

# **Corporate Social Responsibility Report 2022**

**Grevenmacher, 03 March 2022**

## Foreword by the Executive Committee

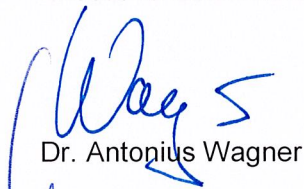
Combining economic value creation with social and environmental responsibility are the principles that guide our business activities. Staying the course, even in difficult situations, is a challenge that we rise to 2021 has demanded a lot from us.

Not only the pandemic, but also the resulting impact on transport routes, including capacity shortages, were and remain issues that challenge us. We have been able to meet these challenges on a daily basis because of the huge commitment shown by our staff worldwide.

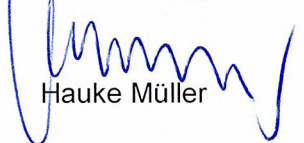
In a difficult year and situation, we are not only proud of what we have achieved economically, but also of the multitude of social and environmental activities we have undertaken.

The following presents our wide-ranging activities in corporate social responsibility and again makes clear that it essentially comes down to the actions of each and everyone of us. We count on the cooperation and commitment 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.

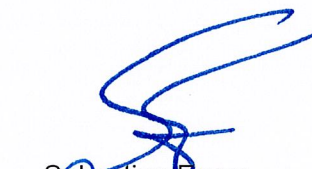
Executive Committee



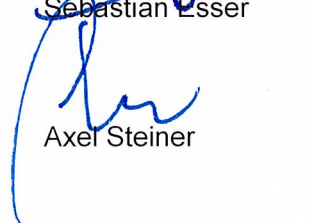
Dr. Antonius Wagner



Hauke Müller



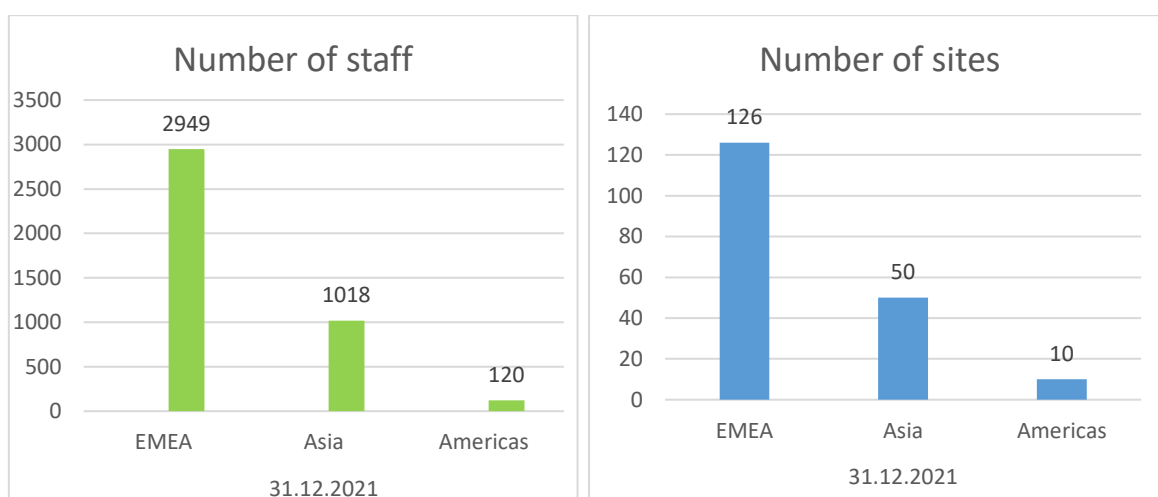
Sebastian Esser



Axel Steiner

## About us

Logwin AG, with headquarters in Grevenmacher (Luxembourg), is a logistics provider operating worldwide and employing almost 4,100 staff in around 190 locations in 36 countries. Logwin AG is listed on the Prime Standard Frankfurt Stock Exchange and pools logistics services in the two market segments Solutions and Air + Ocean.



On 31 December 2021, the number of employees had reduced by 73 compared to the end of 2020. The reduction is primarily due to office closures and personnel measures at operational units and locations in the Solutions business segments, and opposing adjustments to the number of staff in the Air + Ocean business segment due to changes in volumes.

