

TIP Sustainability Report 2021

For Generations
to Come

July 2022



Welcome to TIP’s inaugural Sustainability Report, which covers our sustainability strategy, performance and governance. This is our first such report — it is intended for our stakeholders, primarily our customers, employees, investors and creditors. The Appendix provides further details on our approach and compliance with non-financial reporting requirements. This report should be read alongside our [Annual Report](#), available on our corporate website.

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Message from our President and CEO

Climate change and its impact on the environment is the single biggest challenge of our generation.



It is, therefore, the responsibility of us all to pull together in a powerful and united response for the benefit of future generations.

There is no place in today's world for a company that is not sustainable. And, by this, I mean a company that does not strive to contribute positively to the environment and society, while maintaining the most ethical, transparent and fair standards of governance. We want TIP to be a sustainability leader. We want to be part of the transition to a more sustainable global economy.

Our Environmental, Social and Governance (ESG) vision is driven by this ambition. We will play our part in helping society lower its carbon footprint, create less waste and build more inclusive communities.

Every generation is inheriting the world as the previous generation left it. Today, our generation is planting seeds for a future it might never get to see. It is this metaphor that lies at the very heart of our sustainability strategy: for Generations to Come - Paving the Road to Sustainability.

For TIP, becoming more sustainable will bring environmental and social benefits, but it is also where future commercial success lies. TIP is an integral part of the European and Canadian transport industry – an industry upon which hundreds of millions of people depend. We have a responsibility to ensure crucial transportation of goods is maintained, while helping to hold our industry to the

highest ethical and moral standards.

As we reduce our own emissions, we're in a position to help customers do the same. Because by reducing emissions from transport, we are enabling our customers to provide more sustainable products for their consumers – products that have a lower carbon footprint and a positive impact on the environment and communities.

Throughout TIP's nearly 55-year history, we have always been innovative and we will continue to work with our customers to help them achieve their sustainability, efficiency and safety targets more quickly. Take our TIP Insight digital and connected services range, for example. This has the potential to create a more transparent, efficient and safe transportation ecosystem. We are also developing greener refrigerated trailers and expanding our fleet of zero- and low-emission vehicles.

It is not just for our customers that we must deliver. Our suppliers, regulators and employees all expect us to be greener, so does our shareholder. It is not enough to be a leader in our industry, we must also be a leader in sustainability.

Our inaugural Sustainability Report is an important milestone in this journey. It lays out our sustainability ambitions and how we will achieve them. Of course, there is more work to be done. We have only just started – we must further strengthen our ESG data gathering and do more to embed ESG issues into our decision-making and processes. Our intention is that this report will be followed by a

more detailed, more complete 2022 Sustainability Report, to be published at the same time as our Annual Report.

I am immensely proud of the achievements we have already made since April 2021 when we first announced our ESG vision. We have adopted a comprehensive ESG strategy, submitted our United Nations (UN) Global Compact Communication on Progress, committed to the Global Reporting Initiative (GRI) framework and set measurable sustainability goals.

We have also started to prepare for future regulations, including ensuring that we can meet the requirements of the EU taxonomy for sustainable activities and the new Corporate Sustainability Reporting Directive (CSRD).

There is indeed a long journey ahead of us, but we have hit the ground running. I have complete faith in the dedication of our people to building a TIP that is fit for the future by being of value to our customers and committed to creating a greener, more sustainable world.

TIP President and Chief Executive Officer
Bob Fast

We are TIP

TIP is one of Europe and Canada’s leading transport equipment service providers, employing over 2,800 people and with annual revenues of almost €1bn.

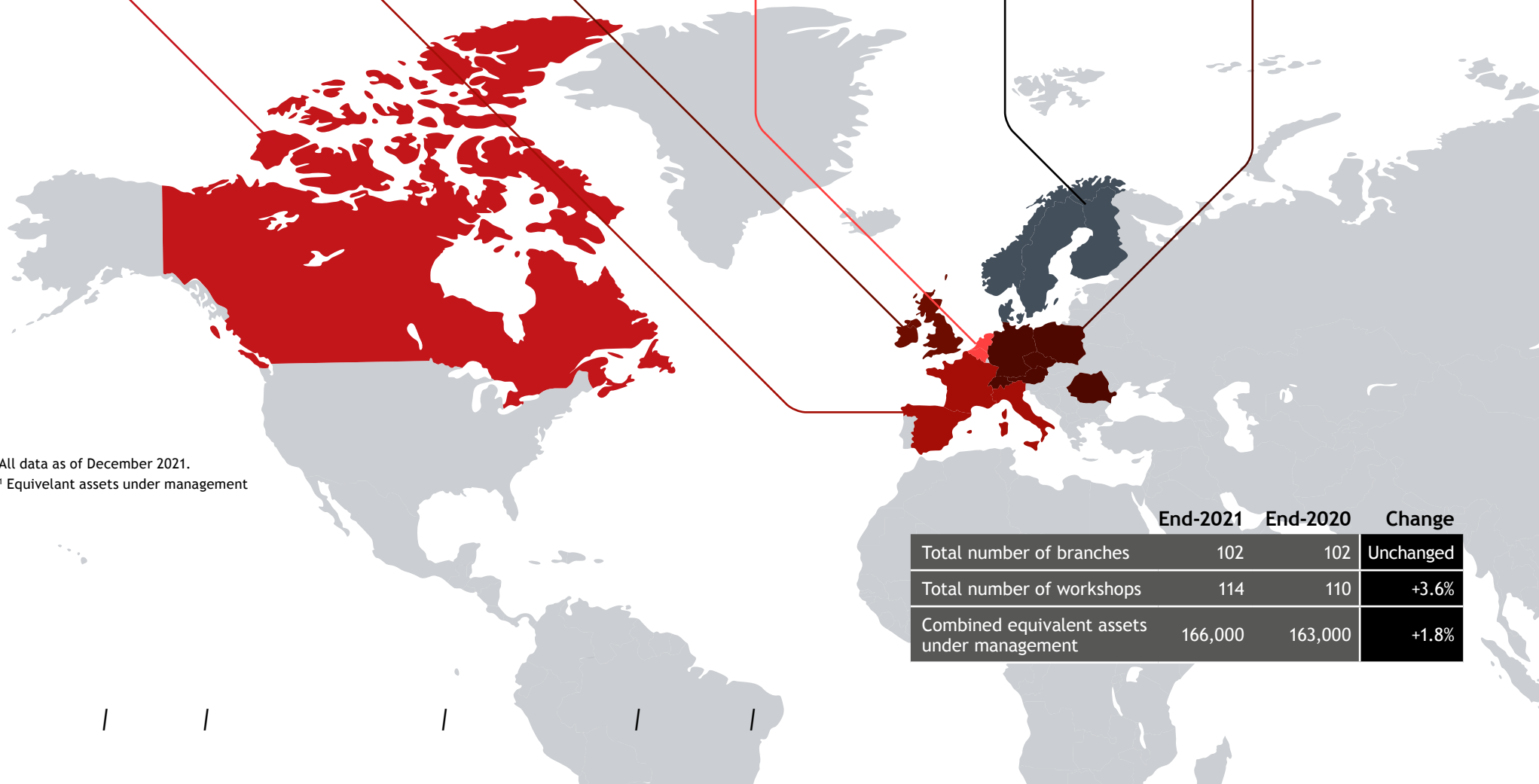
We specialise in trailer and truck leasing, rental, and maintenance and repair, while also offering other value-added services such as TIP Insight and roadside assistance. Headquartered in Amsterdam, we serve customers from 132 locations across a total of 18 countries.

With around 110,000 units, we have one of the largest and most diverse trailer and truck fleets in Europe and Canada. We also provide maintenance and repair services for approximately 58,000 units belonging to customers.

With nearly 55 years of experience, we look to offer first-class services to our customers. Our aim is to become both the equipment provider of choice and most trusted advisor in our industry. To achieve this, we offer a wide variety of services covering the whole equipment life cycle. These include specifying and sourcing equipment, financing, daily operations, digital and connected services, as well as maintenance and repair (see Our core activities, page 6).

