

Integrated Annual Report_2020





Contents

| | | |
|--------------------------|--|----|
| <input type="checkbox"/> | LETTER FROM THE CHAIRMAN | 4 |
| <input type="checkbox"/> | LETTER FROM THE CEO | 6 |
| <input type="checkbox"/> | 1. LOGISTA AT A GLANCE | 8 |
| <input type="checkbox"/> | 2. BUSINESS MODEL | 16 |
| <input type="checkbox"/> | 3. STRATEGY | 20 |
| <input type="checkbox"/> | 4. CORPORATE GOVERNANCE | 24 |
| <input type="checkbox"/> | 5. CREATING VALUE FOR SHAREHOLDERS AND INVESTORS | 42 |
| <input type="checkbox"/> | 6. EMPLOYEE DEVELOPMENT | 46 |
| <input type="checkbox"/> | 7. CUSTOMER SATISFACTION | 58 |
| <input type="checkbox"/> | 8. COLLABORATION WITH SUPPLIERS | 60 |
| <input type="checkbox"/> | 9. MINIMISING ENVIRONMENTAL IMPACT | 62 |
| <input type="checkbox"/> | 10. IMPACT ON THE COMMUNITY | 74 |
| <input type="checkbox"/> | ABOUT THIS REPORT | 76 |

This document is a translation of a duly approved Spanish-language document, and is provided only for information purposes. In the event of any discrepancy between the text of this translation and the original Spanish-language document, the text of the original Spanish-language document shall prevail.

Letter from the Chairman

Mr. Gregorio Marañón



Dear shareholders,

It is my pleasure to present to you Logista's first Integrated Annual Report, designed to offer clear, structured information on the Company's key business, environmental and social initiatives over the course of the 2020 financial year. The report also explains how Logista is managing the opportunities and risks ahead as we pursue our mission to create sustainable, long-term value.

Despite the adverse circumstances that dominated this financial year, as the COVID-19 pandemic spread across the globe, Logista has reported increases in Revenue, Economic Sales and Operating Profit. Once again, the Company has demonstrated its resilience when faced with a challenging environment, in one of the most difficult years in its history.

The 2020 financial year delivered strong results across all of Logista's business areas, and not only with respect to profit. Social responsibility and corporate governance issues have continued to play a prominent role in the Company's agenda, even in the difficult circumstances of the last twelve months.


For example, prominent international sustainability assessment firm CDP included Logista on its exclusive "A-List" for the fourth consecutive year, in recognition of its global leadership in the fight against climate change. Furthermore, Logista remains a member of the FTSE4Good index, which brings together companies that make a solid, demonstrable contribution to corporate governance, environmental protection and social welfare.

On the subject of corporate governance, Logista's Board of Directors has expanded its membership from ten to twelve, and has now significantly improved equality, with more seats now held by female Directors. Previously underrepresented, women now hold 42% of seats on the board, exceeding both our own objective and current good governance recommendations.

For a more in-depth account of this year's progress, I would encourage you to consult the Annual Corporate Governance Report and Annual Board Remuneration Report.

It would be remiss of me to sign off without thanking everyone at Logista for all the hard work, professionalism and dedication they bring to the company each and every day, and all of our clients and suppliers for their continued confidence and the mutually rewarding relationships that we share.

I must also thank you, our shareholders, for the trust you have placed in the Company and this team. We will continue wholeheartedly to consolidate Logista as southern Europe's leading distributor to local retailers.



The 2020 financial year delivered strong results across all of Logista's business areas, and not only with respect to profit. Social responsibility and corporate governance issues have continued to play a prominent role in the Company's agenda, even in the difficult circumstances of the last twelve months.

Letter from the CEO

Mr. Íñigo Meirás



Dear shareholders,

Despite the social and economic impacts of the COVID-19 crisis across all of its countries of operation, Logista is pleased to report a solid set of results for the 2020 financial year.

Until the pandemic arose, the Group's performance was in line with forecasts issued at the start of the financial year, which projected a similar rate of profit growth to that achieved in the preceding 12-month period.

Since the announcement of the pandemic in mid-March 2020, the spread of the virus drove governments to adopt various containment measures, including the compulsory closure of the vast majority of retail outlets and the introduction of travel restrictions and different degrees of population lockdown, with consumers largely confined to their homes. In some cases, industrial activity in sectors deemed non-essential by the government was temporarily halted.

Almost all points of sale serviced by Logista, and the products it distributes, were classified as essential goods and activities, meaning that despite the widespread impact on the economy as a whole, Logista was able to continue operating in these business areas throughout the lockdown period.

From April, as the infection rate slowed, governments began to lift lockdown restrictions, gradually allowing business activity to return to normal. However, on the date this report was issued, a full return to normality still seemed some way away, in light of recurrent local infection clusters.

Since the pandemic began, Logista has played a crucial role in ensuring that hundreds of thousands of local stores are supplied with essential products and services, making day-to-day life a little easier for consumers in these difficult circumstances.

Logista sought to help clients adapt to a new set of needs by expanding its range of services, demonstrating, once again, that its clients are at the very heart of its strategy.

For example, NACEX has ensured that its deliveries conform to optimum hygiene standards through a new contactless service and an expanded network of drop-off and collection points, Nacex.shop. Initiatives like this allow Logista to contribute to the sustainable growth of e-commerce, ensure a high-quality distribution service and avoid physical contact during delivery, protecting both clients and external partners.

Meanwhile, Logista Pharma was able to safeguard the regular supply of medicines through all pharmaceutical distribution channels by taking a proactive and effective approach to preventing risks specifically associated with COVID-19. It also introduced a number of new initiatives, including a new direct-to-patient delivery service for patients taking part in clinical trials – enabling laboratories to ensure the continuity of these trials even in the pandemic’s most challenging moments – and a hospital medicine delivery service especially designed for treating high-risk patients and those with chronic illnesses – reducing the risk of patient infection and hospital overwhelm.

At a time when online retail is soaring, Logista Libros responded to the needs of booksellers and publishers by launching its new “dropshipping” service. This service allows customers to order books through their preferred physical or online store for direct home delivery.

Logista has been able to remain firmly focused on client services thanks to its longstanding commitment to employee health and safety. To ensure our working environment remains as safe as possible, Logista devised a pandemic action plan to implement health and hygiene measures recommended by health authorities for on-site working. In parallel, it actively encouraged staff that could carry out their work remotely to do so.

Once the lockdown easing began, staff working from home gradually began a phased return to the workplace, depending on the situation on the ground. Employees were able to take advantage of the Company’s new initiatives to promote flexible working and work/life balance in the face of this new normality.

These unusual circumstances did not hold the Group back from achieving some undeniably positive results: €10,559 in Revenue, €1,157 in Economic Sales and €206 million in Operating Profit (surpassing last year’s performance by 4%, 0.7% and 1% respectively).

Income for most business areas was up on the previous financial year, except for long-distance transport, packaging and distribution of publications in Spain and convenience products in France.

Economic Sales came in slightly higher, thanks to growing activity in Italy (+6.3%) and, to a lesser extent, Spain and Portugal (+0.7%), helping offset a drop in activity in France (-5.0%).

Total operating costs grew modestly. The impact of COVID-19 has pushed up some costs, while causing others to fall, and the Company has also achieved a number of savings and efficiency gains in its operations.

Overall, despite the challenging climate, Logista has succeeded in broadly equalling the 2019 financial year’s Adjusted Operating Margin.

The best-performing market was Italy, where our Adjusted Operating Profit grew by 11.9% year-on-year, whereas this figure fell by 16.7% in France. Meanwhile, the result for Spain and Portugal remained essentially stable (-0.4%).

The Group as a whole reported an Adjusted Operating Profit of €257 million, down 1.9% year-on-year.

Higher taxes and the costs of our recent restructuring exercise were partially offset by a divestment of non-operating assets, taking the Group’s Net Profit to €157 million. This represents a fall of 4.5% compared to the previous financial year.

If you would like more detailed information on the Group’s financial performance, I would encourage you to consult the Consolidated Annual Accounts, which incorporate the Management Report of which this Integrated Report forms part.

I would like to take this opportunity to extend my particular thanks to all of the hardworking professionals on the Logista team for their fortitude during a tough time for the company, their dedication and their unwavering commitment to client service, the heart of our business model and a fundamental pillar of our strategy, and to the Board of Directors and senior management team for all their support.

I would also like to thank you, our shareholders, for your trust and support for the company’s management model.

We will continue working to pursue our corporate objective of creating sustainable, long-term value, based on a business model unique in southern Europe.

1

Logista at a glance

Logista is southern Europe's largest distributor to local retailers.

It serves around 250,000 points of sale in Spain, France, Italy and Portugal, efficiently facilitating manufacturers access to convenience products, electronic top-ups, tobacco, pharmaceuticals, books, publications and lottery markets, among others, in a transparent way and with full operational control.

