

Corporate social responsibility report 2019

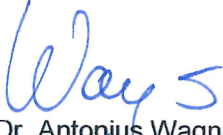

Grevenmacher, 5 March 2019

Foreword by the Board of Directors and Executive Committee

Customer and employee satisfaction is what defines and determines the quality of our services and thus Logwin's long-term success. It is this understanding that has prompted us to pay particular importance to the subject of corporate social responsibility.

In presenting our corporate social responsibility activities, it is clear that it mainly involves what we ourselves do and the commitment from management and all employees. But achieving our corporate social responsibility goals also depends in many cases on our suppliers and customer cooperation. For example, the reduction of emissions in the area of transport depends to a large extent on the vehicles used by our suppliers as well as the plans and specifications of customer logistics processes. Sustainable change will therefore only be possible if we work together to achieve this goal.

Board of Directors and Executive Committee

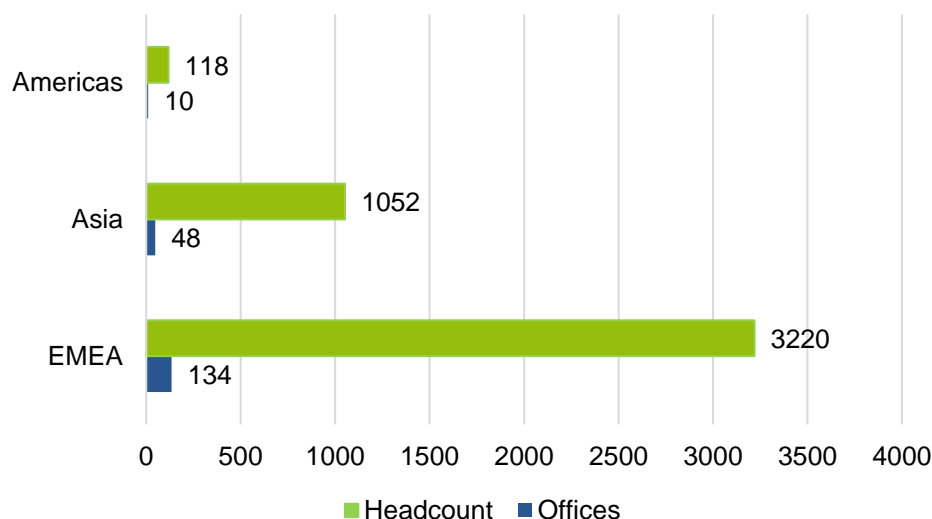

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About us

Logwin AG, headquartered in Grevenmacher (Luxembourg), is a global logistics service provider with 4,400 employees at around 190 locations in 36 countries. Logwin AG is listed in the Frankfurt Stock Exchange's Prime Standard and focuses the group's logistics services in the business segments Solutions and Air + Ocean.

Solutions provides customers primarily with individualized contract logistics solutions. The business segment delivers industry-specific transport and logistics services, particularly for companies in the areas of plant construction and mechanical engineering, automotive, chemical, electronics and high-tech as well as retail and fashion.

Air + Ocean provides international transport by air and sea freight as well as related individualized logistics services. It is based on a strong global network of its subsidiaries, and cooperates closely with partner companies using a standardized, high-performance global IT system.



The Logwin Group combines logistics services in the business segments Air + Ocean and Solutions on an individual customer basis and manages logistics chains between suppliers and customers as required, either as partial or complete solutions. The Group provides its customers with supply chain management, warehousing, value-added services and freight forwarding by road, rail, air or sea. A standardized global IT infrastructure provides uniform,

worldwide processes, easy customer connectivity and ensures that the continuously increasing requirements for quality, security and compliance are being met.

Acting responsibly as a fundamental management approach

We as the Board of Directors and Executive Committee are committed to setting high quality standards and implementing consistently safe logistics processes and transport chains. Sustainability is an essential element for long-term business success. To achieve this, we associate economic value creation with ecological and social responsibility. If we as an organization succeed in successfully harnessing these three areas of interest, we will fulfil our aspiration to act and be perceived worldwide as a "good corporate citizen".

