

Update 2018

Sustainability
at EUROGATE

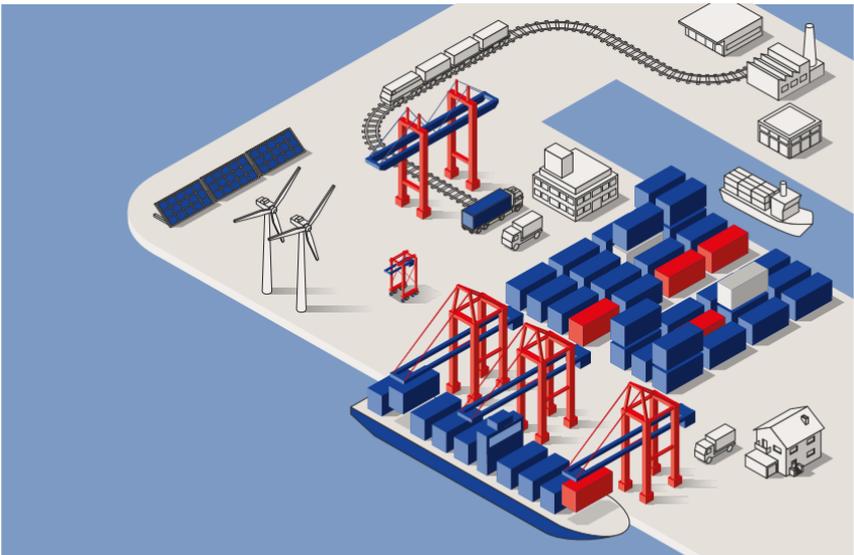


CONSCIOUSLY INTO THE FUTURE



EUROGATE PROFILE

Our core business is the handling of containers at seaports. As an independently operating container terminal group we have a network of 12 seaport locations reaching from the North Sea coast to the Mediterranean Sea and the Atlantic with connections to the European hinterland. Our intermodal transport network links our seaports in Northern and Southern Europe with major European economic regions. In addition to our intermodal services, we also offer auxiliary services such as repairs, depot storage and container trading, cargomodal services and technical services.



EUROGATE IN GERMANY AT A GLANCE 2018

Name	EUROGATE GmbH & Co. KGaA, KG
Headquarters	Free Hanseatic City of Bremen, Germany
Ownership structure	BLG Logistics Group AG & Co. KG (50%) EUROKAI GmbH & Co. KGaA (50%)
Container terminals	Bremerhaven, Hamburg, Wilhelmshaven
Employees	3,750
Revenue in €	604 million
Container handling in standard containers (TEUs)	3.4 million*

* Excluding joint ventures; you can find more detailed business figures in our consolidated financial statements published in the Federal Gazette (Bundesanzeiger).

In this update on sustainability at EUROGATE we present key figures, selected activities and projects in the areas of the economy, people and environment. Further information on our material topics, management approaches and reporting boundaries as well as the GRI Index can be found in our Sustainability Report 2016: www.eurogate.eu/sustainability

SUSTAINABILITY AT EUROGATE

For us, sustainability above all means securing our future viability: our aim is to design our business activities and internal processes in a way that gives equal consideration to economic efficiency, environmental protection and social responsibility based on stable economic development. Compliance with the legislative framework and internal guidelines is, of course, the basic prerequisite for our day-to-day operations.

Efficient port operations enable us to organise reliable shipment of cargoes for our customers around the world, as our container terminals are transit points for the flow of international goods. At the same time, we create jobs and also strengthen the local economy. Our business activities have an impact on people and the environment. It is our stated goal to identify and manage the key factors influencing our corporate development and be an attractive and responsible employer for our employees.



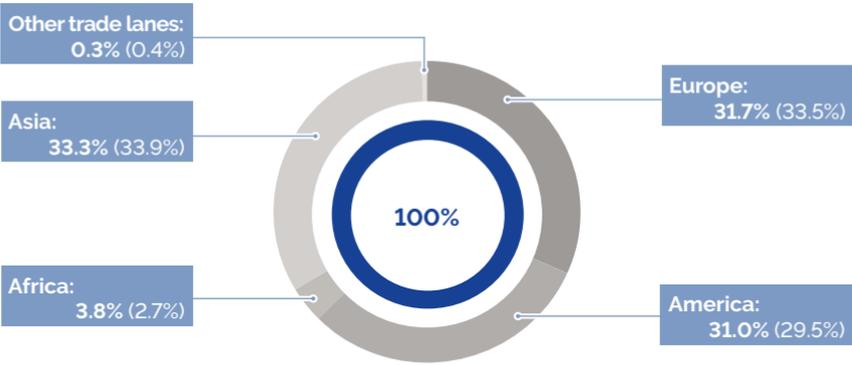
Our current materiality matrix covers those areas of action that we have classified as particularly relevant in our sustainability management. See Sustainability Report 2016: www.eurogate.eu/sustainability

