



SUSTAINABILITY REPORT 2023



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TO GET STARTED

ABOUT THE REPORT

GRI 2-2 | 2-3

We are proud to present the first Sustainability Report of Horizon Auto Logistics for the year 2023. This report reaffirms our dedication to transparency with all stakeholders, highlighting our progress in environmental, social, and governance (ESG) strategies, goals, and initiatives.

The information presented covers activities from January 1 to December 31, 2023. Prepared with reference to the Global Reporting Initiative (GRI) standards, it follows industry best practices to ensure a comprehensive and transparent account of our journey.

In this report, we outline the sustainable practices already adopted across our operations, identifying those in specific areas and detailing our plans to expand these initiatives company-wide. Our goal is to enhance the positive impact of our actions and align our efforts with global sustainability objectives.

At Horizon Auto Logistics we recognize the importance of being a responsible logistics partner. Our commitment to both people and the environment is reflected in this Sustainability Report, which aims to inspire awareness and action through the sustainable practices we embrace.



GET IN TOUCH!

For any questions, suggestions, or compliments, please reach out to us.

mauro.castex@horizonautologistics.com

Enjoy the reading!

HOW TO READ THIS REPORT



Throughout this document, we refer to the content of the GRI Standards by using the following symbols next to each title **GRI code**



Access the GRI Content Index with the definition of each indicator and the pages where it is mentioned in the report.



LETTER FROM OUR CEO

GRI 2-22

Dear Stakeholders,

It is with great satisfaction that I share with you Horizon Auto Logistics' journey and commitments in our continuous pursuit of more sustainable and integrated operations. As an automotive logistics integrator, we strongly believe in the efficiency of supply chain operations to reduce lead times and alleviate capacity constraints. This approach not only improves our performance, but also has a significant positive impact on the environment, society and the economy.

Our Vision

Our vision is to be an all-inclusive and opportunity-driven company focused on growth and innovation. Sustainability is one of the pillars that will guide us in this direction. We recognize that economic, social and environmental processes are interrelated and that it is critical to consider the impact of today's actions on the future so that future generations can meet their needs.

We take responsibility for operating our business according to a sustainability roadmap tailored to our industry that addresses the environmental impact of our operations, social cohesion and economic growth.

Strategies and Commitments

In the short and medium term, we are focused on several environmental opportunities, including the adoption of clean energy, waste diversion and water recycling at all of our facilities. Our long-term goal is to become carbon neutral.

We are equally committed to social well-being, especially in the communities where we operate. Our business model emphasizes identifying the strengths and skills of our employees and providing training for their personal and professional growth. There is no greater satisfaction than seeing people in leadership positions who have grown from within. Advancing our industry in the communities where we operate, creating opportunities and promising futures for people, is a fundamental part of our mission.

Trends and Challenges

The automotive industry is constantly changing. Never before has the industry experienced such technological developments and uncertainties that present both challenges and opportunities. Our



OUR SUSTAINABILITY JOURNEY HAS BEEN A SIGNIFICANT SOURCE OF LEARNING, ESPECIALLY IN INTEGRATING A SUSTAINABLE MINDSET INTO OUR DAILY ACTIVITIES. ENGAGEMENT IS KEY.

greatest challenge is to identify the right opportunities and direction for the industry. We need to be agile and adapt quickly and with conviction. We believe that adapting to the ever-changing needs of people is critical to our future success.

Geopolitically, the world is more volatile than it has been in decades, and events such as pandemics and global conflicts can easily disrupt trade and industry. We are prepared to meet these challenges and mitigate negative impacts on our organization and infrastructure during these challenging times.

Goals and Targets

Our Sustainability Roadmap 2030 sets out specific targets in the environmental, social and governance areas of our operations. Our priority is to implement short to medium-term goals at our current facilities and in new markets. At the same time, we continue to work on our long-term goals.

Challenges and Learnings

Our sustainability journey has been a significant source of learning, especially in integrating a sustainable mindset into our daily activities. Engagement is key. We achieve this through local committees and task forces in our operating markets, as well as a corporate-level Sustainability Committee.

We recently launched the Horizon Academy, developing monthly webinars for all internal employees to discuss current developments and upcoming initiatives. These webinars will soon be open to external participants as well.

Our goal is to ensure that sustainability is truly embedded in everything we do, regardless of function or activity. We invite all our stakeholders to join us on this journey and work together for a more sustainable and prosperous future.

Per Folkesson
Per Folkesson
CEO of Horizon Group





HOW DO WE AS A COMPANY ADAPT TO THESE CHANGING NEEDS?

WE BELIEVE THIS IS THE KEY TO OUR FUTURE SUCCESS IN BECOMING AN INSPIRING PLACE TO WORK.





MATERIALITY

GRI 3-1 | 3-2 | 2-29

Materiality Process

Materiality is essential to identifying and prioritizing the issues most important to our business and stakeholders. It shapes our sustainability strategy and report by highlighting the most significant economic, environmental and social impacts that drive both business decisions and value creation

Our process for mapping Horizon's material sustainability issues was conducted in three stages:

1. Contextualization and Benchmarking

Description: In this first stage, we sought to understand Horizon's context, including an overview of its activities and business relationships, as well as the sustainability context in which these activities take place.

Benchmarking: We assessed global sustainability trends and studied the key sector issues highlighted in the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) guidelines. We also analyzed the material issues of five logistics companies recognized for their sustainability practices.

The result: From this analysis, we developed a comprehensive list of potential material issues.


2. Consultation and Evaluation

Consultation: Using the comprehensive list developed in the previous stage, we conducted a consultation process with external and internal stakeholders. We conducted surveys with external stakeholders and in-person and online interviews with 45 key employees, ensuring diversity and voluntary participation.

Evaluation: This process allowed us to prioritize and identify a short list of material issues directly and indirectly related to Horizon's business and stakeholder interests. We assessed our potential impact on various topics and eliminated those less likely to have a material impact.

3. Validation by the highest level of management

Deliberation: Upon completion of the materiality process, the results were deliberated and approved by Horizon's senior management. This approval took place during a meeting of the Sustainability Committee with the participation of the CEO.



MATERIALITY IS USED TO "FILTER" THE INFORMATION THAT IS, OR SHOULD BE, RELEVANT TO USERS. CERTAIN INFORMATION IS CONSIDERED "MATERIAL" - OR RELEVANT - IF IT COULD INFLUENCE STAKEHOLDERS' DECISIONS ABOUT THE REPORTING ENTITY.

Material Issues

Identified and validated material issues are essential to guide Horizon's sustainability strategy and ensure that our efforts are aligned with stakeholder expectations and industry best practices.

We have identified a number of material issues that have the potential to generate significant impacts on the economy, the environment and people, including their human rights. We must prioritize the strategic management of these issues that generate the most positive and negative impacts. Below we present the six most important material issues identified from the analysis of stakeholder responses.

Occupational health and safety: Ensuring a safe and healthy working environment is essential for the protection and well-being of employees.

Water management: The efficient use of water in operations is considered a key environmental priority for sustainability.

Human rights and labor practices: Practices that respect and promote human rights are critical to ensuring fair and dignified working conditions.

- **Ethics and Data Privacy:** Business ethics and transparency are essential to maintaining stakeholder trust and protecting sensitive information.
- **Training and Development:** Investing in the ongoing development and training of employees is essential for personal and professional growth, as well as for innovation within the organization.
- **Innovation and Technology:** Investing in technological innovation is fundamental to improving operational efficiency and promoting sustainability.

