

Corporate Social Responsibility Report 2020

Grevenmacher, 28 February 2020

Foreword from the Board of Directors and the Executive Committee

In taking responsibility, our business activities focus on three levels: economic value creation combined with social and ecological responsibility. Harmonising these three levels is the basis for the sustainable success of our business and is the embodiment of our corporate social responsibility.

The following presents our wide-ranging activities in corporate social responsibility and makes clear that it essentially comes down to the actions of each and everyone of us. We therefore count on the cooperation and engagement of our staff worldwide. We also involve our customers and suppliers. Sustainable change will be possible only when we all work together to achieve it.

Board of Directors and Executive Committee



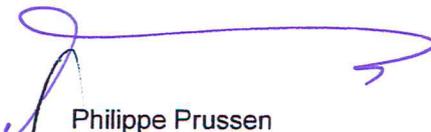
Dr. Antonius Wagner



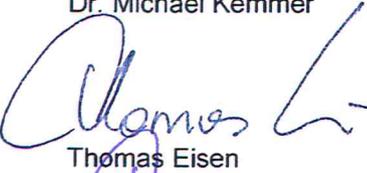
Sebastian Esser



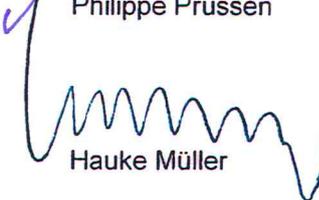
Dr. Michael Kemmer



Philippe Prussen



Thomas Eisen



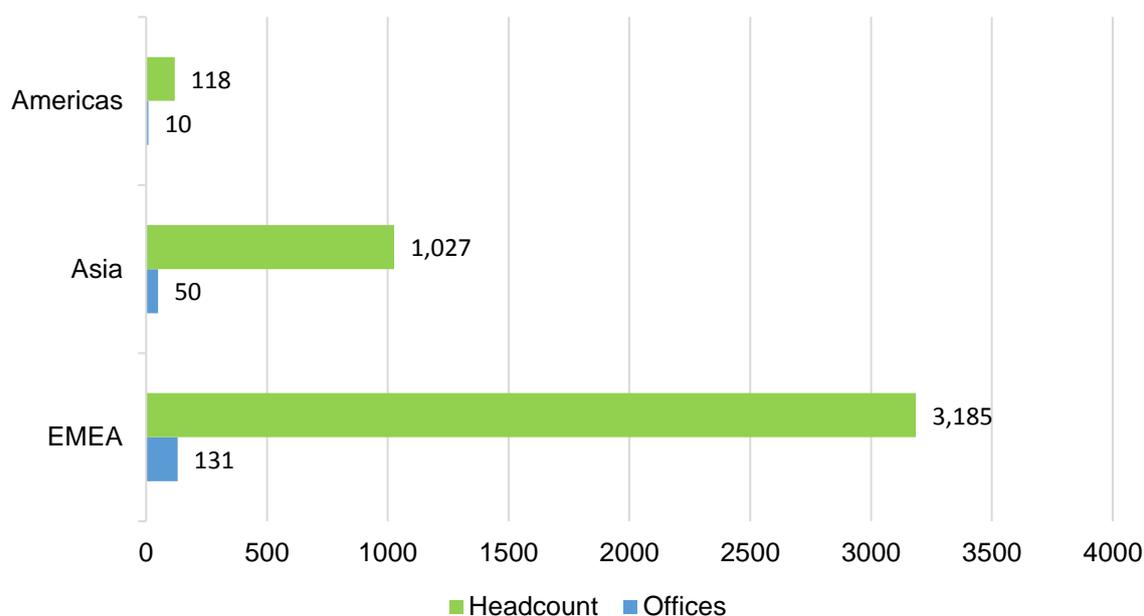
Hauke Müller



Axel Steiner

About us

Logwin AG, with headquarters in Grevenmacher (Luxembourg), is a logistics provider operating worldwide and employing more than 4,300 staff in around 190 locations in 36 countries. Logwin AG is listed on the Prime Standard Frankfurt Stock Exchange and combines logistics services in the two business segments Solutions and Air + Ocean.



On 31 December 2019, the number of employees had reduced by 60 staff members compared to the end of 2018. This reduction is primarily due to branch closures and personnel measures in various operative sites in the Solutions business segment.

	2019	2018	Overall change
Logwin Group	4,330	4,390	-60
<i>of which Air + Ocean</i>	2,830	2,795	35
<i>of which Solutions</i>	1,293	1,403	-110

Solutions predominantly offers customers tailored contract logistics solutions. The segment delivers branch-specific transport and logistics services especially to companies in the industrial engineering sector, in the automotive, chemical, electronics and high-tech industries, as well as in fashion and retail.