<i>in million EUR</i>	2021	2020	Overall change
Logwin Group	4,087	4,160	-73
<i>of which Air + Ocean</i>	2,784	2,754	30
<i>of which Solutions</i>	1,076	1,177	-101

**Solutions** provides customers mainly with individually tailored transportation and 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, and use a powerful, globally standardised IT system.

The Logwin Group meets customer-specific needs by combining logistics services in the business 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 the 2021 financial year, the Logwin Group continued to be affected by the Covid 19 pandemic in a number of ways. In the Solutions business segment, activities in the national transport network continued to decline, attributable as before to measures taken to combat the Covid 19 pandemic, particularly those measures in the stationary retail sector. In the Air + Ocean business segment, the air freight market was characterised by a pandemic-related shortage of capacity in passenger aircraft and high freight rates. Regarding sea freight, amongst others China's strict zero-covid strategy also led to disruptions in handling at important transshipment hubs, which had a corresponding impact on supply chains and transport capacities. However, the Air + Ocean business segment benefited significantly from the historically exceptionally high freight rates in both air and sea freight.

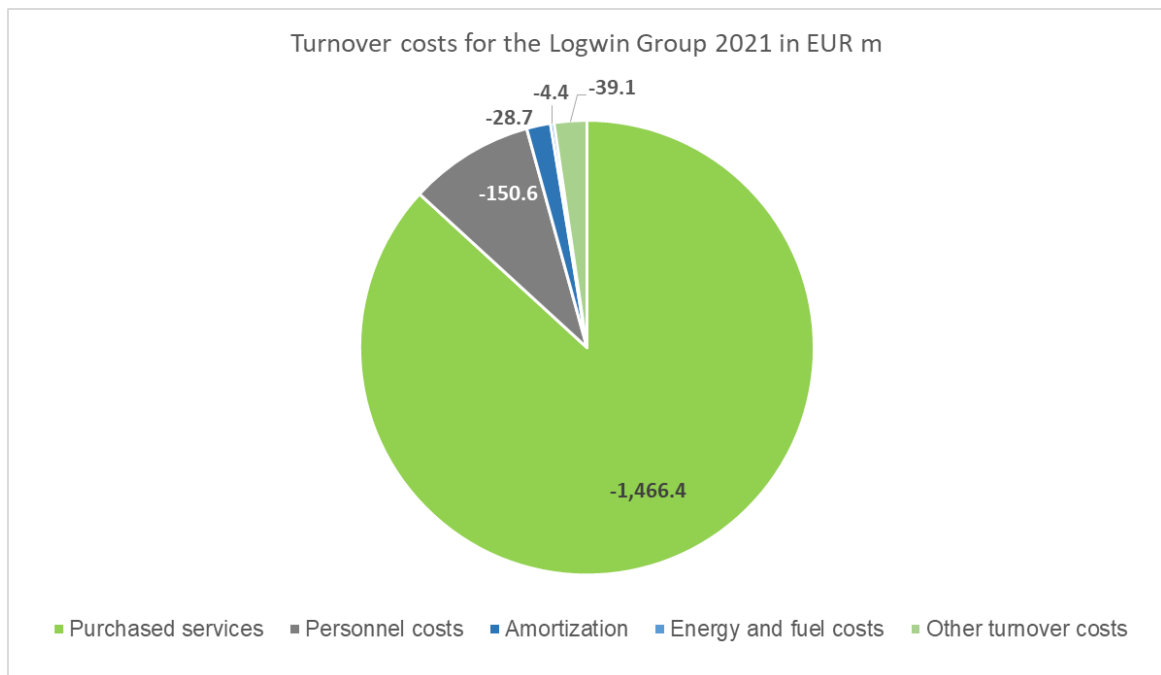
For the 2022 financial year, we expect the impact of the Covid 19 pandemic to decrease for our international transport activities in the Air + Ocean business segment. Although the pandemic and difficulties in supply chains will continue to dampen economic growth, economic forecasts indicate that their influence will diminish. Nevertheless, we expect a significant decline in overall turnover in the Air + Ocean business segment due to the normalisation of the markets and the associated decline in freight rates. We expect a significant increase in turnover for the business segment Solutions as a whole due to the positive development in the international transport business. However, this will slow due to an only moderate recovery in the consumer-related business areas affected by the Covid 19 pandemic. In this regard, we expect only a partial recovery of volumes in the Solutions business segment's national transport network.