Consulted Stakeholders

- Employees
- Government/Regulatory Authorities
- Suppliers
- Business Partners
- Customers
- Communities
- Nonprofit Organizations/Unions

SUSTAINABILITY HIGHLIGHTS

1

JANUARY



Solar Energy
Mexico

2

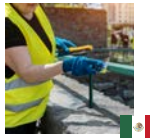
FEBRUARY



Waste Diversion
Colombia

3

MARCH



Park Painting Volunteer
Mexico

4

APRIL



Sustainability talks in
Schools
Dominican Republic

5

MAY



Reforestation Volunteer
Dominican Republic

6

JUNE



Strategic Planning
for territorial Sustainability
Caldas 2048
Colombia

7

JULY



Drive for Life
Horizon Group

8

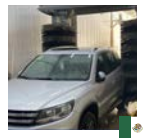
AUGUST



Understanding
Sustainability Survey
Horizon Group

9

SEPTEMBER



Water Recycling
Car Wash
Mexico

10

OCTOBER



Supporting Farmer's Market
Communities
Colombia

11

NOVEMBER



Sustainability Policy
Horizon Group

12

DECEMBER



ESG Traceability
Horizon Group



THE HORIZON GROUP AUTO LOGISTICS

WHO WE ARE

GRI 2-1 | 2-6

Horizon Auto Logistics operates in 8 markets worldwide, employing 650 people and handles approximately 450,000 vehicles and 2,000 equipment's annually.

Horizon Auto Logistics is a logistics integrator specializing in vehicle distribution, including port terminals, automotive factories, and free trade zones. We provide a variety of professional value-added services for the finished vehicle, heavy equipment, and project cargo industries. We strongly believe in integrated supply chain operations to reduce lead times, costs, and relieve pressure on ground transportation, having a positive impact on the environment and society.

We employ motivated human capital and technological talent in a refined process environment to continuously deliver in these areas, supported by an innovation platform that provides future technologies and services, to keep us at the forefront of automotive logistics.

Horizon Auto Logistics differentiates itself as a logistics integrator specializing in vehicle distribution, integrating our services throughout the automotive supply chain.

We use advanced technology and process optimization to eliminate risks, improve lead times, and maintain high quality standards. Our approach is guided by the vision of a fully integrated automotive supply chain, that provides visibility, flexibility, and speed.

The company has developed the most effective inspection system on the market, combining a unit interaction protocol with internally developed software to support each inspection. This is the Terminal Management System (TMS). Using handheld devices, it facilitates real-time photographic recording and reporting. Each customer can measure the severity of the impact and determine responsibility.

The TMS has a client portal where damage statistics can be accessed to make necessary corrections. Within the client portal, you can view the complete traceability of each unit thanks to the implementation of our mTrack platform, used by our carriers and 100% developed by Horizon Auto Logistics.



SERVICES OFFERED

Vehicle Storage and Transportation: We ensure the safe storage and efficient transportation of vehicles using inventory systems with real-time information.

Inventory Management: We offer an inventory management system with accurate tracking and full visibility.

Post-Production Registration and Pre-Delivery Inspection: We perform detailed inspections and registration services to ensure all vehicles are ready for delivery.

Damage Reporting and Recording: We use cutting-edge technology to automatically record and report exceptions and damages, ensuring transparency and accountability.

Accessory Adaptation: We offer customization and accessory adaptation services according to customer needs.

Vehicle Processing Centers: At our processing centers, we offer a full range of services to meet our customers' needs, including:

- Reception and Labeling
- Inspection and Tracking
- Mechanical Assembly and Painting Services
- Washing, Rustproofing, and Maintenance

Ports and Terminals: Our network of RORO terminals in the US and Central America is equipped to handle new and used vehicles, heavy equipment, and project cargo. Our services at these terminals include:

- Pre-Delivery Inspection
- Recall Campaigns
- Rustproof Application
- Inventory and Damage Management
- Quality Inspection

Supply Chain Integration: we understand the importance of logistics. Therefore, throughout our clients' sales process, we integrate our services into the supply chain of cars, trucks, and machinery to ensure maximum control, efficiency, and profitability.

For leasing companies, car rental agencies, and auctions, we offer inventory relocation services. We provide factory-to-dealer service based on the following principles:

- Visibility
- Route Optimization
- Flexibility
- Speed

Vehicle Inspections: We use the latest technology to ensure optimal control, conducting comprehensive inspections for automakers, port or rail terminals, fleet managers, car rental companies, sales agencies, and auctions.

Synergy 360 Operating Model: Integrated Logistics for Total Visibility

Horizon Auto Logistics employs a synergistic operating model that encompasses three main segments: Autos, Ports, and Mobility. Each of these segments plays a crucial role in the logistics chain, ensuring the integration and total visibility of inventories through our Control Tower.

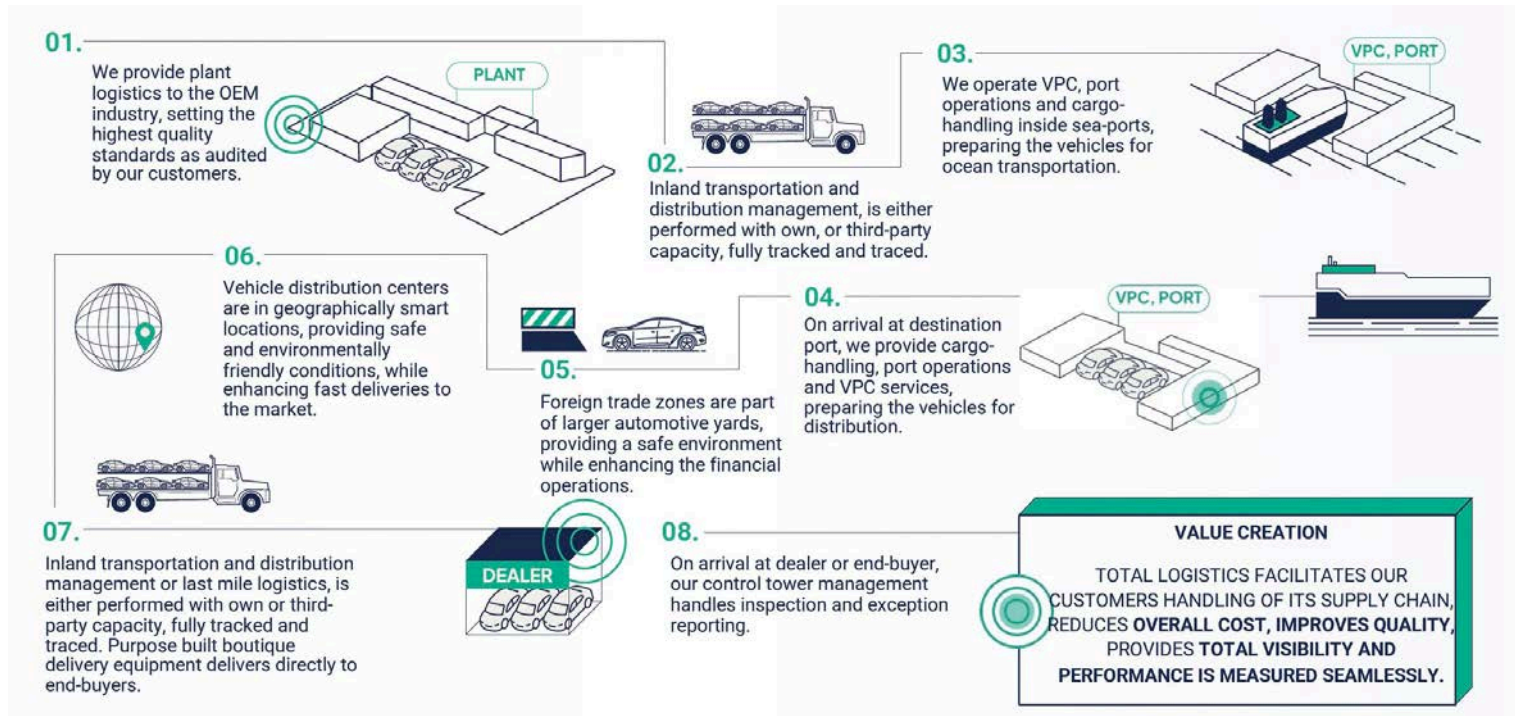
Autos: This segment is responsible for managing automotive yards and distribution centers, including Vehicle and Equipment Processing Centers, yard logistics at manufacturing plants, distribution management with ancillary services, as well as fleet management and rental and leasing logistics.

Ports: The Ports segment handles vessel cargo operations and port activities for automobiles, equipment, and project cargoes. This includes inventory preparation and staging, heavy lifting, loading and unloading of trailers, and providing customs brokerage services.

