



SUSTAINABILITY REPORT 2018

BREAKING NEW GROUND

WE BREAK NEW GROUND,

deal openly with mistakes, learn
from them, continuously improve
our structures and processes,
and in this way secure our future.



Dear Readers,

We live in a drastically changing world. Megatrends such as mobilization, climate change, digital transformation, and migratory flows are affecting our society and our businesses. It is our task and responsibility to move within this change, to actively participate in it, and to create opportunities from it.

Responsible interaction with people and nature is indispensable. For this reason, we have anchored sustainability and given it a prominent place in all our SMART25 strategy activities.

This Sustainability Report 2018 documents how the Schnellecke Group has taken a large number of initiatives that will help us on our way to becoming an all-round sustainable company. We owe this primarily to our employees, whose commitment and creativity make these successes possible. We would also like to thank our customers who place their trust in us, thus rewarding our commitment.

We are aware that this process is never complete, but rather requires the constant readiness to put processes and procedures to the test. I hope you enjoy this report.

Best regards


Nikolaus Külps
CEO Schnellecke Group

CONTENTS

Brief profile	PAGE 4	Nature	PAGE 8
People	PAGE 18	Society	PAGE 24

VALUE-ADDED LOGISTICS FOR THE AUTOMOTIVE AND OTHER INDUSTRIES

The Schnellecke Group is one of the world's leading logistics service providers in the automotive sector.

Schnellecke offers all services for efficient supply and value-added chains, and is a reliable partner for its customers for complex logistics, production and transport tasks. We develop tailor-made concepts for our customers that guarantee process reliability and increase efficiency.

Supply chain management across countries and continents is the strength of the Schnellecke Group. At more than 70 of our own company sites in Europe, North America, Central America, Africa and Asia, we control and optimize delivery flows, assemble as needed, assemble components as well as preassemble and finish entire assemblies, transport just-in-time and just-in-sequence to the plants, and take over the (parts) supply of the production lines (line feeding).

Our activities are based on a holistic view of all goods flows and logistics processes, from procurement through the various stages of production, to the distribution of the finished goods. Depending on the customer's requirements, we integrate a wide variety of functions into the value chains of our customers.

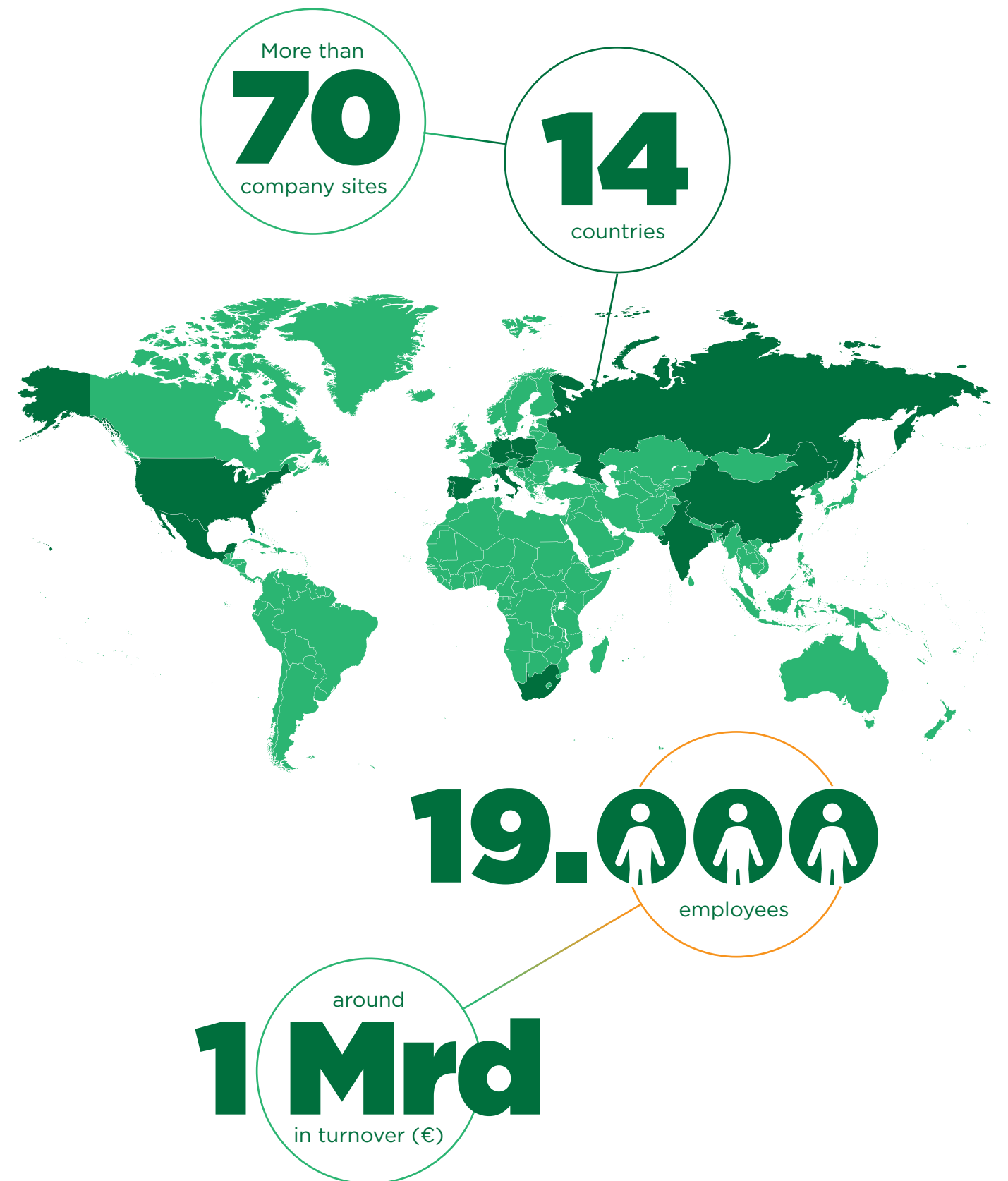
Our logistics and transport divisions provide a wide range of seamlessly integrated services. This range is rounded off by the Production division.



Innovation: a driving force behind our development

RFID, Google Glass, laser picking, Internet of Things (IoT) - all of these are used today at Schnellecke. Whether for module assembly, warehousing or inventory, successful logistics is no longer conceivable without innovation. Service providers are under constant quality and cost pressure, and this can only be mastered through the application of new technologies.

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



THE WHOLE SPECTRUM OF LOGISTICS

The continuous optimization of the value-added chain is an essential factor for surviving in global competition. To achieve this, companies need a partner who can plan, control, and implement an optimal material flow. Warehousing, sequencing, module assembly, packaging logistics, transport and production – Schnellecke offers its customers the entire spectrum of logistics – anywhere in the world.



