

People and Possibilities

The logo for BLG Logistics, featuring the letters 'BLG' in a bold, blue, sans-serif font, followed by a red globe icon and the word 'LOGISTICS' in a smaller, blue, sans-serif font.

BLG LOGISTICS

Sustainability Report
2022



»» **The purest form of insanity is to leave everything as it is and hope that something will change.**

Albert Einstein

Editorial

Dear readers,

The year 2022 once again presented many challenges. And as if that were not enough - the developments of recent months have called fundamental certainties into doubt, while multiple parallel crises are simultaneously demanding a response. To enable us to maintain our strong position in this environment and above all respond to the new and future requirements in the area of sustainability, we have reassigned responsibilities. We have placed the central Sustainability department under new management and assigned it directly to the Finances Board of Management function.

Our resolve to engage with our stakeholders - our employees as well as partners and, of course, customers - as we continue along our chosen path remains as strong as ever. The possibilities that logistics holds in the future are demonstrated, for example, by our new C3 Bremen logistics center, which was designed with all dimensions of sustainability in mind and has now gone into operation.

This report additionally highlights those material topics in which we made especially good progress in the past year, where we stand on our path to becoming a climate-neutral company and what we have on our sustainability agenda for the near and more distant future. I invite you to go online and, with the help of selected projects and success stories, discover how our actions are contributing to achieving the United Nations Sustainable Development Goals. These are just some examples of how sustainability is already being practiced on various levels within the company.

But what remains pivotal in each case is that we recognize the opportunities that present themselves - and have the courage to act upon them.

Yours,

Yvonne Bonventre
Head of Sustainability



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Read it online!

Experience our sustainability report digitally on your computer, tablet or smartphone and join us on an SDG journey where with the help of selected projects employees report on how we support the United Nations' Sustainable Development Goals.



→ reporting.blg-logistics.com/2022/en

Foreword by the CEO

Dear readers,

Once again, a year characterized by a variety of changes, challenges and also uncertainties lies behind us. It is therefore all the more important that our values and common goals provide us with a collective compass that guides and gives us direction irrespective of external circumstances and ensures that we don't lose sight of the ultimate objective. Everyone at BLG LOGISTICS again made an important contribution to this in 2022: it's the people who work for and with us who turn possibilities into results. This applies to our commercial success as well as to the further development of our sustainability agenda.

While we had all hoped that after two years of pandemic we would finally be able to see a growing return to normality, Russia's invasion of Ukraine has confronted us with a totally new European reality. It currently feels as if one crisis is following immediately on the heels of the last – and yes, the high energy prices, the sharp rise in inflation and the shortage of skilled labor are also taking their toll on our company in the here and now. And yet, it is crucial that we think long-term and that we continue to do our homework, for example when it comes to tackling climate change. With the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz) and the EU Taxonomy, policymakers have defined new prerequisites for a sustainable economy.

But we do not regard sustainability as a requirement imposed on us from outside. For BLG, sustainability has long been more than merely a non-committal management and communication task. Sustainability is an integral part of our DNA and a basic premise for our success.

This long-term orientation is one of the reasons for our decision to commit to the UN Global Compact (UNGC), which we signed up to in August 2022. The world's largest and most important initiative for responsible corporate governance aims to strategically anchor sustainability in business so that companies are in the best possible position to make a contribution to achieving the Sustainable Development Goals. We have long supported the UNGC's ten principles, but now we have also committed to them formally.

In combination with our own policies and sustainability goals, these principles will serve as benchmarks for our actions in the coming years. These benchmarks are visible in our C3 Bremen lighthouse project, a logistics facility that sets economic, environmental and social standards. Looking back one last time, we can say that we also mastered the year of multiple crises well on the whole. Moving forward, we will focus on what lies ahead – and on the possibilities that we at BLG intend to harness together, as always.



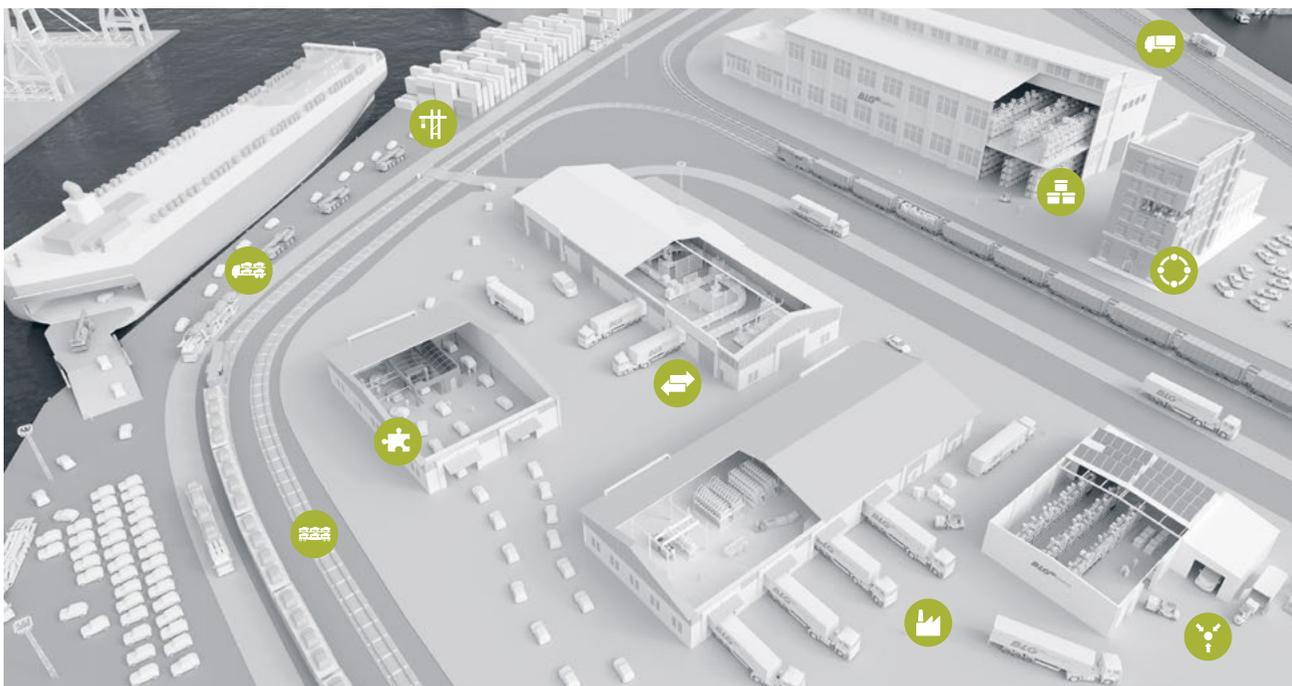
“It's the people who work for and with us who turn possibilities into results.”

Cordially yours,

FRANK DREEKE

Chairman of the Board of Management

Services at a Glance



Production logistics
 Supplying final assembly through optimum preparation of parts and components.

Procurement logistics
 Ensuring availability of stocks via management and monitoring of procurement processes.

Reverse logistics
 All logistics processes for returning goods or materials into the product cycle.

Supply chain management
 Organization of integrated logistics chains in project and process management, technology, IT, and quality.

Value-added services
 Value-creating activities such as technical processing, cleaning or surface treatment for finished vehicles.

Transport logistics
 Secure transport of finished vehicles and other goods via road and rail, by sea and air.

Cargo handling logistics
 Extensive network of seaport and inland terminals.

Distribution logistics
 Distribution of goods from production plants or central warehouses to the customers.

Company Profile

BLG LOGISTICS GROUP AG & Co. KG (BLG KG), headquartered in Bremen, is a seaport and logistics service provider with an international network. We offer extensive logistics system services in automobile, contract and container logistics along the entire supply chain, and devise sustainable logistics solutions. Our customers include the leading German automakers as well as companies in retailing and industry. Today, BLG LOGISTICS is represented in all the world's growth markets, with almost 100 locations and offices in Europe, America, Africa and Asia. ↗ www.blg-logistics.com/en/

Our company is run by a management company organized as a private enterprise, BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG). The Free Hanseatic City of Bremen (municipality) is the main shareholder. The Board of Management of the listed joint stock corporation manages the business of BLG KG on its own responsibility. There was one change in the composition of the Board of Management in the reporting year. Andrea Eck, responsible since 2017 for the AUTOMOBILE Division, left the company at the end of the year. By resolution of the Supervisory Board, the new position of Chief Operating Officer was created and the two Board of Management divisions AUTOMOBILE and CONTRACT were merged. Matthias Magnor, who had previously headed up the CONTRACT Division, was appointed to this function with effect from December 1, 2022 and is thus now responsible for overseeing all

operating business at Board of Management level. The 16-member Supervisory Board, in which employees and shareholders are equally represented, oversees and advises the Board of Management in its work. For more information about the composition of this governing body, the selection process and the skills and expertise its members possess, please refer to the Governance section from ▶page 20.

The Group's sales revenue in financial year 2022 totaled EUR 1.12 billion. Detailed financial key figures are presented in our Financial Report 2022. ↗ reporting.blg-logistics.com/en

Our ownership structure

As of December 31, 2022, the Free Hanseatic City of Bremen (municipality) was the main shareholder of BLG AG with a share of 50.4 percent. Other large institutional investors are Finanzholding der Sparkasse in Bremen and Panta Re AG, Bremen, each with a share of 12.6 percent, and the Waldemar Koch Foundation, Bremen, with a share of 5.9 percent. Free float shares account for 18.5 percent. Information on the legal group structure is presented in our Financial Report 2022.

AUTOMOBILE: Intelligent vehicle logistics from A to Z

BLG's AUTOMOBILE Division is a leading technical and logistics service provider for the international automotive industry. In this business area, we offer multimodal

transport concepts with global logistics reach and dovetail individualized and innovative technical service packages. Distribution takes place by road, rail and inland waterway. In addition to the seaport terminals in Bremen, Bremerhaven, Cuxhaven, Hamburg (Germany) and Gdansk (Poland), the AUTOMOBILE Division also operates several inland terminals on the Rhine and the Danube rivers. Our modern truck fleet with over 500 car transporters ensures a seamless logistics chain both nationally and internationally. BLG AutoRail is a special provider of vehicle transport by rail. It owns a wagon fleet of close to 1,500 open railroad cars, including 200 flat wagons, and thus has Europe's most modern and versatile rolling stock at its disposal. With this, it operates in the German and Austrian rail network using green electricity every kilometer of the way. Thus, with our comprehensive range of services, we fully cover the logistics supply chain from the vehicle manufacturers to the end customer. We consistently supplement our logistics network with smart digital solutions and sustainable concepts for climate-friendly transport, making us one of Europe's leading automobile logistics companies. However, after the coronavirus pandemic subsided in the reporting year, the international automotive market was beset by new crises – first and foremost Russia's war in Ukraine. As before, the gaps in parts availability were reflected in longer downtimes and therefore higher utilization of our space coupled with lower productivity. Added to this were reduced volumes overall, due in some cases to isolated

plant closures and a general shortage of transport capacity by rail and road. Business in the AUTOMOBILE Division therefore remained strained in the reporting year on the back of the multiple global crises. In 2022, our global AUTOMOBILE network handled, transported or technically processed around 4.7 million vehicles. Elsewhere, we benefited from reduced container capacities, while the increased share of RoRo cargo strengthened the high & heavy segment. Thus, at 1.1 million metric tons, the volume of rolling cargo handled at AutoTerminal Bremerhaven remained stable. At Neustädter Hafen, BLG Cargo Logistics reported a volume increase of around 20 percent over 2021.

Having entered into a strategic partnership in December 2021 with one of the world's largest RoRo shipping companies, Hyundai GLOVIS, to handle car transshipments in Bremerhaven, the BLG GLOVIS BHV GmbH joint venture went into operation in May 2022. Hyundai GLOVIS will in the coming years develop BLG AutoTerminal Bremerhaven as a European hub for its automobile transports between Asia and Europe.

We are continuously expanding our expertise in the field of e-mobility and are now also a strong partner for our customers in this area. At the terminals, BLG LOGISTICS provides services such as handling, technical processing, quality inspection, and even customs clearance for electric vehicles on behalf of various manufacturers, and in this way contributes to the energy transition. At the end of 2022 and in the first few weeks of 2023, three new brands reached our car terminal in Bremerhaven, including two from our new customer Great Wall Motor, before going on to conquer the European market.

CONTRACT: Tailormade logistics solutions

In the CONTRACT Division, we manage complex logistics projects and offer our customers in industry and retailing reliable upstream and downstream distribution solutions. The focus of our know-how and experience lies in procurement, production and distribution logistics, reverse and spare parts logistics, as well as freight forwarding services. We offer storage, transport, packing and unpacking services, handle conventional orders, e-commerce issues as well as a variety of value-added services. As a logistics architect, we also plan, design and implement customized logistics solutions - whether highly automated logistics centers or manual in-house processing. Professional project management is our core competence, and sustainability plus agreed, reliable quality are our top priorities. Our customers are strong brands from industry and retailing, medium-sized companies and the major German and international car manufacturers. At over 40 locations in Europe and overseas, our teams of experts devise bespoke service packages for a wide variety of goods, ranging from automotive parts, railroad components, sneakers, printers, fashion, furniture, cookies to bathroom fittings through our own logistics centers and our customers' production facilities and warehouses. In the second half-year of 2022, we reorganized this business segment to enable us to remain as forward-looking and competitive as we have traditionally been. In view of the major challenge the negative effects of the multiple crises also pose for this business segment, we feel this reorganization came at the right time, and new demands and initial successes are proving that the strategic realignment in this area was the right way to go.

Since fall 2021, we have operated an import warehouse for a leading food retailer on an area of around 60,000 square meters at our location in Verden. In addition to palletizing and storage of the goods, our service includes random testing and shipping samples to laboratories or customers as well as redistribution to 40 decentralized warehouses in Germany and Austria.

Also in October 2021, the foundation stone was laid for the new C3 Bremen logistics center, which covers approximately 80,000 square meters and combines state-of-the-art technology, effective climate protection and excellent working conditions for our employees. As little as one year later, in fall 2022, we moved into the new facility and C3 went into operation. We now consolidate the production supply for the global assembly plants of a leading automotive manufacturer, which was previously carried out from several locations in Bremen, at a new forward-looking logistics center.

In the reporting year, we also became a new logistics partner to Deutz AG and have been managing an external warehouse of around 20,000 square meters for engine shipping at the Cologne site since November 1, 2022. Currently, 53 colleagues are already working here, and further new hires are planned for 2023.

We opened a new logistics center in Magdeburg in the second half of the year. On an area of around 63,000 square meters, 71 employees in a team that is continuing to grow handle the entire logistics process for a renowned retail customer, from incoming goods to order picking and outgoing goods. Millions of articles are stored here in pallet and shelf-type racking systems, with a picking tower

with over 120,000 spaces on three levels forming the centerpiece.

CONTAINER: Box services

In the CONTAINER Division, the EUROGATE Group, in which we have a 50 percent shareholding, is one of Europe’s leading shipping line-independent container terminal groups. The Group’s core business is container handling at seaports at nine terminal locations. Secondary services include seaworthy packaging or container depot, maintenance and repair services as well as intermodal transport. EUROGATE GmbH & Co. KGaA, KG is a company consolidated using the equity method of accounting and managed separately from BLG in all CSR-relevant areas. The information in this report relates to the fully consolidated companies of the AUTOMOBILE and CONTRACT Divisions, including BLG AG and BLG KG (central departments). Information relating to the non-financial report of EUROGATE is presented separately on ▶pages 66 to 69.

Over 11,000 employees shape logistics together

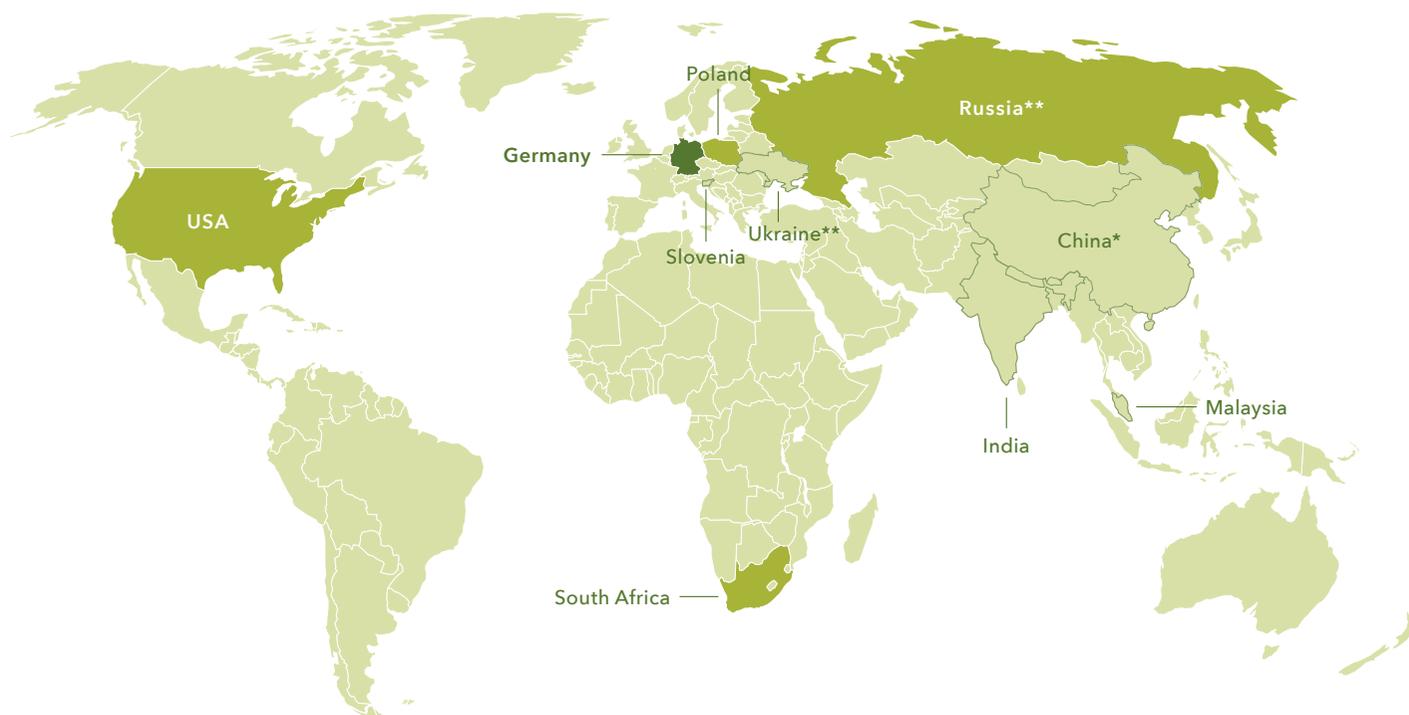
Our employees assume responsibility for smooth logistics of high-quality products day in and day out. In 2022, in its fully consolidated companies plus the CONTAINER Division (50 percent shareholding), BLG LOGISTICS had an average 11,492 employees globally (calculated according to Section 267 (5) of the German Commercial Code (HGB)). On the reporting date of December 31, 2022, there were 9,407 employees at more than 70 German locations in the AUTOMOBILE and CONTRACT Divisions as well as at the central departments, plus a further 850 employees at the international locations of our fully consolidated companies. Further information about

personnel statistics and development is provided in detail in the SOCIAL section from ▶page 40.

The map provides an overview of the distribution of our fully consolidated companies as well as other countries with activities of the AUTOMOBILE and CONTRACT Divisions.

Automobile and contract logistics

- Headquarters
- Countries with fully consolidated companies
- Other countries with business activities



* Representative office
 ** Since February 2022, business operations have been restricted or suspended due to the current conflict.

Key Figures

€ **1,119** million

Revenue of the BLG Group



€ **57.6** million

Total project volume for research and development projects

97.7%

Bound by collective pay agreement

-18.1%

Absolute greenhouse gas emissions (Scopes 1 and 2, 2018-2022)



241 GWh

Total energy consumption

4,364

Training days

11,492

Employees worldwide

1,424

Employees on the "Fit&Fun" healthcare program

26.7%

Proportion of women in management levels 0-3



27.9%

Proportion of women in total workforce

-8.3%

Fewer accidents compared to the previous year

Strategy

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Sustainability Management

We see sustainable action as an integral part of our business activities - across all processes, departments and areas of responsibility. Crucial to this is our understanding of sustainability as a continuous process that requires us to consistently pursue and regularly review our defined goals. In addition to evaluating what we have achieved, this is also based on being receptive to external impulses and developments. Over the past few years we have seen how effective we can be when we pursue our strategy with conviction. This incentivizes us as much as the increased expectations placed in us - be it by our own employees, our customers or the regulatory authorities.

Reducing and managing our own emissions as well as those along the supply chain remains of crucial importance for our sustainability agenda. Our climate protection target, validated by the independent Science Based Targets initiative (SBTi), sets the direction and is part of our contribution to achieving national and global targets in the fight against climate change. At the same time, our sustainability management also focuses on other important issues, such as respecting human rights along the entire supply chain and ensuring comprehensive occupational safety for our employees.

All of this is to be seen against the background of a challenging economic and geopolitical environment. The closely intertwined global logistics sector has just recently emerged from the massive stress test that was the

coronavirus pandemic, combined with numerous old and new challenges such as the war in Ukraine, a sharp rise in energy costs, record inflation, the growing shortage of skilled labor and an ongoing tense situation, for example with regard to the supply of parts for automotive production. Within the scope of our sustainability action, we take these and other developments and events into account, for example in our time scheduling. One thing, however, remains unchanged, and that is our long-term ambition to strike a balance between economic performance, social commitment and responsibility for the environment. By giving consideration to all three of these aspects in equal measure, we gain a holistic understanding of the opportunities, challenges and interdependencies - and on this basis can act responsibly in all matters relating to sustainability.

Our commitment builds on the three pillars ENVIRONMENTAL, SOCIAL and ECONOMIC. We explain on ▶pages 14 and 15 which specific fields of action we have assigned to each of these pillars and where and to what extent we are influencing sustainable change. In doing so, we are also guided by external objectives and frameworks. For example, on August 30, 2022, we signed the UN Global Compact, committing ourselves to integrating its ten principles into our corporate strategy, culture and day-to-day operations. This also includes preparing an annual progress report, which we will submit for the first time in 2023. More detailed information about

our material topics is provided in the Materiality Analysis section from ▶page 18.

