



Corporate Social Responsibility Report 2020

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Our products set new standards for the design of corporate networks. We achieve our goals by encouraging excellence, offering a wide range of personal development opportunities and promoting a corporate culture of mutual respect and transparency.

Preface

For years, 4flow has been growing dynamically around the globe. The goal of delivering outstanding service with excellent team members – while simultaneously developing the company in a sustainable way – guides our actions and is anchored in the 4flow values.

4flow has been committed to the principles of responsible corporate management for nearly 20 years and made it its mission to create a positive social impact. Therefore, clear guidelines and responsibilities have been defined to ensure the success of this mission and compliance with sustainability principles in all areas of the company.

This corporate social responsibility report outlines in detail 4flow's current efforts and future commitments to address its environmental footprint and social impact.

As a team, we look forward to creating positive value for our people, our clients and society as a whole in a sustainable way.



Introduction to 4flow

4flow offers consulting, software and managed fourth-party logistics (4PL) services – from developing a strategy to its implementation.

Successful businesses constantly adjust their supply chains to fit new circumstances, and 4flow is the ideal partner for overcoming challenges associated with change.

4flow consulting assists companies from a variety of industries with logistics and supply chain management all the way from strategy to implementation. 4flow provides software solutions for network and transportation

optimization as well as for delivery optimization. 4flow management handles the routine planning, optimization and operation of clients' supply chain networks worldwide.

The unique business model at 4flow allows us to provide custom solutions for our clients. 4flow's success is based on our extensive knowledge about supply chains, IT know-how and innovations. With this cross-functional competency, we are able to meet and exceed the highest standards of quality and innovation.

"4flow consulting supports businesses in the field of logistics and supply chain management – all the way from developing a strategy to its implementation."

Kai Althoff, COO



600+

Team members worldwide

150+

International customer projects per year

15

Office locations in Europe, Asia, North and South America



Multiple awards as a global partner

2000

Year of foundation

100 %

Owned by the active management

4flow consulting.

4flow consulting offers one-stop management consulting, concept development, and implementation support for logistics and supply chain management. To conduct more than 150 projects for large and medium-sized enterprises each year, our consultants are available on 5 continents in more than 40 different countries. Typical 4flow consulting project results include cost reduction, more efficient processes and improved service.

Optimal consulting – from strategy to implementation

4flow consulting is characterized by strength in strategy making and execution, and a process and implementation-based way of doing things. Processes, structures and systems are examined and optimized across functions with 4flow consulting, the result of which is measurable success for our customers.

Providing the best solution for every customer is 4flow consulting's utmost priority. As every customer and project is unique, custom-made

solutions are part of what we do. In our work, we rely on tried and tested methods and on innovative approaches.

We consider processes from end-to-end

Successful solutions require a holistic approach to consulting. 4flow consulting relies on its professional competence, industry expertise and extensive experience. Our consultants are supply chain experts with management qualifications, solid communication skills and extensive training. Important to us is a close partnership with the customer's team right from the start, in order to ensure a sustainable solution.



"For more than a decade, 4flow has been developing supply chain software to lower supply chain costs efficiently and sustainably."

Christian Nieters, Executive Vice President



"As a neutral 4PL, 4flow management reduces supply chain costs and increases network performance."

Julian Schulcz, Executive Vice President



4flow software.

4flow offers 4flow vista®, the integrated standard software for supply chain design and transportation planning. The focus is on reducing total supply chain cost.

Our end-to-end planning approach spans from the optimization of network structures for the long-term to the optimization of transportation capacities for the short-term. Planning results can also be integrated into operational transportation management systems.

4flow vista® is modular and can be deployed across different areas such as network optimization, strategic transportation planning, tactical transportation planning, operational transportation optimization, integrated transportation management system.

Our software displays all relevant modes of transportation for global supply chains and multimodal shipments. It allows the planning and managing of inbound and outbound networks as well as transportation between plants. Material and empties flows as well as environmental impacts of supply chains can be evaluated. Overall supply chain network costs is the main focus during analysis and optimization. Modules can be applied individually or as a whole, using a common database. 4flow vista® is global and can be deployed in any industry.

4flow management.

4flow management is an optimization specialist for logistics networks and global supply chains. With our value and process-oriented managed services, we enable a significant reduction in transportation and management costs while increasing service level and performance.

Cost and process optimized transportation management

As a neutral non-asset based provider, we find the best solution for each customer in any given situation, at optimal cost. Businesses quickly benefit from working with 4flow management, which allows them space to concentrate on their own core competencies. In addition to reduced costs, our customers achieve the greatest possible transparency in their networks and more flexibility in their supply chains.

