SCHNELLECKE



FUTURE-ORIENTED

WE ARE COMMITTED TO OUR CORPORATE RESPONSIBILITY TO OUR CUSTOMERS, EMPLOYEES, THE ENVIRONMENT, AND SOCIETY, AND WE EXPECT THE SAME FROM **OUR SUPPLIERS AND** BUSINESS PARTNERS.



Dear Readers.

The struggle against the pandemic has pushed the media coverage about the environment into the background a bit over the past year. Not so at Schnellecke. In 2020, we also pressed ahead with our efforts to anchor the idea of sustainability everywhere in our companies.

And we have done so successfully. Sustainability has now gone from being a declaration of intent to an integral part of our everyday work.

This is particularly important because sustainable business depends on the willingness of all employees to make the respective goals their own concern. And in this respect, the results are encouraging. This is reflected, among other things, in the number of kaizen suggestions submitted on this topic during the year.

Nevertheless, much remains to be done. Sustainable business is a constant challenge to us all. That's why I'm particularly pleased that, despite the unique pressures of the first year of the pandemic, we haven't wavered in our efforts to become more sustainable.

In addition to a general overview, you will again find some more detailed descriptions of exemplary activities in this Sustainability Report.

CEO Schnellecke Group

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VALUE-ADDED LOGISTICS FOR THE AUTOMOTIVE AND OTHER INDUSTRIES

The Schnellecke Group is an internationally operating family-owned company that offers a variety of logistics services. One focus of this is value-added logistics for the automotive industry.

e develop complete concepts that range from transportation and warehousing, pre-assembly and value-added services, to the sequential production of individual parts and modules and container-suitable packaging. We also manufacture individual body parts and assemblies for vehicle manufacturing under the KWD Automotive umbrella brand.

Today, we are one of the world's leading logistics service providers in the automotive sector. Value-added logistics from Schnellecke is a household name. Only a few companies have the extensive expertise that we have and use to help our customers make their processes more efficient. An important role in this is played by our commitment to continuous innovation, which ensures that we are always among the first to make technological innovations usable in logistics operations.

Logistics for the supply chain

With our three divisions of Logistics, Transport and Production, we cover essential parts of the supply chain for companies all over the world. We manage more than 2,000,000 square meters of warehouse space at over 70 sites worldwide.

The basis of our activities is the holistic consideration of all flows of goods and logistics processes, from procurement through to the various stages of production and the distribution of finished goods. Depending on requirements, we integrate a wide range of functions into our customers' value chains.

Innovation: a driving force of our development

RFID, Google Glass, laser picking, Internet of Things (IoT), software development – all of these are used at Schnellecke, whether in module assembly, warehousing or inventory. Today, successful logistics is no longer conceivable without innovation. Service providers are under constant quality and cost pressure, which can only be mastered by the application of new technologies.

At the same time, we see the opportunities that the use of digital technologies offers for protecting the environment and the people who work for us.

sites

18,660 employees

13 countries

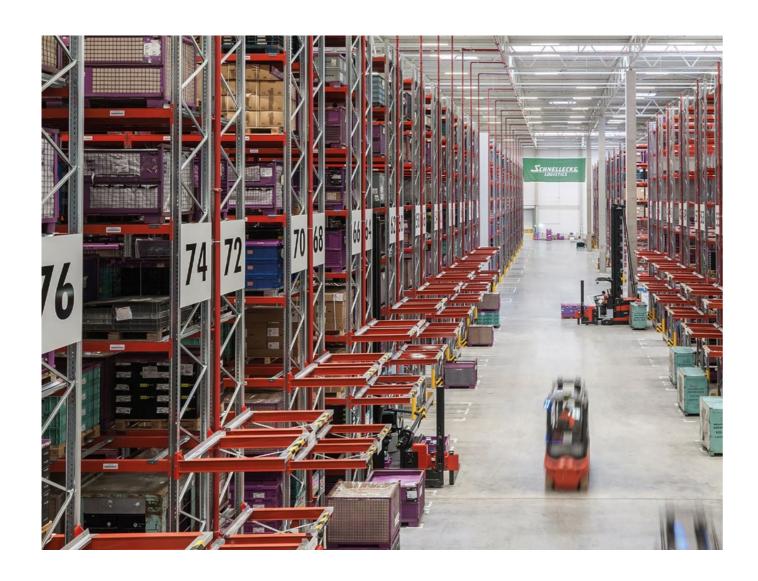
1,024.9 Mill.€



THE ENTIRE LOGISTICS SPECTRUM

The continuous optimization of the value-added chain is an essential factor in order to successfully compete in the global market. To achieve this, companies need a partner who can plan, manage and implement an optimal material flow.

Warehousing, sequencing, module assembly, packaging logistics, transport and production - Schnellecke offers its customers the entire spectrum of logistics. Worldwide.



Reliable production supply

In supply logistics, Schnellecke has been the strong partner of numerous international companies for many years. We use our innovative strength and experience to optimize our customers' supply chains and ensure optimal and reliable processes. Our services include material supply of vendor parts and modules, warehouse management and order picking, sequencing, JIT/JIS transports, line feeding, container and empties management, as well as the entire material flow management.

Packaging and shipping

The packaging of automotive parts in consignment sizes for transport to production plants overseas and the complex spare parts logistics, including the complete shipping organization and the necessary IT processing, are further core competences of Schnellecke. Through our worldwide infrastructure and presence at the recipient plants, we offer a continuous supply chain without interfaces. More than one million cubic meters of automotive parts are packaged and shipped annually at sites in Germany, Spain and India.

Sequencing and picking

The delivery of individual parts in sync with production is becoming increasingly important in the supply industry. We sequence parts and assemblies using state-of-the-art picking systems, as well as parts and module sets, for more than forty tier 1 suppliers and eleven automobile manufacturers at our multi-JIS centers near the plants and then deliver them to the point of assembly on the assembly line.

Module assemblies

Module assemblies are becoming increasingly important in the supply chain of the automotive industry. In this field, Schnellecke has developed unique selling points. Individual parts are assembled into complete modules at our multi-JIS supply centers located in close proximity to the customer. We are a respected system partner for many large automotive manufacturers who takes on full responsibility for the development of the assembly and delivery process, reliably assembles components worldwide, and delivers them just-in-sequence to the production lines.

Welded assemblies and body assemblies

Welded assemblies are becoming increasingly important in the logistics process chain of the automotive industry. This requires special expertise. Whether simple connecting parts or complex body assemblies – we are also the automotive industry's competent partner for welded assemblies. KWD Automotive AG & Co. KG is responsible for this business segment. The company has been part of the Schnellecke Group since 1994. In addition, lightweight construction is one of KWD's main focuses. Customers are assisted in reducing the weight of essential structural parts in vehicle manufacturing through production-proven solutions in aluminum, steel and composite materials.

Spare parts logistics

Our well-designed and tailored spare parts logistics ensures parts availability, short delivery times, and process stability for our customers. Among other things, we are the one-stop service provider for warehouse management, inventory management, repackaging in retail-specific packaging, shipping of empties, and kitting.

Planning, construction and management of logistics real estate

Schnellecke Real Estate is the business division of Schnellecke that specializes in the planning, construction, furnishing and management of logistics real estate. Currently, more than two million square meters of warehouse space are managed worldwide. One of the strengths of Schnellecke Real Estate is the tailored modification of the infrastructure to meet individual requirements. The company develops and builds not only for Schnellecke, but also for other customers.

SCHNELLECKE'S SIX KEY SUSTAINABILITY GOALS



The UN has set 17 Sustainable Development Goals (SDGs), which came into force on January 01, 2016 and will initially run until 2030. These Sustainable Development Goals are intended to ensure sustainable development worldwide on an economic, social as well as ecological level.