5
countries

Distribution to
~250,000
points of sale

> 650
central and regional
platforms and service
points



ISO 9001

GDP (Good Distribution Practices) and GMP (Good Manufacturing Practices) certified

OEA
(Authorised Economic Operator)

FTSE4Good

Included in
CDP's A List for the
fourth consecutive year

ISO14064



People



45 million
daily consumers in the
channels we distribute to

~15,000
partners

~5,900
direct employees

Results



Economic sales

€1,157
million

Adjusted EBIT

€257
million

Net Profit

€157
million

Stock Market



Capitalisation

€1,938
million at
30 September 2020

Dividends

€1.18
per share allocated to
the 2020 financial year

Target price

> €23
per share, according
to analysts' reports
average

Unique business model

Logista has developed a unique business model that combines specialist distribution and integrated logistics with exclusive value-added services and powerful Business Intelligence tools. This gives it flexibility in meeting its clients' needs and enables it to comply with the regulatory requirements and standards of each sector.

Logista's quality proposal is based on its capacity to combine wholesale distribution and logistics with other value-added services for our clients, in line with their product strategies. This allows them to focus on their main business operations while maintaining visibility on their route to market.

With full transparency and traceability, Logista acts as single supplier for all the services making up the supply chain, offering advanced and specialist services for each sector and point-of-sale channel in which it operates.

It achieves this through its comprehensive infrastructure network combined with its transport and information systems, enabling it to manage the distribution of products from collection to point-of-sale delivery.

Logista also provides omnichannel marketing of products and services via its web platforms, point-of-sale terminals, cash & carry service points, call centres and sales force.

Through its network, Logista manages the distribution of a wide range of consumer products to different local retailers (convenience stores, confectionery and tobacconists, pharmacies, kiosks, bookshops, etc.) in Spain, France, Italy and Portugal. It regularly serves around 250,000 points of sale used by some 45 million consumers every day. Logista also provides distribution to wholesalers in Poland.

General principles of conduct

As a group, Logista shares the values of respect, professionalism, initiative and commitment. These values are explicitly stated in its Code of Conduct and, together with other behavioural guidelines in the code, these underpin the unique business model that defines us.

We extend these values to our management of the supply chain, establishing business relationships with reputable, trustworthy suppliers with professional and ethical business practices.

Logista's General Principles of Conduct set out the minimum standards and basic rules of conduct that must govern the activities of suppliers in their dealings with Logista, towards their own employees and other third parties involved in carrying out their activities.

Differentiating aspects

Logista has developed a business model that is unique in the market, and which is transforming the model of distribution to specialist retail channels that sell a wide range of products and services. Our value proposition stands out from other wholesalers because:



We respect manufacturers' product strategies in each channel and provide specialist and transparent distribution of their products to retail channels through a single service provider, enabling them to focus on their core business, while at the same time achieving economies of scale.

1



We have highly specialised staff who are continually working to anticipate their clients' needs and offering them new services that meet those needs.

2



We provide a broad portfolio of products and services through a single point of contact and with omnichannel order-taking capacity for retail points of sale. By offering them specialist technological solutions (with Point-of-Sale Terminals developed in-house), we provide day-to-day simplicity and bring them opportunities to grow their business.

3



We have an operating model that combines volume consolidation at large logistics centres where operations can be automated, with the nationwide roll-out of service points providing a presence close to the point of sale. This way of working provides synergies and flexibility for rapid adaptation to changes in the level of activity.

4

Logista's business model stands out for its transparency, specialisation, flexibility and service quality, together with an overall approach to doing business that is based on respect and collaboration with all our stakeholders. This differentiation is reflected in high retention rates of our client portfolio, in many cases 100%, and in our solid margins and levels of return on capital employed.

Business areas

TOBACCO AND RELATED PRODUCTS



Distribution of tobacco products and other convenience products, including tobacco and non-tobacco related products, to the tobacconist channel in Spain, France and Italy, and to points of sale to distribute tobacco, in the case of Portugal. In Spain and Italy, this also includes the distribution of convenience products to other proximity channels.

TRANSPORT



Management of full load and long-distance transport throughout Europe, temperature-controlled capillary transport in Spain and Portugal, and express courier services for parcels and documents **in Spain and Portugal.**

Through this business area, Logista provides transport services to its other businesses and to third parties.

OTHER BUSINESSES



Pharmaceutical products and publication distribution and logistics services in Iberia, as well as wholesale **distribution of convenience products to different tobacco and convenience retailers** in France.

Market position

Logista is southern Europe's largest distributor to local retailers.

We are the preferred distribution partner for manufacturers, providing them with their route to consumers through simple and rapid access to proximity channels. We offer all the services they need to reach hundreds of thousands of independent points of sale, from the most basic outlets to those with greater value-add.

As a hospital distributor and logistics operator, Logista is constantly developing dedicated services for each sector, and works closely with clients to tailor its offering to their current needs and to anticipate their future needs.

As a transport services operator, Logista pursues a strategy of differentiation by specialising in high-value products in long-distance transport; temperature-controlled parcel transport, and by offering the very highest standard of courier service to business clients (B2B).



CONSOLIDATED INCOME STATEMENT HIGHLIGHTS



| € millions | Financial Year 2020 | Financial Year 2019 |
|---|---------------------|---------------------|
| Income | 10,559 | 10,148 |
| Economic sales | 1,157 | 1,149 |
| (-) Operating cost of logistics networks | (750) | (736) |
| (-) Commercial operating expenses | (66) | (69) |
| (-) Operating expenditure on research and central offices | (85) | (82) |
| Total operating costs | (900) | (887) |
| Adjusted EBIT | 257 | 262 |
| Margin % | 22.2% | 22.8% |
| (-) Restructuring costs | (12) | (11) |
| (-) Amort. Logista France assets | (52) | (52) |
| (+/-) Profit/(loss) on disposal and impairment | 13 | 5 |
| (+/-) Profit/(loss) from equity-accounted companies and other | 1 | 1 |
| Operating profit | 206 | 204 |
| (+) Financial income | 17 | 15 |
| (-) Financial expenses | (5) | (2) |
| Profit/(loss) before tax | 219 | 217 |
| (-) Corporate income tax | (61) | (52) |
| Effective tax rate | 27.9% | 24.1% |
| (+/-) Other income / (expenses) | 0 | 0 |
| (-) Non-controlling interests | (0) | (0) |
| Net profit | 157 | 165 |

CONSOLIDATED BALANCE SHEET HIGHLIGHTS



| € millions | 30 September 2020 | 30 September 2019 |
|--|-------------------|-------------------|
| Property, plant and equipment and other fixed assets | 373 | 229 |
| Net long-term financial investments | 19 | 18 |
| Net goodwill | 921 | 921 |
| Other intangible assets | 408 | 457 |
| Deferred tax assets | 19 | 19 |
| Net inventory | 1,294 | 1,283 |
| Net receivables and other | 1,986 | 1,946 |
| Cash and cash equivalents | 2,827 | 2,211 |
| Total Assets | 7,847 | 7,084 |
| Shareholders' funds | 514 | 519 |
| Non-controlling interests | 2 | 2 |
| Non-current liabilities | 168 | 44 |
| Deferred tax liabilities | 254 | 265 |
| Short-term borrowings | 77 | 38 |
| Short-term provisions | 14 | 12 |
| Trade and other payables | 6,819 | 6,205 |
| Total Liabilities | 7,847 | 7,084 |

Group structure

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Compañía de Distribución Integral Logista S.A.U. (100%)

Grupo Dronas (100%)

- Logista Pharma Canarias (100%)
- Logista Pharma (100%)
 - > Be to Be Pharma (100%)

Logista-Dis (100%)

Logista Libros (50%)

La Mancha (100%)

Logesta (100%)

- Logesta Italy (100%)
- Logesta France (50%)
- Logesta Deutschland (100%)
- Logesta Lusa (51%)
- Logesta Polska (51%)

Logista Publicaciones (100%)

- Distribuidora del Este (100%)
- Distribuidora valenciana de ediciones (50%)
- Cyberpoint (100%)
- Distribuidora de publicaciones del sur (50%)
- Distribuidora de Aragón (5%)
- Promotora vascongada de publicaciones (100%)
- Distribuidora Las Rías (100%)
- Distribuidora de Ediciones Sade (100%)
- Distribuidora del Noroeste (51%)
- Publicaciones y Libros (100%)
- Distribución de Publicaciones Siglo XXI Guadalajara (80%)

Distribuidora del Noroeste (49%)

Logista France Holding (100%)

- Logista Promotion et Transport (100%)
 - > Logesta France (50%)

Logista France (100%)

- Société Allumetière Française (100%)
 - > Supergroup (50%)

Logista Italia (100%)

- Terzia (68%)

Midsid (100%)

Logista Transportes e Transitos (100%)

- Logesta Lusa (49%)

