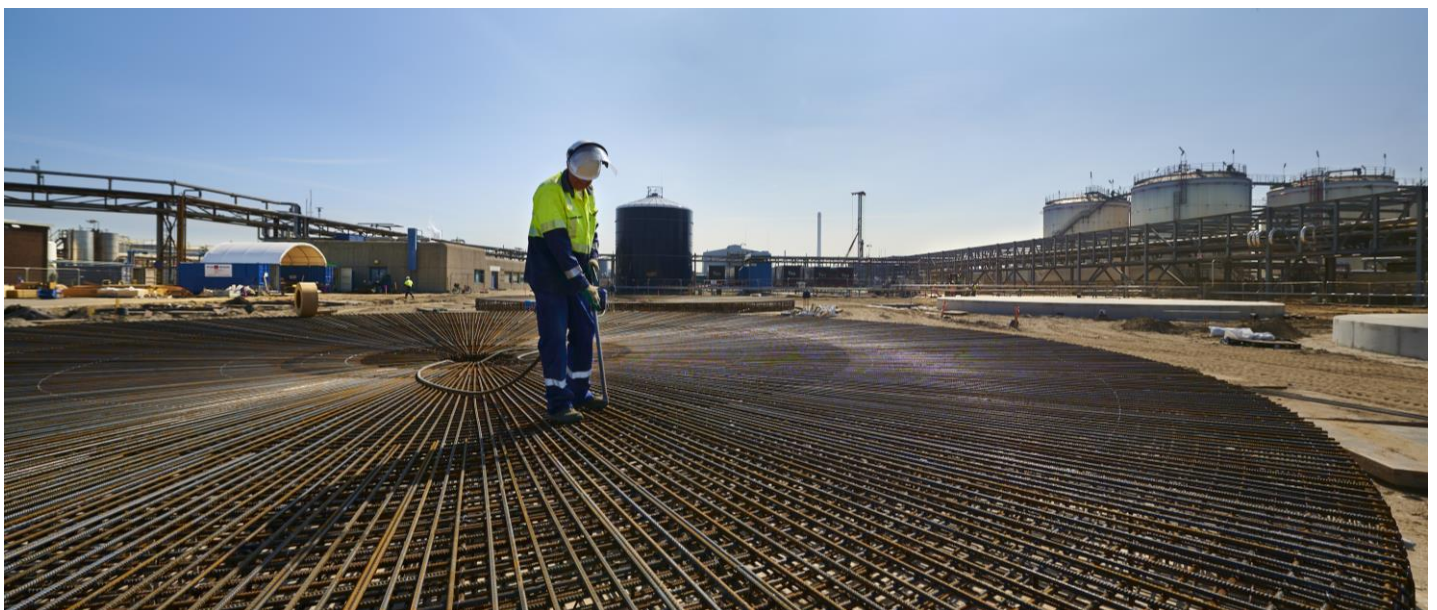
We base our activities upon a sound risk management philosophy in line with ISO31000 and ensure a healthy and responsible balance between taking advantage of opportunities and fostering an innovative and entrepreneurial spirit while managing risks to acceptable levels. By using a risk-based approach, we contribute to sustainable development including health and the welfare of society, take into account the expectations of our stakeholders, be compliant with applicable law, consistent with international norms of behavior and ensure that our ethos is integrated throughout the organization and practiced in all our relationships.

Through a set of policies, contracts and active risk management, LBC's management aims to reduce or eliminate over time the risk involved in the activities the group engages in. When selecting investment opportunities, business partners and storage business activities, LBC carefully looks at risk.

LBC is willing to accept limited risk if it can be reasonably expected that these risks are reduced or eliminated over time.

A group-wide risk assessment was conducted in 2017 and resulted in the categorization of the identified risks as either human resource risks, operational risks, commercial and strategic risks, financial risks, IT risks, legal and compliance risks, communication and community risks or intangible risks.

Subsequently, control measures have been put in place to treat the identified risks. The risk register was considered when conducting the materiality assessment. This was specifically used to measure the impact that each of the topics have on our organization. The risk register will be reviewed every four to five years.



# MAKING IMPACT AS A RESPONSIBLE VALUE CREATOR

## CSR COMMITTEE

Our CSR Committee assists the Board of Directors (Board) to discharge its responsibilities, and to support and guide LBC's management team to further ensure the group's strategy, decisions, and policies in respect of Corporate Social Responsibility. The meetings are held at least (but not limited to) three times per year. The committee consists of at least three members. Each committee member must be a member of the Board of Directors. Meetings are attended by LBC's CEO and COO.

The CSR Committee endeavors to:

- promote a culture of health and safety compliance and sustainability;
- ensure effective and open communication between the Board and LBC group;
- ensure that directors are provided with appropriate and relevant information in relation to the issues within this mandate that is of high quality and allow informed judgments to be made by them; and
- make recommendations to the Board in accordance with these terms of reference from time to time.

## AUDIT AND RISK COMMITTEE

The Audit and Risk Committee assists the Board to discharge its responsibilities regarding management of risks, compliance, reporting, auditing, etc. The meetings are held at least twice per year. The committee consists of at least three members. The Chairman of the Board is a member of the committee and each member of the committee must be a member of the Board.

The Audit and Risk Committee endeavors to:

- maintain and improve the quality, credibility and objectivity of the financial accounting process;
- promote a culture of compliance;

- ensure effective communication between the Board and the senior financial and operational management in relation to audit and compliance issues;
- ensure effective audit functions and communication between the Board and external auditors;
- ensure that financial compliance strategies and financial compliance functions are effective; and
- ensure that directors and senior management are provided with financial and non-financial information that is of high quality and relevant to the decisions to be made.

## REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee assists the Board to discharge its responsibilities regarding:

- evaluating the effectiveness of the company's management and the performance of individual executive directors;
- regularly reviewing the structure, size and composition of the company's management;
- ensuring the company has coherent remuneration policies and practices to attract and retain executive directors who will create value for shareholders;
- monitoring those remuneration policies and practices; and
- ensuring the company fairly and responsibly rewards executive directors considering the company's performance, the performance of the executive directors and the general pay environment.

The committee consists of at least two members. Each member of the committee must be a member of the Board. The meetings are held at least twice per year.





# REPORTING FRAMEWORK

The current report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, core option. More specifically, we believe this approach is the best fit for our first Sustainability Report, as it is in line with our base goal of reporting on and providing background of the essential elements that define our performance in terms of impact on society, the environment, the economy and governance. As this is our first report, we recognize that this is a learning process. As such, we feel confident that by determining, developing, and reporting on these KPIs, we initiated a uniform and transparent approach towards our stakeholders, enhancing and stimulating dialogue, inclusion, mutual respect, and support.

The report is embedded in our Annual Report as we consider reporting on our sustainability performance an integral part of our responsible business management. Our group finance team provided independent assurance during FY20 by conducting internal audits on key sustainability data and KPIs.

The collected data provides an overview of LBC's sustainability performance between the 1<sup>st</sup> of July 2019 and the 30<sup>th</sup> of June 2020 (referred to as financial year 2020 or FY20 throughout the report) and covers activities of all LBC legal entities worldwide which fall within the scope of the LBC's consolidated financial statements, unless stated otherwise.



# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We recognize that our stakeholders could influence and are in turn influenced by our activities, services, and performance. We consider our stakeholders as essential partners in our growth and in carrying out our mission to create a sustainable and proactive culture. For us, stakeholder engagement means ensuring that we constantly involve our stakeholders by identifying their interests and concerns and communicating through various channels.

## BACKGROUND

The reported KPIs were selected by LBC management after assessing both materiality and relevance for the company of the topics at hand. Our group-wide risk assessment (2017) and the resulting risk register served as an additional reference. However, we recognize that the relevance and materiality of these topics was in a first instance determined by LBC management and, as such, may overlook additional aspects that are relevant to LBC's partners and stakeholders. For this reason, our initial assessment of the relevance and materiality of the topics was complemented with and verified by a survey targeting all our stakeholder groups in FY20.

We encouraged responses from our stakeholders by developing an accessible and quick to complete survey. In total, we received 133 responses from several different stakeholder groups, which allowed us to motivate the choice of our previously established KPIs in a more formal way and thus integrate them into the materiality matrix.

## STAKEHOLDER DIALOGUE

Through the survey and multiple dialogues, we confirmed the interest, concerns, and expectations of our stakeholder groups with respect to our business activities. As we had anticipated, all groups considered occupational health and safety and process safety top priorities. The topic of waste, however, scored higher than anticipated, making it a significant topic. Overall, the results of our survey were in line with our expectations.



# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

## OUR CUSTOMERS

We recognize that our customers require us to align our Sustainability Policy with theirs and that they expect their products to be handled valuably and stored in a safe way, compliant with local rules and regulations. Their identified priorities are occupational health and safety, process safety, water, (no) soil and groundwater pollution and (no) VOC emissions. Our commitment towards our customers is reflected in the setup of our stakeholder engagement survey as well as in frequent face-to-face meetings or conference calls, emails, and audits.

## OUR EMPLOYEES

Our employees, including contractors, are at the heart of everything that we do. As such, they value that we put their best interests and talent first and help them develop the necessary skills through learning and development (among other things in how to maintain a safe and healthy work environment). Their identified priorities are occupational health and safety, process safety, water, (no) soil and groundwater pollution and customer focus. Next to engaging with them via surveys, our commitment to our employees is reflected in our daily work relationships, open dialogue, training, and coaching.

## OUR SUPPLIERS

Our contractors and suppliers indicated through the survey that they consider occupational health and safety, process safety, water, (no) soil and groundwater pollution and VOC emissions as priority topics. Similar to the way we communicate with our customers, we engage with suppliers via frequent face-to-face meetings or conference calls and site visits. In addition, our mutual commitment is reflected in supplier contracts.