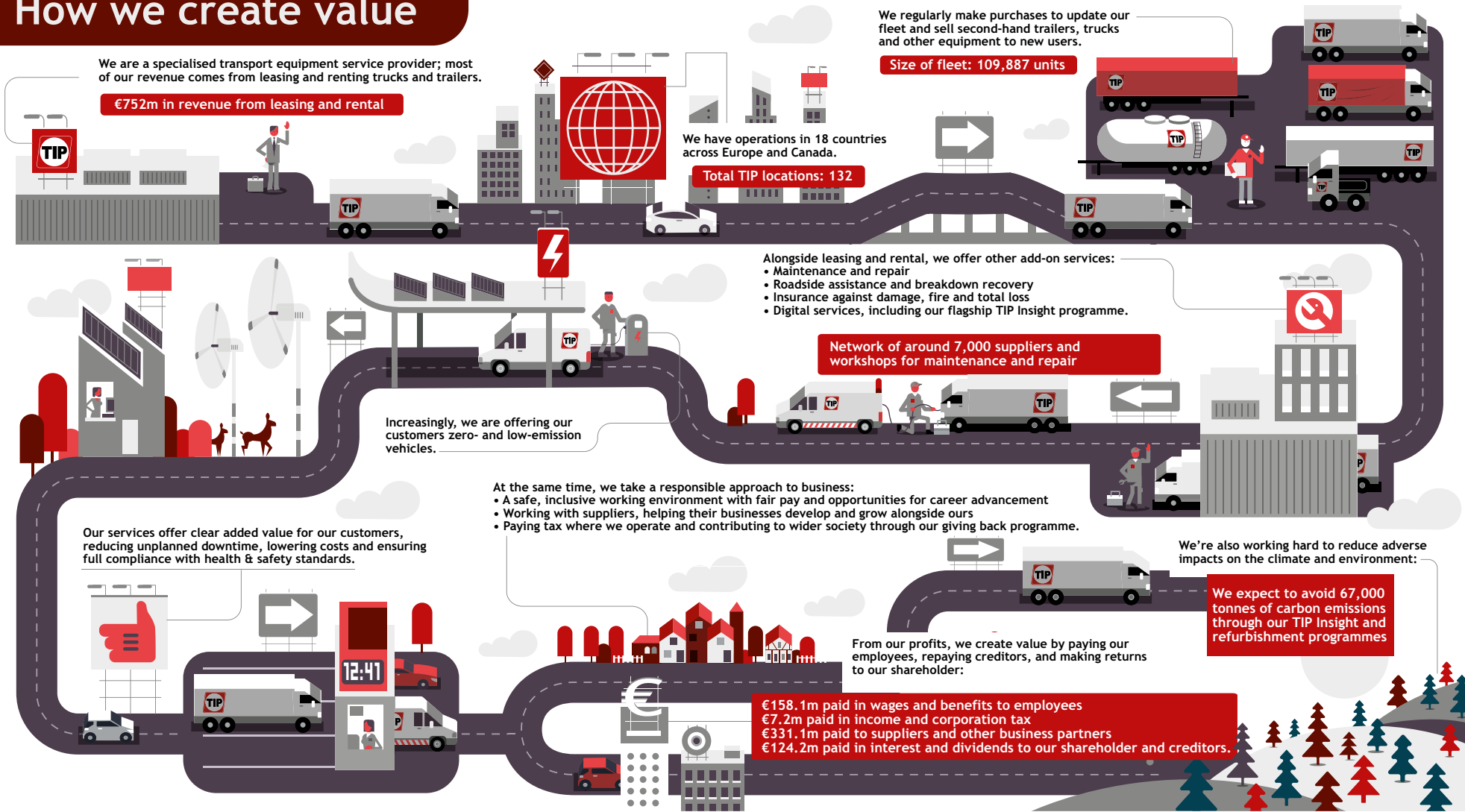
TIP around the world

- Canada**
Number of branches: 13
Number of workshops: 13
EAuM¹: approx. 32,000
- Mediterranean**
Number of branches: 22
Number of workshops: 24
EAuM: approx. 23,000
- UK and Ireland**
Number of branches: 18
Number of workshops: 21
EAuM: approx. 34,000
- Benelux**
Number of branches: 5
Number of workshops: 13
EAuM: approx. 19,000
- Nordics**
Number of branches: 13
Number of workshops: 17
EAuM: approx. 22,000
- Central Europe**
Number of branches: 31
Number of workshops: 26
EAuM: approx. 36,000



	End-2021	End-2020	Change
Total number of branches	102	102	Unchanged
Total number of workshops	114	110	+3.6%
Combined equivalent assets under management	166,000	163,000	+1.8%

How we create value



Through our business activities, we look to create value for stakeholders. To customers, our services help reduce downtime, lower costs and increase efficiency. From our profits, we pay employees and make returns to our shareholder. We also create value by reducing the impact of our business on climate, lowering carbon emissions from our buildings and improving waste separation. Our sustainable products, meanwhile, help customers take carbon out of their supply chains. We are a vital part of the transport infrastructure in both Europe and Canada, delivering essential goods to millions of people every day.

Our core activities

Leasing and rental

Our fleet has approximately 110,000 units available for lease or rent. We lease a wide range of equipment with both long-term lease solutions and innovative sale and leaseback structures. Our rental solutions are flexible and designed to help customers with short-term peaks in demand. Read more online about our [leasing](#) and [rental](#) services.

Maintenance and Repair (M&R)

Our extensive pan-European and Canadian network of workshops and suppliers provides customers with a comprehensive range of M&R services, reducing unplanned downtime, while ensuring compliance with health & safety standards. In Europe, we offer a round-the-clock breakdown recovery service for transportation equipment with multiple language support. All M&R services are offered on a contracted or non-contracted basis.

Read more online about TIP's [M&R](#) services.

Fleet sales, digital and other services

We offer a comprehensive range of high-quality second-hand trailers and trucks from our own fleet, as well as from third-party fleets across Europe and Canada. Our dedicated TIP remarketing team is in charge of the sale of used equipment.

In addition, we offer telematics-based digital and connected services, helping customers monitor their equipment use and improve fuel efficiency

and safety. These services include our TIP Insight technology and our Tyre Pressure Monitoring System (TPMS), which helps ensure optimum tyre pressure when driving.

Read more online about [TIP Insight](#) and our [fleet sales](#).

Doing business responsibly

Integrity and reliability are our core values and lie at the heart of our business, alongside team spirit and our passion for customers and people. These values underpin our work with all stakeholders: customers, employees, investors, contractors, suppliers, non-governmental organisations and others¹.

The TIP Respectful Workplace Conduct Policy details our expectations for the behavior of all TIP employees. We require each TIP employee to make a personal commitment to follow the guidelines set out in this policy, which include:

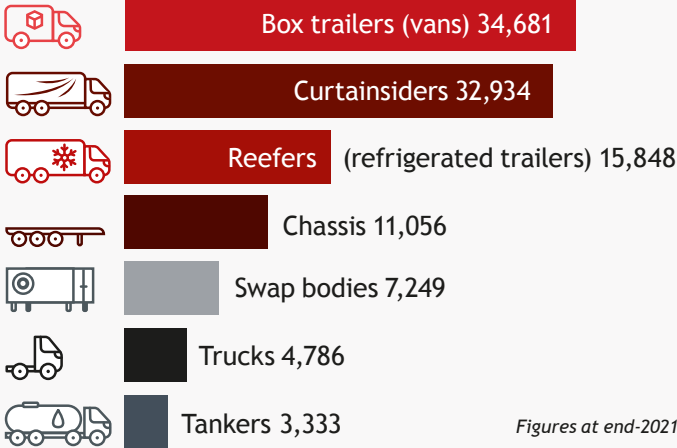
- Be honest, fair and trustworthy in all of our activities and relationships.
- Ensure the health and safety and fair and equal treatment of all employees.
- Comply with all applicable laws governing our business, as well as the TIP Integrity Policies and the Respectful Workplace Conduct Policy.
- Promptly report any concerns staff have about compliance with the law, the TIP Integrity Policies or the Respectful Workplace Conduct Policy.
- Work to run the company as competitively and

profitably as possible through accountability and compliance.

- TIP will do business only by lawful and ethical means.
- When working with customers and suppliers in every aspect of our business, we aim to not compromise our commitment to integrity.

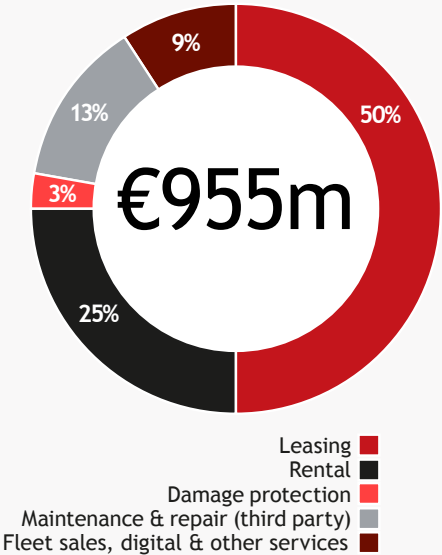
¹ We define our stakeholders as: those individuals or organisations that may affect our business, performance or reputation or that we, in turn, may affect through our decision-making.

TIP's fleet



Figures at end-2021

Share of revenues



Compliance

TIP employees must comply with all relevant legal and regulatory requirements. We have clear policies covering issues such as health & safety, workplace conduct, non-discrimination, care for the environment and protection of human rights (see pages 19-20). All new employees agree to abide by these policies. We also provide training on policies, so that our employees clearly understand their obligations.

Employees can also report potential breaches of these policies to our Human Resources and Compliance departments. They can also raise these breaches with our independent Ombudsmen, who are trained to act impartially and maintain confidentiality. Employees can report incidents anonymously online via our EthicsPoint platform or by calling a local hotline.

Supply chain management

We ask our suppliers, contractors and consultants to be aware of, and comply with, all applicable regulations. We aspire to work only with equipment manufacturers that operate according to sustainability principles like our own. Our standards are outlined in TIP's Supplier Relationship Policy, which sets out expectations for the conduct of all TIP suppliers. We investigate all legitimate allegations of supplier misconduct.

Health & safety

TIP is committed to protecting the health and safety of all its employees. This means complying with all applicable environmental, health and safety laws and working to conduct our operations in a safe manner that minimizes environmental impact.

We have recently updated our Environment, Health and Safety (EHS) policy as part of our new sustainability strategy. Compliance with TIP's EHS policy is a responsibility of management and employees in all functions. All employees must follow this policy and applicable laws and regulations to protect their own health and safety as well as that of other workers, the public and the environment.