Our Corporate Governance Charter sets out our commitment to good and responsible management of the company. The Executive Committee is thereby responsible for operational implementation. This includes directing our actions towards corporate social responsibility.

We are convinced that integrity and responsible conduct should determine the actions of all employees in the Logwin Group. Lawful conduct is an integral part of our business activities and an important prerequisite for securing corporate success. Our primary objective in this respect is to reaffirm the confidence that shareholders, customers, business partners, and the public have in our day-to-day actions.

To adequately meet the tasks and potential risks arising from this, Logwin AG has established a compliance management system. The compliance management system supports the Board of Directors, the Executive Committee and the management of the Group companies in running the company.

A culture of compliance at Logwin is influenced by the basic attitudes and actions of management. Especially important here is the "tone from the top", i.e. the general principle communicated by company management, but above all also put into practice. Sincerity to customers and compliance to laws and regulations are the basis for the company developing positively. Logwin's Code of Conduct represents in writing the culture of compliance at the company. It reflects the Group's basic principles and how it manages compliance.

The latest version of the Code of Conduct is published on Logwin's homepage. It sets down, for all employees worldwide, the requirements on dealing with customers, suppliers, business partners, competitors and authorities – ranging from the correct way to handle gifts and donations and confidentiality of information through to avoiding the appearance of favoritism. The Code of Conduct is available in four languages.

To enable sound decision making, Logwin attaches great importance to an organization that is stable, globally consistent and transparent. Such structuring, particularly in the areas of finance and IT, enables ongoing, global control of data and processes.

Quality, safety and environmental management are essential elements in achieving business success. To enable the management and development of these, we have therefore established the relevant departments and processes. Our primary goal is to always provide our customers with the best possible service in terms of reliability and value for money, thus establishing and maintaining customer trust. Accountability arising from corporate social responsibility is a basis to achieve this.

We expect all our employees to comply with the requirements and legal regulations for sustainable environmental and climate protection. Through targeted training courses, Logwin promotes employee awareness of their responsibility for quality, safety and the environment. At the same time, Logwin continuously invests in optimizing its processes.

This is evidenced by numerous certifications and licenses held by the individual companies:

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

In close cooperation with our customers and suppliers, we strive to constantly improve our quality, safety and environmental performance and to apply the latest technological developments. To this end, personnel from the quality management, process management and internal audit departments continuously carry out on-site reviews of the activities and potentials of the companies.

In accordance with Art. 68bis (2), we have aligned this CSR report with the United Nations Global Compact supplemented by relevant information relating to management concepts and performance indicators from the Global Reporting Initiative (GRI). The CSR report was first issued in 2018 and was prepared and checked on the basis of several meetings and workshops with internal and external specialists from various disciplines. In the current reporting year 2018, insights gained at that time have been verified and updated on the basis of a questionnaire sent out throughout the Group. The CSR report was discussed and approved in detail by the Board of Directors and the Executive Committee, including a materiality analysis in accordance with Art. 68bis (2), sentence 1. The CSR report is published on the Group's website.

EMPLOYEE ISSUES / HEALTH

At Logwin, we rely on committed and competent employees worldwide. To be able to operate sustainably and successfully as a company over the long term, we want to offer our employees motivating and socially appropriate work environment. The basis of cooperation is sincere and respectful cooperation. For this purpose, the Logwin Code of Conduct has long been a central guide.

The Code of Conduct is publicly available on our website and is also anchored in the employment contracts of our employees. Information and training events on the Code of Conduct are held regularly. A special online training course has been designed for managers and sales staff. To date, approximately 700 employees have successfully completed this training course. We expect all employees to comply fully with the rules of the Code of Conduct. Violations of the Code of Conduct are rigorously sanctioned by the company.