## OUR FINANCIAL AND CAPITAL MARKETS

Financial and capital markets appreciate that we are reporting on our sustainable performance and recognize it as one of our organization's long-term strategic advantages. We deducted from the survey that their identified priorities are occupational health and safety, process safety, cybersecurity threats and business ethics and integrity.

## OUR SOCIETAL STAKEHOLDERS

Included in this stakeholder group are authority and governmental organizations, NGOs, neighbors, local communities, etc. Much like our customers, our societal stakeholders consider compliance with local regulations, the focus on risk management and safe operations as priorities. They value responsible business management through a transparent approach. Topics identified as significantly important for our societal stakeholders include occupational health and safety, process safety, water, (no) soil and groundwater pollution, and the application of best practices. Our commitment to each of these groups is reflected in written contracts, our external communication (website and social media channels), audits and the stakeholder engagement survey.

## OUR SHAREHOLDERS

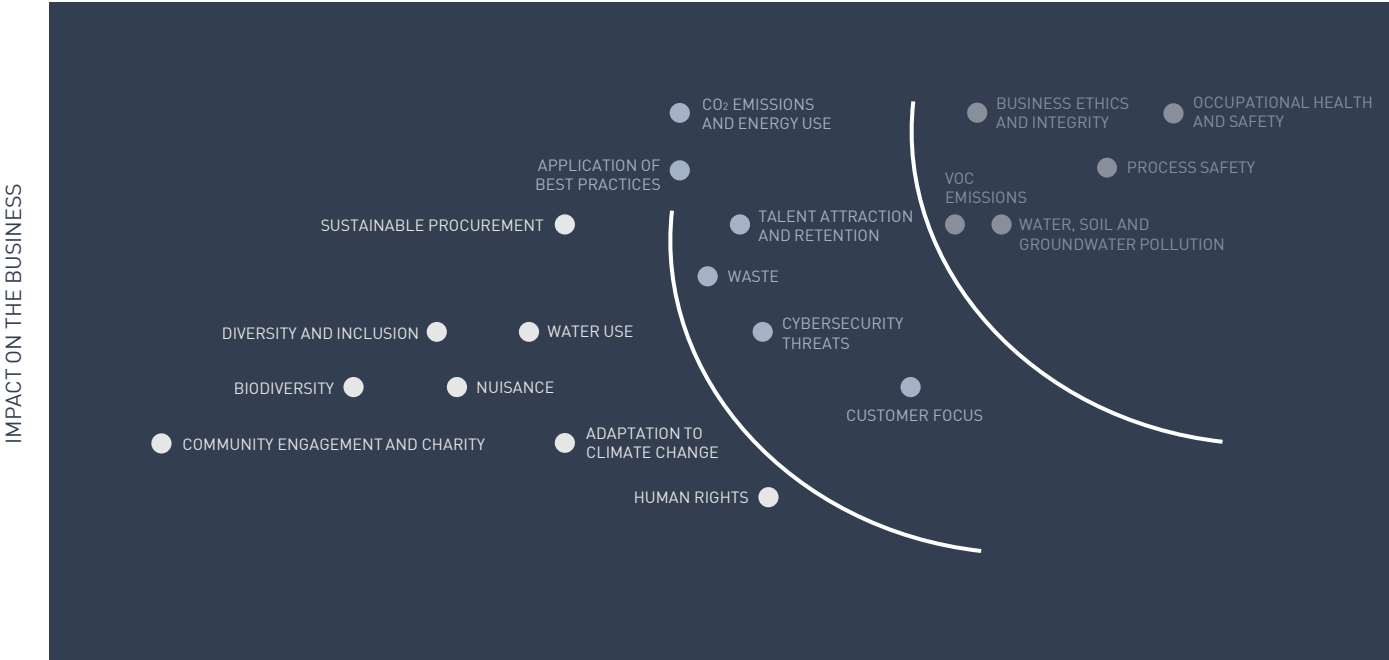
Similarly to the financial and capital markets, our shareholders consider the transparency and comparability of our approach to sustainability as an advantage on the long term. We identified occupational health and safety, process safety, CO<sub>2</sub> emissions and energy use, business ethics and integrity and adaptation to climate change as their priorities. We strive for open dialogue with our shareholders through monthly board meetings, regular updates, and targeted committee meetings (CSR Committee, Audit and Risk Committee, Project Review Committee, Remuneration and Nomination Committee).

# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

## MATERIALITY MATRIX AND THE DEVELOPMENT OF OUR KEY TOPICS

The extensiveness of reporting depends on the significance of the topic (identified as major, significant, or minor). We report in detail on and have KPIs in place for all major topics, as well as for four significant topics (CO<sub>2</sub> emissions and energy use, application of best practices, talent attraction and retention and cybersecurity threats).

In a first instance, our efforts have been put towards reporting on the topics that are most material to LBC and our stakeholders (i.e. major and significant topics). Therefore, we have chosen to not report on moderate topics, unless stated otherwise in the report. Performance measurement on the moderate topics will be developed going forward.



RELEVANCE TO THE STAKEHOLDERS



MAJOR TOPICS



SIGNIFICANT TOPICS

MODERATE TOPICS








# GROUP PERFORMANCE OVERVIEW

Our KPIs are measurable values (metrics) that are tracked and analyzed and deemed as having material importance to the success of the LBC organization and the achievement of our strategic business objectives. The table below reconciles the KPIs with the corresponding performance, targets, topic specific GRI Standards and Sustainable Development Goals (SDGs). We report in detail on each of the topics below in the next chapter. What follows is an elaborate view on our performance and the way in which we make an impact and respond to relevant societal, environmental and governance topics. In addition, our ambitions are reflected in a wide range of policies and practices, most of which are referenced throughout this report together with our management approach and outlook.

SOCIETAL KPIs						
TOPIC	METRIC	KPI	TARGET 2020	PERFORMANCE 2020	GRI STANDARD	SDG
PROCESS SAFETY	Loss of primary containment	Process safety events rate (PSER) <ul style="list-style-type: none"> <li>▪ Tier 1 PSER</li> <li>▪ Tier 2 PSER</li> </ul>	Establish baseline	Tier 1 + Tier 2 PSER: 0.11		<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 
		Number of category A, B and C loss of primary containment incidents		6 LOPC A, B and C incidents		
OCCUPATIONAL HEALTH AND SAFETY	Injuries of own employees and contractors	Total Recordable Incidents Frequency Rate (TRIFR) Lost Time Incident Frequency Rate (LITFR)	LBC employee TRIFR: 1.69	LBC employee TRIFR: 1.06 LTIFR: 1.06  Contractor TRIFR: 0.91 LITFR: 0.23	GRI 403 Occupational health and safety (2018 version)	<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 
TALENT ATTRACTION AND RETENTION	LBC staff absence	Absence rate	Establish baseline for absence rate	Absence short-term: 1.46 Absence long-term: 3.28	GRI 401 Employment	<b>8 DECENT WORK AND ECONOMIC GROWTH</b> 
	LBC staff turnover	Staff turnover	Establish baseline	Absolute and relative joiners: 67 (13.2%) leavers: 69 (13.0%)		
	Diversity and inclusion	Women in (senior) leadership positions  Age distribution			See page 27  See page 27	

ENVIRONMENTAL KPIs

TOPIC	METRIC	KPI	TARGET 2020	PERFORMANCE 2020	GRI STANDARD	SDG
CO <sub>2</sub> EMISSIONS AND ENERGY USE	CO <sub>2</sub> gas emissions	CO <sub>2</sub> emissions (in metric tons)	Establish baseline	52287 (market-based) 51985 (location-based)	GRI 305 Emissions	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 
		CO <sub>2</sub> emission intensity (in kg per metric ton throughput)		2.56 (market-based) 2.55 (location-based)		
	Energy	Energy intensity (in MJ per ton throughput)		48.06		
VOC EMISSIONS	Volatile organic compounds	g VOC per ton throughput	Establish baseline	5.14	GRI 305 Emissions	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 
WATER AND SOIL POLLUTION	Release to water or soil	Number of LOPC incidents resulting in product (> 100 kg) reaching the environment (water or soil)	Establish baseline	0	GRI 306 Effluents and waste	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> 
GOVERNANCE TOPICS						
BUSINESS ETHICS AND INTEGRITY	Corruption, bribery, discrimination, permit violations	Number of employees trained in business ethics	Develop and roll-out a business ethics training	137 employees completed the business ethics training		<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> 
		Number of permit violations that resulted in fines	Establish baseline	Permit violations resulting in fines: 0	GRI 307 Environmental compliance	
APPLICATION OF BEST PRACTICES	Certified management systems	Number of facilities with, where applicable, ISO 9001 and 14001 certifications, CDI-T assessment	Establish baseline	3 terminals are certified against ISO 9001 and ISO 14001, 2 terminals are assessed against the CDI-T standard		<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> 
	CSR rating	EcoVadis rating GRESB rating		EcoVadis: 60/100 GRESB: 54/100		
CYBERSECURITY THREATS	Cybersecurity breaches	Number of significant and major cybersecurity breaches	Establish baseline	0		





# OUR PERFORMANCE

# PROCESS SAFETY



## SCOPE

Process safety refers to managing our operations as such that they are safe for people and the environment, hereby striving to prevent any unintentional releases of chemicals.

We report on process safety according to the API Recommended Practice (RP) 754. A Tier 1 process safety event (PSE) is a loss of primary containment incident (LOPC) with the greatest consequence as defined by API RP 754. A Tier 2 PSE is an LOPC with lesser consequence as defined by API RP 754.

We also monitor and report loss of containment incidents with a consequence less than Tier 2 PSE. These are defined as Tier 3 KPIs in the API RP.

These Tier 3 KPIs are defined as:

<b>MAJOR LOPC A</b> more than 5m <sup>3</sup> product released
<b>SIGNIFICANT LOPC B</b> between 1m <sup>3</sup> and 5m <sup>3</sup> product released
<b>LIMITED LOPC C</b> between 0.1m <sup>3</sup> and 1m <sup>3</sup> product released

Note that the product losses reported under loss of primary containment incidents have not reached the environment. They are still contained within (secondary) containment systems. Incidents where product has reached the environment are reported as a release to the environment.