CONTAINER HANDLING VOLUMES AT GERMAN LOCATIONS IN STANDARD CONTAINERS (TEUs)

	2018	Compared to 2017
Bremerhaven*	1,138,851	+5.8%
Hamburg	1,635,900	-3.0%
Wilhelmshaven	655,790	+18.3%

* This figure does not include the NTB North Sea Terminal Bremerhaven and MSC Gate Bremerhaven joint ventures and therefore does not represent the total handling volumes for this seaport location.

CONTAINER HANDLING VOLUMES BY TRADE LANES



Rounding differences; figures for 2017 in brackets.

At the three German container terminals, 70% of the container handling volume in 2018 was accounted for by five major customers. The remaining handling volume is distributed among many other customers, contributing to a diversified customer base.

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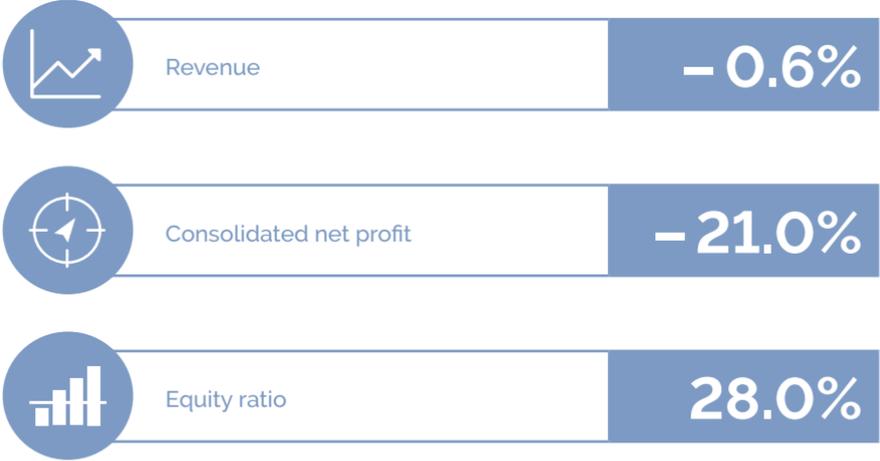
STEINBACH STRATEGIEN

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HIGHLIGHTS 2018

ECONOMY

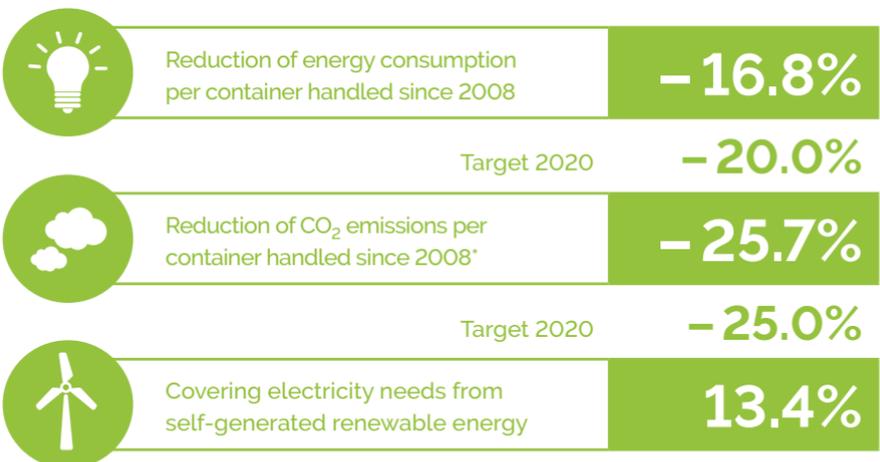


PEOPLE



* Relates to the total number of female employees in the company.

ENVIRONMENT



* CO₂-target achieved in 2017. Following a review of the target adjustment in the reporting year it was decided that a new CO₂ reduction target will be set when the target corridor expires in 2020.