* Based on OSHA standard incident rate, calculated as follows: number of reportable injuries and illnesses multiplied by 200,000, divided by total employee hours worked (the 200,000 figure represents the number of hours 100 employees working 40 hours a week, 50 weeks a year, would be expected to work).



Occupational Safety & Health Administration (OSHA) incident rate (down from 1.0 in 2020*).



Our approach to sustainability

Millions of trucks and trailers transport goods around the world every single day, making the need for more sustainable and lower-carbon road freight absolutely essential.

To meet the goals of the Paris Climate Agreement — limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C — the road

freight industry will need to reduce its carbon emissions intensity by more than 80% between now and 2050².

This is no easy task. The road freight sector faces enormous challenges when it comes to reducing emissions because of the difficulty of decarbonising trucks that must travel vast distances where recharging services are scarce. While big investments are being made in finding lower-carbon fuels

² Source: [Shell /Deloitte - Decarbonizing road freight: getting into gear](#)
- The transport and logistics sector contributes around 9% to global CO₂ emissions.

for heavy-duty vehicles, the cost is high. Nevertheless, progress is being made and TIP is determined to be part of this decarbonisation effort.

We lease and rent trailers to customers whose trucks haul goods across an average of 100,000 kilometers every year. In total, our customers operate just under 5,000 TIP trucks and nearly 16,000 TIP reefers. These vehicles contribute directly to greenhouse gas emissions. Simply put, TIP is part of wider society and we have a role to play in reducing our own carbon footprint and enabling our customers to reduce theirs.

This is not only good for the environment, it also makes business sense and will enable us to increase

the value we bring to our shareholder and our customers. To respond to these challenges, we launched our sustainability strategy in 2021: *for Generations to Come - Paving the Road to Sustainability*.

Our sustainability strategy

For Generations to Come is built on seven core programmes. By implementing these, we will help our customers achieve their own green transition, enable the vital transportation of goods, mitigate our impact on the environment and contribute to the communities around us. To support these programmes, we've set ourselves five initial key targets (see table below):

TIP targets	Current status
Become carbon neutral by 2050	We're committed to the EU's goal for climate neutrality. This year, we've started measuring our greenhouse gas emissions — a first step towards becoming carbon neutral by 2050.
Reduce the gender pay gap	We are working to reduce our gender pay gap. At the end of June 2022, this stood at 10.1%, up from 9.9% at the end of 2021.
Refurbish 5,300 units by 2025	By end-2021, we had refurbished 1,069 units, putting us on track to meet our 2025 goal.
Equip 35,000 units with TIP Insight by end-2025	By the end of June, we had connected TIP Insight to 12,638 units, over a third of the way towards our 35,000 target.
Install LED lighting at 99% of workshops	Seventy-five percent of our workshops had LED lighting by mid-2022. We are currently working on extending this to our remaining locations.



Our seven sustainability programmes

1. Management

Building on our existing governance structure, we are putting in place a well-controlled and accountable ESG management function. We are also updating existing policies and developing new ones, where necessary, to strengthen governance of our sustainability activities.

2. Sustainable products

To meet growing demand from customers, we are moving from conventional fuel vehicles to smartly connected trailers and zero- or low-emission vehicles. We will increasingly offer sustainable products and lower-carbon alternatives. Our TIP Insight technology will allow customers to manage fleets more efficiently.

3. Carbon footprint

We are working to make our own operations carbon neutral. We are modernising our workshops, branches and offices to become more energy efficient, and will use more renewable energy sources. Avoiding carbon emissions is our goal but, in the future, we will consider investing in high-quality carbon off-setting programmes to deal with emissions that cannot be avoided.

4. Circular economy

Adopting the circular economy principles of reduce, reuse and recycle is crucial if we want to become more sustainable. We are working with waste management companies to improve the

efficiency of our waste separation and disposal, and we will refurbish more of our equipment at the end of its lifecycle.

5. Corporate social responsibility

Our sector has traditionally been male-dominated and we aim to close our gender pay gap, while encouraging more women to apply for jobs we advertise. In addition, we will contribute more to the communities around us and aim to promote health and safety of truck drivers by offering safe and sustainable parking.

6. Reporting

As we embark on this journey towards greater sustainability, we will focus on data collection and robust reporting. We have implemented Worldfavor, an ESG reporting tool that enables us to collect, analyse and report tangible data to our stakeholders. Establishing rigorous reporting processes is critical as we aim to meet the increasing requirements of regulators in this area, particularly with the introduction of the EU taxonomy and its new Corporate Sustainability Reporting Directive (CSRD).

7. Green financing

Green financing will facilitate TIP’s transition to a more sustainable organisation by providing competitive funding. We aim to transform our Revolving Credit Facility (RCF) into a Sustainability Linked Loan, and we are examining subsidised investment financing, government subsidies or EU incentive payments for our green investments.

Our sustainability programmes are integrated fully into our overall corporate strategy (TIP 2025):



From a profitability perspective, more sustainability means greater energy efficiency. This leads to cost savings, particularly when energy prices are high as they are now. By embedding sustainability in our business, we can also increase our access to green financing, avoid regulatory risks (like fines and other penalties that come from pollution) and offer new, sustainable products to our customers.

Becoming more sustainable will also help us attract new, talented employees. Younger people, in particular, are increasingly looking to work for employers who share their commitment to a more sustainable and inclusive society. To be successful, this transition will take place across all levels of our organisation: in our workshops, branches and offices and across our broader value chain.



Our material topics

Supporting our ESG programmes is an extensive materiality assessment; this assessment identifies TIP’s material topics— i.e., those social, environmental, governance or financial issues we believe will most affect our business over the coming year and our long-term ability to create value for our stakeholders. This assessment uses a double materiality approach in line with the CSRD. The assessment was carried out in early 2022 by an external consultant to ensure impartiality¹. It identified six material topics; each ties directly to one or more of our seven sustainability programmes

¹This assessment comprised:
a) An extensive review of TIP’s current operating environment (to identify potential issues)
b) An analysis of the possible impact /likelihood of each issue on both TIP and the company’s stakeholders
c) Cross-reference against both the GRI’s topic standards and results of recent company engagement with external stakeholders.

Material topics	Relevant sustainability programme(s)
Compliance with Paris Climate Agreement warming and net zero objectives	Sustainable products (page 13) Carbon footprint (page 14)
Tighter environmental and climate regulations affecting the sector	Management (page 12) Appendix (pages 24-27)
Need to reduce adverse environmental effects across the company’s value chain	Sustainable products (page 13) Carbon footprint (page 14) Circular economy (page 15)
Labour and skills shortages throughout road freight industry	Corporate social responsibility (page 15)
TIP’s contribution to economic growth and recovery in international trade, post-pandemic	Relates mainly to company’s financial performance (details available in 2021 Annual Report)
Growing importance of diversity and equal opportunities	Corporate social responsibility (page 15)

(see table below). These material topics also form the basis of our reporting against the GRI standards (see pages 24-25 for further details).

Collaboration with industry and other international initiatives

It is clear that, as well as our own strategy, we have to work with others to advance sustainability in our industry. We are founders and lead members of the European Transport Board² (ETB), a group of leading European transport and logistics providers. Through the ETB, we share insights and solutions to solve common problems, transcending country borders and individual company needs. The ETB’s mission specifically aims to:

² For more information on the ETB, please see www.europeantransport-board.com

- Reduce environmental impact
- Reduce congestion from road transport
- Increase road safety
- Improve the effectiveness and efficiency of the industry.

TIP is also part of the UN Global Compact, the world’s largest corporate sustainability initiative, encouraging businesses worldwide to adopt sustainable and socially responsible policies, and report on their implementation. It has 10 principles in the areas of human rights, labour, environment, and anti-corruption. Under the Global Compact, companies are brought together with UN agencies, labour groups and civil society.

TIP supports the UN Global Compact’s 10 principles. We have made these principles an integral part of our business strategy, day-to-day operations and organisational culture. We have also incorporated them in decision-making processes at the highest levels (see page 27 for details of our compliance with the UN Global Compact principles). In addition, we will play our part in helping governments and societies achieve the UN Sustainable Development Goals (SDGs). These goals were one of the considerations in the development of our sustainability strategy. Of the 17 SDGs, we believe that we contribute most to five: Gender equality (SDG5), Decent work and economic growth (SDG8), Industry, innovation and infrastructure (SDG9), Responsible consumption and production (SDG12)



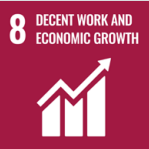







and Climate action (SDG13)³.

- With regard to the SDGs, we can contribute in two ways:
- By making a positive contribution — for example, by supporting local community projects, introducing more sustainable products or decreasing the gender pay gap or,
 - By reducing the negative impact our business may have on the environment — for example, by cutting back emissions or the amount of waste that ends up at landfill.

Please see page 11 for details of our contribution to the UN SDGs.

³ For other SDGs, we may have a positive impact through business as usual, but we do not believe this impact is material in terms of either the SDGs or their underlying targets.