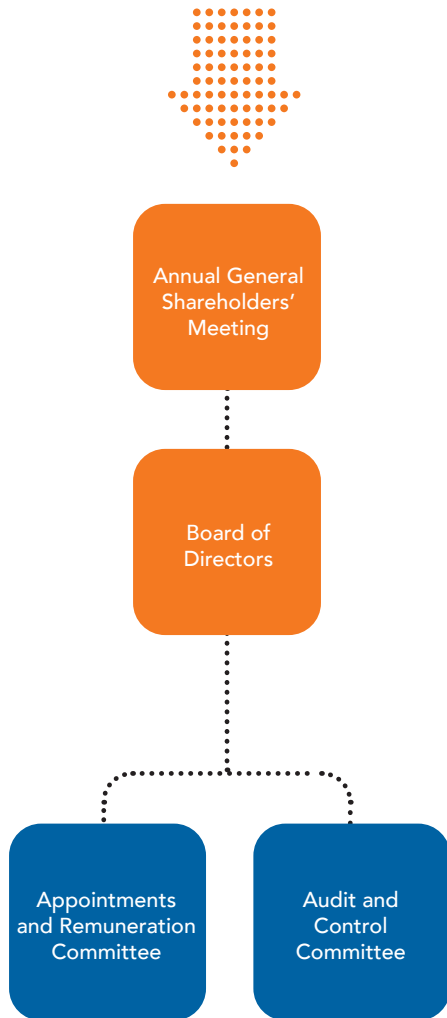
Logesta Polska (49%)

Logista Polska (100%)

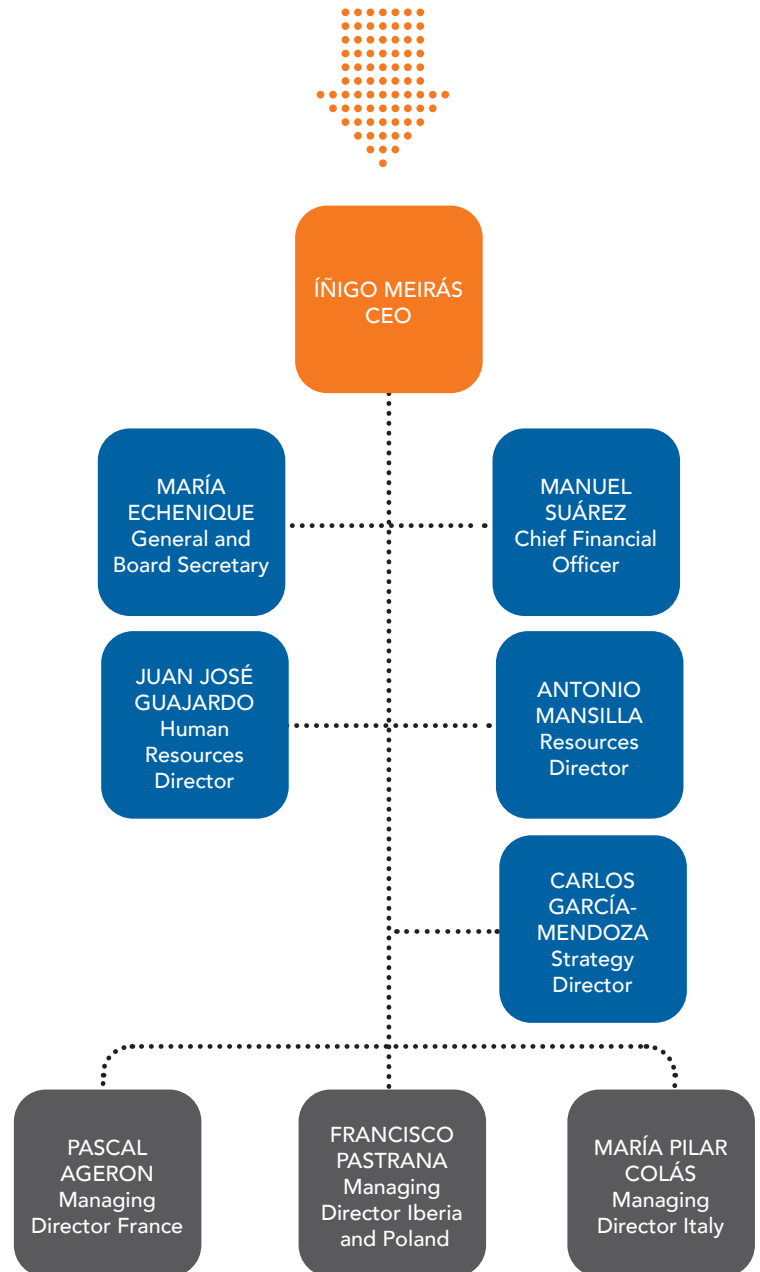
UTE Logista - GTech (50%)

Logista Payments (100%)

Governing bodies



Operational structure



Logista's organisational structure is headed by the Chief Executive Officer and supported by a Management Committee.

Due to the passing of his predecessor in October 2019, the Board of Directors appointed new Chief Executive Officer Íñigo Meirás in December 2019. Our new CEO has reconfigured the group's Management Committee, simplifying its structure and reducing the number of its constituent members (five corporate directors and three managing directors heading up each geographical area, to whom the heads of the business areas from each area report).

This new composition of the Management Committee has allowed us to strengthen our strategic focus with new corporate leadership that will have an impact on the group's strategic development.

During 2020, gender imbalance on the Board of Directors and on the Management Committee was addressed through increased representation of women.

2 Business model

INPUTS



FINANCIAL CAPITAL

Strong balance sheet, with no financial debt and significant capacity to generate operating funds. This enables the company to meet its business maintenance and growth investment needs.



HUMAN CAPITAL

As a provider of quality-focused services, having specialist human capital is key to adding value. Their capacities, skills, knowledge and development plans centre on ensuring their know-how is preserved, developed and passed on, to protect our differentiation over time.



PHYSICAL CAPITAL

Our facilities, whether owned, leased or sub-contracted, enable us to develop the logistics strand of our operations according to high quality standards.



INTELLECTUAL CAPITAL

We progress internally and constantly improve the technology we deploy in our services, helping to preserve our differentiation and competitive advantages.



NATURAL CAPITAL

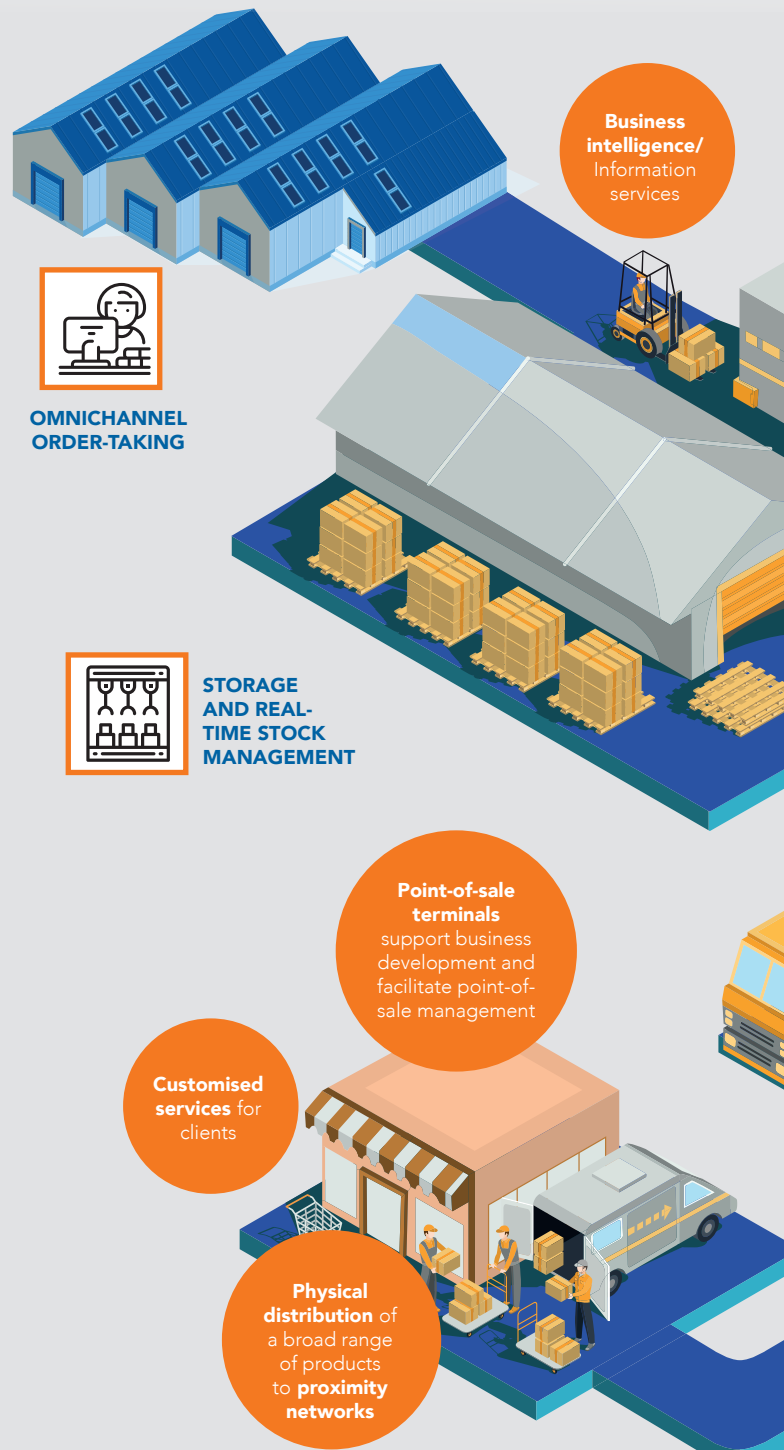
We use natural resources directly and indirectly in running our business in a way that is always focused on efficient usage that contributes to the sustainability of our natural environment in the long term.