Responsibilities and management accounting

Responsibility for monitoring, improving and implementing our sustainability management lies with our central Sustainability department, which also prepares this report. This is also where the sustainability-related activities from the AUTOMOBILE and CONTRACT Divisions are clustered, and the department is also responsible for calculating our energy and CO₂ footprint as well as supporting cross-divisional energy management. The team acts as an interface and generates important initiatives and ideas, driving sustainability throughout the company. Of particular importance in this connection is the development and implementation of sustainability targets and the selection of appropriate standards. This also involves the Sustainability Board (SSB) set up in 2021 to drive the cross-divisional expansion of our sustainability strategy. Representatives from the Sustainability, Legal/Compliance, Purchasing, Financial Services/Investor Relations, Risk Management, Human Resources, Safety & Environmental Protection as well as Quality and Environmental Management central departments meet in this framework to discuss goals, developments and new requirements relating to sustainability issues and to transport these topics into the organization as a whole. To accommodate the wider range of topics, we have increased the frequency of these

meetings from initially once every three months to every two months. The SSB makes an important contribution to anchoring sustainability across the whole of the company.

In recognition of the growing importance of sustainability for BLG, as well as the increased legal requirements, we decided in the reporting year to define the area as an independent central department and assign it to the Finance department. This step also followed in the wake of the drive above all by the EU to set financial and sustainability reporting on an equal footing, as reflected in the recently adopted Corporate Sustainability Reporting Directive (CSRD). Since October 2022, the central Sustainability department has therefore reported directly to our CFO Christine Hein.

Aspects of social sustainability, and specifically the interests of our employees, are the responsibility of the central Human Resources department, represented on the Board of Management in the reporting year by our Labor Relations Director. We can only act sustainably across the board if our employees share our goals and get on board. To achieve this, we rely on feedback and dialog. Our staff are given regular opportunities for feedback to the Board of Management and management staff, for example under the umbrella of our culture change initiative #SuccessDependsOnEverybody – with the sites submitting around 700 questions from employees during the current roadshow, some of which were answered directly. The remainder were subsequently made available to all employees by email and app. All told, the roadshow visited 42 sites throughout Germany, as well as branch offices in Poland, Slovenia and the US.

Our employee app WIR ALLE@BLG, which is also available to international colleagues as ALL OF US@BLG, allows a continuous exchange in digital form. For more information about people at BLG and our role as an employer, please refer to the SOCIAL section from ▶page 40.

Values, guidelines and management systems

Our corporate values committed, respectful, passionate, responsible and open to change not only form the basis of our shared culture; they also serve as guideposts for our sustainability management. A recently revised set of guidelines maps the legal and ethical standards to which we have committed. This not only provides guidance for our employees in their day-to-day work, but also clearly communicates our expectations to partners and suppliers. Our overarching compliance system ensures adherence to laws and principles (more information in the respective section from ▶page 58).

Our sustainability strategy is also flanked by tried-and-tested and in many cases certified management systems. These relate to quality management, environmental management, energy management, and occupational health and safety management. A management system is also in place for compliance. More details are provided in the relevant sections. We detail the main elements of our corporate governance structures in our Corporate Governance Report, which simultaneously constitutes the corporate governance statement pursuant to Section 289a of the German Commercial Code (HGB). This focuses on the corresponding statement by the Board of Management and the Supervisory Board and significant corporate governance practices that go beyond the

statutory requirements. It also explains the procedures of the Board of Management and Supervisory Board, including their composition. For more information, see the Governance section from ▶page 20, as well as the Financial Report from ▶page 194.

Rankings and recognitions

Our retail logistics business area is a member of the Advisory Board of the Lean & Green non-profit initiative. Having received the Lean & Green Award in 2015, we in the meantime rank among the Lean & Green 1st Star winners in recognition of our significant reduction in CO₂ emissions in recent years. We again received honors in the reporting year, including FOCUS news magazine's TOP CLIMATE COMMITMENT 2023 seal and as one of eight German companies recognized by the FOR OUR PLANET initiative in the "Traffic, transportation and logistics" category.

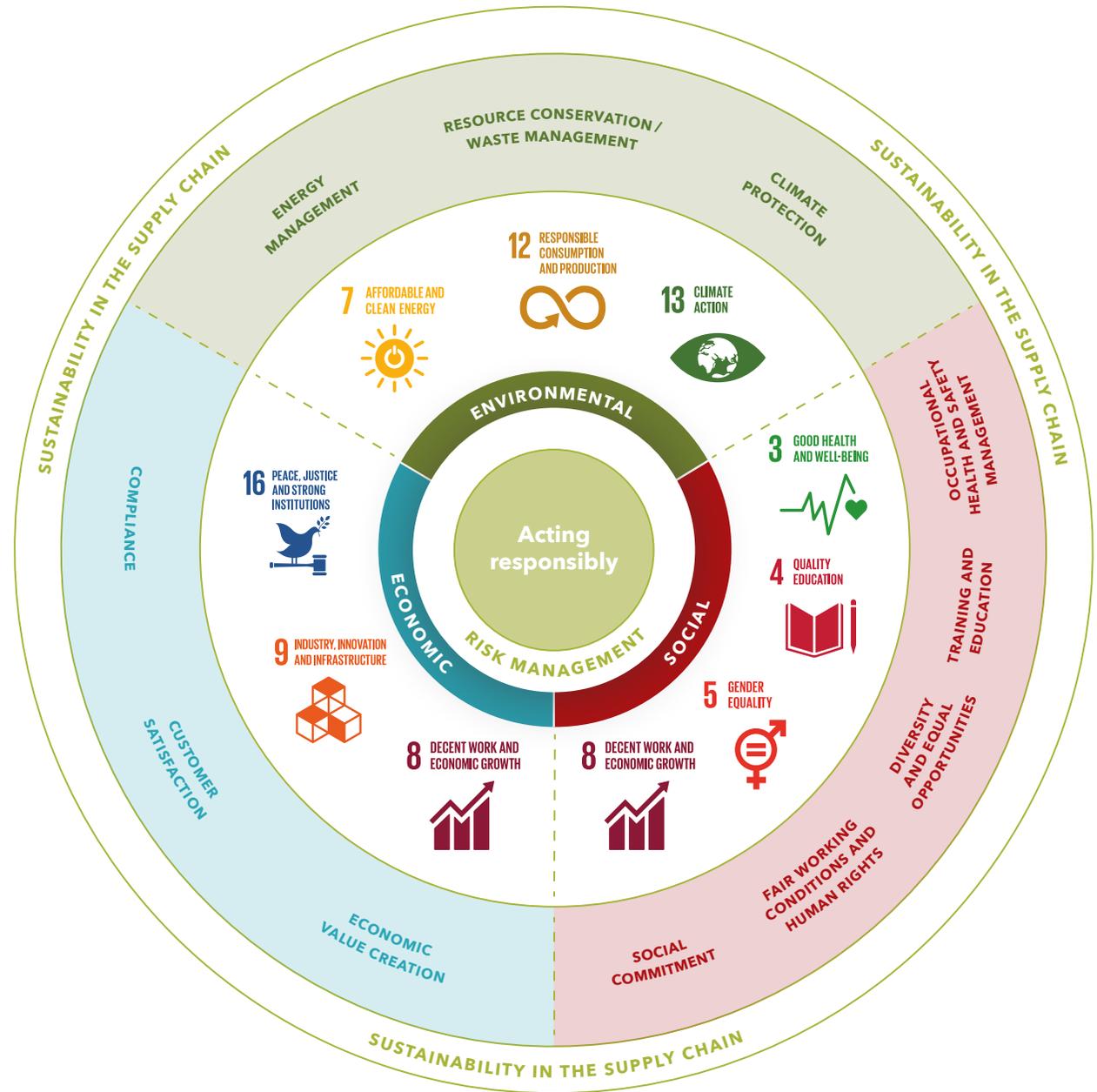
We also consider it important to regularly engage independent external agencies to evaluate our sustainability performance, and again in 2022 achieved another silver CSR rating from EcoVadis. We are among the top 25 percent of the companies evaluated by EcoVadis and within our industry even belong to the top 13 percent. For the second time, we disclosed our emission data to the Carbon Disclosure Project (CDP) in the reporting year. While in the first round a condensed format was sufficient, in the reporting year we responded to the entire catalog of questions relating to climate change and were given a level "C" ranking, which corresponds to the industry average. ▶▶

Our Sustainability Approach

For us, acting sustainably means striking a balance between economic performance, social commitment and responsibility for the environment. Our goal is to include all three perspectives in our decisions and to anchor the resulting holistic approach deeply within the company and all processes. Only in this way can we gain an overarching understanding of the correlations, be well equipped to meet challenges and take advantage of opportunities not only for us as a company, but also in terms of our role in shaping the sustainable logistics of tomorrow.

In a nutshell: we want to act responsibly in every respect. This aspiration forms the backbone of all our activities. We have assigned 11 concrete fields of action to the three supporting pillars ENVIRONMENTAL, SOCIAL and ECONOMIC, which are of great importance to BLG LOGISTICS as a company and also to our stakeholders. Here we set ourselves goals, strive for change and want to do our part to contribute to progress.

In addition, we are guided by the Sustainable Development Goals (SDGs) of the United Nations. These aim to shape the world's development in a sustainable way and to offer tomorrow's generations a future. We want to play our part in this area, too, and focus on nine selected goals that are particularly closely linked to our business.



Our Fields of Action and Sustainability Commitment Goals at a Glance

Climate Protection

We will be climate neutral by 2030. This involves cutting our CO₂ emissions by 30 percent within the company and 15 percent externally.

Energy Management

We are continuously working to increase our energy efficiency. We are also looking to generate more of our own electricity from renewable sources.

Resource Conservation/ Waste Management

We take responsibility for the environmentally compatible use of resources and aim to reduce our waste volume by avoiding, reducing, recycling and reusing waste.

Compliance

Legal and ethical compliance form the basis of our actions. In line with a holistic approach, we also consider our entire supply chain.

Economic Value Creation

We prioritize strategic and sustainable growth. This helps us meet the responsibility we have as a major employer at many locations.

Customer Satisfaction

We support our customers' business with innovation and efficiency. For them and with them, we shape sustainable logistics of the future.

Fair Working Conditions and Human Rights

Our employees are crucial to our success. We offer them safe, attractive workplaces with fair pay, and are also mindful of the working conditions of the people in our supply chain.

Training and Education

Our training programs take account not only of qualifications but also of personal background and life situation. We offer our employees further development opportunities throughout their careers.

Occupational Health and Safety Management

We take responsibility for providing a safe working environment with a focus on accident prevention. Prevention means we also support our employees in staying healthy.

Diversity and Equal Opportunities

We employ people from more than 60 nations and respect their diversity. We are particularly committed to promoting women in management positions.

Social Commitment

Contributing to the welfare of the community is part of our responsibility. That is why we support initiatives and projects locally and around the world.

The SDGs in nine stories

With the Sustainable Development Goals (SDGs), the United Nations agreed on 17 concrete goals based on a global plan to promote sustainable peace and prosperity, and protect our planet. Not only the countries of the world, but also we as a company can contribute to this. Our SDG stories tell you just how we do this every day, on a small and large scale, in Germany and elsewhere.

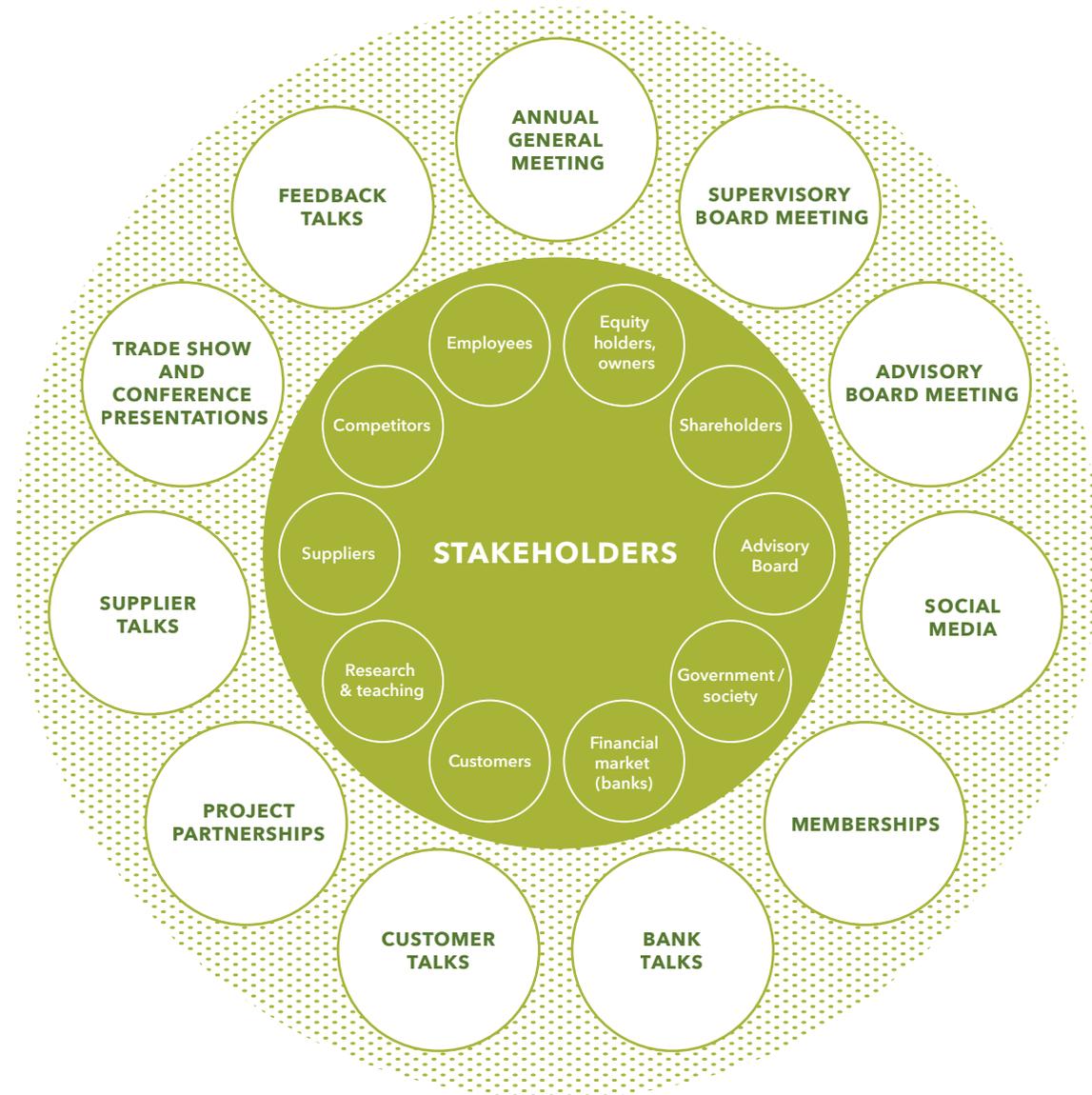
→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/

Fostering dialog with our stakeholders

When formulating the direction and the goals of our sustainability management, we strive to take the interests of our stakeholders into account. This includes all persons or groups who are directly or indirectly affected by our business activities now or in the future and therefore have an interest in our development. With many of them we foster a regular dialog, giving particular priority to our customers’ needs. We communicate with them closely and as partners - especially where we specifically perform preliminary work for customers in our branches or at their own production sites. We often receive extremely focused and valuable feedback when developing new logistics sites or major joint projects.

Another equally important stakeholder group is our employees. That is why we place a special focus on incorporating their expectations into our decision-making. One of the ways in which we do this is through the dialog formats described above, but also, of course, through personal conversations with colleagues and/or with supervisors. Specifically with a view to sustainability, we also survey the people at BLG annually on employee mobility and have made reducing emissions in this area part of our climate protection strategy.

We maintain close contact with the City of Bremen as our largest shareholder - and since 2021, for example, have contributed to the development of Bremen’s climate protection strategy through intensive surveys and our role as a shareholding of the city state of Bremen. We are also involved in the Überseehafen Round Table under the auspices of the Senator of Science and Ports and organized by bremenports. As a member of the steering



Important memberships in associations, organizations and initiatives

- | | |
|---|---|
| - Central Association of German Seaport Operators, Hamburg | - Charter of Diversity |
| - German Logistics Association (BVL) | - Partnership of Environmental Enterprises (PUU) |
| - German Transport Forum, Berlin | - Work-life balance initiative berufundfamilie |
| - Business Association Wirtschaftsverband Weser | - Lean & Green |
| - Company association Unternehmensverband Bremische Häfen, Bremen | - Awards Association Trägergemeinschaft Bremer Diversity Preis |
| - German Freight Forwarding and Logistics Association, Berlin | - Mobility2Grid |
| - Promotional association Logistics Alliance Germany, Berlin | - United Nations Global Compact (UNGC) |
| - AKJ Just-in-Time Working Group | - Taskforce "Nachhaltiger Schwerlastverkehr" of the German Energy Agency (dena) |

group and in cooperation with the companies involved, we are pursuing the common goal of ensuring a permanently resilient supply of the Bremerhaven overseas port, while at the same time realizing a CO₂-neutral port location. We reach other important groups through individual formats - see graphic on ▶ page 16. We are also fortunate in that nearly all stakeholders of material importance to us are represented on the Supervisory Board via representatives from industry, banks, the workforce, labor unions and the public sector. Our Advisory Board is made up of scientists specializing in sustainable logistics, process innovation in logistics and junior management training as well as representatives from business, trade associations and media.

We firmly believe that the transformation to a sustainable economy will only succeed if we work together, which is why we are involved in associations and professional circles that address the challenges we are all facing. Our CEO Frank Dreeke has been Chairman of the Central Association of German Seaport Operators (ZDS), one of the most important interfaces between the port sector and the political arena, since 2016. Furthermore, he is also a member of the Presidium of the German Transport Forum (DVF) and of the Managing Board of the German Logistics Association (BVL). We are also proactively involved in the BVL topic group "Nachhaltig gestalten" ("Shaping sustainability") and in the reporting year became a member of the steering committee of the German Energy Agency's (dena) "Nachhaltiger Schwerlastverkehr" ("Sustainable heavy goods transport") task force.

Materiality Analysis

This Sustainability Report is a central part of our overall business reporting and was prepared in accordance with the GRI standards. We make the associated GRI Content Index available online. ➔ reporting.blg-logistics.com/en

Also as part of Group reporting, we have published a non-financial statement in accordance with the EU Corporate Social Responsibility Directive since 2017 and have integrated a non-financial Group report (NFR) into our sustainability reporting. The corresponding CSR Index on ▶page 72 shows where the topics relevant for the NFR appear in the various sections of the present report.

Boundaries and reporting scope

Our sustainability reporting covers the fully consolidated companies of the BLG LOGISTICS GROUP that belong exclusively to the AUTOMOBILE and CONTRACT Divisions. When identifying and selecting the material topics and prioritizing the contents for the non-financial statement, we therefore focused on these two divisions and our central departments.

This report concentrates on the domestic BLG companies. They account for 91.7 percent of all employees and 95.7 percent of revenue of the fully consolidated locations, i.e., the most substantial part of our business activities. Nevertheless, we are working continuously on increasing the availability of data also from our foreign companies. For example, we have included the consumption of the

relevant international locations in our energy and greenhouse gas accounting for some time now, and in the present report are for the first time presenting differentiated human resources KPIs for the individual countries.

The third business division, CONTAINER, is represented by the EUROGATE Group, in which BLG LOGISTICS has a 50 percent shareholding. EUROGATE is the leading shipping line-independent container terminal group in Europe. EUROGATE manages the areas that are material for non-financial reporting, including energy, the environment, human resources and compliance, independently. We therefore present the NFR-relevant topics for the CONTAINER Division separately from ▶page 66.

Identifying and selecting the reported aspects

The topics we focus on in this report continue to take their cues from an extensive process to determine the content of our sustainability reporting developed in 2018 (described in detail in the sustainability report for that year) as well as from an in-depth internal materiality review conducted within the Sustainability Board in 2021. This looked at the importance of the individual aspects for our economic success as well as the impact of our business activities on the environment and society. In this way, we ensure the continued relevance of the content of our reporting and give consideration to current developments

and new insights, resulting most recently in the new inclusion of the topic "Resources and Waste." Apart from this, we continued in 2022 to report on the key performance indicators collected to date in line with the GRI requirements.