Schnellecke defined six of these goals as particularly relevant for the company at a management summit. They form the framework of the strategy development process of sustainability within the Schnellecke organization. KPIs have been defined on this basis and are being tracked.

03

HEALTHY LIVING FOR EVERYONE

Ensuring healthy living for all people of all ages and promoting their well-being.

Occupational safety and health protection have already been top priorities at Schnellecke for many years.

04

EDUCATION FOR EVERYONE

Ensuring inclusive, equitable, and high-quality education and promoting lifelong learning opportunities for everyone.

Schnellecke invests in further training opportunities and employee qualifications and will continue to expand this.

07

SUSTAINABLE AND MODERN ENERGY FOR EVERYONE

Ensuring everyone has access to affordable, reliable, sustainable and modern energy.

Using and implementing renewable energies in our energy consumption is an essential component as a contribution to reducing CO₂ emissions.

12

SUSTAINABLE CONSUMPTION AND PRODUCTION METHODS

Securing sustainable consumption and production methods.

Responsible use of packaging materials and recycling processes within the organization. Avoiding waste through intensive use of lean methods.

13

TAKING IMMEDIATE ACTION

to combat climate change and its effects.

Implementation of environmental protection measures and kaizen suggestions to preserve a livable world for future generations, for example through solar power installations, tree planting and more.

16 PEACE, JUSTICE AND

STRONG INSTITUTIONS

Fostering peaceful and inclusive societies for sustainable development, providing access to justice for all, and building strong, accountable, and inclusive institutions at all levels.

Regularly reviewing sites for compliance and proper conduct. Zero tolerance policy towards discrimination. Supporting non-profit organizations in the vicinity of our sites.

NATURE

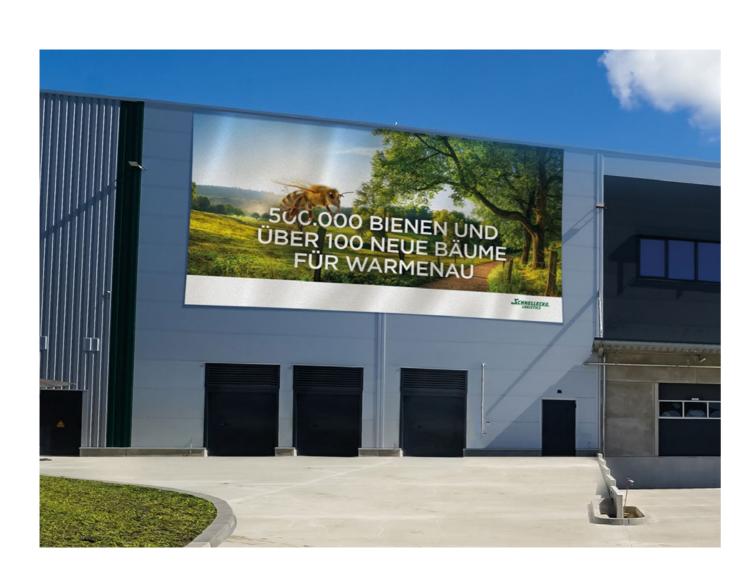
The protection of our natural environment and the careful use of resources are issues we are intensively engaged in. Within the limits set for us, we strive to minimize energy consumption and environmental impact and to increase the use of renewable energies.



ENVIRONMENTAL MANAGEMENT SYSTEM COMPLIANT WITH ISO 14001:2015

ur Environmental Management System is part of the Integrated Management System (IMS) of the Schnellecke Group. Our IMS manual bindingly defines and regulates the areas of application and corporate specifications for all companies and employees of the Group. Environmental goals are supplemented at the company sites by local goals and programs.

Environmentally relevant aspects are identified and potential risks are assessed at the earliest possible stage as part of project management. Energy audits in accordance with the requirements of DIN EN 16247 (EDL-G) were carried out at all German Schnellecke Group sites that are not SMEs. Appropriate measures are implemented at the Schnellecke Group's EU sites in accordance with the respective national legislation.



ENERGY MANAGEMENT SYSTEM FOR THE CONSERVATION OF RESOURCES

strategic goal of the Schnellecke Group is the systematic recording and analysis of the energy use in all companies of the group. For this purpose, we record the types of energy (for example, electricity, gas, oil, district heating, etc.) at all sites and analyze them with regard to the operational use of energy.

Key energy performance indicators were defined in order to identify energy saving potential. This identified energy saving potential is documented and implemented at each site with measures to minimize energy consumption.

At Schnellecke, we take into account all environmentally relevant aspects of our business activities, for example:

- Controlled and uncontrolled emissions into the atmosphere
- Controlled and uncontrolled water pollution
- Waste generation and disposal
- Analysis of raw, auxiliary and operating materials

However, as a contract logistics company with limited duration contracts, we are subject to certain limits since we do not primarily provide our services on our own premises but in rented buildings or buildings provided to us by the customers.

When selecting suppliers, we evaluate not only the qualitative suitability but also the environmental compatibility of the products to be procured (raw materials, supplies, chemicals). If the suitability is the same and the price is economically justifiable, the requirement is to choose

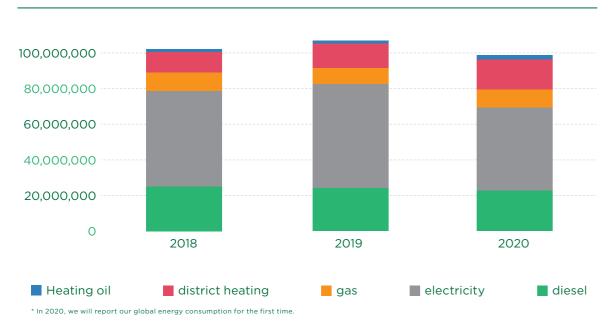
- Handling of environmentally relevant substances
- Contamination of soil
- Use of land, water, and energy in all forms
- Noise, dust, vibration and optical impacts on the environment

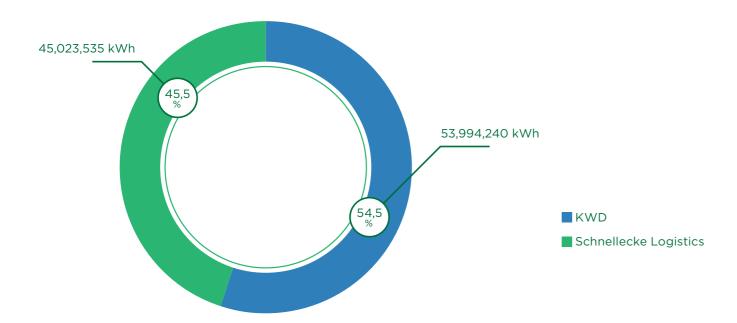
the more environmentally friendly variant and thus further reduce the impact of a given site on the environment.

In the area of waste produced, we attach importance to a continuous reduction of waste quantities. The amount, method of disposal, and the associated costs of operational waste have to be recorded in the annual report and assessed regularly.

