

Report of the Supervisory Board 2020

Dear Sir or Madam,

The 2020 financial year was heavily impacted by the coronavirus pandemic that broke out in February 2020. The effects of the crisis on the world economy, global trade flows and the associated supply chains were huge. In addition to addressing the business challenges this presented, the Board of Management placed a particular focus from the outset on the health and well-being of our employees and introduced appropriate measures accordingly. At the same time, it was essential to ensure continuity of operations and make progress with ongoing projects and areas of future significance. I am therefore confident that we will succeed in steering a clear course out of these challenging times and can look to the future from a stronger position.

In the 2020 financial year, the Supervisory Board of BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877- (BLG AG) actively engaged in the duties assigned to it by law, the Articles of Incorporation and rules of procedure and regularly and extensively discussed the company's situation and development. The Supervisory Board continuously monitored and supported the work of the Board of Management in the financial year. The detailed reports made by the Board of Management in written and oral form constituted the basis for this. In addition, the Chairman of the Supervisory Board regularly exchanged information and ideas with the Board of Management, so that the Supervisory Board was always informed promptly and comprehensively about the

intended business policy, corporate planning, the current earnings situation, including the risk situation and risk management, as well as the situation of the company and the BLG Group.

In accordance with the recommendations and suggestions of the German Corporate Governance Code (Code), the Supervisory Board supported the Board of Management in the management of the company and advised it on management matters.

Whenever management decisions or measures required approval according to law, the Articles of Incorporation or the rules of procedure, the members of the Supervisory Board - prepared by its committees, among others - reviewed the draft resolutions at meetings or adopted them on the basis of written information. The members of the Board of Management invariably took part in the meetings, except where they concerned personnel matters. In accordance with the new recommendations of the current version of the Code published in the Federal Gazette (Bundesanzeiger) on March 20, 2020, regular meetings of the Supervisory Board without the Board of Management are planned for the future. The Supervisory Board was intensively involved in decisions of major significance for BLG LOGISTICS from an early stage. The economic and risk situation and the development prospects of BLG LOGISTICS described in the reports of the Board of Management, the individual divisions and



Dr. Klaus Meier

Chairman of the Supervisory Board

business areas as well as major equity investments in Germany and abroad were the subject of detailed discussion.

The Supervisory Board convened at four regular meetings in 2020. Due to the special circumstances created by the coronavirus pandemic, Supervisory Board members had the possibility to participate virtually in individual face-to-face meetings. The average attendance rate was 98 percent; no member of the Supervisory Board took part in fewer than half of the meetings. Average attendance at committee meetings in 2020 was 100 percent. The members of the Supervisory Board elected by the shareholders and by the employees prepared for the meetings at separate meetings in some cases. Details of attendance rates are shown in the following table.

The Investment Committee and the Mediation Committee (committee in accordance with Section 27 (3) MitbestG (German Co-Determination Act)) did not convene in the 2020 financial year. There were no conflicts of interest on the part of members of the Board of Management and the Supervisory Board that required immediate disclosure to the Supervisory Board and about which the Annual General Meeting had to be informed.

The Code requires that members of the Board of Management shall only assume sideline activities, especially supervisory board mandates outside the enterprise, with the approval of the Supervisory Board. The assumed mandates did not give rise to any identifiable conflicts of interest; on the contrary, they were deemed to be consistently in the interest of BLG LOGISTICS.

Meeting attendance 2020

	Supervisory Board	Human Resources Committee	Audit Committee	Total in percent
Dr. Klaus Meier	4/4	4/4		100
Christine Behle	4/4	4/4		100
Sonja Berndt (Human Resources Committee from 09/17/2020, Audit Committee until 09/17/2020)	4/4		1/1	100
Karl-Heinz Dammann	4/4	4/4		100
Heiner Dettmer	4/4	4/4		100
Melf Grantz	4/4	4/4		100
Udo Klöpping	4/4			100
Wybcke Meier	3/4			75
Dr. Tim Nesemann	4/4		2/2	100
Beate Pernak (from 07/01/2020, Audit Committee from 09/17/2020)	2/2		1/1	100
Klaus Pollok	4/4	4/4		100
Dr. Claudia Schilling (from 01/13/2020)	4/4	4/4		100
Dietmar Strehl (from 01/13/2020)	4/4		2/2	100
Dieter Strerath (until 06/30/2020)	2/2	2/2		100
Reiner Thau	4/4		2/2	100
Vera Visser (from 01/24/2020, Audit Committee from 02/27/2020)	4/4		2/2	100
Dr. Patrick Wendisch	4/4		2/2	100
Total in percent	98	100	100	99

strategy and business activities of BLG LOGISTICS and its

Issues discussed in the Supervisory Board

The consultations of the Supervisory Board at its four regular meetings in 2020 repeatedly focused on the challenges created by the enormous impact of the coronavirus pandemic and the resulting earnings position. Furthermore, important matters regarding the

divisions, as well as personnel matters, were discussed. In its individual meetings, the Supervisory Board focused on strategic issues and geopolitical assessments, such as the expansion of the industrial logistics (Europe) and inland terminals business areas, BLG LOGISTICS' further growth through new businesses and investments, the annual and consolidated financial statements, and the company's current risk exposure, including the risk management

system and the risk-aware management of the company's development. In addition, the Supervisory Board also dealt with the agenda for the 2020 Annual General Meeting, the requirements of the revised Code (incl. remuneration of the Board of Management) and the preparation of the non-financial Group statement in accordance with Section 315b of the German Commercial Code (HGB).

