

# Strategy



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# Sustainability Management

Sustainability is an integral part of our entire business and extends to all processes, departments and responsibilities. We strive to continually improve in this area and regularly check whether we are achieving our goals. It is important to us to analyze the progress made and to remain open to external impulses and developments at all times. The past few years have shown that the consistent implementation of our strategy is successful. This success, but also the increasing expectations of our customers and employees, as well as the stricter legal requirements, motivate us to continue on our chosen path.

Reducing and managing our own emissions and those along our supply chain remain central elements of our sustainability strategy. Our climate protection target, which has been validated by the independent Science Based Targets initiative (SBTi), forms the basis of this. In order to make an even greater contribution to achieving national and global climate objectives, at the end of 2023 we decided to tighten this target once again and align it with the 1.5°C target laid down in the Paris Climate Agreement. Validation of this renewed target by SBTi is still pending as of the reporting date. In addition, our sustainability management includes other key issues, such as the protection of human rights along the supply chains and the guarantee of comprehensive occupational health and safety for our employees.

Our economic and geopolitical environment remains challenging. After an overall weak economic year in 2023, the global economy continued to grow at a very moderate pace in 2024. Global industrial production and trade in goods lost considerable momentum, particularly in the second half of the year. While private consumption and the related services provided a positive stimulus in the last quarter of 2024, these were held back by the geopolitically uncertain situation. In addition, we are facing increasing customer demands in terms of speed, agility and quality of delivery, while environmental awareness is also increasing in society, as are customer expectations when it comes to climate protection. The shortage of skilled workers also remains an important issue. These and other changes in the framework conditions – as well as any needs that may arise therefrom – are incorporated into our work on sustainability without changing what lies at the core of our projects and objectives. At the same time, the fact that implementation is sometimes delayed together with the lack of binding legislation in the area of sustainability management lead to uncertainties when it comes to implementation and planning for companies.

Our long-term goal remains to combine economic performance, social commitment and environmental responsibility. By looking at these three perspectives equally, we create a holistic understanding of opportunities,

challenges and interactions that enables us to act responsibly in all areas. Our sustainability management is accordingly based on the three ENVIRONMENTAL, SOCIAL and ECONOMIC pillars. As part of an update to the 2021 materiality analysis, these pillars have been assigned the current specific fields of action where we are driving sustainable change forwards. This strategic orientation of our sustainability management was comprehensively reviewed once again in the reporting year against the background of the upcoming Corporate Sustainability Reporting Directive (CSRD). The results of our double materiality analysis, in accordance with the requirements laid down in the European Sustainability Reporting Standards (ESRS), are currently being further processed and will provide an essential basis for our future sustainability management concept. Further information on updating our material topics according to CSRD can be found in the Materiality Analysis section starting on ► page 22.

Our commitment is also guided by external initiatives and frameworks. For example, back in 2022 we signed the United Nations Global Compact and committed ourselves to integrating its ten principles into our corporate strategy, culture and everyday business.



### Responsibilities and management accounting

Responsibility for the management, further development and implementation of sustainability management lies with the Sustainability Corporate Department, which also produces this report. The sustainability-related tasks undertaken in the AUTOMOBILE and CONTRACT Divisions are brought together here. In addition to the overall sustainability strategy, the department is also responsible for the management system in line with the Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*, LkSG), calculating our energy and carbon inventories and supporting energy management across divisions. The department is assigned to Finance area of responsibility and reports directly to the CFO.

The team brings sustainability topics and initiatives into the company and acts as a central interface. In doing so, particular emphasis is placed on defining, implementing and measuring sustainability goals. In the reporting year, it was established that reports on the sustainability goals defined in 2023 should be submitted quarterly within the company. Within the scope of financial reporting, the Board of Management and senior executives are now informed four times a year about where the company is at when it comes to achieving our quantitative sustainability goals, which allows for targeted control of key performance indicators. The Sustainability Board (SSB) helps with achieving the goals: established in 2021, it brings together representatives from the Sustainability, Legal, Insurance & GRC, Purchasing, Financial Services/Investor Relations, Human Resources, Safety & Environmental Protection and Integrated Management Systems corporate departments. In the reporting year, the reporting system, which was initially established within the German

companies, was also implemented in the three consolidated foreign companies. An overview of our goals, including the progress achieved in 2024, can be found in the table on ► pages 18 and 19.

Responsibility for social sustainability and, in particular, the interests of our employees lies with the Human Resources Corporate Department, which was represented on the Board of Management by our Labor Relations Director in the reporting year. Sustainable action within the company is only possible if we develop together as an organization – and we rely on continuous feedback and dialog. Under the umbrella of our #ErfolgBrauchtAlle (#SuccessDependsOnEverybody) initiative for cultural change, the Board of Management and senior executives can be given direct feedback as part of recurring formats. The culture and message behind #ErfolgBrauchtAlle were increasingly incorporated into our corporate wording over the reporting year in order to place stronger emphasis on “success”. The message was also channeled into our “Take the Lead” senior executives program. Success stories were also published “wir” (we), our employee magazine, among other initiatives. Furthermore, the change in the BLG brand was given further impetus with a logo refresh – in the spirit of a company which is seen as successful from both inside and out.

### Values, guidelines and management systems

Committed, respectful, passionate, responsible and open to change: these are the corporate values that form the basis of our overall shared culture and also serve as fundamental guideposts for our sustainability management. Our set of guidelines unites the legal and ethical standards that we are committed to upholding. It is not only a valuable

guide for our staff in their day-to-day work, but it also makes it clear to our partners and suppliers what requirements we place on them. In addition, our compliance system ensures that we observe all relevant laws and basic principles – detailed information on this can be found in the relevant section starting on ► page 67.

Our sustainability strategy is supported by established and largely certified management systems in the areas of quality management, environmental management, energy management and occupational health and safety management. We have also implemented management systems for compliance and information security. Detailed information on these systems can be found in the respective sections. We document the central elements of our corporate governance structures in our Corporate Governance Report, which also includes the corporate governance statement in accordance with section 289a of the German Commercial Code. The report focuses on the corresponding statement by the Board of Management and the Supervisory Board, significant corporate governance principles that go beyond the legal requirements, and a detailed description of the working methods and composition of both boards. For more information, see the Governance section starting on ► page 24.