Mobility: The Mobility segment is responsible for national transportation and shuttle operations between operational facilities, whether using company-owned or third-party equipment. This includes short-distance self-driving of inventories and deliveries to dealerships.

All segment operations are interconnected through our Control Tower, providing total inventory visibility and ensuring consistency and continuous improvement at every stage of the logistics chain.

WE STRONGLY BELIEVE IN OUR OPERATING MODEL PROVIDING TOTAL LOGISTICS AND VISIBILITY. PART OF THIS IS CONTINUOUS IMPROVEMENT AND CONSISTENCY, REQUIRING ALIGNMENT, FOCUS AND DEDICATION IN EVERYTHING WE DO



WHERE WE ARE

EACH OF HORIZON AUTO LOGISTICS' FACILITIES IS STRATEGICALLY LOCATED IN SELECTED GEOGRAPHIC AREAS, ALLOWING US TO OFFER EFFICIENT AND HIGH-QUALITY SERVICE.





EXCELLENCE IN PERFORMANCE AND QUALITY CERTIFICATIONS

A-Excellent Level classification

Horizon has been recognized as the highest-rated supplier by Renault, achieving the A-Excellent Level classification. This level of excellence reflects the high quality of both processes and products provided, as indicated by performance results, with a score of 4.8 in processes and 5.0 in products. The evaluation highlights Horizon's consistency in key areas such as vehicle storage, transportation and quality management systems.

In addition to this recognition, Horizon is actively working on expanding its quality certifications across various locations.



In Colombia, both the Sofasa and GM units are ISO 9001 certified, with ongoing efforts to extend this certification to the Madrid and Caldas units. We are also working toward achieving ISO 14001 certification at Sofasa by 2024.

In Mexico, the Puente Villa Rica yard and Port of Veracruz unit have already obtained ISO 9001 certification. The goal is to also achieve ISO 45001 and ISO 14001 certifications by 2024, extending this to the Cuapixtla and Port of Veracruz sites.

In the Dominican Republic, while no certifications have been obtained yet, Horizon is actively working towards achieving them by 2025.

OUR HISTORY





SUSTAINABILITY ROADMAP 2030

Towards sustainability: A Journey of Opportunities and Challenges

If we had to define words to guide organizational behavior, what would be this code, this framework that represents these words and how they connect, articulate to materialize the future we want?

Sustainability has become an increasingly important topic in recent years as companies recognize the need to address their impact on the environment and society. As a result, sustainability is now relevant to all aspects of an organization's operations, and companies are beginning to integrate sustainable practices into their value chain. However, embedding sustainability into a company's culture is a significant undertaking that requires a strategic approach.

Forward-thinking companies with sustainable business strategies are also a path to stable, profitable, long-term economic growth and social prosperity. As the operational, reputational and financial risks of "business as usual" become clear, along with the opportunities presented by the transition to a just, circular and zero-emissions economy, companies are increasingly asking the following questions:

What will a just and sustainable business look like in the next decade?
And what do we need to do now to get there?

The 2030 Sustainability Roadmap presents a vision for sustainable business leadership. It provides a practical action plan to strategically navigate this new and ever-changing business reality and thrive in the accelerating transition to a more equitable, just and sustainable economy. In short, it helps the Horizon Group move from commitment to impact. From words to results.



COMPELLING VISION

To build a sustainable society, we must first envision our desired future. At this stage, we need to consider what our organization might look like in a sustainable society. What does success look like? This is a creative and open-ended process that involves imagining what the organization would look like in the future.

The creation of the Compelling Vision was a collaborative process that evolved over several meetings and workshops with internal and external stakeholders. They were fundamental to the process and informed a Compelling Vision that was aligned with Horizon's values, mission, and long-term goals. Ultimately, this brainstorming culminated in a Compelling Sustainability Vision with bold strategic goals to mobilize Horizon's stakeholders.

The Compelling Vision focused on defining Horizon's business model with sustainable value creation. This was done by identifying long-term strategic goals based on strengthening Horizon's strengths and proposing solutions to identified challenges and weaknesses.

Guided by the three ESG themes, three distinct visions were created - one for environmental, one for social and one for governance. The results are as follows:

ENVIRONMENT

Consume natural resources responsibly, promote the use of clean energy in all our operations, reduce our greenhouse gas (GHG) footprint, and ensure that our strategic partners and the communities in which we operate see us as a leader in environmental stewardship.

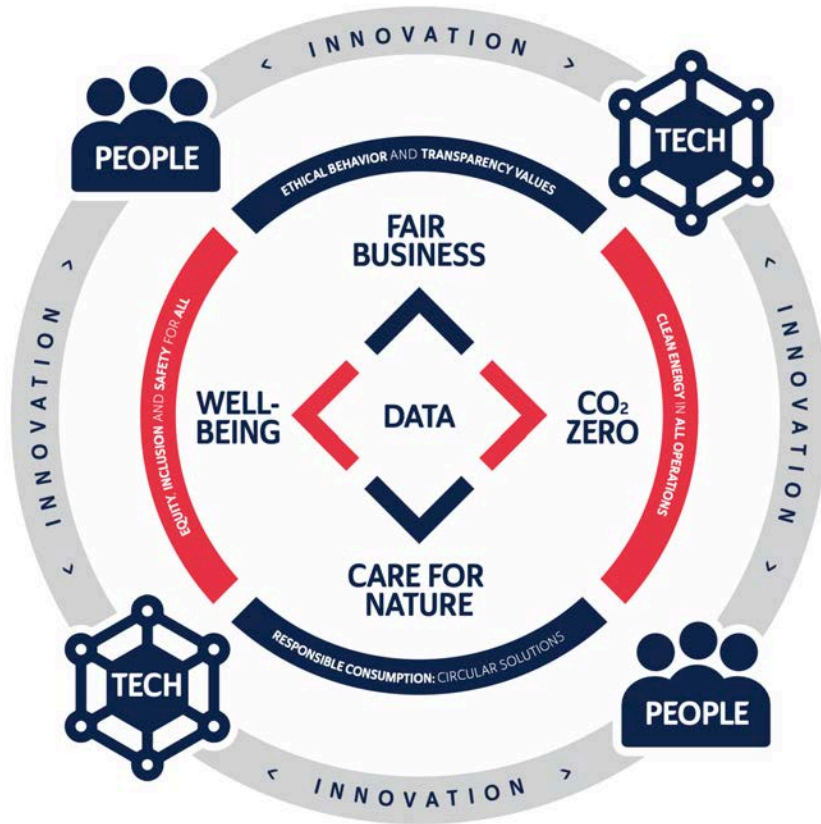
SOCIAL

Provide our employees with decent working conditions that take into account equity, inclusion and safety, as well as development opportunities that allow them to improve their living conditions and well-being, supporting the socio-economic development of the community in which we operate.

GOVERNANCE

At Horizon, we are committed to conducting fair business based on ethical behavior, transparency and values that are shared by our business partners and have a positive impact on our environment.

AFTER CREATING THE ABOVE VISIONS, AN INFOGRAPHIC WAS DEVELOPED TO VISUALLY REPRESENT THEM IN A SIMPLE, INSPIRING, AND RELATABLE WAY.