All major business activities, the company's position in the coronavirus pandemic, the development of the net assets, financial position and results of operations, as well as the analyses of deviations from corporate planning and corresponding scenarios due to the coronavirus pandemic were promptly and intensively discussed jointly with the Board of Management. Corporate planning as well as short-term earnings and financial planning were discussed in detail at the meeting on December 10, 2020. In addition, the heads of the Internal Audit and Compliance departments reported to the Supervisory Board at the meeting.

The composition of the Supervisory Board changed as follows compared with December 31, 2019:

Martin Günthner resigned as a member of the Supervisory Board with effect from November 30, 2019. He was replaced by Dr. Claudia Schilling. Dr. Claudia Schilling was appointed as a member of the Supervisory Board by court order of the District Court of Bremen on January 13, 2020.

Karoline Linnert resigned as a member of the Supervisory Board with effect from November 30, 2019. She was replaced by Dietmar Strehl. Dietmar Strehl was appointed as a member of the Supervisory Board by court order of the District Court of Bremen on January 13, 2020.

Stefan Schubert resigned as a member of the Supervisory Board with effect from December 31, 2019. He was replaced by Vera Visser. Vera Visser was appointed as a member of the Supervisory Board by court order of the District Court of Bremen on January 24, 2020.

Dieter Strerath resigned as a member of the Supervisory Board with effect from June 30, 2020. He was replaced by Beate Pernak with effect from July 1, 2020. Beate Pernak was appointed as a substitute member in 2018.

No former members of the Board of Management of BLG AG are represented on the Supervisory Board.

The following changes were made to the composition of the Board of Management in the 2020 financial year:

The former Industrial Relations Director, Dieter Schumacher (originally appointed until December 31, 2020), passed away on February 19, 2020. He has been succeeded as Industrial Relations Director by Ulrike Riedel, who was appointed with effect from July 1, 2020.

The former Chief Financial Officer, Jens Bieniek (originally appointed until May 31, 2021), resigned as a member of the Board of Management with effect from December 11, 2020. He was replaced by Christine Hein, who was

appointed as a member of the Board of Management with effect from November 1, 2020.

At its meeting on September 17, 2020, the Supervisory Board decided to extend the contract with Michael Blach for five years. He is now appointed until May 31, 2026.

Work of the committees

To perform its duties efficiently, the Supervisory Board has additionally set up four committees. These committees of the Supervisory Board are the Audit Committee, Human Resources Committee, Investment Committee and Mediation Committee in accordance with Section 27 (3) MitbestG (German Co-Determination Act). They prepare the resolutions of the Supervisory Board in the plenary session and decide, where permissible, in individual cases in its place. Separate rules of procedure apply to the Audit Committee and the Investment Committee. All committees have equal representation.

The **Audit Committee** held two meetings in the 2020 financial year. The main subject of the meeting on April 21, 2020 was the extensive discussion and examination of the annual financial statements, the consolidated financial statements and the management reports for the 2019 financial year. Representatives from the auditing company took part in the meeting via video conference when the annual financial statements were addressed and they reported on the results of the audit. In addition, the Audit Committee discussed the appropriation of the net retained profits (HGB) as well as the invitation to the Annual General Meeting and submitted resolutions to the Supervisory Board.

The Audit Committee oversees the selection, independence, rotation and efficiency of the auditor as well as the services it provides and is concerned with conducting an evaluation of the quality of the audit process. Any questions in this regard are discussed in the plenary session. No impediments to the selection of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungs-gesellschaft, Bremen, as statutory auditor for the 2021 financial year were identified.

As a rule, BLG LOGISTICS changes the auditor at least every five years. Within the scope of the respective tendering process, the Audit Committee considers the expertise, experience and independence of the candidates.

At its meeting on December 8, 2020, the Audit Committee dealt primarily with corporate planning, including medium-term earnings and financial planning, and the approval of non-audit services. A further focus of the activity was the risk situation and the further development of the compliance system.

The **Human Resources Committee** held four meetings in the reporting year. At all meetings, it dealt primarily with personnel matters relating to the Board of Management. One focus of the consultations was on determining and appointing replacements for the Board of Management positions of Industrial Relations Director and Chief Financial Officer. At the meeting on April 23, 2020, it dealt in particular with the variable component of the remuneration of the Board of Management for the 2019 financial year.

Due to the new recommendations of the Code, a revision of the remuneration system for the Board of Management is necessary. This is currently being undertaken and will be submitted for approval to the Annual General Meeting on June 2, 2021.

The **Investment Committee** and the **Mediation Committee** (committee in accordance with Section 27 (3) MitbestG (German Co-Determination Act)) did not meet during the reporting year.

