

2020  **SHV**

SHV Energy

Makro

Mammoet

ERIKS

Nutreco

NPM Capital

ONE-Dyas



2020 SHV

SHV Holdings N.V.

Head office:

Rijnkade 1
3511 LC Utrecht
The Netherlands
T +31 30 233 8833
F +31 30 233 8304
www.shv.nl
e-mail info@shv.nl
Chamber of Commerce
Utrecht no. 30065974

Statutory seat:

Boulevard Gob. N. Debrot 36
Kralendijk
Bonaire

Chamber of Commerce
Bonaire no. 7111





The story behind the tree

In 1896, 125 years ago, our forefathers planted a seed. The longevity of a tree relies very much on the quality of their roots. The basis was sound and fertile.

Over time, the roots grew deep, well anchored in its surroundings.

The tree grew. Its branches reached out higher and wider in search of new opportunities.

Nourished by the trunk, new leaves grew back every spring. New twigs sprouted into life. They stretched out as if waking up, and over the years became stronger and sturdier until they, too, became branches in their own right. And from these branches, new leaves bud and new twigs appear.

As the flowers bloom and fade away, the tree endures. Winter may take the leaves. Gales may even snap a branch. But the tree stands tall and immovable, a reassuring landmark that helps people find their way. And where a tree occasionally falls down, the wood can be used to build a home. And the fallen tree can be the basis for yet another new tree. The wood also might provide heat or a cooking opportunity, again in support.

The tree watches over the environment around it. Its leaves nourish the ground. Its roots protect the soil. Its growth refreshes the atmosphere. Its presence supports the surrounding ecosystem.

The tree also offers protection. In all four seasons. Shade. Shelter. When the sun beats down... when the storm howls... the tree stands firm. Yet it doesn't only protect us. Those branches offer us the chance to climb, to ascend higher and view the world from a new perspective.

In all those years, just imagine the stories our SHV tree could tell.

The hopes and dreams, the ambitions and achievements, the joys and successes and sadness it has silently absorbed. Each year leaves an indelible mark, just as it adds a layer of new growth, new experiences, and new life.

All this is what the legendary tree symbolises in yet another moment to SHV. What a beautiful tree. It symbolises 125 years of history, stability, sustainability, strength, and opportunity. More than this, it stands for the 125 years yet to come.

With respect and with joy we look at our SHV tree, the beauty and the challenges to keep it growing.

A.M. Fentener van Vlissingen



Supervisory Board of Directors

Mrs A.M. Fentener van Vlissingen, Chairman
R.W.J. Groenink, Deputy Chairman
P.J. Kennedy, Deputy Chairman
A.D. Boer
W. Dekker
J.M. Etlin
R.J. Frohn
Ph.C.O.E.A. von Hammerstein-Loxten
Ms P. Mars Wright
M.L. Mautner Markhof
Mrs M.J. Oudeman

Executive Board of Directors

J.P. Drost, CEO
R. Kandelman
F.J.C. van Lede
F.F.J. de Ryck

Staff

Company Secretary

B. van Hunnik

Finance

J. Oskam

Human Resources

J.C. de Vries



Contents

7	Key figures
8	A family of companies
10	Foreword

Living our Purpose

14	Our purpose
15	• Inclusivity
16	• Sustainability
17	• Ethics & compliance
18	• Innovation

SHV in 2020

22	Highlights
26	Financial overview
28	• Risk
29	• Tax
32	Business review
32	• SHV Energy
34	• Makro
37	• Mammoet
39	• ERIKS
43	• Nutreco
45	• NPM Capital
46	• ONE-Dyas
49	Five year overview





Key figures

SHV in 2020

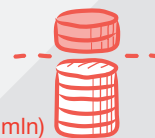
17

net sales (€ bn)



602

income from operations (€ mln)



13

total assets (€ bn)



6,331

shareholders equity (€ mln)



7%

return on shareholders' equity



51%

solvency ratio



64

countries



51,600

employees



A family of companies

SHV is a privately held family company with a strong position in a number of operational areas and selected investment activities.

History

SHV started as a coal trader in 1896, and since then has continually moved, changed and adapted to an evolving global and business environment. In the 1960s, when the Dutch coal market collapsed following the discovery of huge natural gas reserves, the company adapted to the new market circumstances by diversifying. In the 1980s, SHV refocused on trading in energy and consumer goods. The company's LPG distribution activities and Makro stores were consolidated and expanded internationally. Over the years, the Makro activities in Europe and Asia were divested, as were the metal recycling activities. NPM Capital, a private equity company was acquired as well as Mammoet, a heavy lifting and transport company, ERIKS, an international technical service provider and Nutreco, a leading player in animal nutrition and aqua feed.



Food cash-and-carry

Makro is a modern food cash-and-carry targeting professional food customers as well as end-consumers. Makro is present in Argentina, Brazil, Colombia, Peru (until December 23, 2020) and Venezuela. As of 2021, Makro operates 107 stores.



Energy distribution

SHV Energy provides low-carbon and clean energy solutions to business and residential customers in over 25 countries across four continents. It is a leading global distributor of off-grid energy including LPG, small-scale LNG and biofuels.



Heavy lifting and transport

Mammoet provides clients with Smarter, Safer and Stronger solutions to any heavy lifting or transport challenge. Through deep and longstanding engineering expertise, combined with the highest quality and safety standards, Mammoet brings an intelligent and flexible approach to projects across a wide range of industry sectors.





Industrial services

ERIKS is an international industrial service provider. As a multi-product specialist it offers a wide range of high-quality mechanical engineering components and associated technical and logistical services. ERIKS has a presence in Western Europe, North America and Asia.



Private equity investments

NPM Capital invests in medium-sized companies in the Benelux region, supporting them so they can complete the next growth phase of their development. The current portfolio comprises 27 companies with both majority and minority stakes and includes growth capital.



Animal nutrition and aquafeed

Nutreco is a global leader in animal nutrition (Trouw Nutrition) and aquafeed (Skretting) and has offices in 37 countries and sales in over 90 countries. Its advanced feed solutions are at the origin of food for millions of consumers worldwide.



Oil & gas investments

SHV owns 49% of ONE-Dyas, the largest privately-owned Dutch oil & gas exploration and production company. Its core area of interest is the oil & gas basins of the North Sea.

Foreword

Over the last 125 years, SHV has faced a number of tough times when doing business was a challenge. Yet what we experienced in 2020 was unprecedented in the last decades. A worldwide crisis that demanded a complete change to our way of working and a whole new mindset. After all, social distancing is not a natural part of how we want to work.

Looking back on the year, we are proud that SHV returned positive results – not only due to divestments. Our solid foundations have once again shown they can weather a storm. Conservative financing allowed for more stability, short communication lines allowed us to respond quickly and, above all, good leaders adapted quickly and with their people managed well throughout.

The challenging economic circumstances have had impact on the different Groups, with Corona-related restrictions worsened by a fall in oil & gas prices. Yet, business models adapted where necessary, reorganisations took place, and costs were controlled.

Following the strategic review, the sale of the majority of the Makro stores outside the State of São Paulo has been concluded, with great care taken to ensure the well-being of those colleagues who left. Subsequently, in November, SHV was approached for the sale of Makro Peru by InRetail, the country's largest retailer. After careful deliberation it was decided to accept the offer as it is the firm belief that Makro Peru and its employees would become part of an organisation that enables them to grow and prosper in the future.

Remote working meant that all meetings became virtual – and the meetings of the Supervisory Board of Directors (SBD) were no exception. In regular meetings, the SBD met with the Executive Board of Directors five times during the year to discuss and monitor performance, strategic progress, large investments, and various ongoing projects. In addition to regular Group performance updates, the Rolling Forecast was frequently discussed as was the financing of SHV and of the Groups. Health and Safety, Human Resources, Digital Transformation Initiatives, IT, Sustainability and Innovation were also addressed over the course of 2020. Where needed several meetings were held in addition to those already scheduled.

The SBD paid a virtual visit to NuFrontiers to learn more about its activities. As part of Nutreco, NuFrontiers focuses on strategic innovation and investing in new technologies. In doing so, it will provide valuable support to “Feeding the Future” in years to come. The SBD explored the worlds of digital precision farming, alternative proteins, and land-based fish farming. It was a very insightful ‘visit’ and one that highlighted the progress being made to feed the world’s population while minimising the impact on our planet.

The SBD was also involved in the Purpose project. **Courage to care for generations to come** is a perfect fit with SHV and its values and will be a powerful beacon in years to come.

Our Annual Shareholders meeting in April also took place online. It was a new experience and one that, despite the circumstances, went very well. During the meeting Ms Pamela Mars Wright and Mr Jean Marc Etlin were both reappointed for a period of four years.

In 2021 SHV celebrates its 125th birthday. Since April 1st, 1896, the company has never stopped exploring new ways of doing business. Innovation is strongly rooted in our history, and today the branches reach far and wide in search of new endeavours. In light of the ongoing pandemic, we have decided to postpone celebrations until 2022. This is also part of SHV where we have



always managed change. And so we look forward to celebrating our 126th year, another proud milestone in our history.

Performance, in every aspect of the word, is always driven by people. We are very impressed and extremely grateful for the efforts made this past year by all employees of SHV. Guidance, support, and encouragement have never been needed more - and they were provided by the strong leadership of Jeroen, Ricardo, Floris and Fulco as the Executive Board of Directors. We are thankful for this and their hard work in 2020. Under their direction, we are confident that SHV will be able to face and overcome the ongoing challenges in the best possible way. Just as we have done for the last 125 years.