Weighting of our material topics

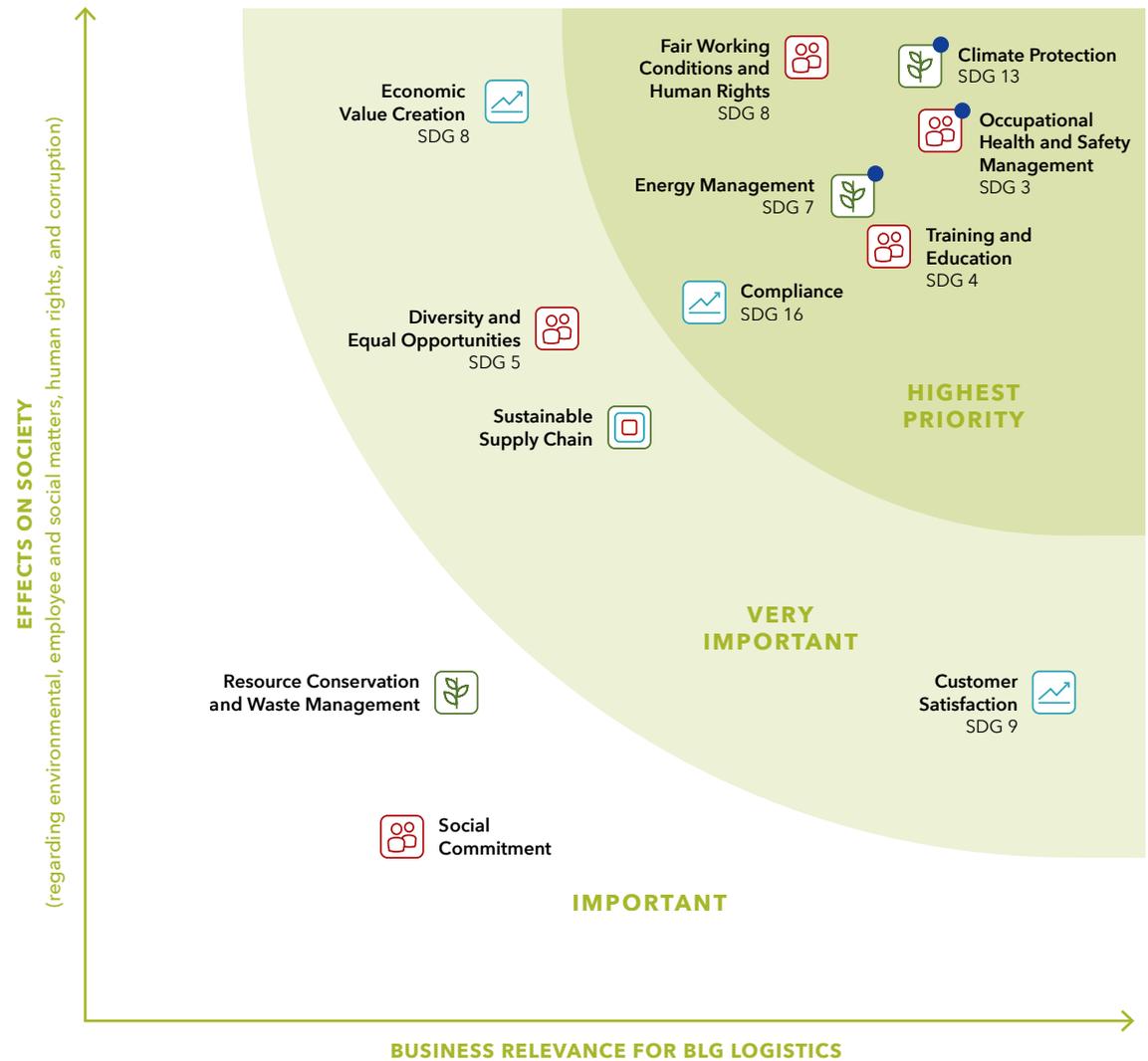
We have assigned our material topics to the three pillars ENVIRONMENTAL, SOCIAL and ECONOMIC and arranged them in the materiality matrix below according to their relevance for BLG and their impacts on the environment and on society. This presents a classification of the aspects according to whether they are important, very important or of highest priority for BLG LOGISTICS, with only the latter being included in our non-financial report. In addition, we have linked the topics to the respective SDGs that we want to contribute to achieving. The topic Sustainable Supply Chain relates to aspects from all three pillars, which is why we provide separate information on our strategies, progress and challenges in this area on ▶page 24.

Neither our internal review process nor the risk management situation or the ongoing dialog with our stakeholders have given us any reason to reassess

individual topics compared with the previous year. The aspects of Climate Protection, Energy Management, Compliance and Sustainable Supply Chain were already ranked higher in importance in the context of the 2021 materiality review described above.

In the following, we explain BLG LOGISTICS' management approach for each material topic in this report, and also present selected key performance indicators in accordance with the GRI guidelines. In addition, we describe how we address the aspects of the NFR - including concepts, results, evaluation mechanisms and other relevant KPIs. You can find an overall assessment of risks on ▶page 22.

-  Environmental
-  Social
-  Economic
-  General
-  Key topics from the employee perspective



Governance

Management structure, governing bodies and selection criteria

BLG AG is a company under German law and as the personally liable general partner of BLG LOGISTICS GROUP AG & Co. KG, Bremen, is responsible for the management of the latter. A fundamental principle of German stock corporation law is the dual management system with strict separation of personnel between the Board of Management as the executive body and the Supervisory Board as the oversight body - with both bodies working together in a spirit of mutual trust in managing and overseeing the company. The Board of Management regularly informs the Supervisory Board in detail about all issues of strategy, planning, business development, financial performance, cash flows and compliance, as well as about entrepreneurial risks.

The Supervisory Board is composed of 16 members, half of whom are elected by the shareholders. The other half consists of members elected by the employees in accordance with the provisions of the German Codetermination Act. The members of the Supervisory Board currently include major shareholders who account for a majority of the voting rights, as well as a number of independent members as specified in its rules of procedure. No former members of the Board of Management of BLG AG sit on the Supervisory Board. When making appointments to the Supervisory Board, the statutory provisions on gender quotas apply, which in our

case must be fulfilled separately by the shareholder members and the employee members. A profile of skills and expertise defined in 2018 aims to ensure that the Supervisory Board as a whole possesses the knowledge and experience that is considered essential in view of our business activities. This profile was extended in the reporting year to explicitly include the aspect of Sustainability/ESG, keeping a particular focus on the topics of primary relevance to us: climate protection, energy management, diversity and equal opportunities, training and education, fair working conditions, human rights, compliance and customer satisfaction. The Supervisory Board currently covers all defined skills and areas of expertise. When making new appointments, it is examined in each case where knowledge should be strengthened.

The Supervisory Board appoints and dismisses the members of the Board of Management, decides on the remuneration system for the members of the Board of Management and submits it to the Annual General Meeting for approval. It also determines the total remuneration of the Board of Management. In this context, a new remuneration model for the Board of Management was introduced in 2021, which includes both financial and non-financial target indicators: CO₂ emissions, the trainee ratio and the 1,000-employee rate used as a basis for measuring the number of work-related accidents. From 2023, these will be applied incrementally for all non-tariff employees.

Together with the Board of Management, the Supervisory Board is also responsible for long-term succession planning for appointments to the Board of Management, with the aim to fill these positions from within the company. It is the task of the Board of Management to propose a sufficient number of suitable candidates to the Supervisory Board. This is underpinned by systematic management development that, when making appointments to the Board of Management, enables the Supervisory Board to ensure sufficient diversity with regard to professional training and experience, cultural background, internationality, gender and age in line with our diversity concept. In its current composition, the Board of Management meets these requirements. As of December 31, 2022, the proportion of women on the Board was 40 percent, thus meeting the statutory quota.

In addition to the legally required Mediation Committee, the Supervisory Board has formed an Audit, a Human Resources and an Investment Committee. The Audit Committee is among other things responsible for reviewing the annual financial statements and management report prepared by BLG AG and the consolidated financial statements and group management report of BLG LOGISTICS. It also prepares the Supervisory Board's decision on planning for the following financial year and deals with risk management and compliance. The Committee is made up of three shareholder representatives and three employee representatives; its

incumbent chairman in the reporting year met the legal requirements for independence and expertise in the fields of financial accounting and reporting and auditing. The Human Resources Committee has equal representation and is composed of the Chair of the Supervisory Board, the Vice Chair and six other members of the Supervisory Board. Its tasks include proposing suitable candidates for the election of the Supervisory Board members, advising on the long-term succession planning for the Board of Management and deciding on the employment contracts with the Board of Management. The Investment Committee has six members - three shareholder representatives and three employee representatives of the Supervisory Board - and is chaired by the Supervisory Board Chair. The committee makes preparatory decisions and resolutions for specifically defined and urgent investment projects.

Detailed information about the governing bodies, committees and their composition can be found in the Corporate Governance Statement, which forms part of our financial reporting. The currently valid remuneration system for the Board of Management as well as the remuneration report are publicly accessible at <http://www.blg-logistics.com/en/investor-relations>

Anchoring sustainability within the company and its processes

We firmly believe that if we are to have a real impact, we must incorporate sustainability into every action and every decision - and thus make it an integral part of our corporate strategy. We lay the foundation for this with company-wide policies and guidelines relating to topics concerning environmental, social and economic

sustainability, as well as through greater integration of sustainability-related aspects into our training and education programs. Our Supplier Code of Conduct in particular sets out how we incorporate this topic into our partnerships and business relationships along the supply chain. For more information, please refer to the Sustainability Management, Training and Education, Compliance and Sustainable Supply Chain sections of this report.

The Chief Sustainability Officer is responsible for sustainability at Board of Management level. The full Board of Management and the Supervisory Board are responsible in their respective functions for overseeing the sustainability-related impacts of our business and, coupled with this, for ultimately reviewing the effectiveness of (counter)measures taken. Depending on their remit, individual Board of Management members are closely involved in the development of sustainability-related strategies, policies and targets. These are in all cases subject to approval by the full Board of Management. During the most recent materiality analysis, the Board of Management was also involved in identifying and selecting the topics to be included in the Sustainability Report, and it also approves the completed report each year prior to publication. At the invitation of the City of Bremen - our largest shareholder - the Board of Management regularly attended and continues to attend information events and workshops on sustainability-related topics such as diversity and climate protection, and also incorporates the insights gained into corporate governance. In strategic and operational terms, all related activities are consolidated in the central Sustainability department, which reports directly to the Board of

Management. This, in turn, is supported by the Sustainability Board, on which all relevant departments are represented. For a more detailed description of how the cooperation works, please see the Sustainability Management section.

To enable us to realistically assess the impact of our business activities and the effectiveness of the measures already implemented, it is important that we make it as easy as possible for people - whether internal or external - to inform themselves about the standards that apply, report deviations or air grievances. This can be done either through our compliance team or via a reporting process through our externally appointed ombudsperson. Please refer to the Compliance section for more information. If events relevant to sustainability occur, they are first reported via the standardized information channel to the supervisor, who in the event of serious incidents is obliged to consult the compliance officer. Depending on the nature, location and scope of the incident, additional contact persons from the relevant departments are also involved to assist in assessment, resolution and prevention.

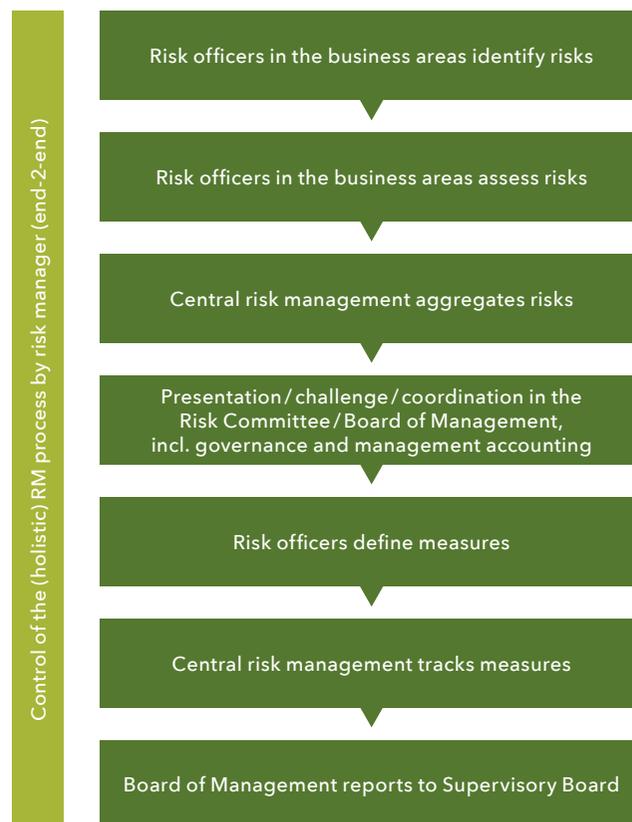
Risk Management

We believe that responsible management of potential risks as well as opportunities is the basis of any sound corporate governance. Correspondingly, our risks and rewards policy is directed at creating additional enterprise value without exposing the company to any undue risks. We aim to achieve profitable growth, while also giving consideration to sustainability-related goals and targets.

Our risk-rewards culture is part of the corporate culture of BLG LOGISTICS and sets out both the company's basic policy toward risks and opportunities and rules of conduct for managing them. This not only underpins our risk awareness when making operating decisions; it also forms the basis for developing effective measures that allow us to implement CSR as a lever for opportunities.

In the reporting year, we further developed our risk management system with the objective of creating a fully integrated system, and taking legal requirements into account. From now on, sustainability-related short-, medium- and long-term rewards and risks are identified and can also be assigned to the sustainability goals. Within the scope of a cross-divisional project, the groundwork was also laid for application of the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG), which came into force on January 1, 2023. One focus here was linking risk management with supplier management.

Responsibilities in connection with risk management organization



Risk management principles

In line with our risk strategy, the basic elements of the risk management system are rolled out centrally using a standardized approach to ensure coverage of clear risk accountability, and are described in the Group guideline on risk management. This leads to systematic and comparable risk identification and documentation, risk analysis and assessment, risk control and monitoring as well as risk-related communication and reporting. The overriding objective is to create a shared awareness and positive understanding – both at management level and among the entire workforce – in managing operating risks in order to ensure the company's risk-bearing capacity. The aim is to identify and assess risks, manage and monitor them efficiently through appropriate and effective measures, and ensure ongoing risk reporting as a basis for sound decision-making. In this way, risk management is intended to support the corporate strategy and contribute to achieving our corporate objectives.

We firmly believe that a reliable risk analysis is the key to our corporate success. By identifying risks early on, we can make sound decisions to help us avoid or mitigate them. Accordingly, we develop and integrate processes and tools that allow us to identify potential risk scenarios and

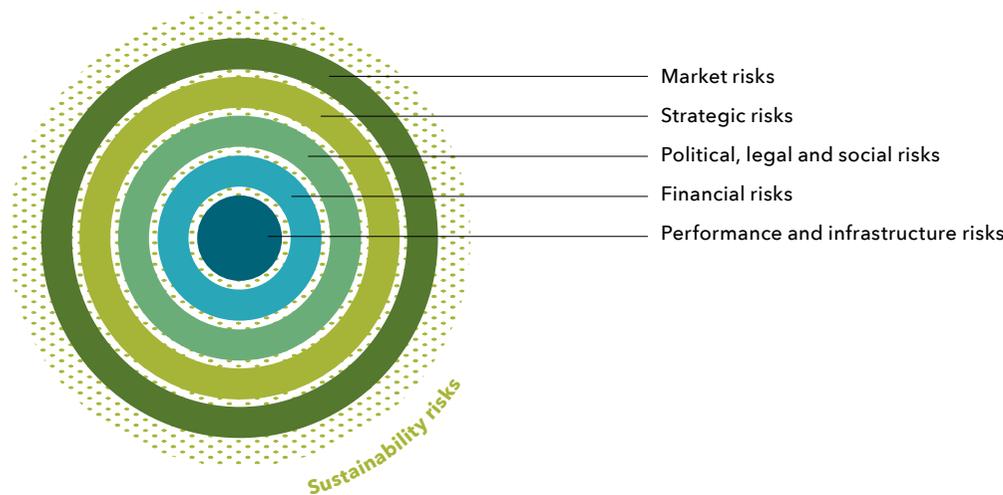
Objectives of risk management

- Identify risks early and prevent crises and insolvencies (support continuity of the organization)
- Improve planning reliability and risk costs through optimal risk management
- Sound preparation of operating decisions with risk analyses to improve the company's success
- Achieve sustainability-related corporate goals and monitor sustainability-related risks taking into account the principle of dual materiality

respond quickly and decisively. In 2022, identified risks were addressed and followed up through local and central measures. As an integral part of corporate governance, risks and the corresponding measures are regularly presented and discussed in the respective management groups. The resulting risk report was submitted to the Board of Management on a quarterly basis and to the Supervisory Board at each ordinary meeting to provide information on the overall risk environment.

Defined risk categories and current risk outlook

With regard to potential risks, we focus in particular on those that would have a noticeable effect on the company's financial position, financial performance and cash flows if they were to occur. Furthermore, we draw on risk analyses to assess and subsequently adequately manage the impacts of our business activities on people and the environment. We assign all risks to five defined risk categories (see graphic). In doing so, we consider risks



from the area of Environment, Social and Governance (ESG) as being integrated into these categories. Both the risk assessment and the derivation of measures are based on scenarios and take into account all known influencing variables.

With regard to the reporting year, the ongoing war in Ukraine continued to impact on our risk situation. Particularly worthy of note was the rise in inflation and the associated increase in risks from higher energy, personnel and material costs. Cyberattacks, to which numerous companies again fell victim in 2022, represent a completely different but nevertheless significant risk. The economic slowdown and ensuing restrained demand on the one hand, coupled with the difficult availability of components and raw materials on the other, lead to

fluctuating volumes in our customer business. In the area of ESG we see both opportunities and risks - the topics associated with this can have an impact on the entire risk situation, from financing to HR policy and procurement.

No material risks with very likely serious negative impacts on matters relating to sustainability and the CSR policy were or are known to us for the 2022 financial year.

Sustainable Supply Chain

We provide highly complex and tailor-made logistics solutions for our customers along global supply chains. For more information about the nature and scope of our services, please refer to the Company Profile section. We also coordinate the entire supply chain and establish integrated logistics chains, which we also manage across the entire value creation process – especially in the areas of project and process management, technology, IT and quality. In this, we mainly work with products and components provided by our customers. Consequently, the influence we can exercise on upstream processes is often limited.

Within the scope of our own decision-making, we consistently apply sustainable standards. This applies in particular, but not exclusively, to our procurement and purchasing processes, which encompass more than 100 material categories and are managed by our central Purchasing department. The focus of the selection criteria is also increasingly on energy efficiency, which alongside quality, price and delivery times is, for example, a central criterion in the procurement of lighting systems and forklift trucks. Our main procurement markets are located in Germany and neighboring EU countries, which are also subject to binding sustainability standards.

For the fourth year in succession, we are facing supply chain disruptions due to new and existing crises and as a result are in some cases still experiencing considerably

longer delivery times for certain goods. The further hike in raw material prices in the reporting year also presented energy procurement challenges.

Clear standards, clearly communicated

We communicate very transparently to our customers how we meet our ethical, social and environmental responsibilities. We expect no less of our suppliers and take the relevant aspects into account when selecting suppliers and awarding contracts. For example, when commissioning subcontractors for transport services, we pay particular attention to industry-specific human rights risks such as the appropriateness of remuneration, the right to freedom of association, and respect for general occupational health and safety rights. Only in this way can we implement sustainability along the supply chain systematically and in compliance with the law. Our requirements with regard to environmental and social responsibility and ethical best practices are formulated in our Supplier Code of Conduct, which we are currently revising on a point-by-point basis in order to fully reflect the legal requirements of the German Supply Chain Due Diligence Act, which came into force on January 1, 2023. It goes without saying that the statutory provisions relating to the treatment of employees, occupational health and safety and environmental protection must be complied with at all times. We also expect appropriate measures to be taken to avoid or mitigate negative impacts on people and the environment. Our suppliers, in turn, are

responsible for ensuring that their subcontractors are informed about and comply with the requirements. Comprehensive induction training in the criteria set out in the Supplier Code of Conduct is also mandatory for employees in Purchasing. ➔ <https://www.blg-logistics.com/en/general-terms-and-conditions>

We ensure compliance with supply chain-related due diligence obligations primarily through the closely coordinated interaction of the Risk Management, Purchasing, Compliance, Legal and Human Resources departments. Responsibility for overarching coordination and oversight is vested with the central Sustainability department. We are currently in the process of further streamlining the relevant organizational processes across all departments involved.

Systematic management: risk analysis and supplier evaluation

We use systematic risk analyses to identify any human rights or environmental risks along our supply and subcontracting chains. These consider various aspects, such as the purchased product group or service, the country of origin or the market from or in which the service is provided, the nature and scope of potential risks, and the volume of the relevant goods or services procured. On this basis, we classify suppliers and service contractors according to risk. If they are prioritized, the next step is to request a self-declaration – including proof of any

certifications specified in this context. We conduct audits in the event of documented violations, if there is specific cause for suspicion, in cases where the self-declaration is insufficient and in selected random checks.

Since 2016, we have additionally evaluated suppliers and service providers in cooperation with the responsible locations according to a defined scheme. Using a comprehensive catalog of questions, which we are currently aligning even more closely with the ESG criteria of our Supplier Code of Conduct, also in accordance with the LkSG, we evaluate criteria such as pricing, quality, delivery times, environmental protection, sustainability and communication. This allows us not only to identify weaknesses and risk, but also potential. We not only share the findings with the suppliers concerned, but they also flow into our procurement strategies and supplier management. The latter will be directly linked with our risk management in 2023. The evaluation is carried out annually and also on an ad-hoc basis as needed, and for new suppliers as standard. In addition, face-to-face meetings and on-site visits are an integral part of our dialog with main and new suppliers.

The process is completed without further action if there are no complaints, which applied to all evaluations in the reporting year. If, on the other hand, we identify a need for change or optimization, we work with the supplier to define steps for in-house or active development. We terminate relationships with suppliers that are unable to meet our requirements even in the medium term.



Environmental



The new C3 logistics center takes logistics services to a whole new level. Head of Mobility Matthias Klawitter explains what this means in practice. [Read more about this in our online magazine story "In Focus: Customer, Climate and Comfort."](#)

- 28 Climate Protection
- 33 Energy Management
- 37 Resource Conservation and Waste Management



Our Environmental Responsibility

Many of our services - from transport by road and rail, the operation of terminals and logistics centers to the handling of complex intralogistics processes - require energy and thus produce emissions. Despite all our efforts, this will only change to a limited extent in the short term. We are therefore all the more aware that we have a responsibility to leverage our scope for action to the best of our ability with the help of smart measures and to pursue ambitious medium- to long-term goals. In this way we will significantly reduce BLG LOGISTICS' greenhouse gas emissions as part of our MISSION CLIMATE initiative. And where we cannot avoid emissions entirely, we offset them by investing in carefully selected and certified climate protection projects. Our goal is to become climate-neutral by 2030 and in doing so make a sustainable contribution to the Paris Climate Agreement and play our part in limiting global warming.

In the following sections, we describe our goals, measures and the status quo in our prioritized fields of climate protection and energy management, and additionally in the area of resource conservation and waste management. This is because we believe that the latter is also a

key element of sustainable corporate management. We aim to meet this objective through avoidance and reduction of waste as well as through targeted recycling strategies. With a view to energy efficiency, we have already made significant progress in recent years, such as conversion of extensive areas to LED lighting at a number of sites. When designing new sites, we give consideration to these aspects from the get-go - as the new C3 Bremen testifies, which went into operation in the reporting year and sets new benchmarks for sustainable logistics facilities.

And because environmental sustainability not only concerns our own actions, we are continuing to make sure our standards are applied along the supply chain in dialog with our partners.



Climate Protection

We will be climate neutral by 2030. To achieve this target, we are among other things cutting our own CO₂e emissions by 30 percent and those generated outside the company by 15 percent.