After ending of the Covid 19 pandemic measures, the Logwin Group expects that there will be a continuing impact on the national transport network due to market changes caused by the pandemic.

The Logwin Group's turnover of EUR 1,851.8 million in 2021 is a significant increase on the previous year. In the Air + Ocean business segment, turnover increased significantly due to considerably higher freight rates and moderately rising volumes. In the Solutions business segment, turnover increased slightly due to significant increases in rates and volumes in international transport business. Turnover in the national transport network declined, mainly due to the impact of the Covid 19 pandemic measures on stationary retail, and in contract logistics due to planned site closures and divestments in the previous year.

<i>in million EUR</i>	<b>2021</b>	<b>2020</b>	<i>Overall change</i>
Logwin Group	1,851.8	1,123.3	728.5
<i>of which Air + Ocean</i>	1,517.0	789.7	727.3
<i>of which Solutions</i>	337.0	333.9	3.1

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 environmental responsibility and social responsibility. If we as an organisation are successful in addressing these three areas, we will achieve our own goals 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 accordingly every day.

Consequently, 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 its 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 the prevention of nepotism. The Code of Conduct is available in 5 languages.

To enable informed decision-making, Logwin prioritises having an organisation that is transparent, stable and internationally integrated. 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 primary goal is to always give our customers the best possible service in terms of reliability and trustworthiness, and thus to build, maintain and strengthen customer confidence. The basis for this are upholding the responsibilities arising from corporate social responsibilities.

Climate change and the public discourse taking place in the countries in which Logwin operates are being closely followed. Direct impacts on the Logwin Group's business model are currently not apparent. As a voluntary contribution to combating climate change, we are planning a concept for recording carbon emissions within the entire transport chain in international air and sea freight. This will enable us to offer customers the option of compensate these emissions using a soon to be selected compensation provider.

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 options of subsidiaries.

This CSR Report is based on the United National Global Compact according to Art 68bis (2), complemented by relevant information from the Global Reporting Initiative (GRI) on management approaches and performance indicators. 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 2021, the findings obtained then and in the previous year were again verified and updated using a questionnaire sent throughout the Group. EU taxonomy requirements had to be met for the first time in the reporting year so workshops were again held with internal and external specialists on the effects of the EU taxonomy on the CSR report as well as on the key indicators to be reported. In this context, close attention was given to criteria regarding relevance and materiality. 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. 68bis(2), paragraph 1. The CSR Report will be published on the company website.

## **EMPLOYEE ISSUES/HEALTH**

At Logwin, we rely on employees around the world 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.

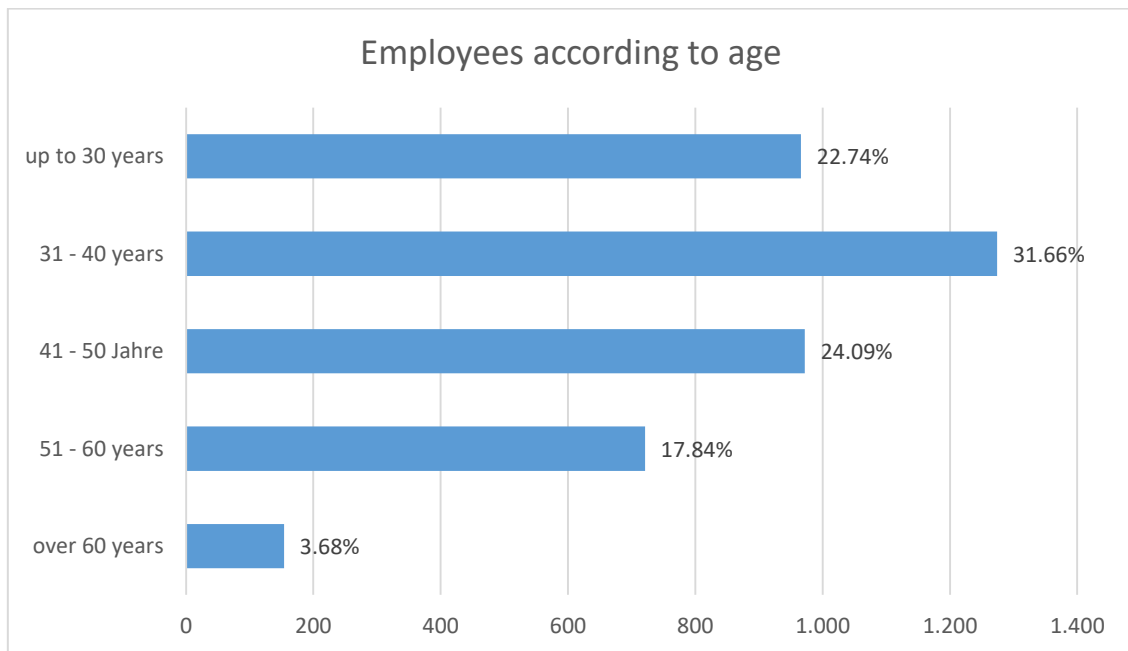
The Code of Conduct is freely available on our website and is also included in the employment contracts of our staff. Information and training events concerning the Code of Conduct take place regularly. A specialised online training course has been developed for managers and sales staff. We expect all 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.