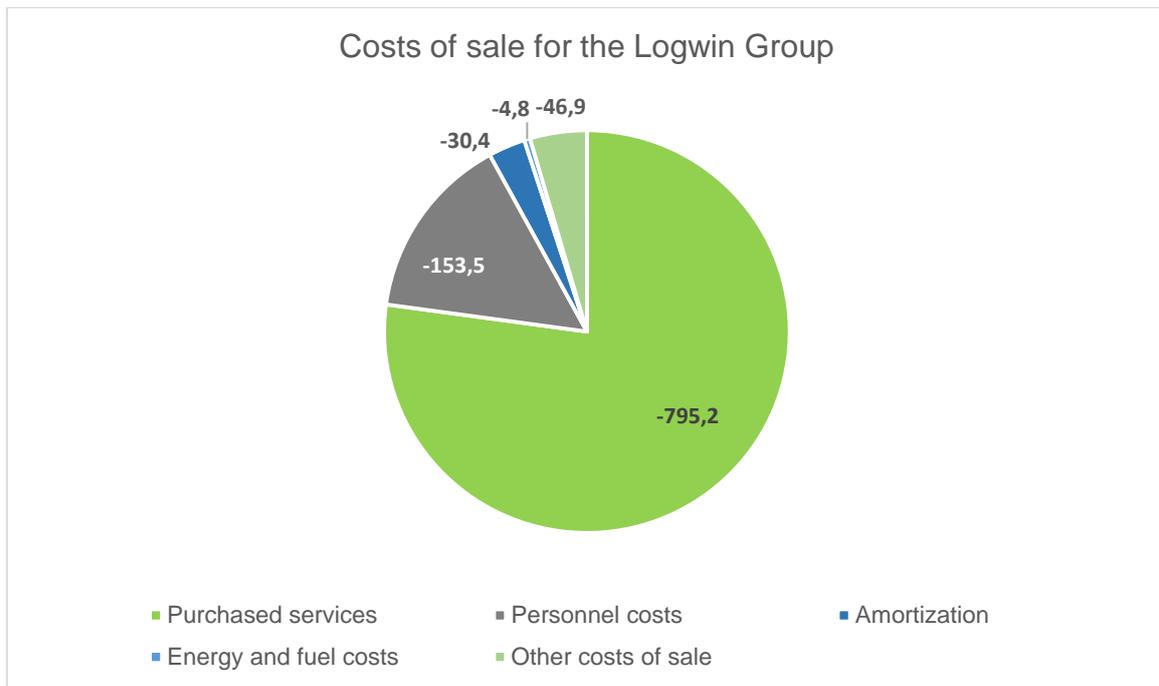
Air + Ocean manages international shipments by air and sea freight, as well as associated value-added logistics services. These services are based on a strong global network of subsidiaries, as well as close cooperation with partner firms founded on a powerful, globally standardised IT system.

The Logwin Group meets customer-specific needs by combining logistics services in the market segments Air + Ocean and Solutions, and manages logistic chains between suppliers and recipients in part or as a full service depending on needs. On behalf of customers, the Logwin Group undertakes supply chain management, warehousing, value added services and transport via road and rail, as well as by air or sea freight. A global IT system is the basis for standardised processes worldwide and easy customer connectivity, and ensures that the constantly increasing expectations for quality, safety and compliance are met.

In 2019, turnover of the Logwin Group was, at EUR 1,130.3 million, slightly lower than the previous year, partly due to declining freight rates and decreasing volumes on the different modes of transport.

<i>in million EUR</i>	2019	2018	<i>Overall change</i>
Logwin Group	1,130.3	1,149.6	-19.3
<i>of which Air + Ocean</i>	753.5	778.8	-25.3
<i>of which Solutions</i>	376.8	371.3	5.5

A significant proportion of the costs incurred in generating revenue was allotted to services and personnel costs from third parties. There is only very limited potential for the Logwin Group to influence the type of service provided by our suppliers, in particular in the international transport business. We therefore focus our corporate social responsibility activities, alongside our compliance to legal requirements, on areas where we have direct control: employee issues, social engagement and, to the extent that we can exert influence, environmental protection.



Acting responsibly as a basic management approach

The Board of Directors and the Executive Committee are committed to setting high quality standards and establishing consistently safe logistics processes and transport chains. Sustainability is fundamental for our long-term business success. We therefore combine economic value creation with ecological and social responsibility. If we as an organisation are successful in addressing these three areas, we will achieve our own expectations of acting and being perceived globally as a good corporate citizen.