### Rankings and awards

BLG Handelslogistik GmbH & Co. KG is a member of the Advisory Board of the Lean & Green not-for-profit initiative, and we won the Lean & Green Award back in 2015, with the 1<sup>st</sup> Star following in 2021. Thanks to our consistent CO<sub>2</sub> reductions, we will be awarded the Lean & Green 2<sup>nd</sup> Star in 2025. In order to obtain an objective picture of our sustainability performance, we regularly have it externally



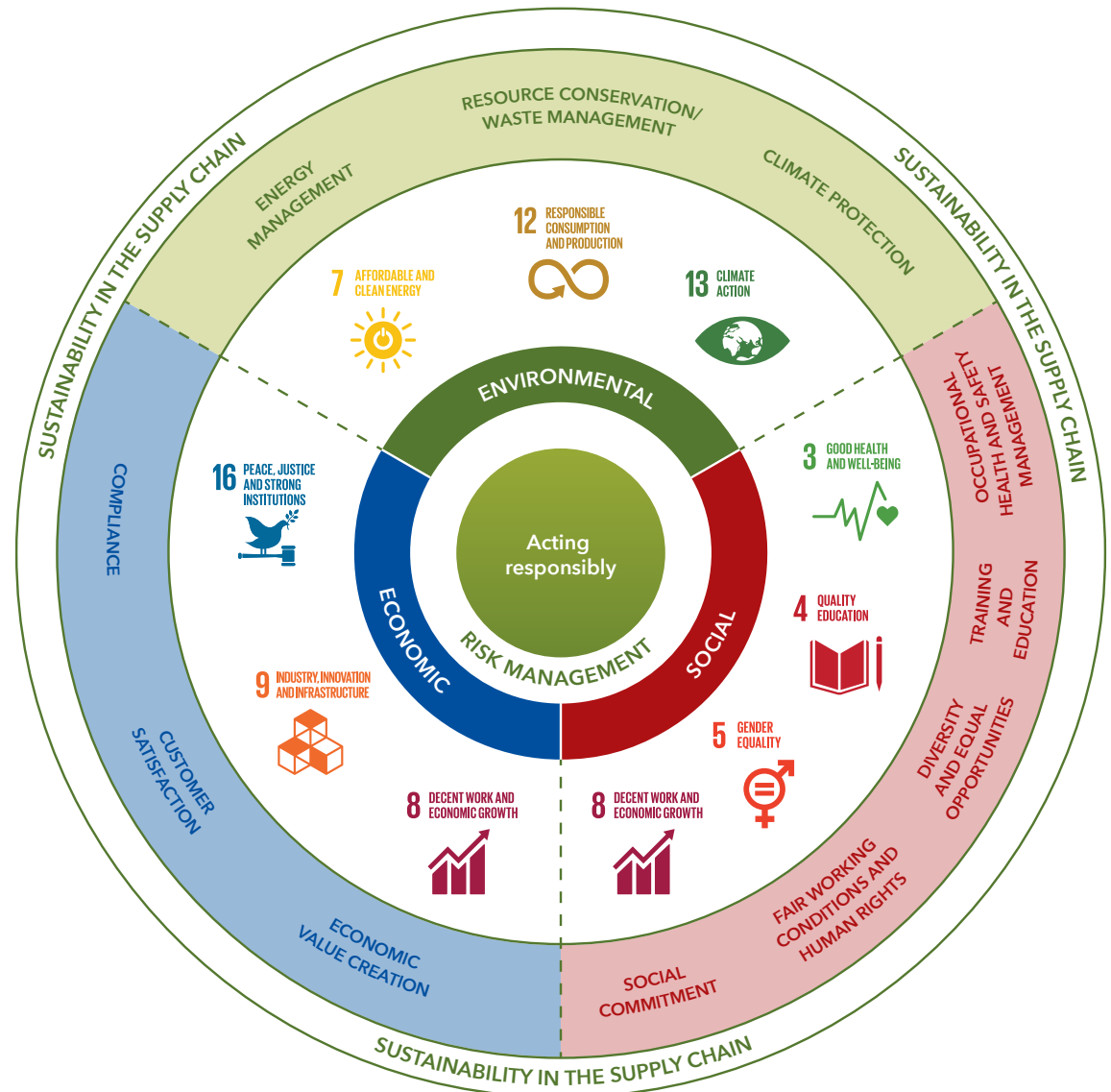
evaluated. In 2024, we once again completed the EcoVadis sustainability assessment and received a CSR bronze rating for 2025 – placing us among the top 35 percent of the companies assessed in our industry. In the reporting year, we also submitted our emissions data to the Carbon Disclosure Project (CDP) for the fourth time. We were able to maintain our level and achieved a "B" rating in the climate sector once again.

## Our Sustainability Approach

For us, acting sustainably means striking a balance between economic performance, social commitment and responsibility for the environment. Our goal is to incorporate each of these three perspectives into our decisions and to anchor this form of holistic consideration deeply within our processes and throughout the company. In this way, we can develop a comprehensive understanding of the interrelationships in order to overcome challenges and make the best possible use of opportunities – not only for us as a company, but also in terms of the sustainable logistics of tomorrow.















Simply put: we want to act responsibly in every respect. This aspiration forms the basis of what we do. We have assigned eleven fields of action to the three ENVIRONMENTAL, SOCIAL and ECONOMIC pillars. They illustrate how our business impacts the environment and society and, conversely, how it is shaped by them. Here we set ourselves clear goals, strive for change and want to make an active contribution to progress.

The United Nations' Sustainable Development Goals (SDGs), with the overarching goal of global sustainable development, are also used as a guideline. We also want to contribute to their achievement and focus on nine selected SDGs that are particularly closely linked to our business.



## Our Sustainability Commitment Goals

Our sustainability goals are the result of continuous internal and external dialog. This allows us to tighten up, integrate new aspects or adjust KPIs if necessary. The goals listed here were adopted in 2023 and have been in force in this form since 2024, and later in some cases. They sometimes replace previous objectives, and in other cases, they have been completely developed from scratch. In the Status column, we give a quick overview of where we currently stand in terms of achieving the goals.