Utrecht, 11 March 2021

On behalf of the Supervisory Board of Directors,

A.M. Fentener van Vlissingen
Chairman





Living our Purpose

Our purpose

Courage to care for generations to come

We are tens of thousands talented individuals from all around the world. We are a family of companies active in various industries operating across continents. Our purpose with five accompanying values is the glue that connects us. A defined purpose makes the difference between knowing how we should go about our work and understanding why we are all proud to do so. A long-term vision supported by our shareholders.

From the day we began in 1896, our story has always been about people. Together, we forge our own path rather than follow short-term trends. We see change as an opportunity, not a threat. And we dare to seek new horizons, because they lead to real progress.

Our story is about people with the confidence to believe in themselves and trust in each other. We are driven by a bold entrepreneurial spirit to show curiosity. Think creatively. And shape the future rather than simply adapting to it. We are passionate about making exceptional things happen.

Our story is about people with a genuine determination to lead the way. We are inclusive, see the best in each other, and work with integrity. Never afraid to make tough choices, we stay true to our principles.

Above all, our story is about people with the courage to care for what we do. How we do it. And the impact this has on others, on performance, and on the planet. Always looking ahead. Always moving forwards.

Our story will always be written by people with the **courage to care** about a better world for today. And a better tomorrow **for generations to come**.



The courage to care means a promise to shape the future, not simply adapt to it. For everyone at SHV, every day provides the inspiration to create a better tomorrow for generations to come. This promise goes beyond a theoretical set of values, the purpose is underpinned by the courage to act - even if that means making tough decisions and facing tough choices.



Our goal is to create a better tomorrow for our customers, employees, partners, stakeholders, and society in general both for today and tomorrow. And so, in a fast-changing world, SHV strives to make decisions that balance the well-being of people, the planet and business performance.



Courage to let people lead

Because of an unwavering belief in our people we entrust them with responsibility, giving them the confidence to take the initiative, develop themselves and embrace new opportunities.

To guide our decision-making, in 2019, we aligned ourselves with the most widely-used definition of sustainability as framed by the United Nations in 1987: *meeting the needs of the present without compromising the ability of future generations to meet their own needs.*

Inclusivity



Courage to see the best in all people

We recognise the true potential in all people, welcoming everyone as valued members of our family. We actively contribute to a safe working environment built on respect for each other.

Our ambition is to build and develop a future-proof and diverse inclusive workforce. We aim to see women occupy a minimum 25% of senior leadership positions, and senior management teams comprise at least two different nationalities by 2030.



Contributes to United Nations SDG 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

With almost 51,600 employees around the world, people are at the heart of our success. We want our workforce to feel highly engaged and reflect the diversity of the societies in which we operate. And we believe that diverse and inclusive teams better understand and reflect their customers and stakeholders, enhance business performance, and work more creatively and innovatively.

To ensure that SHV builds a reputation as a place where women can flourish, we have introduced the “Taking the Stage” development programme, designed to give female colleagues guidance on becoming more effective leaders, as well as support in combating biases.

‘Taking the Stage’ provides a unique environment for women to not only learn, but also to connect and network with other women within the organisation.

In 2020, 16 female colleagues, coming from all Groups and with different nationalities, trained as facilitators and subsequently went on to deliver the programme to over 140 women from

SHV and its Groups. This is just the beginning, with the initiative set to expand during 2021 and beyond.

In terms of safe and healthy working conditions, our goal is aligned to the same SDG 8: zero fatalities or life changing injuries due to the failure of our plant, equipment, or safety management systems.

It is our ambition to ensure safe and healthy working conditions so that every single colleague returns home safe and sound every single day.

In line with our commitment to care for our people, we increased our focus on the area even further during 2020, making a concerted effort to join forces and work more closely together across the Groups. As part of this effort, the first ever global Health and Safety week was organised in which all Groups participated.

The initiative proved successful in both stressing the importance of safety and engaging colleagues to gain the know-how, the skills, and also the courage to flag any known issues. The week also incorporated a series of training and webinars, as well as more light-hearted activities.

Sustainability



Courage to deliver the exceptional

Passionate about the ongoing success of our people, our business, and the communities around us.

For our communities

We strive to help shape the future by driving sustainable development around us through education and knowledge, including supporting the sustainable and positive development of the society in which we work and live. To offer education is to make a long-term investment in people and, ultimately, in communities.



Through our internal campaign "Start from the Heart" we commit to investing in people through education.

With a presence in so many countries all over the world, our Groups are uniquely positioned to understand the challenges and needs of their local communities and are encouraged to initiate and support local projects. By supporting educational programmes, we enable people to support themselves.

In recognition of all the great initiatives that take place locally, a Lapwing Award is presented to the best projects each year. The award encourages and acknowledges all the great work being done throughout SHV with respect to "Start from the Heart" activities.



For our planet

Our ambition is to execute sustainable sourcing, production and distribution of our products and reduce (in)direct greenhouse gas emissions.



Contributes to United Nations SDG 13: Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.

As greenhouse gas (GHG) emissions continue to rise, climate change is happening faster than anticipated – and the effects are being felt worldwide.

We believe the only effective way to reduce our global carbon footprint is by combining our efforts, and intend to reduce our GHG emissions by at least 30% by 2030. This target includes both direct GHG emissions generated by business activities, and indirect emissions from the purchase of fuels and electricity used for heating, steaming, and cooling.

Never afraid to make the right choices, we are adopting a local approach to reducing emissions throughout the business.

In 2020, the Internal Audit department assessed the carbon footprint across the whole of SHV based on four areas: Governance, Employees & Stakeholders, Data Reporting, and the CO₂ Reduction Roadmap. The assessment provided valuable insight into the maturity of CO₂ reporting in the different Groups, while bringing to light and sharing best practices and lessons learned.

For our performance

Our ambition is to deliver real impact through exceptional products and services and to grow responsibly and profitably.



Contributes to United Nations SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

We understand that while we have an important part to play in a sustainable future, we are just one piece of a vast global jigsaw. In working towards a set of established SDGs, we can add our efforts to those of numerous other organisations around the world. We also open up new possibilities to combine our actions with those of our customers, suppliers, and other partners to exponentially increase the impact we have.

Ethics & compliance



Courage to stay true to our principles

Working openly and honestly, we never compromise our values to boost our results. Our values are visible in our everyday actions.

SHV has always been committed to achieving the highest standards of ethics and integrity, with everyone expected to take business decisions that reflect our values.

We all share a responsibility to act with integrity in line with both the law and our own policies. As part of a culture that never has—and never will—tolerate unethical or unlawful behaviour, we have a duty to ensure we do business in a compliant and ethical manner. Any failure to do so will be immediately looked into and appropriate action taken.

SHV management is responsible for embedding this commitment across the business. Independent Ethics & Compliance departments in each Group provide insights into the expected behaviour and support management in maintaining unimpeachable standards. Ethics & Compliance departments also provide colleagues with the right tools to deal with challenging circumstances and difficult dilemmas.

SHV Holdings has in place a clear Ethics & Compliance framework and associated policies. The SHV Groups are responsible for implementing and continuously updating this framework in their organisations. The Ethics & Compliance function works closely with, amongst others, management, HR, Legal and Internal Audit.

As part of the Ethics & Compliance programme, SHV offers a company-wide service within a safe environment for all employees and other stakeholders to voice any concerns about workplace practices. This service, called "Speak Up", is a confidential phone line and webservice that is used throughout SHV.

Together, this comprehensive set of measures helps SHV to meet its strong commitment to an company-wide culture of integrity and trust.

Innovation



Courage to shape the future

Driven by an entrepreneurial mindset, we explore different perspectives on the road to progress, while we listen, learn, and react to create and seize new opportunities.

Innovation has played a key role throughout the history of SHV. We have always shown curiosity and thought creatively, from the first mechanical coal transporter way back in 1904 to today's FOCUS30 crane (*Mammoet*) and Digital Innovation Accelerator (*SHV Energy*).

Thanks to innovation, we have continually adapted to—and often shaped—changing markets by finding new ways to grow.



In 2017, we launched an SHV-wide *Innovation Movement* to accelerate innovation and stimulate further growth. This continuous focus will enable us to stay ahead in our markets and contribute to a sustainable future. It may take some time, however, before the results are reflected in our financial performance.

The Innovation Movement aims to embed innovation deeply within every Group, while keeping customer needs front and centre. It supports cross-Group co-operation and the exchange of best practices, while at the same time recognising differences in industries and market maturity.

Each Group works with an assigned, dedicated Innovation Lead to focus on the delivery of innovative products, services, and process improvements by managing innovation funnels and ideas. *Innovation Leads* will also foster cross-Group collaboration and knowledge exchange to enhance our ability to innovate.

TEXAS

In 2020, we introduced TEXAS - an open-innovation program developed to reinforce our digital capabilities, connect to the eco-system, and learn faster than others.

For now, two business challenges have been selected for the TEXAS program. In 2021, we will appoint the partners who will help us solve these challenges. The idea is to make a real business impact, demonstrate value of the program, and take the next step in the development of our Innovation Movement.





SHV in 2020

Highlights

The year 2020 was undoubtedly the most unexpected and turbulent one in recent history. At the beginning of January we were all optimistic and looking forward to what seemed to be a good year for SHV. The oil & gas markets were showing a slow recovery and despite the trade wars and Brexit uncertainties, global economies were starting to get in shape. A virus that was infecting people was far away and nobody could imagine how this would affect the world in the way it turned out. Then the virus started spreading and we all entered a complete new reality.