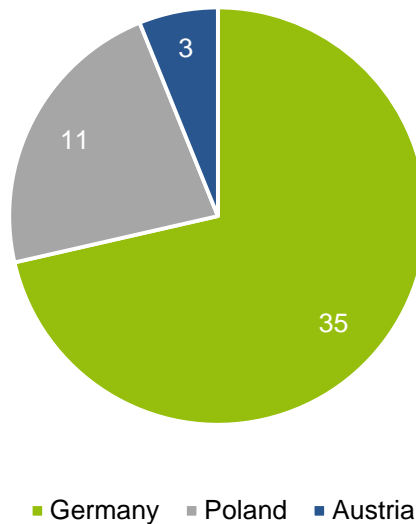
When being employed, every employee can be sure that national and local laws are applied. In the event of inappropriate treatment, employees always have the right to complain to the respective management, the central HR department or the Chief Compliance Officer.

Our company does not tolerate any form of discrimination based on age, disability, origin, ethnic origin, gender, sexual orientation, religion, political opinion or trade union activity. This principle is not only anchored in the Logwin Code of Conduct. Managers and employees receive training at Logwin on how to respond appropriately and unambiguously in critical situations. The Board of Directors and the Executive Committee were not informed and are unaware of any discriminatory practices during the reporting period.

Health and safety at the workplace are very important to Logwin. This includes, among other things, compliance to working time and occupational safety regulations as well as the maintenance and promotion of the health of the individual. For this purpose, internal audits are continuously carried out by the QSE, process management and internal audit departments. The results are made available to the respective managers and joint measures are set down for further optimization.

Logwin also aims to prevent accidents, stress of both physical and psychological natures, and work-related illnesses. We prevent unwanted developments by providing our employees with training as well as regular maintenance and testing of work equipment and resources. When necessary, financial resources and appropriate investments are made available to eliminate potential hazards. Records and statistics are kept on accidents at the workplace. Due to the increased risk at locations with industrial personnel, we give special attention to analyzing Logwin logistics locations in Germany, Austria and Poland.

Accidents at work 2018

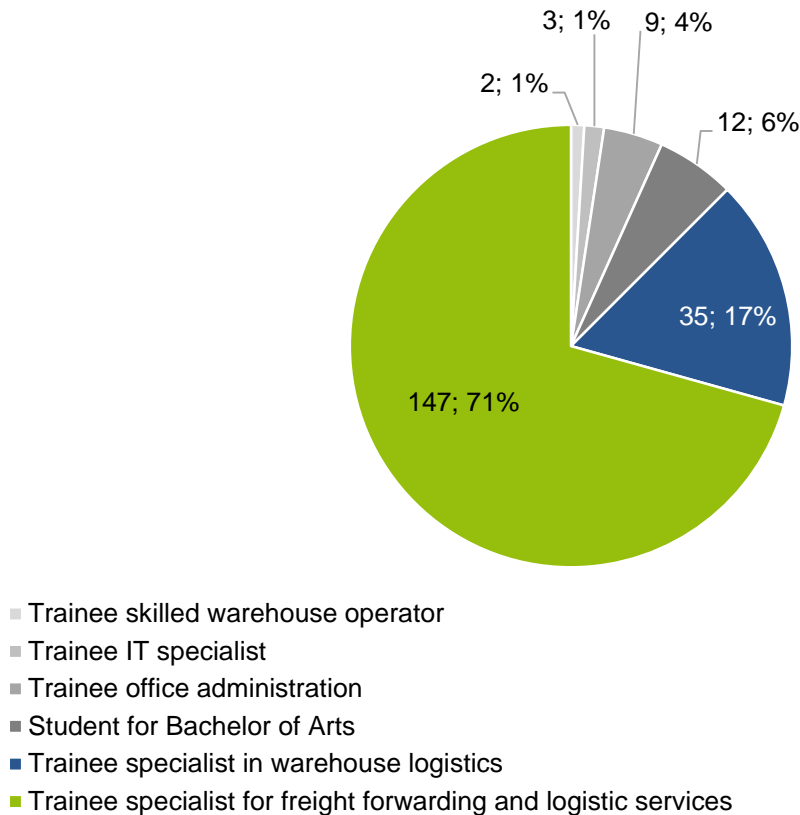


To prevent accidents, we hold health and safety management courses to raise and deepen individual awareness on how to stay healthy.