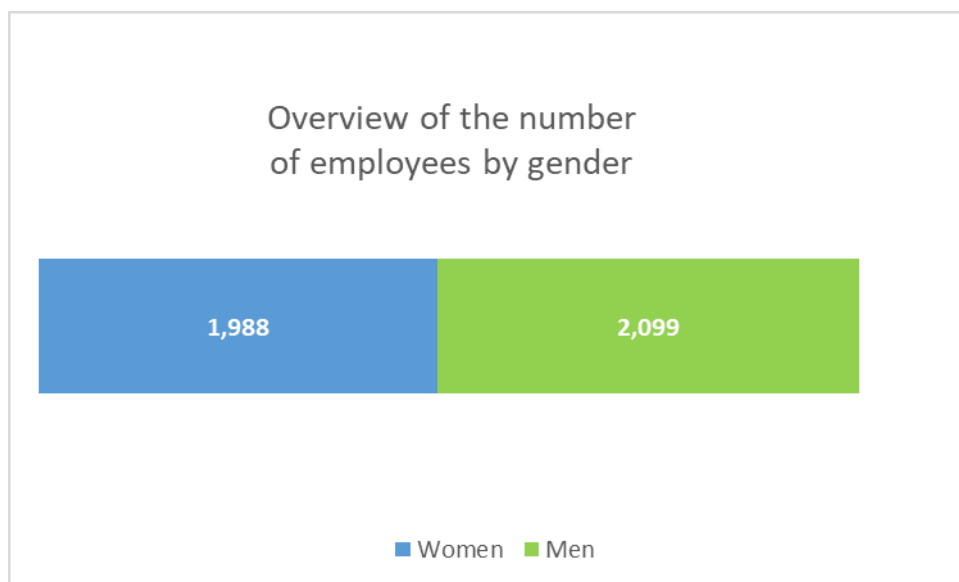
Our company tolerates no form of discrimination whether based on age, disability, origin, ethnicity, sex, sexual orientation, religion, political views or trade union activity. This is not only embedded in the Logwin Code of Conduct: management and staff also undergo continuous training at Logwin to 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 2021, Logwin employed 1,988 female and 2,099 male staff members.