SDG reference	Field of action	Target	Status 2023	Status 2024	Target horizon
<b>Climate Protection</b> 					
	We will achieve net zero and in doing so reduce our CO <sub>2</sub> emissions within the company and externally. This goal is closely aligned with the Paris Climate Agreement.	SBTi well below 2°C	€		By 2030
		<ul style="list-style-type: none"> <li>■ 30% absolute reduction in Scopes 1 &amp; 2 (-15% by 2024)</li> <li>■ 15% absolute reduction in Scope 3 (-7.5% by 2024)</li> </ul>		<ul style="list-style-type: none"> <li>■ -18.4%</li> <li>■ -27.4%</li> </ul>	
		From 2025: more stringent target of 1.5°C* <ul style="list-style-type: none"> <li>■ 50.4% absolute reduction in Scopes 1 &amp; 2</li> <li>■ 30% absolute reduction in Scope 3</li> </ul> (2018 baseline)			
<b>Energy Management</b> 					
	We are continuously working to increase our energy efficiency as well as the share of renewables. To achieve the latter, we rely both on the purchase of green electricity as well as increasing our own production via photovoltaics.	100% green electricity	59% (incl. support from the Renewable Energy Sources Act)	49.2% (incl. support from the Renewable Energy Sources Act)	 By 2025
<b>Waste Management</b> 					
	We take responsibility for the environmentally compatible use of resources and aim to reduce our waste volume by avoiding, reducing, recycling and reusing waste.	≥ 90% segregated waste collection rate	88%	85.3%	 annually
<div>  Still pending            In progress            On track            Achieved            Relevant for remuneration         </div>					

\* The Science Based Targets initiative (SBTi) has yet to validate the more stringent climate target as of the publication date.

SDG reference	Field of action	Target	Status 2023	Status 2024	Goal horizon
<b>Fair Working Conditions &amp; Human Rights</b>					
	Our employees are crucial to our success. We offer them safe and attractive jobs with fair wages, and are also mindful of the working conditions of the people in our supply chain.	100% of our own employees and temporary employees are covered by collective agreements (or at least with a comparable wage level)	97.7%	97.3%	annually
<b>Training &amp; Education</b>					
	In addition to qualifications, our training programs also take into account individual backgrounds and circumstances. We offer our employees opportunities for further development throughout their entire careers.	From 2025: ≥ 2.0% trainee ratio	€ 1.9%	2.3%	annually
		≥ 5.5 centrally recorded training hours per employee p.a.	4.8 h	9.9 h**	by 2025
<b>Occupational Health &amp; Safety Management</b>					
	We take responsibility for providing a safe working environment with a focus on accident prevention.	0 fatal accidents	0	0	annually
	We also support our employees in staying healthy through a number of preventive measures.	By 2024: ≤ 35 accident rate (per 1,000 employees)	€ 40.6	36.3	annually
		From 2025: reduce the accident rate (LTIFR) by 10% annually	N/A	29.1	annually
<b>Diversity &amp; Equal Opportunities</b>					
	We employ people from more than 60 nations and respect their diversity. We also grant our employees equal career opportunities and in particular promote women in management.	≥ 30% proportion of women on average in management levels 0-3	26.3%	26.3%	by 2025
<b>Compliance</b>					
	We conduct our business in accordance with the law. We involve the entire organization by providing information and sharing knowledge.	From 2024: 90% of management staff (management levels 0-3) have a valid compliance training certificate	90.8% (within a three-year cycle)	100%	annually
Still pending          In progress          On track          Achieved          Relevant for remuneration					

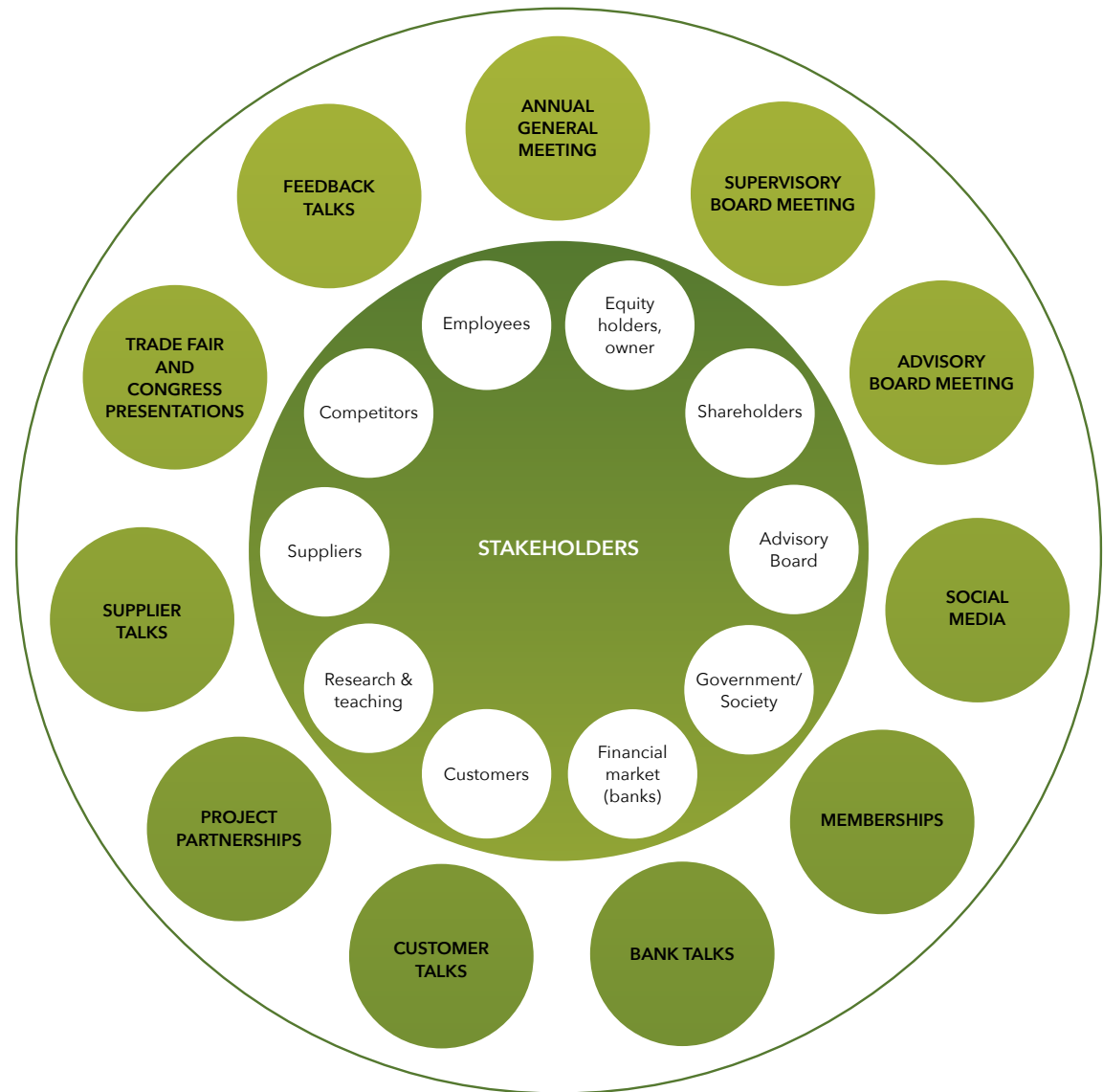
\*\* The qualification courses that are decently organized and run were recorded centrally for the first time in 2024.