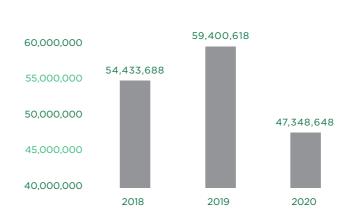
ENERGY CONSUMPTION OF THE SCHNELLECKE GROUP

Total energy consumption* (in kWh)





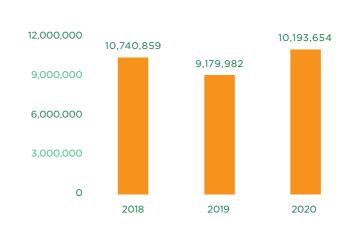
Electricity consumption (in kWh)



Heating oil consumption (in kWh)



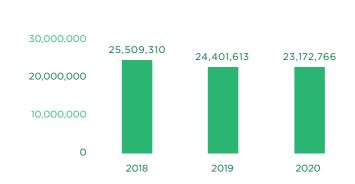
Gas consumption (in kWh)



District heating consumption (in kWh)

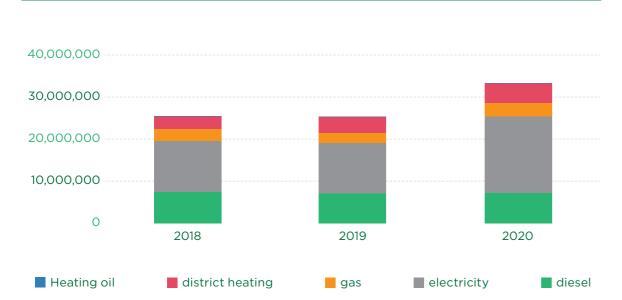


Diesel consumption (in kWh)



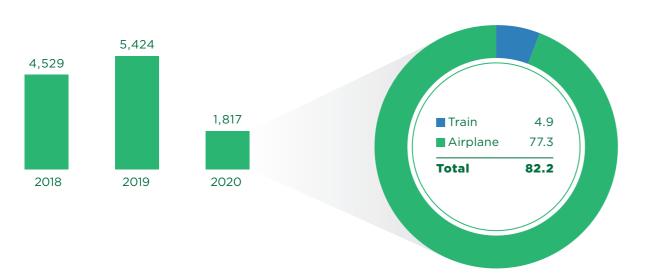
CO₂ EMISSIONS OF THE SCHNELLECKE GROUP

CO₂ emissions (in kg)



Business trips from Germany (total)

CO₂ due to business trips in 2020 (in t)



CO₂ emissions - Transport

Company/Site	Data collec- tion	Fleet km	Change (%)	Total diesel con- sump- tion of the fleet	Change (%)	Fleet con- sump- tion (I/100 km)	Change (%)	GHG	emissions (kg CO ₂)	GHG e	uction of missions CO ₂ (%)
				(1)				EN _{TTW}	EN _{wtw}	EN _{TTW}	EN _{wtw}
STL, Braunschweig*	2020	1,415,951	+4.78	423,988	-2.60	29,94	-7.04	1,055,730	1,335,562	-2.60	-2.60
Truck fleet	2019	1,351,356		435,306	32,21		1,083,912	1,371,214			
	2018	1,304,733	+3.57	410,486	+6.05	31,46	+2.39	1,022,110	1,293,031	+6.05	+6.05
STL Zwickau* Truck fleet	2020	2,938,497	-6.27	841,614	-10.77	28,64	-4.79	2,095,619	2,651,084	-10.77	-10.77
	2019	3,135,193		943,173		30,08		2,348,501	2,970,995		
	2018	3,592,014	-12.72	1,097,336	-14.05	30,55	-1.53	2,732,367	3,456,608	-14.05	-14.05
Nordcargo, all* Truck fleet	2020	1,499,965	-11.72	384,964	-16.79	25,66	-5.75	958,560	1,212,637	-16.79	-16.79
	2019	1,699,058		462,645		27,23		1,151,986	1,457,332		
	2018	1,600,697	+6.14	432,121	+7.06	27,00	+0.87	1,075,981	1,361,181	+7.06	+7.06
STL Slovakia* Truck fleet	2020	1,927,677	-16.92	546,051	-16.58	28,33	+0.41	1,359,667	1,720,061	-16.58	-16.58
	2019	2,320,335		654,608		28,21		1,629,974	2,062,015		
	2018	2,271,087	+2.17	633,317	+3.36	27,89	+1.17	1,576,959	1,994,949	+3.36	+3.36
Total	2020	7,766,133	-8.47	2,160,249	-11.69	28,23	-3.80	5,379,020	6,804,785	-11.69	-11.69
	2019	8,484,896		2,446,302		29,34		6,091,292	7,705,851		
	2018	8,743,129	-2.95	2,515,949	-2.77	29,35	-0.02	6,264,713	7,925,239	-2.77	-277

* only own truck fleet ** operating hours Source: monthly truck analysis of Satra ZW/Bratislava/ BS Warehouse As of: 17-02-2021/Hr.

Energy development KPI *



 $^{^{*}}$ Consumption values and their corresponding regional $\mathrm{CO_{2}}$ equivalents in relation to the warehouse space managed.

KWD - LARGE ENERGY SAVINGS THROUGH MANY SMALL STEPS

KWD succeeded in significantly reducing energy consumption and CO₂ emissions in 2020 through a number of manageable individual steps. These measures included:

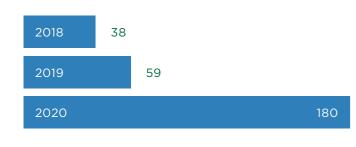
KWD Radeberg:

- Plant technology: AirLeader compressed air control system, conversion of three main drives, replacement of the compressed air refrigeration
- Lighting: conversion to LED lighting in the exterior area
- Process improvement: measures to increase the number of strokes, process optimization of the righthand drive handbrake console, process optimization of the OTR spare tire

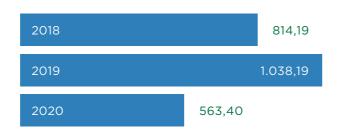
KWD Spain and Portugal:

- New compressor in Spain
- Optimization of the welding parameters in Spain
- Conversion to LED lighting in Spain and Portugal

Energy savings (in MWh/KWD R)



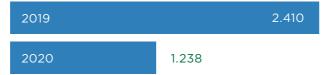
CO₂ emissions (in t/KWD ES)



Total energy consumption (in kWh)



CO₂ emissions (in t)



GOLD CERTIFICATE FOR LOGISTICS CENTER

Despite the COVID-19 pandemic, Schnellecke was able to hand over a new logistics center to Volkswagen on schedule in August. It was planned and built by Schnellecke Real Estate, the real estate specialists of the Schnellecke Group.

ot only was the planning carried out according to Volkswagen's requirements, but also projected into the future. For example, the office space of 800 square meters was placed above the gates on the second floor. In this way, an additional 400 square meters can be added if demand increases, without reducing the logistics area. Even though Volkswagen does not want a suspended ceiling at present, anchor heads have been installed for this purpose in one part of the hall. The roof was designed in such a way that the insulation and statics allow for the later installation of a photovoltaic system.

It is not only the planning that is sustainable, the building itself is also sustainable. This has been confirmed by the certification of the German Sustainable Building Council (DGNB), which was awarded in May 2021. Rainwater is used to irrigate the property, a low-consumption LED lighting system controlled by motion sensors has been installed throughout, both inside and out, and the outdoor areas have been landscaped in an ecologically sound manner.

From the DGNB letter:

"The test result was confirmed in all points after independent assessment by the DGNB certification body, and we are pleased to inform you of the following result of the property assessment."



Main criteria groups

	Overall score	Degree of fulfillment
Ecological quality (ENV)	22.5 %	84.2 %
Economic quality (ECO)	22.5 %	83.7 %
Socio-cultural and functional quality (SOC)	22.5 %	68.3 %
Technical quality (TEC)	22.5 %	55.1 %
Process quality (PRO)	10.0 %	72.5 %
Site quality (SITE)	0.0 %	5.5 %
Overall degree of fulfillment		72.8 %
Award		Gold

98% target achievement in the Volkswagen Sustainability Audit

Due to its proximity to the customer, Schnellecke became a pilot site for a sustainability rating by Volkswagen in 2020. This was the first sustainability audit of

an automotive customer, and Schnellecke successfully passed with a goal achievement of 98 %. There was a deviation of 2 % in the fire safety category.