Our contribution to the UN Sustainable Development Goals

Goal		Relevant underlying target	TIP's contribution	
SDG5: Gender equality		(5.5) Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	<ul style="list-style-type: none">• Encouraging more women into workforce• Narrowing the gender pay gap <p>See page 15</p>	
SDG8: Decent work and economic growth		(8.8) Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	<ul style="list-style-type: none">• Introducing safe and sustainable parking for truckers <p>See page 15</p>	
SDG9: Industry, innovation and infrastructure		(9.4) By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	<ul style="list-style-type: none">• Expanding our fleet of low and zero emission vehicles• Making workshops more energy-efficient by introducing solar and LED lighting• Rolling out TIP Insight to support fuel efficiency and driver safety <p>See pages 13-15</p>	
SDG12: Responsible consumption and production		(12.5) By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	<ul style="list-style-type: none">• Reduce amount of waste going to landfill• Refurbishing equipment reaching the end of its useful life <p>See page 15</p>	
SDG13: Climate action		(13.2) Integrate climate change measures into national policies, strategies and planning.	<ul style="list-style-type: none">• Reducing carbon emissions from our own operations• Switching to renewable energy sources, including solar• Cutting down on emissions and testing new zero-emission options for reefers <p>See page 14</p>	



 Goals to which we make a direct, positive contribution



Goals to which we contribute by reducing or mitigating the negative impacts of our business activities

Implementing our sustainability strategy

We realise we are still in the early phase of our strategy — we are just embarking on our seven sustainability programmes. Each of these programmes will play an important part in helping us achieve our ambitions.

Our focus during 2021 and the first half of 2022 has been to establish a strong sustainability management framework to ensure effective governance for our activities. We are also setting up robust non-financial data reporting and will continue to develop this. Our goal is to move towards more integrated reporting over the next few years, enabling us to communicate more effectively on how sustainability affects and drives our financial performance.

Since announcing *for Generations to Come*, we have continued to take steps to reduce our carbon footprint, offer more sustainable products and services, adopt a circular economy approach and

make a positive impact on communities. To support our strategy, we have also put in place a new green financing facility. We realise that there is still work to be done — our future sustainability reports will update customers, investors, suppliers and other stakeholders on our progress.

In this section, we set out each programme and detail what our ambition is, the goals we have set, what we are doing and what we have already achieved:

Management

We are embedding sustainability in our TIP 2025 corporate strategy and we are applying the same stringent governance to our activities in this area as we do to the rest of our business.

In 2022, we established a dedicated sustainability management function and an ESG Committee. The ESG Committee includes the CEO and other members of our Executive Management Team. The Committee oversees TIP’s sustainability strategy and monitors progress towards achieving our targets.

The aim of our Management programme is to establish quantifiable sustainability objectives for the company. These include reducing the gender pay gap, refurbishing more of our units at the end of their useful life, and connecting a significant part of our fleet to TIP Insight.

As part of the Management programme, we will be gathering data on carbon emissions across the company’s value chain (scopes 1, 2 and 3⁴) as well as exploring ways of reducing TIP’s energy consumption and improving waste management and disposal.

Strengthening policies and other internal controls

We are working to put in place the appropriate sustainability governance and control frameworks. This will help us reduce sustainability-related risk and ensure we continue to uphold high ethical standards. During 2021 and 2022, we updated some of our existing company and sustainability policies to ensure we are integrating ESG requirements into our processes, procedures and day-to-day decision-making. In some areas, we have also written new policies and guidelines:

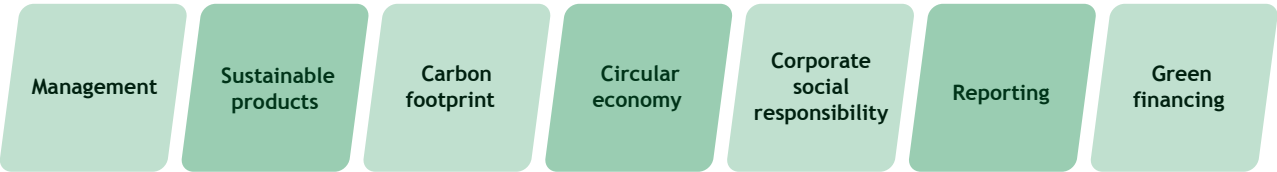
- The new **TIP Environmental Policy** sets out our overall approach to climate change and how we can minimise our impact. We are part of the road freight sector, which is considered one of the harder sectors to decarbonise due to the challenge of electrification and the cost of transitioning to lower

or zero carbon fuels. That is why we are working hard to reduce the emissions we generate, including those from our own vehicles and the diesel-powered engines in our reefers (see page 14).

- We have introduced the **TIP Working Conditions Commitment and Framework** and our **Social Dialogue Commitment**, which includes specific provisions relating to freedom of association and collective bargaining, in line with our commitments to the UN Global Compact. Alongside these two frameworks, we have also brought in a new **Remuneration Commitment and Framework** and a **Career Management and Learning & Development Commitment and Framework**, which sets out our approach to training and career development.
- In addition, we have adopted a new **Labour and Human Rights Commitment**. This strengthens provisions relating to forced and child labour, and includes new wording on diversity and inclusion that goes beyond legal minimums, emphasising the positive impact greater diversity can have on our business. Also included in this Commitment is a stand-alone Human Rights framework, which covers modern slavery. To support this framework, we intend to introduce a grievance mechanism and due diligence process in accordance with the UN Guiding Principles for Business & Human Rights.

In addition to our **EHS policy**, we are also updating our **IT Risk Management policy** and our **Supplier Code of Conduct and Procurement Policy** to bring it into line with stronger wording on forced and child labour recently included in our **Labour and Human Rights Commitment**.

For Generations to Come — Paving the Road to Sustainability



⁴ As defined by the Greenhouse Gas Protocol.

Our managers play an active role in promoting sustainability. Our leadership has a responsibility to implement the new sustainability policies we are developing. See pages 19-20 for more information on these policies.

Note on external ESG ratings

To support our policy work, we are strengthening reporting against external sustainability ratings. From 2022, we are seeking a group rating from EcoVadis (previously, we had ratings at several regional entities). By consolidating, we can give customers a better understanding of TIP’s ESG performance. Our 2022 score was not available at the time of publication. The score will be included in our next report. In July 2022, Sustainabilitytics will also begin a full ESG assessment of our activities.

ESG projects

We encourage local teams to make proposals for new green projects. Recent proposals have included modernising our current infrastructure and installing new solar panels to improve energy efficiency (both are currently under consideration). Regional managers can also include ESG investment in their local budgets. To support this work, we have now launched a dedicated ESG projects database.

At the same time, we have commissioned Schneider Electric to help set up a centralised energy procurement system, which should reduce costs and improve efficiency. In 2022, Schneider Electric became the single point of contact for our electricity and natural gas suppliers in Europe and Canada — a move that will make it easier for us to plan our purchases and lower the prices we pay.

Sustainable products

Our customers are working to reduce their carbon footprint and operate more sustainably. To meet this demand, we are expanding our fleet of zero- and low-emission vehicles, working to reduce emissions from reefer engines and rolling out our TIP Insight technology.

Increasing our portfolio of sustainable products will help enhance shareholder value. It is also a vital pillar of our TIP 2025 corporate strategy. We believe that sustainable products will increasingly contribute to our revenues between now and 2025.

Greener reefers

Reefers traditionally operate on diesel-powered motors. Worldwide, they are responsible for putting millions of tonnes of carbon dioxide into the atmosphere.

TIP has just under 16,000 reefers and we are determined to reduce the carbon emissions they generate. We are working together with suppliers and customers to introduce electric reefers, which will help us meet any future regulations prohibiting the use of diesel engines in city centres.

In 2021, we ran a nine-month pilot in the Netherlands to test zero-emission refrigeration engines in semi-trailers, along with partners Unilever, green-tech experts Maxwell & Spark, and transport specialist Daily Logistics Group (DLG). These new refrigeration systems keep freight chilled at temperatures as low as -25°C, saving 20-25 tonnes of CO₂ per reefer trailer annually.

In addition to decarbonising our own fleet, we intend to go one step further and become an enabler of electric transport in general, tapping into the boom in electric vehicles (EVs). We are also planning in future to provide additional e-maintenance services and charging stations for customers and employees on our own sites.

TIP Insight

TIP Insight is our range of telematics and connected services, which involve fitting a device to a trailer, with optional sensors and a user-friendly platform, FleetConnected, to provide information for the user. Ultimately, we aim to connect 100% of our fleet through TIP Insight and build an efficient digital, predictive M&R platform.



By collecting data, TIP Insight gives customers a better understanding of a trailer’s operating performance. It also provides information on the whereabouts of a trailer, as well as its condition, such as brake performance – through our BrakePlus function – temperature and door security.

Access to this kind of “health” information can help customers operate their vehicles more efficiently. Our Tyre Pressure Monitoring System (TPMS), for example, reduces fuel consumption by monitoring tyre pressure – important at a time when fuel costs are soaring.

Being aware of potential problems with vehicles and trailers in advance allows customers to fix these and avoid unplanned and costly downtime.

By June 2022, 12,638 of our units were connected to our TIP Insight service¹. Our commitment is to connect 35,000 units by 2025, meaning we will be better able to share information with our customers. With well over 12,000 units connected, we estimate that TIP Insight reduced greenhouse gas emissions in 2021 by almost 47,000 tonnes².