### Fostering dialog with our stakeholders

When formulating the direction and the goals of our sustainability management, we take the perspectives and interests of our stakeholders into account. This includes all persons or groups that are directly or indirectly affected by our business, both now and in the future. We regularly exchange information with many, giving special priority to our customers' interests. We communicate with them closely and fairly – all the more so if we work directly with them at our branches or operate on their premises. During the development of new logistics locations or joint large-scale projects, this cooperation intensifies even more, giving us focused, valuable feedback.

Our employees' expectations are of equal importance to us, which is why we incorporate them into our decisions. The dialog formats described nearby, as well as the personal conversations between colleagues or with managers, are of great importance. With particular regard to sustainability, we survey the people at BLG annually about employee mobility – reducing the associated emissions is part of our climate protection strategy.

We are in constant communication with the City of Bremen, our largest shareholder. In doing so, we provide information, participate in exchanges and, not least, support the Bremen climate protection goals through our own commitment to mitigating climate change and our ambitious climate targets.







#### Important memberships in associations, organizations and initiatives

- |  |   |
|--|---|
| - German Logistics Association (BVL)   | - Charter of Diversity                                |
| - German Transport Forum, Berlin   | - Sponsor of the Bremer Diversity Award               |
| - Business association Wirtschaftsverband Weser, Bremen                            | - Lean & Green  |
| - Company association Bremische Häfen, Bremen                                      | - Partnership of Environmental Enterprises (PUU)      |
| - German Freight Forwarding and Logistics Association, Berlin                      | - Mobility2Grid                                       |
| - United Nations Global Compact (UNGC)   | - Institute of Shipping Economics and Logistics (ISL) |
| - AKJ Just-in-Time Working Group   | - UN Global Compact Network Germany                   |
| - Association of European Vehicle Logistics (ECG)                                  | - Bremische Hafen- und Logistikvertretung e.V.        |
| - "Wirtschaft pro Metropolregion e.V." Development Association                     | - Stifterverband für die Deutsche Wirtschaft          |
| - Central Association of German Seaport Operators (ZDS), Hamburg                   |   |
| - Taskforce "Sustainable Heavy Goods Transport" of the German Energy Agency (dena) |   |

Our participation in the Überseehafen Round Table, which is organized by bremenports and led by the Senator for Economic Affairs, Ports and Transformation, also underlines our commitment. As a member of the steering group, we are working with the participating companies to achieve our common goal and ensure a permanently resilient energy supply at Bremerhaven international port, while also making the site CO<sub>2</sub>-neutral. We reach other important groups through individual formats – please refer to the graphic on ► page 20. In addition, we benefit from the fact that virtually all significant stakeholders have a seat on the Supervisory Board with representatives from business, banking, the workforce, trade unions and the public sector.

Our Advisory Board is made up of scientists specializing in sustainable logistics, process innovation in logistics and

junior management training, as well as representatives from business, trade associations and the media.

We firmly believe that the transformation to a sustainable economy can only be achieved by working together. As such, we work in associations and professional groups together with partners, institutions and competitors to overcome emerging challenges. Among other things, Frank Dreeke, CEO of the company until the end of the reporting year, was an active member of the Board of the Central Association of German Seaport Operators (ZDS) during the reporting year, having previously been chairman for many years. In 2025, Matthias Magnor became a member of the Board. The ZDS constitutes a central link between port industry and politics. Frank Dreeke was also a member of the Board of the German Transport Forum (DVF) and vice-chairman of the Supply Chain Network

(BVL). As of 2025, Matthias Magnor has taken over the role as a member of the Presiding Board of the German Transport Forum. We are also involved in the BVL "Nachhaltig gestalten" ["Acting sustainably"] group and are a member of the steering group for the "Sustainable Heavy Goods Transport" taskforce at the German Energy Agency (dena). The platform aims to reduce emissions in heavy goods transport and in connection with this, support political energy transition objectives – while concurrently providing long-term planning and investment security for stakeholders. In the reporting year, a position paper on the taxation of fuels based on their climate impact was published, which provides a comparison, analysis and recommendation on amending the German Energy Tax Act for successfully defossilizing heavy goods transport.

As a long-standing member of the Association of European Vehicle Logistics (ECG), we are committed to supporting the interests of the finished vehicle logistics industry in Europe. The ECG and, in particular, the ECG Academy training program, is highly relevant for the exchange within the industry.



# Materiality Analysis

This Sustainability Report is a central part of our annual overall reporting and was produced in accordance with the GRI standards for the last time for 2024. The corresponding GRI content index is available online. [www.reporting.blg-logistics.com](http://www.reporting.blg-logistics.com) As usual, the CSR index on ► page 81 links the relevant topics for non-financial reporting (NFR) with the respective sections in the report.

Against the backdrop of the Corporate Sustainability Reporting Directive (CSRD), which we will have to abide by in the future, in 2024 we took the first steps to prepare for the associated European Sustainability Reporting Standards (ESRS), which, in our case, will replace the GRI standards. A key focus was on updating our existing materiality analysis, taking into account the requirements for a double materiality analysis (DMA). During implementation, we considered both the potentially material sustainability issues according to the ESRS as well as the company-specific issues addressed so far. We will publish the results of the DMA for the first time in the 2025 sustainability report, although it is already evident that, substantively, there will be a high degree of overlap with the topics covered and reported here as part of sustainability management.

## Subject matter and reporting scope

Our reporting includes the fully consolidated companies of the BLG LOGISTICS GROUP, exclusively assigned to the AUTOMOBILE and CONTRACT Divisions. Both these divisions and our corporate divisions have been taken into account in determining and selecting material topics and prioritizing content for the non-financial statement.