AGAINST WASTE, FOR MORE SAFETY

In 2020, more than 200 kaizen suggestions were submitted on the topic of sustainability. Here are some implemented examples:

USA:

Reusing packaging material more than once.

Before: Engines were protected from corrosion during transport by means of plastic bags. After sequencing, these bags were disposed of.

Now: There is a collection station for these plastic bags. The service provider responsible for cleaning the building uses these bags for the waste containers throughout the plant.

Mexico:

Avoiding paper waste

Before: Daily documentation of incorrect behavior in safety-critical areas was done on paper.

Now: It is done electronically, making it paperless.

Transportation:Saying goodbye to diesel

Before: Trucks in the Schnellecke vehicle fleet were largely powered by diesel fuel. Now: The successful test of an LNG truck has led to the implementation of this emission and particulate matter-reducing type of drive in the vehicle fleet.

Europe:

Reducing plastic waste

Before: High use of disposable plastic bottles, especially in the warm season.

Now: Employees are provided with a reusable bottle printed with the Schnellecke logo for refilling.

Germany:

Avoiding water waste

Before: Water was wasted via the taps in the sanitary facilities.

Now: Installation of water-saving taps reduces water consumption by up to 45% for the same usage.

China:Digitalizing process

Before: According to HR statistics, every employee requested overtime at least once a month. To do this, they entered their personal data and the reason for overtime on a paper form. The request was then signed and given to the HR department by the supervisor.

Now: The process for requesting and approving overtime is stored in the IT system and is digitized. This saves time as well as paper and enables proper documentation.

South Africa: Packaging waste to prevent injuries

Before: The sharp edges of the metal lockers on the locker room walls were a risk for head injuries on contact.

Now: The edges are covered with high-

strength foam. The material, taken from packaging waste, also provides reliable protection when force is applied. An adhesive strip in a high-visibility color is affixed to each of the lockers as a visual warning.

COMMITMENT AND WILLINGNESS TO INVEST

SCHNELLECKE PARTICIPATES IN EU STUDY ON ALTERNATIVE DRIVE SYSTEMS

In 2020, the EU commissioned a study on the European market potential of fuel cells and hydrogen trucks. The study was conducted by the consulting firm Roland Berger. Schnellecke was also involved in the study.

he European Union plans to achieve CO2 neutrality by 2050, as stipulated in the EU's Green Deal. The transport and logistics industry is required to reduce greenhouse gas emissions by ninety percent by 2050. This measure is crucial, as today more than 75 percent of all freight is transported by road.

Mass deployment of zero-emission vehicles is critical to meeting the goals. Heavy-duty trucks powered by fuel cells and hydrogen (FCH) represent a promising zero-emission alternative, especially for long-distance transport. Their large-scale deployment is an important lever to reduce emissions while meeting the operational requirements of heavy-duty transport in terms of range, refueling time and payload capacity.

Four task packages of the study

The goal of the study was to accelerate the market introduction of hydrogen technology and to realize the associated potential of a low-carbon energy system.

Four different task packages were defined for this purpose:

- In the first step, an analysis was conducted to evaluate the current state of technology. In addition, it was to be examined whether incentives for low CO2 transport solutions already exist.
- In the second step, the market for heavy-duty trucks was examined in more detail and the economic potential for hydrogen trucks was evaluated.
- The third step was to conduct various case studies. Here, Schnellecke was also selected as a freight forwarder in the areas of automotive and the use of 40-ton trucks, and was able to contribute extensive experience.

On the topic of Total Cost of Ownership for alternative drive technologies, the data from the route Zwickau – Emden – Zwickau, which is regularly driven by Schnellecke, was used as a basis for the cost calculation and compared with the actual costs.

In addition to the support provided for the case studies, Schnellecke participated as a member of the advisory board throughout the entire course of the study. The advisory board consisted of members from truck manufacturers and technology and logistics service providers, among others. Schnellecke Transportlogistik GmbH was represented by



Thomas Lammer, Chief Transport Officer, and Mandy Beck, Head of Operational Excellence & Procurement Transport.

Due to the COVID-19 pandemic, the meetings were held exclusively online in various teams. In the meetings, the various current barriers and requirements were discussed and possible solutions developed, for example, requirements for the infrastructure of a hydrogen filling station network.

Joint declaration

As a fourth task package, recommendations and proposals were developed and submitted to the EU. The following questions were answered:

- What synergies can be generated with other transportation models?
- To what extent can politics support companies in the expansion of hydrogen-powered vehicles, for example by exempting tolls for alternative drives and with subsidies for the purchase of tractors with alternative drive technologies.

The closing "Coalition Statement" from November 2020 is a joint declaration by OEMs, technology providers, filling station and hydrogen suppliers, truck operators, logistics users and industry associations to decision-makers. It states:

"We hereby express our commitment and readiness to contribute to the decarbonization of the European transport sector by investing heavily in the development, production and deployment of FCH trucks, to create demand for large quantities of green hydrogen, and to build and operate the corresponding HRS (refueling) infrastructure. To achieve the necessary economies of scale and the expected cost reductions through technical optimizations until fuel cell trucks and hydrogen reach competitive market prices, we intend to support commercialization through a targeted push into the market."

PEOPLE

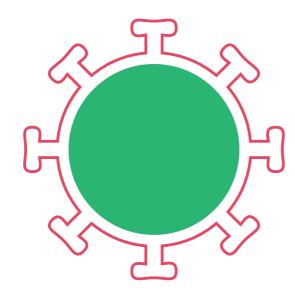
Despite all the digitalization, people still play a prominent role in logistics. Value-added logistics in particular is highly personnelintensive despite automation. Our business is inconceivable without committed and motivated people.

As a family-owned company, Schnellecke has always felt a special obligation towards its employees. A responsibility that we are still aware of and that we take very seriously.



"WE HAVE PROVEN THAT WE ARE A STRONG TEAM."

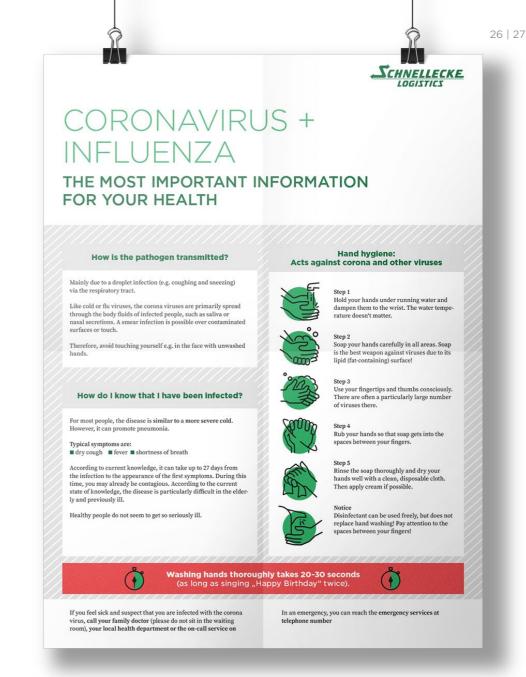
HOW SCHNELLECKE RESPONDED TO THE COVID-19 PANDEMIC



Germany, end of March 2020.
Daycare centers and schools close, production lines come to a standstill. The COVID-19 pandemic leads to the first lockdown in Germany. "It caught us all cold," recalls Sven Virgens, then head of the global Schnellecke crisis team. "We had to reorganize our lives for a few days, but then we acted quickly."

n April 03, 2020, the "Operational Capability, Health and Safety" (BGA) steering committee was formed to monitor the implementation of the specifications and action plans that had been drawn up together with the regions and corporate divisions to manage the crisis. One day later, the corporate crisis team and the BGA crisis team met (virtually) for the first time. "The crisis teams are expert panels that provide advice and implementation to the Covid-19 steering committees," Virgens explains. "The corporate team is interdisciplinary, with experts from departments such as health and safety, occupational safety, purchasing and communications."