Carbon footprint

Across Europe and Canada, TIP plays a leading role in the heavy-duty transport sector – a sector that generates millions of tonnes of CO₂ every year. Along with all stakeholders in the road freight industry, we must reduce our emissions urgently. We have already started taking action to achieve this.

¹ TIP Insight has been certified as an “Assured Sustainability” product by the German Institute for Sustainability and Economy.
² Based on average payload of 13.8 tonnes and emission factors published by the European Automobile Manufacturers’ Association (ACEA).

We aim to make TIP a carbon neutral organisation by 2050 in line with the EU’s own targets for carbon neutrality. We are implementing our carbon footprint programme to reduce the emissions we generate through our business activities and the emissions associated with the energy we purchase (scopes 1 and 2).

As part of this reduction, we will look at ways to improve the energy efficiency of our operations. We will also consider using renewable energy where possible. In doing so, we face challenges, not least rising energy prices in Europe and our prior decentralised approach to energy procurement, which means we are currently purchasing power from different providers at different costs across our operations. Working with Schneider Electric will make it easier centralise purchases and buy more renewable energy, further reducing our scope 2 emissions (see page 13).

Moving to solar power

To support our energy transition, we look to use renewable energy where possible. We are currently working with power providers to increase our use of solar energy. In particular, we are investigating the possibility of installing solar panels at workshops across our operations. If successful, we may scale this up to include other TIP sites. Ultimately, our aim is to use 100% renewable energy at our locations.

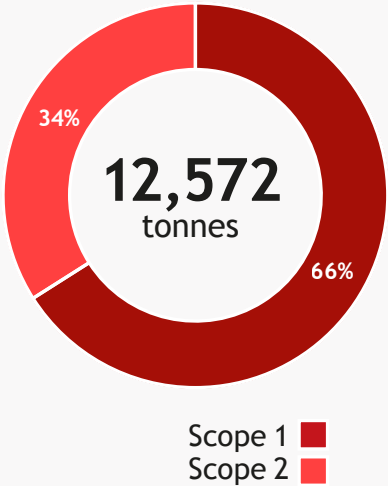
In addition to sourcing energy from renewables, we are also in the process of modernising our workshops, branches and offices to become more energy

efficient. For example, we are replacing traditional lighting at the few remaining TIP sites where we have not already installed LED lighting.

Carbon off-setting projects

We will focus on making our own activities more energy efficient and lowering our emissions. Over time, we believe technology and new regulation will further reduce our industry’s impact on the climate. By gathering data, we can monitor progress on reducing our own carbon footprint. Ultimately, we may find there are emissions we are unable to avoid, despite our best efforts. In this case, we will consider investing in high quality carbon offset projects associated with greenhouse gas reductions or removals.

Total carbon emissions
(CO₂ equivalent, 2021)



Circular economy

Throughout our business, we are adopting the reduce-reuse-recycle principles of the circular economy and working to reduce our own waste by improving our waste management processes. It is clear our industry must source equipment more responsibly. High levels of CO₂ are generated by producing virgin steel used in manufacturing new trailers.

Where possible, we give older assets a second life rather than scrapping or selling them. Though we have always refurbished trailers on a small scale, we are currently launching internal campaigns to expand our efforts in this area.

When full refurbishment is not possible, we seek to refurbish or repurpose the trailer’s components instead: tyres can be re-trod, trailers can be used as stationary storage containers and other parts of our equipment can be recycled or reused in other ways.

Waste management

We are seeking to centralise our waste management, so we can apply minimum standards for waste separation across our workshops. In 2022, we began discussions with several waste management companies to offer guidance on improving our waste collection and disposal. Improving waste management will, in turn, increase our recycling rates by enabling our operations to separate waste more accurately into, for example, metal parts, plastics, rubber etc. Ultimately, our goal is to

significantly reduce residual waste going to incineration or landfill.

Corporate social responsibility

We prioritise the well-being and safety of our employees, their families, and our communities. We provide a safe working environment for our employees and customers, so they can carry out their work according to the health and safety protocols in place across our business.

At the same time, we want to build a more inclusive workforce, striving to become an organisation built on solidarity and teamwork, as a result becoming an employer of choice. We also believe we have a responsibility to contribute to the communities around us and help them prosper.

Gender balance

We believe that gender equality and balance in the workplace is not only fair, but vital to a thriving business. It makes no sense to exclude any part of a population from working for us because the bigger the talent pool we can draw on, the higher the overall quality of our workforce and therefore the more successful our business. Like many other sectors, road transport is currently facing severe labour shortages.

Ours is a traditionally male-dominated sector. We want to address this imbalance and recruit more women to work at TIP. We also want to close the gender pay gap in our organisation, and have made this a priority of our sustainability and corporate strategies.

In 2021, we committed to the Women’s Empowerment Principles, a joint initiative of the UN Global Compact and UN Women to promote gender equality and women’s empowerment in the workplace, marketplace and community.

At the end of 2021, 18% of TIP employees were women. Our gender pay gap stood at just under 10%. We aim to close this gap by hiring more women in leadership positions, while also ensuring that those we hire, in any discipline, are the most qualified available. We face a significant challenge in narrowing this gap, given that, at 10%, our current pay gap is below the overall average both for the EU (13%) and for business sectors (17%).

Safety for truck drivers

We expect our customers and their drivers to follow the laws and rules of the countries they are working in, especially when it comes to road and driver safety. We seek to promote the health and safety of truck drivers wherever we can. Truck stops can be dangerous for drivers. If the stops are overcrowded, for example, vehicles and trailers may be damaged in collisions. Drivers and their shipments may fall victim to crime. In addition, access to services may be limited, forcing drivers to continue on their

route when they should rest for safety reasons. In 2019, TIP opened its first multi-service truck road centre in Dourges, France, offering safe and sustainable parking where drivers can rest. The site has 146 parking spaces. We are currently considering additional sites in France and will continue to expand our network.

1,069

Number of trailers reused or refurbished during year



Employee engagement in sustainability

Engaging our workforce with our ESG strategy is crucial for its success. Our Sustainability Initiative Database allows employees to submit their own proposals for sustainability initiatives. At the end of each quarter, staff are invited to vote for the best initiative and the winner is entered into our TIP Sustainability Hall of Fame. Current initiatives include car sharing, electrifying our yard equipment, and donating laptops to children fleeing the war in Ukraine.

Stronger Together

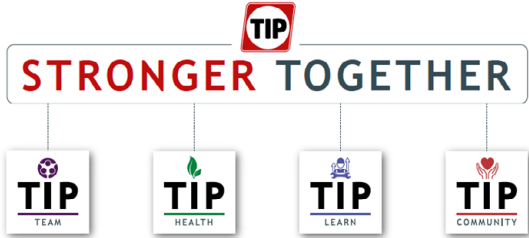
Our Stronger Together programme encourages a culture of learning within our workforce (known as TIP Learn), team spirit (TIP Team), social responsibility (TIP Community) and health and well-being (TIP Health). Our Stronger Together goals are:

- Integration and engagement across all TIP functions and regions to grow stronger together
- People and leadership development to make our organisation strong for now and the future
- Safety, health and well-being of all TIP employees to strengthen loyalty and retention
- Contribute to society by giving back and equal opportunities to all.

Part of Stronger Together is about making a positive impact on society and the communities around us. TIP contributes to charities and other good causes, both financially and in-kind. The company also supports charitable initiatives undertaken by employees.

In recent months, we have acted to help those affected by the war in Ukraine. TIP has a support centre for all employees, and has enhanced this to provide more assistance for colleagues in eastern Europe, closer to the conflict. We are also advertising a number of jobs specifically for Ukrainian refugees.

In addition, we are now in discussions with the UN High Commission for Refugees (UNHCR) and the Red Cross to find ways of increasing our aid to Ukraine.



Reporting

At this early stage of our ESG strategy, we are placing considerable emphasis on data collection, analysis and reporting. We are preparing now to meet the requirements of the EU taxonomy and Corporate Sustainability Reporting Directive (CSRD), which comes into force from 2024. In anticipation, we are aligning our non-financial data reporting with CSRD requirements.

In 2021, we put in place procedures to collect non-financial data. We established an ESG database and, in 2022, we implemented a sustainability management and reporting tool, called Worldfavor. In many areas, we are still gathering baseline data on ESG topics.

Having this data will allow us to refine existing sustainability goals and, where necessary, set new ones. For more information, see our Sustainable Performance Indicators on page 17.

We recognise that quality assurance is crucial to accurate reporting; we aim to bring in external assurance on our data as soon as possible. This will strengthen our approach and help us meet additional reporting requirements under both the CSRD and other initiatives (see Appendix, pages 24-27, for more details). In 2023, we will publish our first full annual Sustainability Report.

Green financing

Green financing will play a significant role in supporting both our and our customers' sustainability transition. We are working to link our ESG strategy more closely to our financing structure. In 2021, we began looking at how to transform our existing Revolving Credit Facility (RCF) into a Sustainability Linked Loan by tying three ESG key performance indicators (KPIs) to the terms and conditions of the facility. These KPIs are:

- Gender pay gap (under our Corporate social responsibility programme)
- Number of units refurbished (Circular economy)
- Number of units connected to TIP Insight (Sustainable products /Carbon footprint)

It is our ambition to complete this transformation by the end of 2022. In addition, we are examining subsidised investment financing and government subsidies for our green investments. We have set up

a subsidies database, which we are now expanding.