Reliable production supply

For many years now, Schnellecke has been the strong partner of numerous international automobile manufacturers in supply logistics. With our innovative strength and experience, we optimize the supply chains of our customers and guarantee optimal and reliable processes. Our services include material supply with supplier parts and modules, warehouse management and order picking, sequencing, JIT/JIS transports, line feeding, container and empties management, and the entire material flow management.

Packaging and shipping

The packaging of automotive parts in consignment sizes for transport to overseas production plants, spare parts logistics including the complete dispatch organization, and the necessary IT processing are further core competencies of Schnellecke. Thanks to our worldwide infrastructure and our presence at the recipient plants, we offer a continuous supply chain without interfaces. More than one million cubic meters of automotive parts are packed and shipped annually at locations in Germany, Spain, South Africa, the USA, and India.

Sequencing, order picking, and module assembly

The production-synchronous delivery of individual parts is becoming more and more important in the supplier industry. We sequence parts and assemblies for more than forty tier 1 suppliers and seven automobile manufacturers in multi-JIS centers close to the plant using state-of-the-art order picking systems, as well as parts and module sets, and deliver them to the installation site on the assembly line.

Module assemblies are playing an increasingly important role in the automotive supply chain. In this area Schnellecke has achieved unique selling points. In our Multi-JIS supply centers in close proximity to the customer, individual parts are assembled into complete modules. For many large automobile manufacturers, we are a recognized system partner who takes on the responsibility for the development of the assembly and delivery process, reliably assembles components worldwide, and then supplies them just-in-sequence to the production lines.

Welding assemblies and body assemblies

Whether simple connecting parts or complex body assemblies such as complete exhaust systems – we are also the competent partner of the automotive industry for welding assemblies. The KWD Automotive AG & Co. KG is responsible for this segment. The company has been a part of the Schnellecke Group since 1994. One of KWD's focal points is also lightweight construction. With series-proven solutions in aluminum, steel and composite materials, customers are aided in reducing the weight of essential structural parts in vehicle construction.

NATURE

The protection of natural resources is a topic that the Schnellecke Group is intensively concerned with. Through numerous measures, we strive to minimize energy consumption and environmental pollution and to increase the use of renewable energies within the limits set for us.



ENVIRONMENTAL CREDO OF THE SCHNELLECKE GROUP

Environmental protection and energy efficiency only lead to success if we proactively promote and support them. We take care to keep energy consumption low and to contribute to improvements.

“Protecting our earth”

Compliance with all requirements for the protection of the environment and energy resources is an obligation for us and future generations.

“Environmental protection and energy efficiency are part of our corporate philosophy”

Environmental protection and energy efficiency are more than just buzzwords for us. They are a real approach and opportunity to improve competitiveness and secure our jobs.

“Environmental protection and energy efficiency begin in the head”

We motivate our employees to carry out their activities in an energy-efficient and environmentally compatible manner by promoting their education and training, and informing them of the results of activities relevant to the environment and energy.

“Protecting the environment means setting an example”

Careful use of energy protects the environment and reduces costs. We behave in an environmentally friendly and energy-conscious manner – all day long.

“Appropriate action saves resources”

Efficient use of raw materials and energy sources protects the environment, saves energy, and avoids pollutants and waste. Avoiding waste means saving raw materials. Everyone must make his or her contribution.

“We avoid environmental pollution and the waste of energy”

Our goal, with the involvement of our partners, is the optimization of all processes. This includes the constant reduction of emissions and waste in all processes, as well as the optimization of energy efficiency.

“Environmental protection and energy efficiency are measurable”

We regularly record and evaluate our environmental and energy-related performance.

“Environmental protection and energy efficiency do not tolerate any standstill”

We are committed to constantly improving environmental protection and saving energy in our company. It is our goal to regularly check our set targets by means of key figures, and to initiate corrections.

“Environmental protection, energy, and quality go hand in hand”

Error-conscious and proactive work protects our environment, saves energy, improves customer satisfaction, and achieves optimum results.

Environmental Management System compliant with ISO 14001:2015

Our Environmental Management System is part of the Integrated Management System (IMS) of the Schnellecke Group. In our IMS manual, areas of application and corporate specifications are bindingly specified and regulated for all companies and employees of the Group, and environmental goals are supplemented by local goals and programs at the company sites.

Environmentally relevant aspects are continuously identified in day-to-day business and at the earliest possible stage as part of project management, and potential risks are assessed.

When selecting suppliers, we assess not only the qualitative suitability but also the environmental compatibility of the products to be procured (raw materials, materials, chemicals). If the suitability is the same and the price is economically justifiable, the specification is to select the more environmentally compatible variant and thus further reduce the impact a company site has on the environment.

Energy Management System for conserving resources

A 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 (e.g. electricity, gas, oil, district heating, etc.) at all company sites and analyze them with regard to the operational use of energy. Energy performance indicators are defined in order to determine potential energy savings. These identified energy saving potentials are documented and implemented at each company 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 materials, consumables, and operating supplies
- Handling of environmentally relevant substances
- Contamination of soil
- Consumption of land, water, and energy in all forms
- Noise, dust, vibration and optical impacts on the environment

However, we are subject to certain limits, because as a contract logistics provider with temporary contracts, we provide most of our services not in our own properties, but in rented properties or properties made available to us by our customers.

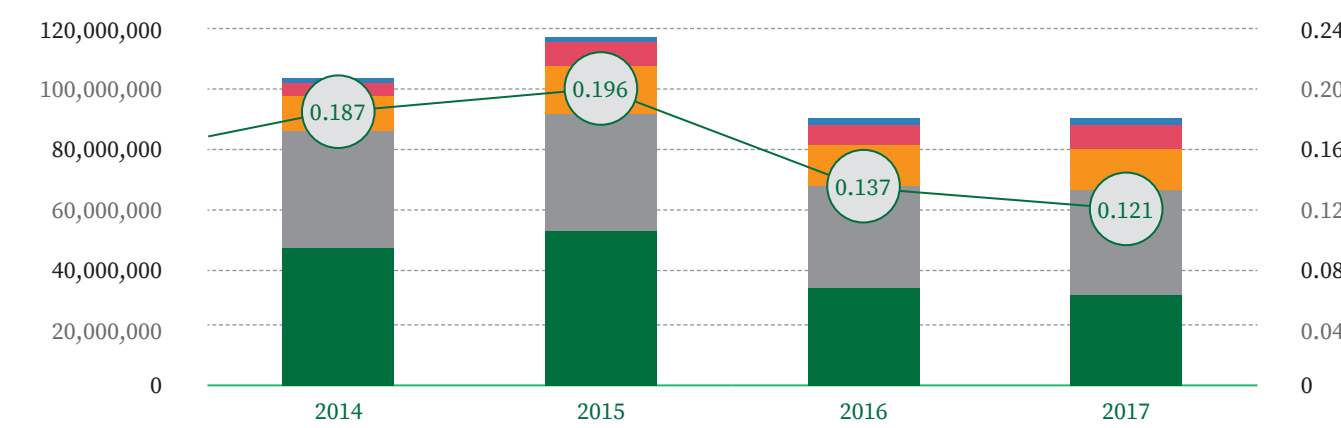
Energy audits in accordance with DIN EN 16247 (EDL-G) were carried out at all German company sites of the Schnellecke Group that are not SMEs. Corresponding measures have been implemented at the EU company sites of the Schnellecke Group according to the respective national legislation.