At the same time, additional crisis teams were set up in the regions, for example in Mexico and South Africa, to implement the defined corporate framework in line with customer requirements and local regulations. In total, eight such teams were formed, in addition to the corporate team. All activities were aimed at ensuring maximum protection for employees so that they could continue to work without any problems once production had been restarted.



"We were not prepared for such an unexpected situation in the company," Virgens says. "So the first thing we did was identify employees who could help us and called them in.

For example, one employee used to be an NBC officer in the German Armed Forces, while others compiled information from publicly available sources."

There was plenty to do, including gathering and passing on regulatory requirements, communicating with employees, tracking information, assessing

risks, and liaising with authorities and other external agencies. And, of course, procuring personal protective equipment for employees.

Sources for protective material identified

"The company reacted very quickly and found sources for masks on the world market, so that we were able to supply ourselves with enough disposable masks for the time being," Virgens explains. "When it was foreseeable that wearing a face mask would continue for a long time, we had a textile company manufacture reusable masks through our network in the Mexico region. These have

> been used to supply the regions and sites. And we quickly found a source for disinfectants as well."

Print templates in several languages were developed and delivered to the sites. However, the flow of ideas did not only go in one direction, as Virgens emphasizes. "Of course we monitored what others

were doing. There were also things from customers or from the sites that we then adapted and used. We also had people on the team who spoke good English and Spanish and could therefore translate materials quickly. In this way we were able to provide coverage for the majority of our sites around the world."

Right from the start, the company also examined which employees would benefit from mobile working. To this end, a corresponding works agreement was concluded with the works council in just a few days.

Agreement with works council



IT provided sufficient VPN access in record time so that only employees with core functions had to be on site.

Immediate measures in the warehouse

Of course, this was not possible for employees in production and logistics. There, risk assessments were immediately carried out for the individual workplaces. Some of the immediate measures implemented were:

- Separate entrance and exit areas, as well as additional means of entry and exit.
- Walkways based on the one-way traffic principle
- Organization of workstations in such a way that a distance of 1.5m is ensured
- Blocking off changing rooms and showering facilities, creating storage facilities for personal items
- Putting on work clothes before entering the plant premises
- Blocking off every second urinal
- Setting up additional mobile sanitary facilities if required
- Floor markings
- Personnel to monitor adherence to the minimum distance

- Decoupling or shortening of shifts, if necessary
- Closure of smoking areas or requiring compliance with social distancing regulations
- Staggering of break times

Many pitfalls lurked in the details, as Virgens highlights with an example: "One evening, I received a worried call from a colleague in the transport division. We had distributed disinfectants to all drivers to carry in the driver's cab. Then it turned out that these had to be kept in special containers. This taught us that there is a clear difference between hand and surface disinfectants. That same evening, our experts got together virtually and worked out a solution, which was communicated to the Transport division the next morning. This then also affected storage, which we had to reorganize. Fortunately, we had trained hazardous materials experts from our company on the team."



"We have proven we can do it"

Crisis communication also played a significant role in the rapid implementation of the measures. The sites were informed about current developments and regulations by the headquarters. Short videos were used to demonstrate proper hand washing and the correct use of face masks in a language-neutral manner, and the videos could then be played back via social networks, monitors at the sites, and the intranet. Pocket cards with the most essential information were distributed to employees, and posters with lots of pictograms and in simple language were created to reach everyone.

"We proved that we are a strong team and we can do this," Virgens concluded at the end of the year. "We are pursuing the strategy of doing too much rather than too little. This is also what the Board of Management wants, which has spent a lot of money without hesitation in order to protect the employees. "All measures in the framework plan are to be implemented to the maximum extent possible," the guidelines state. And we have acted and are still acting accordingly."



HEALTH AND SAFETY



The health and safety of our employees is a high priority for us. We continuously optimize occupational safety with a wide range of measures and offer a comprehensive health program. Our activities are based on the internationally recognized ISO 45001:2018 standard, among others.

Il employees receive regular training to expand their knowledge of occupational safety issues and to identify potential hazards at an early stage. The occupational safety guidelines of the Schnellecke Group are communicated to all new employees at the time of recruitment. The corporate policies for occupational safety, environment and energy are documented and can be accessed using a QR code. These have also been available via the employee app on every smartphone since 2020.

Risk assessments are carried out for all workplaces and activities and are documented accordingly. Identified hazards are evaluated with a risk index and displayed graphically (traffic light system). The risk assessments are reviewed at least once a year to ensure that they are up to date.

Occupational safety inspections, shelf inspections, and tutorials are carried out regularly. Regular quarterly meetings and workshops on occupational safety and the environment are held.

Corporate Health Management

Within the framework of its Corporate Health Management, Schnellecke follows a holistic understanding of health. We combine both the preventive and the corrective approach. With the growing size of the company and various challenges in workplace and work process design, it is a constant challenge to create programs that are tailored to the needs of specific target groups.

These activities are accompanied by comprehensive marketing and internal and external communication. The objective is always to strengthen our employees' personal responsibility and health competence.

HEALTH PROMOTION ALSO UNDER COVID-19 CONDITIONS

The year 2020 was marked in all respects by the COVID-19 pandemic. Unfortunately, major events in the field of health promotion could not take place. Nevertheless, numerous meaningful small campaigns were carried out at our headquarters and at the sites as well, and preventive measures were offered to employees. Company runs and health days unfortunately had to be cancelled.

n 2020, Schnellecke again cooperated with medical service providers across the board in order to comply with occupational health and safety in the form required by law.

In addition, a number of very different programs were offered, many of which were developed on the initiative of the respective sites. Here are a few examples:

- Instruction in occupational, fire, and health protection
- Company fitness: A comprehensive online training program was made available via the employee app, for example relaxation training, yoga, bodyweight workouts, etc. for use at home. Feedback from users was very positive
- Online modules on nutrition, exercise, stress management and exam preparation for apprentices in the AZUBI Fit program
- Internal apprentice quiz on the topic of health (nutrition, exercise, stress)
- Flu vaccinations
- Screenings: skin screening, vein screening, spinal screening
- Preventive medical checkups: general health checkup and eye examination for VDU workplaces
- Nutrition and fitness counseling
- Consulting on ergonomics at the workplace
- Monthly health tip

In spring 2020, the international crisis organization for Schnellecke was launched, with offices at headquarters and regional crisis teams at the sites for emergency coordination and cooperation on COVID-19. Activities included:

- Weekly pandemic meetings
- Development of pandemic and phased plans
- Development of hygiene instructions and posting at the sites
- Limiting the number of people allowed per office and meeting room
- Expansion of mobile working (company agreement) to reduce contact, with the side effect of improving work-life balance
- Development, implementation and documentation of instructions for employees on hygiene measures for COVID-19 prevention
- Development of heat concept under COVID-19 conditions
- Instruction of employees returning from travel, conduct during holidays
- Establishment of COVID-19 testing capacities internally and externally
- Ordering and distribution of masks and other hygiene articles (disinfectants)
- Feedback interviews on the subject of COVID-19 and crisis management

	Germany	Transport	South Africa	
ncident rate per 1,000 employees	29.75	31.96	50.10	
Accident severity rate	14.43	16.45	8.5	



"IT'S A WIN-WIN SITUATION".

