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Compliance

Compliance is an important basis for our corporate action and day-to-day business activities. Our ethical standards are the basis for our cooperation with our business partners.

Applicable law and our own principles of conduct are the basis for our actions and all the decisions we make as a company. This makes us a trustworthy, reliable partner for employees, customers, business partners and shareholders. Violations of the law can cause significant long-term damage to the company. Therefore, our compliance management system actively prevents risk factors such as bribery and corruption, acceptance of advantages, embezzlement and collusion against fair competition. In order for this preventive approach to be effective throughout the organization, we attach particular importance to raising awareness among our employees and providing regular and comprehensive information.

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

Our regulations, monitoring and reporting systems

The Compliance Officer appointed by the Board of Management is responsible for the implementation and further development of the BLG-wide compliance strategy. An essential part of this involves regularly reviewing whether existing systems are effective. The results are reported to the Chief Compliance Officer on a regular basis. Once a year, the Supervisory Board is informed about all compliance-related issues, processes and events.

The Compliance Officer regularly informs the Labor Relations Director in the Compliance Committee and the Head of Internal Auditing on current issues. If measures need to be implemented, they are drawn up in the Compliance Committee and then implemented within the company.

In day-to-day business, the Compliance Officer is the point of contact for our employees: they receive information, answer questions and give advice – also preventively – on possible violations of the law. In addition, our ombudsman was an independent and impartial point of contact for employees and third parties during the reporting year. Any suspected cases can also be reported to them anonymously. All contact details can be found on our website and are also published in our relevant guidelines.

Our principle

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

In addition, the BLG Integrity Line was introduced in the reporting year. The digital platform makes it easy, secure and completely anonymous to report abuse, risks and misconduct in connection with professional activities, but also in connection with human rights and environmental obligations within the meaning of the Supply Chain Due Diligence Act (LkSG). Information is recorded in encrypted form and processed confidentially in order to give whistleblowers even better protection. The BLG Integrity Line is a powerful symbol to ensure transparency and protection of our corporate values in the long term.

In the reporting year, information relevant to the LkSG was received regarding a direct supplier of BLG LOGISTICS. The information was reviewed by the Legal, Insurance & GRC department and then remedies were defined and implemented with relevant specialist departments in BLG LOGISTICS.



When implementing our compliance strategy, our Board of Management and our senior executives are role models. They are responsible within their business area for providing information on and complying with the relevant rules. Each and every individual at BLG LOGISTICS is also obligated, regardless of their position, to point out any wrongdoings or suspected violations of the law. This makes it all the more important for us to raise awareness among our employees of the dangers of corruption. In addition, the dual-control principle, which is established in all relevant business processes, protects both employees and the company as a whole in practice.

Our Code of Conduct and compliance policy are central components of our compliance management system. In addition to our requirements with regard to working conditions, the environment and climate protection, the Code of Conduct contains requirements for dealing with business partners, competitors and authorities in a way that is legally and ethically correct. It also governs the arrangement of donations and sponsorships as well as conduct in the event of any conflicts of interest. The compliance policy contains important rules of conduct to avoid typical compliance risks in global companies and describes the associated processes, such as the “know-your-customer” principle. Like all internal company guidelines and policies, both documents apply to all companies in which we directly or indirectly hold more than a 50 percent of the shares or for which BLG LOGISTICS is in charge of corporate management. They are therefore binding for all our own employees and external staff, as well as for consultants working for us. In companies governed by foreign law, the guidelines must be implemented accordingly. Newcomers at BLG receive the Code of

Conduct with their welcome folder, and temporary agency workers are informed at their initial briefing. Both the compliance policy and the Code of Conduct can be found on the intranet. Information on the compliance system, the Code of Conduct and relevant contact persons can also be publicly accessed on the Internet. Guidelines and policies are available in English at our international locations.

Embedding compliance within the company

A functioning compliance system is only possible if it is practiced by the workforce. To this end, we raise awareness among our decision-makers and senior executives, inform them about the issues and keep them up to date with the latest developments. In 2024, corresponding mandatory training courses on compliance, antitrust and competition law were conducted for the Board of Management, senior executives at levels 1-3 and all staff in Purchasing and Sales. The target of training at least 90 percent of employees in top management levels 1-3 was exceeded in 2024, with 100 percent of senior executives in Germany and 100 percent of senior executives at consolidated sites abroad receiving training. This target figure was integrated into quarterly reporting to the Board of Management and senior executives in the reporting year, for targeted management during the year.