In our Corporate Governance Charter, we describe what we understand as good and responsible business management. The Executive Committee is responsible for its implementation. This includes focussing the business on corporate social responsibility.

It is our belief that integrity and responsible behaviour should determine the actions of all employees in the Logwin Group. Acting according to legal requirements is a constant in our business activities and vital for securing company success. Our highest priority is to uphold the trust our shareholders, customers and business partners, as well as the public, have in us to act in this way on a daily basis.

The challenges and risks associated with the above are covered by a compliance management system established by Logwin AG. The compliance management system helps the Administrative Board, the Executive Committee and the Management of Group companies to manage the Group.

Logwin's compliance culture is influenced by the attitudes and actions of the management. It is therefore vital for us to set the "tone from the top", i.e. for the leadership to communicate the mission statement, but above all to practice it. Openness towards customers and compliance to laws and regulations are the basis for the company to develop positively. Logwin's compliance culture is set down in the Code of Conduct. It reflects the basic position of the company and the management on issues of compliance.

The current valid version of the Code of Conduct can be found on the Logwin website. It provides binding rules for employees across the globe ranging from relationships with customers, service providers, business partners, competitors and government agencies, confidentiality of information, and through to the avoidance of nepotism. The Code of Conduct is available in 4 languages.

To enable informed decision-making, Logwin prioritises an organisation that is stable and internationally integrated as well as one that is transparent. This structure allows the constant, global monitoring of data and processes, particularly in the areas of finance and IT.

Quality, security and environmental management are essential elements in the success of our business. To develop these, we have set up the relevant departments and processes. The main goal is to consistently offer our customers the best possible service in terms of reliability and cost-effectiveness thereby building, maintaining and strengthening the trust of our clients. As a basis for this are the responsibilities from corporate social responsibility.

We expect staff to uphold the requirements and legal stipulations for sustainable environmental and climate protection. Logwin uses training courses to develop employees' awareness of their responsibility for quality, safety and the environment. At the same time, Logwin invests continuously in process optimisation.

This is evidenced by the many certifications and licenses held by individual subsidiaries:

- DIN EN ISO 9001 (quality management)
- SQAS (safety standards for the chemical industry)
- VDA 6.2 (standards for the automotive industry)
- DIN EN ISO 14001 (environmental management)
- IFS (standards for the food industry)
- AEO (Authorized Economic Operator)
- TAPA certification (specialist protection of high-value goods)
- OHSAS 18001 / ISO 45001 (certified work safety)
- ISO 28000 (supply chain security)

We are committed to continuous improvement in the areas of quality, safety and the environment – in coordination with our customers and suppliers – and to exploiting the constantly developing technological opportunities. In this regard, staff from quality management, process management and internal auditing continuously monitor, on site, the activities and opportunities of subsidiaries.

This CSR Report was transmitted to the United National Global Compact according to Art 68 to (2), with the addition of relevant information concerning management approaches and service indicators of the Global Reporting Initiative (GRI). In its first publication in 2018, the CSR Report was assembled and validated on the basis of numerous meetings and workshops with internal and external specialists from various disciplines. In the current reporting year of 2019, the insights previously gained from a survey distributed throughout the company have been verified and updated. The CSR Report has been discussed and agreed in detail by the Administrative Board and the Executive Committee with the help of a materiality analysis according to Art. 68 to (2), paragraph 1. The CSR Report will be published on the company website.