In these difficult times, it is even more important to have a common purpose that unites us. SHV has always placed an emphasis on strong values - values that guide us in every aspect of the business. Although we are all aware of these values, we saw the time has come to make them more explicit. This resulted in the 'Purpose Journey' that took place in 2020. The aim was to define a clear proposition that gives direction to SHV and the Groups, unites our organisation, and reinforces our proposition to all stakeholders. This journey encompassed numerous colleagues across all Groups over the course of the year. We conducted extensive surveys to define our starting position. A series of webinars then provided the opportunity for colleagues to share their personal stories and insights, ask questions and state opinions. These sessions were followed by conversations within the Top 100 and, as our purpose began to take shape, with a representative group of SHV-wide employees.



As the end of the journey, the new purpose was revealed at the annual management Top 100 meeting:

Courage to care for generations to come

The courage to care means a promise to shape the future, not simply adapt to it. For everyone at SHV, every day provides the inspiration to create a better tomorrow for generations to come. This promise goes beyond a theoretical set of values, the purpose is underpinned by the courage to act - even if that means making tough decisions and facing tough choices.

From the start of the pandemic, the health and safety of all colleagues has been the number one priority. In line with government restrictions, at SHV Holdings and the Groups extensive safety measures in stores, factories, filling plants, distribution centres and offices were implemented immediately to ensure a safe working environment. However, despite all measures and precautions that were taken, to our utmost regret throughout SHV, 10 colleagues passed away owing to COVID-19 and we feel for their loved ones.

COVID-19 affected all Groups, albeit differently, depending on the business and the geographies they are active in. SHV Energy reported good results following good margin management and strong domestic demand for LPG. Makro faced different degrees of restrictions in the various countries, most of them negatively impacted performance. The operations of Mammoet were impacted by the decline in economic activity as well as the sharp drop in oil & gas prices, resulting in lower investments and postponement of major projects. COVID-19 related declining industrial productivity in general and in the oil & gas sector specifically in the US, negatively affected the performance of ERIKS. Nutreco performed well as demand for animal proteins was fairly resilient, particularly in the first half of the year. Due to a slow market NPM Capital did not conclude any divestments contributing to results. ONE-Dyas was negatively impacted by low oil & gas prices.

Following the strategic review, the sale of the majority of the Makro stores outside the State of São Paulo has been concluded. Subsequently, SHV was approached for the sale of Makro



Peru, by InRetail, the country's largest retailer. After careful deliberation it was decided to accept the offer as it is the firm belief that Makro Peru and its employees would become part of an organisation that enables them to grow and prosper in the future. This, combined with extensive reorganisations at both Mammoet and ERIKS as they adjusted to new market conditions, meant that over 8,800 employees left SHV. Treating people with care and respect was an important element of the termination of the employment agreements.

The events of 2020 impacted SHV on a number of fronts. COVID-19 and the ensuing global lockdowns, factory and restaurant closures, and travel restrictions led to a wide range of operational and organisational challenges. This was compounded by a steep drop in oil and gas prices. Stringent measures were needed to rightsize parts of the business, safeguard results, and prepare the company for the new normal. Even so, operational income rose to €602 million, an increase of €297 million (2019: €305 million). In both years, income from operations was significantly affected by a number of exceptional items (2020: €214 million, 2019: €-236 million).

At SHV Holdings, all quickly adapted to working from home supported by high quality IT systems that enabled a smooth transition. The Executive Board of Directors was in frequent contact with Group management, discussing health and safety, the various operational challenges and ways to address these. All Groups conducted a thorough COVID-19 impact analysis, including upward and downward scenarios that were discussed extensively. Learnings from the different Groups in different geographies and stages of the pandemic were collected, reviewed, shared and discussed. Other topics that were discussed frequently related to working capital levels, cash positions and investments.

In these rapidly changing times, we do not just need to adjust to current market circumstances but focus on the future as well. During the year, several in depth strategic reviews of the Groups took place in order to define how and where the best possibilities lie for ongoing sustainable growth. The findings of these reviews have been discussed in great detail and actions are defined that will be executed wherever possible.

To further strengthen performance management, a company-wide forecast improvement project was executed. All SHV Groups and SHV Holdings have moved to a 15-month Rolling Forecast performed on a quarterly basis. The Rolling Forecast has a signalling function and provides an ambitious and realistic outlook on future performance, embedding the latest operational insights. In addition, the sensitivity analysis and scenario modelling support anticipating actions and decisions in the face of changing economic conditions and market developments, especially in these rapidly changing times.

Digital insights are becoming more important for optimising businesses. In 2020, ADAPTFY, SHV's global data and analytics (D&A) organisation was founded. ADAPTFY is a strategic partnership between SHV Holdings and YGroup and aims to create value through optimising business practises and processes through advanced D&A and technology. It provides capacity and capabilities which can be deployed throughout SHV, to help the Groups create value and accelerate their digital and D&A initiatives. A dedicated ADAPTFY academy will provide training to increase personal D&A capabilities across SHV.

Following the choice for the focus based areas on the UN Sustainability Development Goals, progress has been made with an integrated approach to achieve the targets that have been set



in line with our purpose. A newly appointed Director Sustainability and Innovation is leading this process.

To further drive innovation and in close collaboration with IT and the Groups, a program called TEXAS was initiated as a next step in expanding the Innovation Movement. The aim is to bring digital solutions into the businesses in an agile way, while continuously learning and collaborating between the Groups and the innovation ecosystem. It is another step in the journey to embed the innovative culture in SHV and aims to solve challenges within multiple Groups through innovative digital solutions, to promote learning of using a digital accelerator and to stimulate collaboration.

People are key to the sustainable future of SHV and providing opportunities to grow within our family of companies is a high priority. A newly designed Emerging Talent Strategy was implemented, with the creation of six career tracks and relevant developmental positions, to accommodate targeted career growth. On executive level, the clear majority of roles were filled by internal candidates, as a result of structured succession planning and leadership development. Due to COVID-19 the leadership development programmes for senior leaders were all successfully redesigned from a physical to a virtual setting. A dedicated cross Group Diversity & Inclusion taskforce is focused on creating increased and structural awareness on all aspects of the subject.

After driving the growth of Dyas for 10 years and leading the seamless integration following the merger with Oranje Nassau Energie, CEO Robert Baurdoux decided to leave ONE-Dyas as of September 1, 2020. We thank him very much for his contribution and wish him all the best with his future endeavours.

Looking forward, the future remains extremely uncertain. Most countries in which SHV operates, are still in the midst of the second or third COVID-19 wave with regulations becoming more strict, impacting the already struggling sectors of the economy even more. A positive element for SHV is that all Groups have adjusted to the new ways of working while creating efficiencies, amongst others through acceleration of the digitisation process. Economic recovery will depend for a large part on the speed with which people can be vaccinated and the effectiveness of the vaccines. Beyond the challenges related to COVID-19, SHV and the Groups will look to implement the actions planned as a result of the strategic reviews wherever possible. Ongoing optimisation of the business and driving growth will also be high on the agenda. Considering the resilience displayed during 2020, we are confident that we will be able to successfully address the challenges as they come by.

Special thanks

Many things have already been said on the subject, but some things just can't be emphasised enough. Navigating a family of companies like SHV through the kind of challenges we faced in 2020 is quite a task to say the least.

In fact, it simply would not have been possible without the amazing efforts and unwavering dedication of our people. The Executive Board of Directors was hugely impressed and is very grateful for everything that our colleagues, from all over the world, have achieved. Thanks to their efforts, we can look back and conclude that so far we managed the crisis well. Together, we have made sure that SHV remains solid.

So a sincere thank you to every colleague in stores, factories, filling plants, distribution centres, customer service centres, cranes, trucks, offices... and wherever else they may work. All did great!

The challenging times are far from over. Yet we have every confidence that, with their support, we will weather the storm and come through as strong as ever.

On behalf of the Executive Board of Directors,

J.P. Drost
CEO

Financial overview



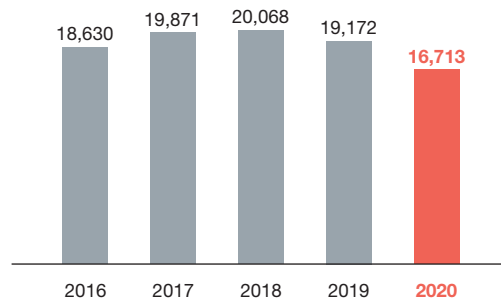
SHV's financial performance over 2020 resulted in a net income of € 469 million (2019: €428 million), with capital gains from the sale of Makro stores in Brazil and the sale of Makro Peru offsetting the negative impact of COVID-19 across most Groups and the costs of right-sizing the business for the future.

Net sales in 2020 amounted to € 16.7 billion, a decrease of 12.8% compared to last year (2019: € 19.2 billion). The devaluation of, amongst others, the Brazilian real, the Argentina peso and the Turkish lira against the euro caused a negative effect on sales of € 1.3 billion. Adjusted for foreign currency translation effects, sales decreased by 6.5% driven by all Groups except for Nutreco and Mammoet, following the acquisition of ALE. Pending approval for the sale, Makro already closed 44 stores in Brazil at the beginning of the year, negatively impacting sales. SHV Energy reported significantly lower sales following the steep drop in gas prices. Low LPG prices offered scope for margin management, leading to higher margins.

Income from operations of € 602 million, increased with € 297 million compared to 2019 (€ 305 million). In both years, income from operations was significantly impacted by a number of exceptional items (2020: € 214 million, 2019: €-236 million). Adjusted for these exceptional items, income from operations in 2020 totalled € 388 million (2019: € 541 million) in a year that saw an impact from the global pandemic as well as a steep drop in oil & gas prices following uncertainty in the markets, lockdowns, mobility constraints, business closures, and a fall in customer activity.