This report focuses on the BLG companies in Germany, which still make up the majority of our business, accounting for 90.6 percent of employees and 95.9 percent of the revenue of the consolidated locations. In order to comprehensively depict our sustainability performance, we are continually working to further expand data collection and availability for our companies abroad. For several years now, we have included the consumption of the relevant international locations in our energy and greenhouse gas inventory and were able to complete this process in the reporting year. With the last report, we also began presenting differentiated human resource KPIs at the individual country level. For the first time this year, the compliance training rates at our overseas companies were also recorded and presented.

The third division, CONTAINER is represented by the EUROGATE Group, in which BLG LOGISTICS holds a 50 percent stake. It is the leading shipping line-independent

container terminal group in Europe and independently manages the areas that are material for the non-financial statement – including energy, environment, personnel and compliance. We therefore present the NFR topics relevant for the CONTAINER Division separately starting on ► page 76.

## Identifying and selecting the reported topics

In addition to a detailed materiality process from 2018, annual topic checks and a comprehensive internal review of the materiality in 2021, the basis for determining the topics covered in this report is an internal validation carried out again in 2023. The aspects were reassessed in terms of their importance for our business success and in terms of the impacts of our business on the environment and society. In this way, we ensure that the content remains relevant and that current developments and new findings are considered. Independently of this, in 2024 we continued to use the key performance indicators previously collected in line with the GRI requirements.

A comprehensive process was initiated in the reporting year to redesign the existing materiality analysis in accordance with CSRD requirements. A central part of the required DMA is the identification of potential and actual positive and negative impacts of our business on the environment and society (impact materiality). At the same time, opportunities and risks arising from external sustainability factors for us and the long-term success of the company are considered (financial materiality). These aspects were collected in workshops with the specialist departments and then quantitatively evaluated. The results are used to derive the data points to be reported in accordance with the ESRS, which will form the substantive framework for the 2025 report.

### Weighting of the material topics

We assigned our material topics to ENVIRONMENTAL, SOCIAL and ECONOMIC pillars and transferred them to the materiality matrix below according to their relevance for BLG LOGISTICS and their impacts on the environment and society. There they are ranked as important, very important, or highest priority. Only the latter are taken into account in our NFR. We have also assigned the topics to the SDGs, which we want to help achieve.

In the following, we describe our management approach to each material topic and map selected key performance indicators in accordance with GRI guidelines. In addition, we explain how we deal with NFR aspects and present the associated concepts, results, evaluation methods and other relevant key performance indicators. An overarching risk assessment can be found starting on ► page 26.

**Materiality matrix 2024**





# Governance

## Management structure, governing bodies and selection processes

BLG AG is a company governed by German law and as general partner of BLG LOGISTICS & CO. KG, is responsible for the management of the latter. A central principle of German stock corporation law is the dual management system, in which there is a clear separation of personnel between the board of management as the executive body and the supervisory board as the oversight body. Both bodies work closely together in a relationship of trust to manage and oversee the company. The Board of Management regularly and comprehensively informs the Supervisory Board about all relevant topics such as strategy, planning, business development, financial performance and earnings, compliance and entrepreneurial risks.

The Supervisory Board consists of 16 members, half of whom are elected by shareholders and half by employees in accordance with the provisions of the German Codetermination Act. The Supervisory Board currently includes significant major shareholders, who have a majority of the voting rights, as well as independent members in the number specified by the Rules of Procedure. No former members of the Board of Management of BLG AG have any Supervisory Board mandates. The composition of the Supervisory Board takes into account the statutory gender quota, which must be satisfied separately for the shareholder and staff members. A competency profile

defined in 2018 ensures that all relevant knowledge and experience in relation to our business are represented in the supervisory board. This profile also explicitly addresses the area of sustainability/ESG, with a particular focus on topics such as climate protection, energy management, diversity and equal opportunities, training and education, fair working conditions, human rights, compliance and customer satisfaction. The Supervisory Board currently combines all the necessary competencies, and reviews are regularly conducted to determine which skills and expertise need to be strengthened when appointing new members.

The Supervisory Board is responsible for appointing and removing members of the Board of Management, determining the remuneration system for the Board of Management and submitting it for approval at the Annual General Meeting. In addition, it determines the total remuneration for the members of the Board of Management. In 2021, a new remuneration model was introduced that includes both financial and non-financial target figures: CO<sub>2</sub> emissions, trainee quota and the work-related accident rate per 1,000 employees. While the established, remuneration-relevant target figures were still used in the reporting year, they were adjusted to meet future requirements in 2023 as part of the revised sustainability target program. Among other things, it was decided to tighten the climate target in line with the 1.5°C target and to replace the previous accident rate per 1,000 employees

with the internationally-recognized Lost Time Injury Frequency Rate (LTIFR) starting from 2025.

Together with the Board of Management, the Supervisory Board is responsible for long-term succession planning for Board of Management positions, whereby we primarily aim to fill these positions from within our own company. The Board of Management is responsible for proposing a sufficient number of suitable candidates to the Supervisory Board. This decision is based on systematic management development that allows the Supervisory Board to ensure sufficient diversity in terms of professional training and experience, culture, internationality, gender and age when selecting board members, in line with our diversity concept. In its current composition, the Board of Management meets these requirements. As of December 31, 2024, the proportion of women was once again at 40 percent, which meets the statutory quota.

After twelve years at the helm of BLG LOGISTICS, the Chairman of the Board, Frank Dreeke, left the company at the end of 2024 as scheduled. The Supervisory Board appointed Matthias Magnor, a member of the Board of Management and Chief Operating Officer (COO) of the BLG Group since 2021, as his successor. As the new COO of both the AUTOMOBILE and CONTRACT Divisions, Axel Krichel will complete the BLG Board of Management starting from January 1, 2025.



In addition to the Mediation Committee as required by law, the Supervisory Board has also set up an Audit, a Human Resources and an Investment Committee. The Audit Committee is responsible, among other things, for auditing the financial statements and management report for BLG AG drawn up by the Board of Management and the combined financial statements and combined management report for BLG LOGISTICS. It prepares the Supervisory Board's decisions on planning for the next financial year and deals with topics such as risk management and compliance. This committee consists of three shareholder representatives and three employee representatives, and the chairperson in the reporting year fulfills all statutory requirements regarding independence and expertise in accounting and auditing. The Human Resources Committee has equal representation, consists of the chairperson and deputy chair of the Supervisory Board, as well as six other Supervisory Board members. Among other things, it proposes suitable shareholder candidates for election to the Supervisory Board, advises on long-term succession planning for the Board of Management and decides on the employment contracts for Board of Management members. The Investment Committee consists of six members – three shareholder representatives and three employee representatives, chaired by the Supervisory Board Chair. The committee is responsible for preliminary decisions and decision-making processes for specifically-defined, urgent investment projects.

