BLG LOGISTICS

2020 Magazine

Clear Course: Future

BLG LOGISTICS is a seaport and logistics service provider with an international network. For more than 140 years, our hallmark has been logistics driven by both passion and pragmatism. We create logistics for our customers in trade and industry by applying our expertise to develop and implement innovative, highly sophisticated and future-oriented solutions.

Today, the BLG Group is represented on all the world's growth markets, with almost 100 locations and branches in Europe, America, Africa and Asia. Our AUTOMOBILE and CONTAINER Divisions are leaders in Europe. Our CONTRACT Division is among Germany's leading providers.

BLG LOGISTICS aims to be climate-neutral by 2030. In fact, we are the first German logistics service provider with a scientifically recognized climate protection goal.

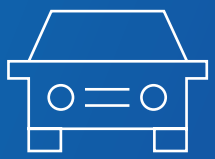
As an employer, we foster a personal touch, value our employees' contribution and keep our sights firmly on the future. Including all associated companies, BLG LOGISTICS currently provides some 20,000 jobs worldwide. The BLG Group is headquartered in the Free Hanseatic City of Bremen.

AUTOMOBILE

The AUTOMOBILE Division is the leading technical and logistics service provider for the international automobile industry.

39 %

Sales share



CONTRACT

The CONTRACT Division manages complex projects and offers its customers reliable upstream and downstream logistics solutions.

41 %

Sales share

CONTAINER

The EUROGATE Group, in which BLG LOGISTICS holds a 50-percent share, is Europe's leading shipping-line-independent container terminal group.

20 %

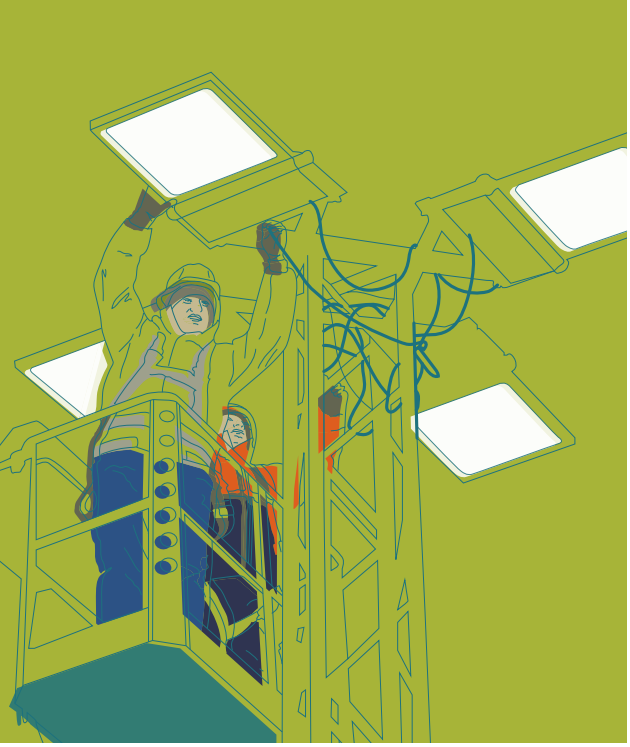
Sales share

Dear readers,

the 2020 business year turned out to be one of the most challenging in the history of the BLG Group.The coronavirus pandemic tested the strategy we developed over recent years to the limit. The good news: Our broad base and extensive network carried BLG LOGISTICS through.

Furthermore, in the crisis our employees were ready to do whatever they could and look to the future with us. We will continue to shape the logistics of the future to bolster the market success of our customers. Key factors here are climate protection, digitalization and innovation. This is our “Clear Course: Future”.

Business year 2020 at a glance
reporting.blg-logistics.com/2020/en/yearinvideo



38

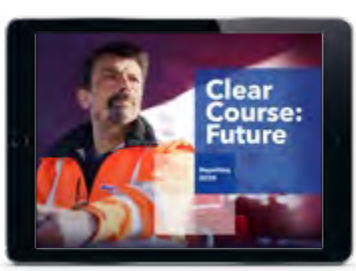
Mission Climate

On course for climate neutrality: BLG's Mission Climate is dedicated to tackling climate change and simultaneously ensuring business success.

46

Can AI do climate protection?

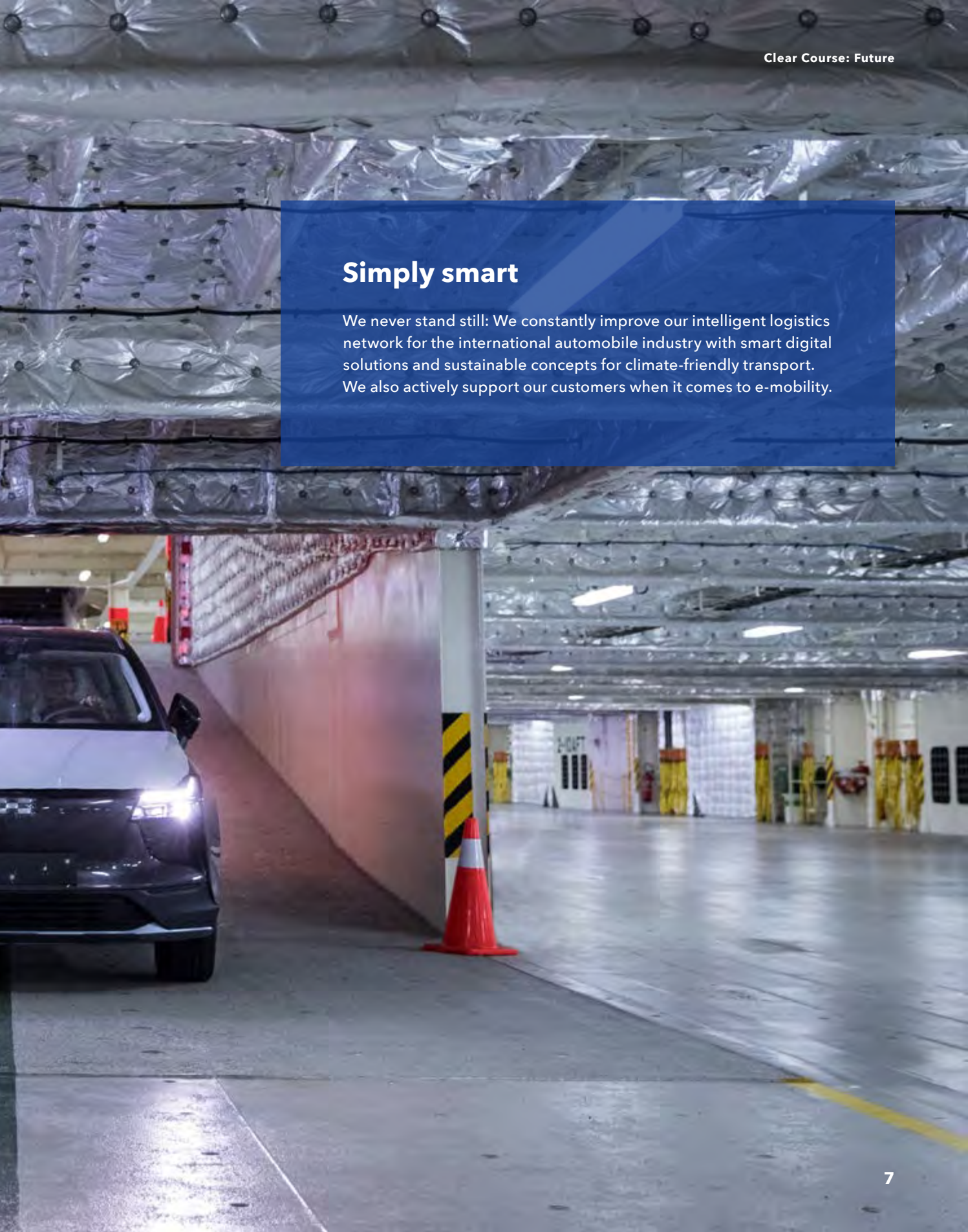
Yes it can! Providing we recognize and effectively utilize its potential. Simone Kaiser, Vice President of the Center for Responsible Research and Innovation of the Fraunhofer IAO, explains how.



Find out more online!
Our online Magazine contains lots of additional information, clips and stunning photo essays. Clear Course: Digital.

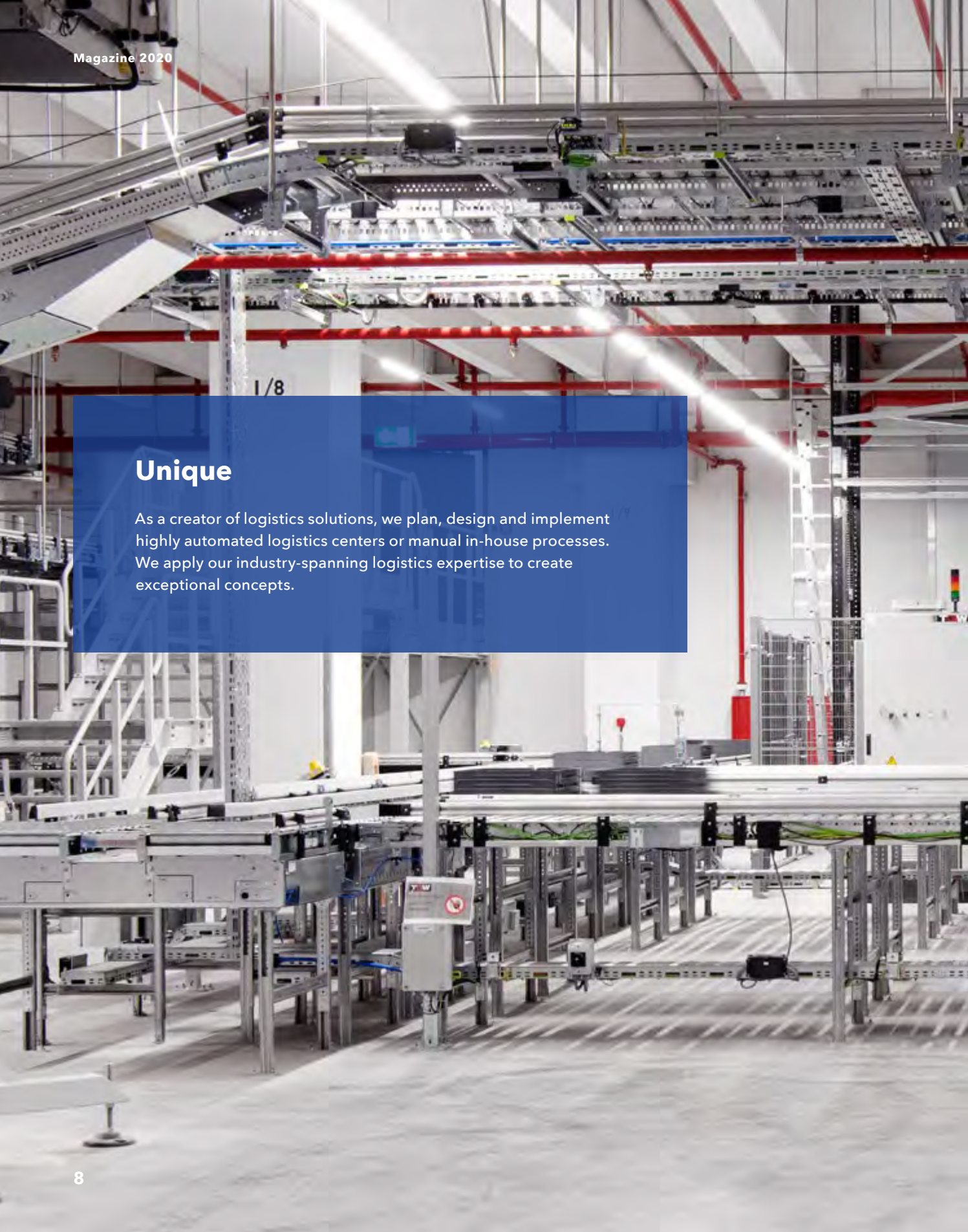
reporting.blg-logistics.com/en


2-LIFT
112 DK
85+



Simply smart

We never stand still: We constantly improve our intelligent logistics network for the international automobile industry with smart digital solutions and sustainable concepts for climate-friendly transport. We also actively support our customers when it comes to e-mobility.