## INCIDENT PREVENTION AND EMERGENCY RESPONSE

An integral responsibility of storing hazardous products is to reduce the risk of loss of containment incidents and to have processes in place to mitigate the risks if there is a loss of containment. We have uniform policies in place globally to set the minimum requirements for the prevention of loss of containment incidents.

Furthermore, we have established engineering standards that set minimum requirements for asset integrity, firefighting equipment, and terminal installations.

Emergency Response Plans are in place to mitigate serious consequences from spills or other emergencies.

In addition, our implemented training programs allow our staff to acquire the necessary skills to safely operate our equipment, prevent loss of containment incidents, and respond to emergencies.

## PERFORMANCE

In FY20, we have experienced one PSE and 6 category C LOPCs. The PSE is classified as a Tier 2 PSE, as the amount of product released was above the product-specific threshold. No harm was brought to people nor to the environment.

The process safety event rate (PSER) is measured per 200,000 work hours and is calculated through dividing the total of PSEs (Tier 1 + Tier 2) by the total work hours (LBC and contractor hours combined).

	FY20
Tier 1 PSE	0
Tier 2 PSE	1
LOPC category A, B, C	6
PSE Tier 1 + Tier 2 rate*	0.11

\*The process safety event rate (PSER) is defined as the number of Tier 1 + Tier 2 PSEs per 200,000 hours worked (LBC and contractor hours combined)

At the end of FY19 and continuing into FY20, we have focused on reducing the number and severity of loss of containment incidents. This improvement program targeted people through training and awareness, robust processes, and technology. This has resulted in a reduction of major, significant, and limited loss of containment incidents.

## WAY FORWARD

Process safety continues to be a key priority for LBC. Good process safety performance is a key prerequisite for our license to operate. We will continue to monitor our process safety performance and implement measures to reduce the number and severity of loss of containment incidents.



# OCCUPATIONAL HEALTH AND SAFETY



## SCOPE

Our motto is *Always Safe, Never Sorry*. We believe that all occupational health and safety incidents are preventable. We believe that everybody has the right to a safe working environment and that everybody should return home from work safely and well to their loved ones. Safety is a core value that is part of all decision making at every level within our organization. Everybody has a responsibility and is empowered to make responsible decisions. To this end, we deploy many resources in our Sustainable Safety Behavior Program in which everybody who works at LBC is coached to recognize hazards, identify and report unsafe situations and carry out a successful safety dialogue in order to ensure that our working environment is a safe place.

We use the OSHA 1904 methodology for the classification of occupational health and safety incidents. Injuries to LBC employees and contractors are reported separately.

Furthermore, it should be noted that temporary contractors who fill a position in the LBC organizational structure or that report to an LBC employee fall under the LBC employee category when it comes to incident reporting. Injuries to contractors that do not fit this definition are reported separately.

## PERFORMANCE

Unfortunately, in the past fiscal year we experienced 9 incidents where a person sustained injury and did not leave the work location unharmed, more specifically 5 LBC employees and 4 contractors. None of these incidents were process related.

	FY20
LTIFR LBC employee	1.06*
TRIFR LBC employee	1.06*
LTIFR contractors	0.23
TRIFR contractors	0.91

\*All recordable employee incidents were lost time incidents (LTIs)

**LTIFR** | Lost Time Incident Frequency Rate is defined as the number of LTIs per 200,000 hours worked

**TRIFR** | Total Recordable Incident Frequency Rate is defined as the number of recordable incidents per 200,000 hours worked. Recordable incidents are lost time incidents, restricted work cases and medical treatment cases

The TRIFR of 1.06 is well below our FY20 target of 1.69. The TRIFR has been improving over the last few years because of our continuous focus, initiatives and communication on health and safety matters. Our end goal is zero, i.e. no incidents where people are injured. We are confident in our ambition considering that in FY20, the US region concluded the fiscal year without a recordable injury.

A safety improvement plan has been implemented to provide measures to maintain the safety improvement trend in all terminals we own and operate. A recent analysis shows that the main causes of incidents are related to the breach of one or more of our 20 critical safety rules, training or competency failure and equipment failure. To address these causes, we have put programs in place that focus on awareness, behavior and following procedures. Timely inspection and maintenance of equipment is also addressed.

## GLOBAL SAFETY CAMPAIGN – SLIPS, TRIPS AND FALLS

The analysis of OSHA recordable incidents showed us that 30% of the injuries are caused by slip, trip and fall incidents. To this end, we developed a safety campaign, focusing on preventing these incidents through proper design of the workplace, good housekeeping, and safe walking practices. We communicated this campaign internally, using posters, e-learnings, and a dedicated intranet page as well as externally through social media and our website.

## WAY FORWARD

Our performance management system, which is currently limited to the managerial level, will be extended to all LBC employees, hereby enabling everyone in our organization to consult a formal platform to discuss performance, and address potential issues or barriers. In addition, our new e-learning tool is in place and various trainings have been rolled out throughout the company. Our goal is to further optimize the tool and increase the number of e-learnings provided, which will allow us to be more responsive to the specific training requirements of each of our locations.

# TALENT ATTRACTION AND RETENTION



## SCOPE

Talent attraction and retention is successfully managed by empowering our workforce, recognizing the diversity among our employees, and anticipating on their needs and expectations by thinking more creatively and in a more innovative way. In this part, we report on employee training and development, employee wellbeing, absence rate, diversity, and age distribution. The performance metrics are reported for LBC employees. Any person with an employment contract with LBC is referred to as an employee.

## PERFORMANCE

Our group HR strategy focuses on improving leadership, developing our safety culture, qualitative onboarding, and the continuous development of our employees. These four elements enable us to attract, develop and retain talent as a continuous learning, high performing organization.



## LEADERSHIP AND SAFETY CULTURE

Next to the general structures such as works councils and labor safety committees, we aim to inspire every person in our organization to become a safety leader by engaging

them to participate in several programs, including the Safety Leadership Program and Safety Incentive Program, both of which focus on safety awareness and behavior.

The Safety Leadership Program motivates everyone at LBC to be a safety leader, empowered to grow not only our company, but also each other and to prevent all risks in our working environment. We put our focus on the ability to influence, motivate, and enable others to contribute to the effectiveness of the LBC group.

Our Safety Incentive Program was introduced at our European terminals to reduce the number of incidents in the region. The program started in FY20 and has resulted in a 40% decrease in recordable incidents compared to FY19. The program will be continued in FY21.

## LEARNING AND DEVELOPMENT

Our business is highly regulated in terms of minimum technical requirements for our assets, but also for the competence of our employees, especially in operations. We have a program in place providing our employees with training, supported by a system. Both mandatory and non-obligatory e-learning modules are made available for our employees. This covers the required safety and emergency response training, as well as the LBC-required trainings. During 2020, over 27 e-learning modules have been developed, with which we educate our employees on CSR topics, specifically regarding health and safety, and process safety. We track and trace the results of these modules to measure training KPIs. Although this is not a complete Learning Management System (LMS), we have received great results and aim to develop a fully functional LMS in FY21.

A total of 293 courses have been successfully completed during the past year (since we have rolled-out our new e-learning system).

# TALENT ATTRACTION AND RETENTION



## EMPLOYEE WELLBEING

Respect for work-life balance is key in our Retention Policy. Flexibility is demanded and granted, especially regarding workplace organization, telework and commuting. Employees are provided with quality equipment to allow them to operate in a safe and healthy workplace. Not only are employees supported and provided for at our facilities, they can rely on us for improving their work environment at home.

Due to the COVID-19 pandemic, many of our employees were required to telework. We displayed a procedure, allowing our teleworkers to receive all materials necessary to create a comfortable office space at home. During this time, we communicated the risks of affected work-life balance and possible burnout, and recommended team leaders to regularly check on their team members. In addition, update emails were sent out to the group daily, communicating everything regarding the pandemic (from sick leave to global statistics). For our essential workers, on-site circulation plans were developed immediately, providing the ability to follow social distancing measures. Zero contact procedures were developed to avoid any unnecessary contact with third parties and visitors. Furthermore, we provided our employees with the necessary supplies including face masks and hand sanitizers.

Identifying and acknowledging the core needs of our employees only contributes to our success as a company. We therefore conducted an employee welfare survey with questions focusing on personal wellbeing in both professional and private environments of our employees and offered guidance and assistance where needed or desired. As we strive for continuous improvement in our approach, we will assess the need for a more extensive survey.

We aim to have a diverse workforce as we believe this is key for better decision making and sustainable business performance.

## PERFORMANCE METRICS

We believe the absence rates and the staff turnover rates at group level are acceptable, but we do recognize that for some specific terminals additional efforts are required to improve performance.

Absence rate – long-term absence*	3.28%
Absence rate – short-term absence	1.46%
Staff turnover – joiners and relative joiners	67 (relative: 13.2%)
Staff turnover – leavers and relative leavers	69 (relative: 13.6%)

\*Long-term absence: > 2 weeks

The absence rate is calculated by dividing the sick leave hours by the regular hours, where regular hours are the hours per work schedule.

We aim to have a diverse workforce as we believe this is key for better decision making and sustainable business performance. In FY20, the proportion of women in (senior) leadership positions (ELT, global directors, regional and terminal management) was 20%. This number and the age distribution data below show that there is room for improvement.

AGE DISTRIBUTION	PERCENTAGE
< 30 YEARS	13%
30 – 50 YEARS	56%
> 50 YEARS	31%

## WAY FORWARD

We will continue to focus on maintaining safe and healthy workplace standards for our employees. The absence rate is an area of concern and we will assess the need for additional action.