In addition to energy audits, we have been successfully managing energy in accordance with ISO 50001 at our production sites in Germany for four years.

Energy consumption (in kWh) Schnellecke Group in Germany					
Year	Electricity	Heating oil	Gas	District heating	Diesel
2014	38,494,376	192,460	13,209,264	3,218,361	46,369,496
2015	40,293,209	307,180	15,439,661	7,864,820	52,170,758
2016	34,441,328	133,690	12,841,249	8,217,242	33,591,057
2017	34,646,271	234,090	13,024,090	9,416,392	31,251,697

ENERGY CONSUMPTION AND CO² EMISSIONS OF THE SCHNELLECKE GROUP IN GERMANY

Total energy consumption (in kWh) and in relation to turnover (in kWh/€))

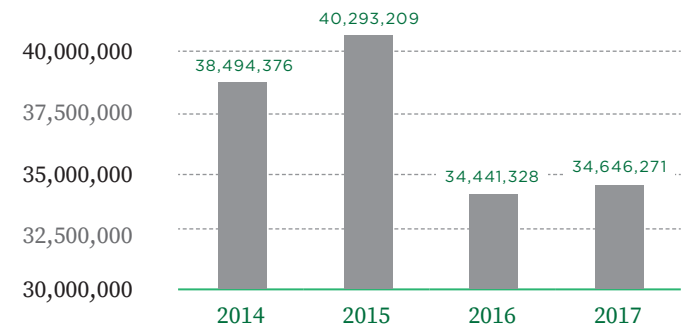


CO² emissions 2017

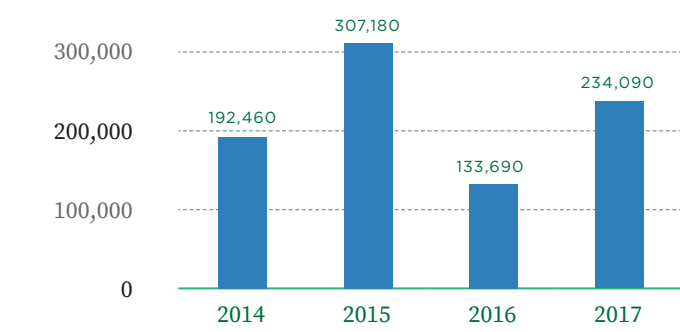
	Strom	Heizöl	Gas	Fernwärme	Diesel
CO ² emissions factor (various sources)	0.489	0.319	0.277	0.27	2.65
CO ³ emissions (metric tons)	16,924,459,50	74,674,71	7,215,346,01	8,437,958,10	803,839,95
CO ² emissions (total)	33,456,28 t				

■ Diesel ■ Electricity ■ Gas ■ District heating ■ Heating oil

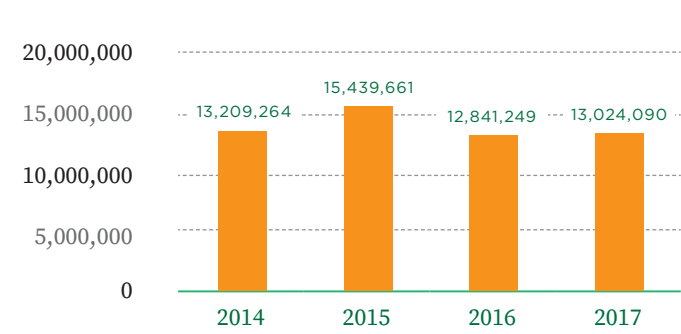
Electricity consumption (in kWh)



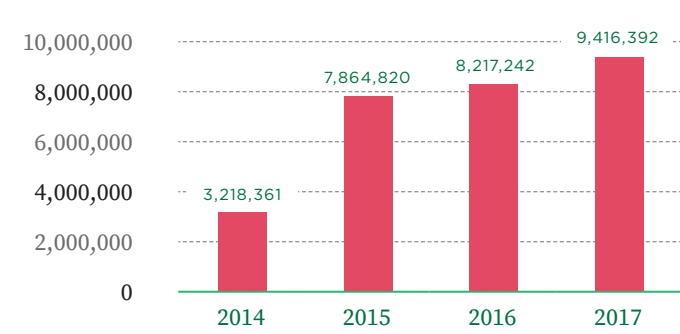
Heating oil consumption (in kWh)



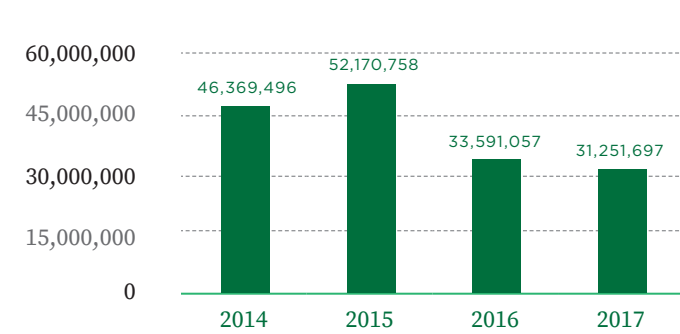
Gas consumption (in kWh)



District heating consumption (in kWh)



Diesel consumption (in kWh)



POWER GENERATION

Schnellecke does not just consume power, we are also producers wherever possible. We install solar cells on our own roofs to generate electrical solar power.

Company site	2015	2016	2017
Zwickau	622 MWh	565 MWh	521 MWh
Glauchau buildings 1-3	1,032 MWh	892 MWh	941 MWh
Glauchau buildings 6	403 MWh	365 MWh	367 MWh
Radeberg			2,363 MWh

The Quentic Project

The “Quentic” software was introduced to ensure the most comprehensive Sustainability Management and Controlling possible. The system is currently being set up for Germany, but a worldwide roll-out is planned for the future.