SCHNELLECKE EMPLOYS HEARING-IMPAIRED PEOPLE IN LOGISTICS — A VISIT TO THE DÜSSELDORF SITE Equal treatment of all people is a matter of course at Schnellecke and is anchored as a basic principle in our mission statement. Discrimination is not tolerated. Experience proves that these are not just empty words. A current example: The employment of hearing-impaired employees in production.

t is a sunny spring day in the north of Düsseldorf. As we get out of the car in front of the Schnellecke Modul GmbH premises, we hear birds chirping and trucks maneuvering. Sirens sound in the distance and a moped chugs by. Everyday sounds in the industrial district of a big city – but not for everyone. Because the world which we who can hear take for granted does not exist for those whose hearing is severely impaired.

Around 0.1 percent of the total population is severely hearing impaired, or about 83,000 people in Germany.

"The speech organs are usually not impaired in people with hearing impairment. But due to the lack of hearing, they have enormous difficulties with correct pronunciation. We learn to speak by hearing. Anyone

who is hearing-impaired is therefore always somewhat limited in their speech," explains Rita C. Holthaus, a qualified social worker who is also co-managing director of Handzeichen GmbH and will be interpreting between us and the hearing-impaired employees today.

There are now technical aids, for example a cochlear implant, which amplifies the frequencies that can still be heard. However, the speech of many hearing-impaired people which is based on this is very different in sound from what we know, either very loud or very choppy.

A distinction must also be made between the people who have been hearing impaired since birth and those who became deaf many years later. The latter, if the hearing loss did not occur before the age of seven, can usually express themselves well through speech.

Today, we want to know what it's like to work in a logistics warehouse as a hearing-impaired person – for the affected themselves and for their colleagues.

Hired after internship

Here in Düsseldorf, several suppliers have their components for the Sprinter sequenced by Schnellecke and delivered to the Daimler AG assembly line. We meet Volker Werner in the large hall where exterior mirrors are sequenced. The 58-year-old started working here three years ago. "He had heard about Handzeichen from friends and approached us about a job placement," Holthaus recalls. Werner was looking for work at the time, but had relevant experience, having previously been employed at Daimler. "We invited Mr. Werner to come to us in Essen and talked to him, then we contacted his employment agency, and they then approved a program for him," Holthaus continues. "In the process

we gain an overview of the participants' range of skills: What they can do, what they want, what they have done before. We advise them, we help them with their letters of application, and we make the initial contact with the potential employer."

And so Schnellecke was also contacted and there was immediate positive feedback. Holthaus accompanied Volker Werner to the interview to interpret, and he was offered a four-week internship. After that, he was hired permanently. On his first day on the job, Holthaus accompanied him to interpret as needed.

"When someone starts with us, there is a first day check," explains Dominik Krok, site manager in Düsseldorf. "This is all in writing and posed no problem for Mr. Werner. Then, like every new employee, he was accompanied to his workplace by the shift supervisor. There, everything concerning his job was gone through according to a set pattern. And after that, he started doing it himself right away. It's the same with all employees, there's no special treatment."



Every hearing-impaired person always works with someone who can hear, and what cannot be communicated intelligibly verbally is conveyed in writing. So there is always a companion nearby, whether a team leader, shift supervisor or colleague. In Volker Werner's case, this is Ahmed Abdali. He was happy to take responsibility for his colleague.

Colleagues take responsibility

Communication is currently particularly difficult because of the masks. Facial expressions are hardly recognizable, lip reading impossible. One has to be able to express one-self very intensively with the eyes or through gestures in order to convey something correctly. This sparked Abdali's desire to learn sign language so that he could better communicate with his colleague. That's why he will soon attend a sign language workshop for interested colleagues held locally by the Landschaftsverband Rheinland (LVR). "This will make many things easier and also faster, especially in COVID-19 times," Abdali said.

"The deployment of hearing-impaired employees only works if the other colleagues support it and also take responsibility," says Krok, who is pleased about this commitment. "And this works very well here."

Krok has also received new impetus from Volker Werner's presence. The poster on sign language in his office is not the only evidence of this. "Since I've been involved with the topic, I think more often about what we can do differently in the hall, for example, through more specific visualizations or equipment," he says. "Optimizing safety is particularly important to me at the moment."

Hearing-impaired employees, for example, cannot hear a warning siren in the event of a fire. For that, there are technical solutions that convert an audible warning signal into a visual one. "I'm thinking about connecting such a tool to the smoke detection system," Krok says.

We believe that everyone can do a good job

But he's not just thinking about technical solutions. "Despite all collegiality: a hearing-impaired person nevertheless soon feels excluded. That's why we deliberately hired a second colleague with a hearing impairment."

We find Ali Akzu by the cardan shafts. He is 41 years old and previously worked, on a temporary contract, at

Schnellecke in Duisburg. "The colleagues are making a lot of effort," he says happily. "And otherwise, there's always Volker if I want to know something."

"The company has to put in the upfront effort"

Of course, communicating via sign or written language sometimes takes a little longer. "As a company, you have to be prepared to spend this time," says Christian Löschen, Managing Director of Schnellecke Modul GmbH. "A hearing-impaired employee needs what no one has today, namely time. Both the hearing-impaired person and his



or her companion therefore first of all produce less productive output in the classic sense, because work has to be interrupted for guidance. This is not necessary with employees who can hear, because you can explain things to them verbally while they are working. That's where the company has to put in the upfront effort."

So why does Schnellecke do it? "My motivation is to show that at Schnellecke everyone is treated equally and there is no discrimination" explains Krok. "We believe that everyone can do a good job, whether hearing impaired or not. And I want to show that we also have the ability to make that happen. We want to and can take the time to do it."

And what does Volker Werner himself say? "It was a bit difficult at the beginning," he recalls. "Colleagues had to get used to talking to me slowly, which they sometimes forgot to do in their day-to-day work. Now it's much better. And I'm happy that I can now show a colleague how things work here. I'm happy to be able to work at Schnellecke and very grateful to the company for that."



andzeichen GmbH, based in Essen, helps people with hearing impairments to integrate into the labor market. The range of services includes target group-specific support services for the hearing impaired, in particular the promotion of employment for the

hearing-impaired and deaf people in coordination with the employment agency, the job centers, the Optionskommunen ('optional local management'), and the pension insurance. To this end, Handzeichen offers a job application service, a qualification center and in-company integration assistance.