Furthermore, it has been recognized that there is a need for a robust HR management system to enable the monitoring of key indicators as described above and to distribute e-learning modules and track progress.



# COMMUNITY ENGAGEMENT AND CHARITY

MODERATE

## SCOPE

Although this topic did not score significantly high in our materiality assessment, we feel it is one of our responsibilities to support local risk groups in the communities in which we operate. LBC supports various non-profit organizations and initiatives. Especially during the COVID-19 pandemic, we highlighted their need for additional support on our external communication channels. As it stands, we have a Community Engagement Policy in place, serving as a guideline for the selection of organizations to support and the type of support to give. We make a distinction between one-off charitable donations, Community Engagement Programs or Sustainable Philanthropy Programs.

## PERFORMANCE

In Europe, we typically supported non-profit organizations which focused their efforts on risk groups and disadvantaged people. This was done by means of monetary and supplementary donations. Food was collected and brought to non-profits to be distributed fairly to those in need. Masks, gloves, and chemical suits were collected and donated to local healthcare organizations in light of the COVID-19 pandemic.

In the US, we overall supported the local economy and non-profits simultaneously. This was achieved by means of ordering and delivering food from local restaurants to non-profit organizations that deal with the health crisis daily. In addition, we made monetary donations to non-profits, as well as monetary donations as scholarships that are awarded to qualified students to enable them to further their education in local colleges.

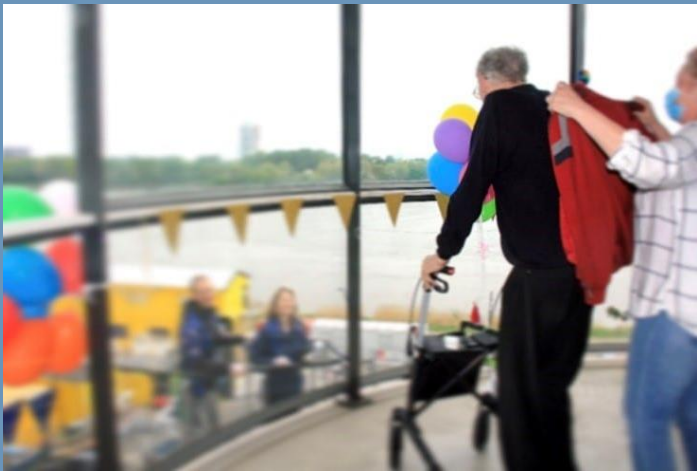
Along with monetary and supplementary donations, we organized collection campaigns, assessed the needs of each organization and consequently incentivized people outside of our organization to contribute to these charities as well.

## WAY FORWARD

We continue to make monetary and supplementary donations to educational organizations in our communities in Europe and the US. Supplementary donations consist of donating IT equipment to organizations who refurbish and distribute e.g. laptops to young schoolers in need of material to complete schoolwork from home. Most of our support is based on one-off charitable donations, however we envision to engage in more long-term programs in the future.



# COMMUNITY ENGAGEMENT AND CHARITY



# OUR COMMUNITY PARTNERS

## LBC ANTWERP

- Essenscia
- BATO (Belgian Association of TankTerminal Operators – part of Essenscia)
- VIBNA (Vereniging van industriële bedrijven van Noord-Antwerpen)

## LBC CEPSA

- Essenscia
- BATO (Belgian Association of TankTerminal Operators – part of Essenscia)
- VIBNA (Vereniging van industriële bedrijven van Noord-Antwerpen)

## LBC ROTTERDAM

- Deltalinqs
- VOTOB (Vereniging van Nederlandse tankopslagbedrijven)
- EVO (Ondernemersvereniging EVO)
- DeltaPORT Donatiefonds

## LBC HOUSTON

- Clean Channel Association
- Economic Alliance – Port Region
- LEPC (Local Emergency Planning Committee)
- ILTA (International Liquid Terminals Association)
- WGMA (West Gulf Maritime Association)
- Channel Industries Mutual Aid Texas (CIMA)
- National Fire Protection Association (NFPA)
- Greater Houston Port Bureau
- East Harris County Manufacturers Association (EHCMA)
- Association of Bayport Companies Inc. (ABC)
- Lone Star Harbor Safety Committee (LSHSC)

## LBC BATON ROUGE

- ILTA (International Liquid Terminals Association)
- Geismar Area Mutual Aid (GAMA)
- Baton Rouge Area Mutual Aid System (BRAMAS)
- Traffic and Transportation Club of Greater New Orleans

## SEABROOK LOGISTICS LLC

- Clean Channel Association
- ILTA (International Liquid Terminals Association)
- WGMA (West Gulf Maritime Association)
- Channel Industries Mutual Aid Texas (CIMA)
- National Fire Protection Association (NFPA)
- Greater Houston Port Bureau
- East Harris County Manufacturers Association (EHCMA)
- Association of Bayport Companies Inc. (ABC)
- Lone Star Harbor Safety Committee (LSHSC)



# WATER, SOIL AND GROUNDWATER POLLUTION



## SCOPE

The materiality topic water, soil and groundwater pollution refers to spills or loss of containment (of a product) resulting in a release to the environment. LBC reports spills where more than 100 kg of product has reached the environment (ground and surface water).

Product refers to any substance that is handled on our terminals or on a jetty facility used by LBC. Typical product categories at LBC terminals are chemical products, petroleum products and base oils.

We have secondary containment in place at areas where loss of containment incidents present a high risk, for example in tanks pits and loading stations. Secondary containment reduces the risk of product reaching the environment and minimizes the consequences of loss of containment incidents.

## PERFORMANCE

In the past fiscal year, LBC has experienced one incident where more than 100 kg of product was released into the environment. This incident is recorded as a Tier 2 PSE. The spill was immediately cleaned up to ensure there would be no lasting damage to the environment.

During FY20, a historical soil contamination was discovered at LBC Cepsa, deriving from a spill in 2013. The spill is, by definition, an external release to soil. However, this incident is excluded from the external release to soil incident in 2020. The discovery of this persisting spill dating from 2013 is reported as a financial loss in 2020. The actual event is reported as an external release to the environment in 2013.

## WAY FORWARD

Our focus will be on preventing loss of containment incidents. Our approach is described in process safety chapter.



# VOC EMISSIONS



## SCOPE

Some of the products we store for our customers are classified as volatile organic compounds (VOCs). These are products that easily evaporate at ambient temperature. VOCs can be hazardous for people and the environment. Sources of VOC vapor emissions include tank losses from routine operations and venting, emissions from loading and emissions when cleaning tanks.

**Tank losses from routine operations** can be categorized as standing / breathing loss, working loss from a fixed roof tank, or working loss from a tank with an internal floating roof.

*Standing/breathing loss* is the release of emissions from a tank due to vapor expansion and contraction that results from changes in temperature and barometric pressure.

*Working loss from a fixed roof tank* is the evaporative loss of filling. Emissions due to filling operations are the result of an increase in the liquid level in the tank. As the liquid level increases, the pressure inside the vapor space increases and vapors are expelled from the tank through vents.

*Working loss from a tank with an internal floating roof* is derived from the evaporative loss during liquid withdrawal from the tank. When the liquid level is lowered, the floating roof is also lowered. Liquid remains on the inner tank walls and columns and evaporates.

**Emissions from loading** are a result of the transfer of products out of the facility (i.e. rail car, tank truck, or marine vessel).

**Emissions from cleaning** refers to emissions from gas freeing of tanks before cleaning.

We aim to minimize the emission of these VOCs by applying technical measures on storage tanks and by installing vapor treatment units. We estimate that approximately 97% of the VOC emissions is derived from our terminals Bayport, Seabrook, and Sunshine<sup>1</sup>.

<sup>1</sup>This is based on the emission calculations from the European terminals using methodologies prescribed by local legislation. Freeport is exempt from reporting VOC emissions to the local authorities as the VOC potential to emit is less than the threshold limit.

Therefore, we have chosen to only report emissions from these terminals. As we periodically monitor the VOC emissions from the other terminals, including them in future reporting will be considered if their contribution to the total amount of VOC emissions increases.

VOC emissions are calculated using the EPA TANKS 4.09d software which is based on the EPA AP-42 standard. Tank-to-tank transfers are excluded from the calculations. Vapor pressures from products are calculated using the equations from EPA standard and the Yaws Handbook of Vapor Pressure for products that are not listed in the EPA standard.

## PERFORMANCE

The amount of VOC emitted depends on several factors, including product vapor pressure, temperature, tank type and activities (e.g. roof landings and tank cleaning). An additional analysis of the VOC emissions from our US terminals shows that 75% of the emissions is related to standing / working losses.

ACTIVITY TYPE	RELATIVE CONTRIBUTION
TANK STANDING / WORKING	75%
LOADING	16%
ROOF LANDING / FLOATING	7%
TANK CLEANING	2%

Furthermore, we have established a baseline for FY20 in terms of grams VOC per metric ton throughput.

kg VOC emissions (x1000)	95.41
g VOC per metric ton throughput*	5.14

\*VOC and throughput: Bayport, Seabrook and Sunshine

## WAY FORWARD

It is our objective to minimize VOC emissions. We will assess opportunities for improvement and determine priorities for investments. In addition, we will also explore possibilities to measure and report emissions such as NO<sub>x</sub> and SO<sub>x</sub> in the future.

# CO<sub>2</sub> EMISSIONS AND ENERGY USE



According to our materiality assessment, CO<sub>2</sub> emissions and energy use are not considered major material topics. However, LBC has decided to report on our approach as we consider this a highly relevant matter for our business and the environment.

## SCOPE

LBC’s reporting of CO<sub>2</sub> emissions encompasses emissions from the combustion of natural gas (scope 1) and emissions from purchased electricity (scope 2). Natural gas is typically used for producing steam to heat tanks, as well as to operate vapor abatement systems. Main consumers of electricity are i.e. heat tracing, lighting, and pumps. We do not report on scope 3 emissions. Scope 3 emissions include for example employee travel, commuting and emissions associated with contracted solid waste disposal and wastewater treatment.