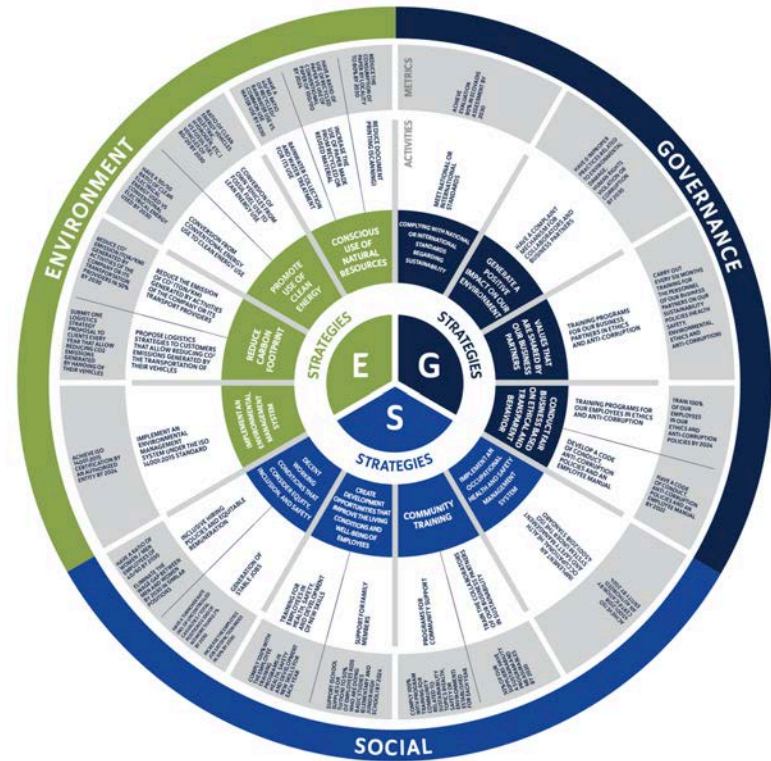


ROADMAP 2030

With a compelling vision in place, the next step was to define a roadmap to achieve the vision of success. The compelling vision is needed to inform successful road mapping.

This step involved creating a plan to bridge the gap between where we were and where we'd like to be as a sustainable organization. We started with a long list of possible actions, and then prioritized them based on what would move the organization toward sustainability faster.

To support effective, step-by-step implementation and action planning, an infographic was created to visually present the plan in a clear and inspiring way, highlighting the three pillars: Environmental, Social and Governance.





MUCH WILL CHANGE IN THE COMING YEARS AS NEW SCIENCE IS PUBLISHED, LEGISLATION CHANGES AND THE BUSINESS CASE FOR SUSTAINABILITY CONTINUES TO STRENGTHEN.

The 2030 Horizon Roadmap calls for collaboration with all stakeholders, including customers, suppliers, industry groups and communities, to drive the system-level changes needed to advance sustainable business practices at speed and scale. It provides clarity and direction for developing credible, effective and appropriately ambitious sustainable business strategies and priorities.

Much will change in the coming years as new science is published, legislation changes and the business case for sustainability continues to strengthen. For this reason, the Horizon Roadmap 2030 can be regularly updated to reflect the current state of affairs and also be supplemented with more targeted guidance to ensure that companies capture more sustainable value.

The road ahead is full of challenges. Achieving the actions needed to realize a more equitable, just and sustainable future will not be easy, but it is possible, and it is our collective responsibility to do all we can to get there.



ENVIRONMENT

Horizon Auto Logistics is committed to implementing practices that minimize our impact on the environment, ensuring that we meet the needs of the present without compromising the ability of future generations to meet their own needs.

This includes initiatives to reduce carbon emissions, optimize resource use, and promote sustainability throughout our operations and value chain.

At Horizon Auto Logistics, the efficient use of resources such as water, energy and waste management is essential to ensuring the reliability and sustainability of our logistics operations.



WATER MANAGEMENT

GRI 3-3 | 303-3 | 303-5

Water: an essential resource for operations

Water plays a critical role in various stages of our operations. At our vehicle processing centers, for example, water is used for washing vehicles, applying rust protection and general equipment maintenance.

To ensure the sustainable use of this resource, we invest in advanced water purification and recycling technologies.

Water recycling at Cuapixtla, Mexico

At the Cuapixtla facility, we have implemented advanced biological cleaning and recycling equipment for vehicle washing. This system recycles 90% of the water used, saving 189 liters per wash.

It uses filtration, decantation and a biological recycler that uses microorganisms to clean the water organically.

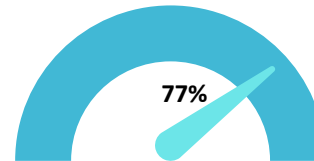
This not only reduces water, energy and chemical consumption, but also minimizes the risk of vehicle damage and ensures consistent, high-quality results, setting new standards in the automotive logistics sector.

Goals and Performance



Proposed Target:

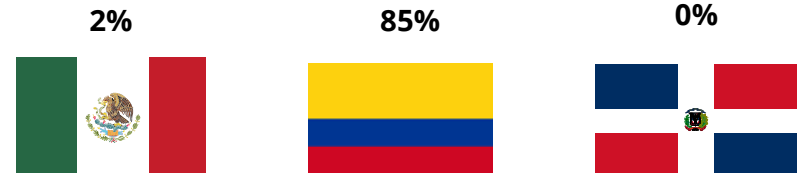
Achieve 40% recycled or rainwater use by 2030



Percentage of Recycled or Rainwater Use - 2023 *

* Mexico, Colombia and Dominican Republic

Percentage of Recycled or Rainwater Use by Country - 2023



WASTE DIVERSION

GRI 306-1 | 306-2 | 203-2

Promoting a circular economy, reducing environmental impact

Efficient waste management is critical to the sustainable operation of our logistics centers and terminals. Services such as mechanical assembly, painting and vehicle inspection generate various types of waste that are carefully monitored and managed.

Waste diversion in Caldas, Colombia

We have proactively addressed environmental challenges in our operations by implementing a waste management program.

The waste management program generates income through the sale of recycled materials, the proceeds of which are donated to a farmer assistance program that benefits local families. This approach promotes not only environmental conservation, but also community development.

Goals and Performance



Proposed Target:

Reduce paper use per vehicle by 80% by 2030



* Paper use per vehicle is the amount of paper needed for each vehicle moved, from its arrival at our units to its departure in Mexico, Colombia and Dominican Republic

Paper Use per Vehicle by Country - 2023



ENERGY CONSUMPTION

GRI 302-1, 302-4

Energy: the driving force of logistics

Energy is essential for the continuous operation of our activities, from industrial units to port terminals and free trade zones. To ensure the continuity of our services and minimize environmental impact, we use a combination of energy sources, including electricity from urban grids and solar energy.

Photovoltaic plant in Veracruz, Mexico

The Puente Villa Rica photovoltaic plant, which began operations in January 2023, has 140 solar panels with a capacity to generate 7 MWh of electricity.

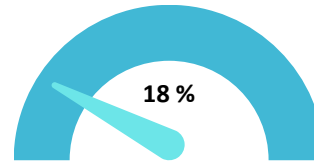
This energy is enough to light approximately 70,000 100-watt bulbs for one hour under ideal solar conditions. By December 2023, the system will have generated more than 91 MW, 44% more than the equivalent energy consumption of 63 MW during the same period.

Proper sizing of the solar energy system is critical to meeting consumption needs, especially during periods of lower sunlight, such as the winter months. It is common to produce more energy than is consumed in certain months, creating a surplus that can be stored in batteries or transferred to the grid.

In addition to the economic benefits, the plant's operation prevented the emission of more than 60 tons of greenhouse gases into the atmosphere.



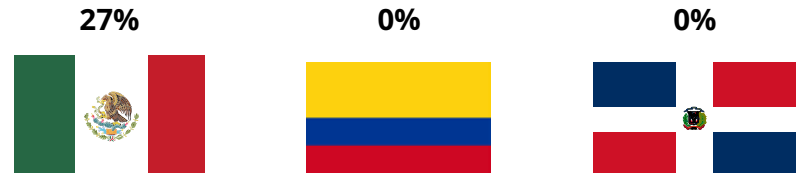
Proposed Target: Achieve 50% clean energy use by 2030



Percentage of Clean Energy Use - 2023*

* Mexico, Colombia and Dominican Republic

Percentage of Clean Energy Use by Country - 2023



GREENHOUSE GAS EMISSIONS

GRI 305-1 | 305-2 | 305-3 | 305-4

Greenhouse Gas Emissions: a focus for sustainable operations

Managing greenhouse gas emissions is a critical priority to minimize environmental impact while maintaining operational efficiency. Based on preliminary data from Horizon's 2023 GHG Inventory, total CO2 equivalent emissions are divided among the following scopes of emissions:

- **Scope 1:** direct emissions from sources controlled by Horizon, primarily from fuel combustion and use of company vehicles.
- **Scope 2:** resulting from the consumption of purchased electricity and other forms of energy.
- **Scope 3:** the largest contributor, representing significant indirect emissions associated with supply chain operations, product use, and activities outside of Horizon's direct control.