The further training our employees receive goes far beyond training in health and safety.

For apprentices as well as experienced personnel, our "Logwin Elements" development program offers a diversity of training options ranging from internal seminars to junior and managerial staff courses. We also actively support worldwide personnel exchanges within Logwin. A basic instrument used for specific action is the annual appraisal interview in which strengths and weaknesses as well as measures for further development are systematically discussed and recorded. A further component of the development program is an international training program. It has now been running for several years and is used to train annually selected young professionals for additional tasks. On the job, dual vocational/university training is also a priority. In a customer-based, highly competitive environment, it is essential to train and support young talented personnel within the company. We therefore focus on increasing the number of trainees thereby contributing positively at a local, municipal level.

Vocational training at Logwin As at 31 Dec. 2018



We regularly review the development of our personnel and, in addition to training, we ensure that the payment of salaries worldwide are in line with market conditions and are socially appropriate. We regularly review salary levels and developments in the various countries in which we are represented. A main reason for doing this is to ensure highly motivated personnel and employee retention.

An important indicator in this respect concerns the rate of employee turnover. This is particularly important in view of the fact that our customer relationships benefit from and depend on having constancy in personnel matters.

In addition to the extensive training and development opportunities mentioned above, we at Logwin also help our employees to participate together in sporting activities. Accordingly, many sports initiatives have been formed worldwide that promote social interaction and individual health.

SOCIAL ISSUES

Social engagement is firmly anchored at Logwin. For many years, we have been supporting campaigns and aid projects worldwide. We combine this with the goal of being perceived worldwide as a "good corporate citizen" by our employees, customers, local business partners and the general public. In doing so, we ensure that responsibility is taken by Logwin staff, ranging from trainees and employee representatives through to individual employees, branch managers and the managing directors of our companies. We support this through financial and other donations and through personal support by employees at charity events.

Following the first "Logwin Family Day" events in 2017, these activities continued worldwide in 2018. They were partnered again by the child protection organisation Save the Children. The aim of the family days is to give families the opportunity to celebrate together and have fun. Logwin also continued its cooperation with Save the Children in 2018 with the participation of customers, partners and employees in the cycling classic "Eschborn-Frankfurt", and donated a sum of money to the organisation for each kilometre ridden.

In 2018, more than 140 employees at the Großostheim site were tested for being donors as part of a typing campaign by the charity DKMS. The costs were covered by Logwin.

Logwin employees in Singapore organised a joint charitable event with an old people's nursing home instead of celebrating their annual internal company event.

COMBATING CORRUPTION AND BRIBERY

Compliance management has become an essential part of our daily work. Logwin has made a clear commitment to the topic of compliance as a part of a so-called "zero-tolerance policy".

Adherence to legal requirements and internal guidelines in accordance with integrity and lawful conduct also serves to reduce risks with regard to:

- The reputation of the Logwin Group and its employees.
- The emergence of financial disadvantages for the company e.g. due to theft, fraud, embezzlement and breach of trust.

- The payment of fines and penalties for the Logwin Group, its subsidiaries, board members and employees up to and including their personal liability.

To set down a structured compliance program as well as for preventative purposes, a Compliance Risk Assessment was carried out last year which formed the basis for an appropriate and effective compliance program enabling risk compliance at Logwin AG to be managed. The year under review began with an evaluation of the Compliance Risk Assessment and implementation of the specific measures emerging from it.

We resolutely oppose any attempted corruption or bribery as well as infringements of competition laws. Such violations can significantly hinder the Group's development. For this reason, evidence of violations are systematically investigated, e.g. by the corporate audit department. Any violations found are sanctioned, in particular according to labor laws. Logwin fully refrains from establishing any customer or business relationships when these are not in accordance with the above principles.