SOCIAL CAPITAL AND RELATIONSHIPS

Relationships with all our stakeholders are based on mutual benefit and respect and are always focused on establishing relationships that are sustainable over time.

OUR BUSINESS



OUTPUTS



OUTCOMES



AUTOMATED ORDERS PREPARATION



INVOICING AND COLLECTION

Specialist transport

Distribution of digital products (electronic transactions) through our proprietary platform

Physical and thermal product traceability



TRANSPORT AND DISTRIBUTION



REDUCED ENVIRONMENTAL IMPACT

- Route optimisation
- Use of sustainable energy and vehicles
- Reuse of packaging
- Target to reduce emissions by 30% by 2030 compared with 2013.



COMMUNITY WEALTH CREATION

- Increased revenue and savings for manufacturers and retailers
- €123 million in tax payments
- Job creation: 15,000 partners
- Around €800 million in six years distributed as dividends
- Support for disadvantaged groups, mainly in our local area.



DEVELOPING TALENT

- Career development plans
- 37,905 hours of training
- Internal promotion



OPERATIONAL EXCELLENCE

- Customer satisfaction
- High contract renewal ratio
- Maintaining relationships in the long term

Communication channels

Logista encourages ongoing, open and transparent dialogue with all its stakeholders, including with society as a whole.

Logista therefore maintains two-way channels of communication and dialogue with all of them, to take their financial, environmental and social needs and expectations into account.

To ensure dialogue is open and ongoing, Logista has established specific communication channels tailored to the characteristics of each stakeholder, although it also has common communication channels for all of them, for example the Company's corporate website (www.logista.com) and the company reports it publishes each year.





3

Strategy



Macroeconomic context

Various business activities within the geographical range of Logista's operations may be affected by political, social and/or macroeconomic conditions, both at the global level and, in particular in Spain, France, Italy and Portugal and, to a much lesser extent, in Poland.

During the financial year, the macroeconomic context can be divided into two distinct periods: the period to February 2020 and the period from March to September 2020. During the first period, the situation in Spain and in Portugal was positive, with GDP growth, while the situation France and Italy was one of economic stagnation and a slight economic downturn.

However, from March onwards, the major health emergency due to COVID-19 and the measures adopted to combat it have led to a significant downturn in the global economy, particularly in Spain and Italy, and it is difficult to evaluate or predict what its impact will be in the medium term. This will depend on the pace of economic recovery.

Some of our businesses, such as transport lines, are more subject to changes in GDP than others, but Logista's business model has demonstrated significant resilience in previous economic crises. This has been reflected in similar levels of economic/financial performance and shareholder remuneration, limited impact on employment and technological advances focused on developing new value-added services for clients. Based on this past experience, we are confident that the impact of this macroeconomic context will not be too significant in the coming years.

Context



Regulatory context

Due to the regulatory context in the tobacco and pharmaceutical sectors, there are increasingly exhaustive checks on the distribution of those products, and companies therefore need to be able to comply with those requirements if they wish to continue operating in the future.

Logista not only complies with regulatory requirements, but it is capable of anticipating them and offering its clients new services that go beyond strict compliance with the rules. This helps to strengthen our relationships with them.



Cybersecurity

Logista is investing heavily in its cybersecurity because, through our digital transformation, we are accumulating significant volumes of electronic data from clients, employees and suppliers who need protection from increased cybernetic threats. Logista completed an exhaustive review of external security, is implementing the latest security technologies and is focused on staying alert to phishing and ransomware attacks.



Environmental standards

There is growing client demand for services that meet certain environmental standards, a demand which has risen amid the COVID-19 crisis due to greater societal awareness about these issues.

Logista's actions are guided by a Quality and Environment Master Plan, and a Quality, Environment and Energy Efficiency Policy that establish guidelines and good practices for optimising the use of resources and preventing pollution throughout its business processes. Pursuant to the ISO 14064 standard, Logista verifies its main structures and processes of every business in Spain, France, Italy, Portugal and Poland, using the methodology set out in the GHG Protocol.

In addition, Logista is incorporating environmental concerns into the development of its strategy and has committed to reducing direct and indirect emissions generated by its activity by 30% by 2030 compared with 2013 levels, with scientific backing for this target as an approved Science-Based Target.

Logista's efforts in this area have won recognition from several international bodies. CDP, for example, has included Logista in its prestigious "A List" as a global leader in the fight against climate change – the only European distribution company to have achieved this recognition in the last four years.

In addition, Logista is part of the FTSE4Good index, a list of companies that have demonstrated their soundness in environmental, social and corporate governance practices, and has signed up to the 'manifesto for a sustainable recovery' in Spain.

This year, KPIs linked to environmental management have been included in the targets for employees' long-term incentive plans, to reflect our commitment to continue progress in the integration of environmental sustainability in the day-to-day management of the business.



Consumption in proximity channels

The COVID-19 pandemic has changed consumer habits in the countries in which we operate, favouring purchases at smaller points of sale that are also closer to home. Logista's strategy is based on offering manufacturers simple, rapid access so that their products can be available in those establishments. The company's positioning will enable it to benefit from this opportunity in the coming years.



Next-Generation Products

New tobacco and related products are emerging, with many more choices available to consumers than just a few years ago. Logista offers manufacturers the fastest and most effective route to consumers in Spain, France, Italy and Portugal, thanks to its extensive presence in its national markets.



E-commerce consumption

The strong growth experienced by online sales during the lockdown months demonstrated the vital role of logistics in this area. Some manufacturers or vendors have seen deliveries of their products come to a standstill, and this has created dissatisfaction in consumers and damaged their image. This situation is leading manufacturers to seek logistics partners that can provide high levels of service, and they are considering their final choice of supplier not solely on the basis of low prices, but on a balance between price and service level.



Digitalisation

Digitalisation is driving change in how we do business, with several disruptive technologies introducing new digital products and services. Fully digitalised data and processes are increasing automation and making the smart supply chain and warehouse a reality, mainly supported by artificial intelligence. Decisions are based on the data available and enable future results to be simulated.

Logista has developed several notable projects in this area:

– **Digitalisation of the supply chain for the distribution of pharmaceutical products and tobacco products.**

By going far beyond strict compliance with traceability regulations in both sectors, Logista is applying the very latest scanning and image recognition technologies to capture all product movements digitally in warehouses and on cross-docking platforms and delivery vehicles. This enables monitoring of the entire supply chain.

– **Incorporation of artificial intelligence into the digital marketing and sales platform in the convenience products distribution businesses,**

in order to be able to clearly segment clients and products, to develop specific marketing initiatives tailored to the needs of each segment. Artificial intelligence technologies based on recognising search history and previous sales patterns are also helping marketing experts to identify market potential and simulate promotions and customer loyalty initiatives.

– **Introduction of a variety of innovative technologies such as Big Data analysis and artificial intelligence,**

enabling Logista's retail clients to digitalise their businesses and enhance their profitability.

– **Carrying out concept testing of state-of-the-art technologies,**

such as the use of drones in warehouses for inventory management, the use of augmented reality and transport sensors, etc.

Strategic priorities

1. To strengthen our consolidated businesses.
2. To bring sustainable future growth, expanding our business base.
3. To offer excellence in our services and increase profitability through continued improvements in operational efficiency.
4. To protect our financial soundness, in order to maintain our shareholder remuneration policy.

The maturity profile of some of the sectors served by Logista, usually accompanied by diminishing activity levels, means that it is essential to develop services that are complementary to national distribution. These services help our clients to identify and develop new growth areas and help Logista to maintain a stable level of revenue in the most consolidated businesses.

Looking to the future, close collaboration with our clients in these sectors and conduct based on continually seeking mutual benefit will be the mainstays that enable us to continue our success, just as they have in recent years.

Long-term growth is based on developing new verticals such as distribution for the pharmaceutical industry, the distribution of convenience products to the channels we serve, and on driving certain high growth areas such as e-commerce transport.

Geographic expansion into new countries where we export our business model is another core component of our future plans that will lessen and offset the macroeconomic risks that may affect each of the countries in which we operate, in addition to bringing future growth.

Operating in a way that is environmentally efficient and sustainable, and preserving and developing internal know-how, is a fundamental part of maintaining sound financial profitability and creating long-term value for all our stakeholders.

This means that it is not only important that we broaden our revenue base, but that we do so at the right cost levels that enable all those involved to be remunerated fairly, and to offer prices that reflect the level of service offered. By conducting ourselves in this way, we create a virtuous circle of value creation for all of society.

Greater importance of proximity shops and e-commerce.

Relevance of environmental policies.

Uncertainties associated with the economic recovery and the potential need to once again adopt drastic measures in the event of new waves of the pandemic.