This distribution highlights the importance of improving both direct operational efficiency and supply chain management to effectively reduce Horizon's overall GHG emissions.



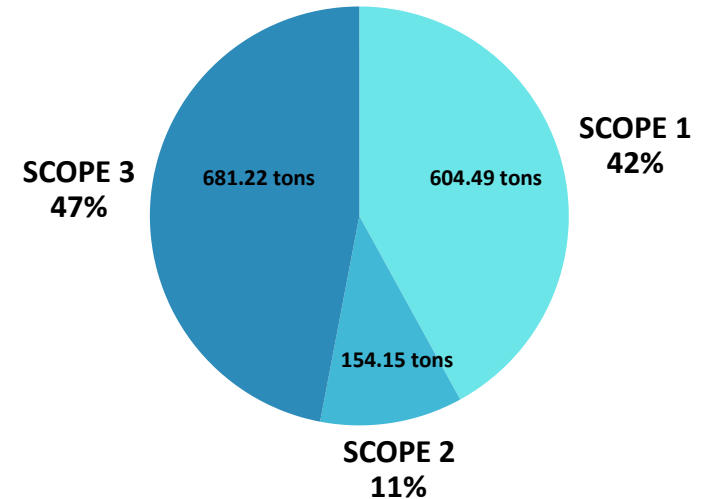
Access the full version of the 2023 Greenhouse Gas Inventory Report

Goals and Performance



Improve baseline and set emission reduction targets

GHG Emissions 2023 (CO2 e)*



* Mexico, Colombia and Dominican Republic

BIODIVERSITY IMPACT

What makes a company regenerative?

Regeneration means putting life at the center of every action and decision. To create truly regenerative businesses, we must develop profit allocation models that support the well-being of the systems of which they are a part.

We recognize that our operations can have a significant impact on local biodiversity and directly affect the ecosystems around our facilities. With a specific and proactive approach, we are committed to conserving biodiversity and promoting sustainable practices in all regions where we operate.

Restoring degraded systems. Reforestation in Santo Domingo, Dominican Republic

In partnership with the government's Ministry of the Environment, we developed a significant reforestation initiative. This effort brought together employees and their families, 45 participants in total, to plant more than 1,500 trees in a single day.

Through initiatives such as these, Horizon remains steadfast in its commitment to sustainability and strives to leave a positive mark on the environment and society at large.



SOCIAL

At Horizon Auto Logistics, people are our greatest asset. We value our employees and the communities in which we operate. We invest in talent development programs, promote diversity, equity and inclusion, and foster safe and fair working conditions. We believe that the well-being of our employees and communities is essential to the success of our business.



DIVERSITY, EQUITY AND INCLUSION

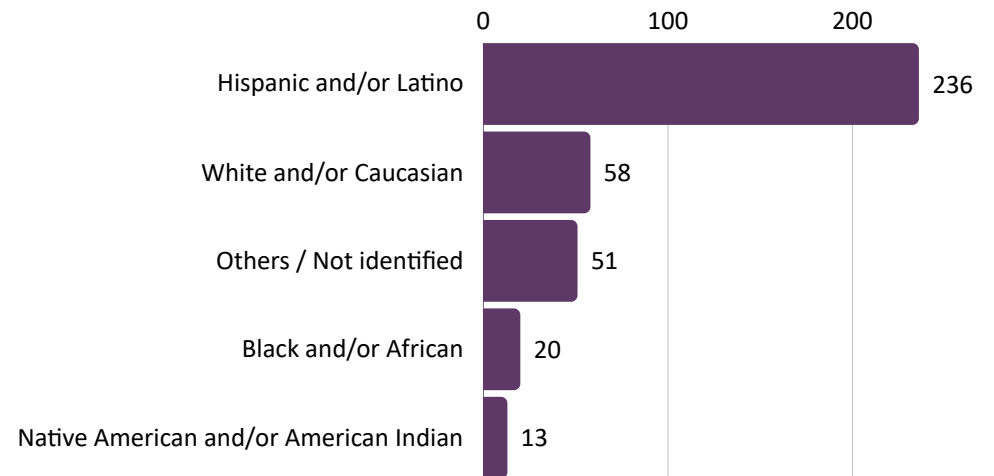
GRI 2-7 | 2-8 | 2-28 | 405-1

At Horizon Auto Logistics, we recognize that diversity and inclusion are critical to organizational success and innovation. Diverse teams bring a wider range of perspectives that enhance decision-making and problem-solving skills.

Creating an inclusive work environment that values equality and fairness is key to attracting and retaining top talent, resulting in higher job satisfaction, reduced turnover and increased productivity.

The chart illustrates the ethnic distribution of the workforce in 2023. This highlights the importance of continued engagement and encouragement for all employees to share their perspectives and experiences to ensure that diversity and inclusion initiatives are effectively implemented and supported throughout the organization.

Background 2023 *



* Mexico, Colombia and Dominican Republic



HORIZON AUTO LOGISTICS IN COLOMBIA ACHIEVED A REMARKABLE 67% FEMALE REPRESENTATION IN MANAGEMENT POSITIONS, UNDERSCORING ITS COMMITMENT TO FOSTERING AN INCLUSIVE AND DIVERSE WORK ENVIRONMENT.

Having women in leadership positions fosters a culture of equality and fairness, which is critical to attracting and retaining top talent.

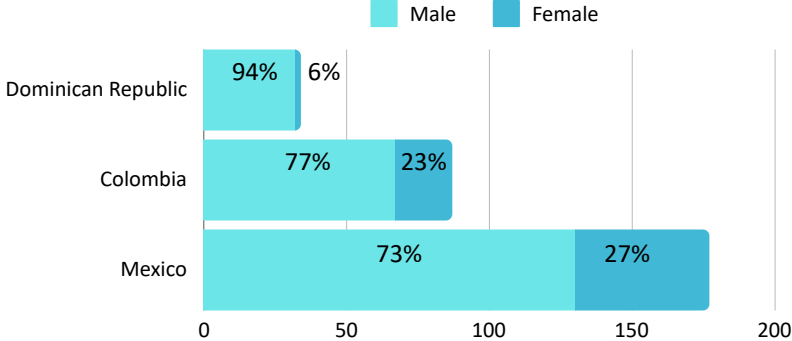
Employees are more likely to stay with a company that values and practices inclusion, leading to higher job satisfaction and lower turnover rates, and this positive work environment boosts employee morale and engagement, resulting in increased productivity and efficiency.

The total number of permanent employees is 298, with 177 in Mexico, 87 in Colombia and 34 in the Dominican Republic. The total number of temporary employees is 404, with 314 in Mexico and 90 in Colombia.

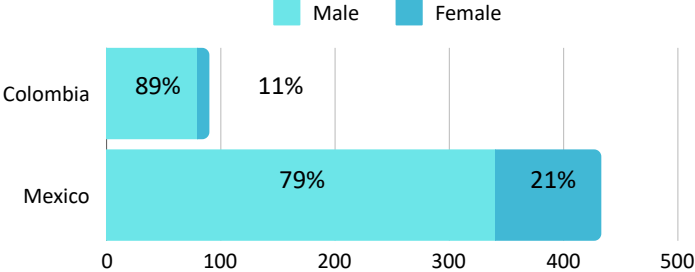
It's important to note that in the Dominican Republic, we have a partnership with the local drivers' union, which provides 40 on-demand drivers. In addition, there are 32 subcontracted indirect drivers available on demand.

As we continue to advance our sustainability journey, we remain committed to promoting diversity, equity and inclusion.

Distribution of Permanent Employees by Gender and Country



Distribution of Temporary Employees by Gender and Country



WE ARE COMMITTED TO ENSURING THAT OUR COMPANY IS A PLACE WHERE EVERYONE HAS THE OPPORTUNITY TO THRIVE AND CONTRIBUTE TO OUR COLLECTIVE SUCCESS.