The topic of sustainability continued to gain in importance in 2022. One reason for this is that the effects of climate change are being brought home to us ever more vividly and urgently. At the same time, we are seeing growing political and economic restrictions in this area. As a logistics service provider, we are aware that we have a responsibility to make a tangible contribution to decarbonizing our industry and thus the entire economy. In doing so, we also support our customers in improving their own climate footprint.

In this Sustainability Report, we describe for the third consecutive year our progress toward achieving our target to reduce our greenhouse gas emissions. By 2030, we will reduce our absolute Scope 1 and Scope 2 emissions by at least 30 percent and our Scope 3 emissions by at least 15 percent, in each case compared against the figures for the 2018 baseline. This target was verified in 2020 by the independent Science Based Targets initiative (SBTi), which certified that our ambitions are in line with the Paris Climate Agreement. This reduction target is an absolute goal that is not tied in with corporate growth. We offset all Scope 1 and Scope 2 emissions that despite all our efforts we cannot avoid entirely by investing in high-quality climate protection projects. In this way we will become a

climate-neutral company by 2030. We call the aggregate of these targets and objectives our "Mission Climate."

Our levers for greater climate protection

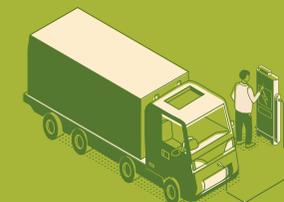
There are three levers that we use to achieve our targets for reducing emissions: steadily increasing our energy efficiency, producing our own renewable electricity and purchasing green electricity. In this we follow the premise: avoidance comes first, followed by reduction and, if all else fails, offsetting. Therefore, we are focusing in particular on increasing efficiency by using energy in such a way that we can achieve more output for the same input. See the Energy Management section of this report for more detailed information. With regard to generating our own power from renewable sources, we installed our third photovoltaic system (PV system) in the reporting year. The newly constructed third multistory car park (P3) at our AutoTerminal Kelheim is equipped with a generator output of almost 400 kW_p. With the installations already in operation at Kelheim and Waiblingen, we covered around 337 MWh of our electricity needs in 2022, equivalent to a saving of 98 t CO₂e. Regarding our new C3 Bremen logistics center completed in 2022, we are working in much larger

dimensions: here, a photovoltaic system is planned across the entire roof area with an output of up to 10 MW_p, making this the largest continuous rooftop system in Germany. The first modules are being installed in the first quarter of 2023 and will supply our operations at the site with green electricity. We will continue to systematically invest in the utilization of solar power from our rooftops going forward.



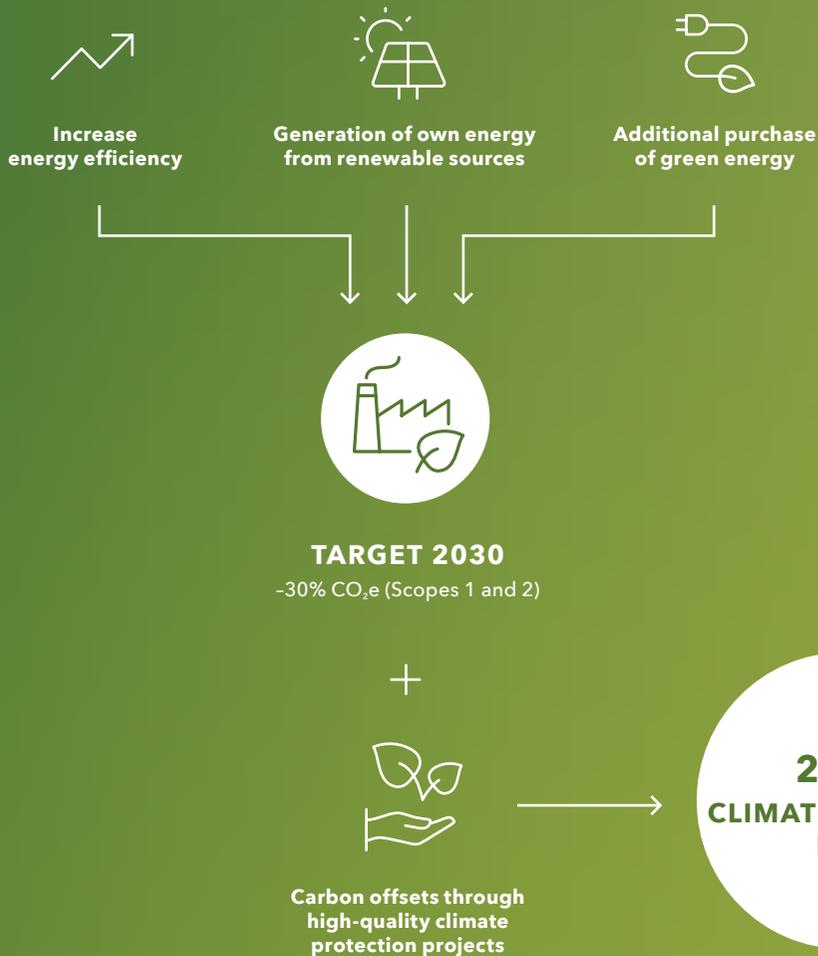
In the context of our targeted CO₂ reduction, BLG LOGISTICS is also testing electric drive systems in heavy goods transport. With this project, we are pressing ahead with our consistent sustainability strategy.

→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-13/



Our climate targets at a glance

Climate target within the company



Absolute CO₂ reduction in the supply chain



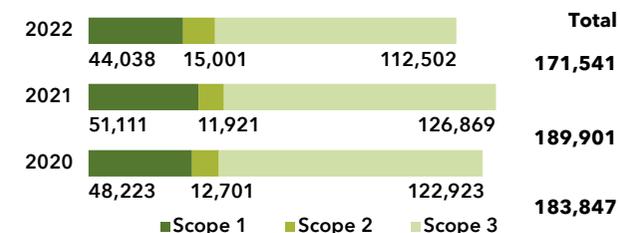
Our absolute emission reductions also have a positive impact on our customers' carbon footprint, as our Scope 1 and Scope 2 emissions are reflected in their Scope 3 emissions. Thus, they not only benefit with us from the aforementioned reduction measures, but can additionally opt for climate-neutral services. From the reporting year, at our customers' request we calculate the greenhouse gas emissions for the contracted service and offset them through a Gold Standard climate protection project.

Calculating greenhouse gas emissions

To be able to cut our CO₂ emissions, it is crucial to know where and in what quantities we use energy and consequently generate greenhouse gas emissions. We collect, validate and evaluate energy consumption data decentrally, directly at our locations. In the next step, our central Sustainability department calculates the emissions generated. We currently take into account the consumption of the German sites of our fully consolidated companies and around 95 percent of the energy consumption of the associated sites outside Germany. In our AUTOMOBILE and CONTRACT Divisions, we use our own diesel trucks. Their consumption is included in our energy and greenhouse gas accounting. Especially in the freight forwarding and car transport business areas, we also draw on the services of subcontractors, which are integrated into our extended reporting (Scope 3).

For our greenhouse gas accounting, we are guided by the principles of the Greenhouse Gas Protocol (GHG Protocol), and present direct and indirect greenhouse gas emissions separately. We distinguish between Scope 1

Absolute greenhouse gas emissions (in t CO₂e)
broken down into direct and indirect emissions



(direct emissions from the combustion of natural gas, heating oil, diesel and gasoline), Scope 2 (indirect emissions from electricity and district heat generation) and Scope 3 (other indirect emissions). We have been calculating our CO₂ equivalents (CO₂e) since 2011. This includes not only carbon dioxide, but also other gases with high greenhouse gas potential (see Glossary for details). For the CO₂e calculation of gasoline and diesel vehicles, we use well-to-wheels emission factors (WTW) from the DIN EN 16258 standard and the Global Logistics Emission Council (GLEC). These include all generated CO₂e emissions, from provision of the energy sources used through to the operating phase, and also take the proportion of biodiesel or ethanol into account. To calculate the further emissions from the primary energy sources including the upstream chain, we use the CO₂e emission factors from the Global Emission Model for Integrated Systems (GEMIS) from the International Institute for Sustainability Analysis and Strategies (IINAS). We regularly adjust the emission factors in line with the adjustments in GEMIS, also retrospectively. The emission

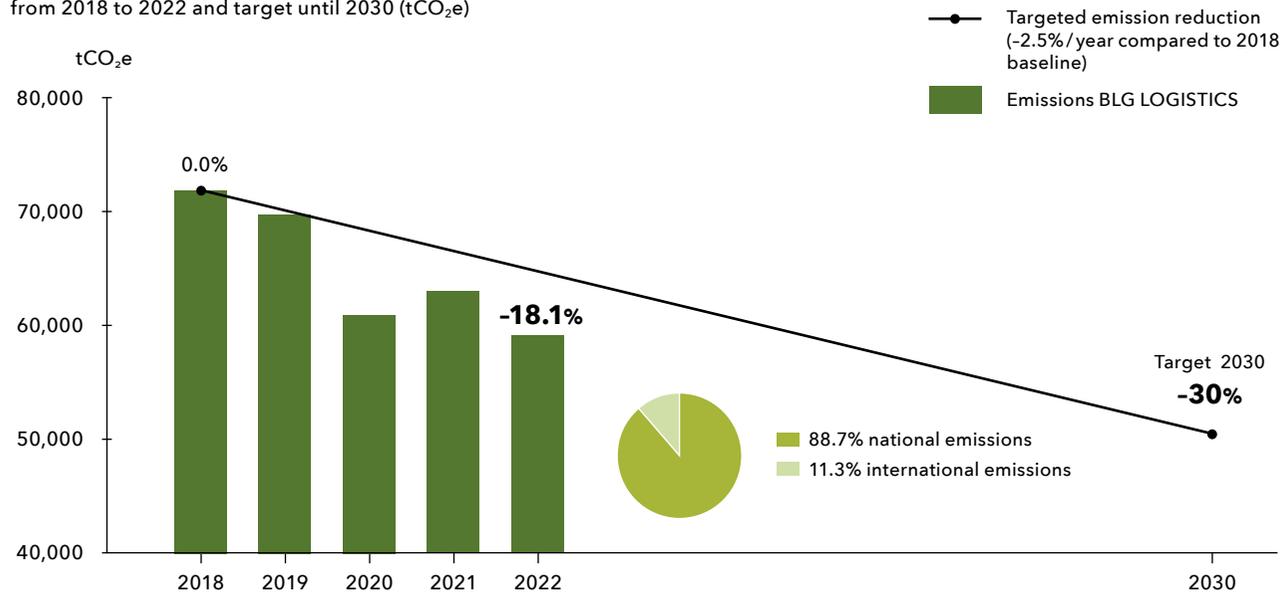
factors used for electricity apply on a site-specific basis depending on the energy supply company. The corresponding electricity emission factors for our foreign sites are based on the respective country mix from GEMIS.

Own emissions: still on the right track

Our climate target is based on a clear plan: in order to achieve it, we must reduce our CO₂ emissions by 2.5 percent each year compared with the 2018 baseline. This comparison already shows a substantial reduction. Overall, we had achieved a reduction in our greenhouse gas emissions of 18.1 percent in 2022 compared with 2018. We thus clearly surpassed our minus 10 percent target for the reporting year and remain well on track toward our Mission Climate. Accounting for a good 89 percent, our German sites were responsible for the majority of our global emissions, with around 11 percent attributable to our foreign locations.

However, this overall assessment must also take external influences into account that in particular in the past three years have played a role. For example, the unusually sharp reduction in greenhouse gas emissions from 2019 to 2020 is in part due to the effects of the coronavirus pandemic. Similarly, as business gradually normalized in the course of 2021, we conversely saw a slight increase in many areas. The renewed significant reduction in 2022 is linked, among other things, to Russia's invasion of Ukraine, which meant that we were not able to carry out normal business operations there.

Absolute greenhouse gas emissions (Scopes 1 + 2)
from 2018 to 2022 and target until 2030 (tCO₂e)



Emissions in the supply chain: successfully active on multiple levels

In defining our climate targets, when considering Scope 3 emissions in line with the SBTi requirements we identified those from all 15 categories belonging to the GHG Protocol which, taken together, account for over two-thirds of our emissions. For these, we set a separate sub-target, which was a reduction of 15 percent compared with the baseline by 2030. In this context, we consider upstream transports by our subcontractors, our equity investees, employee mobility, and also monitor the upstream chains of primary energy sources. Our equity investees and upstream transports are the biggest two emitters within Scope 3 and, taken together, account for more than 80 percent of the emissions incurred in this category. In the

case of upstream transports, we report on emissions that result from purchased transportation services by truck and rail. Following a successful 100-day project, we have been using software accredited according to international greenhouse gas accounting standards, which automatically calculates the CO₂ emissions of the overland transport operations of our freight forwarding business area. To this end, transport data is, wherever feasible, linked with telematics data from the subcontractors to ensure that the calculation of emissions is as far as possible based on primary data. We are currently examining application in other areas.

When considering investees, we proportionately include the emissions of our EUROGATE joint venture, which make

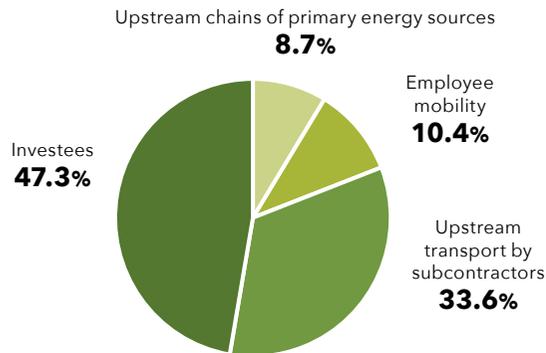
up the absolute majority in this category, plus individual other companies. With respect to the upstream chains of the primary energy sources, we record emissions that result from production and transport of the energy we use.

Concerning employee mobility, we report on emissions from our employees' daily commute to and from the workplace, those from business trips using private cars as well as those from our company cars and rental vehicles, and from business flights. To calculate the former, we again carried out our annual company survey. We derived three concerns that are of particular importance to our employees and that accordingly we will focus on in the coming years: good charging infrastructure for electric and hybrid vehicles, better public transport connections to individual locations and opportunities for commuting together, e.g., in the form of car sharing. In the reporting year, we conducted a systematic review of the installation of charging points at our sites, taking local conditions into account. Through our company car policy, we are increasingly promoting the environmentally compatible use of electric and hybrid vehicles by limiting the permissible commuting distance and providing charging infrastructure close to employees' place of residence. In order to offer our employees an alternative to company cars in the future, we are currently looking at ways to design and implement a mobility budget. This is an additional offering for those entitled to a company car who

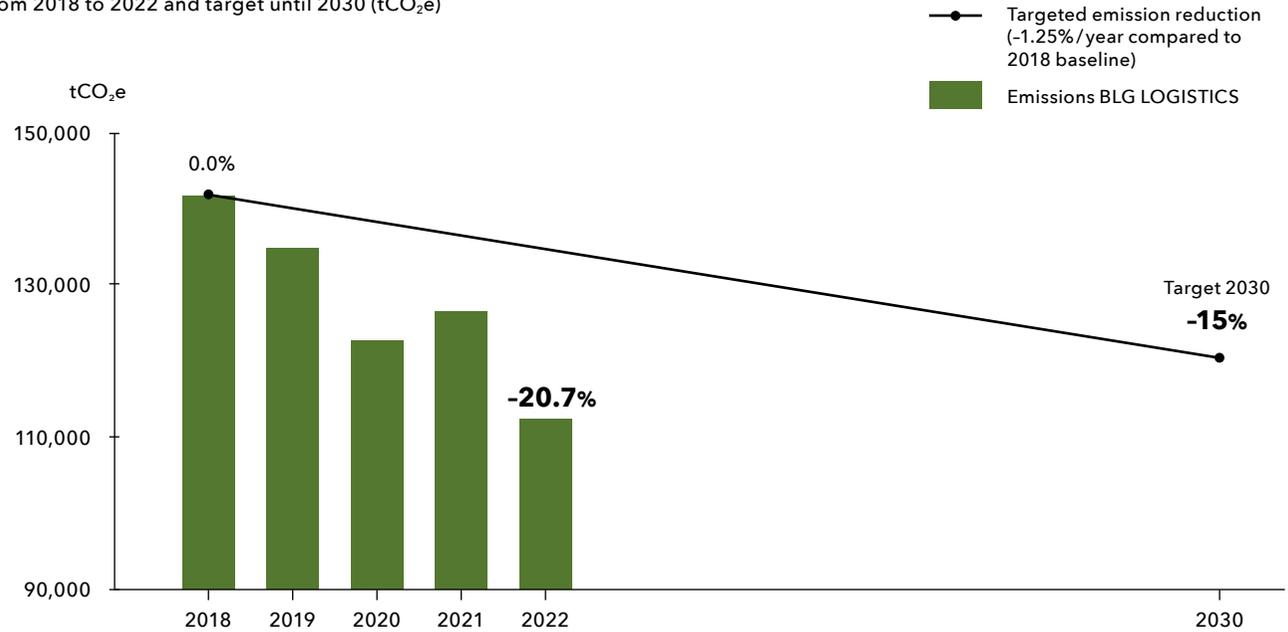
instead receive a budget that they can use on business or private trips for various modes of transport - including public transport, long-distance trains, car sharing or cabs. Another alternative is the combined use of the mobility budget with choosing a smaller model of company car.

The development of Scope 3 emissions is similar to that of Scopes 1 and 2. Here, too, following the exceptional pandemic-related decline, greenhouse gas emissions initially rose again in 2021. For 2022, we again recorded a significant reduction of 20.7 percent compared with the baseline.

Percentage share of Scope 3 emissions 2022
broken down by categories considered



Absolute greenhouse gas emissions (Scope 3)
from 2018 to 2022 and target until 2030 (tCO₂e)



This was due in particular to the lower transport volumes of our subcontractors: in the wake of a general shortage of transport capacities and the accompanying willingness to pay higher prices, some capacities were withdrawn.

This means that we have already reached our intended 2030 target for Scope 3.

Taking the current uncertainties and one-time effects into consideration, we will for the time being continue to monitor the development based on the measures taken to ensure a sound basis if a reformulation becomes necessary.

Energy Management

We are continuously working to increase our energy efficiency and are looking to generate more of our own electricity from renewable sources.

Good energy management can have a major impact from both an environmental and an economic perspective. Not only is it our main lever for increasing efficiency; it is also indispensable when it comes to achieving our climate protection targets. Our environmental and energy policy, which is available online, is commensurate with this. Among other things, it commits us to continuously and systematically reducing our energy consumption and emissions and to steadily improving our performance in the overriding areas of energy and the environment. www.blg-logistics.com/en/sustainability

Energy planning at the individual locations is carried out by our on-site energy officers. In addition to systematic data capture, their remit involves regular energetic evaluations as well as documenting planned and implemented measures. All activities are monitored and managed by a central Management Accounting department. In the reporting year, our energy management system was recertified according to DIN EN ISO 50001 at 28 locations. Furthermore, our environmental management system has already been certified since 2014 in accordance with DIN EN ISO 14001 at all our German auto terminals and transport centers in the AUTOMOBILE Division as well as at 12 more locations in the CONTRACT Division.

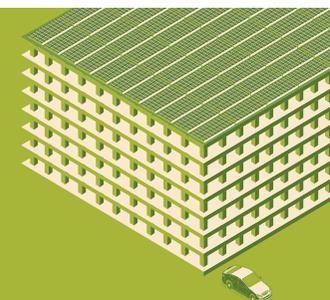
Clean consumption data as a basis for our action

If we are to permanently reduce our energy consumption – and hence our greenhouse gas emissions – we need to identify how much energy our processes and facilities consume.

Our energy officers on site obtain the relevant information through decentralized recording, validation and evaluation. The only exception to this is sites whose energy consumption we cannot control. The consumption of all fully consolidated companies is aggregated by the central Sustainability department as part of the annual energy and CO₂ accounting.

To further increase data transparency and accuracy and in particular to record and track the impact of our measures more easily, we introduced the EnEffCo energy management software in the reporting year. This allows not only more detailed, but also largely automated recording and evaluation of our energy consumption, and consequently even more targeted identification of potential savings. The software has already helped us identify anomalies and improve validation. Our German sites will continue to be gradually incorporated in 2023, so that automated monitoring via user-defined dashboards will be possible across sites and businesses. In addition,

we will introduce new key performance indicators and collect further data.



The installation of a further photovoltaic system on the roof of one of our car terminals allows us to generate green electricity and at the same time reduce our carbon footprint.

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Absolute energy consumption

broken down according to energy sources

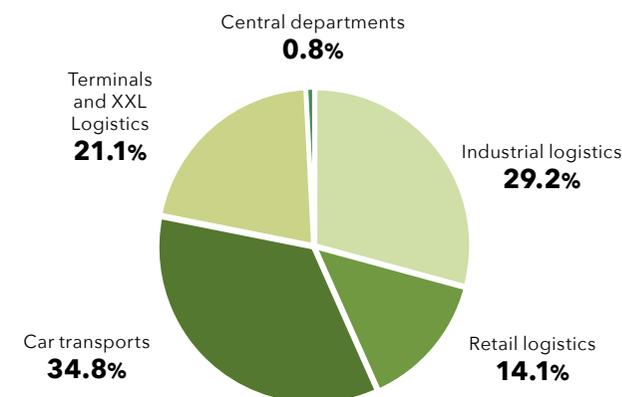
	Liters	2022 MWh	2021 MWh	2020 MWh
Electricity		52,304	54,378	51,888
Germany		51,681	53,782	51,572
Self-generated electricity (utilized)		337	345	73
Self-generated electricity (fed into grid)		-	-	10
Foreign		286	251	243
Natural gas		69,231	77,172	62,879
Germany		69,021	77,050	62,825
Foreign		210	122	54
District heat		609	405	163
Germany		609	405	163
Foreign		-	-	-
Heating oil	988,006	9,831	10,274	10,001
Germany	988,006	9,831	10,274	10,001
Foreign		-	-	-
Diesel	10,605,639	105,208	125,916	126,374
Germany	8,121,472	80,565	83,009	85,732
Foreign	2,484,167	24,643	42,907	40,642
Gasoline	305,304	2,690	3,098	2,739
Germany	301,044	2,652	3,037	2,667
Foreign	4,260	38	61	72
Automotive gas		938	734	1,009
Germany		54	25	31
Foreign		884	709	978
Total energy consumption		240,810	271,977	255,053
Germany		214,750	227,927	213,064
Foreign		26,060	44,050	41,989

Energy consumption in the reporting year

Compared with the previous year, we lowered our total consumption by around 11.5 percent to 241 GWh, which was reflected across all energy sources with the exception of district and local heating and automotive gas consumption. In addition to various measures to increase energy efficiency, which are explained on the following pages, external factors also contributed to this significant reduction, as described above in the Climate Protection section. For example, Russia's invasion of Ukraine also had a knock-on effect in this regard, with the resulting decline in business leading to lower fuel requirements and consequently to a 20 GWh drop in energy consumption.