In scope are all LBC terminals, except for Freeport. The global corporate head office in Mechelen and the regional office in Houston are also excluded as these locations do not have operational (terminal) activities. At our LBC Cepsa location, natural gas is not used, however, there is use of steam produced by an external party. The latter is therefore included in the scope 2 emissions.

At Freeport, utilities are contractually supplied by the customer to support the operations of the terminal. The assets are not metered separately, hence making it currently impossible to track usage. Unlike LBC Cepsa, LBC Freeport does not use natural gas in the terminal to support operations. Alternatively, electricity is used at the Freeport location.

Other energy sources such as diesel, petrol, LPG, and propane account for less than 5% of the total energy use and CO<sub>2</sub> emissions from LBC’s terminal operations. As the contribution of these sources to the total amount is rather limited, they have been excluded from the current report. As we periodically monitor the use of these energy sources, including them in future reporting will be considered if their contribution to the total amount of energy use increases.

## PERFORMANCE

We use the following CO<sub>2</sub> emission factors and energy conversion factors:

<b>EMISSION FACTORS NATURAL GAS</b> Bilan Carbone V8.4
<b>EMISSION FACTORS ELECTRICITY – MARKET-BASED</b> provided by supplier
<b>EMISSION FACTORS ELECTRICITY – LOCATION-BASED</b> IEA (European terminals), eGrid Jan 2020 (US terminals)
<b>EMISSION FACTOR STEAM</b> provided by supplier
<b>ENERGY CONVERSION FACTOR NATURAL GAS</b> IEA

All emission calculations are in accordance with the Greenhouse Gas (GHG) Protocol. Scope 1 emissions are calculated by multiplying the natural gas consumption by the emission factor for natural gas. Scope 2 emissions are calculated by multiplying the electricity consumption by the electricity emission factors and multiplying the steam consumption by the steam emission factor.

It should be noted that market- and location-based scope 2 emissions are included in the scope of this report. The location-based method reflects the average emission intensity of grids on which electricity consumption occurs. The market-based method considers emissions from the specific electricity providers used by LBC. For the calculation of the location-based emissions, the electricity consumption is multiplied by IEA/eGrid emission factors. For the market-based emission, the electricity consumption is multiplied by the emission factors provided by the electricity suppliers.

	FY20
Energy intensity (MJ per metric ton throughput)	48.06

Energy intensity is defined as energy consumption (electricity, natural gas and purchased steam) in MJ per metric ton throughput.



# CO<sub>2</sub> EMISSIONS AND ENERGY USE



CO<sub>2</sub> intensity is defined as total CO<sub>2</sub> emissions in kg per metric ton throughput. Total emissions are defined as scope 1 emissions + scope 2 emissions.

Energy intensity (MJ per metric ton throughput)	48.06
Scope 1 emissions (metric ton CO <sub>2</sub> x1000)	40.38
Scope 2 emissions – market-based (metric ton CO <sub>2</sub> x1000)	11.91
Scope 2 emissions – location-based (metric ton CO <sub>2</sub> x1000)*	11.61
Total emissions market-based (metric ton CO <sub>2</sub> x1000)	52.29
Total emissions location-based (metric ton CO <sub>2</sub> x1000)	51.98
CO <sub>2</sub> intensity (kg CO <sub>2</sub> per ton throughput) – market-based	2.56
CO <sub>2</sub> intensity (kg CO <sub>2</sub> per ton throughput) – location-based*	2.55

\*Scope 2: market-based conversion factors used for all terminals, except Antwerp and Cepsa, where location-based conversion factors are used as market-based conversion factors were not available.

## PROJECTS

As almost all the CO<sub>2</sub> emissions are related to combustion of natural gas and production of electricity, the energy efficiency projects are targeted towards these energy sources.

We have projects running in all terminals to upgrade lighting with LED lights, and we are continuously improving energy efficiency by replacement or repair of insulation systems on tanks and piping. Furthermore, we have eliminated various sections of old steam piping in our Rotterdam terminal to reduce distribution losses.

In addition, we are installing new steam boilers and a new warm water installation at our Antwerp terminal. This will increase the overall energy efficiency. Moreover, the optimization of energy will be achieved by a relocation of the renewed water installation close to the steam boilers, which allows for an efficient recovery of condensate, and by the installation of an economizer and a vent condenser, both making more efficient use of the produced heat.

Where feasible, hydraulic pumps are substituted with electrical pumps with variable speed drives (VSD). VSD control has several benefits in pumping systems, the most important one being energy saving.

Lastly, in our Houston terminal, we are upgrading the existing vapor treatment systems (flares) to be more efficient. Our Seabrook terminal is already equipped with a new type of vapor treatment system that is more efficient than the older types.

## WAY FORWARD

LBC Rotterdam participates in the Energy Efficiency Covenant. Our Rainbow expansion project provides an excellent opportunity to explore more efficient ways of generating heating for the tanks. Options under review include the replacement of old boilers with more efficient boilers, the re-use of the heat produced in our vapor treatment system (incinerator), use of solar panels or other green energy supply to produce hydrogen, which we can use in our incinerator and heating/boilers, the installation of electro boilers and, alternately or combined, solar panels and storage of heat in a heat buffer used for heating tanks.

Much like in Rotterdam, we continue to explore opportunities in other terminals to improve energy-efficiency and reduce CO<sub>2</sub> emissions.

# CO<sub>2</sub> EMISSIONS AND ENERGY USE



## A NOTE ON CLIMATE CHANGE

Physical risks associated with climate change are assessed on a 3-year basis. The main impacts of climate change that have already been observed and are expected to increase in the future include the increase in hurricane activity (US terminals), intensification of extra-tropical storms (European terminals) and threat of sea-level rise (coastal areas)<sup>2</sup>. The Emergency Response Plans are being reviewed periodically and updated where necessary to minimize these risks.

In addition, Europe's commitment to become a climate neutral society by 2050 will have consequences for tank storage activities. Fossil fuels will be replaced by renewables such as solar and wind energy, which can be turned into a liquid synthetic fuel form, i.e. power to liquid, and be stored and transported just as liquid fossil fuels today. The renewable liquid synthetic fuels can be made in a fully sustainable manner through green hydrogen production and carbon capture. Hydrogen can be stored as a liquid at extremely low temperatures. Existing storage terminals would need to be enlarged and extensively modified to store hydrogen.

Alternative ways of storing hydrogen is through binding hydrogen in molecules such as ammonia and/or

methanol for transportation purposes. If commodity chemicals turn out to be the hydrogen carrier for the future, chemical storage terminals are well positioned to facilitate this.

Hydrogen gas produced from a water electrolysis process and reacting with carbon dioxide from the atmosphere can be turned to hydrocarbon chains (methanation). This forms the basis for e-diesel and can be used as a heat source in residential areas and industry, and as fuel for mobility replacing fossil fuel. Existing infrastructures can be used further. Just like our competitors, we will need to find solutions for challenges such as the declining market of some products and potential conversion of existing tanks to store other types of products.

In the US, there is also an increased trend to become a climate neutral society more driven by investor and state activity than federal initiative. Houston's recent move to commit to 100% clean energy is a case in point, as well as the Climate Action Plan, which aims to reduce emissions and achieve carbon neutrality by 2050. As such, one of the challenges that cities such as Houston face is that the state and federal governments primarily control regulations.

<sup>2</sup>Source: Munich Re NATHAN World map of natural hazards



# WASTE



## SCOPE

In our initial materiality assessment, we evaluated the topic of waste having a lower priority than other topics. This topic is therefore not included as a KPI in the current report. However, our improved assessment on materiality, including a wider range of stakeholders, revealed that there in fact is a reasonably high interest in our performance related to waste reduction. As such, we aim to improve our Waste Policy and establish a baseline to create objectives and report on in the coming years.

## PERFORMANCE

Our current policy related to the topic specifies the minimum requirements that need to be in place to minimize waste streams and optimize recycling and reuse of waste materials. As a result, waste is managed in line with local legal requirements.

## WAY FORWARD

As a result of our improved materiality assessment, we were able to identify waste reduction as one of our additional priorities. For that reason, we will first establish a baseline for reporting on this parameter as a way forward so that we can take steps towards identifying and implementing projects to minimize our waste production. Furthermore, we are confident that our digitization process will also lead to better waste management and waste reduction in general, as it will allow us to not only minimize paper use but also waste in work processes, labor, and resources such as energy and consumables.



# BUSINESS ETHICS AND INTEGRITY



## SCOPE

LBC's code of ethics covers anti-bribery, competition law, health and safety, and more. Moreover, it serves as a guideline for our employees to act accordingly and make correct decisions in their everyday work. Local procedures are in place to enable reports of any behavior not in line with the code of ethics. We are honest and conduct our activities with strong moral principles and continually strive to do what is right and avoid harm. We have policies in place to ensure that possible conflicts of interest are reported directly, that competition is fair, and that we do not commit or succumb to bribery or corruption in any form. Furthermore, a Whistleblower Policy is implemented and allows reporting of important ethical issues straight to the highest level of the organization and, if preferred, anonymously.

## PERFORMANCE

At LBC, we build an environment where everyone feels valued and enabled to contribute their best to the company and to society. To put this into practice, it is important to create ethical values in line with our corporate policy.

### EXAMPLE OF GOOD BUSINESS ETHICS

#### SHIPDOCK 5 (SD5) CONSTRUCTION ACTIVITIES IN SEABROOK

We anticipated that the construction project to build SD5 would receive several noise complaints associated with pile driving of the 72" piles making up the combi-wall section of the dock. We monitored noise at our fence line and in the community at 3 different locations and limited construction hours from 8AM to 5PM Monday through Friday. Furthermore, we set up a website and neighbor helpline to provide updates on construction activities. In a final instance, we organized an open house, which was attended by 60 to 70 residents, where we informed the local community on the project.