Employee Issues/Health

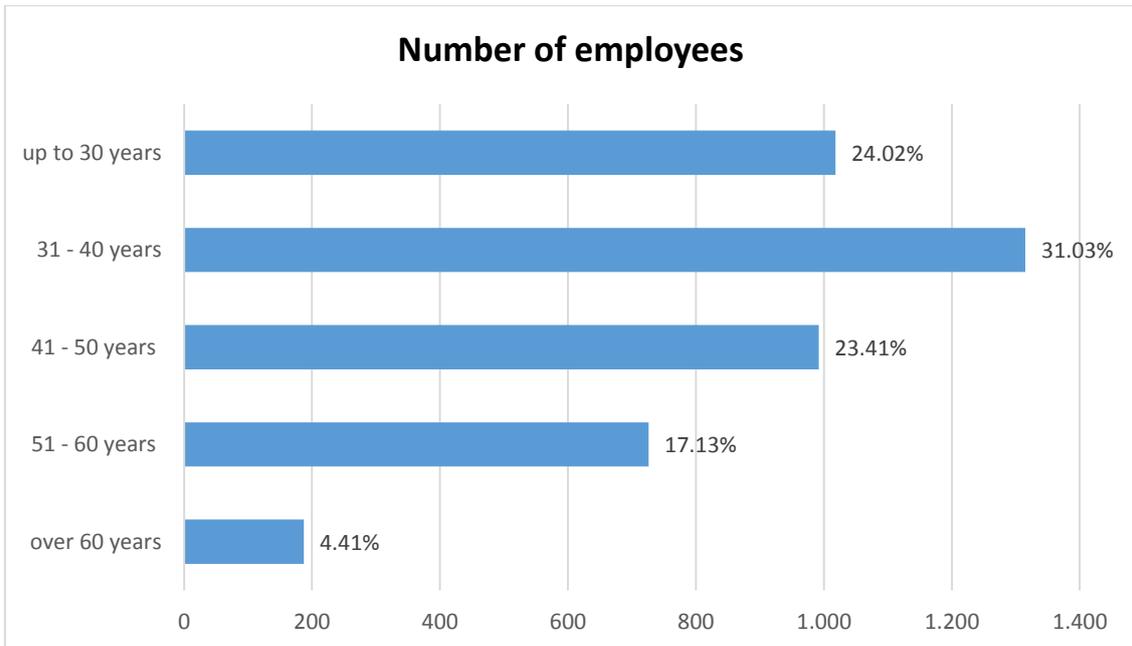
Worldwide at Logwin, we rely on employees who are committed, skilled and who act responsibly. To enable the company to operate sustainably and successfully over the long term, we aim to give our staff a working environment that motivates and is socially appropriate. This requires an open and respectful way of working together. The Logwin Code of Conduct has long existed as a core guiding principle in this respect.

The Code of Conduct is freely available on our website and is also included in the employment contracts of our staff. Information and training events concerning the Code of Conduct take place regularly. A specialised online training course has been developed for managers and sales staff. As of today, more than 700 staff have successfully completed this course. We expect all staff to adhere fully to the rules of the Code of Conduct. Violations of the Code of Conduct will be rigorously sanctioned by the company.

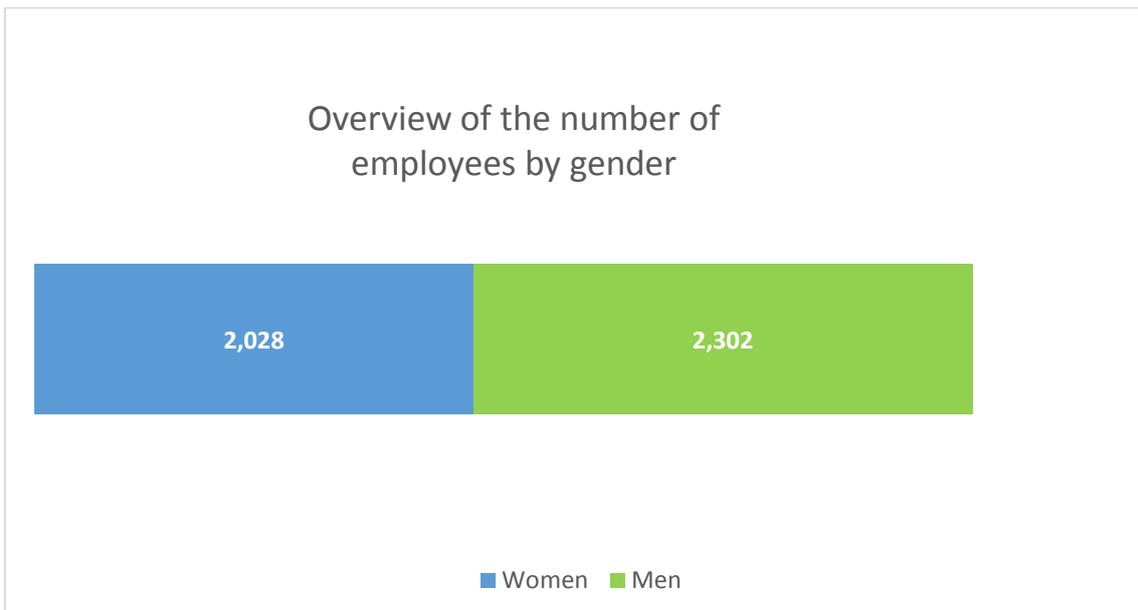
All staff can be confident that national and local laws are complied with upon their employment. Staff always have the right, in the case of inappropriate treatment, to complain to the respective management, the central HR department, or the Chief Compliance Officer.