Unique

As a creator of logistics solutions, we plan, design and implement highly automated logistics centers or manual in-house processes. We apply our industry-spanning logistics expertise to create exceptional concepts.


I'/8

On the move

Constant movement characterizes not only containers, but also the market and our company. The changes resulting from the "Future EUROGATE" transformation program will boost the company's profitability through modernization and digitalization.


EUROGATE
MAERSK

Responsible action

We are acutely aware of our ecological, social and economic responsibility. This forms the basis on which we create future-oriented solutions and added value for our customers and employees.

“With our commitment to becoming climate-neutral by 2030, we are a pioneer and a model for the industry.”

Frank Dreeke, CEO of BLG LOGISTICS

At the wheel

The sudden suspension of global economic activity as a result of the coronavirus lockdown in many countries around the world created a difficult business year for BLG LOGISTICS. The company found that the best strategy in the circumstances was to focus on its strengths: the successful diversification of business over recent years, the broad customer base and the workforce. Just how the Group weathered the storm with the help of this clear focus is the topic of this interview with CEO Frank Dreeke.

The year 2020 was unlike anything we could ever have imagined. How would you sum it up?
Challenging and nerve-racking – both for me personally and in terms of the company. There has never before been a crisis like the one caused by this pandemic. Above all the first lockdown in early 2020 was without precedent because it affected the entire global economy. Looking at the positive side, I was impressed by how the people at BLG dealt with the tough situation. Together we found that our company, with our corporate culture and values, is able to stand up to even exceptional crises like this.

You mentioned the first, strict lockdown in early 2020. What were its impacts on business development at BLG?
From the end of February through to May we registered significant losses in sales in almost all areas. This had a direct effect on our result. For example, during the lockdown, sales by our customers in the automobile industry collapsed by 50 percent in some cases, brick-and-mortar retailers were closed and

container handling volumes dropped by between 15 and 20 percent. As from the summer, the situation improved considerably. Despite this, the losses from the early part of the year were so severe that in most areas we weren't able to make up for them. Overall for the year, our operating result remained negative. Calculated over the whole year, it is much smaller than we originally expected.

Starting in the fall there was a second wave of the pandemic. Were its effects comparable with the first wave?
Luckily, the picture was different this time because the second lockdown didn't affect the entire global economy. Of course, some sectors, such as brick-and-mortar fashion retailers, were again hit very hard. But at the same time, activity was high in our e-commerce and returns services. During the second lockdown, the automobile industry remained in production, and China considerably picked up speed as a driver of the economy. Increasingly from the summer onward, our volumes and results improved. Overall, the diversification of our business that we launched long before the pandemic helped us. I'm especially proud that we were able to realize projects such as the new logistics centers for Engelbert Strauss and LEONI despite the coronavirus crisis. Even in this difficult time, there are lots of things that make me optimistic for the future.

How did BLG's employees deal with the situation? What did you personally feel about the level of solidarity?
With a massive amount of respect, I saw how quickly our employees came back from the initial shock and refocused on their work. Naturally, when the entire economy grinds to a halt, people also have very personal fears. They worry about what will happen to their jobs. The good news is that job numbers at BLG remained stable.

So when things got going again, we were able to ramp up our processes immediately. The focus of our staff was always on the needs of our customers and this was expressed in their hard work. I saw a very strong level of cooperation within the company. For me, that's proof that the culture change we initiated two and a half years ago is bearing fruit. One of our five corporate values is embracing change – and that's exactly what we need in the pandemic.

Frank Dreeke: "As a logistics service provider, we can help our customers achieve their own climate goals."

As the first logistics service provider in Germany, BLG gained scientific recognition for its climate protection goals in 2020. Despite the pandemic, you have kept a focus on climate protection. Why is that important?
Climate protection is not only one of our own values. The market also demands it. As a logistics service provider, we can help our customers achieve their own climate goals. With our commitment to becoming climate-neutral by 2030, we are a pioneer and a model for the industry. Our absolute reduction goals are even scientifically recognized internationally.

It's important to me that mitigating climate change played a big role in our decisions even before 2020. Despite the pandemic, we've stuck to this principle in all our dealings.

Link to video interview
reporting.blg-logistics.com/2020/en/at-the-wheel

Combined strength: Frank Dreeke reflects positively on the commitment of the BLG workforce in the crisis.

How do you expect business to develop in 2021?
The first three months were satisfactory, and right now the signs are that we will achieve a better business result in 2021 than in 2020 – for the reasons I already mentioned. But we won't yet get back to the 2019 level. There are still some large uncertainty factors. That's why we're assessing our business performance month-by-month and continuously adjusting our plans and forecasts.

Looking a little further into the future: What are the next steps in BLG's innovation journey?
We will consistently continue with our digitalization work and add intelligent components. Already, BLG is a thoroughly digital company in many areas. With activities and projects in the areas of artificial intelligence, data warehouse, robotics and autonomous systems, we aim to raise our game to the next level. We will implement these technologies in close cooperation with the operational units and social partners. This is how we can make processes more efficient, faster and cost-effective, for example in parts logistics.

What is your approach going into the coming months?
Our mission hasn't changed. We want to make logistics simpler for our customers to boost their success on the market. We'll continue to work on this in the future with our full commitment and passion.

Mr. Dreeke, thank you for the interview.

Made to measure

Highly complex and fully automated: The new logistics hub BLG LOGISTICS now operates in Schlüchtern for Engelbert Strauss meets the high demands of the work clothing specialist. High tech is one aspect, but equally important is a motivated and focused team that steps up to the challenge of raising logistics to a new level.

Left: 13 kilometers of conveyor tracks on six levels transport the goods to the workers.
Right: Automatic package sealing in Schlüchtern.

It all starts with a click by customers of Engelbert Strauss. Companies order work clothing for their staff or families kit themselves out with rugged outdoor wear. As soon as the orders are received, the wheels start turning in Schlüchtern. Moments later, the orders pop up in the system. If that happens any time up to early afternoon, the products are generally dispatched the same day. This is only possible if the logistics runs smoothly from the very first to the last step. Lothar Glöckner has no worries about this: "Making it happen is our job."

Schlüchtern instead of Mumbai

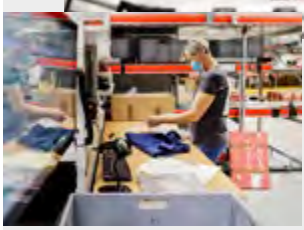
The 64-year-old is one of two facility managers – and an experienced logistics specialist. Glöckner used to work in London in air freight logistics and has spent time in disaster zones setting up reliable supply chains under difficult conditions. At BLG LOGISTICS he worked in a leadership role in Wackersdorf. That was supposed to be his last career move. "I was thinking of retiring in 2020 and going to India to do charity work." But when the offer came from BLG to help establish the new site in Schlüchtern, he didn't hesitate for long. "I haven't regretted it for a minute. What our team here is creating is groundbreaking."

Award-winning partnership

BLG and Engelbert Strauss have been cooperating since 2012. As a team, they won the Deutscher Logistik Preis in 2015, proving just how well their partnership works. Engelbert Strauss plans to continue its steady development in the future and recognizes the increasingly high requirements of logistics in online retailing. That's why the company decided to invest in the new hub. It's tailor-made for the needs of the producer of work clothing that is increasingly popular also for outdoor pursuits. Schlüchtern is the ideal location: right on the A66 freeway, between Fulda and Frankfurt, in the direct vicinity of the headquarters in

"The advantage is that the packages are automatically transported to the employees at their workplaces."

Lothar Glöckner, Facility Manager



Top: The packages are transported to the employees.
Left: Returns are thoroughly inspected.
Bottom: Up to 30,000 packages are dispatched per day.

Biebergemünd. In January 2020, the building was complete and the technical systems installed. The first packages left the site at the beginning of May. What happened in between? "It's hard to image how complex it is to prepare this kind of operation," says Lothar Glöckner. He illustrates this with a few figures. The vast building contains 35,000 articles from the Engelbert Strauss range in one million storage spaces. And the numbers are set to rise. 400 autonomously driven shuttles pick the goods. The conveyor tracks have a total length of 13 kilometers. If they were laid out from the logistics hub along the A66, they would stretch into the suburbs of Fulda. The system not only runs efficiently, it is also sustainable. Wherever possible, plastic packaging is avoided. Any plastic film used is collected and recycled. Electricity and heat comes from efficient cogeneration units and photovoltaic systems. The power they generate largely covers the facility's consumption levels.

One package every second

Currently, 3,000 packages come off the conveyor belt per hour. As from fall 2021, the number will be 4,000. That's more than one package per second. Even though every order is different. For each one, the system has to check what was ordered, what boxes are required, what special aspects need to be considered. "The first stages are fully automated," explains Lothar Glöckner. Aided by artificial intelligence, the shuttles take care of transport in the picking area and the conveyor tracks move the articles between levels. Then the employees get involved: They assemble the packages at currently 21 goods-to-person workplaces. As the location manager points out, "High concentration is necessary. It's a demanding job." Any errors would immediately trigger a reaction from the purchaser. "We're proud to say that so far we've only had very few complaints of this kind," he adds.

But of course, even when everything is dispatched correctly, returns still have to be handled. 200 employees take care of the packages customers send back. Because the trousers are too tight or the color too bright. Or sometimes because people order jackets in two sizes and return the one that doesn't fit. "It's not possible to fully automate the returns process," says Lothar Glöckner. "Every package has to be examined separately before you can decide on the next step." This makes it clear that even high-tech logistics can't function without people who do their job with great motivation and concentration.

One team, two dozen nations

Diversity plays a major role at BLG. The staff is made up of 24 nationalities. The cooperation with the Kommunales Center für Arbeit (job center) in the district of Main-Kinzig helped find 17 long-term unemployed people to work in Schlüchtern. Now they are fully integrated in the team. "As an employer, we profit from our good reputation and excellent working condi-

tions," explains Lothar Glöckner. He points out that he's seen lots of workplaces, but this one is special: "There's a great atmosphere. We've got our own bakery and an excellent canteen that's even won an award as the best works canteen." The diverse workforce with people from so many different cultures has come together to form a genuine team, he says.

In January 2020, Firoz Mohammadi was one of the first people to start work in the facility. The 29-year-old helped handle the very first lots of incoming goods. He and a colleague were ready at the conveyor when the system assembled the first test packages. "We couldn't wait to see whether everything would really work," he says. In 2015, Firoz Mohammadi fled from Afghanistan to Germany. He has long felt part of the BLG team. He works in the incoming goods area where the deliveries from Engelbert Strauss are re-packed and distributed over the six levels of the logistics hub. "It's very varied work," he emphasizes. "The facility is still very new for all of us, so obviously we help each other out." After work, Firoz Mohammadi spends time with his family. He especially looks forward to calls with his family in Afghanistan. "It's not easy to explain to them what kind of place I work in," he says. But they got a better idea when he gave them a quick look round the logistics hub during a video call. "I was really proud," he adds. "And I think my parents were as well."

Link to slideshow
reporting.blg-logistics.com/2020/en/made-to-measure

Top: The spiral tower transports packages to the returns area.
Bottom: At peak times, one person packs up to 1,000 packets per day.

PROFILE

FIROZ MOHAMMADI | (29) fled from the war in Afghanistan in 2015. Together with his wife and one-year-old daughter, he traveled for two months before reaching Germany via Pakistan, Iran, Turkey and Greece. He attended German classes and after nine months as a temporary worker, he received a regular employment contract from BLG.

In the fast lane

BLG LOGISTICS and SecureSystem are taking new paths to make international trade faster, simpler and safer.

With sensor-based tracking, BLG can today precisely locate a shipment and determine whether it has reached its destination on schedule.