Monitor turnover to improve employee satisfaction

Understanding our turnover rate and the reasons behind it is critical to improving employee satisfaction. By analyzing data across the employment cycle, we can identify specific times of the year when turnover is higher or lower. This insight allows us to address the underlying issues and implement strategies to more effectively retain our talent.



Goals and Performance



Proposed Target: Achieve an average turnover rate of no more than 0.7% by 2030

3.4 %

Average Turnover Rate - 2023*

* number of uncontrolled casualties in Mexico, Colombia and Dominican Republic

Average Turnover Rate by Country - 2023

3.65 %



4.73 %



1.82 %





OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3 | 403-5 | 403-7

Injuries, health issues and mental wellness are significant factors that can lead to employee turnover and are increasingly important considerations for people when choosing where to work.

By understanding if any of these issues are present in our organization, we can take steps to close the gap and create a safer, healthier work environment. This, in turn, will increase productivity, reduce turnover and improve job satisfaction for everyone at Horizon.

Horizon maintains a consistent focus on assessing health and safety impacts across its global operations, continually seeking to improve its practices and ensure the well-being of all involved.


In Colombia, the company already has a risk and hazard matrix in place that is continually reviewed. In addition, there are ongoing self-care discussions and campaigns such as Health Week and the annual employee review. For the remaining units, we are working on health and safety assessments to identify areas for continuous improvement.

Launch of the Drive for Life Campaign

In 2023, Horizon Auto Logistics launched a safe driving campaign in all of its operating markets. Distracted driving is a major factor in traffic accidents and deaths around the world. Every year, more than 1.35 million people die in road traffic crashes around the world. Up to 68% of these accidents are related to distracted driving.

This ongoing effort to raise awareness of the dangers of distracted driving includes daily information to vehicles entering and leaving our facilities, training at our facilities for both internal and external participants, regular interaction with local communities about distracted driving, and especially educating our young people.

Across our operations in all markets, we reach approximately 1,350 people with information and additional training on safe driving.



HORIZON AUTO LOGISTICS LAUNCHED A SAFE DRIVING CAMPAIGN IN ALL OF ITS OPERATING MARKETS. DISTRACTED DRIVING IS A MAJOR FACTOR IN TRAFFIC ACCIDENTS AND DEATHS AROUND THE WORLD.

Safe Driving Rules: improving workplace safety

As part of its health and safety initiatives, Horizon Auto Logistics implements strict safe driving rules throughout its operations. These guidelines are essential to protecting employees while operating vehicles on company property, promoting a safe work environment, and minimizing the risk of accidents.

- Maximum speed 10 km/h
- No use of cell phones or electronic devices while driving
- The use of headphones is prohibited
- Multimedia system and air conditioning must be turned off
- Only the driver's side window may be lowered
- Drive with hazard lights on
- Do not wear exposed metal
- It is forbidden to eat or drink in the vehicle
- The horn must be used on intersection or before any movement
- When driving, keep a distance of at least 10 meters
- Do not run inside the port and warehouse
- Be on time when arriving at the plant
- Do not leave the premises
- Maintain hygiene upon arrival at the facility





HUMAN RIGHTS AND LABOR PRACTICES

GRI 3-3

Living Wage: setting standards for fair compensation

Living wage research is an important foundation for ensuring that our employees receive fair compensation for their work.

A living wage is more than just a minimum wage; it represents the income necessary for a worker to meet their basic needs, including housing, food, health care, education, and other essentials for a decent standard of living.

This approach can ensure that employees can live well, with dignity, and without financial strain.

Social Security and Pension Compliance

GRI 201-3

Horizon has established policies to ensure that employees are properly enrolled in social security systems and receive the necessary contributions to their pension funds as required by local laws.

Both Mexico and Colombia have a comprehensive social security system, including pensions, to which both employers and employees contribute. While the specific contribution percentages may vary between the two countries, the general structure and purpose remain the same.

In Mexico, this is administered through a system called "AFORE" (Fondo de Ahorro para el Retiro).

Horizon strictly complies with these social security and pension requirements in all countries in which it operates and ensures that contributions are made in accordance with local regulations.

Employees who retire while still employed by Horizon have the option of continuing to work for the company.

100% OF SENIOR MANAGEMENT IN KEY OPERATING LOCATIONS ARE HELD BY PEOPLE FROM THE LOCAL COMMUNITY IN MEXICO

Commitment to community development and inclusion

GRI 202-2 | 401-2

In Mexico, the company is proud of the fact that 100% of senior management in key operating locations are held by people from the local community.

The definition of "senior management" includes management and board positions, while "location" is defined as the area or population where the workplace is located. In addition, "significant operating locations" refers to all work areas within the organization.

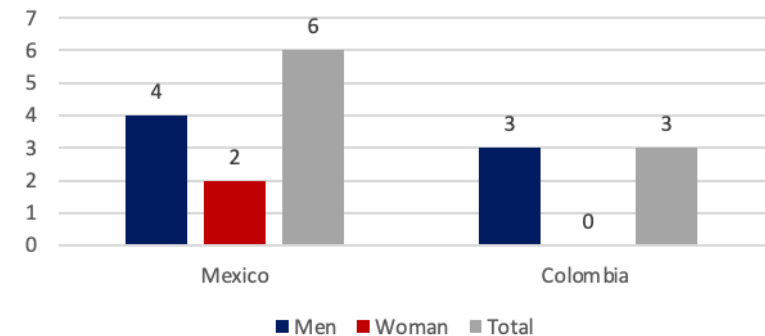
This practice exemplifies HAL's commitment to ensuring that the leadership of its operations is composed of individuals who deeply understand the needs and characteristics of the communities in which they operate, thereby promoting more integrated and responsible management.

Benefits for Full-Time Employees

- Life Insurance
- Medical care
- Disability and long-term care
- Parental Leave
- Retirement benefits

These benefits reflect HAL's commitment to providing a comprehensive and consistent support network for its full-time employees, ensuring protection and well-being in accordance with local legal requirements and practices in each country in which it operates.

Parental Leave by Country *



*In 2023, no cases of parental leave requests were recorded in the Dominican Republic.

Fostering a culture of sustainability

We recognize the importance of empowering our employees and the entire value chain with the knowledge and skills to create positive change. As part of our commitment to sustainability and workforce development, we offer a variety of training programs tailored to the specific needs and profiles of our target audiences.

Training Plan in Santo Domingo, Dominican Republic

Horizon Auto Logistics' training curriculum in Santo Domingo, Dominican Republic, reflects our commitment to continuous improvement. Through training modules such as effective communication, teamwork, safe driving practices, and effective time management, we develop skills that promote a culture of excellence.

Horizon Academy

In 2023, we began identifying key training needs through dialogue with various stakeholders and an annual survey on the organization's understanding of sustainability. We also evaluated leading market benchmarks, including pioneering initiatives such as a free university that integrates education with logistics operations and provides free technical training to local communities.

The result was the creation of the Horizon Academy program, which aims to provide continuous education to diverse audiences with the goal of fostering a culture and mindset of sustainability.

The proposal was to offer a variety of training and development opportunities, from webinars to micro-courses, tailored to the needs of our audiences and covering key topics such as sustainable logistics, governance and engagement, environmental sustainability, social responsibility, benchmarks and case studies.

Our goal is to foster a culture of sustainability at all levels of our organization and value chain. Through the Horizon Academy, we aim to empower individuals not only to make a difference in their professional roles, but also to lead more sustainable lives outside the workplace.

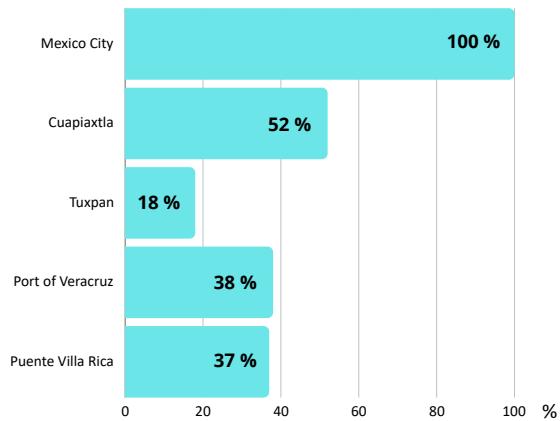
COMMUNITY DEVELOPMENT

GRI 203-1 | 204-1

Support local economies: prioritizing local suppliers

In 2023, Horizon Auto Logistics strengthened its commitment to sustainable economic development by prioritizing the engagement of local suppliers in various regions. This strategy not only strengthens local economies, but also helps reduce the carbon footprint associated with the transportation of goods and services, which aligns with the company's sustainability goals.