Quentic forms a uniform platform for all tasks, data, and information relating to occupational safety and environmental protection. The software combines several specialized modules for the various fields of occupational safety, environment, and energy and sustainability management. Quentic supports all processes in the areas of HSE and sustainability, documentation, organization, and analysis.

This provides the opportunity to create a Germany-wide and, in the future, a worldwide standard for sustainability. The various company sites can benefit from their synergies (e.g. risk assessments of forklift trucks) in order to reduce time expenditures. In this way, isolated solutions are avoided.

Energy savings in the Transport Division

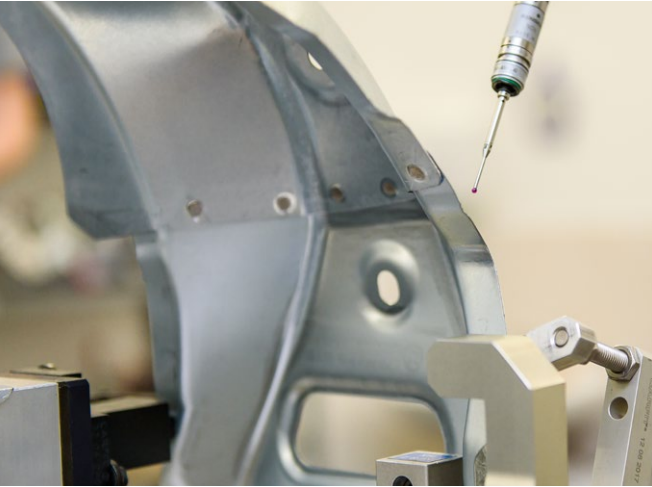
Trimble’s CarCube, an on-board computer with GPS and a large display offering a wide range of functions, has been in use for several years. Trimble measures over thirty criteria of how the driver drives and behaves, since of course this has a significant impact on energy consumption. Drivers are awarded points for intelligent driving, and drivers who score more than a certain number of points receive a bonus at the end of the month.

The system has now been installed and accepted in all vehicles. The points incentive works, reducing the average fuel consumption by 1.5 liters. That doesn’t sound like much, but if you consider that one liter of fuel savings for the entire fleet amounts to around 150,000 euros, it quickly becomes clear that economy and ecology converge here.



Lighting change at Braunschweig transport company

Switching to energy-saving LED light sources is one of the easiest ways to save energy. As the first step, the Braunschweig transport branch retrofitted the 5,000 square meter handling area. LED light strips are now being used here, along with LED tubes under the canopy. These are all LED lights of the highest industrial standards. In addition, a daylight-dependent control system has been integrated in the entrance area. Where lorries load and unload their loads under the outshot roofs, light is always shining into the hall, which now contributes to a reduction in lighting-related energy consumption.



Lighting replacement at KWD AG

Energy-saving measures benefit not only the environment, but also the balance sheet. One example is the lighting change within the logistics hall of KWD AG in Radeberg. Mercury-vapor lights with 300-watt lamps had been installed here. They have been replaced by modern LED technology with 150-watt bulbs. The result clearly shows the improvement in working conditions, the reduction in output costs, and the avoidance of environmental pollution.

Analysis of drive technology at KWD AG

By examining and analyzing conventional hydraulic drives in comparison with modern servo-motor technology, KWD in Radeberg has achieved significant savings, especially in the procurement process for new systems. Based on the existing measuring systems at KWD, optimization potentials can be identified and exact consumption costs per component determined.

Transport CO ² Emissions											
Company/ company site	Data collection for truck fleet	Fleet km	Reduction (%)	Fleet total diesel consumption (liters)	Reduction (%)	Fleet consumption (l/100 km)	Increase/ reduction (%)	GHG emissions (kg CO ²)		Reduction of GHG emissions kg CO ² (%)	
								EN TTW	EN WTW	EN TTW	EN WTW
STL, Braunschweig*	2017	1,717,728	-19.70	520,523	-17.37	30,30	+2.91	1,296,102	1,639,647	-17.37	-17.37
	2016	2,139,176		629,918		29,45		1,568,496	1,984,242		
Satra, Zwickau*	2017	4,567,244	-5.51	1,360,731	-4.39	29,79	+1.54	3,388,220	4,286,303	-4.39	-4.39
	2016	4,833,558		1,423,167		29,34		3,543,686	4,482,976		
NC, all*	2017	1,945,029	-13.03	529,247	-14.71	27,21	-1.91	1,317,825	1,667,128	-14.71	-14.71
	2016	2,236,536		620,492		27,74		1,545,025	1,954,550		
Slovakia, Bratislava*	2017	2,115,848	-2.08	592,238	-6.85	27,99	-4.86	1,474,673	1,865,550	-6.85	-6.85
	2016	2,160,747		635,780		29,42		1,583,092	2,002,707		
	Total 2017	10,345,849	-9.01	3,002,739	-9.27	29,02	-0.31	7,476,820	9,458,628	-9.27	-9.27
	2016	11,370,017		3,309,357		29,11		8,240,299	10,424,475		

*only own truck fleet



Energy-saving measures at Schnellecke Logistics Saxony

During the energy audit according to DIN EN 16247-1, possible energy savings measures were recorded. So far, the insulation of the roller conveyors and doors in the buildings and the heat recovery from a compressor with an estimated energy saving potential of almost 100,000 kWh have been implemented.

Insulation of conveyor belts and doors

During the site inspection it was noticed that the sides of the existing gates had no insulation, whereby heat air flows were lost unhindered to the environment. A corresponding measure was implemented to reduce the heating energy and the associated optimization of the existing building.

- Advantages of the implementation:
- Optimization of the building structure
 - Reduction of the running time of the heating system
 - Reduced temperature fluctuations

At a glance	
Indoor temperature	18.5°C
Average value of the outdoor temperature of the months less than 18.5°C	7.30°C
Differential temperature	11.2 K
Hours of use	6,525 h/a
Gate surface	2.4 m²
Old U-value	2.85 W/m²K
New U-value	0.53 W/m²K
Theoretical heat loss per roller conveyor before	499.87 kWh/a
Theoretical heat loss per roller conveyor now	92.96 kWh/a
Theoretical savings per roller conveyor	406.91 kWh/a of natural gas

Condition per gate before:

- No insulation between the two installed sheet steel walls
- When taking pictures with a thermal imaging camera, the surface temperature was -6.5°C with an outside temperature of -10°C.
- Theoretical heat loss: 2.85 watts per square meter and Kelvin

Innen:	Freie Luftzirkulation	18,5 °C	50 %	Luftfeuchtigkeit
Von innen nach außen:				
	umkehren	Dicke	Breite	Abstand
1	Stahl	15 mm		
2	Luftschicht (ruhend)	60 mm		
3	Stahl	15 mm		
4				
Außen:	Direkter Übergang zur Außenluft	-10 °C	80 %	Luftfeuchtigkeit

U-value
2.85 W/m²K

Heat recovery from compressor

The aim of the measure was to use the waste heat from a compressor to heat the sanitation water in the sanitary facilities.