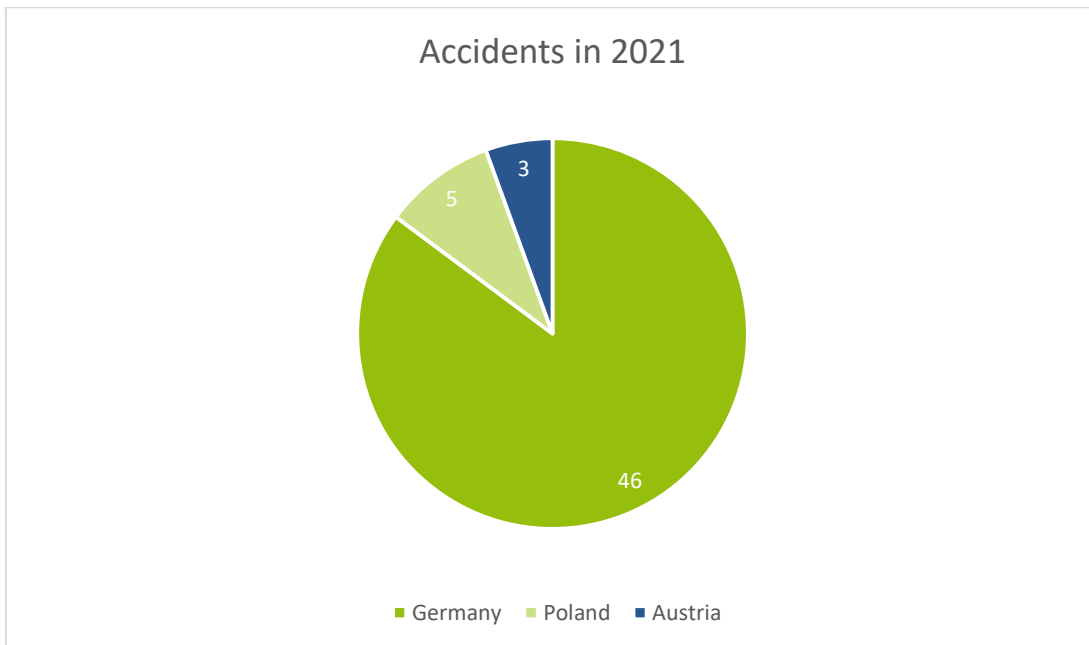
Workplace health and safety play a vital role for Logwin. This includes upholding working time and safety regulations, as well as maintaining and promoting the health of individuals. This takes place continuously through internal review, the QSE department and internal auditing process management. Results are given to the relevant managers, and collective measures for further optimisation are set down.

In the past year, a particular focus of our efforts has again been to ensure our employees are protected from the effects of the Covid 19 pandemic. To ensure this, Logwin set up a central crisis team early in 2020 to closely manage global measures to ensure our employees were protected from infection from the SARS-CoV-2 virus. The measures are intended to protect individual employees, customers and other business partners, as well as to safeguard business operations and supply chains of the Logwin Group's customers. The measures are based on Logwin's pandemic plan.

At Logwin offices and logistics sites, in the course of the Covid 19 pandemic we have introduced high standards for hygiene and infection control, including distance rules, mandatory masks, temperature monitoring measures, increased use of disinfectants and rules on shift work and mobile working from home wherever possible. During 2021, as vaccination progressed and Covid 19 tests became sufficiently available at many sites, vaccination and testing services for employees were expanded. This not only had a social impact but also represented a significant financial contribution by Logwin to the pandemic response. The standards applicable to our employees also have to be met by all visitors, service providers and subcontractors when visiting a Logwin site. By making mobile working from home more accessible, we have given many employees opportunities to manage childcare, caring for family members and home schooling. The rapid provision of the necessary IT infrastructure in compliance with our relevant IT security criteria merits special mention. We are currently in discussions with the national companies and employee representatives regarding the establishment of a modern mobile working concept for the post-Covid 19 pandemic era.

In addition to Logwin's efforts to meet the current challenges posed by the Covid 19 pandemic, Logwin is also striving to prevent accidents, physical and mental stress and work-related illnesses. During the reporting period, expanding certification according to ISO 45001 Occupational Health and Safety Management was commissioned. 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. Appropriate reporting is carried out and statistics generated on workplace accidents. Due to the increased risks at sites with staff involved in physical work, we especially analyse Logwin's logistics branches in Germany, Austria and Poland.