Our green financing approach has five objectives to ensure we deliver on ESG requirements, while also returning value to our shareholder:

1. That all our programmes should comply with necessary regulations
2. That these programmes align fully with our overall business objectives
3. That our programmes achieve the lowest possible cost of funds
4. That they have sufficient size and scalability
5. That they are feasible to implement.

We are working to ensure that our activities align as far as possible with the new EU taxonomy requirements. Institutional investors and creditors, we believe, are increasingly focused on sustainable investment opportunities, and the taxonomy will provide a useful basis for identifying such opportunities.



TIP sustainability performance indicators

This is our first year of reporting sustainability performance data. In many cases, we do not have comparative data for 2020 (with the exception of financial and other disclosures included in our Annual Report). We will publish year-on-year comparisons, beginning with our Sustainability Report for 2022, due for publication in April 2023. Our intention is to expand our sustainability performance data in the years ahead.

n.m. - not measured
n.a. - not applicable

Environmental performance data	2020	2021
Total energy consumption (MWh), of which:	n.m.	60,223
• Renewable energy consumption (% of total)	n.m.	0.02%
Energy intensity (KWh /€ in revenue)	n.m.	15.86
CO ₂ emissions		
• Scope 1	n.m.	8,282
• Scope 2	n.m.	4,290

Total waste generated (tonnes), of which:		
Total hazardous waste	n.m.	45
Total non-hazardous waste	n.m.	2,233
% of waste recycled	n.m.	56.8%
% of waste going to incineration or landfill	n.m.	43.2%
Number of refurbished units	701	1,069

Social performance data

Total number of employees (FTEs)	2,375	2,808
• % men	82.0%	82.0%
• % women	18.0%	18.0%
Gender pay gap overall differential ¹	9.0%	9.9%

	2020	2021
Total employee wages and benefits (in €m)	124.7	127.1
New hires	640	558
Employee turnover (see note 1, below)	16.1%	17.1%
• Voluntary	8.6%	11.4%
• Involuntary	7.5%	5.7%
Average hours in training and education (see note 2, below)	n.m.	3.54
Total expenditure on training and education (in €)	310,360	224,818
Expenditure on training and education per FTE (in €)	130.1	80.1
Total number of work-related injuries	32	29
• Working days lost due to injury	508	632
Defined benefit and other pension obligations (at year-end)	n.a.	n.a.

Community investment		
• Cash donations (€)	n.m.	8,000
• Total in-kind (euro equivalent)	n.m.	n.m.

Governance performance data

Total number of suspected violations of company standards	0	0
• With respect to corruption & bribery	0	0
• With respect to human and labour rights	0	0
Total number of electric vehicles / trailers	n.m.	71
• eReefers	n.m.	4
• eLCV	n.m.	67
Electric vehicles/units as % of total fleet	n.m.	0.1%
% of units equipped with TIP Insight	n.m.	11.5%

	2020	2021
Total assistance received from government (in €m):	14.3	8.3
• Tax rebates (in €m)	n.m.	0.1
• Tax credits (in €m)	14.3	8.2
• Other subsidies or incentives for green projects	n.m.	n.m.
Payments made to government (in €m):		
• Corporate income tax (see note 3, below)	2.0	11.2
• Employee taxes	19.4	21.2
• Other payments	n.a.	n.a.
Total payments to suppliers (in €m)	341	331
Payments to shareholder (in €m)	12.4	81.1 ²
Payments to creditors (in €m)	40.3	37.1

Notes to tables:

Note 1: Employee turnover

We closely monitor our performance with regard to employee turnover as part of our wider approach to workforce management. We don't however set targets in this area. In 2021, we expanded our total workforce by a net 433 FTEs. This included 558 new hires.

Note 2: Our approach to training

We offer Learning & Development (L&D) opportunities to all our employees. Our approach is closely linked to performance management and based on specific goals agreed with each employee. We encourage employees to pursue career expectations and objectives. Our L&D programmes include classroom and online courses, as well as technical and functional training. Providing training is also important part of ensuring we continue to comply fully with environmental, health and safety regulations.

Note 3: Our approach to taxation

We report all tax payments, as required, in our Annual Report. Our tax comprises both current and deferred tax. In 2021, we paid €11.2 million in corporate income taxes. We also pay social security contributions on behalf of employees (totalling €21.2 million). In 2021, our effective tax rate was 14%. We comply fully with tax regulations in all countries of operation.

Note 4: Defined benefit pension obligations

TIP operates primarily defined contribution plans and has no significant defined benefit plans.

¹ Calculated as average pay for men divided by average pay for women, as a % of average male pay, in line with the ILO

² Please note that this comprises two amounts: €10.5m as an appropriation of profit for the period ending December 2020 and an additional €70.6m as an appropriation of retained earnings from previous periods.

Sustainability governance & risk

Sustainability governance is incorporated within our overall corporate governance framework, ensuring we meet all regulatory requirements while continuing to deliver shareholder returns and customer value.

Our system of sustainability governance helps us maintain effective controls to manage risk and protect our employees, customers, communities and the environment.

As part of *for Generations to Come*, we are implementing programmes to strengthen our management and reporting structures when it comes to ESG issues.

Sustainability governance structures

TIP's **ESG Committee**, established in 2021, oversees the implementation of our sustainability strategy, including climate issues, value creation for stakeholders and potential adverse social /environmental impacts arising from our business activities. The Committee comprises members of the company's **Executive Management Team (EMT)** (see page 19), plus TIP's ESG Director. The responsibilities of the Committee are:

- To oversee the work of TIP's ESG and EHS team
- To give direction to the company's sustainability strategy

- To promote understanding of environmental, social and governance issues within the company
- To encourage adoption of best practice with regard to ESG strategy implementation, risk management and compliance.

The ESG Committee is subordinate to **TIP's Management Board**. All four members of the Management Board also sit on the ESG Committee. Members of the Management Board are appointed for an indefinite period; they regularly engage with TIP's Senior Leadership Team to ensure continued value creation for stakeholders. The Management Board has specific responsibility for strategy implementation and sustainability.

The ESG Committee also includes the other members of our EMT: Paul Beadle (Chief Operating Officer) and Gerard Berghuis (Chief Legal Officer and Company Secretary). The work of our Management Board is, in turn, overseen by the **Supervisory Board** of Cube Transportation, our shareholder (see page 20). Supervisory Board members regularly interact with TIP's Management Board and Senior Leadership Team. The Board also reviews the ESG Committee's work quarterly.

Further details of our Corporate governance structures may be found in the company's 2021 [Annual Report, available online.](#)



Our Executive Management Team

Our Executive Management Team comprises six members. Together, they are responsible for the day-to-day management of our company, strategy implementation and performance.



Bob Fast (President & CEO, American)

Bob was appointed CEO of TIP in 2003. In 2009, he additionally assumed the position of President and CEO of GE Equipment Services. Bob led the carve-out and sale of TIP from GE in 2013, and the sale to I Squared Capital in 2018. Bob joined GE in 1982 and held leadership positions in a number of GE divisions including roles in Finance, Sales, Business Development, Marketing, Leasing, and General Management. Bob was reappointed President and CEO of TIP in 2013, and appointed to the Board in 2014.

Main responsibilities: Strategy, sustainability and business execution.



Arjen Kraaij (Deputy CEO, Dutch)

Arjen was appointed Deputy CEO for TIP in January 2021. He joined TIP in 1997 and since then has held a number of international leadership roles for the company. More recently, he has led TIP’s successful acquisition strategy as well as the sourcing and asset management functions globally. Arjen was appointed to the company’s Board in 2018.

Main responsibilities: Daily business execution, commercial, sourcing, asset management and used equipment sales as well as mergers & acquisitions.



Hans Van Lierop (Chief Financial Officer, Dutch)

Hans was appointed CFO for TIP in May 2020. Prior to this he held financial leadership roles at Diageo, Airtel, and Massmart Walmart. He has considerable experience in supply chain management and large capital expenditure programmes. Hans has worked for more than 25 years in finance, including 14 as CFO. Hans was appointed to TIP’s Board in 2020.

Main responsibilities: Financing, treasury, investor relations, credit risk, planning, financial reporting, accounting and tax.



Hiske Damhuis (Chief Human Resources Officer, Dutch)

Hiske was appointed HR Director of TIP in 2006, and promoted to HR Director of GE Equipment Services in 2009. In addition, she was also a board member at the GE Pension Fund in the Netherlands and HR Council leader for GE’s businesses in the Benelux. Hiske led the carve-out from GE from a human resources point of view. Prior to joining TIP, Hiske worked for more than 10 years in various HR roles in international business. Hiske was appointed to the Board in 2018.

Main responsibilities: People and employee communication



Paul Beadle (Chief Operating Officer, British)

Paul joined TIP as a trainee manager in 1986. He has extensive industry experience, having worked through numerous operations positions including branch and regional management, culminating in his appointment as UK Operations Director in 2004. He was promoted to European Operations Director in 2006 and became European Operations Director for GE Equipment Services in 2009. He was re-appointed European Operations Director for TIP on completion of the sale to HNA. He was named to his current position as Chief Operating Officer in 2015.