BLG decided it would be even better to apply this knowledge to also make transport quicker. "We've identified the customs process as a factor with a major impact on speed in international logistics processes," says Laura Weingarten, Project Manager for Research & Development at BLG. That's no surprise, because customs laws, international trade deals and regulations often make customs clearance a time-consuming process. To accelerate handling, BLG launched a new digitalization project in 2020 on the route from one of the BLG logistics centers in Bremen to the USA. Together with SecureSystem, a container tech company and a leading automotive manufacturer, the innovation team is working on the new digital service FastLane. This involves fitting sensors from SecureSystem to twenty containers. The sensors log a wide range of data, including whether the container has been opened or damaged. The data is transmitted securely and in real time to the customs authority, the customer and BLG.

If the digitalization project succeeds, the data will in the future document the status of each container without any scope for doubt. If it has not been tampered with, there would be no reason for customs to inspect it. That would save precious time, and the container could continue directly over the border in the fast lane without going through customs checking.

"The goal of the digitalization project is to test the sensor and further develop it into a service provided by BLG," says Weingarten. "Maybe this will even evolve into the next innovation project in data analysis."

Access control
Only authorized persons can open the container with an access code.

Perfect fit
The sensor contains all the necessary electronics. It fits on every container door and can be removed after the transport.

Communication via satellite and GPS
The tracking signal is transmitted redundantly over several networks (4G LTE / 3G / 2G & Iridium satellite). That guarantees global coverage and cloud-based access.

All important data in real time
The sensor continually measures humidity, vibrations, light and dark, air pressure and acceleration. The data is transferred securely and in real time to the customs authority, the customer and BLG.

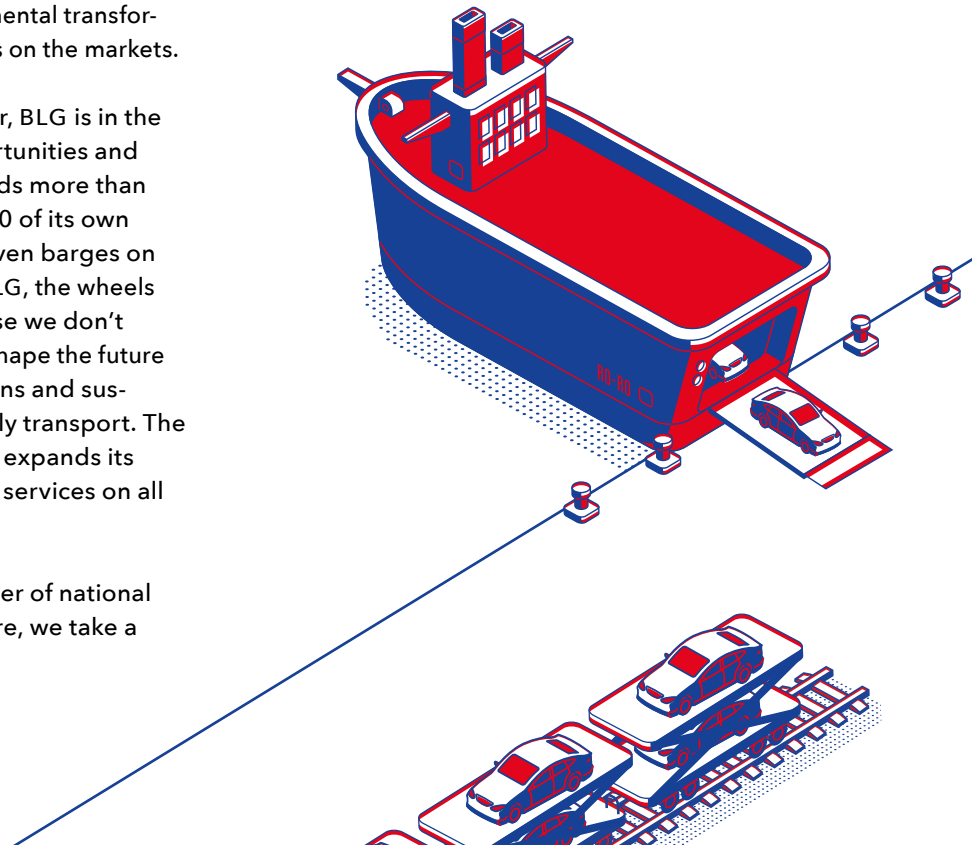
On the move

BLG LOGISTICS is one of Europe's leading automobile logistics companies. Almost five million vehicles were handled, transported or technically processed in the Group's network in 2020. Using all forms of transportation – road, rail and water – the company covers the entire service chain from the manufacturer to the final customer. Read on to find out about four locations in our widespread network.

These are exciting times in automobile logistics. E-mobility is competing with the internal combustion engine, standards of climate and resource protection are rising and the digital transformation is creating new business fields. In 2020, the Regional Comprehensive Economic Partnership (RCEP) in the Asia-Pacific region created the world's largest free-trade zone, with currently 2.2 billion people. And then a global pandemic arrived on top of these fundamental transformations – triggering volatile reactions on the markets.

As a global logistics service provider, BLG is in the business of negotiating these opportunities and risks. The company loads and unloads more than 1,400 car carriers and operates 1,500 of its own AutoRail wagons, 560 trucks and seven barges on the Rhine and Danube per year. At BLG, the wheels never stop turning. Not least because we don't just react to change, we proactively shape the future ourselves. With smart digital solutions and sustainable concepts for climate-friendly transport. The company consistently develops and expands its logistics network so that it can offer services on all forms of transport from one source.

Transports go through a large number of national and international BLG locations. Here, we take a



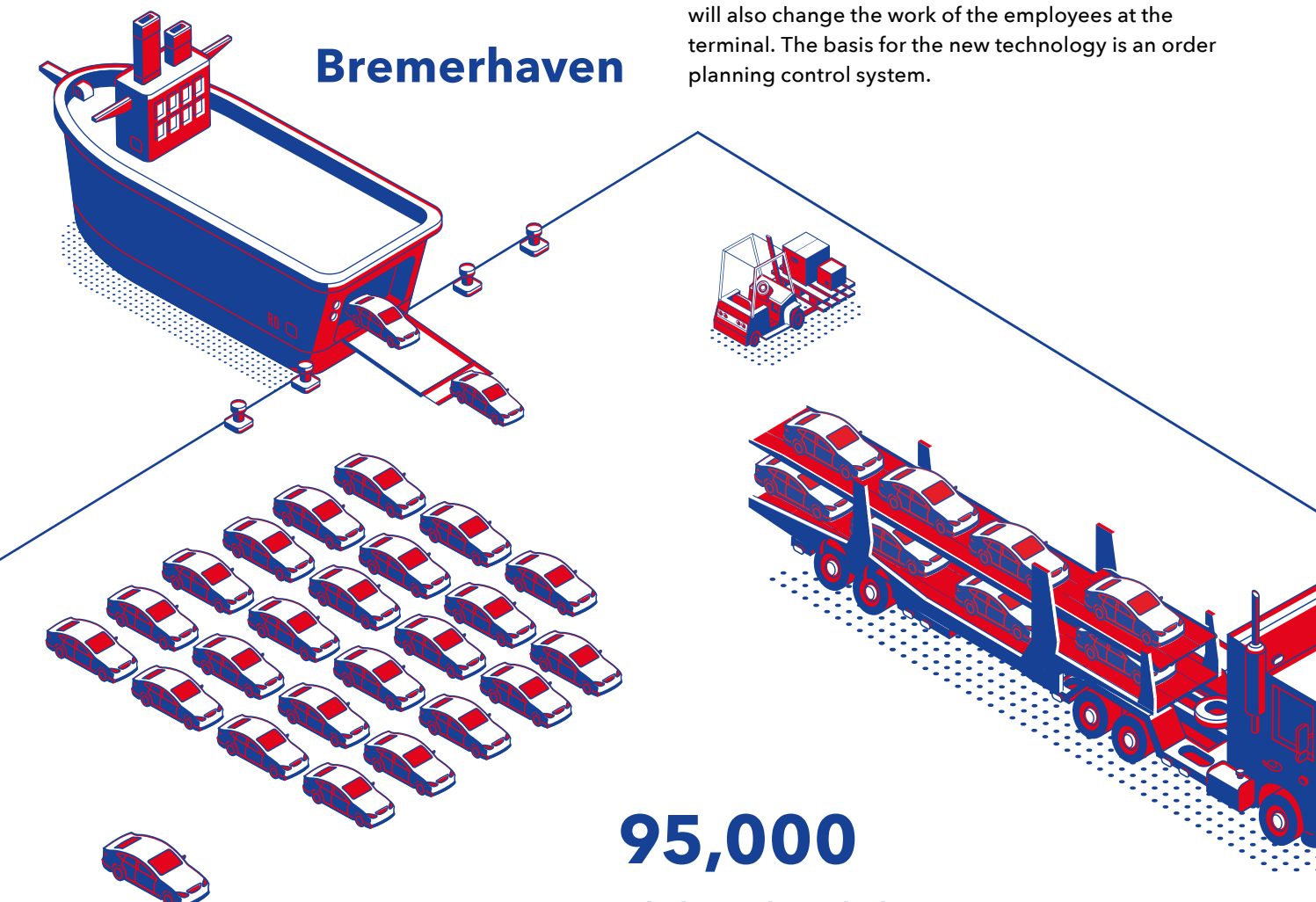
closer look at four examples: The first is Bremerhaven. It's the largest hub and a base for international departures and arrivals. St. Petersburg, the gateway to Russia, the Caucasus and other CIS states. This is a market BLG penetrated even further in 2020. Falkenberg is the heart of our rail-bound logistics, an area which is becoming increasingly important for our customers' climate goals. The inland port of Duisburg is a modern turnstile for vehicles from the factories of various car manufacturers in the Czech Republic and Slovakia – and the German terminus of the New Silk Road.

1st station: Bremerhaven

On outdoor parking lots and in multi-story parking garages, the AutoTerminal in Bremerhaven provides space for up to 95,000 cars ahead of handling. With a ground space larger than Monaco, Bremerhaven is one of the world's largest automobile ports.

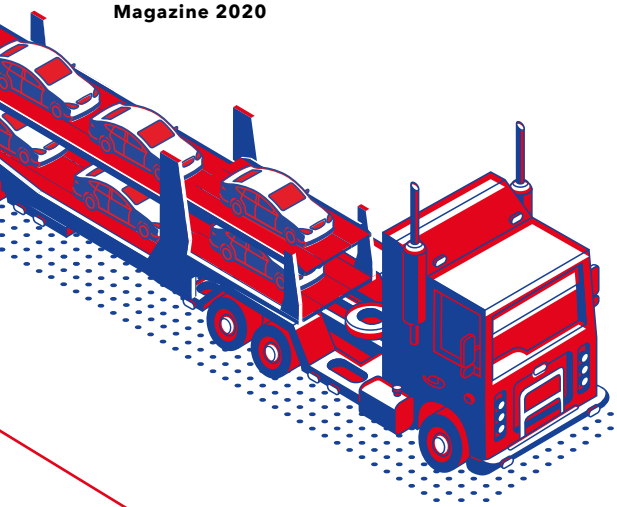
Automobile handling is becoming ever more complex. That's because today there are more suppliers, more destination ports and vastly more vehicle models. BLG has made this complexity manageable with a new, intelligent control system in Bremerhaven. The relevant research project has been underway since 2018. Its name is ISABELLA. In various phases, Isabella integrates a large number of additional aspects which will also change the work of the employees at the terminal. The basis for the new technology is an order planning control system.