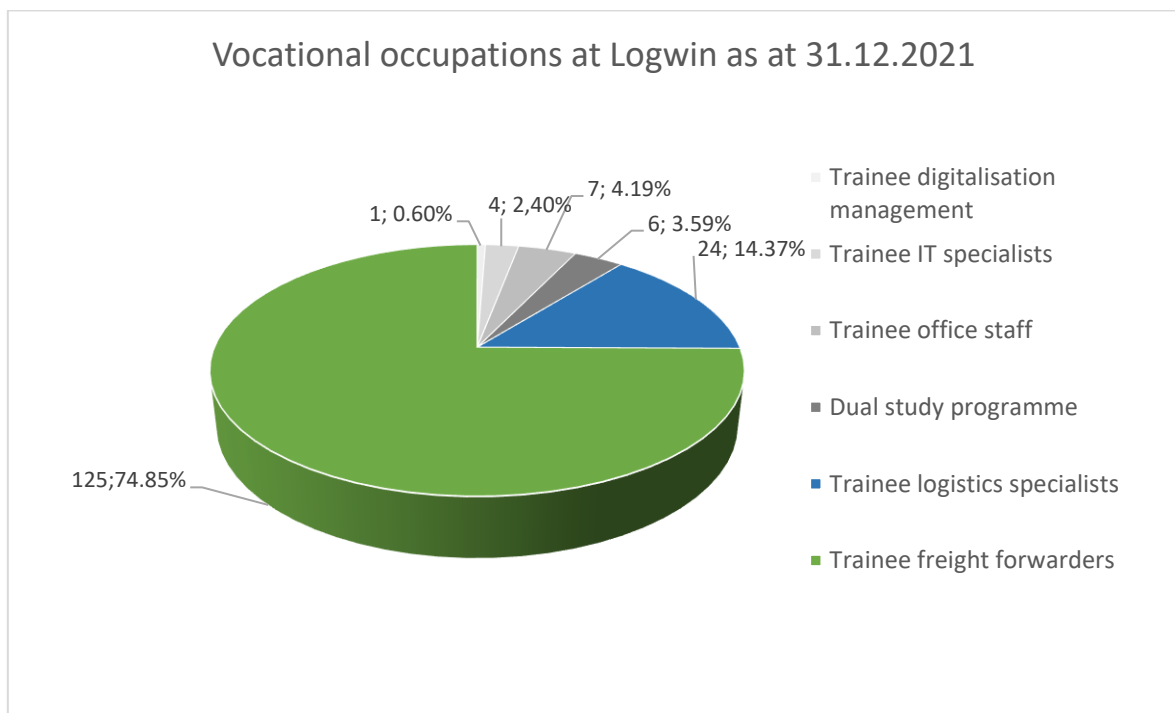
To prevent accidents, we provide training in health and safety management to increase awareness and to support individuals on maintaining health.

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 actively promote the global movement of personnel 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. In the financial year 2021, the Logwin Group invested EUR 0.7 m (2020: EUR 0.5 m) in further training opportunities for its staff. Due to the pandemic,

the number of further education measures was still significantly lower than in previous years. They nevertheless underline the great importance of employee training at Logwin, even under very demanding circumstances.

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 trainee numbers, which also contributes positively to local communities.



We regularly review the development of our personnel. Alongside training, we ensure that pay throughout the Logwin world is in line with local markets and is socially adequate. We regularly review salary levels and developments in the different countries in which we are active. This is essential 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. After the restrictions in 2020 caused by the Covid 19 pandemic, Logwin employees were again able to participate in several Logwin AG-sponsored sporting events in 2021. In May, 1,195 employees and their families worldwide took part in the Wings for Life World Run. In this digital charity running event, Logwin had one of the world's largest starting fields. The entry fees taken by Logwin amounted to EUR 26,000 and benefited the Wings for Life Foundation for spinal cord research.

In September, 30 cycling enthusiasts from Logwin took part in the Skoda Velotour.

## **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 objective of being perceived as a "good corporate citizen" by our staff, customers, local business partners and the public. We support Logwin employees – ranging from trainees and employee representatives and through to staff, branch managers and the directors of our companies – to take on responsibility for such activities. We contribute materials and money, and also provide support for our staff at charitable events.

In 2021, a charity concept newly launched in 2019 was continued, in which employees are involved in selecting the activities and organisations to be supported. Logwin provides two budgets, one to support employees in their voluntary work and the other to help with international aid projects. Logwin 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. Logwin's charity programme is characterised by taking responsibility, improving living conditions and initiating social processes. In the past year, our support has included a primary school in South Africa as part of a Care Day, a children's hospital in Brazil and an aid organisation in Mexico that helps destitute people who have mental illness.

Together with our long-standing partner, the children's rights organisation "Save the Children", we provided quick and uncomplicated support for a corona emergency relief fund in India through a generous donation. Save the Children's health programmes provide life-saving medical support such as quarantine centres, ambulances, food and psychosocial support for children.