In Mexico, purchases from local suppliers accounted for 40% of total purchases, broken down as follows:



Beyond the workforce, understanding the impact on local communities is the first step in helping to mitigate a particular impact or increase the benefit of our operations in such a place.

Horizon takes a consistent approach across its global operations and is committed to investing in infrastructure and services that benefit the communities in which it operates.

In Mexico, for example, the company has implemented several social initiatives, such as providing air conditioning and painting services for school facilities and cleaning local roads.

These initiatives, carried out without a specific budget or government incentives, reflect HAL's commitment to strengthening its presence in communities and contributing to local development.

GOVERNANCE

At Horizon Auto Logistics, our commitment to transparency, ethics and accountability is the foundation of all our operations, ensuring that our governance practices are robust and aligned with the expectations of our stakeholders.

Our governance structure continues to improve. We follow established and recognized practices in the global corporate marketplace, operating in a partnership model and in accordance with our values.





SUSTAINABILITY COMMITTEES

GRI 2-9 | 2-12 | 2-13

Sustainability Committee

The Sustainability Committee serves as the guardian of our sustainability agenda, ensuring a smooth flow of information on economic, social, environmental and governance issues related to our business. Its primary objective is to create mechanisms that integrate sustainability into the company's strategy, support decision-making processes that take ESG dimensions into account, and ultimately generate a positive impact on society.

Given the cross-cutting nature of sustainability, it is critical that the committee is composed of experts from different parts of the company. By taking a more strategic position, rather than focusing solely on tactical tasks, the Sustainability Committee is able to identify emerging opportunities and risks that may be overlooked or underestimated by traditional assessment frameworks.

Established in 2022, Horizon's Sustainability Committee is responsible for recommending, discussing, proposing and evaluating the company's sustainability initiatives. Comprising 14 members, the Committee plays a pivotal role in driving Horizon's ESG efforts.

Investments that incorporate leading ESG practices have the potential to generate significant returns not only for the company, but also for society and surrounding communities. They can transform the marketplace and set a positive example for others.

Initially focused on risk mitigation, the Committee's approach has evolved to emphasize value creation through the integration of best practices into business processes, always guided by established policies, robust methodologies and objective criteria.

As a result, the Committee serves as a catalyst for embedding the ESG agenda at all levels of the organization, from C-Level to every area of the business.

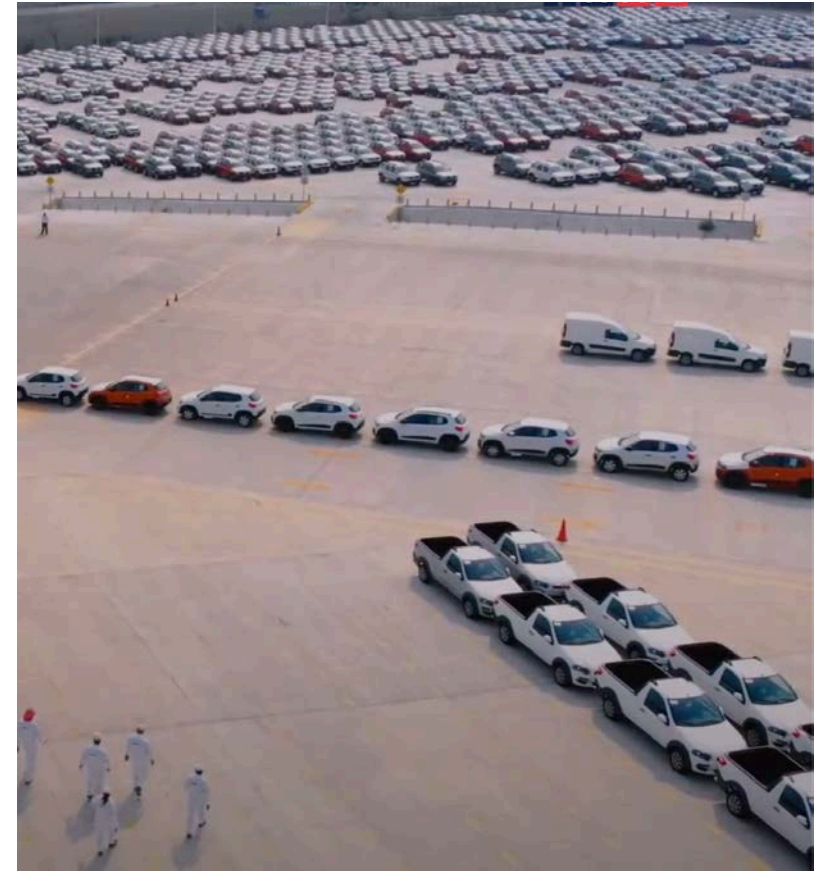
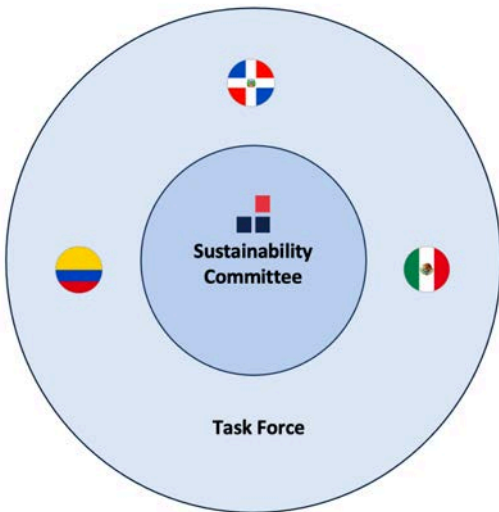
Task Force

To embed sustainability into the business model, Horizon has created a Task Force at each site to develop local leadership and accelerate the change in mindset throughout the organization.

THE SUSTAINABILITY COMMITTEE IS RESPONSIBLE FOR RECOMMENDING, DISCUSSING, PROPOSING AND EVALUATING THE COMPANY'S SUSTAINABILITY INITIATIVES.

Unlike the Sustainability Committee, which has a more strategic focus, the Task Force is more tactical in nature and is responsible for implementing the actions outlined in the 2030 Roadmap in all participating countries.

The Task Force consists of 3 members, with one representative each from Mexico, Colombia and the Dominican Republic. The group is led by the same coordinator of the Sustainability Committee.





COMPLIANCE, ETHICS AND PRIVACY

GRI 3-3 | 2-23, | 2-25 | 2-26

Ensuring guidance and addressing concerns through dedicated committees

Horizon Auto Logistics is committed to actively addressing and mitigating any negative impacts it has caused or contributed to. To fulfill this commitment, the company engages in initiatives that support and enhance the surrounding communities.

HAL implements mechanisms throughout its global operations to ensure that employees can effectively seek guidance and raise concerns.

In Colombia, the organization has several committees that allow individuals to raise concerns about policies and behaviors that are carefully considered by the company. Available committees include

- Joint Occupational Health and Safety Committee
- Coexistence Committee
- Sustainability Committee

In addition, there is continuous support from the Human Resources department for issues related to individuals.

In Mexico, the organization also provides mechanisms for employees to seek guidance on the implementation of company policies and practices related to responsible business conduct. These include the availability of a complaint e-mail and the ability to seek guidance from Human Resources or Quality.

If employees have concerns about the company's business conduct, they can contact these areas to voice their concerns and receive the necessary support meetings. In these meetings, comments and suggestions are made so that interested parties can approach and follow up on their doubts or complaints.

These mechanisms, which exist in both Colombia and Mexico, are an example of Horizon's consistent approach to fostering a work environment where transparency and open dialogue are encouraged, ensuring that all concerns and issues are addressed appropriately and with due diligence.