We are continually improving, expanding and broadening our training system in this area and in 2024, we developed a refresher e-learning course. This refresher course builds on the comprehensive basic compliance course and repeats specific content on anti-corruption, conflicts of interest, and competition and antitrust law. All modules can be completed anywhere and anytime using our Tutorize central training platform, and each completion is

Target:

≥ 90 %

of our management employees
receive annual compliance training

[reporting.blg-logistics.com/
sustainability-goals](https://reporting.blg-logistics.com/sustainability-goals)



recorded by the system. Managers below the above-mentioned levels also receive appropriate training. We also inform all other employees about topics relevant to compliance using various communication channels on a regular basis and when the situation demands it.

Responsibility along the supply chain

Compliance also shapes how we cooperate with our business partners and is passed on along supply chains. We require our suppliers and service providers along the supply chain to comply with the applicable legal framework and our Supplier Code of Conduct, as laid down in our General Terms and Conditions of Contract and Purchase. Further information on our supply chain management is described in the Sustainable Supply Chain section starting on ► page 30. www.blg-logistics.com/gtc



Information security as a core building block

Information technology is involved in all of our processes, and our business depends on systems that are always functional and secure. Our customers, suppliers and staff also rely on this. We are therefore constantly working to anchor IT security in our projects, in our day-to-day business and in how our entire organization thinks. We ensure a uniformly high level by running our Information Security Management System (ISMS), which is based on the ISO 27001 and ISO 27002 international standards. The maturity and effectiveness of our measures are regularly reviewed both internally and externally. BLG LOGISTICS has already been successfully audited at 14 sites in accordance with the automotive industry standard "Trusted Information Security Assessment Exchange - TISAX" and is currently extending the certification for an additional ten sites. The focus is on all BLG information assets, with particular regard to our IT systems. We also attach great importance to safeguarding our operational technology and business continuity management (BCM). Our policies on information security and business continuity management provide the framework for all relevant aspects in this regard. These regulations apply to BLG LOGISTICS including all majority shareholdings, as well as to minority shareholdings that use our IT systems, and are also binding on contractual partners and suppliers subject to deviating regulations. When working with service providers, we ensure compliance with all relevant certifications, such as ISO 20000, ISO 27001 and ISO 22301, and regularly review this.

Due to the increasing threat posed by cyberattacks, we constantly review all existing organizational and technical

measures for safeguarding our information and IT environment and continually implement new ones in order to be up to date at all times. This safeguards the business continuity of the company and also meets our customers' requirements. This process is complemented by a continuous awareness program to raise awareness and train our employees.

Our Corporate Information Security Officer (CISO) with the Information Security Management department, who reports to head of the Legal, Insurance & GRC department, is primarily responsible for all matters relating to information security. Among other things, the CISO is responsible for the operation and continuous development of the BLG LOGISTICS Information Security System, giving advice on information security issues, conducting a strict risk analysis, implementing awareness-raising and training measures, and ensuring emergency prevention. In the event of security incidents or suspected cases, our employees can also inform the CISO anonymously. Our CISO is to be involved in all safety-relevant processes across the organization.

Focus on data protection

The Legal, Insurance & GRC department is responsible for data protection at BLG LOGISTICS. Our internal guidelines are based, among other things, on the requirements laid down in the GDPR for the handling of personal data. Regular, systematic site checks serve to check compliance with coordinated processes, identify possible deviations and potential for optimization, and ensure that a uniformly high level of data protection is implemented throughout the organization.

In order to make our employees more aware of data protection, an online training course was developed. All employees in business roles receive refresher training every two years. In addition, events such as the European Data Protection Day used to raise awareness internally of this important issue. In the event of questions or suspicious cases, our external data protection officer is available at any time and also accepts anonymous reports about suspected data breaches. Their contact details are publicly available on our website. A centrally managed tool is used for documentation, and this maps interfaces with IT and information security. In this way, we achieve a depth of documentation that allows us to react quickly and safely even in the event of very short-term events or inquiries from supervisory authorities.