Business outlook

MARKET TRENDS



LOGISTA RESPONSE

| | |
|---|---|
| Increased significance of local stores in developed countries: buying local, flexible hours | Distribution networks that repeatedly access around 250,000 points of sale in the main proximity channels |
| Manufacturers require transparency in their route to consumers | Development of Business Intelligence capacities, dedicating between 35% and 50% of the Group's total investment in technology each year |
| Manufacturers' need for global management of pricing policies by channel; very difficult to guarantee in local stores | Retail offering based on pricing per service, rather than on the products' positioning, which avoids distortion and leaves it up to manufacturers to set the prices for their products |
| Requirement from society as a whole for a better overall use of resources in carrying out operations | As a one-stop shop for points of sale and for manufacturers, we offer the streamlining of service and the flexibility needed to translate that into resource savings for participants and for society as a whole |
| Development of beneficial relationships for all stakeholders | Business model that seeks to establish long-term relationships that create value through fair, non-discriminatory prices based on service level for suppliers and for clients; performance-based pay and professional development for employees; ongoing dialogue and collaboration with authorities and with shareholders |
| Greater attention paid to the effective management of the finished product distribution chain from origin to point of sale. | We anticipate regulatory requirements, and through our retail offering we can take direct responsibility for the entire distribution from our clients' factory door to the point of sale, with oversight at all times of the means used to carry out the distribution, while offering exhaustive knowledge of the specifications and specific needs of the products we distribute. Ongoing investment in the development of technological tools to ensure the integrated management and online oversight of operations. This enables us to differentiate our service and improve our competitive position |
| Reduced specialisation of local stores and a need to broaden the catalogue of products and services | Our business relationship with manufacturers active in different sectors results in a cross-sector service offer that supports the commercial development of points of sales and enriches their own retail offering in a simple and efficient way |
| Increased last-mile transport needs for e-commerce | Retail offering tailored to sectors that demand a high level of service in the delivery of their products 'Smart Lockers' and delivery and collection points to meet demand, while also controlling emissions from deliveries |
| Flexibility throughout the route to market, proximity of inventories to points of sale | Our business model for operations, which offers proximity to points of sale and brings flexibility and agility in adapting to products' location-specific needs |
| Reduced volumes in some product categories | We help manufacturers to adapt their offering and improve their products' route to market, facilitating the launch and distribution of new categories |



Corporate governance

Key Actions of the Board of Directors in 2020

Logista Holdings' Board of Directors has been extremely active over the course of the year across its varied remit. A summary of its key actions is given below.

A. Reorganisation of the Board of Directors

At the start of the year, the Board of Directors of Logista Holdings found itself overtaken by the need to respond to the sudden death of the CEO, Luis Egido, on 27 October 2019. Following this unexpected event, a number of steps were taken to reorganise the Board with a view to ensuring that it should be made up of the finest talent and make decisive progress in gender diversity. These steps resulted in the following changes:

1. It was proposed to the Annual General Shareholders' Meeting that the number of Directors should be increased to 12, to allow for the appointment of more female Directors. As a result, the Board's composition has become more balanced, with five proprietary Directors, five independent Directors and two executive Directors. Of the 12 members, five are women (Marie D'Wit, María Echenique, Cristina Garmendia, Lisa Gelpy and Pilar Platero), including one executive Director (María Echenique, who was also appointed as Board Secretary). This means that the Company has met the new objective for gender diversity, established in the National Securities Market Commission (CNMV)'s new Good Governance Recommendations, two years early, with women holding 42% of Board seats. All of our new Directors

are professionals with outstanding reputations in their fields, and their appointment reflects the Company's firm commitment to gender diversity and advancing female talent.

2. Two new executive Directors were also appointed.

Following the death of Luis Egido, the process of selecting a new CEO began in accordance with the Guidelines on the Policy for Company Board Appointments. This process was successfully completed on 19 December with the appointment of **Íñigo Meirás** as CEO of the Company. The Board Secretary, **María Echenique**, was nominated by the Annual General Shareholders' Meeting in March 2020.

3. Following the sudden death of a member of the Board, Jaime Carvajal, a new selection process was launched, concluding with the appointment of **Luis Isasi** as an Independent Director on 29 September 2020.

B. Actions in relation to corporate governance and compliance

The Board has been particularly attentive to matters of corporate governance over the last year. A number of initiatives based on the recommendations of the CNMV's Technical Guide 1/2019 on Appointment and Remuneration Committees have been set in motion (succession plan for the Chairman and CEO and Board skills matrix). The Board has also taken steps to respond to the new recommendations set out in the CNMV's Unified Good Governance Code. The Group's compliance structure has been made more robust and a Compliance Officer appointed.

C. Encouraging strategic debate

The Board believes that engaging in strategic reflection is one of its most important roles. Accordingly, strategic reflection sessions were held in the year.

D. Approval of a new Risk Management Policy

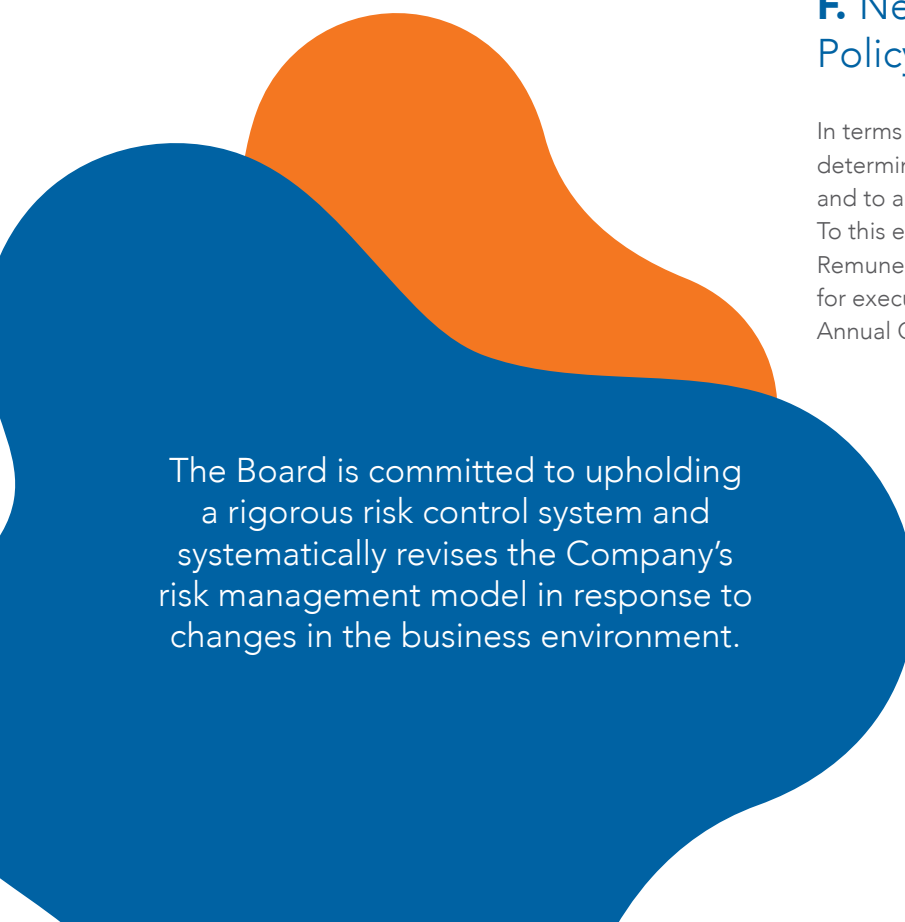
The Board is committed to upholding a rigorous risk control system and systematically revises the Company's risk management model in response to changes in the business environment. After examining the continued relevance of Logista's risk classification system, a new Risk Management Policy was approved. This new policy incorporates certain technical improvements, bringing the company's approach in line with new developments in this area.

E. Follow-up COVID-19

This year, which is marked by the consequences of the COVID-19 pandemic, a particular and sustained effort has been made by the Board of Directors to monitor the evolution of the pandemic, both from the point of view of the impact on the Group's businesses and aimed at protecting the health of our workers, in order to be able to take in advance the necessary measures to minimize both. This monitoring is still carried out, as of the date of this report.

F. New Directors' Remuneration Policy

In terms of remuneration, the Board of Directors is determined to attract outstanding talent to the Company and to align its remuneration policy with market trends. To this end, it approved a new, simplified Directors' Remuneration Policy that revises the contractual terms for executive Directors. This Policy was approved at the Annual General Shareholders' Meeting on 24 March 2020.



The Board is committed to upholding a rigorous risk control system and systematically revises the Company's risk management model in response to changes in the business environment.