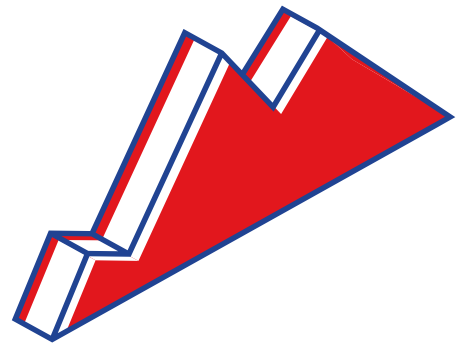
Bremerhaven



95,000

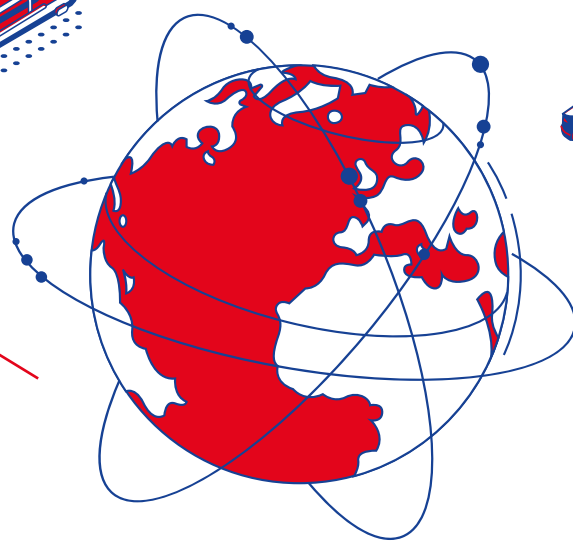
vehicles can be parked at the auto terminal

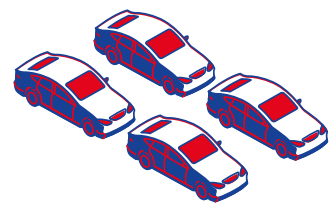




70

In Russia, BLG sends off more than 70 car transporters every day





St. Petersburg

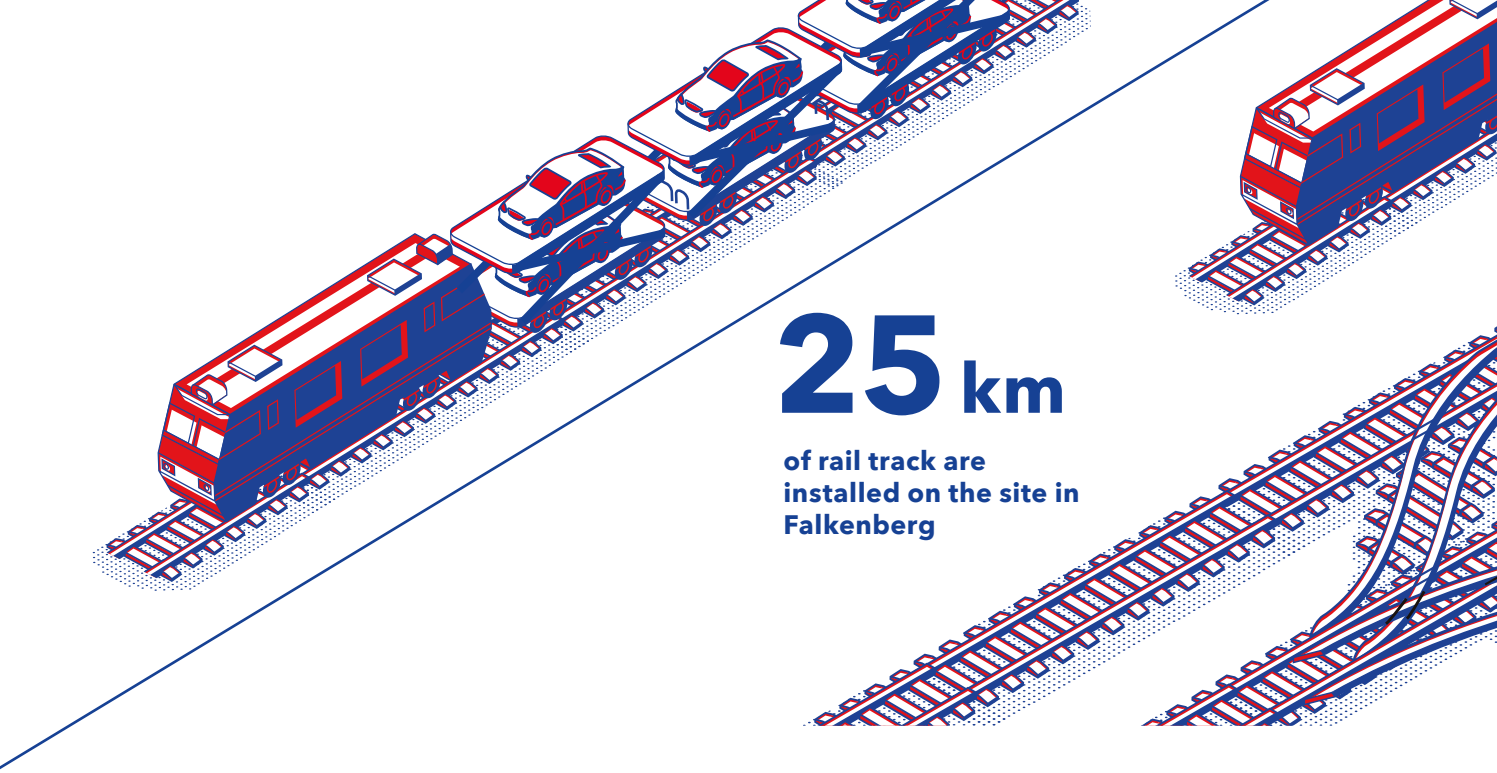
Vehicles arrive at the port by ship from manufacturers in the USA, Mexico or Asia. Then they continue on their journey to European dealers by road or rail. Conversely, European manufacturers ship cars from Bremerhaven to destinations around the globe. For our customers, we move hundreds of thousands of vehicles per year. Even for smaller orders, the BLG promise to provide the right routes and manage complex tasks applies – whether the job is for 100 or 100,000 vehicles.

Since 2020, BLG has been supporting the Chinese startup Aiways with its market entry into Europe. After customs clearance and quality inspection by BLG in Bremerhaven, goods travel by road to the stores of electronics retail chain Euronics, the sales partner of the Chinese electric car manufacturer.

Transparency is important to BLG. Customers can track their transports in real time. The coronavirus pandemic is highlighting just how robust and high-performance the BLG network is. Despite the difficult conditions, BLG performs orders flexibly, on-schedule and reliably.

2nd station: St. Petersburg

Vehicles are regularly shipped from Bremerhaven to the strategically important port of St. Petersburg. Then the vehicles are further transported from the port of St. Petersburg using all the transport carriers in the BLG portfolio. Mainly by truck or van, BLG delivers the vehicles for example to Moscow, and since last year also over thousands of kilometers to the Caucasus or countries such as Uzbekistan and Kazakhstan. This means BLG's international transport



25 km

of rail track are installed on the site in Falkenberg

Falkenberg

network stretches over six time zones from Western Europe to deep in the East.

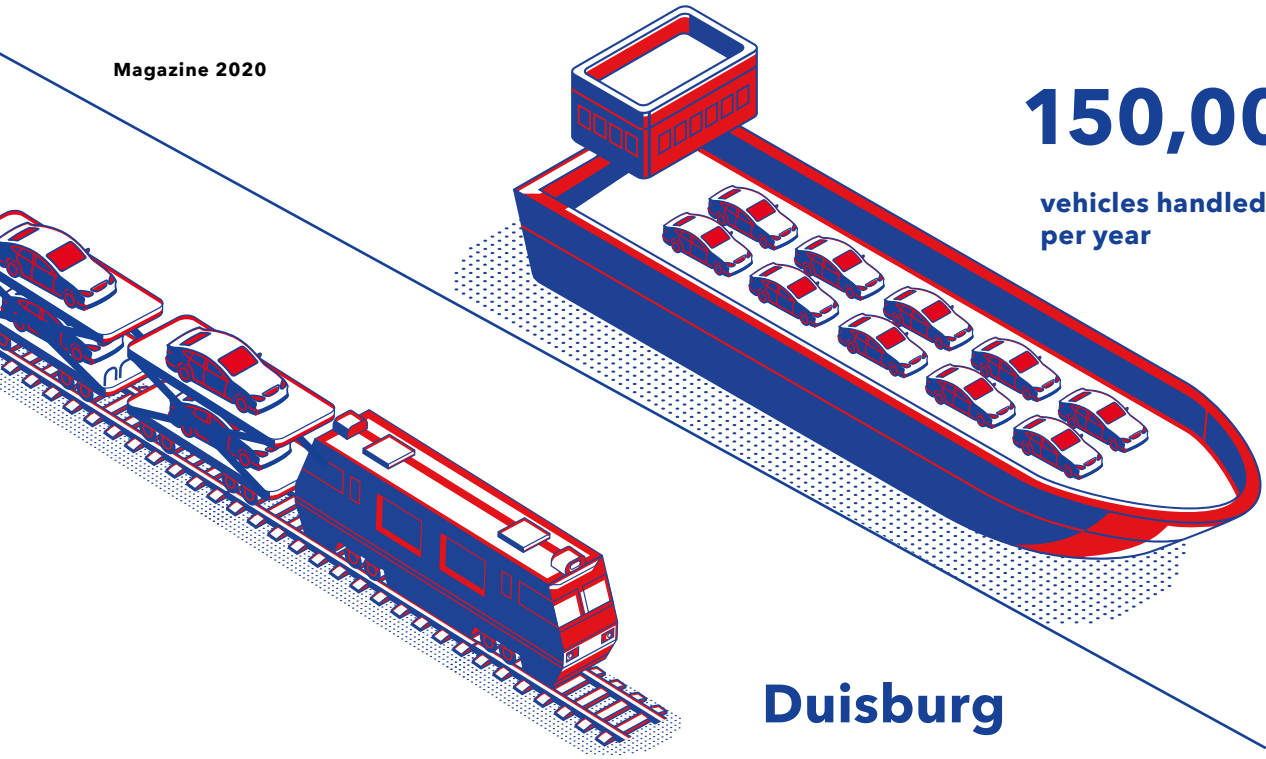
Via St. Petersburg, BLG LOGISTICS delivers vehicles produced overseas or in Russia to Armenia, Azerbaijan and Georgia. Every day, BLG sends more than 70 of its own vehicle transporters as well as trucks belonging to subcontractors onto the roads in Russia. This figure has almost doubled since 2017.

In the Caucasus, the transports take five to seven days. The route snakes through remote and spectacular landscapes, past majestic mountain ranges. What delights the eye represents a major logistical challenge that can only be surmounted with cutting-edge technology such as vehicle tracking systems. This tech is installed in all BLG trucks in Russia. During initial trips on new routes, the company gathered important information about permits, border crossings and optimal routes.

The Caucasus region has massive potential as part of China's New Silk Road project. What is possibly the greatest infrastructure project of all times is building a network that stretches from Java to Kazakhstan, and from Djibouti to Duisburg. In the future, shipments will also travel from St. Petersburg to the Caucasus by train.

3rd station: Falkenberg

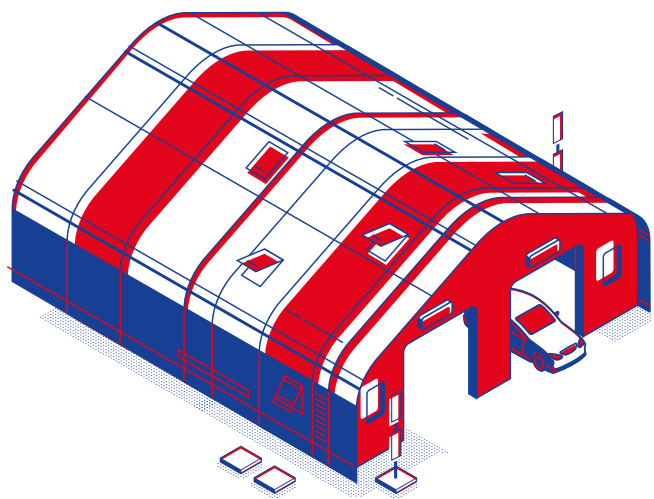
The current trend in automobile logistics is to transfer more volume away from the roads and onto railroads. That supports climate protection goals. In Falkenberg/Elster, a goods train rolls in, carrying 240 vehicles. Away from the picturesque cities, the train has traveled through Kutna Hora and Usti nad Labem to cross the border for the last time in Decin. The BLG railway junction in Southern Brandenburg provides international connections to and from Poland, the Czech Republic, Slovakia, Hungary and Romania. Every week in Bratislava, BLG takes over more than 500 rail



150,000

vehicles handled per year

Duisburg



wagons of new vehicles, then assembles them into trains for national and international destinations in its own marshalling yard in Falkenberg.