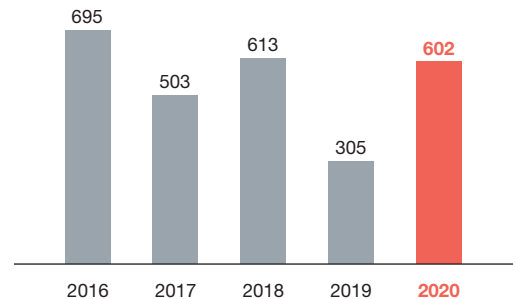
Net sales

In millions of euro



Income from operations

In millions of euro



Group performance

Adjusted for exceptional items and a negative foreign currency translation effect, operational performance varied across the Groups. SHV Energy improved performance despite lower sales, thanks to the combination of higher margins and strict cost control. Nutreco performed slightly below last year. After a strong start to 2020, the animal feed business in particular felt the impact of COVID-19, mainly due to closure of restaurants. This was partially offset by strong demand for shrimp feed. Makro results also fell, again due to COVID-19 restrictions such as restaurant and store closures and the restricted movement of end-consumers. Mammoet, ERIKS and ONE-Dyas were also significantly affected by COVID-19 and lower oil & gas prices. A significant fall in sales was followed by reorganisations and adjusted capital expenditure. NPM capital was unable to make a positive contribution to net income, with planned exits postponed to 2021 in the face of increased market uncertainty as result of COVID-19.



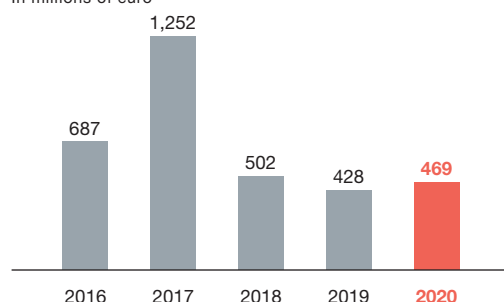
Tax

In 2020, the effective tax rate increased from 18.2% to 22.1%. This was mainly the result of lower non-taxable capital gains and dividends under Dutch participation exemption rules, and non-recoverable withholding tax charges. The effects were partly offset by the recognition of previously unrecognised deferred tax assets linked to tax losses and timing differences. In Switzerland, these relate to the sale of Makro Peru, in Brazil to the sale of Makro stores outside São Paulo and in the Netherlands to increased opportunities for utilisation.

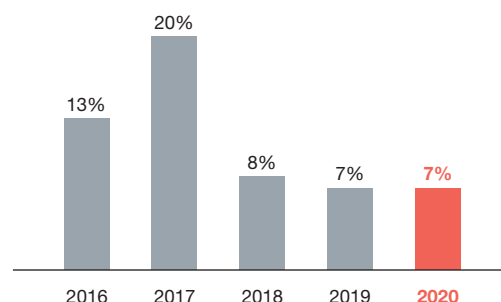
SHV Energy, Nutreco and Mammoet represented the main contributions to the operational cash flow of € 1,063 million. Investment cash flow amounted to € 704 million (2019: € 619 million). In 2020 proceeds received from divestments amounted to € 745 million, driven by the sale of Makro stores outside Sao Paulo and Makro Peru. Working capital reduced by € 345 million across all Groups to preserve cash and adjust to lower sales as a result of COVID-19.

Net income to SHV

In millions of euro



Income as % of Shareholders Equity



Investing in the future

A total of € 591 million was invested in operational fixed assets, mainly in gas cylinders and tanks at SHV Energy, heavy lifting and transport equipment at Mammoet and in production lines and facilities at Nutreco. Mammoet acquired ALE, the third largest player in the global heavy lift market, to strengthen its position in the industry. NPM Capital invested in Agrocare, Europe's largest tomato producer and Futurewhiz, a digital developer of educational applications for children. NPM Capital also increased stakes in Ohpen, a fast growing fin-tech company and Groendus (formerly Rooftop Energy), a specialist in rooftop solar energy, as well as making several smaller investments.

By the end of 2020, SHV's Group equity amounted to € 6.4 billion (2019: € 6.5 billion). The total negative effect of converting shareholders' equity from local currencies into euros came to € 324 million. Total liquidity amounted to € 1.2 billion, and net debt was € 300 million. The return on shareholders' equity was 7% (2019: 7%).



Risk

As part of the annual risk management cycle, the Executive Board of Directors conducted a company-wide risk assessment during 2020. The assessment aimed to ensure first of all that risk remains within SHV's parameters and, secondly, that internal control measures worked well - and, if not, what additional measures were required. Action plans were then developed and implemented for those measures in need of improvement.

The assessment confirmed SHV's risk appetite to be strategically open with a conservative operational and financial approach to business. SHV remains committed to a way of working that makes no compromise on safety, quality, and compliance. With respect to the latter, the Executive Board of Directors reiterated a zero-tolerance approach to areas such as bribery and corruption.

By adopting an outward-looking perspective, the assessment identified the top 15 key risks facing the company. Geopolitical and macro-economic factors were emphasised as key risks in light of the global pandemic and the Russian-Saudi oil price war - the effects of which will continue to be felt in the coming years.

The pace of technological developments was also noted as a potential long-term challenge for Group business models. The world around us is being confronted by an increased level of risk to cybersecurity and by cyber-fraud threats in general, both of which demand high levels of focus within SHV.

Risk is also present in ever-tighter labour markets that put pressure on the company's ability to attract and retain talented employees. And finally, the speed and breadth of legislative change around the world creates a continuous need to stay abreast of all necessary compliance measures, laws, and regulations.

The company's regular business processes, together with a robust set of internal controls, continue to manage these risks well. As part of an update to internal control measurements, improvements were made to various processes to ensure this remains the case. For instance, the rolling forecasting process now includes "up" and "down" scenarios to respond more effectively to macro-economic shocks such as a global pandemic. These scenarios contain trigger points with associated actions aimed at enhancing managerial responsiveness.

In terms of safety, requirements have been harmonised across the various Groups to consolidate reporting and best-practice sharing as well as internal benchmarking. On a cultural level, the new purpose **Courage to care for generations to come** will support company culture through an emphasis on core values.

Globally aligned throughout SHV and its Groups, the risk assessment has generated comprehensive insight into risk appetites, identified key risks, and updated internal control measures. Internal control measures throughout SHV are tested twice a year and the results reported to local management, Group Management, the Executive Board of Directors and Supervisory Board of Directors.

Overall, the Executive Board of Directors considers that these measures, together with existing operating procedures and control frameworks, effectively address the risks facing SHV now and in the foreseeable future.

Tax

SHV is committed to achieving the highest standards of Ethics and Integrity. In line with this commitment, SHV believes its obligation as a responsible taxpayer is to comply with the tax legislation of the countries in which it operates and pay the right amount of tax at the right time. SHV does not only comply with the letter of the law, but also with its spirit.

SHV uses business structures that are aligned with the business activities and that are only driven by commercial considerations. SHV only makes use of tax incentives where they are aligned with business activities and operational objectives, generally available to all market participants and specified by law. As such, tax always follows the business.

SHV pays tax on profits according to where value is created within the normal course of its business activities. SHV does not use aggressive tax planning strategies or tax havens to minimise its tax burden. The transfer pricing of intercompany transactions is done in accordance with the arm's length principle developed by the OECD and is applied consistently.

SHV maintains an open and constructive dialogue with tax authorities based on transparency and trust. SHV engages with them with honesty, integrity and respect.

SHV and its Groups have more than 500 legal entities in 64 countries. Each year, SHV files a so-called country-by-country report with the Dutch tax authorities containing high-level data on the global allocation of income and taxes, and certain other measures of economic activity for all companies over which SHV has management control. The Dutch tax authorities exchange this information with other tax authorities around the world.

SHV provides an overview of the total corporate income tax expenses and corporate income tax payments in 2020 to tax authorities in the ten countries where SHV has the largest presence. These 10 countries represent around two-third of the business.

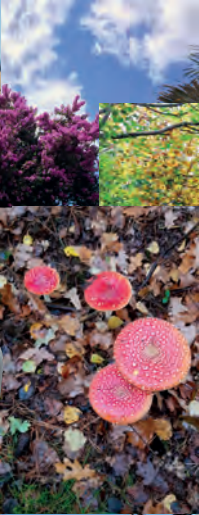
For each country SHV reports the earnings before tax (EBT), the corporate income tax expense in the income statement as well as the amount of corporate income tax paid and received on a cash basis. The tax expense reported in the income statement is the amount of current and deferred tax expense incurred in this financial year based on accounting rules. The tax paid means the net amount of corporate income tax actually paid to or received from the tax authorities in this year.

The following table specifies the net sales, EBT, income tax expense and income tax paid in 2020 for the top 10 countries. In this table, tax expenses are presented as negative amounts (income as positive amounts) and tax payments are presented as negative amounts (refunds as positive amounts). The data shown in the table on the next page is derived from internal management information systems.

