

MEYER QUICK SERVICE LOGISTICS CORPORATE SOCIAL & ENVIRONMENTAL RESPONSIBILITY (QSER) POLICY



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QSL – INTRODUCING OUR CSER POLICY

We have produced this document to be able to talk about what QSL is doing alongside providing an industry leading logistics solution, specifically in regard to Corporate Social & Environmental Responsibility. We call this our QSER policy, a combination of QSL and CSR/CSER, to demonstrate the fact that we believe these values and initiatives need to be at the heart of our business to succeed.

Our values are to be Fresh, Fair and to provide a Full-service solution. In order to do this we need as a team to embrace new ideas and technologies, to be dynamic, innovative, genuine and sincere with service solutions that are robust and of the highest quality. We see these traits as directly compatible with our CSER policy and not as a conflict of interests.

QSL is a family owned and run business, so it is very important to us that our actions resonate with our family values by being respectful and caring towards people, the environment and world resources. In order to do this we have divided our vision for this policy in to 2 areas: Social and Environmental where we conduct or support projects at a local and global level.



POLICY STRUCTURE



VISION STATEMENTS

SOCIAL



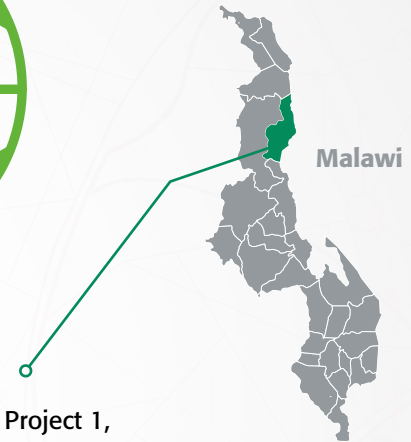
Our vision is to focus on providing support projects and initiatives that will benefit families at home and abroad by tackling poverty, health, mental wellbeing and child welfare.

Our aim is to support for projects that work to break the link between poverty and poor health or where, through improved education, developing countries can accelerate their own growth and development.

ENVIRONMENTAL



Our vision is to reduce our environmental impact year on year by ensuring the processes, technology and actions we use to do our business meet the criteria of either reducing emissions or reducing our use of natural resources, energy and materials such as plastic.



**Improved Cook Stove Project 1,
Nkhata Bay District**



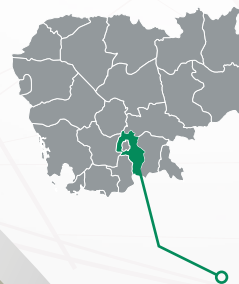


DELIVERING OUR CSER VISION

To ensure we deliver our Social & Environmental vision we will deploy the following approaches:

- We will share and explain our CSER policy firstly with our team so they understand what we want everyone to work together to support
- We will encourage our country teams to look at
 - a) ways of working and
 - b) local projects that address the our Social & Environmental visions
- We will provide funding to support the projects our teams wish to either take on themselves or sponsor
- We will establish a working environment that promotes, rewards and celebrates work that meets our CSER vision
- We will share our CSER policy with our suppliers to ensure they are developing their products and services in way that compliments this policy
- We will share our CSER policy with our customers, so our shared values work together to have a more powerful impact
- We have recently introduced an annual awards night where we celebrate the ideas and initiatives each of country teams have implemented over the previous year. Our objective here is to celebrate and encourage our team but also to share good practice and create an atmosphere where new ideas are formed and our future pathway remains dynamic and fresh

Cambodia



Angkor Bio Cogen Rice Husk
Power Project, Kandal Province



OUR STRATEGIC APPROACH TO DELIVER OUR VISION

We will list here some of the projects we will be doing either locally in the individual countries we operate in or, globally, where we'll take a centralised approach from our German headquarters on a particular topic.

We talk later on about how we aim to encourage our team to deliver this policy and, finally, we'll summarise the work we are doing now in a table that we'll keep updated to show the progress we are making.



SOCIAL CARE STRATEGY



People are at the heart of what we do and nothing of what we talk about here is possible without the support and dedication of our own great team, our customers, our suppliers and the wider community. We are a family business and 'family' is at the heart of this part of our policy.

Beyond our own team work we sponsor a number of activities that we believe do great work. We have been careful to ensure that the projects we support

are in areas where Human Rights are upheld and that the ruling parties do not promote conflict in any form. All the projects are managed by the United Nations and endorsed by the WWF.

The projects we will be supporting in 2020 are:

1. A stove project in Malawi that will allow local families to cook more sustainably, reduce deforestation and respiratory diseases
2. A biomass energy plant in Cambodia that uses rice husks to provide green energy to the local community
3. A wind farm project Mongolia that provides an environmentally friendly energy source that will allow the country to reduce its use of non-renewable energy sources





The core areas of focus in our Social Care Strategy will be:



FAMILIES

- Poverty
- Food poverty and hunger
- Quality of life



HEALTH

- Access to Medical care
- Focus and support on health and wellbeing
- Look beyond the country of operation to support projects that address topics such as poverty, famine and health in countries around the world



EDUCATION

- Partnerships with education facilities
- Support the development of young people
- Provide opportunities to get 'on the job' training so education, or the lack of it, is not a barrier to getting a job



ENVIRONMENTAL STRATEGY



At QSL we endeavour to limit our impact on the environment but there is a limit to what can be done currently in the logistics industry to be carbon neutral or to have zero emissions.

Our customers need a particular type of service to meet the needs of their consumers and the location of their restaurants is such that, currently, it is just not possible to have a supply chain where a combustion

engine is not involved. Through the electrical energy we consume and the deliveries we make we will, unfortunately, we will generate emissions.