Seasoned 4PL experts in supply chain consulting, supply chain services, and IT optimize networks and transportation on a continuous basis – thereby helping customers flexibly adapt to changing conditions. In this way, 4flow management achieves improvements sustainably – as well as through the continuous development of processes and systems. 4flow management supports internationally operating customers with its regional and global market knowledge from its global 4flow locations.



The 4flow vision

Our vision and values at 4flow shape the way we treat our clients, partners, service providers, and how we treat each other at the workplace as well. Since our founding in 2000, our growth has been uninterrupted – dedication and a special company culture have characterized us from the beginning.

Our products set new standards worldwide for the design of corporate networks. We achieve our goals by encouraging excellence, offering a wide range of personal development opportunities, and promoting a corporate culture of mutual respect and transparency.

The 4flow values

1. Strong customer-driven focus

We judge our performance based on our customers' feedback. Products and services from 4flow provide real benefits. We aim to exceed customer expectations. 100% customer satisfaction – that is our priority.

2. Excellence

Everything we do is of exceptionally high quality. Everyone at 4flow demonstrates proven expertise combined with exceptional communication skills, commitment, and professionalism. We measure excellence by looking at the results. Learning new things and exchanging ideas lead to the excellence of the individual, the team, and the company as a whole.

3. Respect

Our conduct and attitude towards our colleagues are characterized by respect, tolerance, courtesy and recognition. A culture of trust and individuality are key factors contributing to our success as a company.

4. Sustainability

We think, make decisions, and take action with the present and the future in mind. Everyone at 4flow looks at the big picture. We believe in organic growth and having fun while we grow.

Supplier sustainability policy and compliance

Based on the vision and values, the 4flow supplier sustainability policy summarizes 4flow's core principles and standards for its suppliers in accordance with globally accepted guidelines and principles. The policy includes a commitment to environmental and social responsibility and to the Ten Principles of the United Nations Global Compact (see Annex), as well as compliance with internationally recognized human rights and labor and social standards.

1. Resource management and environmental protection

4flow expects all suppliers to implement effective environmental protection measures, to comply with environmental standards, and to continuously minimize their resource consumption and environmental impact. This applies especially to energy consumption and greenhouse emissions, waste reduction, water quality and consumption as well as air quality.

2. Responsible chemical management

Although 4flow is not trading, handling or producing dangerous chemicals, it is committed to a responsible chemical management and expects all suppliers to comply with all applicable standards, effective environmental protection measures as well as the responsible management of such chemicals. This includes but is not limited to the compliance with the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL) as well as the Product Restricted Substances List (PRSL) to

protect consumers, workers, communities and the environment from negative impact.

3. Social responsibility

It is crucially important to 4flow that all business activities take into account our social responsibility towards team members and society as a whole. This applies both to 4flow itself as a supplier and our suppliers as well.

4flow's commitment to social responsibility is reflected in our participation in and commitment to the UN Initiative Global Compact. All 4flow team members and our suppliers are called upon to observe the principles and rights set forth in the guidelines of the UN Initiative Global Compact (Davos, 01/99) and the "Declaration on Fundamental Principles and Rights at Work" (Geneva, 06/98) adopted by the International Labour Organisation (ILO) and to align their due diligence process with the requirements of the



"UN Guiding Principles on Business and Human Rights." Of particular importance are respect for human dignity and internationally recognized human rights, especially the prohibition of child and forced labor and human trafficking, the prohibition of discrimination, prohibiting unlawful hours of work and inadequate periods of rest, freedom of association, the right to collective bargaining and compliance with work and safety regulations, including lawful hours of work and minimum wages and social benefits.

4. Lawful and Responsible Conduct

Responsible and lawful conduct is an integral part of our organization. We expect lawful conduct (legal compliance) not only from our suppliers but from all business partners, particularly with regard to corruption and fraud prevention as well as anti-trust matters, taxation regulations, data protection and export control.

5. Animal welfare in the supply chain

For 4flow it is crucial that corporate activities take animal welfare into consideration. Therefore, we require relevant suppliers to implement standards and best-practice methods to comply with animal welfare along the entire supply chain. In general, animal testing must be avoided and alternative methods free of animal testing must be favored, unless such testing is strictly required by law.

In any case, national and international rules regarding animal protection and animal testing, such as the German Animal Protection Law (TierSchG) or the EU Directive 2010/63 shall be followed.

6. Preventing the flow of funds to armed groups and conflicts

4flow requires its suppliers to prevent the direct or indirect funding of conflicts and human rights abuses.

7. Implementation of these standards in the supply chain

All suppliers are called upon to make contractual arrangements to ensure all their subcontractors comply with the standards and rules set out in this policy. These arrangements should be documented and communicated in a supplier policy for sustainable procurement. 4flow also expects its suppliers to identify risks within their supply chains and take appropriate measures to address them. In case of a suspected violation and to provide security for supply chains with increased risk, 4flow requires the disclosure of supply chains that may be affected.