ECONOMY

MOVING TOWARDS INDUSTRY 4.0



**In conversation with Jan Otte,
Development Engineer Digitalisation,
EUROGATE Technical Services Hamburg**

Mr Otte, what is Industry 4.0 all about?

Under the buzzword Industry 4.0, the focus is on the intelligent networking of machines and processes with the help of innovative technologies. With respect to the EUROGATE terminals, the machine data of the handling equipment and systems are interfaced, collated and made available by EUROGATE Technical Services. On the one hand, the data-driven applications support the maintenance processes at EUROGATE Technical Services. On the other hand, innovative software solutions can contribute to optimising handling processes at the terminals.

Why does this play a role in port logistics?

Integrating the equipment into digital processes not only facilitates the daily work of technical and industrial personnel – lowering process and maintenance costs also constitutes a competitive edge for the EUROGATE terminals.

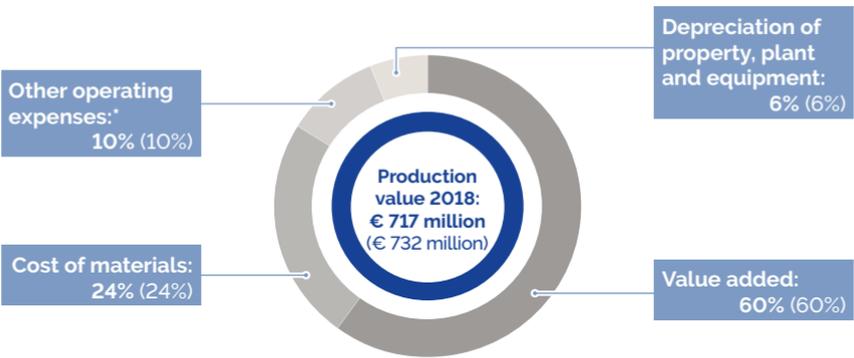
What concrete steps have you taken at EUROGATE in this direction?

We are currently focusing on integrating the data of existing plant and new handling equipment into the SCADA system, and on setting up the related system landscape. SCADA stands for "Supervisory Control and Data Acquisition". With this system, we have laid the foundations for networking technical systems and analysing machine data in the direction of Industry 4.0. The SCADA system is installed at all EUROGATE Technical Services locations and is used to record, visualise and prepare machine data for users. This data will allow us to optimise operational processes at the EUROGATE terminals as well as maintenance strategies, which in turn will lead to cost savings. We will therefore continue to promote this issue in the future true to our motto "Think digital – seize the moment".

KEY FIGURES UPDATE 2018

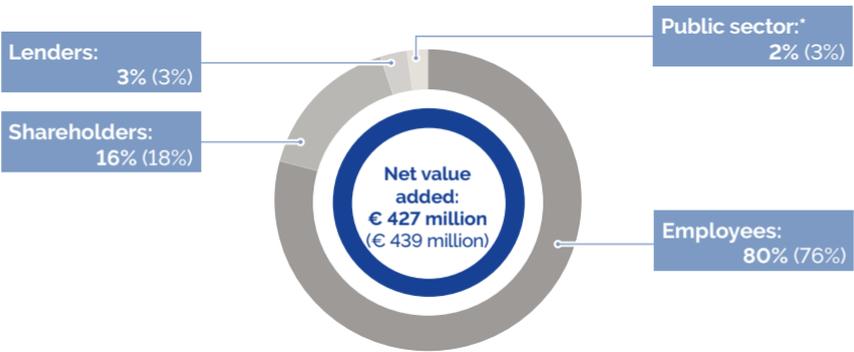
Overall, the financial year was characterised by the wave of consolidations taking place within the shipping line alliances over the past several years. The decline in consolidated net profit is mainly attributable to non-recurring effects that had made a significant contribution to earnings in 2017. Container handling volumes increased in 2018. Despite lower revenue growth, it was possible to raise the equity ratio.

SOURCES OF VALUE ADDED



* Including donations (2018: € 9,000).
The production value is defined as revenue and other net income.
Figures for 2017 in brackets.

USE OF VALUE ADDED



* Due to the legal form of EUROGATE, most of the income taxes accrue at shareholder level.
Value added is defined as production value less expenses and depreciation. Rounding differences; figures for 2017 in brackets.