#	Country	Net sales	Income before income taxes	Income tax expenses	Income tax paid
1	Spain	1,941.2	15.5	2.2	(8.5)
2	France	1,757.8	35.6	(14.4)	(19.8)
3	Brazil	1,626.2	282.8	(71.7)	(30.1)
4	The Netherlands	1,354.8	30.3	38.4	6.7
5	United States of America	1,334.7	(79.4)	10.5	(2.4)
6	United Kingdom	1,209.2	73.3	(5.0)	(12.2)
7	Canada	1,129.3	9.9	(9.1)	1.7
8	China	705.9	15.7	(4.9)	(4.1)
9	Germany	644.4	(6.9)	(15.1)	(6.1)
10	Italy	621.7	53.8	(15.4)	(15.2)
	Total top 10	12,325.2	430.6	(84.5)	(90.0)
	Other countries	7,157.9	193.2	(53.1)	(72.8)
	Total	19,483.1	623.8	(137.6)	(162.8)

Note: net sales represent sales on a country level and are reported on a non-consolidated basis.

In 2020, SHV reported an effective corporate income tax rate of 22.1%, reflecting earnings before taxes of EUR 624 million and a corporate income tax expense of EUR 138 million. SHV paid a net amount of EUR 163 million in corporate income taxes. Besides corporate income tax, SHV collected and paid many other taxes and contributions, such as state and local taxes, payroll taxes and consumption taxes.



Business review

SHV Energy

SHV Energy is a leading global distributor of off-grid energy including LPG, small-scale LNG, and biofuels. As a major player in the energy transition, the company provides decentralised, low-carbon, and clean energy solutions for business and residential customers in 25 countries across four continents under the Calor Gas, Ipragaz, Liquigas, Primagaz, and Supergasbras brands among others.

The long-term strategy of “Advancing Energy Together” incorporates organic and inorganic growth of the core business, productivity improvement, and the development of sustainable fuels and selected renewable energy services. Internally, the strategy unites the organisation’s business units to identify and solve common challenges and leverage mutual opportunities.

Uninterrupted supply

From the start of the COVID-19 crisis, business has focused on protecting the health and well-being of employees and customers, providing uninterrupted services to customers as far as possible, and safeguarding the financial health of the company. Maintaining an uninterrupted supply was achieved thanks to the speed with which all business units adapted to the rapid changes in ways of working.

To supplement local health authority measures, a global SHV Energy COVID-19 protocol was put in place to ensure operating methods adhered to the correct standards. Colleagues showed resilience and flexibility by quickly adapting to the new ways of working whether from home, at the plant, or on-site with customers.

The impact of COVID-19 restrictions on volumes varied according to customer segment and region. Demand from the industrial and commercial segments declined significantly in the first half of the year, particularly in India and the UK. At the same time, the domestic segment remained strong as people stayed and ate at home – with demand even surging in countries with high levels of cylinder-based domestic cooking, such as Brazil. Low LPG prices offered scope for margin management, leading to higher margins.

The pandemic also created significant volatility in the commodity markets for crude oil and LPG, yet thanks to the continuous efforts of the Supply & Risk Management team the effects were successfully mitigated.

Accelerated digitisation

The drive to optimise the business was underpinned by a number of “Advancing Energy Together” projects. 2020 saw the roll out of large scale tank telemetry devices, and an in-house data platform, as the basis for smarter logistical planning and better customer service. An internal digital marketing agency was also set up to improve lead-generation and customer acquisition across business units.

Eight acquisitions were finalised over the year to strengthen the core LPG position in existing markets including the USA, Italy, and Spain. Activities in the Netherlands, meanwhile, will be divested on approval from the Dutch competition authorities. The restructuring of US activities progressed smoothly with the sale of the cylinder business and a shift of focus onto the more promising commercial segment in the Texas area.

The innovation programme expanded with more business units joining the journey. Alongside established themes such as customer experience, new business models, and smart operations, safety also became a main priority.



One specific innovation goal was a reduction in the need to handle cylinders by hand – and in the number of incidents associated with this activity. The results were encouraging and led to a number of simple but intelligent ideas that have made a positive impact.

Digital innovation represents another priority. A dedicated programme was set up to accelerate the implementation of learnings from the crisis, particularly those relating to digitalisation and the use of data insights. An incubator supported the business units in speeding up their work in this area and over 125 ideas were generated, many of which continue to be worked on. For example, Tank Finder uses Google Maps to locate tanks quickly, helping sales representatives double their number of customer visits. Tank Finder was implemented by Pinnacle USA. Elsewhere, digitisation of the installation process is being piloted by Primagas Spain.

Increased bioLPG capacity

The sustainability agenda also made good progress over the course of 2020. As part of the drive to develop sustainable fuels, a first patent for a potential new way to produce LPG was filed - one which shows great promise for the future. Signing new contracts with European biorefineries increased bioLPG capacity in order to meet growing demand.

As a first step into the energy efficiency service segment, and in line with the long-term strategy, SHV Energy acquired a majority stake in EM3, an energy efficiency specialist based in Ireland. EM3 advises industrial companies on the best ways to optimise their energy usage to reduce emissions and improve cost efficiencies. A good start has already been made in identifying cross-sell opportunities between EM3 and LPG business units.

Further steps were taken to expand and deepen sustainability reporting, while an Assurance Readiness Assessment of CO2 emissions provided valuable insights into ways to increase the reliability and efficiency of the reporting process.

A broader approach to the crucial issue of the health and safety included the development of the CARE programme. The programme aims to both embed 'the safety habit' within the organisation and transform safety culture as a whole. SHV Energy also participated in the first global Health and Safety Week, as part of an SHV-wide initiative involving hundreds of activities across all business units.

As SHV Energy is active in a variety of businesses in a large number of countries, it has to deal with a wide range of laws and regulations. To enhance awareness and minimise and manage Ethics & Compliance risks, a revised Code of Conduct and a Supplier Code was implemented in 2020. The Code and the Ethics & Compliance policies and procedures cover topics such as – but not limited to – anti-bribery & corruption, competition law, trade sanctions & trade controls and privacy. To create awareness, mandatory training on such topics is provided.

As well as dealing with the day-to-day realities of the pandemic, management teams also continued to push diversity & inclusion. Increasing the number of women in management positions and promoting national diversity in management teams both represent key priorities, with the ambition for every management team to include at least one different nationality almost achieved.

Operational performance remained strong in 2020. Total volumes decreased compared to 2019 due to the impact of COVID-19 restrictions. The closure of restaurants, restricted movements, and other governmental measures all took their toll on the industrial and commercial segments.



The impact was largely offset, however, by strong domestic volumes, mainly in Brazil. Higher margins and active cost management also contributed to strong results.

Makro

As a result of a strategy revision, and in line with overall market trends, Makro initiated a transformation process in 2020. This involved a shift from traditional food wholesale serving mainly small food retailers and Horeca customers, to modern food cash-and-carry targeting professional food customers as well as end-consumers. The move aims to significantly increase Makro's customer base, while providing a better shopping experience.

Makro is also developing additional channels—mostly in e-commerce—to provide service excellence in high density markets. The goal is to provide a range of options and allow customers to choose how they purchase and receive their products.

Following the strategic review, the sale of the majority of the Makro stores outside the State of São Paulo has been concluded, with great care taken to ensure the well-being of those colleagues who left.

Sale of Makro Peru

Subsequently, in November, SHV was approached for the sale of Makro Peru by InRetail, the country's largest retailer. After careful deliberation it was decided to accept the offer as it is the firm belief that Makro Peru and its employees would become part of an organisation that enables them to grow and prosper in the future.

As of the beginning of 2021, Makro operates a total of 107 stores in Brazil, Argentina, Colombia and Venezuela.

The COVID-19 pandemic has driven a significant decline in economic activity across all these markets. Governmental restrictions deeply affected the spending power of every customer group, in particular the Horeca sector. The combination of closures, limited opening hours, and mobility restrictions affected all business units, especially those in Argentina and Colombia. At the same time, the impact was partially offset by an increase in purchases from end-consumers, as well as sales generated by new commercial initiatives.

From the very start of the pandemic, stores made the health and safety of both employees and customers their main priority. Best practices, learnings, and new sales initiatives were shared across markets to adapt and improve store operation as effectively as possible. Investments were put on hold as the focus shifted towards achieving further cost reductions without compromising safety and compliance.

Acceleration of omni-channel proposition

Faced with this unique set of challenges, the Food Cash & Carry strategy could not be implemented as planned. Even so, the omnichannel proposition was accelerated throughout the region and new opportunities to expand customer sales channels continued. As the pandemic accelerated the use of alternative e-commerce channels, Makro became one of the first companies in the region to partner with specialised digital platforms - and aims to expand the initiative in the future.





Business review

In Argentina, political instability continued and the economic recession deepened, raising unemployment and negatively impacting general consumption. At the same time, the government declared a price freeze by setting maximum sales prices that affected 20% of the Makro product range. This all had a negative effect on results. In spite of such challenging circumstances, Makro opened a new store in Benavidez, taking the total number in the country to 23.

In Brazil, the pandemic caused a sharp contraction of GDP and private consumption. A lighter quarantine and the early easing of restrictions, however, together with government stimulus initiatives and cuts in interest rates, produced clear signs of recovery in the food retail sector. Outside São Paulo, 44 stores were closed, following the strategic restructuring process.

In Colombia, Makro saw the toughest government measures, with the economy contracting sharply as curfews and mobility restrictions were placed upon several cities. Unemployment rates reached alarming levels and performance was heavily impacted by the pandemic. Even so, in November a new Makro Urban Store was opened in Barranquilla. As the pilot for a new small store format with a Food Cash & Carry approach, it is aimed at areas with a high concentration of end-consumers.

In Peru, economic indicators have been hit hard by restrictive measures triggered by COVID-19. A political crisis has also increased uncertainty and instability. Despite all this, Makro Peru showed a relatively good performance driven by the fast progress and execution of strategic initiatives. As we have seen, the decision was taken to sell Makro Peru in November with the deal finalised before the end of the year.