## TRAINING

Our employees are trained on business ethics, anti-corruption, and whistleblowing procedures through our recently developed e-learning modules. Since the roll-out of the modules in May 2020, 137 LBC employees successfully completed the business ethics e-learning

module. This was the first wave and included all LBC management. The second wave will include all other LBC employees. In addition, the module is now implemented in our onboarding process.

## WHISTLEBLOWING

Stakeholders can report unethical, illegal or irresponsible acts via our whistleblower communication service [just-say-it@lbctt.com](mailto:just-say-it@lbctt.com). This process is available for employees and third parties, including contractors and suppliers. The mechanism can be used anonymously and is communicated via posters, e-learning, and the LBC website. In FY20, there was one case reported via the whistleblower process. After thorough investigation, the case was revisited as an employment grievance and action has been taken to follow-up on the reported issues.

## NON-COMPLIANCE

Non-compliances are reported via the incident reporting process and followed up by the local terminal management teams. Non-compliances may include actions against legal or other requirements such as ISO or customer requirements.

## PERMIT VIOLATIONS

We report on violations of environmental and safety regulations that resulted in a fine. In FY20, we have received three fines for environmental permit violations, all of which are categorized as minor<sup>3</sup> fines. These minor fines are related to incidents that occurred in FY16, FY17 and FY19. As they are not related to incidents in FY20, they are not in scope for this Sustainability Report.

## WAY FORWARD

We will continue to increase awareness on business ethics and integrity and will consequently assess the need for group policy on a grievance mechanism. We aim to train all LBC employees in business ethics, as we progress towards the second wave of the business ethics training program.

<sup>3</sup>Minor fine (< 5,000 USD), limited fine (> 5,000 USD and < 10,000 USD), significant fine (> 10,000 USD and < 50,000 USD) and major fine (> 50,000 USD)

# APPLICATION OF BEST PRACTICES



## SCOPE

One of LBC's strategic priorities is to be a top quartile performer in sustainability in our industry. Our performance is measured by external certification and qualifications of our Sustainability Management Program. In addition, we have received ample external recognition for our CSR performance.

## PERFORMANCE

### MANAGEMENT SYSTEMS

All our terminals have implemented a health, safety, security, environment, and quality (HSSEQ) management system. The effectiveness of these management systems is audited on a periodic basis by a pool of qualified internal auditors. A formal review of the management system is conducted on a bi-annual basis.

The European terminals are certified against the ISO 9001 (quality management) and ISO 14001 (environmental management) standard. The Antwerp and Rotterdam terminals are additionally assessed against the CDI-T questionnaire.

### ACHIEVING THE ECOVADIS SILVER CORPORATE SOCIAL RESPONSIBILITY (CSR) MEDAL

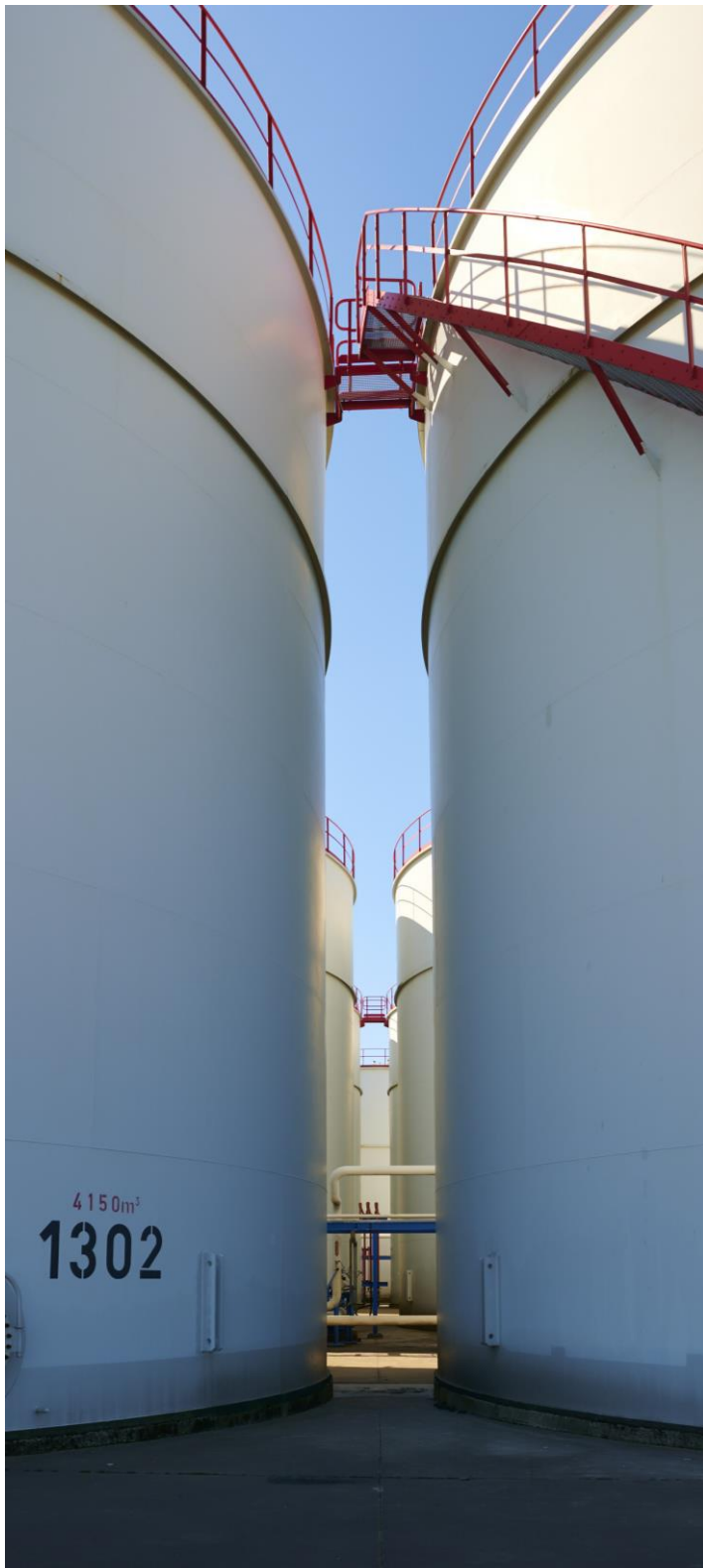
LBC Tank Terminals was awarded the silver status by EcoVadis, an important provider of business sustainability ratings for global supply chains across more than 190 industry sectors in more than 150 countries. The awarded Silver status places LBC among the top 30% of global enterprises evaluated for their best practices in CSR. LBC has also been assessed by GRESB. The GRESB score places LBC 3<sup>rd</sup> out of 9 amongst its peers.

### CANADIAN NATIONAL (CN) RAILWAY 2019 SAFE HANDLING AWARD

The Safe Handling Award is an integral part of the Responsible Care® Program – an ongoing performance improvement initiative in which CN is a partner, both in Canada and the US. CN's Safe Handling Award is presented to customers who load freight cars with dangerous goods and meet strict standards for the safe handling and shipment of regulated products. LBC Baton Rouge has won this award two years in a row.



# APPLICATION OF BEST PRACTICES



## EHS INNOVATION AWARD IN TRANSPORT & LOGISTICS

During the EHS Summit Americas in Atlanta, LBC Tank Terminals beat 91 submissions and won the 2019 Verdantix EHS Innovation Award in the Transport & Logistics category for our customized work on the EHS database. Due to the reporting culture and the accessibility and foundation of the new improved platform, we experienced an increase in near miss and unsafe situation reports with 370%. This confirms a pro-active safety and reporting culture in LBC. Recognizing and reporting near miss incidents can significantly improve worker safety and enhance an organization's safety culture.

"This EHS Innovation Award recognizes the teamwork between LBC and Pro-Sapien in developing a custom-made HSSEQ platform that is aligned with our 5 core values and our Corporate Social Responsibility Policy. The platform facilitates the reporting of incidents and safety observations and manages improvement actions. Further, it plays a vital role in our learning-from-incidents process, as all information regarding incidents and pro-active safety reports are transparent and visible for everyone in the organization. I truly believe that this tool has helped us to remove a silo mentality and create a 'one-LBC' organization."

**Martin Hoogenraad**  
Corporate Social Responsibility Manager LBC

## OUR PARTICIPATION IN INDUSTRY ORGANIZATIONS

All terminals are a member of local industry organizations. These include: VOTOB (Rotterdam), BATO (Antwerp and Cepsa) and ILTA (US terminals). Through VOTOB and BATO, LBC is represented in FETSA, the Federation of European Tank Storage Associations. These memberships provide an opportunity to share best practices and help to further improve in our leading CSR performance.



# CUSTOMER FOCUS

SIGNIFICANT

## SCOPE

LBC aims to be the preferred independent global provider of bulk liquid storage solutions. Our infrastructure is considered an integral part of the logistical supply chain of our customers. Our global footprint consists of facilities located in Europe and America serving over 100 customers, who we aim to provide with the safest, most reliable, and efficient tank storage and logistical solutions. By trusting their products to be stored in our tanks, we realize that we must continue to work hard every day to earn such trust of being selected as the preferred supplier. As such, this chapter covers our customer satisfaction, complaints, and engagement.

## PERFORMANCE

To ensure our customers' product integrity, we are following a strict RFP (Request for Proposal) procedure that involves joint evaluation of a customer inquiry by various key departments before accepting any new product at our terminals. To execute a service order in time and correctly, our customers follow a standard nomination procedure. Integration with customers' ERP to deliver a seamless and standard nomination process through EDI or any electronic interface will aid in further optimizing available time, assets, and manpower to serve our customers as optimal as possible.