Advantages of the implementation:

- Increase in the efficiency of the compressor
- Multiple use of waste heat (heating of buildings or hot water)
- Cost reduction

Condition per gate now:

- The insulation was carried out with Sonorock partition wall panels made by Rockwool (thickness = 60mm with an R-value of 1.5 m²K/W)
- When taking pictures with a thermal imaging camera, the surface temperature was -7.9°C with an outside temperature of -10°C.
- Less interior temperature loss by approx. 1.4 K
- New theoretical heat loss: 0.53 watts per square meter and Kelvin

Innen:	Freie Luftzirkulation	18,5 °C	50 %	Luftfeuchtigkeit
Von innen nach außen:				
	umkehren	Dicke	Breite	Abstand
1	Stahl	15 mm		
2	Steinwolle Fassadendämmplatte	60 mm		
3	Stahl	15 mm		
4				
Außen:	Direkter Übergang zur Außenluft	-10 °C	80 %	Luftfeuchtigkeit

U-value
0.53 W/m²K

Potential savings according to the energy audit by implementing heat recovery and insulation of gates and doors in the building:

- 96,768 kWh natural gas
- 19.35 t CO²/a

In addition, significant savings were achieved in natural gas costs:

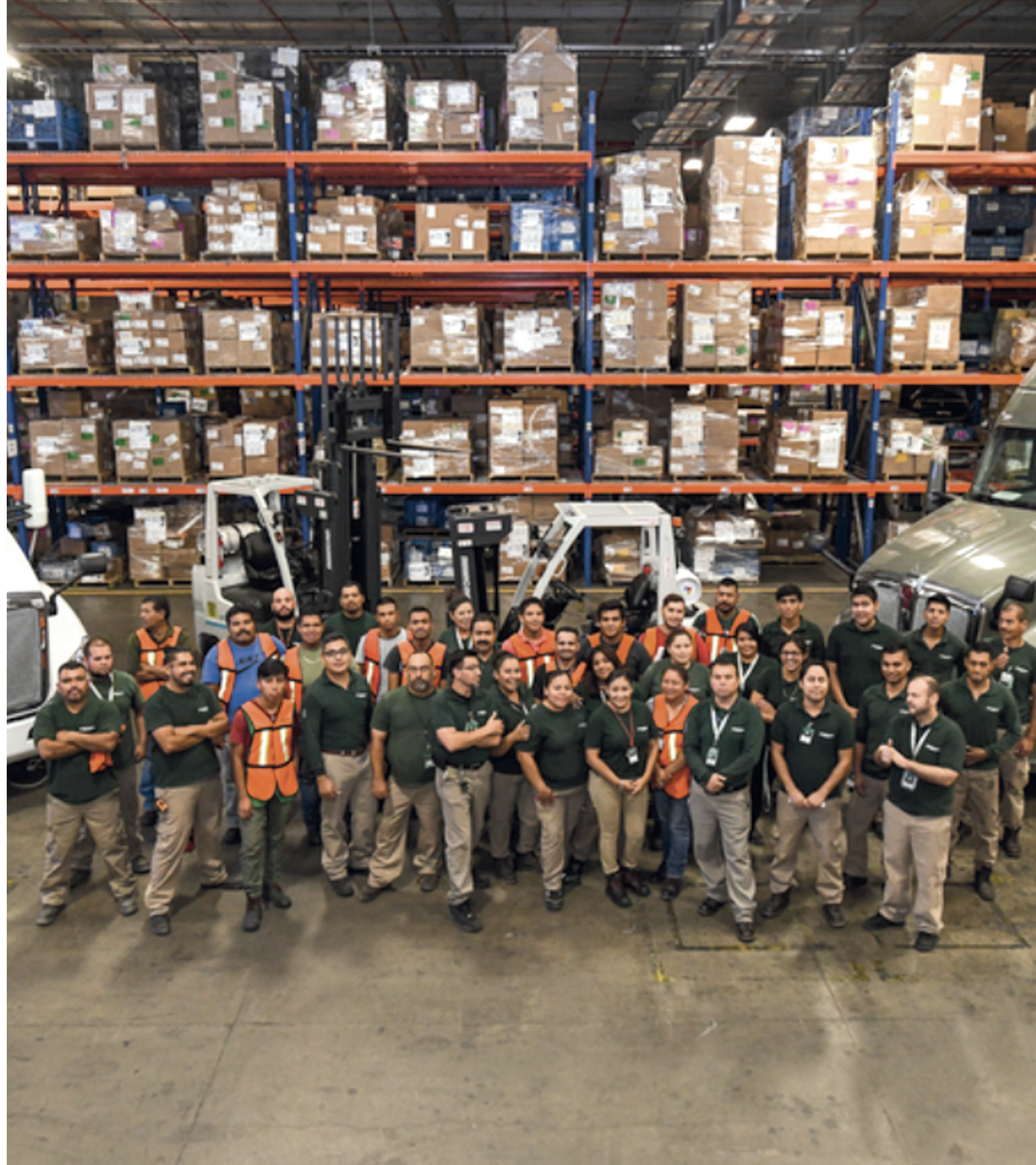
In the summer months 2016	4,661.00 €
In the summer months 2017	3,424.00 €
Savings	1,237.00 €

	2016 unadjusted	2016 adjusted	2017 unadjusted	2017 adjusted	Delta unadjusted	Delta adjusted	Savings unadjusted (%)	Savings adjusted (%)
May (kWh)	24.559	32.745	17.922	23.896	-6.637	-8.849	-27,0 %	-27 %
May (costs)	1.521.94		1.148.55		-373.39		-24,5 %	
June (kWh)	8.696	66.090	3.828	29.093	-4.868	-36.997	-56,0 %	-56 %
June (costs)	1.070.47		732.94		-337.53		-31,5 %	
July (kWh)	6.170	13.368	4.955	9.202	-1.215	-4.166	-19,7 %	-31 %
July (costs)	998.58		785.35		-213.23		-21,4 %	
August (kWh)	8.680	16.120	3.954	10.280	-4.726	-5.840	-54,4 %	-36 %
August (costs)	1.070.01		757.32		-312.69		-29,2 %	
Total (kWh)	48.105	128.323	30.659	72.471	-17.446	-55.852	-36,3 %	-44 %
Total (costs)	4.661		3.424		-1.237		-26,5 %	

PEOPLE

In logistics, the employees play an exceptional role. Value-added logistics in particular is highly personnel-intensive, despite all of the automation and digitalization. Without committed and motivated people, our business is inconceivable.