Main responsibilities: Operations, IT, EHS, integration of TIP-acquired businesses and non-fleet sourcing



Gerard Berghuis (Chief Legal Officer and Company Secretary, Dutch)

Joined TIP in June 2021. Gerard has more than 25 years of experience in law, of which 15 years leading corporate legal functions. Gerard started his career at Rasker & Wibbens Advocaten. He then has held several legal counsel roles within international companies.

Main responsibilities: Legal affairs, Compliance, Insurance, Company secretary

Our shareholder

Cube Transportation was established in 2018 to acquire TIP and its subsidiaries. Our ultimate beneficial shareholder is ISQ Global Infrastructure Fund II, a limited partnership managed by I Squared Capital. Cube Transportation supports TIP’s operating entities and other business activities (including marketing, sourcing, funding, treasury, investor relations, finance, human resources and asset management).

The Cube Transportation’s Supervisory Board Audit Committee has a specific mandate to review TIP’s financial reporting, the company’s relationship with its external auditor, internal controls, EHS and ESG compliance, other regulatory compliance and risk management.

Sustainability-related internal policies and controls

We have put in place a series of internal policies, controls and other guidelines; these help us manage ESG-related risk, and maintain high ethical standards throughout our business. In the first half of 2022, we conducted a review to bring these policies into line with current best practice and our international commitments⁸ (see opposite):

⁸ These include: the International Labour Organisation’s (ILO) fundamental rights, the UN Global Compact principles and Guidelines for Multinational Enterprises, published by the Organisation for Economic Cooperation and Development (OECD).

⁹ Supplement to Financial Integrity Policy



Policy	Overview of purpose & content	Status
Career Management and Learning & Development Commitment and Framework	Ensure sustainable training, development and performance management	
Competition Law	Ensures fair competition and compliance with relevant competition laws across business	
Conflicts of Interest	Protects TIP by ensuring that personal interests of Board members, employees and outside contractors do not interfere with their duties to the company	
Environment Health & Safety	Includes commitments relating to: <ul style="list-style-type: none">• Safe and healthy working environment• Handling of hazardous materials• Employee training on EHS• Reducing adverse environmental impacts	
Environmental Policy	Sets out approach to climate change and minimising impact from TIP’s business activities	
Financial Integrity policy	Avoidance of bribes and improper payments, application of sanctions, insider training, rules on political contributions etc.	
IT Risk Management Policy	Describes governance of IT-related risk	
Labour & Human Rights Commitment	Emphasises TIP’s commitment to labour and human rights: <ul style="list-style-type: none">• Complements Respectful Workplace & Conduct Policy• Strengthens language in relation to forced /child labour• Includes specific provisions related to diversity & inclusion and stand-alone human rights framework (in line with the UN Guiding Principles for Business & Human Rights).	
Know Your Customer /Supplier	Know-your-customer /know-your-supplier principles to avoid payment and reputation risks ⁹	

Currently under review by TIP’s Executive Management Team

Adopted as part of the current strategy



Policy	Overview of purpose & content	Status
Respectful Workplace & Conduct	<ul style="list-style-type: none"> Employees must abide by laws relating to forced /child labour and international human rights Provisions on workplace harassment, anti-discrimination and workplace violence. 	
Remuneration Commitment and Framework	Ensures competitive compensation (including fair pay and fair treatment)	
Social Dialogue Commitment	Complements Respectful Workplace & Conduct Policy by including specific provisions relating to the need to respect freedom of association and collective bargaining within company operations.	
Supplier Code of Conduct & Procurement Policy	Introduces minimum ESG standards for customers Further strengthens existing Supplier Policy, which includes provisions relating to: <ul style="list-style-type: none"> No forced /child labour Non-discrimination Anti-money laundering and corruption Freedom of association Anti-modern slavery Compliance with environmental regulations 	
Travel & Living Policy	<ul style="list-style-type: none"> Controls travel costs Ensures employees are properly reimbursed for business travel expenses Ensures all expenses are treated appropriately for tax purposes 	
Working Conditions Commitment and Framework	Provides good working conditions to all employees, a safe and healthy work environment and a decent work-life balance.	

Currently under review by TIP's Executive Management Team
 Adopted as part of the current strategy

Sustainability risk management

Taking risk is a part of doing business. We have in place a structured and rigorous risk management process. Our main risks fall into four categories: strategic, financial, operational and compliance.

Overview of risk management process

- Our Management Board is responsible for overall strategy in this area. This includes oversight of internal risk management and control systems.
- In addition, Cube Transportation’s Supervisory Board Audit Committee has a mandate to supervise risk management at TIP (including EHS and ESG-related risks).
- Operationally, TIP’s Executive Management Team oversees all risk management processes and their effectiveness.
- The company’s Risk Assurance and internal audit functions provide independent assurance on risk governance, risk management, and internal controls embedded in decision-making processes to ensure risks are properly identified and assessed, and mitigation measures taken where necessary.

Our Risk Assurance department provides independent assurance and consulting services designed to improve TIP’s operations and decision-making. The aim of the department’s work is to improve the effectiveness of our risk management, internal controls and governance processes (including those related to ESG and environment, health and safety).

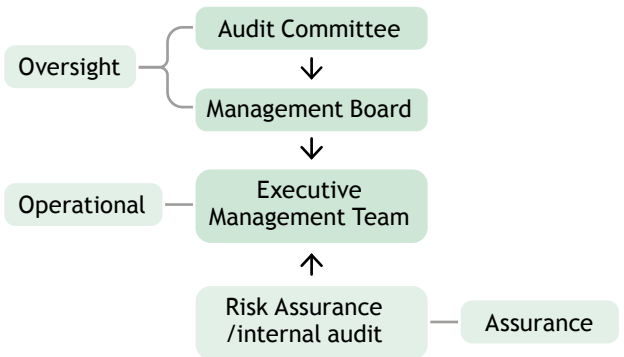
Internal audit is outsourced to third parties, who work closely with Risk Assurance. Internal audit provides independent oversight of TIP’s risk man-

agement and governance processes. To ensure its independence, internal audit:

- Has unfettered access to people, resources and data across the organisation
- Has freedom from management interference with regard to planning or delivery of its work
- Reports its findings to TIP’s Management Board and Cube Transportation’s Supervisory Board Audit Committee.

In 2021, our ESG risk environment was characterised by the continued threat to employee health from Covid-19 and the introduction of new ESG reporting requirements. War in Ukraine brought further economic uncertainty, though the conflict has had no material impact on the company’s business since we have no operational footprint in either Russia or Ukraine.

Overview of risk governance



Our risks at a glance

Strategic	Financial	Operational	Compliance
<div>Ⓐ Economic conditions</div> <div>Ⓑ Market developments</div> <div>Ⓒ Competition</div> <div>Ⓓ Integration risk</div>	<div>Ⓔ Strategic financing</div> <div>Ⓕ Credit risk</div>	<div>Ⓖ Company digitisation</div> <div>Ⓗ Cybersecurity</div> <div>Ⓘ People</div> <div>⓵ Residual value</div>	<div>Ⓚ Laws and compliance</div> <div>Ⓛ Safety</div>

Main risk pillars				
Likelihood of occurrence	High		<div>Ⓐ Economic conditions</div> <div>Ⓑ Market developments</div>	
	Medium	<div>Ⓕ Credit risk</div> <div>Ⓖ Residual value</div> <div>Ⓖ Safety</div>	<div>Ⓘ People</div> <div>Ⓖ Company digitisation</div> <div>Ⓗ Cybersecurity</div>	
	Low		<div>Ⓒ Competition</div> <div>Ⓓ Integration risk</div> <div>Ⓔ Strategic financing</div> <div>Ⓚ Laws and compliance</div>	
		Low	Medium	High
Vulnerability to risk				

See pages 19-21 for more details on ESG-related policies and controls. Please refer to our 2021 Annual Report for more details of our approach to risk management.

Appendix



About this report

Purpose

This report's main purpose is to explain TIP's approach to sustainability. In doing so, the report provides an extensive overview of the company's strategy and performance with regard to environmental, social and governance (ESG) issues. We have written this report for our stakeholders, most notably our customers, employees, investors and creditors. Further information on our approach to sustainability may be found on our website at www.tipeurope.com¹⁰

Content and scope

- Content is based on extensive internal reporting. Where external sources are used, this is clearly indicated in the text. All content was reviewed by TIP's ESG Committee and Executive Management Team prior to publication. Members of this Committee are listed on page 18.
- We used a materiality approach to decide content (i.e., we chose content that was most relevant both to TIP and its stakeholders in terms of value creation). Selection of content was based mainly on results from our materiality assessment, relating to the impact of our business activities on the environment and society.
- Unless otherwise stated, this report covers all TIP businesses and consolidated entities. Annual performance data relates to the company's financial year (January-December), in line with regulatory disclosures in TIP's 2021 Annual Report.

- All performance data is collected centrally; this includes data provided by our workshops, suppliers and other businesses. Financial data is presented in euros (€), TIP's reporting currency. Third-party data may be presented in US dollars, however. Where necessary, corrections or re-statements will be included in the text.
- Annual averages used in this report are based on month-end figures (management does not believe that using daily averages would make any material differences to these figures).
- Certain figures have been rounded. Some percentages have also been calculated using rounded numbers.

Reporting guidelines

This report has been prepared in accordance with the latest Global Reporting Initiative (GRI) Standards, published in 2021. Where possible, we have also worked to align our reporting with the future requirements of the new EU taxonomy for sustainable activities and the Corporate Sustainability Reporting Directive (CSRD), due to come into effect from 2024 (please see pages 26-27 for further details).