Customer focus is one of the core fundamentals at LBC. Referred to as Customer@Heart, we aim to meet or even exceed service expectations and consider this a standard practice. In carrying Customer@Heart, we aim to deliver around the clock and near-real time stock and order information, hereby creating higher value for our customers by providing them stock information for their rented tanks and products and order status for vessels, barges, trucks, rail and pump-over movements.

Customer performance meetings are held monthly. Various KPIs related to LBC's performance (e.g. Truck and Vessel Turn Around Times [TTAT, VTAT] and safety

performance and individual incidents reporting) are shared with our customers and discussed during these regular customer performance meetings, where we tend to see an overall focus on occupational health and safety performance.

Some of our customers conduct audits at our facilities. We encourage these audits as we believe these help us to improve our performance and instill confidence in our operational capabilities.

Another vital part of the overall supply chain is to serve the customers of our customers and other 3rd parties, such as surveyors and transport companies. Connecting these parties seamlessly requires flexibility, service, and dedication. It is therefore fundamental that we are always focused to work as efficiently as possible to ensure a sustainable flow of products and processes for and on behalf of our customers.

## CUSTOMER COMPLAINTS

We perform a strict follow-up of customer complaints and handle them similarly to safety related incidents. Complaints are categorized and integrated into the database based on a 4-level severity scale. Depending on the severity of the complaint, further investigation will be initiated. Our management teams discuss light category incidents during review meetings and provide feedback to our customers. Incidents rated as severe follow a thorough and structured incident investigation. In such a situation, a multidisciplinary team takes the lead and the actions are logged into the central action manager database.

## WAY FORWARD

In the upcoming year, we are planning to launch a customer satisfaction survey. The results will show the key areas for further improvement and will allow us to further focus on what is @Heart for our customers. In addition, we are improving our overall service levels and will continue the process of optimizing our customer portal. Further transparency will be delivered along the continued maximization of automation providing real-time information on the customized dashboard.

# SUSTAINABLE PROCUREMENT

MODERATE

## SCOPE

We recognize that our suppliers, who provide us with equipment, supplies and services, contribute to our overall business performance. We engage and select suppliers who comply with regulations of the applicable legal systems we operate in, meet international labor practice and human rights standards, and are committed to work for a sustainable future.

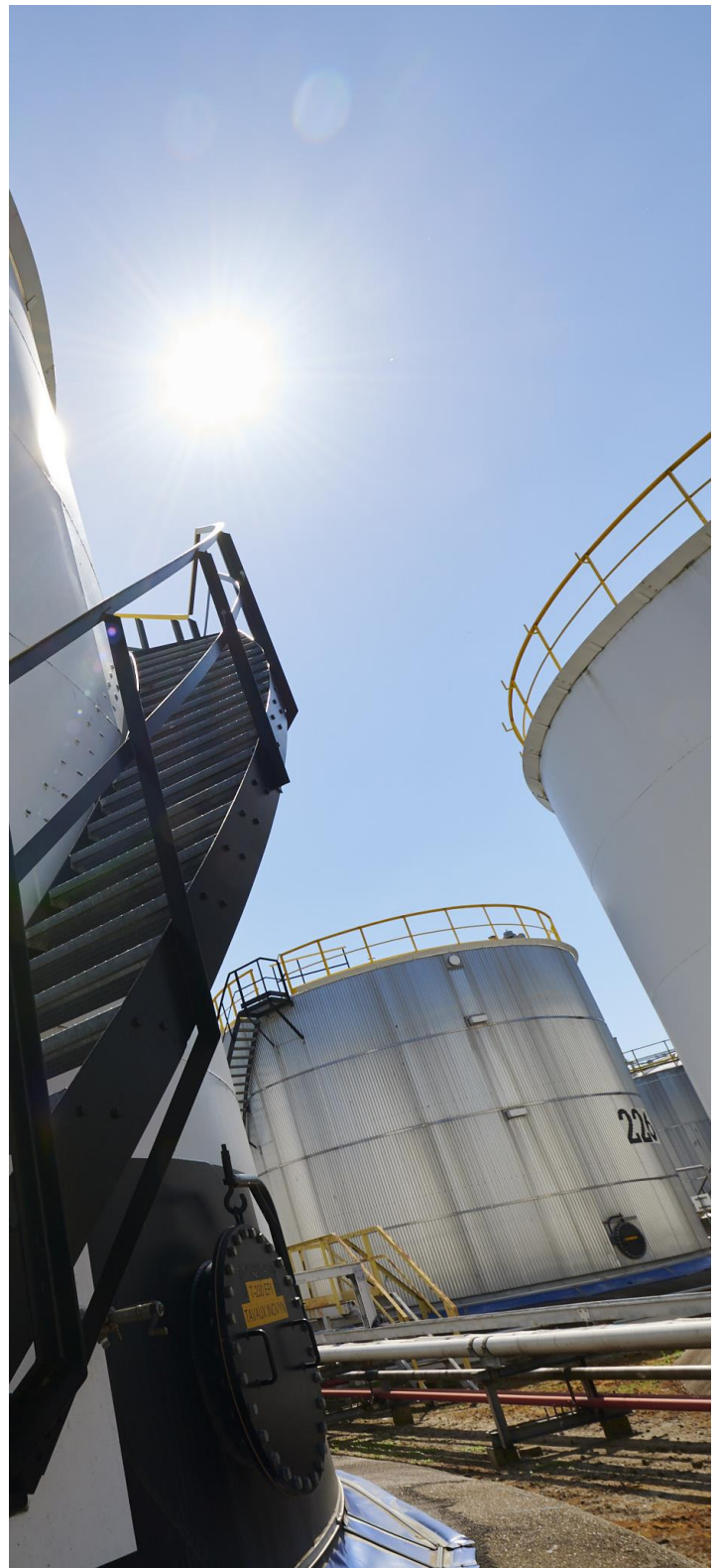
## PERFORMANCE

Our procurement approach follows a multi-dimensional set of standards and responsibilities. What we expect from our suppliers is included in the scope of our Supplier Code of Conduct Corporate Policy (SCoC).

LBC is committed to select suppliers who comply with our Sustainability Policy and SCoC. Furthermore, we are inspired to, at a minimum, meet regulatory compliance and hold ourselves and our suppliers in high standards.

## WAY FORWARD

We are setting up an audit scheme to assess compliance and are inspired to improve sustainability throughout our supply chain by means of open discussion, engagement and collaboration with, and compliance enforcement of our suppliers, and by being steadfast to our commitment to the continuous improvement in sustainability standards.



# CYBERSECURITY



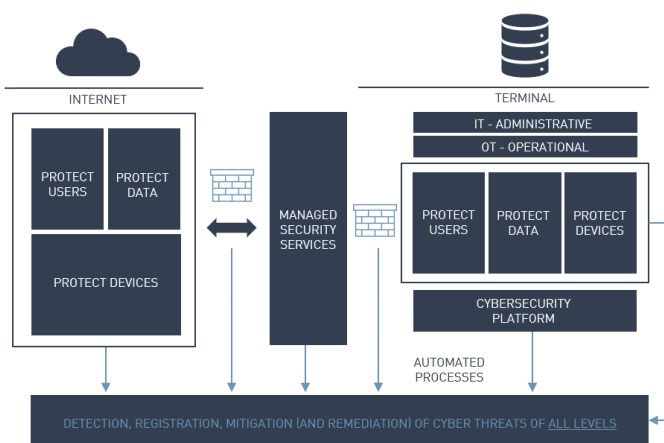
## SCOPE

We live in a digital and challenging world where every 39 seconds a hacking attempt is registered. With the average cost of a data breach being \$8 million, the need to protect our business information is at an all-time high. In response to hackers working around the clock to find vulnerabilities into our systems, we continuously improve our cybersecurity profile and consider this as a priority.

Our strategy is focused on the reduction of our detection cycle time by regularly assessing our risks, planning our response adequately in case of an incident, while continuously creating awareness across all stakeholders and protecting all our data. Furthermore, our approach is built on two international standard frameworks, namely the ISO/IEC/ISA risk framework and the NIST control framework.

## PERFORMANCE

In alignment with the NIST framework, we build the necessary protective layers and internet defense for all our functions, hereby protecting our users' identities, data and devices while minimizing the risk of unauthorized access to LBC's critical assets.



Our various protection layers and real-time monitoring are focused on:

- Protecting our emails from phishing and other threats
- Protecting our clients and servers against threats (malware, viruses and hacking)
- Securing LBC's boundaries, i.e. external access to the LBC environment
- Safeguarding our OT (Operational Technology) environment
- Protecting confidential data

## OUR CYBERSECURITY PLATFORM

- Extreme visibility of all IT and OT assets by continuous real-time network scanning
- Continuous monitoring and detection of malicious activity and high-risk security and integrity changes
- Continuous vulnerability monitoring

One of the lagging KPIs we track to monitor performance is the number of significant and major cybersecurity breaches. As shown in the table below, we have not experienced any significant or major cybersecurity breaches in FY20.

	FY20
Significant and major cybersecurity breaches in FY20	0

## WAY FORWARD

In a continuous improvement program, we are developing a cybersecurity handbook and learning platform for all our internal stakeholders and we will evaluate suppliers based upon their cybersecurity maturity. As such, cybersecurity guidelines will be embedded throughout our work processes, from vendor selection to the way we develop or create new solutions or technology as part of our agile workstreams.

In addition, we strive to be NIS<sup>4</sup> compliant over the course of 2022 and become ISO 27001<sup>5</sup> certified.