For preventative reasons, we have established an e-learning program at Logwin. The e-learning program intends to ensure that a large number of managers and employees participate in the training courses and internalize their contents. More than 700 managers and employees have already completed our online training course on the subject of compliance basics dealing with compliance topics and how to avoid compliance problems. The focus is on explaining the Logwin Code of Conduct and its application. Completion of the online training course is mandatory for national and branch managers. In 2019, it is planned to further expand these training courses and to supplement them with a further e-learning training module on the topic of combating corruption. More details will be provided on what is understood as corruption, which legal bases might be relevant and the consequences any misconduct entails.

We see the centralization of accounting systems and the associated increased transparency of payment transactions as a further means of preventing corruption. In this connection and as preventive measures against unauthorised payments, Logwin has over recent years as far as possible reduced the number of cash transactions and cash desks, as well as the use and acceptance of cheques as a means of payment vulnerable to fraud, and systematically implemented the dual control principle for payment transactions.

ANTI-TERRORISM AND EMBARGOES

As a globally active logistics company, we are strictly obliged to observe special regulations and directives on foreign trade. These include in particular embargoes regarding specific economic sanctions as well as measures to combat the financing of international terrorism. For Logwin, properly conducting business in these areas is fundamental for participating in global business.

Checking against anti-terror lists

The system checks the provision of its deliveries and services against anti-terrorist lists. Logwin's branches must ensure that all relevant deliveries and services are properly recorded in order to be able to automatically carry out these checks.

If the system finds a match, the branch office is informed immediately. The affected delivery or service must then not be performed. The shipment is stopped and the branch office must follow the instructions of the compliance officer or management.

Embargoes

Embargoes are restrictions on foreign trade imposed for foreign or security policies. They restrict or prohibit actions and legal transactions in foreign trade vis-à-vis specific countries or certain persons or groups of persons. Embargoes must be observed.

The German Federal Office of Economic Affairs and Export Control (BAFA) defines the following types of embargoes:

- Embargoed countries
- Goods-related embargoes
- Embargoes on persons and organizations

All employees are required to strictly adhere to operative procedures. Technology in our processes enable a so-called automatic anti-terrorism or embargo check to systematically prevent potential compliance violations.

In 2018, all Logwin companies were fully prohibited from transporting goods to critical countries and from activities involving persons or organisations possibly also relevant. Furthermore, there have again been significant extensions to the monitoring and checking of compliance. This follows from the increasing requirements on the established risk management system for customs and sanction regulations.

HUMAN RIGHTS

The Logwin Code of Conduct, which applies worldwide, makes it binding on all employees to respect and comply with human rights in every aspect. In particular, we at Logwin regard the creation of jobs that respect human rights as an important contribution to the observance of human rights in all countries in which we have offices. In our view, this includes not only the cleanliness and safety of the workplace, but also the prevention of child and forced labor. Furthermore, we believe that fairly remunerating our employees based on national laws, the creation and safeguarding of non-hazardous working conditions, and the general respectful, non-discriminatory treatment of each other are essential parts of our corporate and working culture. Our standpoint here is based on the UN Global Compact Initiative.

Furthermore, it is important to us that service providers engaged by Logwin also observe the principles and compliance regulations laid down in the Code of Conduct. Through management training, we make it clear that we disapprove of human rights violations and have zero tolerance for such violations.

On the basis of our corporate values and concluded contracts of employment, we aim to guarantee our employees a working environment that is free of discrimination both during the hiring process and in ongoing employment.

It is important to us that employees enjoy freedom of association and the right to bargain collectively in accordance with applicable national laws. A further essential component of these rights is a cooperative approach to working with employee representatives. In regular meetings with German working councils, we exchange views on these topics and determine measures and joint agreements on the further development of working conditions at Logwin.

Our compliance organization gives every employee the opportunity to confidentially contact the chief compliance officer in the event of non-compliance. In the year under review, the chief compliance officer received no complaints concerning any violation of human rights.

ENVIRONMENTAL ISSUES

In addition to taking responsibility for our employees and customers, nature conservation is also important to us. Compliance with applicable national laws, official regulations and specific environmental requirements is a basic prerequisite in our business activities.