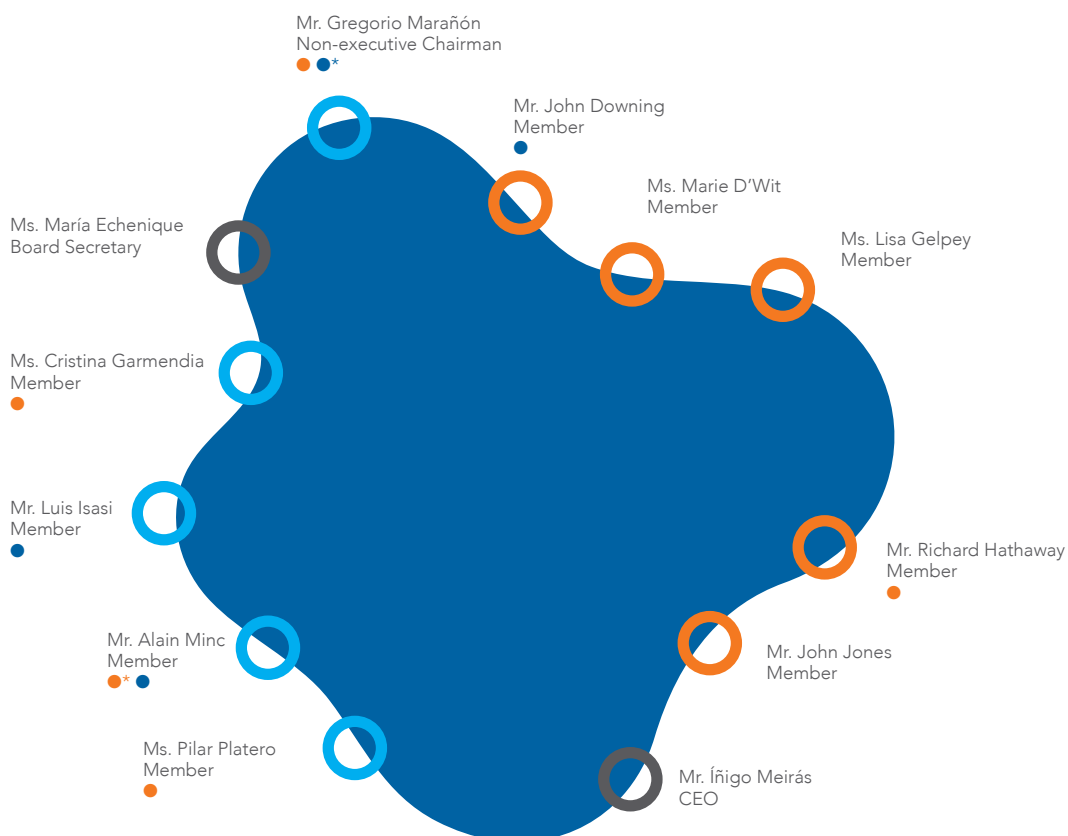
Functions and Composition of the Board of Directors

With the exception of matters reserved for the General Shareholders' Meeting, the Board of Directors is Logista's highest decision-making body. Its role is to represent the Company by carrying out all of the activities included in its corporate purpose, as set out in the Articles of Association.

It is the Board's policy to delegate the everyday management of Logista to the executive bodies and senior management team, focusing its own efforts on its overarching role in determining company strategy and overseeing the work of the senior management team. At the same time, the Board must duly attend to those matters which, pursuant to the law or to the Company's Articles of Association or Regulations, cannot be delegated to other bodies.

Logista's Board of Directors includes an Audit and Control Committee and an Appointments and Remuneration Committee, tasked with carrying out those functions required by law. The majority of these committees are made up by Independent Directors.

COMPOSITION OF THE BOARD OF DIRECTORS (AT 30 SEPTEMBER 2020)



Executive
 Independent
 Proprietary

Member of the Audit and Control Committee (ACC)
 Member of the Appointments and Remuneration Committee (ARC)
 * Chairman of the ACC
 * Chairman of the ARC

Evaluation of the Board of Directors

In accordance with the recommendations contained in the Good Governance Code for Listed Companies, the Board and its Committees are evaluated on an annual basis to assess the quality and efficacy of their performance. The Chairman of the Board, CEO and Board Secretary are also evaluated as part of this exercise. Every three years, this evaluation is reviewed by an external assessor.

In 2020, the results of the internal evaluation were highly satisfactory. Nonetheless, a number of areas for improvement were brought to light, including the length of sessions and improved communication with Senior Management. The Board of Directors has now produced an Action Plan to support progress in these areas.

Diversity in Board Appointments and Reappointments

In keeping with the Company's firm commitment to diversity, and thanks to the Appointments and Remuneration Committee's efforts to advance the issue, the Board is now formed of 12 members, five of whom are women. At over 40%, this exceeds the objective established by the Good Governance Code. The Board reflects a rich diversity of professional and academic backgrounds, with members versed in law, economics, human resources, mathematics, biology and more.

The Company's Board Selection Policy expressly states that the Appointments and Remuneration Committee must be satisfied that the selection process is free of any implicit biases that may lead to discrimination.

The process of selecting candidates for board positions is based on an evaluation carried out by the Appointments and Remuneration Committee, sometimes in collaboration with an external assessor. This evaluation is based on the principle of diversity in education, professional experience, sector-based knowledge, region of origin (in the case of international groups), etc., with due regard to the requirements established by law and good governance principles for board size and structure. Also taken into consideration are the specialist knowledge needed to fulfil the Board Committees' specific oversight functions (e.g. accounting, risk management, technology, etc.) and the Group's commitment to eliminating all forms of gender discrimination.

We would note that, over the course of this financial year, the Board has made progress in this area by approving a skills matrix as an analysis tool for confirming that all of the various competencies it values are sufficiently represented.

The Board is now formed of 12 members, five of whom are women. At over 40%, this exceeds the objective established by the Good Governance Code.

Board of Directors' Remuneration Model

When determining its Remuneration Policy, the Company has regard to both the relevant regulations (particularly those applicable to listed companies) and to the objectives set out in its Business Plan, which in turn conforms to the principles and recommendations of Good Corporate Governance, best market practices and the guidelines issued by institutional investors and proxy advisors.

Every year, the Company publishes information on Directors' remuneration in its Integrated Annual Report, Annual Accounts and Annual Report on Remuneration of Directors.

Directors receive a fixed monthly salary plus an attendance allowance paid at a flat rate to all Board members. Committee members receive an additional attendance allowance. Only executive Directors receive performance-related pay.

The current Remuneration Policy, which was drafted with external advice, was approved at the Annual General Shareholders' Meeting on 24 March 2020. The results of the vote were as follows:

| Number of shares | Percentage of share capital in attendance |
|------------------------|---|
| In favour: 100,991,278 | 93.1864% |
| Against: 2,230,656 | 2.0583% |
| Blank ballots: 0 | 0.0000% |
| Abstentions: 5,153,585 | 4.7553% |

Agenda for the Annual General Shareholders' Meeting on 24 March 2020

- Approval of the Annual Accounts (Balance Sheet, Income Statement, Statement of Changes in Equity, Cash Flow Statement and Notes to the Accounts) and Management Report of Compañía de Distribución Integral Logista Holdings, S.A. and the consolidated Group, for the financial year ending 30 September 2019.
- Approval of the consolidated statement on non-financial information for the financial year ending 30 September 2019.
- Approval of the Board of Directors' management performance during the financial year ending 30 September 2019.
- Approval of the application of the result for the financial year ending 30 September 2019 of Compañía de Distribución Integral Logista Holdings, S.A.
- Nomination and election of Board members.
- Appointment of Financial Auditors.
- Approval of the Board Remuneration Policy 2020-2022.
- Scrutiny and approval of the Long-Term Incentive Plan 2020.
- Delegation of Powers to the Board of Directors.
- Advisory vote on the Annual Report on Company Directors' Remuneration for the financial year ending 30 September 2019.



Tackling corruption and bribery

No reports were received in relation to crimes of bribery, corruption or money laundering

Logista has put in place a number of corporate policies and an internal control system aimed at preventing any conduct falling into the “criminal risks” category, whether on the part of managers, directors, employees or other persons subject to the Group’s supervision. Examples of such criminal conduct include corruption, bribery and money laundering.



For more information on the materiality matrix, see [About this report](#)

Both the Company and its stakeholders take issues relating to ethics and the fight against corruption extremely seriously. The Board of Directors is committed to fulfilling its social responsibilities by adopting all necessary measures to coordinate, oversee and monitor action in response to potential crimes or criminal risks, including those listed below.

- **All directors and employees must adhere to the company’s Code of Conduct**, which is available on the Group’s Intranet. Among other provisions, this document sets out the procedures to be followed when working with civil servants or government representatives, and prohibits the offering, giving or receiving of payments, gifts or preferential treatment contrary to the law, which may have an influence on the normal course of business, governance or professional relationships or secure an undue advantage for Logista.
- **The company’s Criminal Risk Prevention Handbook**, approved in 2015, outlines the correct approach to managing and preventing of criminal risk within the Group and the structure and function of the Control and Oversight Unit.

Group employees at all levels are informed of the importance of following the Criminal Risk Prevention Handbook, adopting the principles set out in the Code of Conduct and carrying out their professional tasks in an ethical and diligent manner.

In the event of a breach of the Company’s code of conduct, the relevant employee(s) will be subject to a disciplinary process and possible sanctions. Any incident involving the bribery of a public or private body or the failure to comply with the approved Collection and Payments Management Policy will be treated as grave misconduct.

All Logista employees have access to a Whistleblowing Channel, which can be used to report any criminal action, behaviour or use of information that breaches the Code of Conduct, the General Principles of Conduct or the Criminal Risk Prevention Model.

As was the case in the previous year, no reports were received during the 2020 financial year in relation to crimes of bribery, corruption or money laundering.

The Group’s control framework is reviewed at least once a year by the Internal Audit Department, the Board of Directors and the Audit and Control Committee.