### **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 risks 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
- Fines and damages incurred by the Logwin Group, subsidiaries, agents and staff through to their personal liability

As in the previous year, a compliance risk assessment was carried out as part of our preventive measures. This assessment is the basis of an appropriate and effective compliance programme enabling us to manage compliance risks at Logwin AG. The current reporting year has evaluated the compliance risk assessment and implemented measures where 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. At Logwin, we strictly refrain from entering into customer or business relationships if they are not in line with the above principles.

To prevent corruption, we have therefore established an e-learning programme. Based on feedback from our employees, new compliance and corruption e-learning modules were introduced in the reporting year in cooperation with an external partner. The aim of the e-learning programme is to ensure a large proportion of staff and management can take part in the training and internalise the content. Roll-out took place in several phases, starting with management and sales staff, before rolling out the two modules to other countries and for all employees from June 2021 onwards. Meanwhile, more than 3,000 online training programmes in 35 countries have been successfully completed by our employees on corruption and compliance issues. To ensure that all new employees are made aware of these important governance issues in the future, the two online training programmes have been integrated as an integral part of the new-employee induction programme.

In addition to the online self-learning modules, a two-hour webinar leadership workshop on compliance management has been created and implemented in an initial leadership programme. Due to the positive participant feedback about working through the topics as a group and sharing ideas and reflecting on them together, this workshop format will in future also be a permanent fixture in management development at Logwin.

Further centralising of the accounting system and the associated increase in payments transparency is another 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 fraud – and has systematically implemented 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 primarily includes embargoes and trade sanctions, as well as measures designed to combat the financing of international terrorism. For Logwin, the 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, monitoring and reviewing compliance with customs and sanctions regulations has been systematically expanded in recent years and takes appropriate account of the continuously increasing requirements.

A company-wide regulation on export controls obliges all subsidiaries and employees of the Logwin Group to comply with all country-, goods-, and person-related restrictions, as well as financial sanctions. Compliance is ensured and documented through internal controls and extensive use of IT compliance tools that check all transactions with business partners against valid sanctions lists.

### Embargo Controls

Embargoes are restrictions on foreign trade that are applied for reasons of foreign policy or security. 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.

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. All employees are obliged in the strictest possible terms to adhere to the specified operational processes.

### 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 must 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 workspaces, 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 the compliance regulations laid down in the Code of Conduct. Our management 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 according to the ways in which we can influence the markets in which we are active. In the Air + Ocean business segment, the transport services we organise are almost exclusively provided by external service providers, so our influence is very limited on the environmental behaviour of the suppliers we use. Specifically, we cannot exert any direct influence on the resources consumed during transport and the emissions caused, because the decision on the use of the means of transport essentially lies with our suppliers. Nevertheless, we monitor the efforts of the service providers with regard to the use of resource-saving means and routes of transport, especially since our customers are also increasingly attaching importance to this issue.

In the Solutions business segment, however, we have significant opportunities to exert influence, in particular in the warehousing locations operated by us and for road transports carried out by ourselves, 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. However, even in this area our influence is limited regarding resource consumption and generated emissions because the warehousing locations we operate are predominantly rented and we have only limited influence on the property owners' decisions.

In 2021, a total of three environmental accidents occurred at contract logistics locations. These did not have any significant impact due to the immediate measures we initiated in close coordination with the responsible authorities, based on the established processes.

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 at least once a year, 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 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 responsibilities. 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.

## Reporting according to the EU Taxonomy regulation

As part of the EU Action Plan on Sustainable Finance, a key objective is to redirect capital flows towards sustainable investments. Accordingly, Regulation (EU) 2020/852 from the European Parliament and the Council of 18 June 2020 established a framework to facilitate sustainable investment and amended Regulation (EU) 2019/2088. The new Regulation (hereafter referred to as the Taxonomy Regulation) is a uniform and legally binding classification system that determines which economic activities are considered "environmentally sustainable" in the EU. The results of this classification are to be reported annually on a company-specific basis.

Article 9 of the Taxonomy Regulation identifies the following six environmental objectives:

- a) Climate protection
- b) Adaptation to climate change
- c) Sustainable use and protection of water and marine resources
- d) Transition to a circular economy
- e) Pollution prevention and control
- f) Protecting and restoring biodiversity and ecosystems

The EU has currently published targets for sustainable economic activities according to the EU taxonomy for two environmental goals (climate protection and adaptation to climate change).

Classifying an economic activity as "environmentally sustainable" according to the EU taxonomy requires a distinction to be made between taxonomy eligible and taxonomy aligned.