As a family-owned company, Schnellecke has always felt a special obligation towards its employees. Despite the enormous growth of our company, we continue to be aware of this responsibility and take it very seriously.



HEALTH AND SAFETY

We attach great importance to the health and safety of our employees. 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 OHSAS 18001:2007 standard and the new ISO 45001 standard, including our internal standards in accordance with the Group Occupational Safety Directive.



All employees receive regular training to expand their knowledge of occupational safety issues and identify potential hazards at an early stage. The occupational safety guidelines of the Schnellecke Group are communicated to all new employees when they are hired. The company policies for occupational safety, environment and energy are stored and accessible behind a QR Code.

Risk assessments are carried out for all workplaces and activities and documented accordingly. Hazards that have been identified are assessed with a risk index and displayed graphically (traffic light system). At least once a year, the hazard assessments are checked for up-to-dateness.

Continuous occupational safety inspections, shelf inspections and instructions ensure a safe working environment for our employees. Regular quarterly meetings and workshops on occupational safety and the environment are held.

Health Management Programs 2017

- AZUBIFIT Seminar in WOB (stress management and nutrition)
- Company fitness programs (number of Qualitrain network studios has increased)
- Additional health officers have been appointed and trained, meaning that a broader positioning has been achieved
- Psyche risk assessment has entered the final planning phase
- Health days have taken place with the following contents: age simulation suit / balance board / nutrition / stress level measurement / cervical spine measurement / back check (strength of the back)
- Planning of the AOK 4.0 project in cooperation with the SOFI, which started on 01-01-18 (content: effect of digitalization on people)
- Influenza vaccination at several company sites
- BEM pilot phase in WOB
- Project: “By bike to work” and “City cycling” in Leipzig
- Test phases for work safety shoes, balance cushions, and work gloves
- Fruit days at several company sites
- Employee consultation hours at several company sites (for suggestions and problems)
- Survey on filtering of employee needs on health issues

Collective agreements

Collective agreements do not exist in every country where Schnellecke is represented due to different national circumstances.

In the following countries, however, collective agreements have (partly) been concluded with individual companies of the Schnellecke Group: Germany, Italy, Mexico, Poland, Portugal, Spain, Slovakia, South Africa and the Czech Republic.

There are a total of 149 collective agreements in these countries. 14,637 employees out of a total of 19,307 employees worldwide (= 75.81%) are covered by collective agreements.

Such collective agreements contain, for example, provisions on the following:

- Benefits for company pension plans and/or asset accumulation
- Agreement on the terms of employment of temporary employees, including remuneration
- Regulation on flexible transition into retirement for older employees
- Subsidies for daycare
- Agreements on demographic change, health promotion, grants for fitness programs, and job security and promotion
- Agreements for additional annual remuneration payments (e.g. collectively agreed additional remuneration, Christmas (special annual payment) and holiday bonuses, etc.)
- Insurance benefits (e.g. group accident insurance, etc.)
- Granting of voluntary benefits on special occasions (company anniversaries, retirement etc.)
- Regulations for employees on granting working time autonomy (e.g. time instead of money)

Division/Region/Country	Number of collective agreements	Total number of employees (headcount)	Number of employees (headcount) affected by collective agreements	Number of employees (in %) affected by collective agreements
Corporate divisions	/	220	0	0.00 %
Logistics Division	124	16,784	13,064	77.84 %
China	/	30	0	0.00 %
Germany	101	5,563	5,300	95.27 %
Europe	6	1,774	1,156	65.16 %
India	/	110	0	0.00 %
Mexico	10	6,706	5,435	81.05 %
South Africa	7	1,332	1,173	88.06 %
USA	/	1,269	0	0.00 %
Transport Division	8	644	538	83.54 %
Germany	8	596	518	86.91 %
Slovakia	/	48	0	0.00 %
Production Division	16	1,690	1,034	61.18 %
China	/	405	0	0.00 %
Germany	10	563	523	92.90 %
Portugal	2	244	142	58.20 %
Spain	3	101	58	57.43 %
Czech Republic	1	377	311	82.50 %
Total	149	19,338	14,636	75.69 %

INVESTMENTS IN THE FURTHER TRAINING OF OUR EMPLOYEES

The Schnellecke Group offers its employees training and qualification opportunities through a variety of programs at all levels of the company. These include



Wherever possible, we also attach great importance to the integration of people with disabilities.

Average length of service and age structure – Group		
Group	average length of service (in years)*	average age structure (in years)*
Group	4.88	37.48

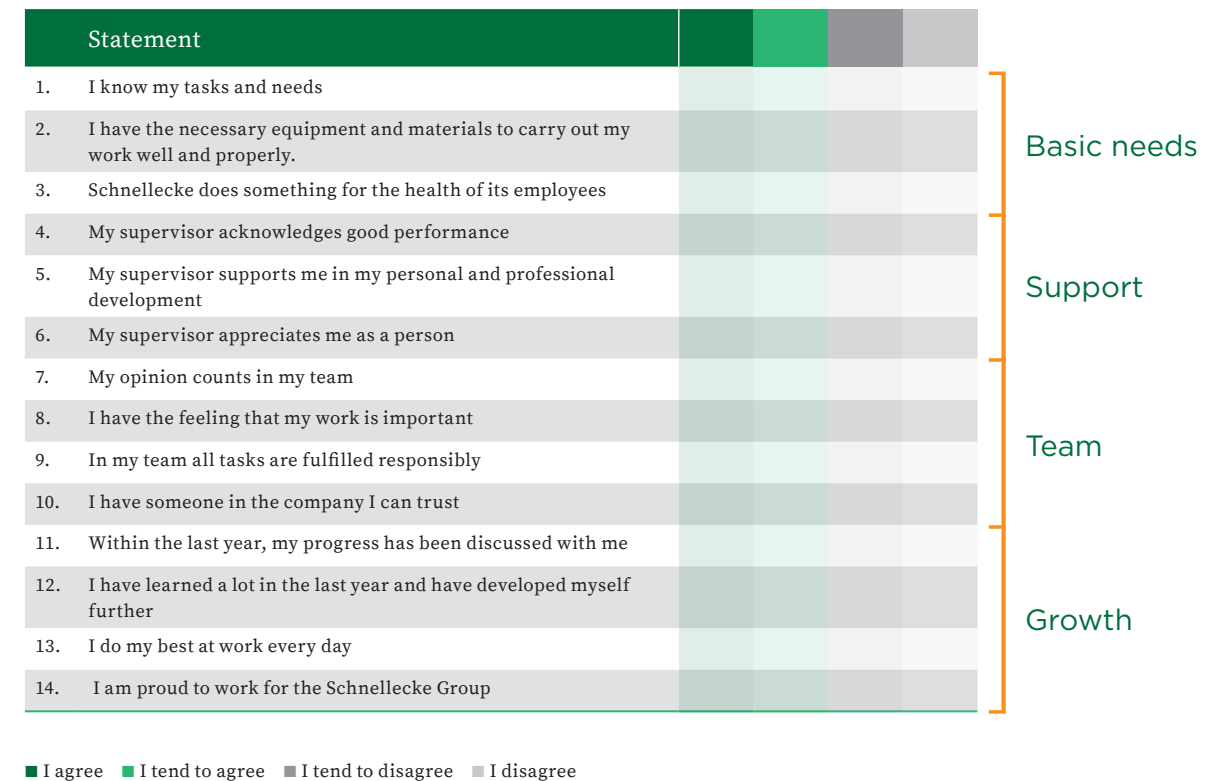
Ø Average length of service and average age structure – Divisions		
Division	average length of service (in years)*	average age structure (in years)*
Logistics	4.18	36.71
Production	8.94	40.50
Transport	11.44	49.52