CAMPAIGN FOR MANAGERS IN MEXICO

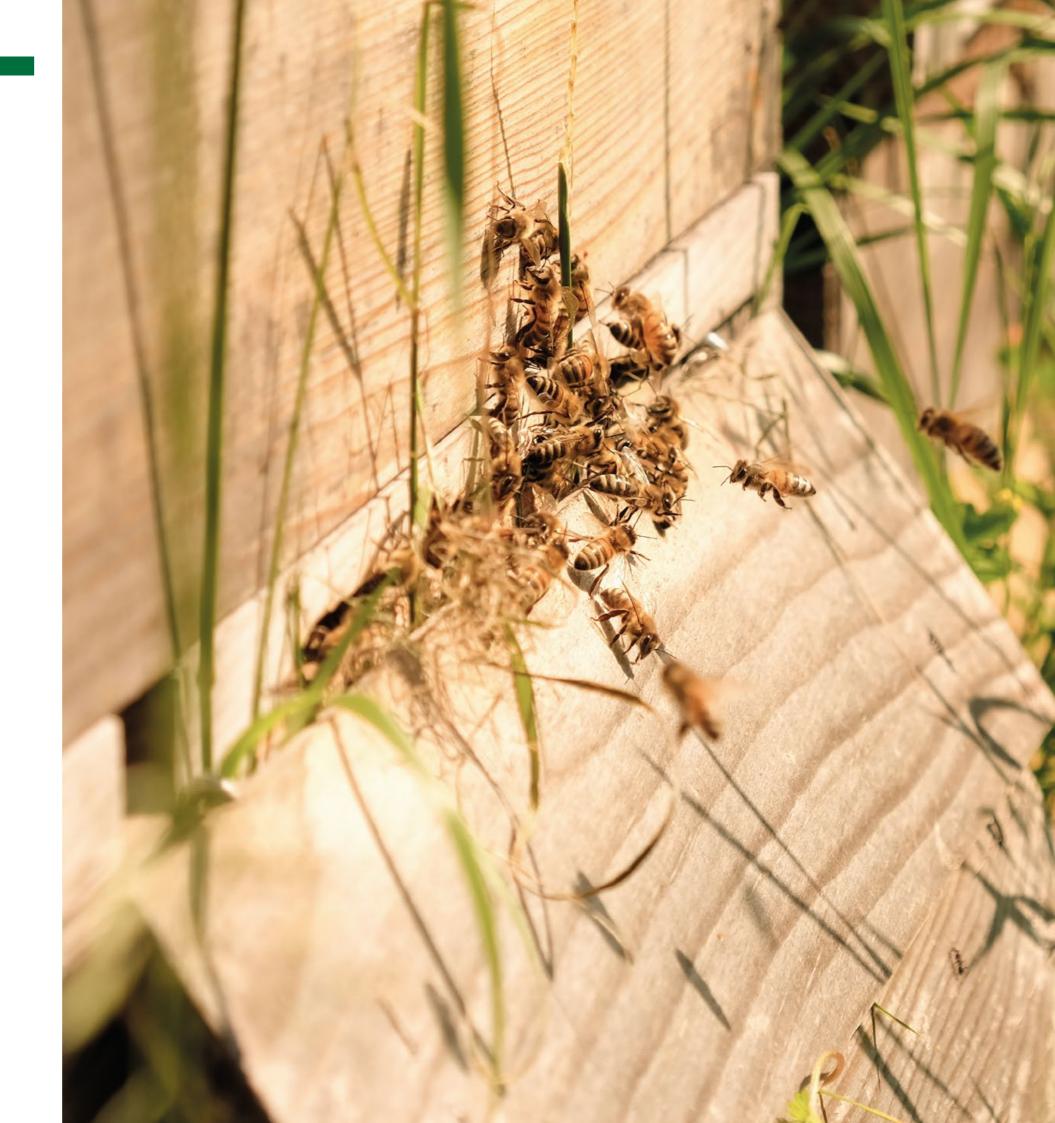
The "I Care About You" campaign is aimed at Schnellecke executives with the goal of strengthening empathy toward employees and taking care of their well-being, thus emphasizing the corporate value "We are a strong team".





SOCIETY

Economic stability and action in compliance with laws and regulations, as well as a continuous dialog with our stakeholders — for a family-owned company such as Schnellecke, these are traditionally essential pillars of responsible business activity.



COMPLIANCE

Compliance is an indispensable part of the value culture at the Schnellecke Group. We are committed to compliance out of the conviction that we can only be successful if we align our business activities with adherence to the law and the internal and external framework conditions.



hen providing our services, we comply with applicable local law, policies, and standards, avoid conflicts of interest, and respect the customs, traditions and social values of the countries and cultures in which we operate. We expect the same behavior from our business partners, i.e. service providers and suppliers.

The basis for successful and sustainable business activities is to operate with integrity and transparency. Only in this way can competitiveness, employment and economic success be secured in the long term. The OECD Guidelines for Combating Corruption in Business Transactions, national and international legal requirements, and the agreements entered into with Schnellecke provide a binding framework for proper conduct.

Compliance is monitored by a designated person within the company who has extensive powers of control and must be consulted in cases of doubt. The Chief Compliance Officer is supported by a Compliance Committee in the further development of the Schnellecke Group Compliance Management System.

The Schnellecke Group Compliance Management System is based on our code of conduct, our Schnellecke Spirit philosophy of values, and a regular corporate compliance risk analysis across all business areas that defines the scope, focus, and intensity of annual compliance activities.

All employees of the Schnellecke Group are required not only to follow our central compliance guidelines, but to live them in their daily work:

We always act with integrity.

We are committed to fair competition.

We treat each other fairly and respectfully.

We stand by our responsibility for our employees, the environment and society.

We act in the best interests of the Schnellecke Group.

We protect our own and respect the intellectual property of third parties.

We ensure the protection of personal data.

COMFORT IN TIMES OF THE COVID-19 PANDEMIC

THE MARGARETE SCHNELLECKE FOUNDATION PROVIDES COMFORT WITH FRUIT BASKETS, FLOWERS AND FOOD PARCELS.



2020 was a year unlike any other for the Margarete Schnellecke Foundation. Due to the many constraints imposed by contact restrictions, only a few campaigns could take place directly in Wolfsburg's senior citizens residences last year. But thanks to many good ideas and hardworking people, a lot of things were organized for the residents of the homes. Some examples:

- For Easter 2020, the Foundation delivered many colorful bouquets of flowers to Wolfsburg's senior citizens residences.
- More than 1,000 tubes of hand cream were distributed to employees at the facilities.
- New board games were purchased for residents.
- Financial support was provided for the summer "Encouragement Concerts" in the gardens of the senior citizens residences.

Since the action was so well received in the senior citizens residences at Easter 2020, it was repeated again for the pre-Christmas season. Over 700 residents in Wolfsburg's senior citizens residences each received their own Christmas bouquet. The nursing staff at the facilities were also given a treat: fresh fruit baskets were provided for them during the Christmas season to give them the vitamins they needed.

In addition to the senior citizens, however, the needy in Wolfsburg were also remembered in these difficult times. Since the beginning of April 2020, well over 1,200 "care bags" containing food for everyday needs have been distributed to those in need via Wolfsburg's "Carpe Diem" social center. The campaign will continue in 2021.

The residents of a socially disadvantaged area also received donations of food and goods during these difficult times – supported by private individuals who have been committed to helping the people there for many years.

"For the foundation, it is always a matter close to the heart to be at the forefront of these challenging circumstances, if possible with its own ideas, and to be aware of people's needs, but also of the things that make life easier and bring joy," explains Carolin Külps, Chairperson of the Board of the Margarete Schnellecke Foundation.

About the foundation

In 2000, Margarete Schnellecke established a charitable foundation on her 95th birthday. Over the past twenty years, a total of more than 2.5 million euros has flowed into projects for senior citizens, youth programs, the homeless and many others in need. In 2020 alone, grants totaling more than 50,000 euros were distributed for "comforting" About the foundationitizens, the needy and many other measures.

SUSTAINABILITY IN THE SUPPLY CHAIN

he German Parliament passed the Supply Chain Act in June 2021. As of 2023, large companies in Germany will be required to take action against human rights violations and environmental infringements at their suppliers. In the event of misconduct, they will face fines of up to two percent of annual sales. The law will initially apply to corporations with more than 3,000 employees. Starting in 2024, companies with more than 1,000 employees will also be subject.

Schnellecke has been pursuing the goal of ensuring a sustainable supply chain for a long time, and already established the prerequisites for the new law in 2020. The supplier declaration developed for this purpose is mandatory for all new suppliers, unless their offer is not relevant for services and processes.

The criteria that are evaluated are defined in Schnellecke's Supplier Code. These include:

- Observance of human rights
- Outlawing child labor and forced labor
- Right to organize
- Occupational health and safety
- Fair wages, working hours, and fringe benefits
- Compliance with the law
- Prohibition of corruption
- Avoidance of conflicts of interest
- Fair market conduct
- Data and trade secrets protection
- Ecological accountability
- Environmental management system for waste and emissions
- Product safety
- Responsible raw material supply chain

Schnellecke thus ensures that its own requirements are also met by suppliers, for example with regard to compliance. If the response does not meet the requirements, Schnellecke involves the Compliance and Sustainability department. The department checks whether the information is still within the scope of permissible deviations. In each case, the supplier must present a corresponding action plan in order to avoid being blocked.