For the reporting year 2021, disclosure is required for the share of taxonomy-eligible and non-taxonomy-eligible economic activities in turnover as well as capital expenditures (CapEx) and operating expenditures (OpEx).

The figures used for calculating the turnover, CapEx and OpEx KPIs are based on the figures reported in the consolidated financial statements. All fully consolidated and proportionately consolidated Group companies are included in this analysis.

Article 8 of the Taxonomy Regulation requires us to apply the regulatory provisions of the Taxonomy Regulation. Logwin AG's consolidated financial statements and those of its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

## KPIs

### *Turnover KPI*

The turnover KPI is the share of turnover from taxonomy-eligible economic activities in a financial year from the total turnover of that financial year.

The total turnover for the 2021 financial year of EUR 1,851,836k is the turnover KPI denominator and can be taken from the consolidated income statement.

The revenues reported in the consolidated income statement are analysed across all Group companies to determine whether they were generated from taxonomy-eligible economic activities in accordance with Annex I (Significant contribution to climate change mitigation) and Annex II (Significant contribution to climate change adaptation) of the Delegated Regulation 2021/2139 on the Taxonomy Regulation. Analysing in detail the items included in the turnover enables allocation to the taxonomy-eligible economic activities. Revenue totaling EUR 10,403k from taxonomy-eligible economic activities for the financial year 2021 forms the turnover KPI numerator and is related to the carriage of goods by road. This results in a taxonomy-eligible turnover KPI of 0.6%.

Turnover KPI	Figures in thousand euros	2021
Taxonomy-eligible activities		10,403
Non-taxonomy-eligible activities		1,841,433
<b>Total</b>		<b>1,851,836</b>
<b>Share of taxonomy-eligible activities</b>		<b>0.6%</b>

### CapEx KPI

According to Taxonomy Regulation Art. 8 Annex I 1.1.2.2, the CapEx KPI indicates the share of capital expenditure that is either related to a taxonomy-eligible economic activity, is linked to a credible plan to expand or achieve an environmentally sustainable economic activity, or relates to the purchase of products and services from a taxonomy-eligible economic activity.

The basis of capital expenditure is the additions to property, plant and equipment and intangible assets as well as rights of use in accordance with IFRS 16 before depreciation and any revaluations for the financial year in question and without changes in fair value. The total capital expenditure according to Taxonomy Regulation Art. 8 Annex I 1.1.2.1 amounts to EUR 35,756k (see respective disclosures in the consolidated statement of changes in non-current assets).

Based on project descriptions of additions, an analysis has been carried out regarding taxonomy eligibility and a comparison with Annex I (Significant contribution to climate change mitigation) and Annex II (Significant contribution to climate change adaptation) of the Delegated Regulation 2021/2139 to the Taxonomy Regulation. Additions to the amount of EUR 2,365k reflect taxonomy-eligible investments form the numerator of the CapEx KPI and are related to the acquisition of products in the areas of energy management and vehicle fleet. This results in a taxonomy-eligible CapEx KPI of 6.6%.

CapEx KPI	Figures in thousand euros	2021
Taxonomy-eligible activities		2,365
Non-taxonomy-eligible activities		33,391
<b>Total</b>		<b>35,756</b>
<b>Share of taxonomy-eligible activities</b>		<b>6.6%</b>

### *OpEx KPI*

The OpEx KPI indicates the share of operating expenses, as defined by the EU taxonomy, associated with taxonomy-eligible economic activities, with a CapEx plan described above or with the acquisition of products from a taxonomy-eligible economic activity.

The basis for determining the KPI is the sum of expenses for research and development, building renovation measures, short-term leasing as well as maintenance and repair.

The numerator of the OpEx KPI according to Taxonomy Regulation Art. 8 Annex I 1.1.3.2. results from an analysis of the expenses related to the accounts mentioned above. In the course of the analysis, we did not identify any significant taxonomy-eligible components in OpEx that are directly attributable to relevant economic activities within the meaning of the EU taxonomy. No taxonomy-eligible OpEx could therefore be determined.

In determining the above KPIs, any double counting of economic activities was avoided through various verification steps, including documentation of data generation and ensuring reconciliation with other financial information.

## 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 2021, 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 2021 financial report available on the company website.