Our company tolerates no form of discrimination whether based on age, disability, origin, ethnicity, sex, sexual orientation, religion, political views or trade union activity. This is not only embedded in the Logwin Code of Conduct: management and staff are continually trained at Logwin to react appropriately and unambiguously in crisis situations. In the reporting period, the Administrative Board and the Executive Committee were not informed of, and did not become aware of any cases of discrimination.

Our anti-discriminatory principle is also reflected in the composition of our staff regarding sex and age.



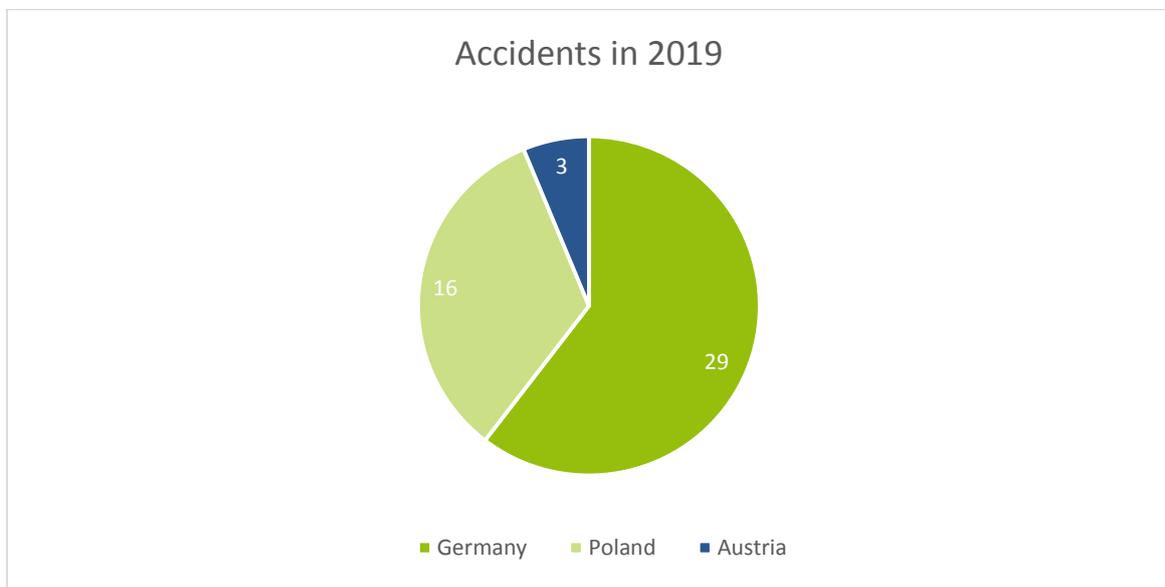
On 31 December 2019, Logwin employed 2,028 female and 2,302 male staff members.



For Logwin, workplace health and safety play a vital role. It includes upholding working time and safety regulations, as well as maintaining and promoting the health of individuals. This

is carried out continually through internal review, the QSE department and internal auditing process management. Results are given to the relevant management and collective measures for further optimisation are set down.

The goal at Logwin is also to prevent accidents, physical and psychological sick leave and workplace illnesses. We guard against incidents by providing staff with instruction, as well as regularly inspecting and maintaining tools and equipment. If necessary, financial means and the associated investments are provided to eliminate possible sources of danger. Concerning workplace accidents, appropriate reporting is carried out and statistics generated. Due to the increased risks at sites with commercial staff, we especially analyse Logwin's logistics branches in Germany, Austria and Poland.