Economic Value Creation

We strive for strategic and sustainable growth – and also assume our responsibility as a major regional employer at many locations.



We provide a wide range of services at the interfaces between producers, dealers and consumers – for example, supply for production, the distribution of goods or the transport of vehicles by road, rail and water. With logistical tasks becoming increasingly complex, the demands placed on us and our services are also increasing. The main drivers of this development are ongoing globalization, shorter product lifecycles, advancing urbanization and digitalization, and now also artificial intelligence (AI). Our industry continues to benefit from increasing demand, which is particularly linked to the growth of e-commerce models and returns processing in the B2C sector. At the same time, the ongoing pressure on margins presents a continuous challenge, as does competition for skilled workers and laborers, which is further intensifying – also due to demographic developments. Additional factors include the continually increasing importance of online retail, high expectations for delivery speed, flexibility and quality, and generally increased environmental awareness. After the previous year, the overall market environment remained difficult into 2024 due to numerous crises. The most important issues are Russia's ongoing war against Ukraine and the conflicts in the Middle East and the Red

Sea. But the change of presidency in the United States, as well as inflation, shortages of skilled workers and climate change, have also contributed to this.

Financial corporate management

We have designed our management system for maximum clarity and transparency. Revenue, earnings before taxes (EBT) and the resulting EBT margin, as well as earnings before interest and taxes (EBIT), are the key performance indicators. Since 2021, the remuneration system for our Board of Management has also included non-financial targets: CO₂ emissions, the trainee ratio and the rate of occupational accidents per 1,000 employees. In the meantime, this also applies to our employees without collective bargaining agreements in stages. Details can be found in the Fundamental Information about the Combined Group – Combined Group Management section of the Financial Report.

Despite the challenging geopolitical and economic conditions described above, we closed the 2024 financial year significantly ahead of expectations. This shows once again that, thanks to our diversification across our three business

segments, we are positioned to be robust and fit for the future. For example, the AUTOMOBILE Division significantly improved its result compared to the previous year despite declining volumes in vehicle handling and transport. This was achieved, among other things, through good capacity utilization and productivity at seaport and inland terminals, as well as the fact that car manufacturers are increasingly shifting various work over to service providers like us. On the other hand, the CONTRACT Division remained below expectations – mainly due to strong declines in volumes due to reduced demand, particularly when it came to car parts and industrial logistics. The CONTAINER Division was ultimately able to achieve a significantly higher result than forecast despite the difficult economic situation. Additional from storage fee and reefer revenues contributed to this.

In the 2024 financial year, Combined Group revenue rose only slightly from the previous year, by EUR 10,629 thousand to EUR 1,220,664 thousand – an increase of 0.9 percent. Meanwhile, Group EBT rose significantly by EUR 55,696 thousand, i.e., by over 150 percent. Similarly, EBIT also increased by EUR 57,150 thousand to EUR 103,342

thousand. The EBT margin in the 2024 financial year was thus 7.5 percent (previous year: 3.0 percent). The financial management of BLG LOGISTICS is described in detail in our 2024 Financial Report. All in all, we took advantage of the opportunities offered last year and initiated important changes. Nevertheless, we continue to face a volatile market environment – for example, global supply chains could be severely tested yet again by the implementation of trade restrictions. We are preparing ourselves for these and other challenges by consistently addressing topics such as digitalization, AI and automation, but also sustainability, in order to continually improve BLG LOGISTICS' economic situation.

Key performance indicators

		2024	2023	2022
Revenue	EUR million	1,220.7	1,210.0	1,119.0
EBIT	EUR million	103.3	46.2	64.6
EBT	EUR million	91.8	36.1	55.7
EBT margin	in %	7.5	3.0	5.0

Added value statement

The information on economic value creation and allocation shows how we generated and used assets for our stakeholders. The use of net added value is a major indicator for the economic value creation of our business activities. It is calculated as the gross operating revenue, less depreciation and amortization (excluding personnel expenses) and amounted to EUR 688.3 million in the reporting year. The largest part was spent on BLG LOGISTICS employees, at EUR 526.9 million. In addition to pure wage and salary costs, social security and post-employment benefit costs are also included. Personnel costs rose slightly again compared to the previous year as the number of employees declined.