Ø Betriebszugehörigkeit und Ø Altersstruktur – Regionen		
Region	average length of service (in years)*	average age structure (in years)*
China	5.72	46.73
Germany	5.17	41.78
Europe East	5.41	38.84
Europe West	7.54	44.21
India	2.36	30.09
Corporate divisions	7.76	38.23
Mexico	2.75	32.08
South Africa	10.48	40.72
USA	0.91	36.02

*As of 31-12-2017

Employee satisfaction

We regularly conduct local, regional and global surveys among our employees in order to measure their job satisfaction and receive suggestions for change. Thus, in a global survey, Schnellecke employees were asked to give their level of agreement on the following topics:



Employee Engagement Index 2017/18



* Aggregated results including Transport/GER

SOCIETY

Economic solidity and acting in accordance with laws and regulations, as well as a continuous dialogue with our stakeholders – these are traditionally essential pillars of responsible business operations for a family-owned company such as Schnellecke.



COMPLIANCE



Compliance is an indispensable part of the Schnellecke Group's value culture. We live compliance with the conviction that we will only be successful if we align our entrepreneurial activities with the compliance with laws and regulations, as well as with internal and external framework conditions.

When providing our services, we comply with applicable laws, 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 of successful and sustainable business operations is integrity and transparency in entrepreneurial activities. Only in this way can competitiveness, employment, and economic success be secured in the long term. The binding guidelines for correct action are set out in the OECD Guidelines on Combating Corruption in Business Transactions, national and international legal requirements, and agreements entered into with our customers.

Systematic prevention work is designed to prevent violations of legal requirements, internal company guidelines, or customer requirements. This is achieved through a globally oriented training program, the setting of internal compliance standards, and the systematic monitoring of established compliance measures.

The Schnellecke Group Compliance Management System is based on our Code of Conduct, our understanding of values – the Schnellecke Spirit – and a regular Group-wide compliance risk analysis across all divisions which defines the scope, focus and intensity of our annual compliance activities.

To monitor compliance, an authorized Compliance Officer has been appointed in the company. He or she 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.

Interaction with stakeholders

We know that, as an internationally operating group of companies, we also influence a wide range of stakeholders. At the same time, our stakeholders have a decisive influence on the success of our company through their actions. The Schnellecke Group therefore conducts a continuous dialogue with its stakeholders in all regions and at all company sites. This dialogue takes place both with local stakeholders on a company site-specific basis, and with various stakeholder groups on a cross-site and cross-topic basis. The interaction with our employees, trade unions, and employers' associations is of particular importance.

The commitment to the community in which we live and work also plays an important role for us.

THE MARGARETE SCHNELLECKE FOUNDATION HELPS
CHILDREN, ADOLESCENTS, AND SENIORS IN WOLFSBURG

“EVERY SINGLE EMPLOYEE OF SCHNELLECKE CONTRIBUTES”

On March 9, 2000, her 95th birthday, Margarete Schnellecke established the foundation which was named after her and which she expressly regarded as a sign of personal gratitude to the Wolfsburg region: “I am grateful to God for giving me stamina, health and energy into old age. Now I would like to pass on something that has turned out to be a success over the years.”

My mother was so happy when she set up the foundation, because she could give something back to society,” recalls her daughter Annegret Kannewurf, who headed the foundation until the end of 2017. “She also associated this with an express thanks to the Schnellecke employees who had made this possible in the first place.”

Margarete Schnellecke was born in Gütersloh on March 9, 1905, the youngest of five siblings. She married Albert Schnellecke in 1938 and moved with him to what later became Wolfsburg. After the death of her husband in 1949, she took over the management of the company. She died in Wolfsburg on December 20, 2005, after reaching the age of one hundred.

“My grandmother was a very energetic woman,” said Carolin Külps, who took over as Chairman of the Board from her aunt a year ago. “But she was always aware that others were not as strong as she was. That’s why the foundation was expressly intended for the needy, for people who couldn’t make it without outside support.”

Many members of the Schnellecke family are involved in the board and the board of trustees of the foundation. “In the early years our grandmother always sat with us and told us what motivated her and which direction to follow. And that’s how we did it,” Carolin Külps recalls. “This, too, of course, welds a family together, that we all worked together in the foundation, together with our grandmother.”



Enriching the everyday life of seniors

The foundation, initially endowed with one million euros of fixed assets, began by supporting elderly people in need in the Wolfsburg area. “Many people are not as well off as I am,” said Margarete Schnellecke. “I would like to help these people.”

The “Margarete Afternoons” have been a permanent institution since those early days. Senior citizens are offered with coffee and cake and actively involved in a colorful entertainment program. They were initiated by Annegret Kannewurf, who also conducted these afternoons herself in many of the city’s senior citizens’ facilities until 2012. This example shows what the foundation actually wants: not only to support seniors with material help in special emergencies, but also to enrich their everyday lives.

Another focus of the senior citizens’ work is helping with nursing care. Projects to support the severely handicapped and dementia sufferers, as well as the promotion of further training measures for nursing staff are an important concern of the foundation.

Support for children and adolescents

In the beginning, the foundation was solely focused on helping the elderly, but a short time later it started providing child and youth welfare. “Nowadays, children and adolescents often grow up in difficult circumstances characterized by unemployment, financial restrictions, hopelessness, disinterest or a lack of love,” says Carolin Külps. “To give these children and adolescents a better start in their lives is, in addition to the focus on supporting senior citizens, our highest goal.”