Percentage share of energy consumption 2022

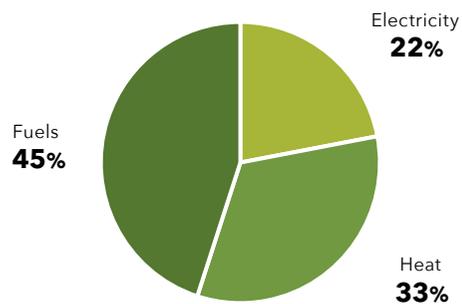
broken down according to divisions and business areas



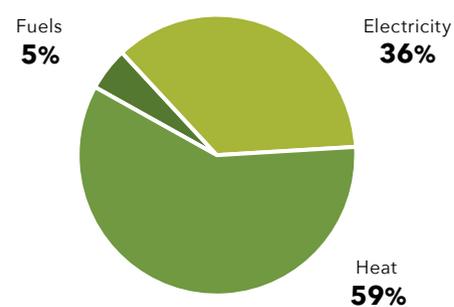
Percentage share of energy consumption 2022

broken down according to energy sources

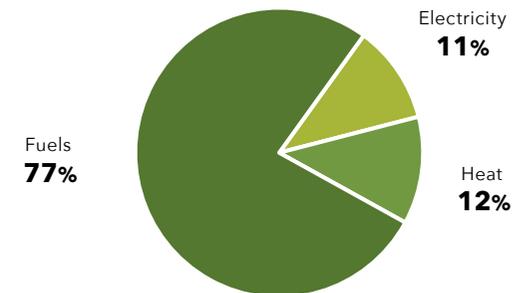
Total



CONTRACT Division



AUTOMOBILE Division



Fuels: diesel, gasoline, CNG and LPG

Electricity: third-party electricity procurement and own electricity production

Heat: natural gas, district and local heating

Details ensure better efficiency

We again continued or completed a number of major projects in the reporting year. The LED lighting in Eisenach, which was installed at the end of 2021, delivered the expected electricity savings of around 206 MWh in 2022. Further lighting retrofits on different scales were also carried out in 2022, and at sites with a new lighting concept we are also focusing on intelligent and automated control. By checking and adapting twilight sensors, we were able to reduce the lighting duration in many places.

The focus in the reporting year was again on heating and heat, not least against the background of the threat of gas shortages and short- and medium-term measures to save energy, as well as statutory regulations. New heating systems at our largest site in Bremen and at Autoterminal Neuss are expected to save around 1.5 GWh in the next heating period. At the BLG Technik site, a new heating system with intelligent control helped save around 650 MWh of heating oil compared with the previous year. Modernized heating controls and adjusted heating curves promise additional savings of 125 MWh at other sites. Furthermore, we looked into temperature settings across the company and adjusted them where necessary. This

included lowering temperatures in the warehouses and offices by 1–2 degrees in line with the workplace directive, and turning off the hot water where it was possible and made sense.

We also made process-related adjustments and conversions, for example optimizing the boiler system in Hürsel for steam generation, which in the last four months of the year alone resulted in savings of 300 MWh. Major structural changes and optimization of the compressed air system in the high-bay warehouse led to additional savings of approximately 360 MWh.

Raising awareness through information

Once again in 2022, we kept our employees informed during the year about ways to use energy efficiently, through various formats ranging from training to posts in our digital channels. Following an involuntary two-year interruption due to COVID, our TechnikTreffen technical meeting, a key element in this context, was held again as a digital event. External presentations on the topic of heating technology and potential savings measures were followed up in a corresponding workshop, where concrete steps were defined and then made available to all sites as recommendations for action. Since many of these can also be implemented privately, the "Fit for the winter" brainstorming was also communicated via the BLG employee app. Additionally, we again held online training sessions and regular digital exchanges for and with all energy officers, as well as open Q&A sessions, during the reporting year.

To further raise awareness among our administrative staff, the e-learning module on environmental and energy management was rolled out as planned in 2022. Almost 1,000 employees have already completed the online training. With this, we aim to ensure that everyone is aware of our environmental and energy policy and the related corporate objectives. We also want to raise awareness for related issues in general, as well as an understanding of how everyone can contribute to environmental and energy management in their daily work.

Clean energy and alternative drive systems

A photovoltaic system with a generator area of 430 square meters and an output of 74 kW_p has been in operation on the roof of the car terminal in Kelheim since 2019. In the

reporting year, we were again able to use 100 percent of the electricity generated to cover our own needs. A second, much larger system with a generator area of 2,000 square meters and an output of 400 kW_p, was installed on the new multistory car park at the same location. Three additional batteries now also allow us to store up to 210 kWh of surplus power. In total, we expect the two systems together to produce 460 MWh of electricity. The new PV system will not only cover the energy requirement for lighting the car park, but also supply 55 wall boxes for charging e-cars. Together with the installation at the Waiblingen site, we now have three PV systems in operation that produce our own renewable electricity. In the future, we will explore the PV potential of additional locations. On the roof of our new C3 logistics facility in Bremen, we are currently installing a PV system with an output of up to 10 MW_p, making this the largest continuous rooftop installation in Germany to date. Through additional measures, such as an integrated energy concept, we are striving to achieve a Platinum Sustainable Building Certificate from the Deutsche Gesellschaft für Nachhaltiges Bauen - DGNB, as well as "climate-positive" status for the site.

Our company BLG AutoTransport offers transport services for new and used vehicles, and in the reporting year operated its own fleet of 182 trucks in Germany, all of which meet the EURO 6 standard. In 2022, we recorded a minimal increase in average diesel fuel consumption for the first time since 2014, up from 29.4 liters in the previous year to 29.6 liters per 100 km.

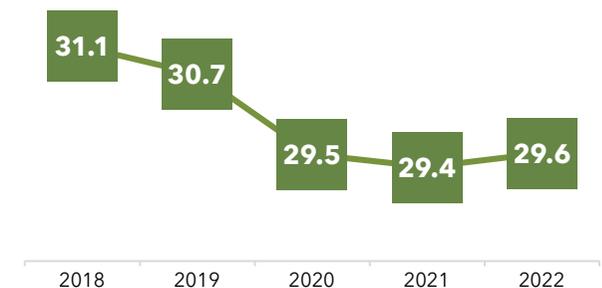
There are three main reasons for this. First, the growing proportion of electric vehicles means more weight to be

transported due to the comparatively heavy batteries, and consequently a higher fuel requirement. Second, in contrast to previous years, no new trucks were purchased. New purchases are, however, planned again for 2023. Third, unfavorable weather conditions could be cited as having a negative impact on fuel consumption.

In the future, electric heavy goods vehicles will increasingly play a role for us. We tested a first electric tractor unit in normal operations at one of our sites in the reporting year, and will use the insights gained to help us prepare for the future deployment of e-trucks.

Specific diesel consumption of own automobile transport fleet (Germany)

liters/100 kilometers



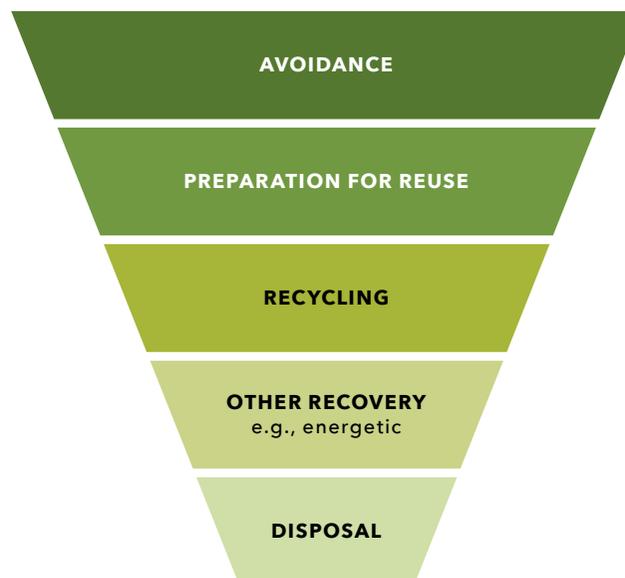
Resource Conservation and Waste Management

The responsible use of resources and management of waste are an essential part of our environmental responsibility. With systematic green waste management, we reduce negative impacts on the environment.

As a logistics service provider, we place a strong focus on energy consumption and emissions in the context of our environmental responsibility and, thanks to detailed data capture, systematic management and ambitious targets, have already made significant achievements in this area. By the same token, we aim to increasingly measure and manage our recyclables and waste volumes, and reported on this topic for the first time last year. To this end, our waste management undergoes a continuous improvement process with a focus on waste disposal processes, a commitment that is also formulated in our environmental and energy policy and is based, among other things, on the waste hierarchy of the German Closed Substance Cycle Waste Management Act (Kreislaufwirtschaftsgesetz - KrWG). In concrete terms this means that we assume responsibility for the environmentally compatible use of resources and define realistic targets for measures, in particular for the avoidance, reuse and recycling of recyclable materials as well as waste. In this connection, we also give consideration to waste-related transports and ways of reducing them.

Our environmental management system has been certified in accordance with EN ISO 14001 since 2014 at all German auto terminals and transport centers in our AUTOMOBILE Division, as well as at 13 more contract

Five levels of the waste hierarchy according to the Closed Substance Cycle Waste Management Act (KrWG)

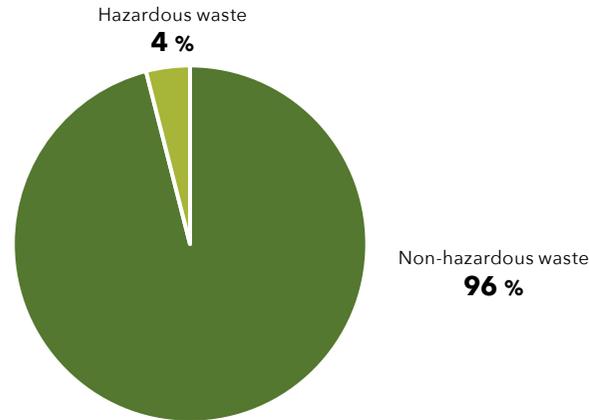


logistics locations. The management system provides the framework for processes, responsibilities and, not least, the implementation of environmental protection requirements, including those relating to waste management. At new sites such as our C3 Bremen logistics center, efficient waste management is part of the equation from the planning phase onward.

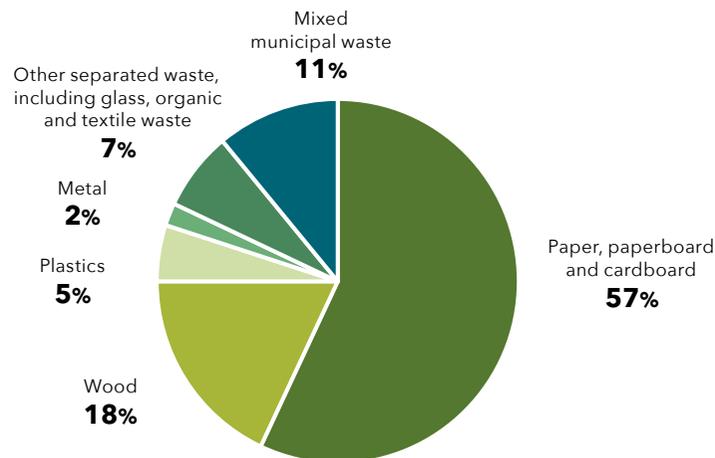
Improvement thanks to targeted collection

Our sites are responsible for the legally compliant separation, collection and disposal of recyclable materials and waste and to this end work with mostly certified waste management companies that have specialized in recycling, energy recovery and waste disposal. A considerable proportion of the total waste results from our customers' business activities - for example, when goods are delivered to us packaged and we have to dispose of the packaging. In some cases, the customer specifies and organizes the disposal channels. We then collect and separate according to their specifications. Where we are responsible ourselves, we centrally and uniformly record all quantities and types of waste generated.

Percentage breakdown of generated waste in 2022



Percentage breakdown of non-hazardous waste in 2022



In addition to the regulations of the German Commercial Waste Ordinance (Gewerbeabfallverordnung - GewAbfV), the basis is a management system module which our employees can access at any time and which explains the respective processes and responsibilities. At 20 percent of the around 50 German sites under consideration, the respective customers are responsible for waste disposal, so no data is available to us. Of the sites for which we are responsible, we were able to systemically integrate 80 percent into the data capture process in the reporting year. Such a standardized procedure and corresponding documentation is vital in meeting not only our own standards but also the growing demands placed on us by our customers and lenders in this context.

At 96 percent, most of the waste we generate is non-hazardous. The small amount of hazardous waste is mainly machine, gear and lubricating oils, absorbent and filter materials, and rechargeable batteries. The proportionally largest non-hazardous waste fractions are paper, paperboard and cardboard, as well as wood. In 2022, we achieved a separate collection rate of 89 percent - further improving on this value is a logical aspect of sustainable waste management.

Protecting people and the environment is a top priority when dealing with waste. With consistent waste management, we can not only reduce negative impacts but also lower disposal costs. In addition, there are various possibilities to pass on recycled materials to other market players, thus returning them to the materials and economic cycle. Overall responsibility for this topic area lies with the central Safety and Environmental Protection as well as Sustainability departments, which work closely

with the sites and with the quality management of our AUTOMOBILE and CONTRACT Divisions. These train their own environmental management coordinators at the sites, for example, who are responsible for capturing the data and are available as points of contact for the employees.

Recycling and reduction as best practices

Many of our sites already have measures in place to reduce waste or improve reuse and recycling. One example is the recycling of Styrofoam packaging, which takes place both at the Supplier Logistics Center in Spartanburg, USA, and at the Emmerich site, with a combined volume of around 260 metric tons. In both cases this involves protective packaging for products or components supplied to us by our customers which we process further. Instead of disposing of this transport packaging, we compact the material on site and remarket it - thus ensuring that 100 percent of the originally single-use product finds its way back into the cycle. At a number of sites, we also compact wood waste with the help of so-called roll packers - rollers lowered into the waste containers. This has enabled us to reduce the number of transports to the disposal site as well as the corresponding emissions - for example at one of our sites in Bremen by a full two-thirds.

Our new C3 Bremen logistics facility, which went into operation in the reporting year, sets completely new standards when it comes to sustainable logistics real estate. This is also reflected in the waste management system in operation there, which meets the requirements of the WELL standard. By providing appropriately labeled waste containers directly at source, we make it as easy as possible for our employees to separate waste, for example into paper and residual waste. As far as possible, we avoid the use of plastic trash sacks. The disposal concept provides for the separate collection of paper, paperboard and cardboard packaging, foil packaging, mixed waste and wood in color-coded large containers. Even in the washrooms we rely on recycling, and provide separate bins for used paper towels. These can then be returned to our suppliers' plants and recycled into new hygiene products. By using special toilet paper dispensers, we also anticipate paper savings of between 20 and 30 percent. We are currently reviewing the transfer of the overall concept to other sites.



A successful symbiosis: plogging combines environmental protection with physical exercise and the opportunity to do something good together - our employees in Bremen also found it fun.

→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-12/



Who makes sure every day that transported goods reach their destination? Functioning logistics needs people. We introduce you to some of these in our online magazine in the story titled "Enablers."

Social

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Our social responsibility

We diligently assume our social responsibility toward various stakeholder groups. In this context, we feel a particularly strong commitment to our employees, whose health and safety at the workplace have top priority for us. We meet this demand on us as an employer through tested processes, regular checks and targeted training.

It is also important to us to give our employees opportunities for personal development. We therefore offer them a wide range of options that fit their very different background and qualifications, thus giving motivated employees the possibility to advance up the career ladder. Furthermore, we give people with atypical employment histories access to special qualification and training measures, and in many cases are subsequently able to offer them a job within the company. In this context, we see equal opportunities and equal rights as a matter of course, and further promote them through a variety of projects.

As part of our social responsibility, we naturally also attach great importance to the supply chain. We have implemented a Supplier Code of Conduct and other policies, processes and reporting mechanisms as a basis for fulfilling our human rights due diligence obligations.

We have been making a positive contribution to society for many years through our involvement in local and global projects and initiatives. In addition to our commitment to children and young adults as well as to sports, we have been supporting the United Nations World Food Programme for several years by making our logistics expertise available to secure supplies in crisis areas.



Fair Working Conditions and Human Rights

Our employees are crucial to our success. In return, we offer them secure and attractive jobs with fair pay, and are increasingly extending this responsibility to cover the entire supply chain.

Our development, our business success and our long-term position in the market depend to a large extent on our employees. With their know-how and passion for logistics, they ensure that we as a company never stand still. And just as each and every one of them makes a contribution to the whole, for us it is a matter of course that all employees are treated with equal respect and nobody is a victim of discrimination.

As another important cornerstone for ensuring fair working conditions across the board, we pay transparent and competitive wages and salaries based on collective bargaining agreements.

In addition to our own employees, we take a holistic view of human rights along the entire supply chain and in particular consider respect for human rights to be an integral aspect of our corporate social responsibility.

Employment contracts, wages and social benefits

For 2022, we extended the reporting of our personnel key performance indicators to include the foreign sites of our fully consolidated companies. At 89.5 percent, the majority of our total global workforce of 10,257 is employed on a permanent basis.

In the reporting year, 89.6 percent of our employees worked full-time. As in previous years, women made up the largest group of part-time employees with 57.0 percent - with Germany clearly accounting for the highest proportion of part-time employees at just over 10 percent.

Employment contract and type

	Germany 9,407 employees			USA 169 employees			South Africa 569 employees			Poland 49 employees			Russia 63 employees		
	Total in %	of whom male in %	of whom female in %	Total in %	of whom male in %	of whom female in %	Total in %	of whom male in %	of whom female in %	Total in %	of whom male in %	of whom female in %	Total in %	of whom male in %	of whom female in %
Employment contract															
Permanent	89.5	72.8	27.2	97.0	68.9	31.1	94.4	78.8	21.2	91.8	68.9	31.1	100.0	79.4	20.6
Temporary	10.5	66.4	33.6	3.0	100.0	0.0	5.6	34.4	65.6	8.2	50.0	50.0	0		
Employment type															
Full-time (100%)	89.6	75.5	24.5	100.0	69.8	30.2	94.4	78.8	21.2	95.9	66.0	34.0	98.4	80.6	19.4
Part-time (<100%)	10.4	43	57	0.0			5.6	34.4	65.6	4.1	100.0	0.0	1.6	0	100

Up to now, we have only categorized our workforce into women and men, but we are aware that not everybody self-identifies with either of these two genders. To date, only a few of our own employees have identified as diverse. As they currently account for a proportion of less than 0.1 percent of the total workforce, we do not yet explicitly include this group in our statistics. We are, however, continuing to monitor this aspect in the interests of equal representation.

Our employees are paid on the basis of the collective agreements applicable in our industry and at the respective locations, or in individual cases at comparable rates. In our foreign companies, we also support regulations under collective law that enable transparent and fair working conditions. Naturally, this means that the statutory minimum wage applies not only to our own employees, but also to temporary agency workers. They have the right to freedom of association and collective bargaining. In 2022, the proportion of our employees in Germany integrated into a collective bargaining system stood at 97.7 percent.

We are mindful of our employees' needs, making it incumbent on us as an employer to provide targeted support with reconciling career and family - for example by offering the opportunity to work part time. We offer our employees additional options through flexitime models as well as remote working. Our central departments hold a permanent certificate from berufundfamilie Service GmbH. The aim of this audit is to implement a sustainable family-conscious human resources (HR) policy.

Job security as a top priority

The coronavirus pandemic placed heavy demands not only on us as a company, but also on our employees. In some cases the impacts were severe, particularly in areas related to the automotive industry. At our largest car terminal in Bremerhaven, for example, supply chain bottlenecks and the resulting lack of materials availability led to a significant drop in revenue and earnings not just in the reporting year. In order to safeguard jobs at the site despite this, an employment protection agreement was concluded in May 2022. The agreement, which was negotiated with the involvement of the local collective bargaining committee and the ver.di trade union and has a term of 24 months, contains comprehensive assurances on job security and the protection of our employees.

Codetermination and one BLG for all

Automation and digitalization will have a lasting impact on a number of industries, including logistics. We want to take advantage of the opportunities that this change presents, while at the same time managing the transformation in a socially acceptable way. In doing so, we must involve our employees and get them on board with us on every step of this journey. In 2020, initial talks began on a possible collective agreement to regulate the consequences of automation and digitalization. Such an agreement had already been concluded within the Group at EUROGATE in 2018, when the automation plans for the container terminals became more concrete. Due to the effects of the coronavirus pandemic, the tariff negotiations were put on hold in the past couple of years. However, continuing exchanges relating to these topics have shown how differently automation and digitalization projects can be implemented in BLG's business areas. Against this

background, the situation is currently being reassessed in dialog with the operating partners to determine a framework in which a regulation under collective bargaining law can provide guidelines for the design of automation and digitalization projects.

True codetermination has a high priority for us. We promote dialog with our employees and attach the greatest importance to respectful collaboration. This builds on mutual trust and strong representation of interests. This dialog is implemented at operational level by the works councils and at Group level by the employee representatives on the Supervisory Board, and the resulting exchanges are both valuable and rewarding for the entire company. Rotational elections to the works councils took place BLG-wide in the reporting year; at the Elsdorf site for the first time, where five colleagues were elected to the new committee. We also practice codetermination on a day-to-day basis on other levels - especially where the focus is on workplace design, the compatibility of career and family or occupational health and safety. One example of this is the new regulations agreed jointly with the General Works Council on flexible working hours at BLG AutoTerminal Deutschland. Among other things, employees can now have overtime bonuses and - above a certain limit - monthly hours paid out from their working time account. A flexitime framework has also been introduced for white-collar workers. In Bremen, 68 of our staff are currently testing the workplace of the future as part of the Work@BLG pilot project. The office, which is divided into three zones, offers ideal conditions for modern working, with meeting rooms optimized for hybrid meetings, a work area based on the desk-sharing principle and a space for creative work and exchanges.