Smart return-shipment concepts cut down empty trips, with an extensive logistics network ensuring the necessary capacity utilization. Our customers are always at the center of what we do and can rely on a tailor-made solution every time.

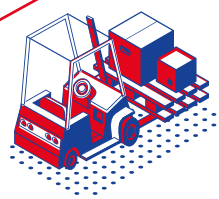
Now in its tenth year in 2021, BLG RailTec is embracing alternative drive concepts beyond the internal combustion engine. For example, it is converting rail wagons to run exclusively on batteries and fitting them with rack systems. The company operates its own workshop with ten work stations and mobile deployment teams. This ensures perfectly timed throughput for the most reliable wagon service in Europe.

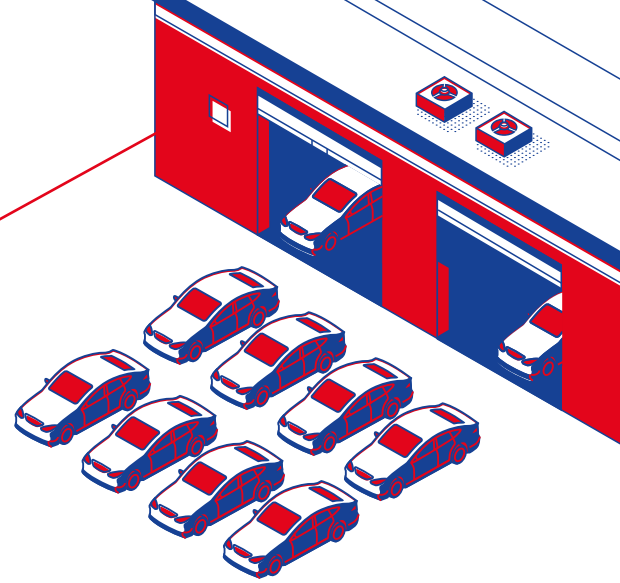
4th station: Duisburg

Duisburg is a relatively recent addition to the BLG network. More than 150,000 vehicles per year pass through this logistics hub for rail, road and waterway transport. The range of services includes cargo handling and storage, inspection, repairs, installations and modifications as well as refinishing and smart repairs. In 2017, the technical processing area was increased to 7,500 square meters. For remarketing purposes, there is even a studio that can provide 360-degree images of interiors, exterior views and manual detail shots of the vehicles.

The location is also equipped for processing electric cars. In 2020, more than 1,000 vehicles from the

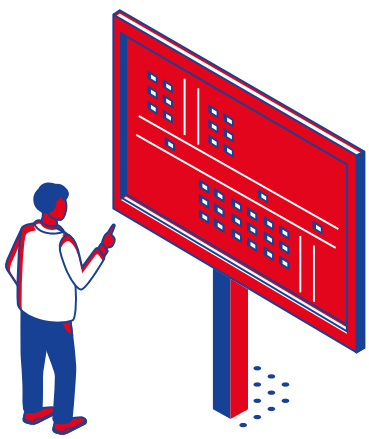
Bremerhaven

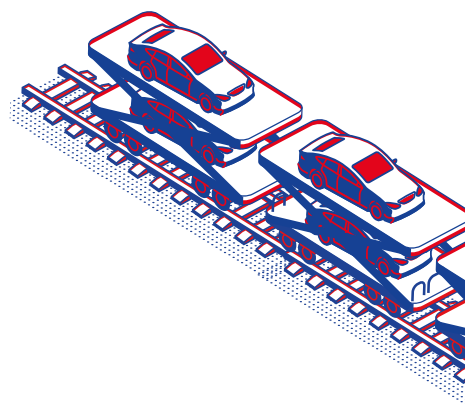




300,000

square-meter technical center





Chinese electric vehicle manufacturer Aiways arrived at the Duisburg hub. Sustainability is also an important consideration here: waste water is purified so that all work at the terminal requires a proportion of just 14 percent of fresh water.

5th station: Back in Bremerhaven

Included on site are three technical centers where more than 300 BLG employees carry out technical conversions at the request of customers. They install air conditioning and entertainment systems, navigation systems, leather seats, sports rims or spoilers. On an area of more than 300,000 m², BLG offers its customers an extended workbench with several car wash lines, finishing booths, underbody coating systems and lifting platforms. Every year, Bremerhaven upgrades some 400,000 vehicles ahead of further transport. This makes the BLG facility in Bremerhaven one of Europe's largest automobile workshops.

The BLG Group, with its AUTOMOBILE Division, is ready for all changes – technically for topics such as e-mobility, in terms of its network for challenges such as the New Silk Road or the major Asian free-trade zone and on rails for climate-friendly transports. Because BLG plans to stay on the move in the future.

Wired for success

Volkswagen plans to expand its manufacturing plant in Zwickau into Europe's largest production location for electric cars. BLG LOGISTICS is making a key contribution to this growth strategy: Its logistics center supplies the cable harnesses for the vehicles perfectly synchronized with production. A mission with a future.

Left: A storage and retrieval machine removes containers from the rack.
Right: After they arrive, the cable harnesses are scanned before moving on to the automated small parts warehouse.

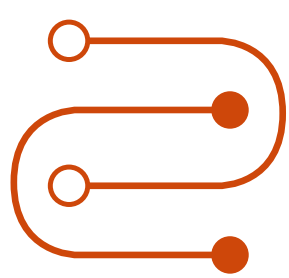
Meerane, ten kilometers from Zwickau, has always had a feel for tomorrow's mobility. In 1906, the first car chassis were produced in the small town in Saxony at a time when most people still relied on carriages with minimal "horse power". Now, 114 years later, human travel is again undergoing a revolution, this time in the form of e-mobility. Once again, Meerane is on board. Since January 2020, BLG LOGISTICS has been operating a logistics center built from scratch in Meerane. It handles cable harnesses for electric vehicles from the automobile supplier LEONI, storing, sequencing and supplying them to the nearby Volkswagen plant in Zwickau. In the final development phase as from mid-2021, six electric models for three group brands will be built in Zwickau. The production volume will be 330,000 vehicles per year (maximum capacity).

The first model off the blocks is the Volkswagen ID.3. Next in line are the ID.4, the Audi Q4 e-tron and the Seat Cupra-Elborn, among others. For every e-Volkswagen manufactured in Zwickau, BLG delivers a Leoni cable harness set from its facility in Meerane. The vehicle and the set belong together like a key and a lock. The right cable harness must always be available precisely in sequence at the assembly line in the Volkswagen plant. This means the cable harnesses supplied by BLG must be synchronized reliably and on time with the complex production plan in Zwickau.

How the harnesses reach the assembly line
Before the cable harnesses arrive at the Volkswagen assembly line and are integrated into the vehicle, they have been on quite a journey. First they are produced in the Leoni factory in Tunisia, then shipped to Genoa and finally transported by truck to Meerane. The trip by ferry and truck from Tunisia to Germany takes around four days. "To manage any disruptions in the transport chain or changes in the production program, our warehouse stocks are designed to that we have enough components for up to seven days' production," says the Facility Manager Mathias Pfeiffer.

Once the trucks arrive in Meerane, large timber crates are unloaded. Each contains 42 cable harnesses with ID numbers that ensure they can be unequivocally assigned to the specific electric car to be produced. The goods are carefully unpacked and inspected: Are the cable harnesses complete, is there any damage, do they exactly match the delivery data communicated by Leoni? All this and more is documented in the internal IT system.

Then the BLG team transfers the harnesses to different-sized, color-coded containers, scans them into the computer system and interlinks them in the IT system.



1.6 km

The cable network for an average Golf has a length of almost 1.6 kilometers.

Top: The rack operating machine is fully automated.
Right: Only the large boxes are moved by fork-lift truck.

This prepares the cable harnesses for their journey to the automated small parts warehouse, with its awesome size and technical capabilities. The warehouse contains eleven rack aisles with 18 levels; enough space for around 37,000 containers. Eight storage and retrieval machines travel up and down the aisles. Tirelessly, they feed or remove the small parts containers into or out of the racks, or reposition them. It's a vast, automated puzzle that fills the warehouse with buzzing and humming. The work of the BLG employees who carefully take the cable harnesses into storage in the warehouse is crucial. It ensures the components are always ready in the right place and can be supplied fully automatically to Volkswagen – without any inconsistencies, delays or mix-ups. "We do the groundwork so that the right cable harness for the right car is available at the assembly line in Zwickau exactly when it's needed," explains Mathias Pfeiffer.

It's no easy job, especially as the BLG facility will have to process more cable harnesses practically every day as the output of the Volkswagen factory in Zwickau grows continuously. "To make sure all work process are and remain stable and reliable at all times, we need excellent coordination between planning, IT, technical equipment and motivated employees." So far, this has been achieved, says the 39-year-old. "And we do everything to keep it that way."

Fast, efficient, accurate

Massive volumes of cable harness components need to be checked for completeness, quickly stored and automatically passed on at the right time. Every day, in three shifts and around the clock. "The requirements placed on the careful work and learning capability of employees, technical equipment and IT could hardly be higher," says Mathias Pfeiffer. This is especially because the components are so crucial. Alongside the software and batteries, cable harnesses are among the most important parts of an electric car. They are like its nerve system. Usually, every car has seven different harnesses. Together they form the vehicle wiring system. LEONI is a globally successful specialist in this area and a partner of many

"In Meerane, LEONI and BLG LOGISTICS maintain a close, professional partnership, with a strong emphasis on teamwork and transparency. We've deliberately closely meshed our processes, structures and daily work with each other. That allows us to support the delivery of wiring systems for electric car production in the Volkswagen plant in Zwickau as efficiently as possible. Together, we're doing our bit to help e-mobility break through into the mainstream."

Michael Achtmann – Head of Transportation, Customs & Supply Chain Planning,
LEONI Bordnetz-Systeme GmbH

automotive manufacturers. The on-board electrical system controls not only the drive system itself, but also the air conditioning, sound and navigation systems as well as driver assistance systems such as parking assistant and congestion assistant.

And it doesn't stop there, because the ranges of features and performance levels of cars are increasing all the time. The more functions consumers want for their electric vehicles, the more capability the wiring system and cable harnesses need to provide. What's more, the vast majority of new cars are individually configured to order, so the cable harness sets are correspondingly diverse. Complexity is growing in all areas – and logistics operations must rise to the challenge.

Ready for the future

This is why the entire logistics system around the plant has to perform perfectly. Everything must run without a hitch. For the BLG logistics center, that means maintaining high rates of supply and, as always, putting every effort into the job. "This is no exaggeration," says the Facility Manager Mathias Pfeiffer with a grin. He has been working for BLG for 16 years and was previously in charge of BLG operations at the Daimler and BMW Group locations in Kölleda and Leipzig. He's used to the very high quality demands of the auto industry. For Pfeiffer and his team of currently 42 colleagues, Meerane is something special. "It's great to help build up a new location from scratch. I've rarely seen such a steep run-up curve."

Link to slideshow
reporting.blg-logistics.com/2020/en/wired-for-success

Bottom: Mathias Pfeiffer, Facility Manager

P A N O

0%

A total of 118 BLG employees caught Covid-19. Thanks to extensive safety and hygiene precautions, no infections at all were caused at the workplace.

Digitalized supply chain

Since November 2020, BLG LOGISTICS has been the new logistics partner of the HALLHUBER fashion label. All services are supplied in the multi-user logistics center in Hörsel, Thuringia. This is where all the information for logistics performance comes together in real time, because the data for the entire supply chain is transferred digitally. That reduces lead times, costs and emissions.