In terms of monitoring the effectiveness of grievance mechanisms and other remediation processes, the company is working to develop this area to ensure effectiveness and obtain feedback from stakeholders.



TRANSPARENCY IS KEY IN REPORTING TO SHOW STRENGTHS, ADMIT WEAKNESSES, AND HOLD YOURSELF ACCOUNTABLE

Transparency and accountability

Transparency is key in reporting to show strengths, admit weaknesses, and hold yourself accountable.

Some locations have a Labor Coexistence Committee with an entity and guarantor of the working conditions of each of the organization's employees.

This committee is made up of workers and management representatives who hold regular meetings to study the current working conditions and help mediate in cases where any type of right is violated. Serious concerns are reported to the highest governing body of the organization. In the period 2023, no type of right complaint regarding inadequate or vulnerable conditions was presented.

The organization is committed to remedying the negative impacts it has caused or contributed to in its operations through various specific actions and measures:

Identifying and handling complaints

- Establish mechanisms for receiving complaints, such as complaint e-mails and access to human resources.
- Use social networks to communicate remediation activities.

Stakeholder engagement

- Involve stakeholders in the design, review, operation, and improvement of complaint mechanisms.
- Encourage continuous feedback to improve the effectiveness of these mechanisms.

Awareness and training activities

- Develop activities to raise employee awareness of the importance of sustainability and responsible practices.

Environmental mitigation measures

- Implement waste separation and recycling programs.
- Implementing systems for the efficient use of resources, such as rainwater harvesting to reduce water consumption.
- These items reflect the organization's shared focus on promoting sustainability, engaging stakeholders, and continuously improving its environmental and social remediation processes.



SUSTAINABILITY POLICY

GRI 2-24

Sustainability Policy: commitment to ESG principles

Our policy sets out the company's commitment to its sustainability roadmap, which covers environmental, social and governance issues.

Environmental

- Responsible consumption of natural resources
- Use of clean energy at all operational sites
- Reduce the greenhouse gases (GHG) footprint
- Promote regenerative strategies and restoration of degraded systems
- Fostering of complete cycles, reducing waste and increasing reuse and recycling of materials
- Protection of our ecosystems through forestation initiatives and avoiding any adverse impacts

Social

- Foster a positive working environment championing diversity, building an inclusive culture and creating a more equitable world
- Provide training and development opportunities for all employees, enabling an improved quality of life both professionally and privately
- Support socio economic developments in the communities we operate

Governance

- Conduct fair business based on ethical behavior, transparency and sustainable values that are shared by our partners in the value chain
- Comply with national and international standards, going beyond compliance
- Promote transparent and responsible dialogue with all stakeholders
- Develop partnerships with customers and suppliers, for continuous improvement in the implementation of our sustainability framework

Horizon's policy states that it is the responsibility of managers, employees and suppliers to observe, promote and apply the principles set forth in this policy to ensure that we are recognized by our industry and the community as a leader in protecting our environment and society.

The policy defines the company's position on sustainability and supports the implementation of key principles that guide the company's performance and results in relation to the environment, society and its customers.

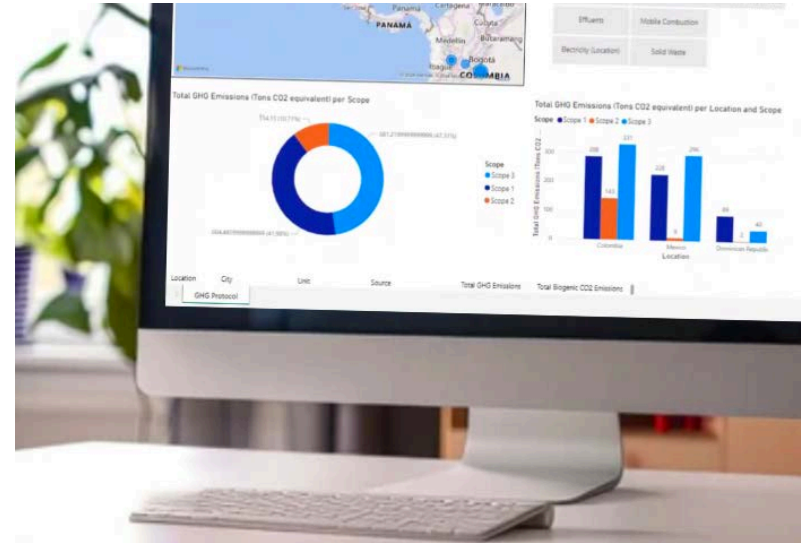
Tracking progress toward sustainability

Horizon has long been committed to a data-driven culture, even before embarking on its sustainability journey.

A key element of implementing Roadmap 2030 is ESG traceability, which involves tracking, measuring and reporting environmental, social and governance data across the value chain. This approach provides greater visibility into ESG practices, enabling better management and decision-making.

In 2023, we made significant progress in defining baselines and improving our database, including creating data collection processes within the company.

We have also started to develop our ESG Control Panel, which will be the main tool for tracking our progress in implementing our Roadmap 2030. It will be used to set and calibrate our ESG targets.



Looking ahead, we plan to make this tool available to our customers, suppliers, and partners to monitor sustainability performance throughout the value chain.

ENGAGEMENT

GRI 2-30

Stakeholder engagement is key to initiating and advancing our journey, involving strategic stakeholders who could consistently communicate our efforts and create a ripple effect throughout the value chain. This led to the creation of the Sustainability Committee and Task Force.

The engagement process is critical to the successful implementation of Roadmap 2030. In 2023, we developed a pilot experience called the Passport Engagement Program.



Key lessons learned from this initial experience include the importance of fostering cross-functional teamwork and knowledge sharing. Encouraging voluntary participation proved to be an effective approach to aligning objectives and developing quick wins.

Understanding the needs of employees, suppliers, customers and surrounding communities is essential at Horizon. We believe that being close to our stakeholders makes a difference, so we actively involve them in the processes of structuring and implementing improvements, which enhances synergy and partnership.

Communication is fundamental to these relationships, so we are constantly exploring tools that promote integration, speed and quality in the exchange of information, such as surveys, social networks, email marketing and a customer relationship portal.





SUSTAINABILITY IS NOT ONLY CRITICAL TO OUR OWN ORGANIZATION, BUT ALSO TO THE ENTIRE SUPPLY CHAIN THAT SUPPORTS IT

In 2023, we again conducted our annual Understanding Sustainability survey. The purpose of this survey was to assess Horizon employees' understanding, perceptions and actions related to sustainability.

This allowed us to evaluate the effectiveness of our communication efforts and engagement programs, as well as identify knowledge gaps and opportunities to improve performance as we implement the 2030 Roadmap.

Embedding sustainability throughout the value chain

Sustainability is not only critical to our own organization, but also to the entire supply chain that supports it. Gathering data on who Horizon works with is essential to making strategic decisions that ensure our suppliers are aligned with our values and goals.

Following a market trend where compliance assessments are already being conducted to evaluate our operations against sustainability best practices, a similar approach will soon be applied to our suppliers.

The proposal is to review documentation, licenses and certifications as part of the supplier approval process, taking into account ESG criteria (such as greenhouse gas emissions, water intensity, diversity, sustainability reporting, etc.).

The implementation will be phased, with technical support and training provided to support the transition process throughout the supply chain.

We have begun to raise awareness and promote a culture of sustainability among our suppliers. In 2023, we started by sharing our Sustainability Policy through presentations of this important document. In 2024, we plan to reinforce these efforts with a series of sustainability webinars as part of our Horizon Academy program.

We recognize that this journey will be long and filled with continuous learning. We will give our suppliers the opportunity to adapt to market best practices before implementing more stringent rules in this area.

STATEMENT OF THE SUSTAINABILITY COMMITTEE

GRI 2-14

Today we have discussed and approved The Horizon Group Sustainability Report for 2023. In our opinion, this report fairly presents The Horizon Group's sustainability activities and the results of the company's sustainability efforts during the reporting period, as well as a balanced presentation of The Horizon Group's environmental, social and governance performance.

Miami, 18 September 2024



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