Venezuela continued to struggle with the extremely challenging scenario of hyperinflation, political turmoil and social unrest all worsened by the onset of the COVID-19 pandemic. The country has also been facing a significant gasoline shortage that has prevented customers from visiting stores. Makro Venezuela continues to operate in survival mode with the main priority being to protect employees and customers.

Makro is leveraging innovation to create value by accelerating the Food Cash & Carry strategy and, at the same time, increasing customer focus.

With various e-commerce initiatives tested in all markets, an open innovation program piloting three start-ups was also rolled out in Brazil. The *Makro Vantagens* loyalty scheme was successfully introduced in Brazil and is now being prepared for launch in every market.

All Makro business units continued working to reduce greenhouse gas emissions, water consumption, and waste generation by making improvements to infrastructure and building partnerships with suppliers.

Support for vulnerable communities

Social responsibility, always important, came to the fore during the COVID-19 pandemic. All countries played their part in supporting initiatives to help vulnerable local communities. Existing social-educational programs were continued, although these had to be adapted to reflect rules on social distancing.

For Makro, the Health and Safety (H&S) of all people represents a key value and Makro aims to create a better workplace for all. A four-year plan brings together compliance with regulations and internal standards, implementation of the correct H&S tools and standards,



and improvements in awareness. One key goal is the complete elimination of both incidents involving people and occupational disease .

Makro has continued driving strong corporate values and compliance with policies and laws. Over the course of the year, a range of dedicated Ethics & Compliance activities included workshops and training sessions on subjects such as sexual harassment, respect, and conflicts of interest.

A Code of Ethical Conduct and Privacy was also launched in 2020. Every business unit approved the data breach policy and ensured they remained in full compliance with local data protection, competition, and privacy protection regulations. In addition, an E&C Week held in all markets featured digital activities, team conferences, and daily communications highlighting a range of relevant topics.

The commitment to Diversity & Inclusion also remains strong. As part of the *Taking the Stage* program, female colleagues were given tools to improve communication assertiveness. In line with these efforts, all business units were given support to promote a more inclusive recruitment process and bias awareness.

The effect of COVID-19 restrictions, such as store and restaurant closures and lockdowns, and government imposed closures of Makro stores, was mainly felt in Argentina and Colombia. This was partly offset by increased sales from end-customers as well as from alternative channels such as e-commerce. The improved performance of Makro stores in São Paulo, Brazil, the sale of Makro stores in the rest of that country, and the divestment of Makro Peru as a whole also made significant contributions to net results.

Mammoet

Mammoet provides customers with smarter, safer, and stronger solutions to any heavy lifting or transport challenge. The company combines a unique global network and unparalleled fleet of equipment with proven engineering expertise and the highest quality and safety standards. The result is an intelligent and flexible approach to projects across a wide breadth of industry sectors. In building long-term relationships, Mammoet is able to develop a deep understanding of each customer's business to offer the most efficient and cost-effective solution.

Smooth ALE integration

In 2019 Mammoet acquired ALE in order to develop a stronger market position through consolidation, to achieve cost synergies, to gain higher market penetration and to boost innovative capabilities. Much of the focus in 2020 was placed on smoothly integrating ALE through a detailed plan. New colleagues were introduced to the SHV and Mammoet 'family'. Organisational structures were adjusted and staffed based on a structured appointment process, achieving a balanced spread of former ALE colleagues across the company. Almost all key players were retained while headcount synergies were over-achieved.

Post-integration figures showed that ex-ALE employees occupied a proportionate share of both management positions and identified talents, creating a good balance going forward. A planned culture program that formed part of the integration process was postponed due to travel restrictions. The Ethics and Compliance (E&C) department directed efforts into virtual training sessions immersing new ALE colleagues into Mammoet's standards for good business.



When COVID-19 hit, Mammoet was severely impacted by both the ensuing decline in economic activity and the sharp drop in oil & gas prices. The sector as a whole saw a fall in investments as customers postponed major projects, while much of the work in the day market was either postponed or reduced in scope. Worldwide travel restrictions, making it more difficult and sometimes impossible to mobilise people and equipment to often remote project sites also affected the business.

Regional markets were impacted in different ways. North America and Europe-Russia were able to maintain their performance thanks to the balance of different industries and service types, day market activities and projects, as well as large projects in Russia. The Asia Pacific region was also able to maintain performance despite facing COVID-19 restrictions earlier than other markets. However, the Middle East region as well as the Latin American activities depend more on projects, mainly in the oil & gas sector, and were severely affected.

As COVID-19 restrictions were put in place, immediate action was taken to ensure the safety of all colleagues. New ways to work helped to maintain suitable distancing. Additional safety training took place and tailor-made COVID-19 Personal Protection Equipment were developed. Intensive local, regional, and global communications kept colleagues aligned and informed. And Pulse surveys were introduced to keep track of people's well-being.

Adapting to changing markets

The crisis has emphasised the need to accelerate change and adapt the company to the expected long-term fall in activity in the oil & gas sector. To this end, an organisation-wide assessment identified the right areas to make adjustments. As a result, yards and offices were closed, the fleet size and workforce reduced, and operations halted in certain countries. As a consequence, and to our regret, more than 1,000 employees were let go. Wherever possible, equipment was rented or leased rather than purchased to increase flexibility. Working capital levels and liquidity were closely monitored, while investments were limited to specialised equipment for the execution of existing contracts and to prevent the fleet from ageing.

Innovation was aimed at creating new and better solutions for customers in constantly changing markets. The Focus Crane, designed to lift much heavier and larger modules in confined spaces, is now ready for use. It is designed to assist customers in modifying ever more complex refineries to produce more sustainable products, as well as to cope with stricter environmental regulations. The new SK6,000 crane has been developed for use in the offshore market, lifting modules up to 6,000t and allowing customers to build larger and more efficient modules than ever. It is suitable for the floating offshore wind sector as well, where foundations are growing larger.

The digitisation process was accelerated by investment in remote monitoring technologies and the remote operation of key equipment, both part of the Digistaal program. During the COVID-19 pandemic, this allowed the business to execute projects where local crew members are supported by specialists on the other side of the world.

As a leader in the heavy lift and transport industry, Mammoet has an important role to play in building a more sustainable future: not only by improving its own performance, but also enabling customers to meet their ambitions - many being key players in the energy transition.

Partner in the energy transition

The energy transition presents a number of challenges and opportunities for both Mammoet and its customers. Identifying more efficient ways to deliver new infrastructure and retrofitting existing facilities, both support industries in the shift to new, low-carbon ways of working.



An internal sustainability program, aligned with the United Nations Sustainable Development Goals, also drives progress. A Carbon Reduction Plan has been implemented to identify specific actions and provide practical guidance to support ambitious carbon reduction targets across all parts of the business.

Managing health and safety risk is another area of crucial importance for Mammoet and an established Safety Health Environment and Quality (SHEQ) management system meets the strictest global requirements in the field. Over the course of the year, Mammoet made its SHEQ tool, Airsweb, available to all locations, standardising safety policies and raising overall quality. All new staff received training via the in-house Mammoet Academy, ensuring consistency in operational procedures to guarantee the safe execution of work.

Mammoet also follows a robust, risk-based Ethics and Compliance program. Considering the countries and industries in which Mammoet is active, a focus remains on the key areas of anti-bribery and corruption and trade sanctions. Processes such as the screening of agents and clients, and the close monitoring of US and EU sanctions against specific countries, continued as normal.

The impact of COVID-19 determined that the main focus would centre on the human aspects of change and new ways of working. Next to that, talent pools and succession plans were updated and the integration of HR processes remains on track.

Activities in the areas of diversity and inclusion, performance management, learning and development, talent management, compensation and benefits, and data-driven HR all continued. Seven out of nine regional management boards met the target of including at least one member from a non-dominant nationality, and female participation increased.

The litigation on the NY Wheel project continues in the courts of New York and is facing delays in view of procedural matters; a court decision on the merits of the case is not expected prior to 2022. A ruling in the Amuriyah arbitration is expected around May 2021.

Mammoet returned positive operational results but realised a negative net income as COVID-19 forced down oil & gas prices and market circumstances became very challenging. With projects postponed, the resulting gaps in workload caused equipment to stand idle, losing economies of scale. Significant reorganisations and divestments of equipment prevented further losses and provided a solid foundation for the future.

ERIKS

ERIKS is a specialised industrial service provider. A wide range of technical products, co-engineering and customisation solutions, and related services helps customers to improve product performance and reduce total cost of ownership.

With a presence in Western Europe, North America and Asia, ERIKS serves customers in their original equipment manufacturing (OEM) and maintenance, repair and overhaul operations (MRO) across a wide variety of industrial segments.

The company's major strength lies in technical know-how. Over the years, ERIKS has developed a far-reaching expertise in areas as diverse as sealing & polymer, gaskets, valves & instrumentation, industrial & hydraulic hoses, industrial plastics, power transmission & bearings, conveying systems and tools, and maintenance & safety products.



In addition ERIKS is supporting customers to become more sustainable. ERIKS is in the position to find sustainable solutions for the industrial domain, as it specialises in making industrial processes more efficient and less wasteful.

Long-term strategic improvement

In the course of the year, led by the new CEO Stepan Breedveld, a long-term strategic improvement program was announced aimed to further enhance customer satisfaction, strengthen the business in specific areas and improve profitability.

A large restructuring took place to protect the company against profit decline, which unfortunately resulted in the loss of over 700 jobs. Several plans were developed to remain productive in a time of lockdowns and remote working, enabling teams to maintain good levels of customer service. Opportunities were also taken to diversify several areas of the business into promising new customer segments.