As a fashion logistics expert, BLG picks clothing, shoes and accessories here on five levels for the almost 200 HALLHUBER stores. The warehouse for online orders is also supplied from Hörsel.

Keeping things turning

When Siemens Energy needs a spare part anywhere in the world, all it takes is one message to the Ludwigsfelde logistics center. At the 34,000 m2 facility, BLG LOGISTICS keeps everything in stock that Siemens needs to keep its steam and gas turbines turning worldwide. From the smallest washer to the largest turbine blade up to 30-ton housing components, the entire range of spare parts is in store here. Apart from 24/7 supply with spare parts, BLG LOGISTICS also handles returns in Ludwigsfelde.

3.3 million

More than 3.3 million units can be processed per year in the multi-user facility.

R A M A

Exclusive auctions

At the Autoterminal in Hamburg, BLG LOGISTICS now offers a brand-new service. In March 2020, it launched a cooperation with BCA Autoauktionen GmbH to host exclusive Ford auctions for young used cars. After their arrival in Hamburg, the vehicles are inspected and processed in the BLG Technical Center. From technical to optical vehicle upgrades, everything is possible here to the highest quality level. After processing, BCA presents the perfectly reconditioned vehicles and BLG transfers them to their new owners.

300

A total of 300 vehicles were snapped up at the first auction.

Everything on site

Moving rail wagons to workshops for repairs is so yesterday! The mobile repair teams from BLG RailTec can be compared to the support service of German automobile breakdown club ADAC, but for rail vehicles. Three service cars are on hand to drive the specially trained RailTec teams right up to the tracks to carry out repairs. From brake repairs to wheelset changes or smaller-scale maintenance jobs, the crews expertly provide their services on site. They help at short notice not only on German rail tracks, but also in several Eastern European countries.

First choice

On July 27, 2020, several dozen electric SUVs from Aiways arrived on marine vessels in Bremerhaven. The Chinese startup chose the BLG AutoTerminal as its first transshipment location for the European market. More Aiways vehicles came to BLG's trimodal AutoTerminal in Duisburg – via rail on the New Silk Road.

With 53 electric vehicles, Aiways launched its European operations at the BLG AutoTerminal Bremerhaven.

3

BLG received not just one, but three awards for its climate protection activities.

Multiple recognition of commitment to climate protection

We received three awards from renowned institutions for our climate protection work. After the Science Based Targets initiative (SBTi) examined and confirmed our goals in line with the Paris Climate Agreement, Statista and Lean & Green also endorsed BLG as a climate-conscious business.

Premiere: The first large container ship powered by LNG lands in Hamburg

In November, the "Jacques Saade" docked at the EUROGATE Container Terminal Hamburg. The large container ship owned by French shipping line CMA CGM is driven with liquefied natural gas – as the first and only vessel of its type. Eight sister ships are already under construction. The Liquefied Natural Gas (LNG) engine is the greenest drive type for container ships. It is crucial to the goal of reducing ships' emissions by 70 percent by 2050.

Almost 6,000 container movements per day

We reached the end of two years of intensive preparations when the Terminal Operation System NAVIS N4 went into operation in Bremerhaven on May 1, 2020. Now it controls all container movements and storage operations in the port. In the first 28 days alone, CTB and MSC Gate handled a total of 157,000 containers with the new system, or just under 6,000 container movements per day.

532

A detailed road map was implemented for a smooth transition to the new Terminal Operation System during ongoing operations. The plan involved 532 individual steps, each subdivided into smaller steps.

P A N O

Welcome on board

Ulrike Riedel is the new Labor Relations Director at BLG LOGISTICS. She follows Dieter Schumacher, who passed away on February 19, 2020.

Christine Hein was appointed a member of the Board of Management as of November 1, 2020. As the successor of Jens Bieniek, she is responsible for Finances.

Alongside Andrea Eck, who is Head of the BLG AUTOMOBILE Division, and Labor Relations Director Ulrike Riedel, Christine Hein is now the third woman on the six-person Board of Management. This elevates BLG AG to the leading group of listed companies in Germany with regard to the share of women in Board of Management and Supervisory Board positions.

Ulrike Riedel

Christine Hein

Ten new gantry cranes

In 2020, six new container gantry cranes were installed and put into operation at the EUROGATE Container Terminal Hamburg and four gantry cranes were added at the North Sea Terminal Bremerhaven (NTB).

74.5 m

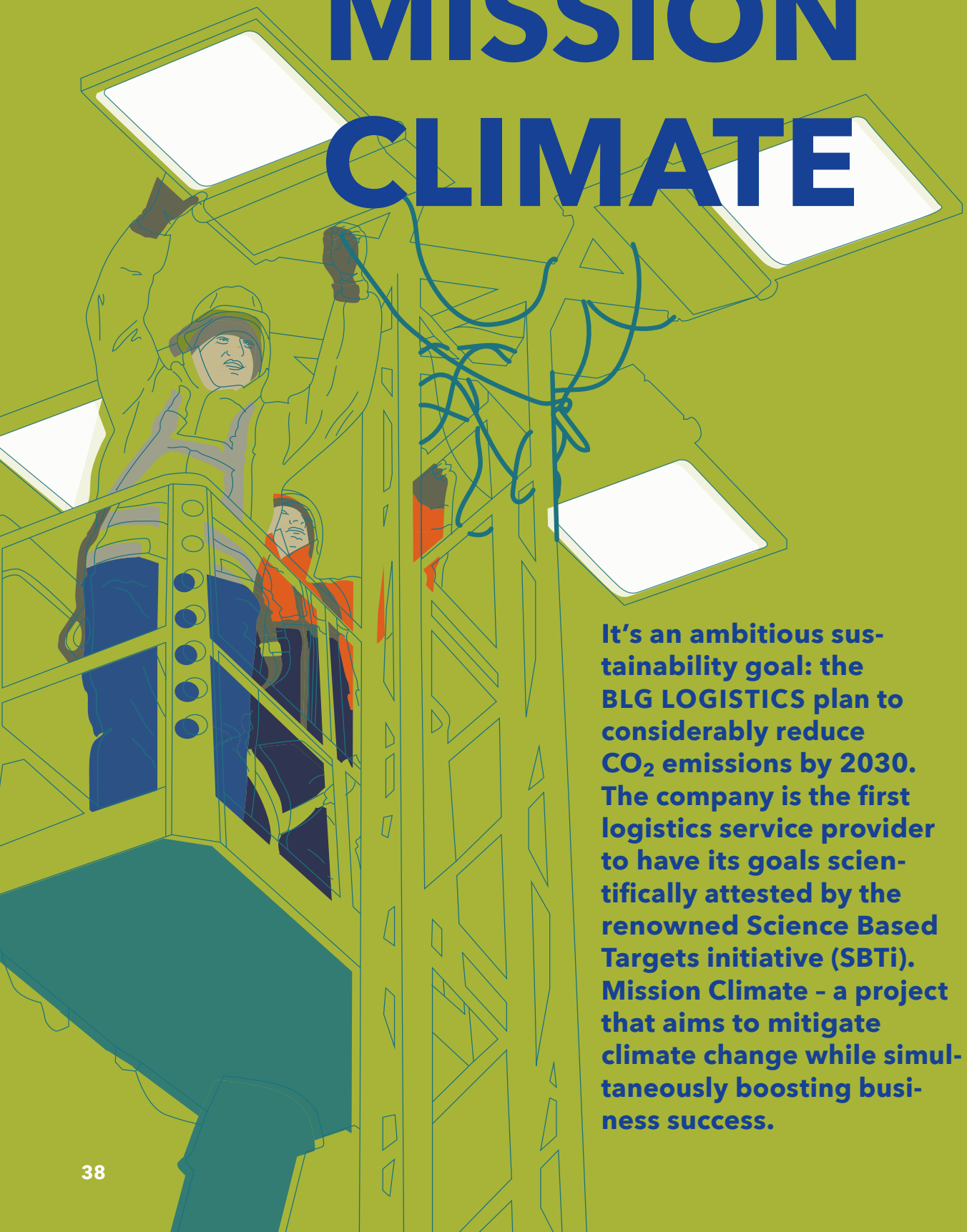
The reach of the new container gantry cranes.

Climate neutral by 2030

As part of its progress toward a climate-neutral company, BLG LOGISTICS has been compensating the emissions from flights and its fleet of company cars annually since 2020. Via First Climate, BLG LOGISTICS invests in valuable climate protection projects which also promote social sustainability aspects.

R A M A

MISSION CLIMATE



It's an ambitious sustainability goal: the BLG LOGISTICS plan to considerably reduce CO_2 emissions by 2030. The company is the first logistics service provider to have its goals scientifically attested by the renowned Science Based Targets initiative (SBTi). Mission Climate – a project that aims to mitigate climate change while simultaneously boosting business success.

Left: Connecting up the new LED lighting on a mast at the AutoTerminal Bremerhaven.

A large poster hangs on the wall behind Yvonne Bonventre's desk. It outlines the core points of BLG's Mission Climate strategy for achieving climate neutrality. As a Team Leader in the area of sustainability, the graduate biologist is fully committed to the climate goal: By 2030, BLG plans to cut its CO_2 emissions – known as Scope 1 and 2 in climate science – by 30 percent compared to 2018, even if business volume increases. The company will offset its remaining emissions through certified climate protection projects. Furthermore, BLG has pledged to reduce emissions generated externally over the entire supply chain by 15 percent – that is Scope 3.

Prevention, reduction and offsetting

Yvonne Bonventre is aware that this is an ambitious target for a logistics service provider with an international network: "To achieve our goals, we need to make changes across the board. Our customers increasingly value sustainability. So our climate commitment gives us a competitive edge. That's because customers can reduce emissions in their supply chains as a result of our emission reductions and provision of climate-neutral services".

Interim goals achieved

Yvonne Bonventre sums up the figures for the current CO_2 balance sheet: "For our new absolute savings target, we need to reduce emissions by 2030 by an average of 2.5 percent per year. In the first year, we exceeded that goal by reaching a good three percent. The past year's drop was 16 percent, but we can't count that figure because of the exceptional situation due to the coronavirus. The lockdown at our customers in the automobile industry had a significant impact on us in the early part of the year. However, our positive trend was definitely confirmed," says the expert.

2.4 million kWh

The quantity already saved by the company annually thanks to the switch to LED lighting in buildings and outdoor areas.

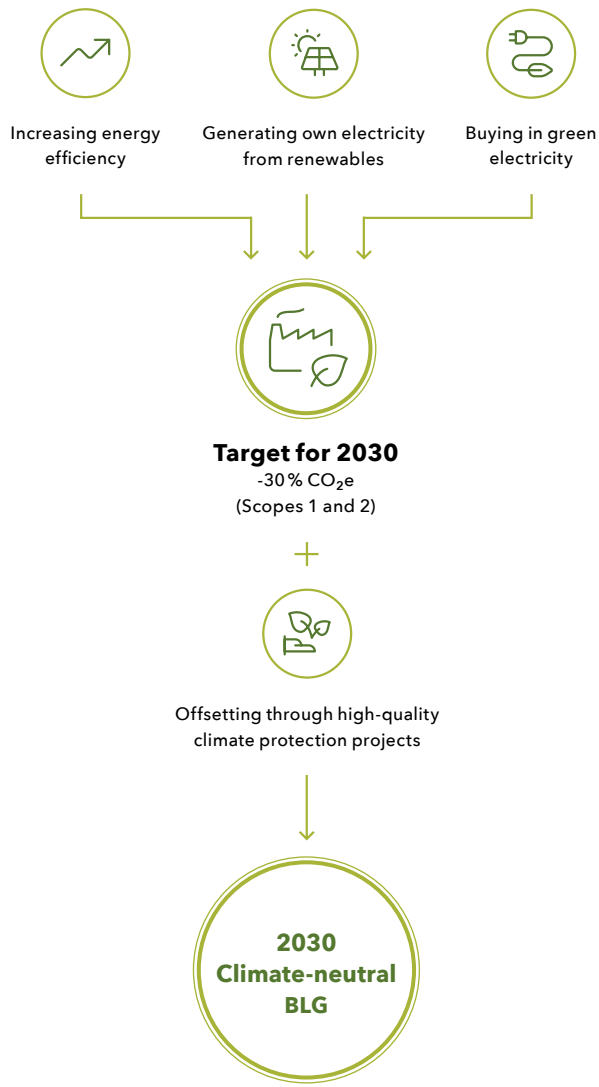
A series of actions taken by the company have contributed to this. In 2020, BLG was the first German logistics service provider to have its goals examined by the Science Based Targets initiative (SBTi) and commit to recording, validating and publishing them. The company is tackling three major areas: "We're continuing to increase our energy efficiency, trying to generate our own electricity from renewables as far as possible and also purchasing more electricity from green sources," says Yvonne Bonventre. She points to her workplace as an example of the first aspect. "Everybody knows you can save energy by cutting consumption or using more energy-efficient appliances." BLG started the change process on a large scale years ago by appointing Energy Officers at more than 50 German locations and establishing an energy management system throughout the company. "This is how we promote sustainability throughout the whole company."