As an internationally operating logistics company, we determine our actions according to the different opportunities for making an impact in the respective markets in which we are active. In the Air + Ocean segment, we are very limited on how we can influence our suppliers' environmental performance. We monitor the efforts by service providers with regard to the use of resource-saving means of transport and routes, especially because our customers are also attaching increasing importance to this.

On the other hand, the Solutions segment provides us greater scope for making an impact, especially at the warehousing locations we operate ourselves. This applies above all to the resources and materials we use for the provision of services. For example, at locations where we handle or store dangerous goods for our customers, relevant laws exist as well as official requirements whose fulfilment we consider to be our minimum obligation.

In 2018, we were responsible for having no environmental accidents, something we continue to aspire to in the future.

Ongoing monitoring and systematic checks by the monitoring bodies and in particular by the Logwin Group's quality management officers, ensure that potential environmental risks are identified at an early stage and, in ideal circumstances, eliminated. Regular training courses for employees on handling hazardous materials are firmly anchored in the respective annual plans for each specific location. We are certified in the relevant areas and/or locations. The validity of certifications is checked regularly, including as part of the audits by the internal audit department.

In Germany, Logwin applies an integrated system for legal and occupational health and safety management to monitor currently valid legal requirements. This includes any legal duties. It also includes the relevant environmental regulations. Legal duties are assigned as specific tasks.

Site-based assessments serve as spot checks as part of internal audits in accordance with ISO standards. Assessments are carried out at least once a year and can also be carried out unannounced.

Irregularities and action for improvement identified during the various types of audits are recorded, processed and monitored as a continuous improvement process in the system for legal and occupational health and safety management. Evaluation is carried out by means of annually updated, standardized checklists which are regularly adapted to changing conditions, legal requirements and guidelines.

In Germany and Austria, our commitment has already been rewarded by DIN EN ISO 14001 certification. The A+O locations in Germany and Austria are currently certified accordingly; in several other countries, individual locations are also certified (e.g. Australia and Vietnam). At Solutions, we received DIN ISO 14001 certification for almost all locations in the year under review. We see such certification as confirming our work and is clear evidence that we are aware of our responsibilities. In future, we will also continue to strive to gain this seal of approval.

In addition to monitoring resource consumption, we have set down energy-saving measures for many locations. This includes the construction of new logistics centers and lighting concepts for office and commercial areas. For example, in the year under review we began converting locations in the Solutions division to energy-efficient LED lighting.

We follow developments in achieving power systems with greater efficiency and low-emission, especially for land-going vehicles. As a company with a multitude of committed and environmentally conscious employees, we focus on the opportunities presented to us daily. For example, in the procurement of industrial trucks we have long been relying on gas or electric powered vehicles and have largely dispensed with diesel-powered vehicles.

At our ISO-certified locations, we check the effectiveness of our environmental measures on the basis of the obligatory environmental performance. This gives us an overview of the

relevant resource consumption per location. Such data is currently unavailable for the Logwin Group as a whole.

RISK MANAGEMENT

Our activities are not risk-free for people, the environment and property. A wide range of risks are associated with logistics services regarding transport, transshipment and storage. We manage risk by recognizing, evaluating and reporting risk as quickly and early as possible so that appropriate measures can be taken immediately to reduce or prevent risk.

A company-wide risk management system established by the Logwin Group is an important element in planning internal control and is therefore key to corporate management and control. Risk management is ensured by Group-wide guidelines and regulations summarized in a risk management guideline. So-called “risk owners” within the companies identify and evaluate the risks in their areas of activity. These are systematically summarized and then communicated – depending on predefined reporting thresholds – to the respective management levels of the Logwin AG business segments, the Executive Committee and the Board of Directors. In addition to financial risks, the system of risk management also records qualitative risks such as reputational risks.

In the reporting year 2018, no risks in the key areas of corporate social responsibility were reported to the Executive Committee and the Board of Directors of Logwin AG.