The COVID-19 pandemic severely impacted the economic environment in ERIKS' active markets. Industrial production in many segments suffered as a result of lockdown measures, particularly in the automotive, maritime, machine construction and all oil & gas related industries. At the same time, the food & beverage, chemical, and semiconductor industries continued to perform well depending on the circumstances in various countries. Global lockdowns and COVID-19 prevention measures severely cut fuel demand, causing commodity prices to fall to unsustainable levels.

To safeguard customer support in the face of COVID-19 restrictions, action was taken in all countries at an early stage of the pandemic. A global Project Management Office (PMO) was established to coordinate the response to these challenges, with the health and safety of colleagues as its first priority.

Enhanced efficiency

During the year, ERIKS has enhanced efficiency by further centralising and upgrading distribution. In Germany, a new Central Distribution Centre will serve customers throughout Europe and represents one of the organisation's largest and most modern facilities. In the UK, ERIKS began preparations for a new Central Fulfilment Centre in the West Midlands. The new building will increase capacity to fulfil more customer orders more quickly, more accurately, and ultimately, more efficiently.

ERIKS UK & Ireland expanded with the acquisition of sites in Cardiff and Derby dedicated to the design, manufacture, installation, refurbishment, servicing, and repairs of electric motors, gearboxes, pumps, and associated equipment. In contrast, the firm divested its downstream CNC Flow Control business in the US to increase focus on core activities.

ERIKS incorporates a dedicated innovation team which maps the development of projects in all countries. An official 'Innovation Thesis' has been created to serve as the guideline for new projects, with a focus on digital communication, data insights, new services, and business models.





Focus on digital solutions

ERIKS Digital is responsible for developing scalable digital solutions and enhancing e-commerce. Online buying is a growing trend in the industrial market and ERIKS aims to become a frontrunner in the area. The Wiki platform, an internal search engine, was launched and widely adopted across several European countries, instantly improving the efficiency of the internal sales organisation. ERIKS Digital also continued to develop tools that enable Smart Asset Management, providing customers with more control over their equipment through smart sensing.

The dedicated Data & Analytics team, meanwhile, made good progress in collecting, harmonising, and disclosing data and helping internal users to make their processes more efficient.

The environment remains a priority, with ERIKS challenging itself to become more sustainable. Targets are set in line the United Nations Sustainable Development Goals. ERIKS has already become carbon neutral in the Netherlands, one of its largest markets, and is consistently reducing energy use in other countries.

ERIKS commits to acting with integrity and in adherence with the law. A strong ethics and compliance framework actively supports stakeholders, with a Code of Conduct for Business Partners released in 2020. A number of employee-focused initiatives were taken to promote ethics and compliance in the context of business risks and needs and provide local teams with access to relevant information, tools and training. To 'measure, monitor and maintain' will remain priorities in the years to come.

Safety remains of paramount importance. Improving safety represents an ongoing effort and a key responsibility for everyone. A company-wide safety campaign plays a central role in changing behaviour and enhancing awareness. Health and safety leadership was also brought into focus during the year and included training managers and supervisors to maintain a safe environment in which employees feel free to raise safety concerns at any time and without any consequences.

The year saw a continued investment in people and the further professionalisation of the HR process. ERIKS believes that constant development and increased diversity are essential to high performance, and a new learning and development structure was established to support all employees in this area – not just senior management and talent.

In addition, a number of initiatives were taken to make ERIKS a more diverse company, such as the re-evaluation of the recruitment process and a review of job descriptions to ensure gender neutrality. Training was provided on relevant topics such as gender bias. These efforts resulted in more women occupying management positions in line with targets, plus an increased awareness around the topic.

In 2019, management had already started to implement strict cost measures and large-scale restructuring to face a more challenging business environment. The pandemic reduced sales even further, as factories closed and maintenance was put on hold, mainly in Europe. 2020 also saw a significant drop in demand from the US oil & gas industry. Restructuring costs related to previous cost-saving initiatives impacted results further still. A new round of cost cutting programs was introduced to manage the impact on operational performance, but these could not fully compensate for the fall in sales.



Nutreco

Nutreco is a global leader in animal nutrition and aqua feed. Its advanced feed solutions form the core of food products for millions of consumers worldwide. Present in more than 37 markets, sales from its two global divisions, Trouw Nutrition (animal nutrition) and Skretting (aqua feed), span over 90 countries.

Nutreco is positioned at the critical junction between the surging demand for proteins and supplies that are struggling to keep up. This presents a momentous challenge for both the industry and the world at large, and lies at the heart of Nutreco's mission of *Feeding the Future*.

Innovation, sustainability, and quality are the guiding principles of Nutreco culture. They shape everything from research and raw material procurement to products, models, and services for livestock farming and aquaculture.

Its strategic innovation and investment team, NuFrontiers, focuses on novel and potentially disruptive technologies that may, one day, become part of the global divisions.

Initial limited COVID-19 impact

The global spread of COVID-19 obviously impacted Nutreco's operating environment, although this was limited in the first few months as demand for animal proteins remained stable. The worldwide measures taken to address the pandemic, however, had a material impact on the food service and leisure sector, leading to a substantial fall in the consumption of meat and dairy.

As a result, the effects of COVID-19 only became noticeable at the end of the first half of 2020. Farmers around the world began to reduce the size of their herds to reflect lower levels of consumption, which in turn affected demand for feed products. In addition, African Swine Fever continued to reduce herd sizes across Asia and Europe, again cutting the demand for feed.

From the start of the pandemic, actions were taken to ensure employees could work safely and effectively. Operations, including procurement and logistics, created a joint taskforce to react quickly to market changes across the globe and ensure minimal disruption to the business. Efforts continued to drive more sustainable sourcing of raw materials and delivery of products within the challenging operating environment.

Despite the disruptions caused by COVID-19, long-term prospects for the animal feed market remain healthy. Nutreco's strategy aims to grow the company and become the supplier customers trust to provide best-in-class, digitally-enabled animal nutrition solutions and expertise. To drive future growth, Nutreco continues to expand its presence in developing territories projecting the highest increases in population.

Further optimisation

During the year, Nutreco worked on a number of strategic priorities to address overall market challenges, further optimise the business, and meet strategic objectives. Actions were taken to improve operational excellence and cost efficiencies. At the same time, the product portfolio was enhanced with differentiated, distinctive, and value-adding products that are more cost-effective, more efficient, and support farmers in reducing their environmental footprint.

New products include Skretting's CarbonBalance concept in Italy, which delivers carbon neutral feed, and RCX, a feed concept designed specifically for recirculating aquaculture systems. Trouw Nutrition also developed and introduced a number of new products, as well

as a digitally-enabled integrated value proposition designed to offer many more farmers with animal growth models and provide (on-farm) nutritional advice.

In recent years, a successful governance model has been developed to drive product innovation and strengthen differentiation within the existing product portfolio – with a particular focus on customer-oriented R&D. In 2020, Nutreco announced plans for a new research unit, NuTech, to develop and introduce unique proprietary products such as feed additives and specialty ingredients.

NuFrontiers continued to invest in animal health and precision farming, including a number of land-based aqua-farming projects.

Nutreco's sustainability strategy is built on three pillars: Health & Welfare, Climate & Circularity, and Good Citizenship. As an example, Good Citizenship comes to life in Community Development Projects that empower marginalised small catfish farmers in Nigeria and marginalised poultry egg producers in Guatemala, helping them to raise themselves out of extreme poverty

Reduction of CO₂ emissions

Climate & Circularity focuses on the continuous reduction of CO₂ emissions. Measures include reducing the footprint required to manufacture a tonne of product, as well as increasing the use of green energy. In 2020 operations in Spain were powered by green energy alone, and those in Ecuador by hydroelectricity. In Guatemala, the installation of solar panels eliminated CO₂ emissions, with other plants to follow.

In 2020 Nutreco stepped up its efforts to continue improving safety across the company. These included workshops with management to emphasise Visible Felt Leadership and hosting a Global Safety Week together with all Groups within the SHV family.

The e-learning-based Life Saving Rules continued to roll out across the company, with a particular focus on Severe Injuries and Fatalities (SIFs) and Potential SIFs. Global Health Safety Environment networks were also formed, with an increased focus on systemic issues and incident management.

Nutreco also focused on fully embedding ethics & compliance into all business operations over the course of the year. A number of key steps included implementation of the Nutreco Compliance Risk Management Framework. In addition, a new Code of Conduct for Business Partners was created and distributed. Internally, special attention was given to the subject of Conflicts of Interest. A campaign aimed at local management was followed by the launch of a disclosure process accessible to all employees.

People remain at the heart of the business and, as a market leader, Nutreco continues to build on the strength and capabilities of its global workforce. A new online platform provides employees at all levels with access to a comprehensive set of functional and behavioural learnings, while virtual leadership development programmes were also established during the year.

Nutreco firmly believes that diversity leads to better decision-making and better performance. In 2020, over 40% of senior leadership appointments and more than half the number of emerging talents were female, putting the organisation firmly on course to meet targets. At



the same time, cultural diversity has become the norm with the majority of leadership teams throughout the organisation consisting of two or more nationalities.

Nutreco had a strong start of 2020, with both COVID-19 and African Swine Fever having only a limited impact. The effects deepened in the second half of the year as demand for feed declined. This was balanced by the continued strength of demand for shrimp feed, growth in the feed additives business, and the effects of previous restructuring initiatives in Spain. Overall, Nutreco made a strong contribution to results.