Equal integration for temporary agency workers

In logistics, fluctuations in the order situation are by no means uncommon. This means we regularly have to rely on agency employees as a backup during order peaks or very short-term contracts. Conversely, during the coronavirus pandemic, we had to introduce short-time work at many of our sites. During this time, we made only minimal changes to our workforce. In 2022, as the order situation picked up again, we saw a significant increase in the deployment of temporary workers, which we are now gradually reducing by hiring them on a permanent basis as well as recruiting our own staff. It goes without saying that here we work exclusively with service providers that meet the minimum wage requirements.

As of 31 December 2022, we employed 72.8 percent own staff in Germany, 2.9 percent employees from the Central German Seaport Operators (Gesamthafenbetrieb, GHB) and 19.3 percent employees from other personnel service providers. This corresponded to the aforementioned substantial increase of 5.4 percentage points for temporary agency staff compared to 2021. We make no distinctions between these employee groups with regard to contractually agreed work assignment flexibility. This includes short notice for work assignments, overtime or weekend work. It goes without saying that we adhere at all times to the principle of "equal pay for equal work" in line with the requirements of the German Temporary Employment Act (Arbeitnehmerüberlassungsgesetz - AÜG).

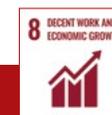
We regularly take employees from agencies and personnel service providers into permanent employment and give them preference when additional positions need to be filled - in the reporting year, 95 temporary staff at the Bremen site became "fully-fledged" members of BLG.

Human rights along the supply chain

We consider respecting universal human rights at all times to be an integral aspect of our corporate social responsibility, both with respect to working conditions within our own company and in cooperation with suppliers, subcontractors and business partners. Our internal and external policies and guidelines help us to anchor this principle in our systems and processes along the entire supply chain. Most recently, for example, we updated our Labor Relations Code in the reporting year, which regulates issues such as codetermination, compliance with collective wage agreements and temporary agency employment. Our policy statement on human rights forms part of this. This underscores our rejection of practices such as child and forced labor just as clearly as our action against any form of discrimination and our support for fair wages, social benefits and a limit on working hours, as well as for the right to freedom of association and collective bargaining. In order to share this understanding with our employees, we offered a corresponding training course for the first time in 2022. We also expect our upstream and downstream partners in the supply chain to adhere without exception to the corresponding human rights standards and communicate this clearly in our Supplier Code of Conduct. For more information on how we fulfill our due diligence obligations in this context, see the Supply Chain section from ▶ page 24.

Fluctuation as an important metric

Employee fluctuation provides us with valuable information for measuring our attractiveness as an employer and how satisfied our employees feel in their job. It is also economically relevant, because recruiting and onboarding new colleagues is time- and cost-intensive. We calculate the fluctuation rate from the number of employees leaving of their own accord compared with the average number of employees over the financial year. In 2022, 475 employees left us at their own request. Compared with the previous year, the rate thus again increased quite significantly from 3.9 to 5.0 percent. This increase had been forecast by labor market experts. After an initial substantial decline in the readiness to switch jobs as a result of the uncertainty caused by the coronavirus pandemic, we are now witnessing a kind of "catch-up effect" here. The general shortage of skilled labor is supporting this trend as new prospects on the job market



Logistics offers opportunities for all. We are therefore committed to supporting people in line with their individual needs and empowering them to follow the career path of their choice. Our dedicated employees foster a culture of inclusion for people with a wide range of different backgrounds.



→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-8/

are opening up for many people. To help us understand the reasons for switching above and beyond this, we conduct exit interviews as a standard procedure, which give us pointers for measures that could be implemented in the future.

Support in especially challenging situations

Our company social counseling service is available to our employees and their families at our Bremen and Bremerhaven sites, with 2,785 employees falling within its area of responsibility in the reporting year. This service offers advice and support in a wide range of challenging situations, including personal stress at work, family problems, psychosomatic complaints, acute life crises and addictions. A total of 76 employees took advantage of the offering and were supported in corresponding counseling sessions, equating to a rate of 2.7 percent. We also offer our employees subsidies for dental prostheses, homeopathic treatment and hearing aids, as well as for rest and respite leave, which are funded by an exclusively employer-financed support association, BLG LOGISTICS GROUP e.V.

Training and Education

We offer our employees a wide range of initial and advanced training and education opportunities regardless of where they are on their career path. We tailor these to their respective qualification level and also give consideration to their personal background and work situation.

We attach great importance to the training and education of our employees, because attracting, promoting and retaining qualified skilled employees and young talents is a key factor for sustained corporate success. Our central HR department therefore coordinates this area as a priority issue and advises employees at the locations in consultation with human resources managers, training managers and site managers should questions or conflicts arise. Staff can also seek the advice of works council members at all times.

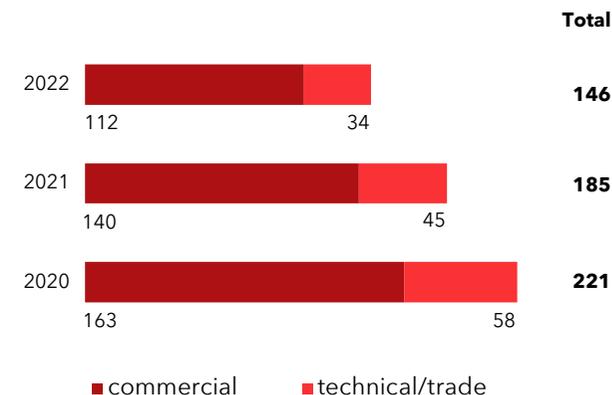
Promoting young talent: a win-win situation

With their unswerving commitment, it is our employees who guarantee that we fulfill our promise of quality to our customers every day. We therefore closely support our junior staff from the very first day of their training, equipping them with the right tools from the get-go and imparting our values to them. We offer 18 different apprenticeships, including mechatronics engineer, professional driver, industrial clerk or, since 2022 for the first time, HR services clerk. In addition, there are three dual Bachelor's degree courses, including Freight Forwarding, Transport, and Logistics. In the reporting year, we filled 77 new apprenticeship places, bringing the total

number of trainees to 146 – 34 of these in technical/trade and 112 in commercial professions, which also includes qualification as a warehouse logistics specialist. The decline compared with prior periods reflects the shortage of skilled workers at higher entry levels, with there being noticeably fewer applications for apprenticeships. We are countering this with recruiting campaigns aimed at specific target groups, and in the reporting year focused on young people just starting out in their careers – among other things with a video series on YouTube, which answers questions about apprenticeships at BLG. In line with our company guarantee, we again made all qualified graduates an offer of employment in 2022, thus transferring 71 percent of our trainees at the Bremen location to permanent employment contracts or, for example, to dual degree programs within BLG.

We continued the support offered to our employees in recent years in qualifying as a warehouse logistics specialist and, more specifically, in preparing for the external examination at the Chamber of Industry and Commerce (IHK). All 22 candidates successfully passed their exam.

Trainees
Number at BLG LOGISTICS*



*As the apprentice figures in previous years for systemic reasons included an investee beyond the reporting scope, we have adjusted the figures accordingly in the present report.

Building on this success, we will offer this 12-week full-time course sponsored by the German Federal Labor Agency again in 2023, with even more participants.

Active sourcing, which was introduced as a pilot project in the previous year, was also continued. Initially aimed only at IT specialists, we have now extended the direct approach of candidates by our HR Marketing department to all areas of work.

Opening doors, unlocking opportunities

In cooperation with the maritimes kompetenzentrum (ma-co) center of excellence and the Bremen youth employment agency, we have for the past several years offered courses to train as a "Hanse logistics specialist" which open up vocational opportunities in the field of logistics for the long-term unemployed. Through this cooperation, we are deliberately reaching out to people who are not currently part of the primary labor market. Funded by continuing education vouchers, the participants receive 100 days of training - 50 days of theoretical instruction and a 50-day practical assignment in the company - making them fit for a new career start. Candidates who complete the course successfully are guaranteed a job with BLG; in the reporting year 27 out of 42 Hanse logistics specialists were hired. To attract even more potential job recruits for this program in the future, it was recently expanded to cover the whole of Germany and is being implemented by ma-co and the local youth employment agencies.

New is our involvement in the Ausbildungsverbund (Training Network). As part of two initiatives in Bremen and Bremerhaven, adolescents embark on extra-company vocational training with the aim of switching to a regular apprenticeship via internships. In the reporting year, the first interns started their training with us with the goal of becoming warehouse logistics specialists.

Needs-based continuous skills development

We invest continuously in the development of our employees, regardless of where they are on their career path. In the reporting year, we conducted 4,364 centrally organized training days, which following two years under pandemic conditions could again also be held face to face. Where meaningful, webinars and blended learning formats were retained so as to give participants more flexibility in terms of time and location, thus once again increasing the number of training hours. We also expanded our central Tutorize learning management system, which now has around 1,900 registered users, an increase of 33 percent year on year. Users can choose from among 15 e-learning courses or book one of 26 courses from the central training catalog.

The "DigiPortSkill2025" project aimed at digitalizing continuing education in the German seaport industry and funded by the European Social Fund was completed in 2022. A total of 90 employees took part in the training courses in the reporting year. Together with our cooperation partner ma-co as well as the ver.di trade union, the Central Association of German Seaport Operators (Zentralverband der deutschen Seehafenbetriebe - ZDS), Hamburger Hafen und Logistik GmbH (HHLA) and an IT partner, we launched the "PortSkill 4.0" joint project at the end of 2021. The focus is on the transformation in port operations and the associated changes with regard to required skills and qualifications. The project is funded by the German Federal Ministry of Digital Affairs and Transport and aims to develop new learning concepts and methods to impart the necessary skills.

With SMALO - Smart Learning in Logistics, 2022 saw the launch of another project in which we are involved as a member of the Advisory Board. This will among other things draw on AI-assisted methods to create a learning ecosystem that enables individual learning based on flexible learning paths.

Management trainees from our own ranks

Through our Junior Management Program (JMP), we recruit qualified employees from our own ranks and train them up to assume responsible roles at management level. The two-year program includes workshops on leadership, communication and conflict resolution. Seven employees are currently taking part, all of whom have already found their desired position in the company. A total of 169 managers have successfully completed the program to date, 42 of whom now occupy a tier 3 management position or higher. The next cohort will start



Sustainability must be incorporated into all processes. That is why we are keen to pass on our knowledge and enthusiasm for all things sustainable to our employees. For the first time in the reporting year, we held a sustainability workshop with our trainees and dual students.

→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-5/



their training in 2023 parallel to our new program for the specialist career path.

We also launched further qualification programs for operational managers in the reporting year with a total of 45 participants. These cover various levels from coordinator to shift manager to director of operations/regional manager and last between 12 and 24 months. We also continued our "TAKE THE LEAD" management training courses, with the third management workshop entitled "Impact Orientation" being rolled out for the first time. For management levels 1, 2 and 3, they took place in person; all other employees were able to subsequently access the content in the e-learning version. As many as 1,300 managers have so far participated in the format.

Feedback as a lever for further development

We conduct employee appraisals on an annual basis in order to review and discuss individual performance according to defined criteria. If desired, Tutorize can be used to conduct and document the interviews - an option that had already been used in over 1,100 cases by the end of 2022. The appraisals are supplemented by assessments of potential, which serve as the starting point for individual development plans. For particularly qualified employees, these are mandatory and form the basis for selecting participants in our qualification programs. However, all other employees can draw up such a development plan with their manager should they so wish.

Occupational Health and Safety Management

We see it as our central responsibility to provide our people at BLG LOGISTICS with a safe working environment. With a focus on accident prevention, we also actively support our employees in staying healthy.

By sharing their experience, dedication and ideas, our employees play a decisive role in our joint day-to-day success. Ensuring they stay safe and healthy therefore has top priority for us. We fulfill this responsibility primarily by focusing on prevention – both when it comes to avoiding accidents at the workplace and providing targeted offers of support to help our employees stay fit and healthy.

Proven systems and clear responsibilities

At Board of Management level, our Labor Relations Director is responsible for occupational health and safety. Our employees can address their questions and concerns in this regard to various points of contact: the HR department, the central company health management system, the social counseling service and the representative body for persons with disabilities are all happy to assist. In addition, intercompany services deploy a company physician at each location who is qualified in line with statutory guidelines and is known to all employees.

In a logistics company, occupational health and safety is of paramount importance. The central Safety and Environment department (PSU), whose employees all have the legally stipulated qualifications, performs essential work in this field with regular facility inspections,

workplace and process assessments from the perspective of prevention, and corresponding training courses. Feedback from our employees is crucial to this, because they are on the job every day, directly performing activities and implementing processes. For this reason, we not only involve them in risk assessments, but also encourage them to share any concerns and suggestions regarding occupational health and safety with us – anonymously if they wish. In turn, we provide them with regular and comprehensive information on our occupational health and safety measures, both through meetings at operational level and via our employee app. The safety and environmental protection portal, accessible via the intranet, was set up specifically for employees with responsibility in this area and has already been clicked on several thousand times. It contains binding standards and processes as well as current templates, legal amendments and forms for risk assessments. Based on our occupational health and safety policy, which came into force in 2021, and the supplementary guidelines, numerous management staff have received training in their responsibility for occupational health and safety, including around 50 employees in manager of operations or director of operations positions and a further 30 or so employees within the scope of the “New BLG Managers” training series. In addition, since the reporting year, appropriate

occupational health and safety instruction has been available for all office workplaces via the Tutorize platform.

Following the BLG LOGISTICS GROUP with the central PSU department and our company BLG Cargo Logistics, the Kelheim car terminal was certified in accordance with the occupational health and safety management system ISO 45001 in the reporting year. Defined occupational health and safety standards for BLG Germany also make it easy to transfer existing systems to certification at other locations.

Dovetailing processes, tools and measures

Logistics activities are often physically demanding – this is particularly true of activities in warehouses and ports. Wherever, as here, there are interfaces between people and machines, special safety precautions must also be taken. In this context, hazard assessments and regular effectiveness checks are cornerstones of an effective occupational health and safety system. The former provide the basis for specific operating instructions and induction training that support our employees in their daily work. Each location also has its own Occupational Health and Safety Committee, which coordinates the implementation of new measures on site. In addition, alarm plans and hazard prevention plans are in place, which contain

important instructions in the event of an accident or fire, as well as first aid instructions.

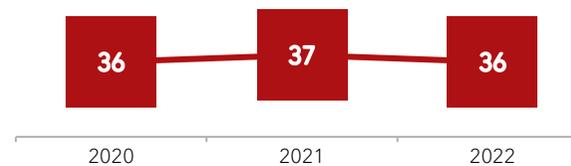
We are still deeply saddened that, despite all the safety mechanisms and measures in place, two work accidents with fatal outcomes occurred in the reporting year. In the AUTOMOBILE Division, one of our employees suffered an accident while loading large equipment in Bremerhaven, while in the CONTRACT Division, an accident involving an industrial truck at the Krefeld site was the cause. It goes without saying that we supported their families in this unbelievably difficult situation, and also provided financial assistance. In order to rule out such incidents as far as possible in the future, we not only investigated the accident in close cooperation with the relevant authorities, but also, taking the findings into account, ensured our employees received renewed and thorough training in the processes involved. In order to provide immediate information about risks, a safety alarm was also set up in Bremerhaven, and in Krefeld all the industrial trucks in use were checked. Here, we also held an additional workshop on their safe handling with experts from the German Social Accident Insurance Institution.

Having already introduced new software in the previous year to map our hazardous substances register, in the reporting year we switched from the software previously used to record and evaluate accidents at work or during commutes to the new Safecon tool, which is specially tailored to our requirements and enables even more precise evaluations of accident events via a direct interface to our HR software. All our sites have access to this system

and can retrieve accident information or statistics at any time, which can also be used for short-term briefings or to develop preventive measures.

Across all German BLG companies in 2022, we registered 353 accidents requiring reporting, i.e., leading to sick

**Reportable work accidents
Number per 1,000 employees**



leave of more than three days. This was a slight decrease over the previous year. Accordingly, the 1,000-employee rate - the number of reportable work accidents per thousand employees - fell from 37 back to the 2020 level of 36. At 35 per 1,000,000 working hours, the Lost Time Injury Frequency Rate (LTIFR), which measures the frequency of injuries at the workplace, corresponded to the previous year's figure. All accidents that result in at least one day's absence from work are counted. In addition to our own workforce, our accident statistics also include employees who work for us through personnel service providers. Both groups are trained, instructed and kitted out with personal protective equipment in the same way. The latter is not only intended to meet safety requirements, but also to take account of personal needs as far as possible. One example of this is custom-made

hearing protection, which is currently being tested at our Bremerhaven site. The safety regulations are also communicated to guests, suppliers and other persons who have cause to visit our locations. Through comprehensive training on topics such as fire prevention or dangerous goods handling, we also create the prerequisites that enable our employees to move safely at their workplace and in the surrounding environment at all times. The training is generally provided by external instructors, for example from the Berufsgenossenschaft Handel und Warenlogistik (German Social Accident Insurance Institution for the Trade and Logistics Industry); depending on the content supported by our central PSU department.



It is our mission to make a positive contribution to the health of our employees. As part of this effort, we use personalized hearing protection for employees in areas with high and potentially harmful exposure to noise.

→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-3/

Work during the pandemic

Despite the general easing of the coronavirus pandemic, protecting our employees from COVID-19 remained an important concern in the reporting year. The central crisis team continued to monitor the situation and took appropriate measures as needed. At the beginning of 2022, we also offered booster vaccinations via our company doctors, an offer that was taken up by many employees. Overall, it can be said that dealing with the coronavirus has now become normal for most people, and our employees conducted themselves in a correspondingly routine and responsible manner.

Fit through exercise and targeted support

We are committed to helping our employees stay fit and healthy. One component of this is our "Fit & Fun" prevention program, which has been popular with our employees for many years. Together with an external provider and more than 6,000 partner studios throughout Germany, we offer BLG employees the opportunity to pursue their favorite sport - from swimming to bouldering or yoga. If they wish, they can also take advantage of online courses via the corresponding app. We as employer absorbed a price increase in the reporting year, leaving our employees' own contribution unchanged. In the final quarter of 2022, 1,424 employees participated and took steps to stay healthy.

Of course, ergonomic workplace design, for example with height-adjustable desks and worktables, also contributes to prevention. The use of lifting and carrying aids such as exoskeletons has not yet proved viable in our operational areas. As part of the Mexot project, we recently created a

concept for intelligent work ergonomics which is now being developed further. Our scientific partner is currently developing and testing sensors for evaluating ergonomic data.

A large proportion of our employees are on their feet a great deal and cover a lot of ground every day. At the initiative of the General Works Council for Retail Logistics, we offered employees at all of our sites the opportunity to have their feet measured individually in the reporting year, and almost all of them took up the offer. Where required, suitable insoles were then issued for their work shoes, which increase wearing comfort and help to prevent foot problems.

Reintegration facilitates the return to work

We want to maintain our employees' capacity for work over the long term, and therefore support those who have been absent from work for more than six weeks within a 12-month period through our company reintegration management system. In close consultation with them, we design concepts to ease them back into work, for example gradually or accompanied by medical and occupational rehabilitation programs. In sick-leave appraisals, we also try to ascertain whether and to what extent the workplace impacts on employees' health and what we can do to mitigate this. With these instruments, we aim to promote the long-term health of our employees and reduce absenteeism due to sickness. The work incapacity rate in 2022 increased on the previous year by 1.90 percent points to 10.89 percent. The rate of continued pay during sick leave increased from 6.25 to 7.84 percent.

Our company social counseling service offers professional support to employees as well as managers and officers with personal issues or their professional role. In the reporting year, 2.7 percent of employees in our area of responsibility took advantage of this service.

Diversity and Equal Opportunities

We practice diversity in togetherness and offer equal opportunities on all levels.

Recognition, appreciation and consideration of differences are firmly anchored in our corporate culture.

We employ people from a wide variety of different nations. They each bring their own backgrounds, experiences and skills to the table, and contribute to the diversity and strength of our company. It is important to us to ensure that each and every employee, regardless of age, gender, origin, sexual orientation or qualifications, has equal opportunities for personal growth within our company. We believe in giving everyone the possibility to develop individually and focus as a matter of principle on the people behind the job titles.

A diverse corporate culture fosters a strong team spirit

The management and strategic development of diversity within BLG LOGISTICS are central tasks of our Human Resources department. Our HR colleagues advise both the Board of Management and the workforce on issues relating to diversity and once a year prepare a diversity management scorecard for the Board of Management and the Supervisory Board.

The basis for all activities in this area is our in-house diversity concept, which covers the entire workforce and

Age structure and gender distribution according to employee category

Basis: Germany 9,407 employees (status as of 12/31/2022)

	Shares of age groups in %	of which male in %	of which female in %
White-collar employees			
<30 years	16.3	57.0	43.0
30-50 years	53.4	58.8	41.2
>50 years	30.3	62.4	37.6
Blue-collar workers			
<30 years	10.3	71.0	29.0
30-50 years	49.4	76.8	23.2
>50 years	40.3	75.9	24.1

sets the tone for our corporate and leadership culture. This is based on our Code of Conduct, a number of in-house agreements and our commitment to the Charter of Diversity, the principles of which we signed up to in 2016, thereby pledging to promote diversity and equal opportunities at the workplace. ➔ www.charta-der-vielfalt.de/en

It is our aim to anchor the diversity concept across all levels and to align decisions, for example on recruiting and training measures, to its principles. The successful implementation of this approach was confirmed by the distinction of "Leader in Diversity 2022" award, conferred by the Financial Times and Statista. Since 2016, we have also been a member of the awards association "Trägergemeinschaft Bremer Diversity Preis" and in this role help advocate diversity beyond our corporate boundaries. In 2017, we were an award winner ourselves.