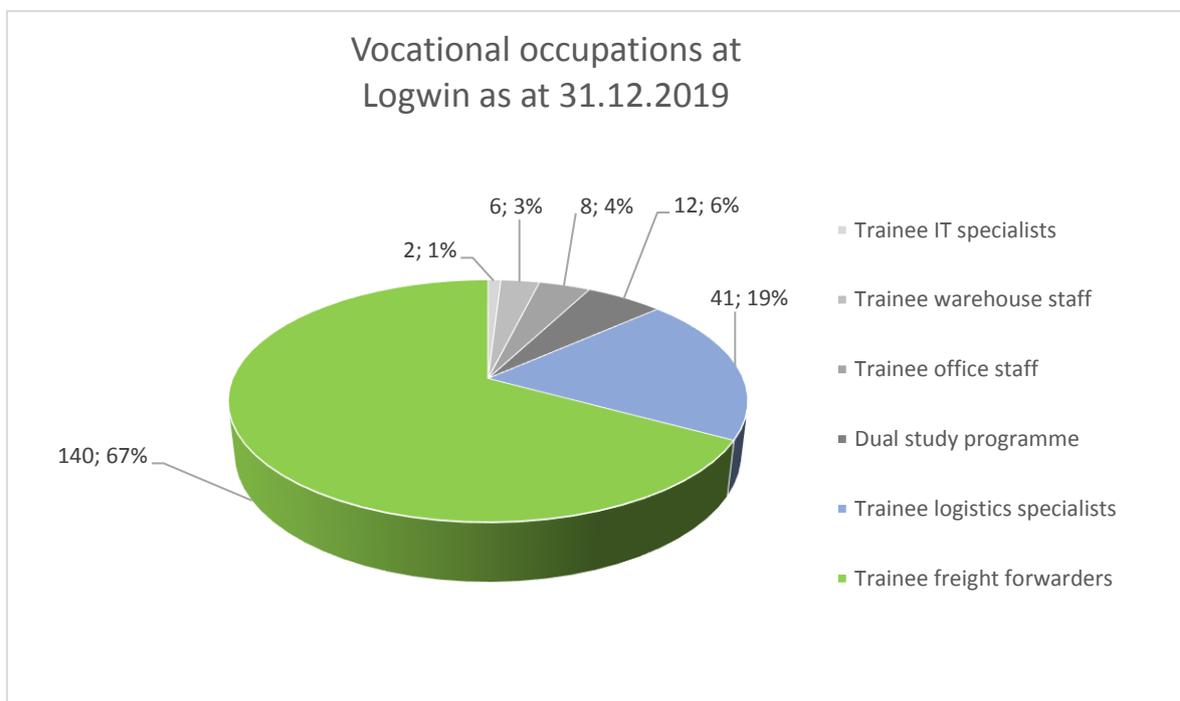
To prevent accidents, we provide training in health and safety management to increase awareness and to support individuals on maintaining health.

Staff can acquire additional qualifications that exceed the above training in health and safety.

Our development programme "Logwin Elements", for both trainees and experienced staff, offers diverse opportunities for further training, from internal courses through to programmes for junior and management staff. We also actively promote global personnel exchange within Logwin. A fundamental tool for developing targeted measures is the annual

staff appraisal in which strengths, weaknesses and development opportunities are systematically discussed and agreed. A further component of the development programme is the long-running International Training Programme, in which each year we train selected young professionals for additional responsibilities. In the financial year 2019, the Logwin Group invested EUR 987k in development opportunities for its staff.

An additional focus is on a dual system of company-based training. In a customer-focused and competitive field, it is essential to train and support young talent within the organisation. We therefore focus on increasing the number of trainees thereby also making a positive contribution to the community.



We regularly review the development of our personnel: alongside training, we ensure that pay throughout the world is in line with the market and is socially adequate. We regularly review salary levels and developments in the different countries in which we are active. This is key if we are to continue to ensure highly motivated staff and employee retention.

An important indicator for us in this regard is the rate of staff turnover. This is especially important given that our customer relationships benefit from, and even depend on, personnel consistency.

Alongside the extensive training and development opportunities mentioned above, Logwin also supports its staff in collective sporting endeavours. We have established many sporting initiatives worldwide that encourage social bonding while also benefiting the health of individuals. As part of the varied offer of sporting activities, staff members at Logwin have this year taken part in the Wings for Life World Run in various locations thereby supporting spinal research.

SOCIAL ISSUES

Social engagement is deeply embedded at Logwin. For many years, we have been supporting campaigns and aid projects around the world. These are part of the goal of being perceived throughout the world as a "good corporate citizen" by our staff, customers, local business partners and the public. We ensure that many Logwin employees take responsibility for this ranging from trainees and employee representatives and through to staff, branch managers and the directors of our companies. We contribute materials and money, and also provide support through our staff at charitable events.

In 2019, we decided to begin a new approach to charities that more strongly involves staff in the choice of activities and organisations to support. Within a newly formulated charity concept, Logwin now provides support via two budgets: first, to support staff members in voluntary activities, and second by helping with international aid projects as before. Logwin had asked its staff around the world to submit suggestions. Keeping in close contact with our employees and valuing their engagement in the community is also of great importance to us.

COMBATING CORRUPTION AND BRIBERY

Compliance management has become an essential part of our daily work to which Logwin is clearly committed with its zero-tolerance policy.

Adhering to legal requirements and internal regulations relating to behaving lawfully and with integrity also serves to reduce risk in:

- The reputation of Logwin and its staff
- The emergence of negative financial consequences for the company, for example, through theft, fraud, embezzlement or breach of trust
- The payment of fines and damages by the Logwin Group, subsidiaries, agents and staff through to their personal liability

To develop a structured compliance programme and in the spirit of prevention, a Compliance Risk Assessment was carried out in the previous year. This represents the foundations of an appropriate and effective compliance programme and thereby enables compliance risks at Logwin AG to be managed. The current reporting year has seen the beginning of the analysis of the Compliance Risk Assessment and implementation of measures that the results indicated were required.