For more detailed information on the governing bodies, committees and their composition, please see the Corporate Governance Statement, which is part of our financial reporting. The currently applicable remuneration system

for the Board of Management and the remuneration report are publicly available at [www.blg-logistics.com/ir](http://www.blg-logistics.com/ir).

### **Anchoring sustainability within the company and its processes**

Sustainability is a core part of our corporate strategy. We create the basis for this with company-wide directives and guidelines on environmental, social and economic aspects of sustainability. In addition, we are increasingly integrating sustainability-related topics into our education and training programs. The topic is brought into our partnerships and business relationships along the supply chain via our Supplier Code of Conduct, among other things. More information is available in the Sustainability Management, Training and Education, Compliance and Sustainable Supply Chain sections.

Since October 2022, our Chief Financial Officer, Christine Hein, has been responsible for sustainability at the Board of Management level. The entire Board of Management and Supervisory Board are responsible for monitoring the sustainability-related impacts of our business operations and are responsible for reviewing the effectiveness of the (counter)measures taken. Depending on their area of responsibility, individual members of the Board of Management are actively involved in the development of sustainability-oriented strategies, directives and targets. In all cases, these are approved by the entire Board of Management. During the last materiality analysis, it was also involved in defining and selecting the topics depicted in the sustainability report, and also approves the final report each year before it is published. At the invitation of the City of Bremen – our largest shareholder – the Board of Management regularly took part in information events and

workshops on sustainability-related topics, such as diversity and climate protection, and incorporates the lessons learned into the corporate governance. All operational and strategic sustainability activities are pooled in the Group's Sustainability Department, which reports directly to the Board of Management. In 2023, the role of Human Rights Officer also further cemented the topic of human rights due diligence within the department. The Human Rights Officer is supported by the Sustainability Board, in which all relevant departments are represented. Further details on the cooperation can be found in the Sustainability Management section starting on ► page 14.

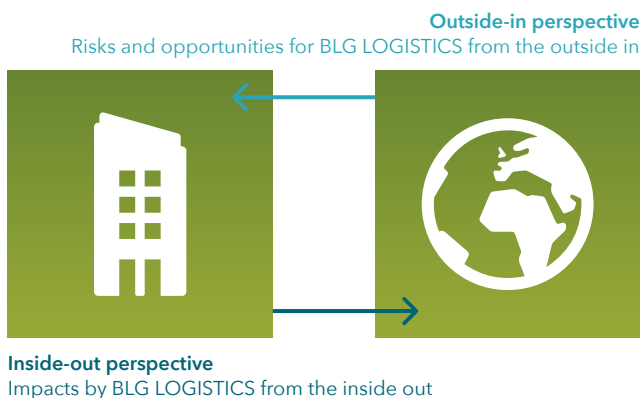
In order to realistically assess the impacts of our business and the effectiveness of the measures already implemented, it is important that we make it as easy as possible for people – whether internally or externally – to find out about the standards we have set, report deviations or express concerns. For this purpose, not only is our compliance team available, but the BLG Integrity Line was also introduced in the reporting year – more on this in the Compliance section starting on ► page 67. In the event of sustainability-related incidents, these are initially reported to line managers via the usual information channel, who are obliged to involve the compliance officer in serious cases. Depending on the type, location and severity of the incident, other contact persons, such as staff from the relevant specialist departments, may also be called in to support with assessment, resolution and prevention.

# Risk Management

Running a business entails risks and opportunities. Responsible management of both is a core element of BLG LOGISTICS's solid corporate governance. Our opportunity and risk policy aims to increase the company's value without taking any unreasonably high risks. To this end, we continually integrate processes and instruments that enable us to identify potential risks at an early stage and make informed decisions in order to mitigate or completely avoid them.

Incorporating sustainability into our risk management is an ongoing process that was continued in 2024. For example, we further developed the methodology of the LkSG risk analysis introduced in 2023 and combined it with the requirements of the CSRD. The analysis serves to identify risks related to human rights and the environment in accordance with the Supply Chain Due Diligence Act (LkSG) in the company's own operating segments and in the supply chain. In addition, a double materiality analysis according to the CSRD was carried out for the first time. This involved, on the one hand, looking at the potential and actual impacts of our business – both positive and negative – on society and the environment and, on the other hand, assessing the financial risks and opportunities that external sustainability factors have on our business or could have in the future. More details on methodology are provided later in this section. The results will be

## Perspectives of risk management



incorporated into our Group risk management in the medium term.

## Risk and opportunity culture

We pursue profitable growth with sustainability-related objectives in mind. The risk and opportunity culture as an integral part of our corporate culture encompasses the basic attitude and behaviors required when dealing with risks and opportunities. It significantly influences risk awareness when making our business decisions and creates the basis for developing appropriate and effective measures so that we can seize our opportunities safely and responsibly. Our risk and opportunity culture is the basis

## Responsibilities in connection with risk management organization



### Objectives of risk management

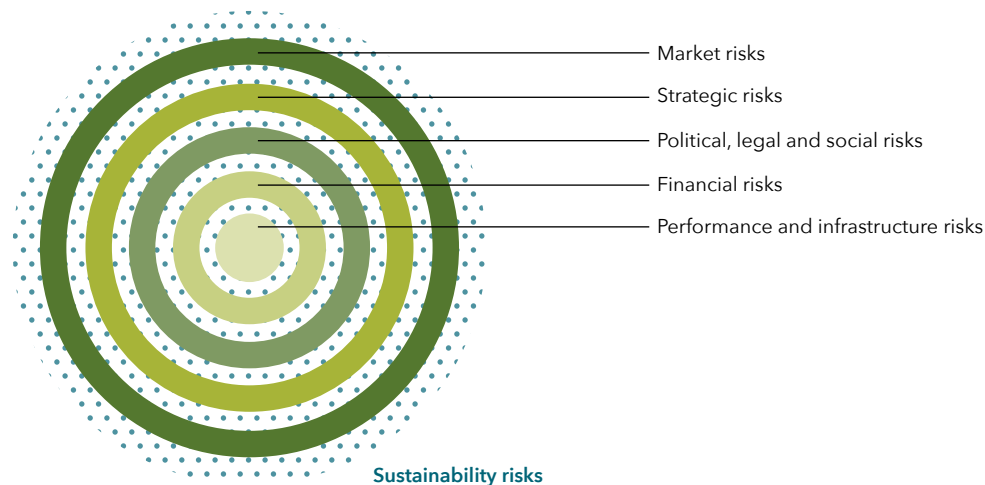
- Early detection and prevention of crises and insolvencies (safeguarding the business as a going concern)
- Improving planning reliability and risk costs through optimum risk management
- Sound preparation for making business decisions using risk analysis to improve the company's success
- Achieving sustainability-related corporate objectives and monitoring sustainability-related risks with regard to the three dimensions of ESG (environment, social, governance), taking into account the principle of double materiality

for our successful risk management. Effective risk management also requires that transparency and a willingness to actively communicate and cooperate are an integral part of this culture and that they are consistently practiced.