Smart heating and lighting
The company requires lots of energy to heat its buildings. For example at one of the retail logistics location in Bremen, BLG replaced the heating control system and now saves 1.3 million kWh of gas per year. "Efficient control is one option, and choosing the right fuels is another major way we can reduce CO_2 emissions," says Yvonne Bonventre. "At the AutoTerminal Hamburg, we plan to replace the heating system and use biomass in the future. Obviously, that will massively improve our CO_2 footprint," says the sustainability expert.

All the buildings are being successively converted to LED lighting, and already this is saving the company some 2.4 million kWh of electricity per year. In the logistics center Bremen, three of the new halls were converted to the new technology in 2020, and the rest will follow in 2021. The parking shelves and garages at the Autoterminal in Bremerhaven – the largest of its kind in Europe – are already illuminated by LED lighting. Here alone, the company saves 1.3 million kWh annually, which is equivalent to 400 tons of CO_2.

Own green electricity generation
Apart from preventing CO_2 emissions, BLG sees generating its own electricity as an important factor in the Mission Climate program. BLG LOGISTICS is

BLG climate protection goal 2030 within the company



Left: Yvonne Bonventre is the Head of the Sustainability Team at BLG.

Climate protection video
reporting.blg-logistics.com/2020/en/mission-climate

Absolute CO_2 reduction within the supply chain

examining how to achieve a green electricity strategy, including the use of solar energy. In 2019, the first photovoltaic system was installed on the roof of a hall at the AutoTerminal Kelheim. BLG uses almost 90 percent of the electricity this generates for its operations. The next photovoltaic system was ten times the size and installed in 2020 on the roof of a building in Waiblingen, which BLG operates for a renowned automobile manufacturer. "We want to use models like this more often in the future, and we're setting the standards for this today," reports Yvonne Bonventre.

Saving as much CO_2 as possible

Another area shows how easy it can be to combine business success with sustainability. BLG LOGISTICS regularly upgrades its fleet: "99.5 percent of our fleet of roughly 200 trucks in Germany comply with the EURO 6 standard. The newer trucks not only emit less nitrogen oxide but also consume less fuel. That cuts both costs and CO_2 emissions." The same applies to the fleet of stackers. BLG regularly replaces the models, increasingly uses lithium-ion batteries, and is already using hydrogen-powered stackers at one location. "In several research projects, we're looking at how we can use AI to reduce CO_2 emissions. The technology could cut the number of empty trips or reduce driving at the terminal," says the expert from Bremen. Furthermore, BLG developed a new tool last year in the AUTOMOBILE Division. It simultaneously calculates costs and revenues as well as CO_2 as a possible control variable.

Yvonne Bonventre turns around again to look at the poster with the climate goals. "Of course, we'll continue to consume energy and emit CO_2," she says. And it's clear that, to achieve a green zero, BLG will have to offset certain quantities by obtaining certificates.

> **"Choosing the right fuels is a major way for us to reduce CO_2 emissions."**
>
> Yvonne Bonventre, Head of the Sustainability Team at BLG LOGISTICS

"It's important to us that our projects have a verifiable effect," she says. That is why the offset payments only go to carefully selected and certified climate protection projects. BLG established its policy of investments to offset its emissions from business trips by car and plane in 2020. The workforce is able to vote on which projects. Since 2020 BLG offsets emissions from air travel and company car fleet. Employees had the opportunity to vote on which projects to support. "Taking all these activities together, we are on course to achieve our targets," says Yvonne Bonventre. "So our company is playing its part in mitigating global climate change."

Acting responsibly

Our commitment to a sustainable future

For us, sustainability means more than making green gestures. We aim to balance economic performance, social commitment and responsibility for the environment. By taking all these aspects into account, we gain a holistic understanding of the opportunities, interdependencies and challenges we face. It is our mission to live this understanding across all areas and levels of the company.

As the pie chart shows, our commitment addresses the three aspects ECOLOGICAL, SOCIAL and ECONOMIC. For each material topic identified, we define concrete terms where and how we impact processes and actively drive change and progress.

We are also guided here by the Sustainable Development Goals (SDGs) resolved by the United Nations in 2015. The agenda comprises 17 goals to be reached by 2030. They are designed to make global development sustainable and to secure a future for coming generations in all the countries of the world – whether rich or poor. With our activities, we will strive to contribute to this sustainable development. We are therefore focusing on selected goals that are particularly closely linked to our business.

You can find more in-depth information on our commitment, activities and goals in our Sustainability Report 2020.

reporting.blg-logistics.com/2020/en/sustainability

Overview of the areas of activity and goals of our sustainability strategy

Key figures on sustainability

Total energy consumption

263 gigawatt-hours

Absolute greenhouse gas emissions (Scope 1 and 2, 2018 – 2020)

-16.6 %

Collective pay agreement

98.7 %

-10 %

Fewer accidents than in the previous year

1,350

Employees participated in the Fit & Fun health-promotion program

Share of women in the workforce

26.0 %

23.3 %

Share of women on management levels 0 to 3

€ 5.8 million

Total project volume of three new research projects with partners

4,045

Training days (centrally organized)

Our employees (year's average in 2020)

Total

11,609

AUTOMOBILE

3,331

CONTRACT

6,287

CONTAINER (50 %-share)

1,618

SERVICES

373

Average age

44.9 years

Can AI do climate protection?

How can data help protect the climate – and what green opportunities do new technologies offer? We talked with Simone Kaiser, Deputy Head of the Center for Responsible Research and Innovation (CeRRI) of the Fraunhofer Institute for Industrial Engineering IAO, about artificial intelligence and the wrongly perceived contradiction between ecology and economy.

Ms. Kaiser, how can AI projects be applied to support sustainability?
Artificial intelligence has great potential for climate and environmental protection. It can be an important instrument for achieving our sustainability goals. The opportunity it presents is that it can process large data volumes, rapidly identify complex interrelationships and learn from them. That has three advantages: We can make processes more complex and simultaneously more precise, optimize processes regarding sustainability indicators and reach automated decisions. Mobility, for example, can profit using AI to calculate climate-friendly routes. AI can also help avoid traffic jams or pool people or goods together in vehicles.

What are the obstacles for AI in the context of sustainability?
AI is fundamentally a neutral technical tool. It is not inherent in the tool whether it's eco-friendly or instead promotes climate-destroying developments. Researchers, developers, and users' job is to apply AI to maximize its green and climate-protecting effect. There are also concrete risks we need to keep in mind. It takes a lot of power to run computer centers and to train the algorithms. The hardware has to be constantly upgraded in ever shorter cycles. We're all familiar with that from our smartphones. Obviously, all this has an environmental impact. Some people point out that digitalization is not yet systematically used to protect nature or the climate but more for conventional growth. That's something we all need to work on.

Do you think it would make sense to examine AI projects from a sustainability perspective from the start?
Definitely, I don't see a contradiction between economic and ecological benefits. Climate change is also a significant danger to the economy. The market is increasingly rewarding sustainable business models, so there's a large economic potential. We can't consider one aspect without the other.

This calls for interdisciplinary work, bringing together people with sustainability expertise and AI expertise. How can we do that successfully?
That's one of our research focuses and a vital step toward transferring sustainability-oriented AI projects into practice. At the moment, the two viewpoints are not often considered together. People who work in sustainability relatively rarely use AI, and many developers and startups don't know how their AI could impact ecological challenges. A tech expert who develops an AI for image recognition doesn't necessarily realize that it could be used to spot illegal clearances in rainforests on satellite images.
We need to create networks and platforms that enable cooperation and give people more insight into and understanding of each others' disciplines. I firmly believe innovation requires looking at a problem from different perspectives. This variety of viewpoints can be collected and combined via managed processes so that everybody benefits from all kinds of expertise and joint solutions can emerge.

What about ethical aspects? For example, how should we deal with the fact that AI can make some activities obsolete?
Above all, this discussion shouldn't just take place among experts. Companies should deal openly with their employees' worries that they might lose their jobs or that their jobs will change so much as to be unrecognizable compared to today. To help in this process, we develop visions of the future: What could the industry look like in ten years, and how might new technologies be used then? We invite people to formulate their wishes for this future. That opens up new prospects for shaping the future. This is how we can get people to set off on a path even though we don't yet know where exactly it will lead. Sure, it takes courage, but it also offers great opportunities.

"Artificial intelligence has great potential for climate and environmental protection. It can be an important instrument for achieving our sustainability goals."

Simone Kaiser, Deputy Head of the Center for Responsible Research and Innovation (CeRRI), of the Fraunhofer IAO

Watch a video of the interview
reporting.blg-logistics.com/2020/en/can-ai-do-climate-protection

AI, your new colleague

Artificial Intelligence (AI) used to be pure science fiction, but now it's daily reality. The technology has also become an important part of the working environment at BLG LOGISTICS.

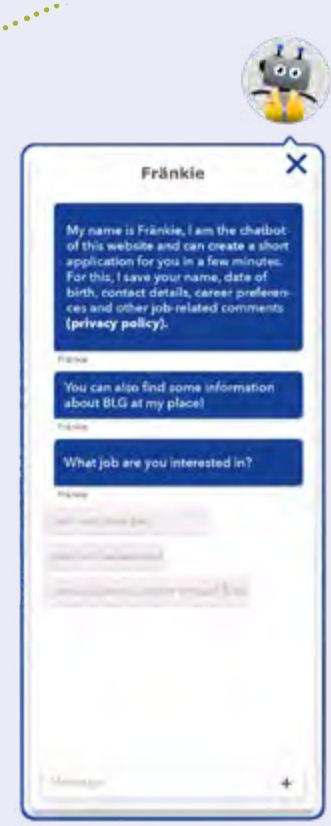
Jakub Piotrowski is Head of Sustainability, Digitalization and IT at the global logistics service provider from Bremen. He is well experienced in the field of AI. "Wherever tedious, repetitive tasks must be completed or highly complex relationships must be understood in the shortest possible time, AI can take a lot of pressure off our employees. As the complexity of our world increases almost daily, so does our need for AI." To make the complexity more tangible and to be able to test the multitude of possibilities offered by AI, the company has devised a modular system with various tools to develop innovations. These include, for example, the 100-day project and the 6-month sprint, through to research and development projects where entirely new, particularly complex concepts are worked on together with partners from science and industry.

For example, the AI chatbot Fränkie is the result of a 100-day project and is used on the website for BLG Geiselwind. It identifies potential applicants at an early stage of the application process and establish initial contact. The idea was successful and is now to be used for other sites in personnel recruitment. "AI is a valuable assistance system, like a navigation system in a car," says Piotrowski, "but humans are always at the wheel." But where do humans and AI meet? What does collaboration between the two look like? The following examples show the possibilities.

01

AI chatbot

Carina would like to work at BLG. On the website of the Geiselwind location, chatbot Fränkie helps her find the information she wants. With its help, her initial application quickly reaches to the HR Department.