NPM Capital

NPM Capital invests in medium-sized companies in the Benelux region, providing support to take them to the next phase of growth development. NPM Capital has the capabilities required to facilitate flexible, generally long-term, investment horizons. The portfolio currently comprises both majority and minority stakes in 27 companies and includes growth capital.

Sustainability represents an essential factor in the screening of possible investment opportunities, as well as in the ongoing development of portfolio companies. Environmental, Social and Corporate reviews are conducted on a regular basis to benchmark and monitor performance. Portfolio companies are also encouraged to proactively address the challenges associated with a sustainable future.

Doing business fairly is another key feature of responsible entrepreneurship. For NPM Capital and its portfolio companies, sound business practices and compliance with legislation are standard operating principles.

Compliance risks are assessed as a matter of course as part of due diligence covering investment targets. Assessments are also regularly undertaken on existing portfolio companies. A dedicated Ethics & Compliance officer provides ongoing advice and tools to support individual portfolio companies in setting up or improving their compliance framework. In addition, employee learning events are organised on a regular basis to strengthen awareness of sound business practices and regulatory compliance.

The current investment portfolio reflects the positioning of NPM Capital as a contemporary, active, and involved investor for the longer term – a positioning that also necessitates a diverse and inclusive organisation. Although NPM Capital is performing well compared to the broader Private Equity market, it remains committed to improving diversity within the organisation even further.

Valuations remain high

In 2020, the Dutch economy, like most other European countries, faced exceptionally challenging conditions due to the global COVID-19 pandemic. The final stage of Brexit and the unique political situation in the US also contributed to uncertainty. As a result, the transaction market basically came to a standstill before starting to recover in the second half of the year. Historically low interest rates, a continued inflow of money into Private Equity and the willingness of lenders to provide generous credit for acquisitions resulted in high valuations, in particular for sectors that have proven to be resilient to COVID-19.

The effects of COVID-19 on the NPM Capital participations differed depending on the business model and sector, but in general the portfolio proved resilient. NPM Capital remained in close contact with all portfolio companies, with a focus on supporting management in navigating the crisis, managing liquidity and preparing for recovery when the market returns to normal.



NPM Capital continued to build its portfolio around the four investment themes: *Everything is Digital*, *Feeding the World*, *Future of Energy*, and *Healthy Life*. Supported by expert advisory boards such as its Agri Board and Digital Board, NPM Capital primarily seeks investments related to these four areas that offer opportunities for growth.

Investments

Several investments took place during 2020. After obtaining approval from the Dutch competition authorities (ACM), an investment in AgroCare, Europe's largest tomato grower, with greenhouses in Europe and Northern Africa, was completed. Also, a majority stake was acquired in Futurewhiz, the developer of digital educational learning systems whose best known brand is called Scula.

In addition, a number of follow-up investments were made in existing portfolio companies. Funding was provided for GroenDus (formerly called Rooftop Energy) to finance the acquisitions of Greenspread, Solaris, Ealyze, and CT Energy. NPM Capital also supported Ohpen, a fintech company that administers retail investment and saving accounts on behalf of banks and other financial institutions, with the acquisition of DaVinci. No major divestments took place during the year.

NPM capital was unable to make a positive contribution to net income, with planned exits postponed to 2021 in the face of increased market uncertainty as a result of COVID-19.

ONE-Dyas

ONE-Dyas B.V. was established in 2019, following the merger of Oranje-Nassau Energie and Dyas. SHV owns 49% in this new entity. ONE-Dyas is the largest privately-owned Dutch oil & gas exploration and production company. Its core area of interest is the oil & gas basins of the North Sea. The company strategy is focused on further building on an already strong portfolio of operated and non-operated assets in the UK, the Netherlands, Norway and Denmark. In addition, the company has non-operated investments in Gabon. ONE-Dyas is uniquely positioned to capture growth opportunities and create both short and long-term value for all its stakeholders.

Like for so many others, 2020 has been an extraordinary year for ONE-Dyas. At the end of the first quarter the COVID-19 pandemic hit Europe and the rest of the world. Combined with disagreements at OPEC+ level, commodity prices hit record lows in March and April of 2020.

Quick response to new market circumstances

ONE-Dyas adapted well to 'the new normal' and quickly reacted to the material impact of the low commodity prices. In the second quarter of 2020, key actions were taken throughout the whole organisation to adjust to the new circumstances: cash preservation measures, pro-active commodity and foreign exchange risk management, active dialogue with ONE-Dyas lenders and an internal reorganisation.

Despite the lack of investments in the sector, ONE-Dyas continued with the development of its asset portfolio. Material investments were made in the Arran, Mariner and Buzzard fields in the UK. In Norway ONE-Dyas entered into a transaction pursuant to which it acquired a 9% interest in Norwegian licences also known as the Apollonia prospect. Next to that, ONE-Dyas keeps looking for further growth opportunities that fit within the strategy.

ONE-Dyas continues to be active with the environmental, social and governance (ESG) aspects of its business. In that respect ONE-Dyas has initiated a project to develop a comprehensive



ONE-Dyas ESG strategy and framework. Focus will be on greenhouse gas emissions of today's and future ONE-Dyas portfolio and roles ONE-Dyas can play in the energy transition.

ONE-Dyas was hit by the steep drop in both oil & gas prices for most of 2020 resulting in significant lower sales. As ONE-Dyas has strong hedging policies in place and was able to swiftly adjust capital expenditures and costs, the impact was reduced, leading to a positive result before revaluation of the oil & gas fields.



Five year overview

	2016	2017	2018	2019	2020
Results, in millions of euro					
Net sales	18,630	19,871	20,068	19,172	16,713
Income from operations	695	503	613	305	602
Income	687	1,252	502	428	469
Amortisation and depreciation	660	770	766	680	663
Income taxes	138	219	168	100	138
Dividend	287	289	289	251	233
Cash flows, in millions of euro					
Changes in working capital	74	(312)	(276)	(88)	345
Operational cash flow	1,630	1,864	806	927	1,063
Investment cash flow	(1,207)	(1,107)	(1,089)	(619)	(704)
Financing cash flow	(366)	(285)	(141)	(485)	(121)
Financial position, in millions of euro					
Shareholders' equity	5,478	6,208	6,175	6,381	6,331
Equity of the Group	5,637	6,378	6,279	6,489	6,412
Total assets	13,055	13,756	13,211	13,078	12,552
Ratio information					
Income as a percentage of shareholders' equity	13%	20%	8%	7%	7%
Equity of the Group as a percentage of total assets	43%	46%	48%	50%	51%
Current assets in relation to short-term liabilities	1.29	1.45	1.33	1.32	1.39
Employees, at December 31					
Nominal number	60,300	60,100	59,000	57,500	51,600
Amounts per share					
Income	94.46	172.15	69.08	58.86	64.52
Dividend	39.50	39.75	39.75	34.50	32.00

The figures for the years 2016 - 2019 have been restated.



SHV Group information

SHV Energy

Capellalaan 65
2132 JL Hoofddorp
The Netherlands
T +31 23 555 5700
F +31 23 555 5701
info@shvenergy.com
www.shvenergy.com

Makro

Rua Carlos Lisdegno Carlucci 519
05536-900 São Paulo - SP
Brazil
T +55 11 3745 2814
www.makro.com

Mammoet Holding B.V.

Van Deventerlaan 30-40
3528 AE Utrecht
P.O. Box 10000
3505 AA Utrecht
The Netherlands
T +31 010 204 2424
F +31 88 650 2340
info@mammoet.com
www.mammoet.com

ERIKS N.V.

Mariaplaats 21
3511 LK Utrecht
P.O. Box 19108
3501 DC Utrecht
The Netherlands
T +31 30 369 0100
info@eriks.com
www.eriks.com

Nutreco N.V.

Stationsstraat 77
3811 MH Amersfoort
P.O. Box 299
3800 AG Amersfoort
The Netherlands
T +31 088 053 2405
F +31 033 422 6105
corpcomm@nutreco.com
www.nutreco.com

Management

A.A. Gräber
Mrs M. Groeneveld-Klunder
P.F. van Holten
M. Kossack
Mrs A.M.H. Schöningh
S.L.L.T. Sels
S.M. Wijdeveld

Management

R. Laughlin
E. Demasi Neto
Mrs D. Rainha Ribeiro

Management

P.C. van Gelder
J.A. Kleijn
Mrs I.C. Verlinde-van Rijswijk
C. Voormolen

Management

S. Breedveld
F.J. Cuypers
Mrs M. Mauri
Mrs J.W. den Otter
E.C. Otto

Management

R. Koremans
C. Dekker
L.H.M. Genet
Mrs S.W. Korink
Mrs Th. Log Bergjord
M.W. Roelants



NPM Capital N.V.

Breitnerstraat 1
1077 BL Amsterdam
P.O. Box 7224
1007 JE Amsterdam
The Netherlands
T +31 20 570 5555
F +31 20 470 6454
mails@npm-capital.com
www.npm-capital.com

ONE-Dyas B.V.

UN Studio, 7th Floor
Parnassusweg 815
1082 LZ Amsterdam
The Netherlands
T +31 20 535 4100
F +31 20 535 4122
paralegal@onedyas.com
www.onedyas.com

Management

B.P. Coopmans
S. van Dongen
N.J.M. Kramer
L.J. van Loon
J.R. Ruigrok

Management

C.H. de Ruyter van Steveninck
Th.A. Israël
A.R. Korevaar
G.P. Nieuwenhuijze
A.C. van der Weijden



SHV Holdings N.V.
Rijnkade 1
3511 LC Utrecht
The Netherlands