Periodic checks are carried out on any process or activity that could potentially be affected by any of the criminal risks listed above, and the model is revised as necessary whenever the regulatory environment changes. Over the course of the 2020 financial year, the Group’s current Compliance Model was reviewed by the law firm Gómez-Acebo & Pombo, with the aim of analysing the design and structure of the CRPC’s approach (policies and procedures) and updating the Criminal Risk Map.

Contributions to foundations and non-profit organisations in the 2020 financial year came to €447,993 (€188,980 in 2019) the primary beneficiaries being those active in the areas of humanitarian response and social welfare and integration. These funds will be used to improve the quality of life of society’s most vulnerable groups. The majority of these contributions take the form of donations of consumer goods and transport services for the collection, distribution and delivery of food, personal hygiene products, etc., to parishes, social canteens and other frontline support providers.



Human Rights

From its very foundation, Logista has championed a holistic approach to corporate responsibility, based on a distinct set of ethical, business, social, environmental, economic and accountability values. The Group's Corporate Governance Policy sets out the company's core values, based on respect as a multicultural Company, commitment to long-term sustainable development, professionalism, integrity and transparency. In all aspects of its work, Logista strives to create, advance and foster a culture and philosophy based on integrity.

This Policy upholds the provisions of the International Labour Organisation (ILO)'s fundamental conventions vis-a-vis freedom of association and the right to collective bargaining, in addition to the OECD's Guidelines for multinational companies and the United Nations Global Compact.

In compliance with the fundamental ILO conventions on freedom of association and the right to collective bargaining, all Logista employees have signed updated contracts and are represented by works councils and union officials, whom they may freely approach at any time. Various independent unions are active in the Company, and employee representatives are periodically consulted through meetings. The Company ensures that employees are fully aware of their right to collective association, which is fundamental for compliance with ILO provisions.

With regard to preventing Human Rights violations, explicit measures are set out in Logista's Code of Conduct, General Principles of Conduct for suppliers and the employee Ethics Code. Dedicated reporting mechanisms, such as our Whistleblowing Channel, have also been made available. The Whistleblowing Channel is confidential and will act on any report from an employee or third party who supplies evidence of an act, behaviour or omission amounting to a Human Rights Violation. All reports received are investigated by the Control Unit, which reports three times a year on its inquiries and their outcomes, the current status of the situations investigated and the measures taken to resolve them. This channel complements the Company's due diligence processes by supporting the identification and resolution of adverse impacts on Human Rights, and particularly of potential cases of child labour.

Logista has implemented various due diligence measures in this area, although given the nature and geographical range of our activities and the robust regulatory framework in place, the Group does not tend to encounter risks associated with the prevention of forced or child labour.

During the 2020 financial year (as was the case in 2019), Logista did not receive any reports of incidents relating to respect for freedom of association and the right to collective bargaining, discrimination in recruitment or employment, forced or coerced labour or any other Human Rights violation or concern in any country in which it operated in this period.

Four communications were received through the complaints channel during the 2020 financial year. After having been studied by the complaints channel committee, 2 of them were inadmissible since the events reported strictly corresponded to an area of labor relations and in 2 of them, an investigation procedure was initiated for alleged malpractices, after which the appropriate measures were taken. The analysis of the aforementioned communications concluded that none was linked to the violation of Human Rights.

The Company's commitment to complying with the provisions of fundamental ILO conventions and the United Nations Global Compact is reflected in the following documents:

- **Code of Conduct:** The Code requires the Group's employees to promote and uphold Human Rights in such a way that they do not contribute, either directly or indirectly, to any kind of Human Rights violation.

Employees work to eradicate any Human Rights violations that may be observed in the labour market, particularly if these are in any way linked to our business activities or supply chain. The Code stipulates that:

- We all have a responsibility to foster a fair, respectful workplace, free of any form of harassment, discrimination or demeaning behaviour. We must ensure that none of our colleagues are subjected to unwanted acts or behaviour on the grounds of age, race, place of origin, gender, sexual orientation, disability, political opinion, religion, marital status or physical or mental health.

- We are all expected to uphold the Company's commitment to equality of opportunity and to ensuring that appointments are made on merit alone.
- We must all work to promote and defend Human Rights and ensure that we do not contribute, either directly or indirectly, to any form of Human Rights violation. We must work to eradicate any Human Rights violations observed in the labour market, particularly if these are in any way linked to our business activities or supply chain.
- We have a duty to work with our suppliers, licensees, agents and associates to foster and promote the application of the Company's principles on forced labour and the minimum working age.
- We must not commit or tolerate any form of discrimination against an employee based on the political, religious or legal situation in their country or region of origin. We must ensure that valid work permits are secured as necessary for any employee working outside his or her country of origin.
- We have a responsibility to protect our colleagues' rights to freedom of thought, conscience, religion, opinion and expression, as established in the "Discrimination and Harassment" section of this Code of Conduct.
- We must not tolerate any form of discrimination arising from an employee's right to participate freely in the culture of his or her community.
- It is prohibited to employ any person under the age of fifteen, or the minimum working age in the relevant local market, or the legal age for leaving compulsory education – whichever is highest.

– **General Recruitment Protocol, Internal Selection Guide and Employee Competence Guidelines:** These documents establish a set of general principles for line managers, to be applied in recruitment and candidate selection. They also provide clear guidance on the correct approach, tools and allocation of responsibilities for recruitment, selection, onboarding and performance evaluation, and guidelines for ensuring that posts in all Group Companies are filled by the most qualified candidate.

Logista also promotes gender equality in candidate selection. For example, it is standard practice across the Group that the shortlist of candidates for any post should include at least as many women as men.

– **General Principles of Conduct:** This document stipulates the minimum standards and requirements for everyday conduct that the Group's suppliers must observe at all times, both in their dealings with the Group and with respect to their own employees and any third parties involved in their operations.

All of the Group's suppliers must understand and accept these Behavioural Standards, which are contractually binding on all suppliers who enter into an agreement with a Group Company. The Group may terminate its contractual or business relationship with any supplier that fails to comply with the Behavioural Standards or, in the event of an accidental breach, to take the necessary measures to resolve the situation.



For more information on the General Principles of Conduct for suppliers, see [Collaboration with suppliers](#)

– **Group Procurement Guidelines:** This document establishes that all suppliers must be duly authorised and have demonstrable financial and technical capacity. Furthermore, all contractual relationships are governed by the Principles of Ethical and Professional Conduct (among others), which states that employees must behave ethically and professionally at all times.



For more information on the Group's Procurement Guidelines, see [Collaboration with suppliers](#)

Respect for Human Rights is a material concern for both the company and its main stakeholders, as reflected in the materiality matrix produced by Logista.



For more information on the materiality matrix, see [About this report](#)

Risk and Opportunity Management

An integrated risk management system to support the achievement of the company's objectives and to further advance its strategy

Logista's Corporate Risk Management system is outlined in its General Risk Management Policy and Procedures, approved by the Board of Directors on 29 September 2015. These documents were revised on 28 June 2020 in accordance with the 2017 COSO ERM Framework.

They set out the company's general protocols for controlling and managing all forms of external or internal risk to which Logista may be exposed, at any point in time, in the pursuit of its objectives:



The Policy's overarching objective is to support the Board of Directors and management teams in their efforts to optimise the Group's results and ultimately enhance its capacity to create, sustain and realise value.

It applies to every business area, department and country of operation (Spain, France, Italy, Portugal and Poland), thus providing a global overview of all risks that the Group may encounter.

In particular:



Identifying and managing risk across the Group.

Obtaining reasonable assurance that the Group's objectives can be met.

Participating in and supporting decision-making processes.

Determining risk profile and appetite.

Establishing a common language and methodology with respect to risks.

Facilitating efficient resource allocation.

Ensuring the reliability of financial and non-financial information.

Setting guidelines for transparency and Good Corporate Governance.

Assigning responsibilities to participants.

Expanding the range of available opportunities.

GOVERNING RISK MANAGEMENT

The corporate bodies responsible for devising and implementing the Risk Control and Management System are as follows:

The Board of Directors

In accordance with its regulations, the Board of Directors has a non-delegable duty to approve all of the Group's overarching policies and strategies, including the risk control and management policy (which extends to fiscal risks), and to oversee all internal information and control mechanisms, particularly those that handle financial information.

The Audit and Control Committee

The Audit and Control Committee's regulations establish its role in overseeing risk control and management, reviewing the efficacy of the Company's risk management systems and supervising the risk control and management unit.

Internal Control Committee

One of this Committee's essential roles is to lead and coordinate the annual update of the Group's risk map and submit it for approval to the relevant bodies.

Internal Audit Department

The Internal Audit Department is responsible for determining the Group's processes and criteria for Risk Management, producing and periodically updating its Risk Map and submitting regular reports to the Audit and Control Committee, which in turn conveys them to the Board. These reports are intended to highlight any emerging risks or new developments pertaining to identified risks and to provide information on the progress of approved action plans and the general performance of the Group's Risk Management System. They should also identify any materialised risks.

Process Officers

This includes all employees responsible for the design and development of the process and for identifying any risks or opportunities it may encounter. Their role is to identify Procedural Risks and the Internal Control Actions to be carried out in order to prevent or mitigate them. They are also required to track the progress of these actions and to provide support and information to the Internal Control Coordinators.