<sup>4</sup>EU Directive on Security of Network and Information Systems (NIS Directive)  
<sup>5</sup>Information Security Management System



# LIST OF DEFINITIONS

<b>CAPEX</b>	Capital Expenditures	<b>NO<sub>x</sub></b>	Mono-nitrogen oxides (NO and NO <sub>2</sub> )
<b>CDI-T</b>	Chemical Distribution Institute – Tank terminal	<b>OPEX</b>	Operational Expenditures
<b>CO<sub>2</sub></b>	Carbon dioxide	<b>PEER Program</b>	Behavioral Safety Program
<b>CSR</b>	Corporate Social Responsibility	<b>PSE</b>	Process Safety Event
<b>EHS</b>	Environmental Health and Safety	<b>PSER</b>	Process Safety Event Rate
<b>ELT</b>	Executive Leadership Team	<b>RFP</b>	Request for Proposal
<b>ERP</b>	Enterprise Resource Planning	<b>SCoC</b>	Supplier Code of Conduct
<b>FY</b>	Financial Year	<b>SDG</b>	Sustainable Development Goal
<b>GRESB</b>	Global Real Estate Sustainability Benchmark	<b>SO<sub>x</sub></b>	Sulphur oxides (SO <sub>2</sub> and SO <sub>3</sub> )
<b>GRI</b>	Global Reporting Initiative	<b>Throughput</b>	Volume of product handled by a terminal, calculated as (in+out)/2
<b>HR</b>	Human Resources	<b>TRIFR</b>	Total Recordable Incident Frequency Rate
<b>HSSEQ</b>	Health, Safety, Security, Environment, Quality	<b>TTAT</b>	Truck Turn Around Time
<b>IT/OT</b>	Information Technology / Operational Technology	<b>VOC</b>	Volatile Organic Compounds
<b>LMS</b>	Learning Management System		
<b>LOPC</b>	Loss of Primary Containment		
<b>LTIFR</b>	Lost Time Incident Frequency Rate		
<b>NGO</b>	Non-governmental organization		
<b>NIS Directive</b>	EU Directive on Security of Network and Information Systems		
<b>NIST</b>	National Institute of Standards and Technology		

# GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	CHAPTER	COMMENT
<b>ORGANISATIONAL PROFILE</b>			
102-1	Name of the organization	LBC at a glance	
102-2	Activities and services	LBC at a glance	
102-3	Location of headquarters	LBC at a glance	
102-4	Location of operations	LBC at a glance	
102-5	Ownership and legal form	LBC at a glance	
102-6	Markets served	LBC at a glance	
102-7	Scale of the organization	LBC at a glance	
102-8	Information on employees and other workers	LBC at a glance	
102-9	Supply chain	LBC at a glance	
102-11	Precautionary principle or approach	Risk management and control	
102-12	External initiatives	Application of best practices Community engagement and charity	
102-13	Membership of associations	Application of best practices	
<b>STRATEGY</b>			
102-14	Statement from senior decision-maker	Our strategy	
102-15	Key impacts, risks, and opportunities	Terminal of the future	
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards, and norms of behavior	Our approach	
102-17	Mechanisms for advice and concerns about ethics	Business ethics and integrity	
<b>GOVERNANCE</b>			
102-18	Governance structure	Risk management and control	
102-30	Effectiveness of risk management processes	Risk management and control	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Stakeholder engagement and materiality assessment	
102-41	Collective bargaining agreements	Talent attraction and retention	
102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality assessment	
102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality assessment	

102-44	Key topics and concerns raised	Stakeholder engagement and materiality assessment	
<b>REPORTING PRACTICE</b>			
102-45	Entities included in the consolidated financial statements	LBC at a glance, Reporting framework	
102-46	Defining report content and topic boundaries	Stakeholder engagement and materiality assessment	
102-47	List of material topics	Stakeholder engagement and materiality assessment	
102-48	Restatements of information		First report
102-50	Reporting period	Reporting framework	
102-51	Date of most recent report	Reporting framework	
102-52	Reporting cycle	Reporting framework	
102-53	Contact point for questions regarding the report	About this report	
102-54	Claims of reporting in accordance with the GRI Standards	Reporting framework	
102-55	GRI content index	GRI index	
102-56	External assurance	About this report	
<b>MANAGEMENT APPROACH</b>			
103-1	Explanation of the material topic and its boundary	Stakeholder engagement and materiality assessment	
103-2	The management approach and its components	Our approach	
103-3	Evaluation of the management approach	Group performance overview	
<b>ECONOMIC</b>			
<b>ANTI-CORRUPTION</b>			
205-1	Operations assessed for risks related to corruption	Business ethics and integrity	
205-2	Communication and training about anti-corruption policies and procedures	Business ethics and integrity	
205-3	Confirmed incidents of corruption and actions taken	Business ethics and integrity	No confirmed cases of corruption
<b>ANTI-COMPETITIVE BEHAVIOR</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business ethics and integrity	
<b>ENVIRONMENT</b>			
<b>MATERIALS</b>			
301-1	Materials used by weight or volume	LBC at a glance	
<b>ENERGY</b>			
302-1	Energy consumption within the organization	CO <sub>2</sub> emissions and energy use	
302-3	Energy intensity Responsible operations	CO <sub>2</sub> emissions and energy use	
<b>EMISSIONS</b>			
305-1	Direct (Scope 1) CO <sub>2</sub> emissions	CO <sub>2</sub> emissions and energy use	




305-4	CO <sub>2</sub> emissions intensity	CO <sub>2</sub> emissions and energy use
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	VOC emissions
EFFLUENTS AND WASTE		
306-3	Significant spills	Process safety
ENVIRONMENTAL COMPLIANCE		
307-1	Non-compliance with environmental laws and regulations	Business ethics and integrity
SOCIAL		
EMPLOYMENT		
401-1	New employee hires and employee turnover	LBC at a glance Talent attraction and retention
OCCUPATIONAL HEALTH AND SAFETY		
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Occupational health and safety
TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	Talent attraction and retention
404-2	Programs for upgrading employee skills and transition assistance programs	Talent attraction and retention
404-3	Percentage of employees receiving regular performance and career development reviews	Talent attraction and retention
DIVERSITY AND EQUAL OPPORTUNITY		
405-1	Diversity of governance bodies and employees	Talent attraction and retention
NON-DISCRIMINATION		
406-1	Incidents of discrimination and corrective actions taken	Talent attraction and retention
LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact assessments, and development programs	Community engagement and charity

# ABOUT THIS REPORT

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards, core option. The collected data provides an overview of our sustainability efforts between the July 1<sup>st</sup>, 2019 and June 30<sup>th</sup>, 2020 and covers the activities of all LBC legal entities worldwide which fall within the scope of our consolidated financial statements.

All internal stakeholders accountable for the company's sustainability program and performance have validated the content of this Sustainability Report.

In addition, the report content has been partially reviewed by the audit firm PricewaterhouseCoopers (PwC) Belgium. The topics reviewed have been marked with the symbol  throughout the report.

[Click here for the independent assurance statement](#)

## CONTACT

Any questions about this report can be directed to [communication@lbctt.com](mailto:communication@lbctt.com)



## PHOTO CREDITS


CHRIS BONIS FOTOGRAFIE EN FILM (p.13 and p.23)  
AUVIMEDIA (all other photos excl. p.29)

PLEASE CONSIDER THE ENVIRONMENT BEFORE PRINTING



The Members of the Board of LBC Belgium Holding NV  
LBC Belgium Holding NV  
Schaliënhoevedreef 20  
2800 Mechelen  
Belgium

## **Independent Assurance Report on the LBC Sustainability Report for the year ended 30 June 2020**

This report has been prepared in accordance with the terms of our engagement contract dated 12 November 2018, (the “Agreement”), whereby we have been engaged to perform a limited-assurance engagement in order to provide an independent limited assurance report in connection with a selection of performance metrics of the sustainability topics marked with a symbol (  ), included in the Sustainability Report of LBC Belgium Holding NV as of and for the fiscal year ended 30 June 2020 (the “Report”).

### *The Directors’ Responsibility*

The Directors of LBC Belgium Holding NV (the “Company”) are responsible for the preparation and presentation of the selection of performance metrics of the sustainability topics marked with a symbol (  ), included in the Sustainability Report of the Company (the “Subject Matter Information”) in accordance with the criteria disclosed in the Report (hereafter the “Criteria”).

This responsibility includes: designing, implementing and maintaining internal control relevant to the proper preparation and presentation of the Subject Matter Information and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

### *Our Independence and Quality Control*

We have complied with the legal requirements in respect of auditor independence, particularly in accordance with the rules set down in articles 12, 13, 14, 16, 20, 28 and 29 of the Belgian Act of 7 December 2016 organising the audit profession and its public oversight of registered auditors, and with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.





### *Auditor's Responsibility*


Our responsibility is to express a conclusion on the Subject Matter Information set forth in the accompanying Sustainability Report of the Company based on the work we have performed.

We conducted our work in accordance with International Standard on Assurance Engagements 3000 (*Revised*), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we comply with ethical requirements and that we plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Subject Matter Information does not comply, in all material respects, with the Criteria.

In a limited-assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable-assurance engagement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Subject Matter Information in respect of the Criteria. The scope of our work comprised the following procedures:

- assessing and testing the design and functioning of the systems and processes used for data-gathering, collation, consolidation and validation, including the methods used for calculating and estimating the Subject Matter Information as of and for the year ended 30 June 2020 presented in the Report;
- conducting interviews with responsible officers;
- inspecting internal and external documents.

### *Conclusion*

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the selection of performance metrics of the sustainability topics marked with a symbol (  ), included in the Sustainability Report of the Company does not comply, in all material respects, with the Criteria.



*Restriction on Use and Distribution of our Report*

Our report is intended solely for the use of the Company, in connection with their Report as of and for the year ended 30 June 2020 and should not be used for any other purpose. We do not accept or assume and deny any liability or duty of care to any other party to whom this report may be shown or into whose hands it may come.

Sint-Stevens-Woluwe, 30 September 2020

PwC Bedrijfsrevisoren BV/SRL  
Represented by

A handwritten signature in black ink, appearing to read 'M. Daelman', enclosed within a large, hand-drawn oval.

Marc Daelman<sup>1</sup>  
Partner

---

<sup>1</sup> Marc Daelman BV, director, represented by its permanent representative Marc Daelman