The meetings and decisions of the committees were prepared on the basis of reports and other information of the Board of Management. Members of the Board of Management regularly took part in the committee meetings. The chairs of the committees reported to the Supervisory Board on the activities and their results following the meetings and submitted resolution recommendations.

Training and self-assessment

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfill their duties, for example to bring them up to speed with changes in the legal framework and new technologies, and are supported in this by BLG LOGISTICS. In-house training courses or information events for targeted further training are offered as required. In the reporting year, an in-house training course took place on the topics of organization and responsibilities (incl. remuneration of the Board of Management), rights and duties, and liability. New Supervisory Board members have the opportunity to meet

with members of the Board of Management and managers from the individual divisions to exchange views on fundamental and topical issues and thus obtain an overview of the main topics relevant to the company (onboarding). To provide additional, deeper insight into the company, regular meetings are to be held, also at other company locations.

The Supervisory Board assesses, at regular intervals, how effectively the Supervisory Board as a whole and its committees fulfill their tasks. The results are discussed in depth by the Supervisory Board and, where appropriate, necessary action is taken. The next self-assessment is planned for 2021. No explicit review was undertaken in the reporting year. There were no indications of significant deficits.

Corporate governance and declaration of compliance

The Supervisory Board worked on the application of the German Corporate Governance Code within the company. The 20th declaration of compliance with the recommendations of the Code, dated September 17, 2020, and prepared by the Supervisory Board and the Board of Management pursuant to Section 161 of the German Stock Corporation Act (AktG), corresponds to the version of December 16, 2019, published on March 20, 2020. The joint declaration of compliance is permanently accessible on the BLG LOGISTICS website at www.blg-logistics.com/ir under Corporate Governance and is also included in the corporate governance statement.

Audit of the annual and consolidated financial statements

The representatives of PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing firm duly elected as auditor, were present via video conference at the Supervisory Board's accounts meeting for the 2020 financial year and at the preparatory meeting of the Audit Committee and reported in detail on the results of their audit.

The annual financial statements, management report and financial statements for the purpose of complying with the duty of BLG AG to prepare consolidated financial statements and the consolidated financial statements and group management report of BLG LOGISTICS have been prepared by the Board of Management in accordance with the statutory provisions and in compliance with generally accepted accounting principles and have been audited and issued an unqualified auditor's report by PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Bremen, the auditing company which was elected by the Annual General Meeting.

The auditing company has reviewed the report on relationships to affiliated companies (dependent company report) prepared by the Board of Management for the 2020 financial year and issued the following auditor's report:

"After conducting our examination and assessment in accordance with our obligations, we confirm that

1. the factual statements contained in the report are correct,
2. benefits derived by the company from the legal transactions specified in the report were not unreasonably high."

The annual financial statements and management report, the financial statements for the purpose of complying with the duty to prepare consolidated financial statements, including the management report, consolidated financial statements and group management report as well as the audit reports of the company's auditor were made available to all members of the Supervisory Board in due time.

For its part, the Supervisory Board has reviewed the annual financial statements, the consolidated financial statements, the financial statements for the purpose of complying with the duty to prepare consolidated financial statements, the management reports and the group management report of the Board of Management as well as the proposal of the Board of Management concerning appropriation of the net retained profits (HGB). The Supervisory Board concurs with the result of the audit of the annual financial statements, the consolidated financial statements and the financial statements for the purpose of complying with the duty to prepare consolidated financial statements, including the management reports, conducted by the auditing company. The Supervisory Board has approved and adopted the annual financial statements prepared by the Board of Management. The Supervisory Board has also approved the financial statements for the purpose of complying with the duty to

prepare consolidated financial statements prepared by the Board of Management and the consolidated financial statements. The Supervisory Board concurs with the management reports and in particular with the evaluation of the further development of BLG LOGISTICS. This also applies to the dividend policy and the decisions regarding reserves at BLG AG.

Furthermore, the Supervisory Board has reviewed the report of the Board of Management on the relationships with affiliated companies and the result of the audit of this report conducted by the auditing company. The Supervisory Board concurs with the result of the audit of the dependent company report conducted by the auditing company. According to the final result of the review of the dependent company report by the Supervisory Board, there are no objections to the final statement of the Board of Management in the latter report.

Non-financial report

In accordance with the provisions of the Act to Strengthen Non-Financial Reporting by Companies in their Management Reports and Group Reports (CSR Directive Implementation Act), BLG LOGISTICS has prepared a non-financial Group statement in accordance with Section 315b HGB since the 2017 financial year. This statement for the 2020 financial year is integrated as a separate non-financial report in the 2020 sustainability report and its contents have been reviewed by the Supervisory Board. The review did not give rise to any objections. ➔ reporting.blg-logistics.com

The Supervisory Board expresses its gratitude in this exceptionally challenging year to the members of the Board of Management and all employees for their high level of commitment and the consistent efforts to keep our company on a path to success. The Supervisory Board is convinced that by charting a clear course toward the future, BLG LOGISTICS will overcome the crisis and can secure its earnings power on a long-term basis.

Bremen, April 2021

For the Supervisory Board

Dr. Klaus Meier
Chairman