Anti-corruption and bribery

Achieving future viability presupposes fair trading in compliance with regulations. EUROGATE organises compliance with legal standards and internal company guidelines and principles for the prevention of corruption and bribery as part of its compliance management system. The number of corruption cases serves as a performance indicator. There were no confirmed cases of corruption either in 2017 or in 2018.



EUROGATE and ver.di adopt Future collective agreement

PEOPLE FUTURE COLLECTIVE AGREEMENT



In conversation with Ulrike Riedel, HR Director and member of the EUROGATE Group Management Board

What is behind the Future collective agreement?

The Future collective agreement with the united services union ver.di was adopted at the end of 2018 for a period of at least ten years. Automation and digitalisation are set to change the work environment at our ports. It was important to us to leverage the established instrument of the collective agreement to create a legal framework that regulates the management of employment-related change and provides orientation for the company and our staff on our way through this transformation.

What exactly does the collective agreement entail?

The collective agreement provides a framework that allows both sides to manage the changes taking place in the work environment. One important element is the establishment of a Group-wide Automation Committee with

joint representation. This will be responsible for managing automation projects and their potential effect on employment from as early as the planning stage, and deciding on an accompanying sustainable HR concept to include all Group subsidiaries if and when necessary.

The collective agreement also incorporates a number of regulatory instruments that can be incorporated into the change process as needed, for example concerning qualification, working hours models or compensatory arrangements for mobility between sites. Key points of a collectively agreed social compensation plan were also defined, especially in connection with dismissals for operational reasons and safeguarding wages and salaries.

KEY FIGURES UPDATE 2018

Occupational health and safety are of central importance to us. In 2018, we achieved a reduction in the number of accidents. However, the number of days lost due to illness rose. The number of employees increased with a slight decline in the number of vocational trainees. Our employee turnover rate and the proportion of women in the workforce remained stable in 2018.

EMPLOYEES BY EMPLOYMENT CONTRACT TYPE AND OCCUPATION

	Men	Women	Total	Compared to 2017
Total	3,336	414	3,750	+4.8%
Permanent	2,955	371	3,326	-1.1%
Temporary	381	43	424	+96.3%
Full-time (100%)	3,242	304	3,546	+3.7%
Part-time (< 100%)	94	110	204	+28.3%
Executive employees	36	7	43	+7.5%
Commercial employees	468	306	774	+6.2%
Operational/technical employees	209	7	216	-0.9%
Industrial employees	2,623	94	2,717	+4.8%

Figures relating to the reporting date at 31 December 2018; these figures deviate from the figures stated in the consolidated financial statements due to a divergence in entities that are included in this report.

EMPLOYEES BY AGE GROUP

	Men	Women	Total	Compared to 2017
< 30 years	347	65	412	+20.8%
30-50 years	1,951	251	2,202	+2.5%
> 50 years	1,038	98	1,136	+4.3%

Figures relating to the reporting date at 31 December 2018.

DAYS LOST DUE TO ILLNESS

	Quote*	Compared to 2017
Total	9.1%	+0.2%

* Calculation: lost work days/scheduled work days.

KEY FIGURES UPDATE 2018

VOCATIONAL TRAINEES

	Men	Women	Total	Compared to 2017
Total	48	11	59	-15.7%
Technical/industrial	38	4	42	-10.6%
Commercial	10	7	17	-26.1%

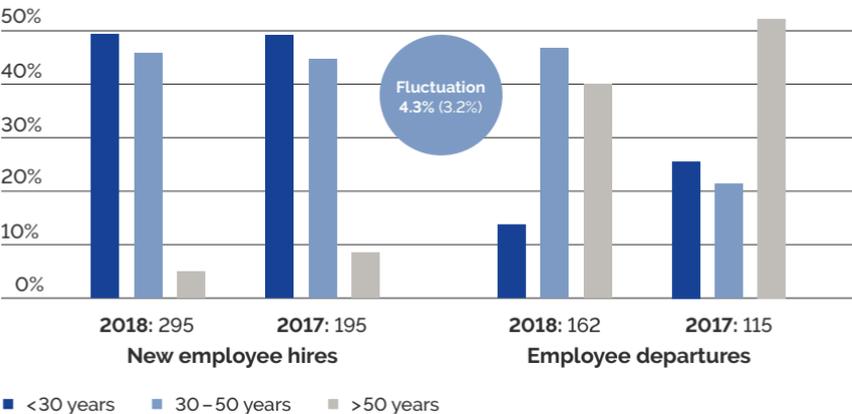
Figures relating to the reporting date at 31 December 2018.