Here it is a special concern of the foundation to support children and adolescents from socially disadvantaged families, and to give them a better start. The support is provided by donations for school materials, books, school trips and field trips. The foundation also aims to promote the integration of children and adolescents from migrant families through language support and language courses.

Help for the homeless and refugees

In the meantime, the spectrum of the foundation’s work has continuously expanded. “The world is changing, society is changing, and so are we,” explains Carolin Külps. “Today we see a lot of poverty among single parents; we will certainly focus on this in the future.”

Annegret Kannewurf can report enthusiastically for hours on what the foundation has achieved since its inception. This is also the case when she talks about Togliatti, Wolfsburg’s twin city. “I traveled to Russia incognito at the time and looked around Togliatti for possible projects,” she recalls. “Among other things, I discovered a house giving shelter to foundlings in which conditions were very bad. I then returned several times with larger amounts of cash and bought the most necessary things directly on the spot with those responsible.” In the meantime, there are so-called “guarantors”, people trusted by the foundation, in the sponsored institutions in Togliatti (as with other projects) who ensure that the aid really gets to the right place.

The many projects in recent years have also included help for the homeless in Wolfsburg, the purchase of guitars for refugee children, and daily lunches and homework supervision for pupils from socially disadvantaged backgrounds, to name just a few examples.

Special thanks to the employees of Schnellecke

But it does not always have to be big projects. Even spontaneous smaller activities are part of the agenda of the foundation. “During the hot summer of 2018, trainees from Schnellecke distributed ice cream to senior citizens in the Wolfsburg nursing homes on behalf of the Foundation,” says Carolin Külps. And Schnellecke employees are also active as volunteers in other areas of the foundation’s work, such as accompanying senior citizens to museums or theaters.

In the first ten years of its existence alone, the Margarete Schnellecke Foundation supported numerous projects with a total of over 1.1 million euros. Annegret Kannewurf stresses that “this success could not have been achieved without the help of all employees of the Schnellecke Group. Without their many years of commitment to the development and success of the company, the foundation could not have been established at all. And even today each individual contributes with his or her work and energy to the fact that the Margarete Schnellecke Foundation continues to have considerable funds at its disposal for the purpose of the foundation. When the foundation helps somewhere, all Schnellecke employees help as well.”



ABOUT THE MARGARETE SCHNELLECKE FOUNDATION

Since its establishment in 2000, the Margarete Schnellecke Foundation has been active in the social support of senior citizens, as well as children and adolescents in the Wolfsburg area. The foundation attaches great importance to improving the living conditions of older people in the Wolfsburg area and to helping them become more dignified and independent in their everyday lives. In the area of child and youth welfare, too, the foundation attaches great importance to improving the start of children and adolescents in life and showing them hope for a good future.

Contact and further information:
www.margarete-schnellecke-stiftung.de

HELP FOR THE WEAKEST IN SOCIETY



Schnellecke Logistics Mexico supports several initiatives that help weaker members of society: the Casa CERA Foundation, the Casa del Abuelo Foundation, and the San Juan Zacabasco Community.

Casa CERA

Casa CERA has been supported since October 2011. It is a special center for rehabilitation and learning in Puebla, a non-profit organization dedicated to the comprehensive care of children with cerebral palsy where special educational programs are offered. Measures such as rehabilitation, early stimulation, speech and occupational therapy and integration into the environment, parental school and occupational therapy are designed to promote physical rehabilitation and social integration.

Schnellecke Logistics Mexico's contributions:

- Expansion of premises, installation of handrails and accessories in baths, physiotherapy and exercise therapy areas
- Help with the construction of a children's room on the roof of the rehabilitation center
- Purchase of sensory, physical and speech therapy materials: calendars, tools, stationery, foam rolls, didactic mats, ultrasonic gel, sensory oils, and safety materials.

A dental aid project was initiated in which nine children were initially selected who were best suited for dental treatment. Before the treatment, blood tests and general medical examinations were carried out to rule out the risks of anesthesia.

Furthermore, every year Schnellecke Logistics Mexico actively participates in leisure activities such as Reyes Day, Children's Day, Spring Festival, Valentine's Day, Mother's Day, Christmas parties, etc.

Pueblito de los Abuelos

Since 2014 Schnellecke has been supporting the foundation "El Pueblito de los Abuelos I.A.P." in the community of Atlacomulco. The purpose of this association, founded in 1992, is the comprehensive care of elderly people of both sexes who have little money, live in extreme poverty, or are neglected. The foundation offers aid programs, accommodation, nutrition, medical care, free dental and psychological care, social orientation, and training for many life situations.

Schnellecke Logistics Mexico supports Pueblito de los Abuelos financially, for example with the maintenance of the truck, pays regular subsistence allowances for the senior citizens, takes over the annual insurance of the truck, helps with the maintenance of the house and more.

San Juan Zacabasco

San Juan Zacabasco in Tlacotepec de Benito Juárez (in the state of Puebla) with 371 inhabitants is a marginalized community supported by Schnellecke. The birth rate there is 4.14 children per woman. About 17% of the population is illiterate (8.62% of men and 23.86% of women). 97 percent of the population are indigenous, and 52 percent do not speak Spanish and live in extreme poverty.

On the initiative of an employee, clothing, shoes and jackets for the women, men and children in San Juan Zacabasco, as well as more than a hundred toys, were donated with the support of the employees. In addition, a campaign was launched to donate new or used shoes. The sizes of the shoes needed by the community are stored in a database. Employees of Schnellecke Logistics Mexico can thus make targeted donations.

NELSON MANDELA DAY



Nelson Mandela Day encourages South African citizens and organizations to donate 67 minutes of their time to a charitable cause. Schnellecke South Africa supports this initiative. In 2018, the Khanya Pre-School in Kwa-nobuhle was chosen. The Khanya Pre-School currently looks after 60 children aged 0-5. In total, Schnellecke South Africa donated toys, party packages for each child, toy packages for each child

containing a coloring book, color pencils, an eraser, a pencil sharpener, a pencil case, and much more, as well as children's tables and chairs, blankets and clothing, a computer, a storage cupboard, and an office chair. In addition, the building, a climbing frame, benches and more were repainted and lacquered.



Sponsoring of talented employees

Lubabalo Oliphant (left) received financial support from Schnellecke South Africa for his national logistics diploma at Nelson Mandela University in Port Elizabeth to assist him on his career path in the company. Mfundo Mpushe (right) received assistance to earn a National Diploma in Management from Nelson Mandela University in Port Elizabeth.



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