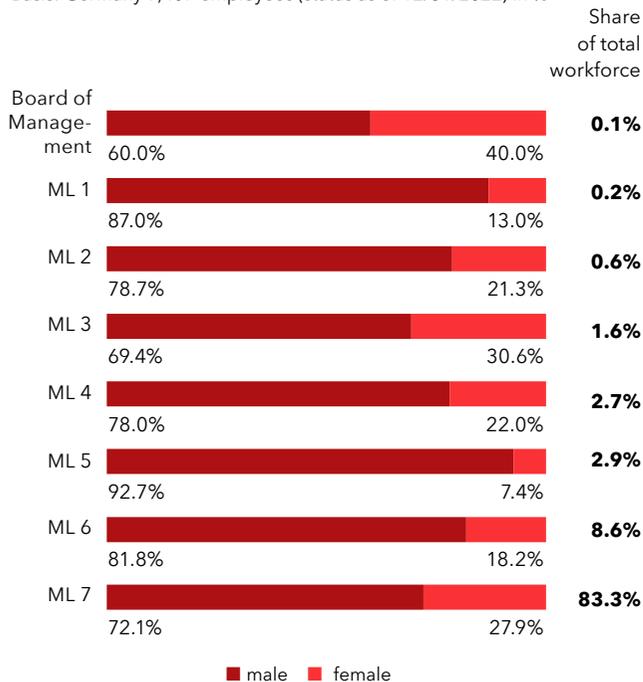
Individual integration for greater diversity

We attach great importance to individual integration measures tailored to the needs of our employees. Part-time training programs that give young parents as well as people caring for their relatives the possibility to combine work and family life are just one example of this. In addition, we offer employees who are not so proficient in German in-house language courses to give them the basic skills they need to do their job and to communicate with their superiors and colleagues. To expand our workforce and at the same time give young people prospects for the future, we support disadvantaged young people in taking their first steps into the regular labor market, among other things through internships, entry-level qualifications and

apprenticeships. One example of this is our “Training through Work” program, which was continued last year.

Proportion of women in management levels (ML*)

Basis: Germany 9,407 employees (status as of 12/31/2022) in %



*ML 7 encompasses all employees without management responsibilities; ML 1-5 disciplinary management, ML 6 technical management

Diversity in management

Compared with other sectors, women are still underrepresented in the logistics industry. To bring about change, we actively champion more women both in operational roles and in management positions. Our initiatives and development programs are aimed at all genders accordingly. They encompass vocational training right up to a management trainee program for university graduates. The aim behind this is to enable our female employees to gain management experience from an early stage so that they can take up senior positions in the short term.

Our Board of Management team is setting a good example in promoting equal opportunities, as the five-member body has two female representatives in Ulrike Riedel and Christine Hein. This puts BLG AG in the top group of listed companies in Germany in terms of the proportion of women in senior management and supervisory board positions. This sends a strong signal both inside and outside the company, and hopefully encourages female employees at BLG to take full advantage of their opportunities. The proportion of women in the overall workforce is 27.9 percent, a further slight increase on the previous year. We were also able to increase the proportion of women on management levels (ML) 0-3 from 24.3 to 26.7 percent. However, they are unevenly distributed within the different levels. When making appointments to our Supervisory Board, we of course comply with the statutory regulations regarding the gender quota.

A second cohort of the “Women in Management” program founded in 2017 as part of our “Equal Opportunities” qualification initiative completed the course in the reporting year. The program imparts theoretical and practical knowledge in areas such as personal leadership, personality development and self-marketing, and offers interested participants the possibility to take part in a tandem exchange with experienced managers. After 16 women completed the program in the first cohort, a second cohort of 12 women graduated in the reporting year. We intend to continue the program in the coming years.



One important pillar of social equality is equal opportunities on the labor market. We therefore also promote the entry and development of female specialists in male-dominated occupational fields.

→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-4/

Social Commitment

We do our part to create a strong society: whether in the fields of social welfare, sport or healthcare, through financial aid or active project work. We provide assistance wherever support is needed.

Our goal of contributing to a stable society for all is firmly anchored in our sustainability strategy. That is why we support projects in the fields of social welfare, healthcare and sport, and contribute our expertise and individual skills in a wide range of projects and initiatives - both on our own doorstep and beyond national borders. Any form of sponsorship or donation must be approved by the Board of Management.

Help for victims in Ukraine

We have been watching events unfold in Ukraine since February 2022 with great dismay. The decision as a company that we wanted to assist people on the ground was quickly made, with the Board of Management donating 50,000 euros to the "Action Alliance for Disaster Relief." The Alliance forwards donations to its member organizations and ensures that the aid gets where it is intended to go. We are in constant contact with our colleagues in Ukraine, especially through the head of our crisis team, Pawel Byglewski, and with the help of other active volunteers have thus been able to support and arrange accommodation for the refugee families on their arrival in Poland and Germany. A joint campaign run by BLG and the customer LEONI raised more than 15,000 euros in donations. The money was used, among other

things, to purchase a used ambulance which, fitted with medical equipment, will help to save lives in Ukraine. At another BLG location, we collected donations in kind, which we packed into boxes and transported to Ukraine ourselves. In addition, many of our employees throughout Germany volunteered to help people in Ukraine by supporting or even helping to set up aid projects.

Support for the WFP

BLG LOGISTICS has been supporting the UN World Food Programme (WFP), the largest humanitarian organization in the fight against global hunger, since 2012, and has been one of 28 partner organizations since October 2022. Our contribution consists in making logistics expertise available to inspect and analyze the logistics capacity of ports, roads, rail tracks, warehouses and other logistics facilities. In addition to a mission undertaken by Ferdinand Möhring in northeast Africa, one of our employees, Lennart Koch, spent eight weeks on assignment at the WFP headquarters in Rome during the financial year. His mission was to support logistics planning for aid deliveries to Ukraine. With his help, food deliveries to the conflict regions were organized by rail, truck and ship, as well as onward transport by convoy to the hard-to-reach crisis regions.



Logistics experts support WFP.

A smile for children

Fourth-grade students from Bremerhaven schools were invited by BLG to visit the Klimahaus Bremerhaven. This globally unique world of knowledge and experience imparts valuable and scientifically founded information about the climate, climate change and weather. The content is presented in a child-appropriate manner and imparted to students interactively and playfully through colorful exhibits and room installations. BLG LOGISTICS has been sponsoring this initiative for ten years. Each year, around 1,000 students and their teachers get to participate at our expense.



Ten years of cooperation with the Klimahaus.

At Christmastime, it has become a firm tradition for us to participate in the "Schenk ein Lächeln" ("Gift a Smile") campaign organized by the charity Bremer Tafel e.V. Organized and coordinated by our junior management staff, numerous BLG employees from our Bremen locations and beyond collected toys, books and clothing in good condition and lovingly wrapped them.



"Schenk ein Lächeln" ("Gift a Smile") campaign.

The gifts were then distributed to children from families in need. A real BLG Santa Claus ensured there was a Christmas atmosphere. Every year, we feel proud to be a part of this campaign. Colleagues at other sites such as Hörselgau organize annual Christmas charity fundraisers and put a smile on the faces of numerous children.

The GREENHOUSE Bremen project was another social commitment cause selected by our junior management staff. This is a living and learning environment for up to 12 children with mental disabilities, who have often experienced violence, loss or neglect. Here, they receive 24-hour care and support through therapeutic gardening and other practical and creative activities. In December, members of the Board of Management treated our colleagues at two Bremen office locations to waffles and cake in a drive to raise money for this good cause. The Board of Management generously more than doubled the money raised to 2,500 euros and presented GREENHOUSE with a donation check.



His travel reports read like adventure stories: on behalf of BLG, port expert Ferdinand Möhring supports the humanitarian aid of the UN World Food Programme WFP. [Read more about this in our online magazine story "The Navigator."](#)

Economic

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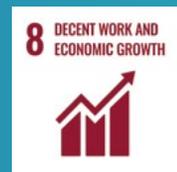
Our Economic Responsibility

We strive to be economically successful over the long term in order to secure the continued existence of our company and at the same time enable us to create the necessary scope to act in an environmentally and socially sustainable manner. Because only economic independence gives us the leeway to make major investments in climate protection measures, convert temporary employment contracts into permanent ones or provide long-term support for social projects.

We are therefore embracing digital transformation as it enables us to develop future-proof logistics solutions for our customers, respond flexibly to future changes and further strengthen our market position. We design digitalization strategies to optimize our processes and focus on new technologies such as artificial intelligence, collaborative robots and driverless transport systems. This form of innovation opens up opportunities for us to increase efficiency as well as create new climate-friendly logistics solutions for a more sustainable tomorrow.

Furthermore, only if we are economically robust can we guarantee secure jobs, good pay and room for our employees to grow. We want to create sustainable value for them as well as for our other stakeholders. For us, this is more than merely part of the responsibility we bear as a company; it is also our key driving force.

Our compliance system provides the framework for this and increasingly involves the entire supply chain beyond our immediate corporate boundaries. Our actions and all decisions are based on strict and unconditional compliance with the law as well as our self-defined ethical principles.



Compliance

Compliance is an important basis for our corporate decisions and day-to-day business activities. We apply our ethical standards along the entire supply chain.

Applicable law and our own best practice principles are the yardstick that we as a company apply to all our actions and business decisions. This makes us a trustworthy and reliable partner for our employees, customers, business partners and shareholders. We are aware that violations of the law can cause serious and lasting damage to the company. To reliably counter this risk, our compliance management system actively safeguards against factors such as bribery and corruption, giving or accepting of undue advantage, embezzlement and collusion against the rules of fair competition. In order to ensure that this preventive approach is effective across the entire organization, we invest in education and provide our employees with regular and comprehensive information.

Responsibility for compliance matters lies with the central Legal, Insurance & GRC (Governance, Risk, Compliance) department, whose head reports directly to the Chief Compliance Officer, our CEO. We do not tolerate any form of corruption, do not permit discrimination and attach great importance to occupational health and safety. We utilize resources responsibly and regard fair competition as an indispensable prerequisite for a free market. In the reporting year, no violations of the law were documented that could result in the issuing of fines.

Regulations, monitoring mechanisms and reporting systems

The compliance officer appointed by the Board of Management is responsible for the ongoing development of our compliance strategy, including a regular review of the system's effectiveness. Both are done in close consultation with the Chief Compliance Officer, to whom reports are made at routine intervals. Once a year, the Supervisory Board is also informed about all compliance-related issues, processes and incidents. In day-to-day operations, the compliance officer is the first neutral point of contact for our employees and is happy to receive tip-offs, answer questions or offer advice - also of a preventative nature - in the event of possible legal violations. As a second point of contact, an externally appointed and therefore independent and impartial ombudsperson offers employees as well as third parties the possibility of anonymously reporting suspected compliance violations. The contact details for both are freely available on our website and are also published in several of our policy guidelines. As a further link in the chain, our Internal Audit department regularly checks for possible compliance violations. In the reporting year, critical concerns regarding our business practices or possible negative impacts on people and the environment

were not brought to the attention of the Board of Management through any of the available channels.

Our principle

When exercising their duties, no BLG employee may offer, promise or accept incentives, preferential treatment or other benefits that are intended to influence fair, objective and proper decisions, or that even appear to do so.

In matters pertaining to compliance, our Board of Management and senior executives have a responsibility to lead by example and are tasked with ensuring that the employees they supervise are informed about and observe all corresponding rules. In addition, each and every individual at BLG, regardless of position, is obligated to point out grievances or suspected violations of the law. With this in mind, it is essential to openly and repeatedly make our employees aware, for example, of the risks of corruption. Furthermore, in practice the dual control principle we prescribe for all relevant business processes protects both them and the company as a whole.

Our Code of Conduct and compliance policy are key elements of our compliance management system. Like all internal guidelines and policies, these apply to all companies in which we have a direct or indirect shareholding of more than 50 percent or in which BLG LOGISTICS is responsible for management, and are binding for all internal and external employees as well as consultants acting for us. Companies that are subject to foreign law must apply the guidelines in accordance with that law.

We revised both documents in the reporting year; the Code of Conduct due to changes in legislation. In addition to our requirements relating to working conditions, environmental and climate protection, it contains in particular guidelines for legally and ethically irreproachable dealings with business partners, competitors and authorities. It also regulates the arrangement of donations and sponsorships as well as conduct in the event of conflicts of interest. The updated compliance policy at the same time replaces the previous anti-corruption policy. It contains essential rules of conduct for the prevention of compliance risks typically encountered in globally operating companies and sets out the associated processes, including the “know your customer” principle.

The new version of the Code of Conduct was distributed to all employees and accompanied by intensive internal communication, including via the intranet and our employee app. New BLG employees receive it in their welcome pack; temporary workers are made aware of it during their onboarding. Like the compliance policy, the Code of Conduct is posted on the intranet. The intranet

also contains information on our compliance system, the Code of Conduct and relevant contacts. At our international locations, the policies are available in English.

Information, education and raising awareness

Compliance concerns us all and can only be ensured if everyone in the company gets on board. To achieve this, we sensitize our decision-makers and managers to the relevant issues and keep them up-to-date on an ongoing basis. Mandatory training courses are held for the Board of Management, employees on management levels 1-3 and all employees in Purchasing and Sales. Training courses on compliance, antitrust and competition law were also held by rotation in 2022. Our target in the reporting year was to ensure that at least 90 percent of the relevant employees from each of the management levels 1-3 are trained within a three-year cycle. At 81.7 percent, the figure for the reporting year was once again somewhat short of this mark. The reason for this was primarily the revision of the compliance policy and the training concept with the aim to offer content that as far as possible reflects the state of the industry. Since, of course, this process also had to comply with the internal review and approval procedures, an idle period of several weeks was unavoidable.

We are continuously updating, expanding and broadening our training system in this area and will roll out new e-learning offerings on the updated Code of Conduct and the fundamentals of compliance as well as an advanced training course in 2023. Our central Tutorize training platform offers the possibility to complete all modules independently of time and place, with each completed course being documented by the system. Training for the aforementioned groups will continue to be

mandatory, but at the same time will take place at more frequent yearly intervals. Managers below the above-mentioned levels will additionally receive appropriate training. We also use various communication channels to inform all other employees about compliance-related issues on a regular and need-to-know basis.

Assuming responsibility - also along the supply chain

The issue of compliance is also addressed in our General Terms and Conditions of Contract and Purchase. We require our suppliers and service providers along the entire supply chain to comply with the applicable regulations as well as with our Supplier Code of Conduct. In accordance with the German Supply Chain Due Diligence Act, this essentially encompasses the protection of international human rights, the right to collective bargaining, abolition of forced labor and child labor, elimination of discrimination in hiring and employment practices, responsibility for the environment and prevention of corruption. 📌 www.blg-logistics.com/agbo

The importance of information security

Information technology now permeates all our processes, and our business relies on secure systems that are functional at all times. Our customers, suppliers and employees also trust in this. We are therefore constantly working to embed IT security in our projects, in our day-to-day business and in the mindset of the entire organization. We ensure a uniformly high level of security with the help of measures based on the recommendations of the German Federal Office for Information Security (Bundesamt für Sicherheit - BSI). Our corresponding information security management system (ISMS) is oriented toward the international standards ISO 27001 and ISO 27002. We also have the maturity and effectiveness of our measures reviewed externally on a regular basis. In the process, we give consideration to all information assets of BLG LOGISTICS, particularly those relating to our IT systems, and attach great importance to securing our operational technologies. Our information



Finding the best possible or sometimes the only way – that is what our colleague Ferdinand Möhring is concerned with as part of our partnership with the world's largest humanitarian organization. With his expertise, he helps ensure that aid supplies reach their destination quickly and safely.



→ reporting.blg-logistics.com/2022/en/sustainability/sdg-stories/sdg-16/

security policy as the basis for our ISMS provides the framework for all aspects that are relevant in this context. This policy applies to BLG LOGISTICS including all subsidiaries in which we hold at least 50 percent of the shares, as well as to non-controlling interests that utilize our IT systems, and is also binding for contractual partners and suppliers subject to deviating regulations. When working with service providers, we ensure compliance with all relevant certifications such as ISO 20000 for secure IT operations, ISO 27001 for the ISMS, and ISO 22301 for IT emergency management, and review these regularly.

Due to the increasing threat posed by cyberattacks, we not only constantly review all existing organizational and technical measures to secure our information and IT environment, but also implement new ones on an ongoing basis to ensure that installed systems always stay leading edge. This not only safeguards the company's ability to function, but also meets the requirements of our customers.

Overall responsibility for all matters relating to information security lies with the Information Security Officer (ISO) within the Information Security Management department, who reports directly to the head of the central Legal, Insurance & GRC department. The tasks of the ISO include the operation and continuous development of the BLG LOGISTICS information security system, issuing advice on information security issues, in-depth risk analysis, the implementation of awareness-raising and training measures, and emergency preparedness. They are also a point of contact for our employees to anonymously report security incidents or suspicious circumstances. They must be involved in all security-relevant processes Group-wide.

Responsible handling of data

The central Legal, Insurance & GRC department is responsible for matters relating to data privacy. Our internal policies and guidelines among other things take the requirements of the GDPR into account when it comes to processing personal data. Regular and systematic on-site checks serve to monitor compliance with coordinated processes and identify possible deviations as well as optimization potential. This ensures a uniformly high level of data protection implementation across the organization. In the reporting year, we were able to conduct 21 checks via online conferences and with the support of officers on site. E-learning modules are used to raise awareness of data privacy among employees. All commercial employees receive refresher training on data privacy every two years via a corresponding module. We additionally take advantage of events such as the European Data Protection Day to raise awareness of this important topic among everyone at BLG LOGISTICS. In the event of questions or suspected privacy breaches, our external data protection officer can be contacted at any time and also accepts reports of suspected data privacy violations anonymously. Their contact details are publicly available on our website.

Processes are documented using a centrally managed tool that maps numerous interfaces with IT and Information Security. We thus achieve a level of documentation that allows us to respond quickly and reliably to very short-term events or requests from the supervisory authorities.

Economic Value Creation

We strive for strategic, sustainable growth – always aware of the responsibility that we bear as a major employer at many locations.

As a logistics provider, we offer a wide range of services at interfaces between producers, retailers and consumers. This includes production supply and goods distribution as well as the transport of vehicles by road, rail and inland waterway. The demands on our portfolio and individual services are changing at an ever faster pace. This development is being driven by ongoing globalization coupled with shorter product life cycles, urbanization and digitalization. The industry as a whole continues to benefit from rising demand, which is closely linked to the ever-growing e-commerce business. We face challenges in particular from the unrelenting pressure on margins and the greater competition to attract skilled labor in the wake of demographic developments. Additional factors include the continued growth in the importance of online retailing, rising customer expectations in terms of speed, flexibility and the quality of supply, as well as growing environmental awareness among the general population. The reporting year was characterized by multiple crises accompanied by an economically challenging environment. The war in Ukraine, high energy costs and inflation, the shortage of skilled workers and climate change, as well as the ongoing effects of the pandemic, were the key aspects.

Financial management

As part of our mission and vision as well as the sharpening of our strategic guidelines, we designed the management system to be as clear and transparent as possible. The key performance indicators are revenue, earnings before taxes (EBT) and the EBT margin derived from both of these, as well as earnings before interest and taxes (EBIT). In the future, RoCE will also be included in monthly reporting. Furthermore, since 2021, the remuneration system for the Board of Management has included non-financial target indicators: CO₂ emissions, the trainee ratio and the 1,000-employee rate used as a basis for measuring the number of work-related accidents. From 2023, these will be applied incrementally for all non-tariff employees. For more information, see the Fundamental Information about the Group – Group control section of the Financial Report.

Despite the aforementioned adverse general conditions, we nevertheless closed the 2022 financial year considerably better than anticipated. Following an initial positive outlook – in part reflecting the waning impact of the coronavirus pandemic – the much hoped-for economic expansion failed to materialize. The foremost reason for this was Russia's invasion of Ukraine with its massive repercussions for energy supplies and the entire global

economy, which were reflected in the summer in particular in extremely high energy prices. Many other goods also became more expensive, with inflation rising to record highs. Against this background, the tightening of monetary policy had a further dampening effect. After a correspondingly weak first half-year, the rise in global output temporarily strengthened in the third quarter, above all in connection with the Chinese market. The situation on the energy markets finally eased toward the end of the year, while further fiscal measures provided relief for private households and companies. Nevertheless, at year's end global economic momentum was still significantly diminished.

Group revenue increased quite significantly year on year by EUR 68.5 million to EUR 1,118.9 million, a plus of around 6.5 percent. EBT saw a similar increase of 6.7 percent to EUR 55.7 million, as did EBIT, increasing by 5.0 percent from EUR 61.5 million to EUR 64.6 million. The EBT margin was 5.0 percent, as in the previous year. The financial management of BLG LOGISTICS is detailed in depth in our Financial Report 2022. Although the general business climate continued to stabilize over the final few months of 2022 following a significant downturn in the beginning and middle of the year, we are expecting the

economic uncertainties to grow in 2023. However, given our broad-based strategic positioning and our performance capabilities, we believe we are well positioned even in a volatile market environment and will continue to work intensively to improve BLG LOGISTICS' economic position. As part of this, we will actively drive forward topics such as digitalization and sustainability.

Key performance indicators

		<u>2022</u>	2021
Revenue	EUR million	1,119.0	1,050.4
EBIT	EUR million	64.6	61.5
EBT	EUR million	55.7	52.2
EBT margin	in %	5.0	5.0

Value added statement

The information on economic value creation and distribution discloses how we generated and deployed assets for our stakeholders. Net value added is used as the indicator for the economic value creation of our business operations. This is calculated as the gross operating revenue less expenses, depreciation and amortization (excluding personnel expenses). In the reporting year, it totaled EUR 572.8 million. The largest portion of the value added, at EUR 475.1 million, was used to cover costs for the employees of BLG LOGISTICS. These include not only wages and salaries, but also other expenses such as statutory social security and post-employment benefit costs. Personnel costs decreased by EUR 4.1 million compared with the previous year, corresponding to a reduction in the number of employees.

In addition to personnel expenses, the value added generates a return for the capital providers. Of this, an amount of EUR 8.8 million was attributable to distributions and dividends to the main shareholder of BLG LOGISTICS, the Free Hanseatic City of Bremen (municipality). In addition, profit distributions were made to the partners of fully consolidated joint ventures and the shareholders of BLG AG, as well as interest payments for bank loans. Payments to the public purse consisted mainly of taxes and ground rent.