Raw materials should be obtained from audited sources as a matter of principle whenever possible. 4flow participates in initiatives aimed at establishing the standards and rules set out in this policy in raw material supply chains.

In case of (possible) violations against the above-mentioned requirements please contact (anonymously) compliance@4flow.com via email.



Social impact and responsibility

As a company experiencing strong growth, 4flow is committed to responsible corporate conduct. For years, 4flow has been growing dynamically around the globe. The goal of delivering outstanding service with excellent team members – while simultaneously developing the company in a sustainable way – guides our actions and is anchored in the 4flow values.

Team members

The respectful treatment of our team members is a core component of the 4flow company culture that we foster at all our global locations. 4flow continuously strives to be among the top employers and has been distinguished with several awards for offering friendly and direct contact with applicants and employees. Our goal is to provide a fair and friendly work atmosphere and to create a strong team spirit among our team members around the globe.

We make conscious efforts to promote learning and development for all our team members by offering various internal trainings. These trainings enable personal growth in the areas of technical know-how and working methods. All trainings are free of costs and are offered on a regular basis.

In regard to non-discrimination, 4flow's decisions regarding any term or condition of employment, including recruiting, hiring, compensation, discipline and promotions for all job classifications, will not consider as a factor any protected characteristics including race, color, religion, sex, height, weight, age, national origin, protect-

ed disability, marital status, veteran status, or any other characteristic protected by law. The administration of all other personnel matters such as compensation, benefits, transfers, reduction-in-force, recall, training, education, and social recreational programs will be free from any illegal discriminatory practices. 4flow will not permit the sexual harassment of any employee.

4flow provides direct and anonymous ways for reports if any team member who believes he or she is a victim of illegal discrimination or sexual or other forms of harassment. All such reports will be investigated and will not result in retaliation against the team member making the report.

All 4flowers are always expected to treat their fellow employees, customers, and others with respect. In keeping with this expectation, 4flow does and will not tolerate any form of illegal harassment.

Concerning the fair treatment of interns and vocational trainees, 4flow offers only paid internships and vocational training positions. 4flow utilizes its role as a vocational training company to invest in the careers of its young team members. For these and other activities, 4flow was awarded the seal of approval



'Fair Company'. With this seal, the magazine 'karriere' of the publishing house 'Handelsblatt' awards companies that offer fair chances to graduates who enter the professional world.

The satisfaction of our team members is a crucial metric at 4flow. We believe that an optimal work environment is the foundation of excellence. The acoustically optimized office spaces at 4flow's Berlin headquarters provide a quiet work atmosphere, and separate telephone cabins at multiple locations help to keep noise levels to a minimum.

Active health management is another pillar in our team member support model, including ergonomic office equipment, complimentary organic fruits and vegetables, water, and juices, as well as informational sessions on health-related topics. We emphasize a balanced diet at our weekly team breakfasts, which are provided by the company as well. 4flow also promotes sport as a counterbalance to office work. As such, our team members regularly participate in table tennis events, individual and company running events and other team sports activities, for which 4flow sponsors team t-shirts and entry participation fees. At some global locations, there is also a room in which team members can exercise independently or with a professional instructor.

Society

4flow acts in accordance with the principles of the UN Global Compact, the largest and most important global initiative for responsible corporate leadership. It serves to shape globalization in a more socially and ecologically responsible way and includes measures on human rights, employment standards, environmental protection, and the fight against corruption.

4flow as a company also provides funds for humanitarian aid projects. All 4flow team members are asked to name projects they feel are particularly worthy of supporting. From a long list, and as a result of a voting of all 4flowers, two projects are then selected annually.