The supplier evaluation is based on a traffic light system with the colors green, yellow and red.

- Green: The supplier complies with the Schnellecke-specific requirements. No further need for action regarding corrective measures. Awarding of contract permitted without restrictions.
- Yellow: The supplier does not comply with the Schnellecke-specific requirements. Corrective action plan agreed with supplier before contract award. Awarding of contract permitted with restrictions.
- Red: The supplier does not comply with the Schnellecke-specific requirements. No corrective action plan agreed with supplier before contract award. Awarding of contract is not permitted.



SOCIAL COMMITMENT AROUND THE WORLD



e are committed to the community in which we live and work at all Schnellecke Group sites worldwide. This ranges from support for educational institutions and environmental conservation activities, to aid for needy or impaired people. Schnellecke has regularly supported a large number of social institutions around the world for years. The forms of this support are diverse: donations in kind and money, volunteer work by Schnellecke employees, or employment in our production.

Below you will find some selected examples of our commitment.

Germany: A small shoebox becomes a great Christmas delight

In 2020, Schnellecke was at it again, bringing Christmas packages to remote and rural areas of Eastern Europe to make children's eyes light up. The basic idea behind the campaign was "children helping children". Pre-school and school children in Germany (with the support of their parents) packed a gift for another child.

A Christmas Schnellecke truck brought the packages to the Ukraine as part of the large Christmas package convoy, where they could not be distributed directly to the children in the usual way during the pandemic. Instead, they were received by selected local organizations for further distribution in order to comply with current hygiene and social distancing regulations.

Packages were received at the regional collection points of Schnellecke Transportlogistik GmbH in Braunschweig and Zwickau. In total, well over 1,000 packages were collected.



Germany: 100 fruit trees for the Soltau site

Schnellecke takes on responsibility and supports environmental protection. Together with the works council and employees of the CKD site in Soltau, 100 fruit trees were planted on the company premises. The environment and employees are to benefit from the project in the future: the premises will be improved, and the fruit will be available to all colleagues free of charge.

The trees are irrigated with stored rainwater. Through this measure, we hope to make a contribution to reducing CO2. In spring, the trees will be visited by insects when they are in full bloom. As soon as they bear fruit (apples, pears, cherries and plums), employees will be allowed to pick it.

To further promote environmental protection, local beekeepers have been given the opportunity to set up their bee colonies at Schnellecke.

Germany: Schnellecke Logistics donates 30,000 surgical masks to Wolfsburg Hospital

Schnellecke supported the great dedication of the doctors and nurses in their daily work with this campaign in April 2020. "As a Wolfsburg company, we want to show our solidarity with this city and this region, especially during this difficult time," emphasized Nikolaus Külps, CEO of Schnellecke Logistics.

The donation helped the Wolfsburg Clinic to ensure its surgical mask needs for a few weeks.

"We are grateful for any support in the fight against the COVID-19 pandemic. That is why I am delighted for the staff of the Wolfsburg Clinic about the generous donation from Schnellecke Logistics," said Dr. Matthias Menzel, Medical Director of the Wolfsburg Clinic, when receiving the masks.

Germany: Emergency food bank for needy Wolfsburg citizens



"When the need is greatest, we stick together and help needy people in our city," explained Andreas Wagner, member of the Executive Board of Schnellecke Logistics SE. Together with the city of Wolfsburg fan project and the active fan scene, Schnellecke trainees organized food procurement and distribution while the Tafel e.V. remained closed due to the restrictions caused by the COVID-19 virus. Especially at the end of the month and before Easter, the closure of the Tafel hit with full force, but those in need were not left alone. The Schnellecke trainees contacted all supermarkets and retailers in the city by telephone and asked for food donations. These were picked up by the trainees with vehicles provided by Schnellecke.





Germany: 15 People with disabilities at Schnellecke Duisburg

Schnellecke is contributing to a community worth living in with a wide variety of activities and partnerships. Among other things, the inclusion of people with disabilities in the workplace is being made possible or improved. With this in mind, so-called company-integrated workplaces were set up at the Duisburg site in May 2014 as part of a cooperation with Caritas Werkstätten Niederrhein. Since then, an external Caritas work group with up to 15 people with disabilities has been working on site. They are accompanied by a group leader who supervises the people with disabilities, guides them during their work, and assists them.

A separate Caritas packing line has been set up for the people with disabilities, on which they organize and carry out the entire packing process independently during their day shift. This includes not only the operative packing activities, but also the administrative activities in the IT system. A wide variety of automotive parts are packed: door handles, control elements, headlights, brake calipers, gaskets, sheet metal parts, windshield wipers, power generators and much more. In addition, the people with disabilities also work together with our employees in the early or day shifts on the Schnellecke packing lines, or they support the general processes at the site, such as the disposal of packaging waste. Folding cardboard boxes, in particular, has become an absolute favorite activity in recent years. Ludger Dickhoff, Group Manager at Caritas: "Our employees have been superbly accepted at Schnellecke right from the start. Over the course of time, friendships have even developed. The atmosphere is always good, everyone is hardworking, motivated and always happy to come to work."

(Note: As of June 30, 2021, Caritas had to discontinue the cooperation with Schnellecke because, due in part to the COVID-19 pandemic, not enough people with disabilities could be found for the jobs at Schnellecke).

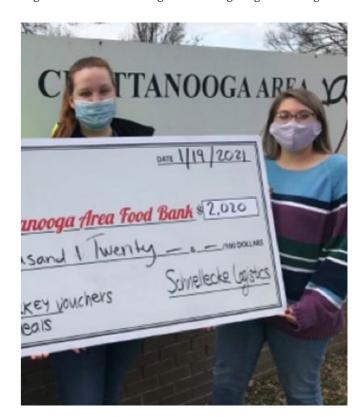
USA: Participation in #DiversityWeek and Black History Month.

USA: Commitment to people with disabilities

Schnellecke cooperates with the Alabama Department of Rehabilitation Services (ADRS) to integrate people with physical or mental impairments into the workforce.

USA: Help for the socially disadvantaged

The Chattanooga Area Food Bank provides food to people in need. Schnellecke Logistics donated \$2,020 to help the organization achieve its goal in the fight against hunger.





USA: Christmas campaign with the Salvation Army

Many employees participated in the Angel Tree drive, collecting toys and clothing for needy children. The team sent a truckload of Christmas gifts to the Salvation Army.



USA: Neighborhood support

The Hispanic Interest Coalition of Alabama planted gardens in the Botanical Garden as part of a neighborhood recreational project. The project received financial support from Schnellecke.

Spain: Vaccination aid for needy children

KWD Spain donated 1,500 euros to the GAVI Alliance to help vaccinate needy children against childhood diseases.

China: Donation for COVID-19 measures

Chinese joint venture Dalian KWD Innovation Automotive Parts donated more than 7,000 euros to the Dalian Charity Foundation in early 2020 for measures to prevent the spread of the pandemic.

South Africa: Help for impaired youths

The students of the Siyaya Skills Institute in Port Elizabeth all have a disability, and in South Africa that still usually means being condemned to an existence at the bottom of society. Schnellecke South Africa has been supporting the institute financially and hands-on for many years. Several dozen students of the Siyaya Skills Institute have now been able to gain practical experience at Schnellecke for a year and earn the National Certificate in Wholesale and Retail Distribution (Warehousing).



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