¹⁰ Please note information on our website is not part of this report, unless expressly stated otherwise.



Global Reporting Initiative (GRI) content index

TIP has chosen the GRI as its main non-financial reporting framework. This report has been drafted in accordance with the latest GRI standards, introduced in 2021. These standards comprise both General Disclosures and TIP's chosen material topic disclosures, based on our 2022 materiality assess-

ment (for details of this assessment, see page 10). Page numbers below refer to the present report. For some disclosures, reference is made to TIP's 2021 Annual Report. In such cases, this is clearly indicated in the table. Other disclosures relate to policies listed on pages 19-20.

GRI disclosure	Description	Page reference
Organisation and its reporting practices:		
2-1	Organisation detail	4
2-2	Entities included in the organisation's sustainability reporting	23
2-3	Reporting period, frequency and contact point	23, 28
2-4	Restatements of information	23
2-5	External assurance	16
Activities and workers:		
2-6	Activities, value chain and business relationships	5
2-7	Employees	4-7
2-8	Workers who are not employees	5-7
Governance:		
2-9	Governance structure and composition	18
2-10	Nomination and selection of the highest governance body	19
2-11	Chair of the highest governance body	18
2-12	Role of the highest governance body in overseeing management of impacts	19, 21
2-13	Delegation of responsibility for managing impacts	19, 21
2-14	Role of the highest governance body in sustainability reporting	23

GRI disclosure	Description	Page reference
2-15	Conflicts of interest	19
2-16	Communication of critical concerns	19-20
2-17	Collective knowledge of the highest governance body	18
2-18	Evaluation of the performance of the highest governance body	Please see Annual Report
2-19	Remuneration policies	20, please also see Annual Report
2-20	Process to determine remuneration	20
2-21	Annual total compensation ratio	Not reported
Strategy, policies and practices:		
2-22	Statement on sustainable development strategy	8-9
2-23	Policy commitments	19-20
2-24	Embedding policy commitments	8, 19-20
2-25	Processes to remediate negative impacts	19-20
2-26	Mechanisms for seeking advice and raising concerns	19-20
2-27	Compliance with laws and regulations	7, 19-20
2-28	Membership associations	10
Stakeholder engagement:		
2-29	Approach to stakeholder engagement	5-7
2-30	Collective bargaining agreements	12, 20
Material topics:		
3-1	Process to determine material topics	10
3-2	List of material topics	10

Compliance with other ESG reporting requirements

In recent months, we have taken steps to improve our ESG reporting. One of the drivers behind this was the introduction of new non-financial reporting requirements that apply, or will apply, to TIP. As far as possible, these requirements have been included in our data collection and reporting processes. Further changes will be made in the coming months as new requirements come into force (most notably, the CSRD, due to be introduced from 2024).

Compliance with TCFD recommendations

We support the TCFD recommendations, which include disclosures relating to climate governance, strategy, risk management and use of metrics and targets.

Governance:

Disclose the organisation's governance around climate-related risks and opportunities:

- a) Describe the Board's oversight of climate-related risks and opportunities*
- b) Describe management's role in assessing and managing climate-related risks and opportunities:*

Our ESG Committee oversees implementation of the company's sustainability strategy (for Generations to Come). This Committee reports directly to the Management Board. Climate risks and opportunities are included in the Committee's Charter. In addition, we have internal policies relating to

climate (including the company's Environmental and EHS policies). See pages 18-21

Strategy:

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material:

- a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term*
- b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning*
- c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a +2°C or lower scenario.*

Climate is a key part of TIP's sustainability strategy. Of our seven sustainability programmes, the following relate, directly or indirectly, to climate:

- Sustainable products
- Carbon footprint
- Circular economy
- Green financing

This report contains details of projects and initiatives introduced as part of these programmes. We have also identified climate-related issues among our material topics. Our Environmental Policy makes specific reference to the warming target set

out in the 2015 Paris Climate Agreement. See pages 8-17.

Risk management:

Disclose how the organisation identifies, assesses and manages climate-related risks:

- a) Describe the organisation's processes for identifying and assessing climate-related risks*
- b) Describe the organisation's processes for managing climate-related risks*
- c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's management.*

Our approach to risk management is described in the company's 2021 Annual Report. We include non-compliance risk, with regard to EHS and ESG under our Compliance risk pillar. Our approach is further supported by internal policies and controls, governing climate and the environment. See pages 19-21

Metrics and targets:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material:

- a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process*
- b) Disclose scope 1, scope 2 and (if appropriate) scope 3 greenhouse gas emissions and the*

related risks

- c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*

To support our sustainability strategy, we have set clear, climate-related targets (on carbon neutrality and investment in green projects). We are currently working to strengthen our collection of environmental data to (a) improve strategy implementation and (b) inform risk and other internal decision-making processes. Data currently includes scope 1 and 2 carbon emissions. We will extend this to scope 3 emissions, when possible. See pages 8-9, 17.





Note on future reporting requirements

A number of new sustainability reporting requirements are currently in development. Some have already come into effect partially; others are expected to be introduced in the next few years. These requirements form part of our current reporting strategy:

EU taxonomy for sustainable activities:

This is part of the EU's broader sustainable finance initiative. To date, only two of the taxonomy's six environmental objectives have been released (climate mitigation and climate adaptation). To qualify as sustainable, activities must make a "substantial contribution" to one or other of these objectives. Activities must also be assessed against specific technical screening criteria. TIP's most important activities, we believe, fall under "renting of other land transport equipment". Criteria for this activity have not yet been released, however. Once these criteria are finalised, TIP's intention is to publish details of:

- a) Eligibility of business activities as "sustainable" under the taxonomy
- b) Proportion of the company's annual revenues derived from these activities¹.

EU Corporate Sustainability Reporting Directive (CSRD)

Adopted in April 2021, the CSRD will replace the EU's previous Non-Financial Reporting Directive. In doing so, it will extend the reporting scope to all

1. We will also disclose proportion of capital expenditure and operating expenses devoted to eligible activities.

large, non-listed companies (including TIP). Like the taxonomy, the CSRD is part of the EU's sustainable finance initiative. The CSRD is due to be implemented from 2024 (applying to annual reporting from 2025), having been recently delayed. We have already carried out an assessment of compliance against the CSRD and will act to close any reporting gaps before implementation. The CSRD will be accompanied by new European Sustainability Reporting Standards; these are currently due for release in the second half of 2022.

International Sustainability Standards Board (ISSB)

Launched in November 2021, the ISSB's goal is to create a comprehensive, global set of ESG disclosure standards for use by investors and other financial market participants. The ISSB operates under the aegis of the International Financial Reporting Standards (IFRS) Board. So far, the ISSB has issued two prototypes: one covering general reporting requirements; the second relating to climate disclosures. We have reviewed current reporting requirements under these prototypes (to identify possible gaps) and will continue to bring our reporting into line as further details of the ISSB standards are released.

UN Global Compact

TIP has been a signatory to the UN Global Compact since 2016. The company supports the Compact's 10 principles, which cover human rights, labour, environment and anti-corruption. Recently, we have taken steps to strengthen our compliance with

these principles, as part of our ESG strategy. In particular:

- We have introduced new internal policies and controls to improve our management of ESG issues.
- We are publishing our first Sustainability Report, and have improved ESG disclosures, particularly with regard to social and environmental data.

We're aware, however, that further improvements are needed, and these will be made, beginning with our next Sustainability Report, due for publication in April 2023.

Notes & contact details

About us

TIP provides a wide variety of products and services for transportation and logistics customers through its 132 locations across 18 countries. Our services include everything from specifying and sourcing of equipment to lease and rental, daily operations, maintenance and repair, as well as the buying and selling of used assets.

For more information, please see www.tipeurope.com

Forward-looking statements

This Sustainability Report contains certain forward-looking statements, estimates and projections that are subject to significant risks, uncertainties and assumptions concerning both business and external economic factors and, as such, are difficult to predict.

Actual results will vary from the anticipated results and such variations may be material. The information has been provided in good faith using information available up to the date this report was approved by the Board. TIP, its Board, directors and Senior Leadership Team give no assurances that these expectations will prove to be correct. Except as required by law or regulation, TIP, its Board, directors and Senior Leadership Team undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Terms and abbreviations

CSRD	EU Corporate Sustainability Reporting Directive
DLG	Daily Logistics Group
EHS	Environmental, health and safety
EMT	Executive Management Team
ESG	Environmental, social and governance
ETB	European Transport Board
EV	Electric vehicle
FTE	Full-time equivalent
GHG	Greenhouse gas emissions
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
ISSB	International Sustainability Standards Board
KPI	Key performance indicator
LCV	Light commercial vehicle
LED	Light-emitting diode
M&R	Maintenance and repair
ODS	Ozone-depleting substances
OECD	Organisation for Economic Cooperation and Development
OSHA	Occupational Safety & Health Administration
RCF	Revolving credit facility
SDG	UN Sustainable Development Goal
TCFD	Task Force for Climate-Related Financial Disclosures
TPMS	Tyre Pressure Monitoring System
UN	United Nations
UNHCR	UN High Commissioner for Refugees



Get in touch

We welcome feedback on our report. Please send comments and suggestions to: ESG@tipeurope.com

Colophon

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