In addition to personnel expenses, the value added also provides a return to the capital providers. Of this, EUR 16.5 million is attributable to distributions and dividends to BLG LOGISTICS' main shareholder, the Free Hanseatic City of Bremen (municipality). In addition, profit distributions are made to shareholders of consolidated joint ventures and shareholders of BLG AG, and interest payments are made for bank loans. Payments to the public sector are mostly in the form of taxes and ground rent.

Added value statement BLG LOGISTICS 2024

Financial year 2024	EUR million	in %
Revenue	1,220.7	
Other income	133.1	
Gross operating revenue	1,353.8	
Cost of materials	436.9	
Depreciation and amortization expenses, impairment losses	82.6	
Other expenses	166.0	
Total advance payments	685.5	
Value creation	668.3	100
Utilization		
Employees	526.9	79
Public sector	29.4	4
Lenders	26.2	4
Shareholders	85.8	13
Total	668.3	100



Customer Satisfaction

With innovations and efficient processes, we are shaping the logistics of tomorrow. Our customers are always in our focus.

We maintain long-term partnerships with numerous customers and work together on changing projects with a spirit of trust. We play to our strengths especially when it comes to the implementation of customized solutions or the development and operation of complete logistics centers. But we also provide highly reliable and efficient logistics services day in, day out. Regardless of the type and size of the order, it is crucial for us to understand our customers' business and respond to their needs right from the planning phase. We also anticipate potential changes within their industry or on the market. For example, we support the transition to electromobility – a key challenge for many of our customers – by continually expanding our services in this area, as well as our expertise. Long-term contracts allow us to be proactive in this way and give us the space and security to invest in sustainable solutions.

Our C3 Bremen logistics center, for example, sends out an important message with its sustainable approach. Since 2023, we have pooled production supply for the global assembly plants of a leading car manufacturer at this center. In addition to customer requirements, the concept also

focuses on modern workplaces. With its 9.3 MWp PV rooftop system, energy-efficient cladding and holistic energy concept, the C3 sets a new environmental standard for logistics properties.

Structures and processes ensure quality

We contractually guarantee the quality of our services to our customers and work day in day out to convince them of the value of our partnership. We attach particular importance to long-term relationships, but we are happy when new companies decide to join us too. In the reporting year, we further expanded our partnership with Siemens Energy: in Bremen, we store and handle components for the production of wind turbines in Cuxhaven. In Falkensee, in addition to the existing business, we now also take care of order picking for the shipping of spare parts and additional parts for circuit breakers. Meanwhile, our site in Düsseldorf is becoming a hub for the distribution of various tools needed for the installation and maintenance of industrial steam turbines. For our customer Bosch Home & Comfort, we will manage exports from a new logistics center in Butzbach, Hesse, in the future. In addition, we agreed on a further long-term cooperation in

Bremen for the supply of the Mercedes plant there with components from an external sequencing center. In order to optimally support the growth of our existing customers, we have also rented additional space at three other sites.

The continuous reduction in damage rates is naturally also an important indicator of the quality of our performance. We continually check the corresponding possibilities and levers. The "Integrated Management Systems & Sustainability" department is responsible for setting up, developing and finally certifying our quality management systems. It also promotes the integration and implementation of our environmental, occupational safety and energy management systems. Most of our German and foreign locations, including all those in the AUTOMOBILE Division, are certified under DIN EN ISO 9001, while the automotive sites are also certified under VDA 6.2. In addition, customers carry out their own quality audits at our car terminals. In the CONTRACT Division, our services are strongly aligned with, or even closely linked to, the production processes of our customers. Through regular exchange at operational and management levels, we identify potential for





improvement, whereby optimizing added-value activities is a particularly decisive factor for success.

Improving with lean management

In order to continually improve processes, systems and thus our overall performance, we organize our processes according to lean management principles and rely on the Six Sigma management system. Lean management was already firmly integrated into our corporate culture at all CONTRACT sites in 2017, and is currently also being implemented at inland terminals. The five associated principles – define value, mapping the value stream, creating flow, establishing a pull system and pursuing perfection – form the basis for continuous optimization. Defining value looks at the customer perspective, while the value stream focuses on processes that create value, and the flow principle tries to eliminate bottlenecks. When focusing on pull, only the service ordered in the downstream process is provided. Finally, the pursuit of perfection is the fifth principle that creates lasting benefits for the entire company through innovative thinking and action. Our production system is constantly moving and developing. It is not only a set of rules for designing, introducing and maintaining processes, but embodies a philosophy by aiming to reduce waste and increase value creation. Continuous maturity measurements create transparency with regard to how much lean management has penetrated the company, from which recommendations for site development can be derived. The maturity results clearly demonstrate progress and impact at the CONTRACT sites. Our employees play a decisive role in the success of lean management. Their active participation and commitment are essential, which is why we encourage them to make suggestions for improvement and actively help shape their

working environment. Our managers have the job of supporting and motivating them and thus making the successful implementation of the production system possible.