### Basic elements of risk management

In line with our risk strategy, the elements of the risk management system are implemented centrally to ensure clear responsibilities. These elements are laid down in the Group Policy on risk management and form the basis for systematically and consistently identifying, documenting, analyzing and assessing risks. They also enable effective control, monitoring and communication. Our goal is to promote a common awareness and positive understanding of how to deal with business risks – both at management level and among all employees.

### Influence of ESG topics on corporate risks



The overall objective of risk management is to ensure the company's long-term risk-bearing capacity. Central tasks include identifying and assessing risks early, efficiently managing and monitoring them through appropriate measures, and continuous and transparent reporting as a basis for sound decisions. Through this holistic approach, risk management helps with the implementation of our corporate strategy and makes an important contribution to target achievement.

Special attention is paid to "extreme risks", i.e., those generating a high level of damage with a low probability of occurrence. These include extreme natural disasters, economic crises and terrorist attacks. Our Business Continuity Management (BCM) system also intervenes in the event of resulting business interruptions. Here,

strategies, plans and measures are developed to protect activities or processes, or enable alternative action.

Identified risks are addressed and continually monitored through central and local measures. In addition, regular presentations and discussions take place in the management groups and on the Risk Committee. The resulting risk reports were submitted to the Board of Management quarterly and over the reporting year and at each regular meeting of the Supervisory Board in order to inform both bodies of the overall risk situation.

### Risk categories and risk outlook for BLG LOGISTICS

In Group risk management, particular focus is placed on potential outside-in risks that would have noticeable impacts on the company's assets and liabilities, changes in financial position and profit or loss if they materialized.





These risks are grouped into five defined categories (see graphic above). Risks from the environment, social and governance areas (ESG, outside-in perspective) affect all five categories. Given the broad ESG spectrum, we look not only at risks, but also at opportunities. The related topics can affect many areas – from financing to human resources policy to procurement – and affect the overall risk position.

### Environmental risks

As a seaport and logistics service provider, we are severely affected by environmental and climate-related risks. Dealing with the effects of ongoing climate change is therefore a major challenge for us. The increasing frequency and intensity of acute extreme weather events such as heat waves, storms and floods poses a threat to our assets and business processes, as do long-term chronic changes in mean values and fluctuation ranges of various climate variables – including temperature, precipitation and sea level. In order to address these risks, we have analyzed various scenarios involving damage to our property, plant and equipment due to natural disasters, including any business interruptions that may potentially occur as a result. BLG LOGISTICS has taken out property and business interruption insurances to transfer the risk. However, individual theoretical risks, such as a storm surge, cannot currently be fully insured. Such risks are considered as much as possible as part of our Business Continuity Management (BCM). In addition, climate adaptation strategies need to be developed in the medium term at potentially affected sites.

In order to prevent climate risks from becoming increasingly exacerbated, we are pursuing an active climate

protection strategy. In the reporting year, various projects aimed at increasing energy efficiency were successfully implemented. In addition, optimizing route planning for our transport operations helped reduce the environmental impact while also reducing costs. A detailed overview of the measures implemented can be found in the Climate Protection and Energy Management sections starting on ► page 33.

With our comprehensive measures, we not only want to reduce environmental and climate-related risks, but also ensure that we stay competitive over the long term. By integrating environmental aspects into our risk management and proactively responding to the associated challenges, we position ourselves as a reliable partner for our customers.

### Social risks

Our employees are crucial to our success. As such, their well-being and development are at the heart of our efforts.

Demographic change and the changing requirements resulting from ongoing digitalization and automation are leading to a shortage of qualified workers in many areas. Failure to refill positions within the desired time frame or with staff with the required skills will result in lost productivity. At the same time, the burden placed on the workforce is increasing, which can lead to increased absenteeism, accidents and additional staff turnover.

In order to reduce staff turnover, targeted investments are being made in the skills of staff and senior executives. We are also revising our feedback tools to strengthen the exchange between employees and top management. We

promote employee retention through targeted personnel development measures, strong leadership and transparent remuneration systems that create trust and satisfaction.

In addition, the HR department was restructured in the reporting year for more effective recruiting. The expertise required for an efficient, targeted application process has now been pooled into one corporate recruiting department. In addition, key positions are identified and comprehensive talent management is put in place in order to secure important competencies within the company and actively address future challenges. These measures ensure that BLG also keeps qualified staff in the long term and is perceived as an attractive employer.

### Governance risks

The number of cyber incidents, including IT outages, ransomware attacks or data breaches, continues to be high across the globe for all companies. Since information security is of central importance within our business processes, the associated risks remain highly relevant for BLG LOGISTICS. In order to avoid or minimize them, we have taken numerous measures and are continually reviewing our processes and technology.

Raising awareness among our employees of how to handle business-relevant information responsibly is very important in this context. That is why we conduct internal training and communication campaigns and work to ensure that the confidentiality, integrity and availability of information are maintained through appropriate technical support.





In 2024, as in the previous year, we intensively reviewed and further developed our emergency processes. Among other things, a crisis management group with clearly defined decision-making powers was created to ensure quick, efficient responses using defined procedures in the event of a potential attack.

Together with the Data Protection Officer, we ensure that personal data are processed exclusively pursuant to the provisions of the EU General Data Protection Regulation and in accordance with applicable local laws.

#### **Further development: our inside-out risk management**

In recent years, risk management in sustainability management has taken on a more important role through the LkSG and, most recently, the CSRD, among other things. Accordingly, the systematic consideration of the impacts, risks and opportunities within the scope of sustainability management has also gained importance.