We act decisively against any attempts at corruption or bribery, as well as against violations of competition rules. Such violations could significantly impair the development of the company. For this reason, any indication, e.g. from a Group audit, of violations will be rigorously pursued. Proven violations will be sanctioned in particular through labour laws. We at Logwin consistently reject any customer or business relationships when these fail to adhere to the above principles.

In this regard, we at Logwin have established a prevention-based eLearning programme. The aim of the eLearning programme is to ensure a large proportion of staff and management can take part in the training and internalise the content. Already, more than 700 management personnel and staff members have completed the online training on compliance basics, which includes addressing and preventing compliance problems. The focus is on understanding the Logwin Code of Conduct and its application. Passing this online training course is obligatory for country and branch managers. In 2019, these training activities were supplemented with the introduction of an eLearning training module on combating corruption. It gives explanations on everything that is to be understood as corruption, which legal bases could be relevant, and what the consequences of improper conduct are. Since its introduction, around 100 employees have already completed the module.

Centralising the accounting system and the associated increase in payments transparency is a further measure to counter corruption. In this regard, throughout the previous years Logwin has implemented preventative measures against unauthorised payments, reducing as much as possible the amount of cash business and cash offices and the use and acceptance of cheques – as payment types liable to be fraudulent - and systematically implementing dual control payment processes.

ANTI-TERRORISM AND EMBARGOES

As a logistics company with worldwide operations, we are strictly obliged to follow special regulations and guidelines in foreign trade. This includes above all embargoes and trade sanctions, as well as measures designed to combat the financing of international terrorism. For Logwin, an existential basis for participating in global business is the proper performance of customer contracts while taking into account international sanction regimes and complying with legal requirements.

Guidelines for export controls

Already in 2018, all Logwin companies were forbidden from transports to critical countries and from performing activities related to potentially relevant people and organisations. Within the scope of the existing risk management system, compliance monitoring and checks for customs and sanction laws have been significantly expanded.

On 1 June 2019, a company-wide regulation on export controls came into effect, which obliges all subsidiaries and employees of the Logwin Group to comply with all country-, goods-, and person-related restrictions, as well as financial sanctions. Upholding the regulations, alongside the range of existing internal controls, is ensured by an extensive implementation of IT compliance tools which compare all transactions with business partners to an updated sanctions list.

Embargo

Embargoes are restrictions on foreign trade that are applied for reasons of foreign policy or safety. They limit or forbid business and transactions in foreign trade concerning a particular country, a particular person or group of people. It is imperative that embargoes are upheld.

All employees are obliged in the strictest possible terms to adhere to operational processes. A technical solution has been implemented in the form of an Anti-Terror and Embargo Check, an automatic step in our processes to systematically prevent possible compliance failures.

Checking anti-terror lists

Checking deliveries and services against anti-terror lists is carried out by the system. Logwin branches therefore need to ensure that all relevant deliveries and services are correctly recorded so these checks can be performed automatically.

If the system discovers a match, the branch will be notified immediately. The relevant delivery or service is then no longer possible, the delivery is stopped and the branch needs to follow further instructions from the prescribed decision-making body.

HUMAN RIGHTS

In Logwin's globally applicable Code of Conduct, there are binding statements on all staff needing to respect and uphold human rights at all times. Logwin considers it is making an important contribution to human rights compliance in all countries in which we have branches by creating dignified working environments. According to our understanding, this also means, alongside clean and safe work spaces, the prevention of child labour as well as forced labour. Furthermore, paying employee salaries according to the respective national laws, creating and maintaining working conditions that do not endanger health, and respectfully interacting with each other, free from discrimination, are for us vital components of our company and working culture. We are guided in this regard by the UN Global Compact Initiative.

Moreover, it is important to us that service providers contracted by Logwin comply with the basics and compliance regulations laid down in the Code of Conduct. Our management staff training clearly states that we deplore human rights violations and will not tolerate them in any form.

Based on our company values and working contracts, we want to guarantee a working environment for our employees that is free from discrimination, both at the time of appointment and throughout the duration of the contract.

We place value on staff having the right to freedom of association and to conduct pay negotiations according to the applicable national laws in the respective country. A further essential part of these rights concerns cooperation with the respective employee representatives. We are involved in regular meetings with employee representatives and work together on strategies and agreements for the further development of working conditions at Logwin.