So, our approach here is to focus on **reducing** our environmental impact by continually reviewing our **processes** to ensure they are efficient, to embrace innovation and the use of modern **technology** and finally to **compensate** for the impact we make.

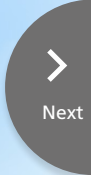




Reducing our Environmental Impact: Through the use of new technology or by encouraging our teams to continual review and improve the processes we employ, we can lessen our impact on the environment.



Process: We believe we have processes that are Robust, Efficient and Effective but, through a program of continual improvement, we will ensure that we revise and adapt them to ensure we will always be in that strong position.



Salkhit Wind Farm,
Department Darchan-Uul





We have established processes that we couple with an approach that ensures those processes are regularly reviewed and improved to verify they meet the needs of our customers, people and business.

We encourage feedback from all our people with rewards for ideas that lead to a positive improvement in process performance.



Some examples of what we are doing include:

- Optimising our delivery routes to ensure we move the least distance required to meet our customer's needs
- Optimising our delivery routes to ensure we use our assets more effectively and so reduce our consumption of fuel and energy
- Investigate the use of alternative delivery media or processes that reduce the use of plastics and cardboard. (We have just won an award from BK Germany for the work we did to remove 2.8 tonnes of CO₂ in 2018/19.)
- Focus on reducing vehicle idling times
- Make our drivers aware of the environmental impact their driving style has so they can change and reduce the impact





TECHNOLOGY

Technology underpins the majority of what we do. As with our approach to Process, we continually challenge ourselves to ensure what we have remains fit for purpose and robust.

The IT systems at the heart of our solution are the best in their class and we work hard with our supplier partners to ensure we are using their tools in the best way and, through a **feedback process loop**, we are providing them with a pipeline of suggested improvement activities.

As a logistics provider we have a fleet of vehicles and a number of warehouses. We work hand in hand with our suppliers and partners to ensure **we have the best kit at our disposal**.

One area of particular focus is in emissions where clearly having the most environmentally friendly equipment is important to QSL. In Germany we have recently undertaken a project that firstly assessed our total emissions for 2016 and then, through fleet renewal and process change, managed to reduce

these levels by 11% in 2018. Our ambition now is to achieve a **20% reduction in our emissions** (relative to the 2016 baseline) by 2021 and so far we are well on the way to achieving this. Our achievement has been recognised locally in Germany under the **Lean & Green program** we are very proud to be part of.

Our intention now is to apply the same approach of assessment and application of technological improvement in all other countries we have operations in.



-20%
Emissions
in 5 years

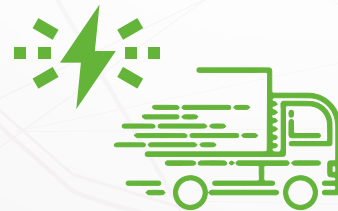




Vehicle fleet: We are facing the major challenge of reducing the polluting emissions from the vehicles in our fleet sustainably and permanently. An important aspect for this is moving to models which satisfy the new EURO 6 emission standards. This fleet management approach will be supplemented by buying **low-emission cooling units** and using **eco-friendly coolants**. These measures are the first steps towards future development. Together with our sister company Meyer Logistik, we are involved in researching and testing alternative drive systems. We are able to benefit from many years of experience, which we have gained as a **development partner in the industry**. We will continue to invest in new technology which includes a recent acquisition of lorries with natural gas drives (Liquefied Natural Gas, LNG) and Com-

pressed Natural Gas. At present we have 28 IVECO Stralis type vehicles that are being used by us on a daily basis. Actual operations have shown that the **CO₂ savings can be up to 20 percent** compared with diesel lorries. In addition, we want to invest in hybrid vehicles which combine modern diesel technology with efficient electric drive systems. We would also like to focus on innovation in the field of pure electric drive systems. We are convinced that in the medium term our vehicle fleet will feature a mix of drive systems – with an overwhelming proportion of alternative drives.

Member of the
**efficient and green
initiative logistics**



Our intention now is to apply the same approach of assessment and application of technological improvement in all other countries we have operations in.



Other examples of what we are doing include:

1. Engage with our warehouse and transport teams to **improve awareness** and to encourage a culture where we seek to operate in a way that **meets our customers' needs without costing the earth**
2. Reviewing the materials used in our warehouses to improve insulation that in turn will **reduce our consumption of energy** in our refrigeration systems
3. Focus on efficient and **effective temperature management**
4. Reviewing the types of coolants used in our refrigeration systems to **reduce our environmental impact**
5. **Optimise warehouse layouts** to reduce pick distances and thus the energy consumed by the equipment we use
6. Deploy the **use of LED and motion sensing lighting systems** where appropriate to reduce our energy consumption
7. Consider how we could **power our facilities by using solar**, wind power or the consumption of recycled material
8. Find **alternative fuels** to power our trucks
9. Fitting Aero kits to our trucks to **improve fuel efficiency**
10. **Improve our waste management** and consider how we could use our waste positively
11. Look at **new types of packaging**, supporting our suppliers and customers in bringing new more **environmentally friendly solutions** to market



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**COMPEN-
SATION**

Compensation: Whilst we believe the right way is to **not produce emissions** in the first place, until technology provides us that capability, we are taking the view that we should at least compensate for our actions.

We know what our emissions levels are in Germany and what they are likely to be in the other countries we manage. We now understand how we can reduce those levels **through process and technological**

improvements but that won't be enough to get to a **nett zero position on emissions**, an achievement we recognise as important for QSL.

To that end we are working with organisations in all the countries we operate in either supporting reforestation projects or **establishing our own forests** at levels that meet and exceed the guidelines for totally offsetting the emissions we make.

Planting **400 trees** in Bad Endbach, Germany as part of our CO₂ compensation efforts





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