02

Intelligent forecasts

Carina's application was successful. She now works in the Incoming Goods Department. She is assigned to each shift by an AI algorithm, that is then confirmed by a Shift Planner. The AI uses forecasting, analytics, and self-learning to deploy Carina exactly where she is needed.

03

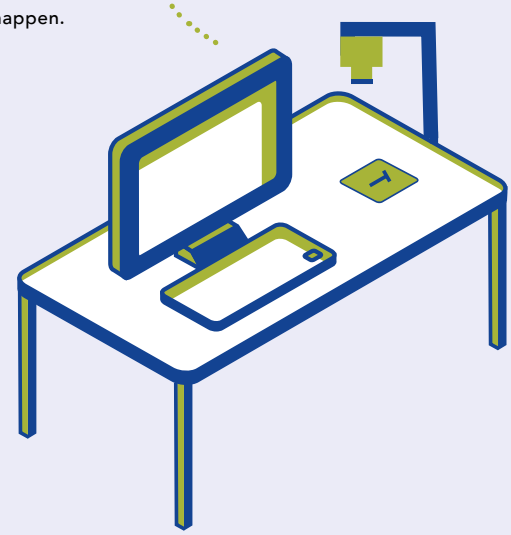
Intelligent document management

What does this mean? The delivery certificates are simply scanned in, then an AI system instantly recognizes the content of the documents and published it to the system. Carina can concentrate on more complex tasks while the intelligent document management system takes care of the repetitive work.

04

Optical image recognition with AI

During the lunch break, Carina meets with Julius, who is an order picker in optical parts recognition area. He tells her he's working on an intelligent camera that correctly identifies even the smallest parts of goods from all perspectives. This is how BLG ensures that no mistakes happen.



05

Research project KITE

Now Oskar joins them. He is a truck deployment planner working on the research project KITE. Oskar tells his colleagues that KITE is looking at how AI can support order allocation for truck transports to avoid empty trips and save CO_2 emissions.

TRANSFORMATION

In this interview, Michael Blach, CEO of the EUROGATE Group, talks about the recently launched transformation program. The program will further improve customer-orientation and ensure the digital future of the group.

What is the situation at EUROGATE right now?
EUROGATE is on the move. We're involved in a dynamic process, both nationally and internationally. Business is good, and of course we're key to keeping essential supplies flowing in our country. That became especially clear during the pandemic. At the same time, our company faces major challenges. Big changes are taking place in international container shipping, which is dominated by alliances and massive market pressure from European competitors. In response to this situation, we launched our Future EUROGATE transformation program at the end of 2019.

What are the motivations for and goals of Future EUROGATE?
Our container terminals are vital for the functioning of Germany's economy. We contribute to the fact that our country has for years maintained its status as the No. 1 exporting nation. 90 percent of all traded goods are transported by sea. Without us, life as we know it wouldn't be possible. We are system relevant. But we're not alone. Looking at the current competition, our German locations Hamburg and Bremerhaven have fallen behind other European ports, especially Antwerp and Rotterdam. What's more, the continuous expansion of container

terminal capacities throughout Europe is resulting in spare capacities and fierce price competition. Simultaneously, goods flows are changing, for example in the Mediterranean and the Baltic Sea. These developments mean our way of handling containers is no longer viable. Future EUROGATE is our response to these changes. It will restore the profitability of our German terminals. At the same time, we are investing in digitalization and cutting-edge technology. This is how Future EUROGATE will ensure the continued existence of the company.

What are the key measures?
To put it simply, it's all about increasing efficiency and productivity. Everything's on the table. We're analyzing and improving our corporate structures – in all areas and at all levels! We've drawn up around 200 individual measures. The overriding goal is to ensure we can meet our customers' needs and wishes even better – and more profitably.

When will the first milestones be reached?
We have presented the action packages to the employee representative bodies. And we've been able to implement the first steps, for example eliminating redundant structures in management and pooling central purchasing. We're on the right track and expect to achieve our first goals in 2021. But one thing's clear: To make our transformation process a success, we need everybody to pull together. Our company can only be successful if we implement Future EUROGATE together, in unison and without compromise.

How do you plan to ensure the competitiveness of the locations in the long term?
Future EUROGATE is the first and extremely important step. All the measures we're starting to implement now will help get the group back on track. This will involve change, significantly improving structures and streamlining as well as accelerating our handling processes. However, in the medium and long term, we want to be more than just a healthy company. We want to operate modern, highly efficient terminals and offer services our customers don't want to do without. That's why we will in future significantly increase the automation and digitalization of our handling processes. To make this possible, we're investing in technology and the qualification of skilled employees.

How will employees benefit from digitalization? How do you plan to prepare your colleagues for the digital and automated future?
EUROGATE has from the start embraced digitalized processes. This year, we are again developing improved software – from control of the terminal to better customer service to truck processing. It's no good trying to hold back progress. Instead, we will actively shape the digital future and further increase our operational performance. This will also secure the future of Germany's sea ports.

"To make our transformation process a success, we need everybody to pull together. Our company can only be successful if we implement Future EUROGATE together, in unison and without compromise."

Michael Blach, CEO of the EUROGATE Group

Financial figures

Key figures at a glance:

BLG Group

Sales revenue

€ 1,065 million

EBT

€ -116.1 million

EBT margin

-10.9 %

Business year 2020
at a glance

reporting.blg-logistics.com/
2020/en/yearinvideo

BREMER LAGERHAUS-GESELLSCHAFT -Aktiengesellschaft von 1877-

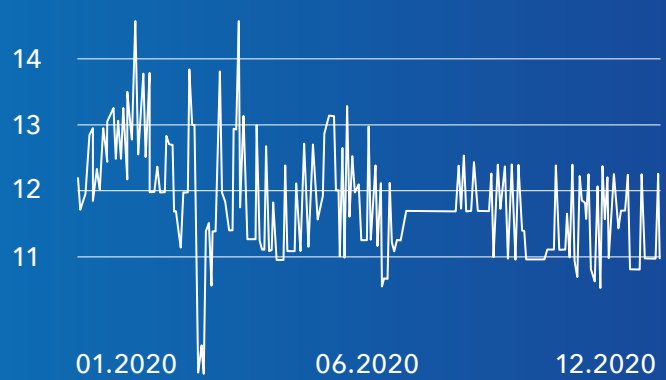
Result per share

€ 0.29

Dividend per share

€ 0.11

Share price 2020 in EUR



"Despite the clear loss, BLG LOGISTICS generally got through the crisis better than expected. Our increasing diversification in recent years helped us in the pandemic. We expect a significant improvement in 2021."

Christine Hein, CFO of the BLG Group

Selected key figures of the BLG Group

In thousand EUR		2020	2019	absolut change	percentage change
Sales and earnings					
Sales revenue		**1,065,235**	1,158,632	-93,397	-8.1
EBT		**-116,127**	37,544	-153,671	-409.3
EBT margin	percent	**-10.9**	3.2	-14.1	-440.6
Asset and capital structure					
Balance sheet total		**1,194,093**	1,288,303	-94,210	-7.3
cash investments		**69,890**	54,386	15,504	28.5
Equity		**59,741**	203,364	-143,622	-70.6
Equity capital ratio	percent	**5.0**	15.8	-10.8	-68.4
Net debt		**676,904**	611,895	65,010	10.6
Staff					
Employees[1]	number	**11,609**	11,720	-111	-0.9
Jobs worldwide	number	**20,000**	20,000	0	0.0

[1] Determined according to § 267 Subs. 5 HGB incl. CONTAINER Division.

Forecast for 2021

EBT
significant improvement ↑

Sales
previous year level →

EBT margin
significant improvement ↑

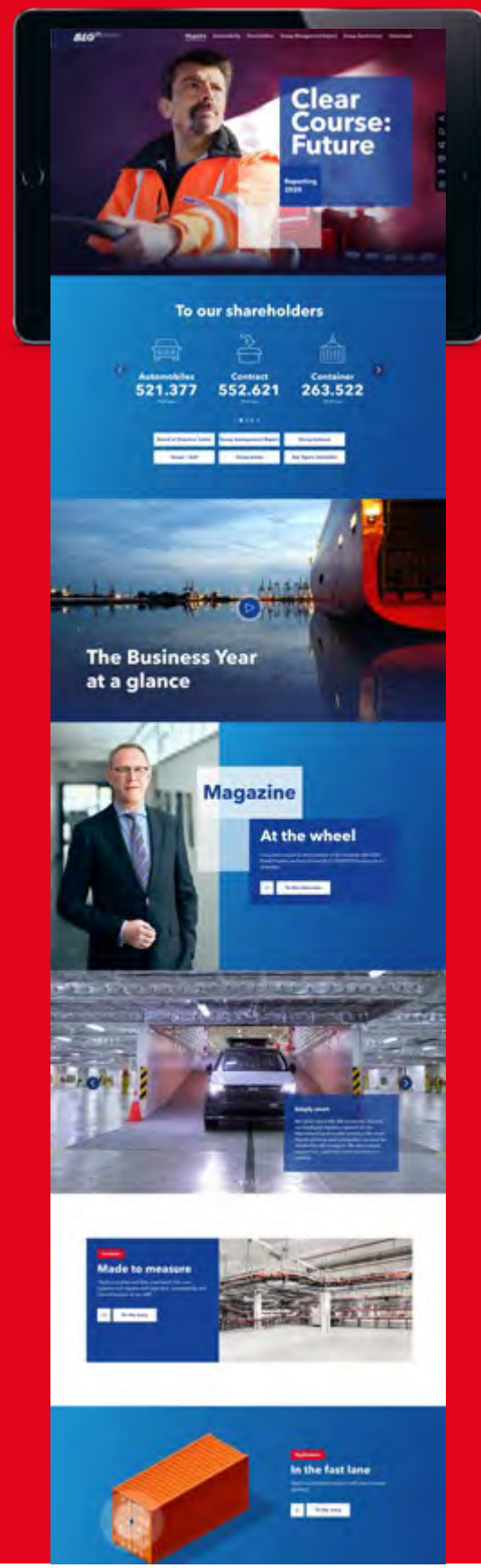
You can find the full Financial Report of the BLG Group with interactive key figure calculator and additional information at: **reporting.blg-logistics.com/en**

Go online now and find out more!

The online version of the Magazine 2020 contains more information for you. Would you like to see a video summary of the year by CEO Frank Dreeke? Or take a look at the new location in Schlüchtern in full operation? Go to our website to find more clips and stunning photos.

Clear Course: Digital.

reporting.blg-logistics.com/en



Reports 2020

Note
You can find all our reports at reporting.blg-logistics.com/en

Magazine

Sustainability Report

Financial Report

Contact

Head of Corporate Communications and Marketing
Stefanie Effner
Phone: +49 421 398 34 75
Mail: stefanie.effner@blg.de

Our contribution to environmentally compatible production
All reports consist of 100 percent recycled paper certified with the EU Ecolabel.
The printing shop employs a climate-neutral printing process.

RECYCLED
Paper made from recycled material
FSC www.fsc.org FSC® C109467

Produziert mit 100% Ökostrom

LichtBlick
Generation reine Energie

Climate neutral
Print product
ClimatePartner.com/10465-2005-1001

Publishing information

Publisher
BLG LOGISTICS GROUP AG & Co. KG
Präsident-Kennedy-Platz 1
28203 Bremen, Germany
www.blg-logistics.com/en

Picture credits
Hauke Dressler: Cover picture, page 4 top, 12/13,15–17, 34 left, 37 left, 40, 50
Norbert Schmelz: page 4 center, 8/9
Stephan Flad: page 4 bottom, 30–33, 34 bottom
Oliver Lang: page 5 center, 47
Jan Meier: page 6/7, 23, 35
EUROGATE: page 10/11, 36, 37 right
Johannes Ruppel: Page 18–21
BLG LOGISTICS: all other images

Concept and design
3st kommunikation GmbH, Mainz

Production
Zertani Die Druck GmbH, Bremen

www.blg-logistics.com/en