ACCIDENT STATISTICS

	2018	Compared to 2017
Total	267	-8.6%
Own employees	227	+8.6%
- Occupational accidents	185	-1.6%
- Injuries sustained on the way to/from work	42	+100%
Independent contractors	40	-52.9%
- Occupational accidents	38	-53.7%
- Injuries sustained on the way to/from work	2	-33.3%
Fatalities	0	± 0%

Basis: accidents with a reporting requirement (3 or more days' absenteeism).

NEW EMPLOYEE HIRES, DEPARTURES AND TURNOVER



* Includes age-related departures. Figures for 2017 in brackets.

ENVIRONMENT NEXT STEP WITH LEDs

**In conversation with Florian Fuchs,
Project Manager Energy and
Sustainability Management**



The conversion to LED luminaires has been underway at the port for some time now. Why the choice in favour of LEDs?

LEDs mean energy savings and consequently lower CO₂ emissions. LED technology also produces a more attractive light compared with conventional terminal lighting systems. Following the successful world-first conversion of a container terminal to LED in Bremerhaven, the entire terminal in Hamburg and partly the terminal in Wilhelmshaven were also converted to LED in 2018. Parallel to this, we have been using LEDs for straddle carriers and container gantries for some time in Germany and are gradually upgrading the rest.

Is that the end of the LED story?

Not a bit of it, no. In a next step, LED technology is set to "conquer" buildings. The conventional

standard luminaires in offices at all EUROGATE Group locations in Germany are being converted to LEDs, enabling us to reduce the installed wattage by around 40%. That's because LEDs achieve the same light intensity with lower wattages.

What initiatives did you launch in 2018?

The "Central LED Purchasing" project is coordinating the conversion and laid the foundation for this in 2018. An inventory of office lighting was carried out and specifications drawn up for the tendering procedure. To implement the project Group-wide, the competencies of EUROGATE Technical Services, the container and rail terminals and the EUROGATE holding company have been pooled. The next step is implementation.

KEY FIGURES UPDATE 2018

Savings from the conversion to LEDs for area lighting at our locations and the implementation of operational improvement measures allowed us to achieve an improvement in energy intensity despite an increase in total energy consumption in 2018. Our CO₂ emissions further declined in 2018.

ENERGY CONSUMPTION

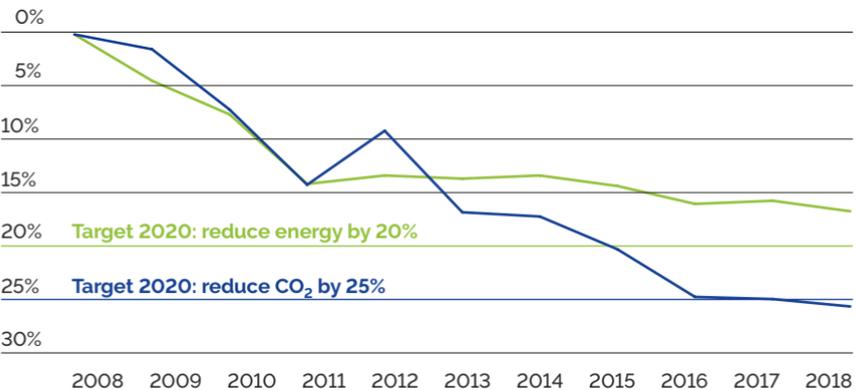
	2018 (in GWh)	Compared to 2017
Total energy consumption	418.5	+0.2%
Of which from non-renewable energy sources	405.7	+0.4%
Of which from renewable energy sources	12.8	-5.7%
Total electricity consumption	95.5	-0.3%
Of which share of renewables in energy consumption	13.4%	-5.5%

CO₂ EMISSIONS

	2018 (in kt)	Compared to 2017
Total	110.2	+0.6%
CO ₂ emissions (Scope 1)	83.5	+0.2%
CO ₂ emissions (Scope 2)	26.7	+2.0%

Measured on the basis of: Guidance for Greenhouse Gas Emission Footprinting for Container Terminals (EU Ports European Economic Interest Group).

ENERGY AND CO₂ REDUCTION PER CONTAINER HANDLED SINCE 2008



The container-relevant consumptions of the main companies (terminals, technical subsidiaries and EUROGATE holding company) were taken as the basis for calculating the KPI kWh/container.