Within our Compliance Organisation, every employee has the opportunity to contact the Chief Compliance Officer confidentially in the event of violations. In the current reporting year, no complaint concerning the violation of a human right was submitted to the Chief Compliance Officer.

ENVIRONMENTAL ISSUES

Alongside responsibilities to staff and customers, preserving the natural environment is also important to us. Adhering to current national laws, authority requirements and specific environmental needs is a basic prerequisite of business.

As a logistics company operating internationally, we act differently according to the ways in which we can influence the markets in which we are active. In the segment Air + Ocean, we have only very minimal influence on the environmental behaviour of the suppliers we engage. Here we follow the efforts of service providers concerning the use of modes of transport and transportation routes that save resources, since this is increasingly also valued by our customers.

In the segment Solutions, however, we have significant opportunities to exert influence, in particular in the warehousing locations run by us, and we take advantage of such opportunities accordingly. This concerns primarily the equipment and materials used to deliver our

services. At sites where, for instance, we handle or store dangerous goods for our customers, there are, in addition to the applicable laws, obligations from government agencies that we see as the minimal fulfilment of our commitment.

In 2019, we caused no environmental incident, and expect not to cause any in the future either.

Continual monitoring and systematic testing through monitoring bodies and, in particular, quality management personnel from the Logwin Group promptly detect and eliminate potential environmental hazards. Regular training of staff members on the issue of handling dangerous goods is a permanent fixture in the annual plans of the respective sites. We are certified in the areas and sites affected, and the validity of the certification is regularly checked, also as part of the internal auditing process.

In Germany, Logwin uses an integrated legal and workplace safety management system for tracking currently valid legal requirements. Numerous legal obligations are recorded within this system. This also includes relevant environmental regulations. Legal requirements are converted into specific tasks and then assigned.

Site-specific assessments are random sample tests as internal audits, as stipulated by ISO standards. The assessments are conducted once a year at a minimum, but they can also take place without prior notice.

Inconsistencies discovered during the various audits, as well as improvement measures, are recorded, processed and tracked as part of a continual improvement process in the legal and workplace safety management system. The assessment is conducted using annually updated, standardised checklists, which are regularly modified to take into account changing conditions, legal requirements and regulations.

In addition to measuring resource usage, we also define energy saving measures for many locations, whether for the construction of new logistics centres or for the lighting design in office and sales spaces. For example, in 2019 we continued the systematic changeover, begun in 2018, to switch to energy-efficient LED lighting for sites in the Solutions segment.

As a company with many engaged and environmentally conscious staff members, we focus on the opportunities presented in the course of our daily decision-making. We track developments in effective low-emissions engine technologies, primarily in the domain of goods vehicles.

Since 2019, Logwin Austria has been an innovation partner with a commercial vehicles supplier testing transporters re-fitted with electric power for Wiener City Logistik. The expansion of electric charging points at Logwin sites is being consistently driven forward and, through the connection of Logwin's own photovoltaic cells, is being broadened to become an ecological fleet management concept. In addition, we have long been procuring gas and electric-powered vehicles and have largely avoided diesel vehicles.

In Germany and Austria, our commitment has already been recognised with DIN EN ISO 14001 certification. We are also certified in several other countries (such as Australia, Korea and Vietnam). For us, this is acknowledgement of our efforts and clearly shows that we are aware of our responsibility. We will also be making efforts in future to retain this seal of quality.

At ISO certified sites, we monitor the efficacy of our environmental programmes based on mandatory environmental records. These give us an overview based on the use of resources per site. For the Logwin Group as a whole, this data is currently not yet available.

RISK MANAGEMENT

Our activities are not free of risk for people, the environment or property. Providing logistics services in transport, handling and storage has many risks. In our risk management system, these risks are promptly identified and assessed and a report is created so that appropriate measures for the reduction or elimination of risk can be instantly decided.

The company-wide risk management system established by the Logwin Group forms an important part of the planning and internal monitoring system and is therefore a vital element in company management. Risk management is assured through rules and regulations that are valid company-wide and are summarised in risk management guidelines. So-called "risk owners" in the subsidiaries identify and evaluate the risks that emerge in their areas. These

are systematically summarised and then – depending on predefined reporting thresholds – communicated to the respective management level of the market segment, the Executive Committee and the Board of Directors of Logwin AG. In addition to business finance risks, the risk management system also records so-called qualitative risks such as risks to reputation.

In the reporting year 2019, no risks were reported to the Executive Committee and the Board of Directors in the main areas of corporate social responsibility.

A full description of the risks facing the Logwin Group can be found in the 2019 annual financial report available on the company website.