Well prepared for the future

In order to prepare our customers in the best possible way for what is to come in logistics, we are continually developing new solutions. The Technology department examines the use of meaningful technical innovations both at existing BLG sites and for tenders and new business. The aim is to increase the level of automation and digitalization at our sites in a targeted manner – by using technology that convinces not only in terms of economics, but also in terms of processes. These include driverless transport vehicles with alternative drives, car identification systems or robotics. As the AUTOMOBILE and CONTRACT Divisions draw closer together, the Technology department's field of activity is now also expanding to AUTOMOBILE and Cargo sites, which allows synergies to be exploited. The Digital Services unit, as part of the Corporate IT department, is responsible for implementing digitalization measures for data strategies, artificial intelligence (AI) and digital workflows.

BLG LOGISTICS is intensively involved in research and development projects in order to develop innovative, holistic concepts together with partners from science and industry. In 2024, the Technology department worked on some of these forward-looking projects. They are part of our ongoing efforts to actively shape the logistics industry of tomorrow through technological innovation and sustainable solutions.

The “Mobility2Grid” project, funded by the German Federal Ministry of Education and Research (*Bundesministerium für Bildung und Forschung*, BMBF), kicked off in March 2022 with the aim of developing efficient, networked systems for a climate-neutral city by 2027. As part of this, we take a central role in developing concepts for the complete electrification of a logistics site. Comprehensive simulation studies involve both technical framework conditions, such as the available connection capacity, and logistical performance capacity too. A key objective is to test the feasibility of electrification in continuous operation with the logistics/supplier center in Falkensee as an example of application.

The “HyBit” collaborative research project has also been running in parallel since 2022, addressing the question of how local hydrogen hubs can contribute to a sustainable and climate-neutral Europe. In the “Mobility and Logistics” project cluster, we are developing analysis and evaluation methods for hydrogen use. The aim is to identify possible pilot applications and develop initial concepts. HyBit comprises a consortium of 18 partners and will run for 4.5 years. The collaboration makes it possible to gain comprehensive insights into the integration of hydrogen technology into existing logistics processes.

Another important project is the “MEXOT” research project supported by the Innovative Port Technologies (IHATEC) funding program, which was launched back in January 2022 with BLG AutoTec GmbH & Co. KG as a practical partner and successfully concluded at the end of the reporting year. It aimed to ensure the holistic, ergonomic design of a technical workstation, including the picking work that comes before. For this purpose, passive



exoskeletons with measurement sensors were further developed and coupled with driverless transport vehicles. An incentive platform with an integrated gamification approach gave employees feedback on the relief provided by the exoskeleton and gave some additional motivation. At the end of the project, practical tests were carried out to validate the solutions developed. The project showed that the exoskeletons used, especially in the warehouse, contribute to an ergonomic improvement of the working situation and reduce physical stress. The direct feedback to employees on the support provided through recorded ergonomic data was also well received. The testing of driverless transport vehicles with follow-me mode was also successfully developed and operationally tested.

The “Resource Development in Service Work - ResourceE” project tests innovative solutions for health-promoting work design and competence development. BLG LOGISTICS is involved as an application partner with the Bremen Logistics Center and C3. An initial pilot phase using various exoskeleton models was supported scientifically. Based on the results obtained, preferred models are now being evaluated over a longer period and examined with regard to procedural and human-centered factors, such as efficiency or user-friendliness and influence on work motivation. In addition, software tools are being developed for assistance technology selection. The project started in July 2023 and will run for five years.

In addition, more progress was made with the “PortSkill 4.0” project. In 2024, BLG LOGISTICS was involved in collaborative projects with a total volume of EUR 59.2 million.