Our first double materiality analysis was also conducted to this end. First, the potential and actual impacts, risks and opportunities in our own business segment, as well as along the upstream and downstream value chain were compiled and defined in a comprehensive list. They were then given time horizons for a (potential) occurrence and quantitatively assessed for magnitude and probability of occurrence. In addition, the impacts were assessed with regard to scope and irremediable character, whereby Corporate Risk Management's assessment logic was applied. The next step is to integrate the sustainability risks and opportunities identified into the Group's risk management system. Other impacts will continue to be considered at

the company level, according to their importance. Further information on the materiality analysis can be found in the section starting on ► page 22.

The risk management system had already been introduced in 2023 in accordance with the LkSG guidelines to systematically record human rights and environmental risks in our own areas of activity and at our direct suppliers. This risk management system was further developed in 2024, using synergy effects for the double materiality analysis according to the CSRD, in particular. The approach to risk analysis differs between our own business segments and our suppliers. Concrete potential risks as well as existing countermeasures are analyzed at our sites. Our suppliers, on the other hand, are initially classified into risk groups on the basis of abstract industry and country risks. Suppliers with a higher potential risk are then subjected to a detailed analysis. A software solution was implemented in the reporting year in order to support both analyses in a targeted manner. In addition to a data-based assessment of our suppliers, it also allows for direct exchange with them, by way of supplier self-assessments, for example.

The Corporate Sustainability Department is responsible for the risk analysis according to the LkSG, whose manager is also the human rights officer for BLG LOGISTICS. Central Purchasing is responsible for conducting the annual risk analysis for supply chains. The results are included in our publicly available Declaration of Principles on Human Rights, which can be found here: [www.blg-logistics.com/sustainability](https://www.blg-logistics.com/sustainability).

Further information on supply chain management and details on the risk analysis process according to the LkSG can be found in the Sustainable Supply Chain section starting on ► page 30.



# Sustainable Supply Chain

We offer our customers tailored, sophisticated logistics solutions along global supply chains. Exactly what this looks like and the scope of our services is described in detail in the Company Profile section. In addition, we take over the entire supply chain and establish integrated logistics chains that we manage across the entire value creation process – especially in the areas of project and process management, technology, IT and quality. We mainly work with products and components provided by our customers.

We take our responsibility seriously and strive to ensure that our direct suppliers comply with due diligence when it comes to human rights and the environment. This requirement was further strengthened by the Supply Chain Due Diligence Act (LkSG) entering into force in 2023.

Our centrally-managed purchasing processes comprise more than 100 product groups and are managed by the Corporate Purchasing Department. In addition, purchasing activities also take place directly at the sites. This results in a diverse portfolio of suppliers from different industries to help us provide our services. 99 percent of our procurement markets are located in Germany as well as in other European countries, where binding sustainability standards apply.

## Clear communication for common standards

We are transparent with our customers about how we meet our ethical, social and environmental responsibilities. We also expect this openness from our suppliers and take appropriate criteria into account when selecting and awarding contracts. For example, when subcontracting transport services, we pay particular attention to sector-specific risks relating to human rights, such as adequate wages, the right to freedom of association and compliance with general occupational health and safety rights. Only in this way can we systematically implement sustainability along the whole supply chain in compliance with the law.

Our requirements for environmental and social responsibility as well as ethical business conduct are set out in the Supplier Code of Conduct, which we recently revised in line with the LkSG, which has been in force since 2023. Of course, all legal requirements regarding employees, occupational health and safety and environmental protection must be complied with at all times. In addition, we expect that potential or actual negative impacts on people and the environment will be prevented or mitigated through appropriate measures. Our suppliers are obligated to inform any subcontractors about our requirements and to ensure that they comply with them.

[www.blg-logistics.com/gtc](https://www.blg-logistics.com/gtc)

We ensure compliance with supply chain-related due diligence primarily by means of closely coordinated interaction between the Purchasing, Legal, Insurance & GRC, Sustainability and Human Resources departments. The overarching coordination and monitoring are primarily the responsibilities of our Human Rights Officer, who is also Head of the Corporate Sustainability Department. In the reporting year, the Human Rights Officer was supported by the appointment of two Human Rights Coordinators for companies with more than 1,000 employees.

In addition, the organizational processes and responsibilities for fulfilling LkSG due diligence have been further refined. Together with the Human Rights Officer and Human Rights Coordinators, the corporate departments set the framework for the performance and implementation of due diligence in the various company departments. In addition, they regularly report to the Human Rights Officer on the planned and implemented measures. The operational sites are responsible for implementing supply chain management in their own area of activity.

Our LkSG manual provides an overview of the respective roles and processes for compliance with human rights and environmental due diligence obligations.

**Clear processes: risk analysis and supplier assessment**

We identify and assess potential risks relating to human rights or the environment along our supply and activity chains using systematic risk analyses. These analyses serve as a basis for defining and prioritizing preventative measures and remedial measures. Purchasing is responsible for carrying out risk analyses with regard to our direct suppliers.

Risk classification is a two-stage process, comprising an abstract and a specific supplier assessment. The first focuses on the assessment of industry and country-specific risks based on supplier data, with data-based software being used for the first time in the reporting year. The objective of this abstract risk analysis is to identify suppliers with a risk that is potentially increased. In the subsequent specific risk analysis, these suppliers are prioritized and examined more closely on an individual basis – for example, by considering the type and scope of the business relationship, reviewing external certifications, requesting a self-assessment or conducting audits. Further information on risk analysis at BLG LOGISTICS can be found in the Risk Management section starting on ► page 26.

In the reporting year, the risk analysis was carried out in the form described above for all our suppliers in 2023 and the first half of 2024. The result of the abstract risk analysis showed that less than 1 percent of our suppliers are potentially high risk. In the next step, these suppliers were checked in detail according to the defined process. In all cases, the potential risk could either be plausibly reduced by way of a specific analysis of the previous abstract risk assessments or else the cooperation with the suppliers

concerned had already ended at the time of the analysis or could be discontinued in the near future.

We have been assessing suppliers and service providers in Central Purchasing in cooperation with the responsible sites according to a defined scheme since 2016. Using a comprehensive questionnaire, we assess not only classic purchasing criteria such as quality, price and delivery time, but also environmental aspects. A particular focus is on energy efficiency, which plays a central role in the procurement of lighting or forklifts, for example. In addition, face-to-face discussions and on-site visits are an integral part of our dialog with existing and new suppliers.

The process is deemed to be completed when there are no objections, which was the case for all assessments in the reporting year. If changes or optimization are required, we agree with the supplier on measures to be taken for further development. We terminate relationships with suppliers who cannot meet our requirements, even in the medium term.