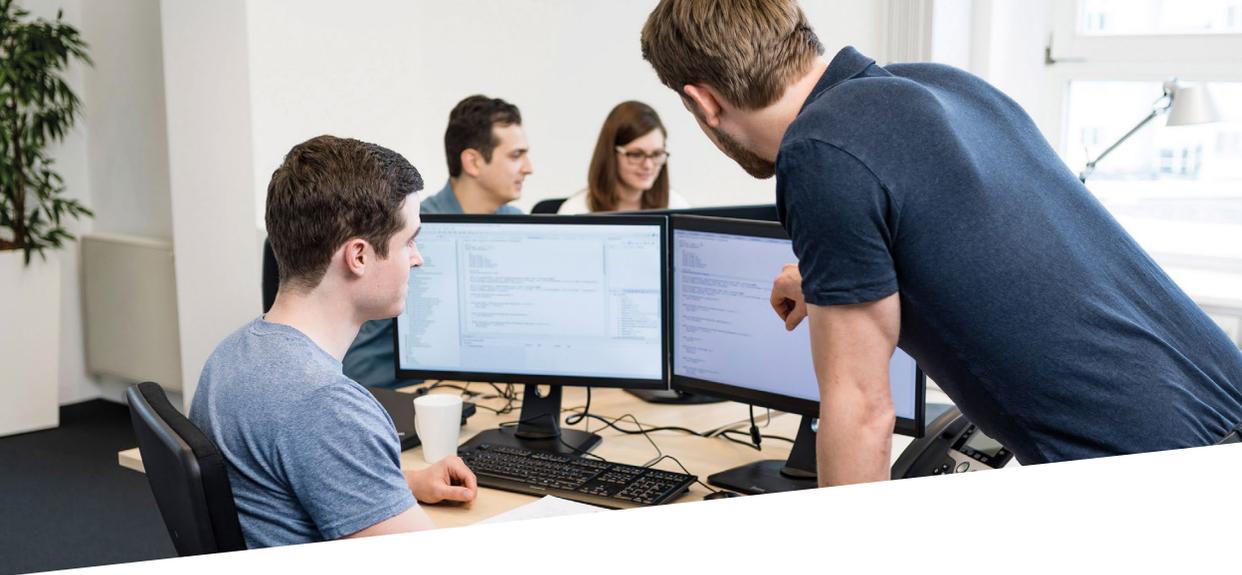
'Friends Kinderhilfe International' and the aid organization 'Cities Without Hunger' received the greatest number of votes in 2019. The Friends Kinderhilfe organization is active in Sri Lanka where it focuses on supporting projects in education. Among the achievements possible with 4flow's assistance were the renovation of a school building and the purchasing of school uniforms. Cities Without Hunger, which is committed to small farmers in Brazil, put 4flow's proceeds towards the purchase of a manioc root peeling machine for a cooperative – to help families switch from tobacco farming to organic farming for a variety of crops.

To avoid the waste of valuable food resources, 4flow donates any leftovers from its weekly team breakfasts in Berlin to local food distribution charities.

4flow works against corruption in all its forms and aims to establish long-term relationships with its clients through excellent performance and solutions rather than gifts. At the end of each year, 4flow makes a significant donation to UNICEF, which provides holiday cards that 4flow sends instead of gifts. UNICEF uses the proceeds from the sale of these greeting cards to finance immunizations, school materials, and more.

4flow also matches the frequent donations that its team members make to humanitarian aid projects in the context of internal company events, such as the annual 4flow Christmas party.





Environmental impact and responsibility

Cooperation with clients

4flow also plays a crucial role in reducing our clients' carbon footprint. Through the optimization of supply chain and transportation networks with our integrated software, 4flow vista®, customers can improve vehicle utilization, reduce the number of transportation runs, and shift to more environmentally friendly modes of transportation. In addition to network and transportation planning, 4flow vista® also allows users to calculate and visualize the emissions produced by their supply chain networks. In this way, decision-makers in the company can make themselves more aware of the environmental consequences of their strategic options and factor those consequences into the decision-making process.

Internal activities

In addition to engaging and supporting our client's ambitions to make their operations more climate efficient, we feel particularly obligated to reduce our ecological footprint and to foster sustainable growth.

As environmental awareness is an important topic for all employees at 4flow, an online on-demand training course has been developed. It is available to all team members and covers

important aspects of environmental protection and corporate social responsibility in the normal day-to-day life as well as in a business context. This includes for example the waste separation according to the local laws and instructions in all our offices.

Electronic devices such as computers and mobile phones are essential for all business operations at 4flow. To minimize the high environmental impact of these energy- and resource-intensive products, old phones and computers are reused before being replaced. If no longer usable, used batteries and all electronics equipment are disposed of responsibly.

The thorough separation of waste in all 4flow offices is mandatory, as long as the respective municipal waste service company provides such a separation.

In keeping with 4flow's commitment to sustainability, water dispensers have replaced bottled water at many 4flow locations. Now refillable glass bottles are used in combination with the water dispensers to reduce unnecessary waste.

We are continuously exploring new ways to optimize our business operations to make them more sustainable.

ANNEX: The global compact's ten principles

Human rights

Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2 | make sure that they are not complicit in human rights abuses.

Labor standards

Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 | the elimination of all forms of forced and compulsory labor;

Principle 5 | the effective abolition of child labor; and

Principle 6 | the elimination of discrimination with respect to employment and occupation.

Environment

Principle 7 | Businesses should support a precautionary approach to environmental challenges;

Principle 8 | undertake initiatives to promote greater environmental responsibility; and

Principle 9 | encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery.





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