Value added statement of BLG LOGISTICS 2022

Financial year 2022	<u>EUR million</u>	in %
Revenue	1,119.0	
Other income	138.9	
Gross operating revenue	1,257.9	
Cost of materials	462.0	
Depreciation and amortization expense, impairment losses	87.0	
Other expenses	136.1	
Total advance payments	685.1	
Value creation	572.8	100.0
Utilization		
Employees	475.1	82.9
Public authorities	27.4	4.8
Lenders	17.6	3.1
Shareholders	52.7	9.2
Total	572.8	100.0

Customer Satisfaction

Innovation and process efficiency are the keys to the logistics of tomorrow.

We are continuously working to improve both with our customers' requirements in mind.

We maintain long-standing business relationships with many of our customers and collaborate with them in a spirit of trust on a wide variety of different assignments. We can play to our strengths in particular when it comes to realizing custom solutions or designing and subsequently operating entire logistics centers. Above and beyond this, we also provide extremely reliable and efficient logistics services 365 days a year. Irrespective of the nature and scope of the contract, it is essential that we understand our customers' business and anticipate their needs in our planning and consulting as well as any changes within their industry or in the market. One of the ways in which we do this is through supporting the transition to electromobility - a key challenge for many of our customers - by continuously expanding our services and our own expertise in the field. Long-term contracts not only enable us to act with such foresight, but also open up scope for sustainability-related investments.

Our new C3 logistics center, which in all Hanseatic modesty admittedly sets benchmarks when it comes to sustainability, is a case in point. In 2022, we consolidated the production supply for the global assembly plants of a leading automotive manufacturer here.

In addition to meeting the needs of our customers, C3 Bremen also places a focus on what our employees expect of a modern workplace. Furthermore, it sets a new environmental standard for logistics real estate - with the largest continuous roof-mounted PV system in Germany to date and CO2-neutral operation. We are certain that our customers will benefit on many levels from the way we are helping to shape the sustainable logistics of the future, enabling us to secure a good long-term position in the market.

Structures and processes for dependable quality

We contractually assure our customers of the quality of our services and aim to convince them anew every day that we are the right choice of partner for their logistics challenges. In doing so, we focus on long-term cooperation and at the same time are pleased when companies decide in our favor for the first time - as was again the case in the reporting year. Thus, we not only became a logistics partner to Deutz AG, for which we manage an external warehouse for engine shipping at the Cologne site, but also opened a logistics center with an area of 63,000 square meters in Magdeburg for a new customer from the fashion industry.

To make sure we can perform at the top of our game at all times, we also critically review our own structures and processes on an ongoing basis. This resulted in restructuring on two levels in the reporting year - always with the goal of optimizing the way in which we meet the needs of the market and our customers. The two previously separate Board of Management functions AUTOMOBILE and CONTRACT were merged and in line with the "one face to the customer" principle placed under the management of Matthias Magnor, who after one year as Head of the CONTRACT Division has now been appointed to the newly created position of COO. There were also changes within the CONTRACT Division, which was restructured and now consists of the three areas Contract Operations, Customer & Business Development, and Performance Support. In addition, we have done away with the division into retail and industrial logistics and going forward will mainly serve the three market segments Consumer & Fashion, Industry & Energy and Mobility, i.e., everything to do with the automotive industry and mobility.

It goes without saying that the systematic reduction of loss ratios is another important indicator of the quality of our performance, which is why we are continuously looking for possibilities to achieve this. To this end, our central Quality departments are responsible for establishing, refining and overseeing certification of our quality management systems. They also drive forward the integration and operationalization of our environmental, occupational health and safety and energy management systems. The majority of our German and foreign locations - including all sites in the AUTOMOBILE Division - are certified according to DIN EN ISO 9001, the automotive locations additionally according to VDA 6.2. Our customers also regularly carry out their own audits at our car terminals. In the CONTRACT Division, we work alongside our customers' production processes and in some cases our services are even closely dovetailed with theirs. Here we harness potential for improvement through regular exchanges at operational and management level.



Digital solutions hold great potential when it comes to optimizing logistics processes. We are currently testing what this can look like at our Bremerhaven car terminal, with a focus on data availability and the efficient allocation of transport orders.



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Focusing on optimizing value-creating activities is an important success factor. To help us continuously streamline individual processes, entire systems and consequently our overall performance, we organize our workflows according to lean management criteria and rely on the Six Sigma management system.

Shaping the future of logistics

We are continuously developing new solutions designed to make our customers' logistics processes fit for the future. In the reporting year, we further developed our innovation process, resulting in closer dovetailing between the innovation team and colleagues in operations. The Technology department in the CONTRACT Division assumes responsibility for the development of minimum viable products and their subsequent implementation, covering topics such as autonomous driving, robots, cobots or new work. Digitalization activities relating to data strategies, artificial intelligence (AI) and digital workflows are handled by the new Digital Services department as part of central IT.

Together with partners from science and industry, we are working on entirely new, highly complex concepts in research and development projects. In the reporting year, we participated in seven cooperation projects with a volume of EUR 57.6 million. The "INSERT" project funded by the European Regional Development Fund and aimed at developing an AI-based assistance system for drafting initial concepts for production and logistics was successfully completed. With the resulting prototype, it was possible to significantly increase the speed and quality of planning. Three projects were continued as planned: "Isabella 2.0" aims to integrate the loading and unloading

of trucks, railroad cars and ships into an intelligent management approach that had been developed in the earlier "Isabella" project. The "KITE" project was concerned with developing a demonstrator in which vehicles, existing transport orders, freight exchange orders and AI-generated forecast orders flow together for the purpose of route optimization. The idea was to help lower emissions by reducing empty runs. The "PortSkill 4.0" project focused in 2022 on surveying and analyzing the existing job profiles in the port environment. The next step is to define future job profiles and, on this basis, develop initial training concepts.

Three projects were also launched in the reporting year. "MEXOT" is an Innovative Port Technologies (IHATEC) research project for holistic ergonomic design of technical workstations and upstream picking activities. For this purpose, passive exoskeletons are being fitted with measuring sensors and coupled with driverless transport vehicles, for example to enable (semi-)automated materials allocation. In the "Mobility2Grid" project funded by the Federal Ministry of Education and Research, the goal through to 2027 is to develop efficient and networked systems for a climate-neutral city. Our focus is on demonstrating the feasibility of an electric tractor unit including megawatt charging system for plant supply. Finally, within the framework of "HyBit", 18 network partners are addressing the question of how hydrogen hubs can contribute to a sustainable and climate-neutral Europe. We are focusing on the mobility and logistics cluster and testing various possible uses for hydrogen under practical conditions.

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EUROGATE

Reporting on non-financial performance indicators for EUROGATE

For EUROGATE, sustainability means, above all, ensuring the future viability of the corporate Group. Within the scope of its business activities and on the basis of internal processes, EUROGATE gives equal consideration to economic efficiency, environmental protection and social responsibility. Compliance with laws and internal policies and guidelines forms the natural basic prerequisite for day-to-day business operations.

Container terminals are hubs of international trade; therefore efficient seaport operations are key to enabling EUROGATE to ensure that its customers benefit from reliable goods transport. At the same time, EUROGATE strengthens the local economy and provides jobs. Its business activities impact on both people and the environment, for instance through the Group's consumption of resources.

The material non-financial key performance indicators for EUROGATE are environmental matters (energy and greenhouse gas emissions/CO₂), employee matters (occupational health and safety), anti-corruption and anti-bribery, as well as IT security.

Environmental topics - energy consumption and greenhouse gas emissions (CO₂)

Energy consumption is a key performance indicator for the management of resources and has a direct impact on incurred costs, and hence on financial performance.

Relevant non-financial key performance indicator (KPI):
– Energy consumption in megawatt hours*

Energy consumption is regularly monitored. The following table shows the current status of target attainment:

Greenhouse gas emissions (CO₂) at EUROGATE are controlled via energy input. A management approach does not exist.

Most important relevant non-financial key performance indicator (KPI):
– Development of CO₂ emissions in metric tons**

CO₂ emissions are regularly reviewed. Table 2 shows the current status of target attainment.

Table 1: Current status of target attainment:

Target:	Lower energy consumption
Status 2021	435,999 MWh (of which 12,376 MWh renewables)
Status 2022	412,587 MWh (of which 13,358 MWh renewables)
Comment	In view of the increasing importance of the carbon footprint, the goal is to further expand renewables and further reduce energy consumption. Energy consumption was down in the 2022 financial year. At the same time, favorable wind conditions led to increased utilization of wind energy. Container throughput decreased slightly on the back of global economic events, leading to a corresponding reduction in energy consumption.

*When calculating the key performance indicator MWh, the consumption figures for the principal companies (the German EUROGATE terminal operations in Bremerhaven, Hamburg and Wilhelmshaven and the respective service companies at each location, as well as the EUROGATE holding company) were taken into consideration.

Table 2: Current status of target attainment:

Target:	Lower CO ₂ emissions
Status 2021	104,415 t CO ₂
Status 2022	101,752 t CO ₂
Comment	In view of the increasing importance of the carbon footprint, the goal is to reduce it further. Container throughput decreased slightly in the 2022 financial year on the back of global economic events, leading to a corresponding slight reduction in energy consumption. At the same time, increased wind energy generation led to a higher proportion of renewables in the mix.

**When calculating the key performance indicator t CO₂, the consumption figures for the principal companies (the German EUROGATE terminal operations in Hamburg, Bremerhaven and Wilhelmshaven and the respective service companies at each location, as well as the EUROGATE holding company) were taken into consideration.

Table 3: Current status of target attainment:

Target:	Minimize the number of work-related accidents and prevent accident-related fatalities
Status 2021	Work-related accidents: 344 Accident-related fatalities: none
Status 2022	Work-related accidents: 268 Accident-related fatalities: none
Comment	The target to lower the number of work-related accidents and prevent accident-related fatalities was met. The drop in the number of work-related accidents is attributable on the one hand to the lower number of containers handled. On the other hand, the lower number of work-related accidents for this financial year is within the range of natural statistical fluctuations.

***In Germany all accidents must be reported that result in death or injury that prevents a person from working for more than three days. The EUROGATE figure includes accidents involving not only the company's own employees, but also temporary contract workers. It does not record accidents involving employees of external contractors.

Employee welfare topics - occupational health and safety management

Protecting the Group's own employees and employees of external companies against work-related injuries or sickness and safeguarding their health and wellbeing is a top priority. Most work is performed using heavy equipment at the terminals (mainly straddle carriers and container gantries), and is susceptible to prevailing weather conditions. Considering the manual nature of this work and the deployment of much of the workforce in a three-shift system, promoting and protecting their health is especially important.

Management of occupational health and safety is the responsibility of the individual companies and their respective managing directors.

Most important relevant non-financial key performance indicators (KPIs):

- Number of reportable work-related accidents at the workplace and on the way to/from work***
- Number of fatal accidents at work and on the way to and from work

As an indicator of occupational safety, the number of work-related accidents is regularly monitored. Table 3 shows the current status of target attainment.

Anti-corruption and anti-bribery

To achieve long-term success, a company must conduct its activities in a legally compliant, fair and reliable way. Within the EUROGATE Group, the umbrella term “compliance” relates to the adherence to the statutory standards as well as internal corporate guidelines and policies and working to ensure their observance in the EUROGATE Group companies. These include the relevant policies and principles on preventing bribery and corruption.

Technical competence for the compliance management system lies with the Legal department of the EUROGATE holding company and the compliance officer. Responsibility for adherence to the compliance policy lies with the Group Management Board and the management boards of the respective EUROGATE Group companies.

Relevant non-financial key performance indicator (KPI):
– Number of confirmed cases of corruption

The number of corruption cases serves as a key anti-corruption and anti-bribery metric and is reviewed regularly.

Table 4 shows the current status of target attainment.

Table 4: Current status of target attainment:

Target:	No cases of corruption
Status 2021	none
Status 2022	none
Comment	The target was met. There were no confirmed cases of corruption in the reporting year.

IT security

Secure and reliable IT-assisted processes are the prerequisite to enable a container terminal to operate efficiently. This applies not only from an entrepreneurial point of view, but is also important economically. As hubs where national and international supply chains converge, container ports help to ensure the smooth functioning of the economy and trade. Efficient IT security protects the processes at the container terminal and consequently the entire port system.

The ever-growing number of IT-based business processes that have emerged in recent years, as well as the dovetailing of EUROGATE’s systems with those of other providers along the logistics chain, increase the demand for a secure IT infrastructure. Cyberthreats are on the increase all the time and are constantly changing. At the same time, the EUROGATE Group’s reliance on IT systems is growing, especially in light of the planned automation projects. IT security is therefore crucial to enabling and ensuring efficient business processes across the companies in the EUROGATE Group. Furthermore, as an operator of critical infrastructure, EUROGATE is obliged by law to implement a state-of-the-art information security management system.

Overall responsibility lies with the Group Management Board and the management boards of the respective companies in the EUROGATE Group. An IT security officer and an operational technology (OT) security architect have been appointed. An IT and an OT security board have also been set up and equipped with resources from the IT department of the EUROGATE holding company (EGH IT) and Technical Services. Measures and budgets are identified and decided as part of the annual IT planning process. The ISMS covers all German EUROGATE terminals with the exception of North Sea Terminal Bremerhaven GmbH & Co. (NTB), operated as a joint venture between EUROGATE and APMT, which is managed separately. An ISMS security guideline and policy generally regulates the organizational and technical requirements of the EUROGATE ISMS.

The main focus of the existing concept is on the availability and integrity of the IT systems and data, with the aim of creating a resilient infrastructure based on risk assessment and of minimizing potential damage and times to restore service. A key element of the ISMA is a risk management system geared towards minimizing risk or creating an acceptable level of residual risk for EUROGATE. The ISMS follows ISO 27001 and in its practical implementation is based on the IEC 62443 standard.

In addition, the Group coordinates and exchanges information with local and European logistics partners (for example via EU-ISAC), as well as with relevant authorities and EUROGATE service providers. These help to ensure that new risks can be promptly identified and addressed. The EUROGATE ISMS includes information technology and operational technology, as well as the cloud services and platforms used.

The EUROGATE ISMS defines and regulates the necessary organizational structures, procedures, roles and accountabilities. It encompasses organizational, technical, regulatory and staff training measures. All measures are conceived and approved by the Group Management Board as part of an annual planning process. As a rule, they are systemically structured. Ad-hoc measures may be introduced during the year based on weak point analyses and alerts. The results are reported to EUROGATE's risk management and to the Group Management Board in the IT security officer's annual review. This report contains the current implementation status, a review of the past year and recommendations for the coming year. The EUROGATE Supervisory Board discusses the current security status in detail annually on the basis of this report. The current OT security status and the measures derived from it are reported every six months. A tool-assisted evaluation to assess the ISMS maturity level will be implemented from 2023.

The goals and targets are set on the basis of a general risk assessment for EUROGATE and concrete risk analyses for the respective projects. The EUROGATE ISMS was audited in the 2022 financial year in accordance with the guidelines

of the Federal Office for Information Security (BSI), since EUROGATE is classified as an operator of critical infrastructure (KRITIS) pursuant to the IT Security Act (ITSG). The focus of the audit was to assess the status quo with respect to implementing the remedies identified in the 2020 audit as well as the current level of maturity of the ISMS. The deviations and recommendations resulting from the audit will be dealt with in 2023 within the scope of targeted measures. Implementation will be reviewed in 2024 within the scope of the next KRITIS audit. In addition, external audits of the ISMS by external auditors (TIL Intargia) and penetration tests of selected IT systems were carried out in 2022. A security scoring system for evaluating the security status of publicly visible EUROGATE systems has been in use since 2022. Self-assessments based on IEC62443 are used for modeling the internal measurability of the level of OT protection achieved through non-financial key performance indicators. From 2023, an ISMS tool will be used to assess the ISMS maturity level.

Most important non-financial key performance indicators (KPIs):

- System failures/downtimes due to security incidents
- Data loss/manipulation

There were no cases of data loss or significant system failures in the 2022 financial year.

Glossary

CDP

The CDP (formerly the Carbon Disclosure Project) is a non-profit organization that provides a platform for the publication of environmental data from companies and municipalities. On a voluntary basis, they are called upon to fill out questionnaires in order to collect information, for example on CO₂ emissions, climate risks, etc.

CKD

The CKD (Completely Knocked Down) method involves combining vehicle parts from individual deliveries from suppliers and manufacturers, packaging them into specific kits and then delivering them to the appropriate foreign assembly plants via sea transport.

CO₂ equivalents (CO₂e)

Uniform measure of the greenhouse effect of various greenhouse gases. The reference value is carbon dioxide CO₂. DIN 16258:2013-03 takes the following gases into account: CO₂, CH₄, N₂O, HFC, PFC, and SF₆. These six gases are also listed in Annex A of the Kyoto Protocol which extends the United Nations Framework Convention on Climate Change. The GEMIS (Global Emissions Model for Integrated Systems) takes account of CO₂, CH₄, N₂O, C₆F₁₄ and C₂F₆.

Corporate governance

Rights and obligations of the various parties involved in the company, in particular the shareholders, Board of Management and Supervisory Board.

CSR

Corporate Social Responsibility. Social responsibility of companies as part of sustainable business operations.

EBIT

Earnings before interest and taxes, and net financial income (costs). EBIT represents the operating result of a company for a financial year.

EBT

Earnings before taxes (pre-tax profit). A value for determining profitability independently of tax-related effects which cannot be controlled. This is also suitable for measuring profitability in an international comparison.

EBT margin

Division of EBT by revenue. The EBT margin is an indicator of the efficiency and profitability of a company.

Equity accounting/Equity method

Method for recognition of equity investments that are not included in the consolidated financial statements on the basis of full consolidation with all assets and liabilities. The carrying amount of the investment is increased or decreased by the development of the proportionate share in the equity of the investment. This change is recognized in the statement of profit or loss of the parent company.

Full consolidation

Method for recognition of subsidiaries that are included in the consolidated financial statements with all assets and liabilities.

Global Emissions Model for Integrated Systems (GEMIS)

A life-cycle analysis model to determine material flows with an integrated database for energy, materials and transport systems. It is available to download free from the International Institute for Sustainability Analysis and Strategy (IINAS) and is used in more than 30 countries to analyze costs and environmental impacts.

Global Reporting Initiative (GRI)

Internationally active organization that works with various stakeholders (including companies, human rights organizations and environment organizations) to develop guidelines for compiling sustainability reports. The GRI guidelines or standards constitute the most commonly used framework for sustainability reporting around the world.

Greenhouse Gas Protocol

Most widely adopted global standard for uniform accounting of and reporting on greenhouse gas emissions.

Joint venture

Legally and organizationally independent company that is jointly established or acquired by at least two independent partners.

Lean management

Process optimization approach designed to minimize waste and harmonize processes.

Minimum viable products

A minimum viable product is the first minimally functional version of a product that is used to validate the product idea early in the product development cycle, and to receive customer feedback as quickly as possible to iterate and improve the product.

R&D projects

Research and development projects are ventures that deliver new knowledge or innovations as their main outcome, and are characterized by a pronounced degree of innovation, interdisciplinarity and project risk. The project goals deliberately go beyond the current state of research in science and technology. Funding is provided by the public sector in the form of grants.

Robots and cobots

Cobots collaborate hand in hand with human employees to support them. Cobots are typically used in applications that require human power.

Robots, on the other hand, are programmed to perform tasks with little or no human assistance.

RoCE

Business indicator that measures how efficiently companies use the capital employed. RoCE can be calculated by dividing EBIT by the capital employed in the company.

Science Based Targets initiative (SBTi)

A collaboration between leading environment and climate protection organizations which defines a framework according to which companies can reduce their greenhouse gas emissions on a scientific basis. One of the SBTi targets is to limit global warming to significantly below 2 °C, as demanded by the Paris Climate Agreement.

Six Sigma

A management system for process improvement and statistical quality targets, and simultaneously a method of quality management. The core element is the description, measurement, analysis, improvement and monitoring of business transactions with statistical means.

Sustainable Development Goals (SDGs)

In 2015, the United Nations agreed on 17 goals for sustainable development (SDGs) which should be achieved by 2030. The SDGs shape the sustainability debate on national and international levels. As a global target system, they offer a common language and a compass for the challenges of the 21st century.

United Nations Global Compact

Global pact between companies and the United Nations to support socially more fair and environmentally more sustainable globalization. The members undertake to follow ten principles in the areas of labor and human rights, environmental prevention and anti-corruption in all the countries in which they operate.

CSR Index

As a joint parent company, BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-, Bremen, and BLG LOGISTICS GROUP AG & Co. KG, Bremen, issue voluntary consolidated financial statements and have for several years already integrated a non-financial Group report (NFR) with the information required under the CSR Directive Implementation Act into their sustainability reporting. The Sustainability Report 2022 was prepared in accordance with the GRI standards.

The table opposite gives an overview of the contents of the non-financial reporting and the allocation of the reporting aspects determined in accordance with the materiality principle (pursuant to Section 315c, German Commercial Code - HGB).

The non-financial Group report deals with the contents defined as essential by the CSR Directive Implementation Act for the fully consolidated BLG companies. Responsibility for the CONTAINER Division lies with the EUROGATE joint venture, which controls the topics relevant for CSR separately from BLG LOGISTICS. Therefore, contents of the non-financial report for the EUROGATE company accounted for using the equity method are shown separately on ▶pages 66 to 69.

Components of the NFR	Relevant contents	Page number Sustainability Report
Business model	Brief description of the business model of BLG LOGISTICS	7 to 9
Sustainability management	Accountabilities (control and authorizations)	12 to 13
	Governance (management structure incl. competencies, remuneration model and grievances mechanism)	20
Materiality analysis	Selection of relevant contents of the report	18 to 19
Risk management	Statement of the main risks relevant to CSR	22 to 23
Environmental topics	Climate protection	28 to 32
	Energy management	33 to 36
Employee topics	Fair working conditions and human rights	42 to 45
	Training and education	46 to 48
	Occupational health and safety management	49 to 51
Respect for human rights	Fair working conditions and human rights	42 to 45
	Compliance	58 to 60
Anti-corruption and anti-bribery	Due diligence along the supply chain	24 to 25
	Compliance	58 to 60
Social topics	The materiality analysis did not identify any issues that are significant in the sense of the CSR Directive Implementation Act. Therefore, social topics are not part of the NFR.	

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Read it online!

View our sustainability report digitally on your computer, tablet or smartphone and join us on an SDG journey where with the help of selected projects employees report on how we support the United Nations' Sustainable Development Goals.



→ reporting.blg-logistics.com/2022/en

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