Internal Control Coordinators

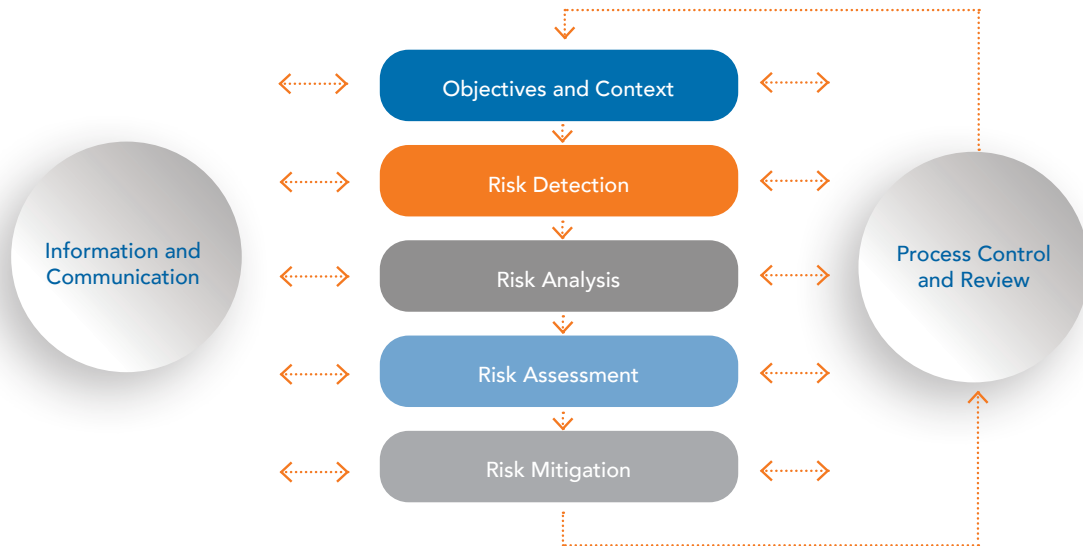
The Internal Control Coordinators are responsible for advancing the adoption, development and coordination of the Internal Control System. As a general rule, this role is allocated to financial managers in charge of business areas or departments.

Control Officers

Control Officers carry out the Control Activities defined in the Internal Control System, reporting to the Process Officer. Where applicable, they should suggest improvements and corrective action aimed at enhancing the design and efficacy of Control Activities. They are required to follow the relevant Risk Management guidelines at all times.

Process for identifying, evaluating and mitigating risks

Logista's risk management process is based on the following framework:



Objectives and Context

Logista determines its strategic objectives and operational scope, both internally and externally, with due regard to stakeholder interests. In turn, this perspective has an influence on its risk management approach. The Company also defines its risk appetite, i.e. the level of risk it is willing to accept in the course of its activities. Broadly speaking, risk appetite is categorised as follows:

LOW
risk
tolerance
profile



- Logista seeks to comply with all laws, regulations, standards and tax rules to which it is subject.

MODERATE
risk
tolerance
profile



- Towards risks that do not threaten the Group's capacity to:
 - achieve its strategic objectives while limiting uncertainty;
 - maintain the strongest possible shareholder guarantee;
 - protect its results and reputation;
 - defend the interests of its shareholders, clients and manufacturers.

HIGHER
risk
tolerance
profile



- Towards plausible technological risks, given that the Group's strategic objectives include providing logistics services with high added value and, therefore, involving advanced technological solutions.

These baselines for risk appetite are a tool for achieving the optimum balance between risk and opportunity.

Risk Detection

Risk detection refers to the identification of future events that could potentially pose a threat to the Group's objectives, whether through interviews or self-assessment questionnaires.

Risk Assessment

During this stage, the severity of each risk is assessed in order to prioritise those of greatest concern. The criteria used to explore potential impacts on the Group are: regulatory compliance, economic/financial, health and safety, operations, reputation and strategic context.

A parallel assessment looks at the mitigation measures adopted by the Group in response to the identified risks, to derive what is referred to as the "residual risk". This exercise also evaluates the speed with which the risk could potentially materialise, which determines its ranking in the overall risk appetite framework.

Risk Analysis

All risks must be recorded in such a way that they can be readily understood and, especially, used to facilitate decision-making. Each risk should be defined by reference to its causes and contributing factors, as well as the consequences for the Group were it to materialise.



Risk Mitigation

The Group's response to the risk is analysed and categorised according to the following response types:

- **Eliminate:** take all possible measures to negate the likelihood of the risk occurring and/or its impact, so that the risk effectively disappears or is eliminated.
- **Mitigate:** take any necessary action to lessen the potential consequences should the risk materialise.
- **Transfer:** assign the consequences associated with the risk, should it materialise, to a third party.
- **Accept:** take no action, absorbing the potential consequences should the risk materialise.
- **Pursue:** accept a greater degree of risk where offset by a potential performance gain. When choosing to pursue a risk, managers must understand the nature and scope of any changes required to achieve the desired performance gain without exceeding the acceptable limits of tolerance.

Action plans should then be put in place.

Information and Communication

All actors implicated in the Group's Risk Management Model are required to store and manage relevant information through tools such as the Risk Register and the Risk Map. Twice a year, the Audit and Control Committee carries out a review of material risks, response strategies and mitigation plans, including those relating to fiscal matters, before approving and distributing the Group's Updated Risk Map. In the two quarters when this full review does not take place, the Audit and Control

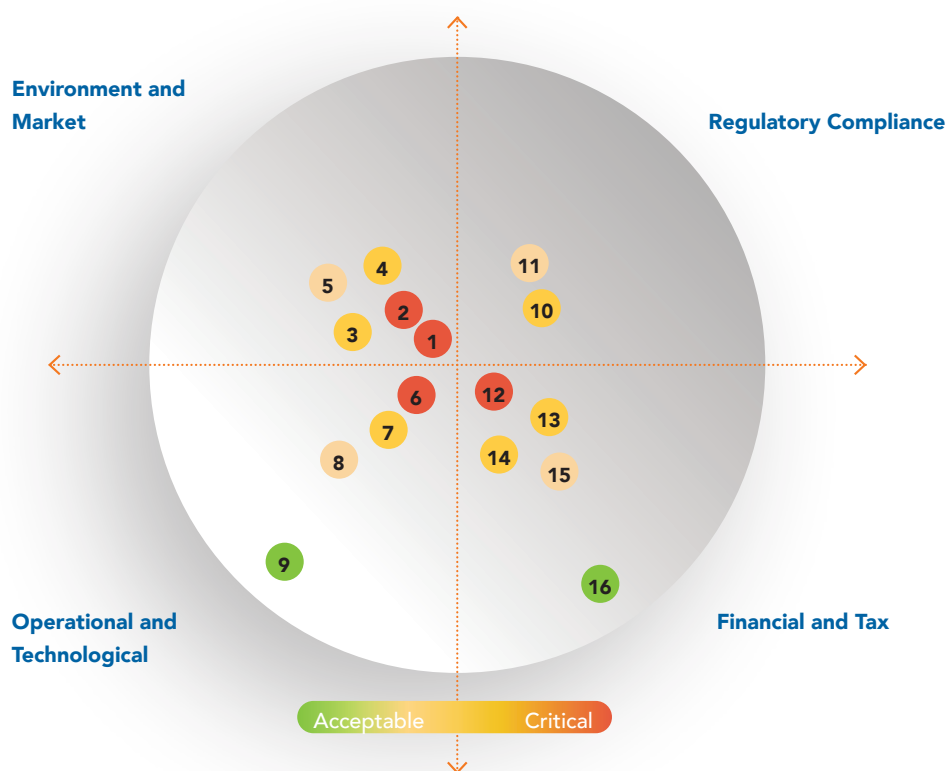
Committee is informed of the most significant developments in relation to material risks. This mechanism allows for the identification of new threats and for sufficient advance warning for effective Risk management. The Committee submits quarterly reports on its work in overseeing the Risk Control and Management System to the Board of Directors. In this way, the Group seeks to foster an appropriate setting and philosophy for risk management, through targeted communication with both the Audit and Control Committee and the Senior Management Team.

Oversight and Control of the Risk Management Process

The risk management process is continuously monitored and revised, with a particular focus on emerging risks, the ongoing development of known risks, obsolete risks and materialised risks.

Breakdown of material risks

The Corporate Risk Map (among other documents) identifies the following risks, which are categorised in accordance with the framework set out in the General Risk Management Policy:



| Type of risk | Description | Risk level | Response planning |
|--|--|------------|---|
| Environment and Market Risks | | | |
| 1 COVID-19 pandemic and its impacts | The current global context is dominated by the COVID-19 pandemic, which has been particularly severe in countries where Logista has the greatest presence. There has been a generalised decline in the macroeconomic outlook, particularly with respect to employment, consumer spending and economic growth, leading to a general recession that may have an impact on Logista's business operations. | Critical | In response to the circumstances created by the COVID-19 crisis, Logista has adapted its operational practices and revised its strategic and business plans. Corrective and contingency measures have been put in place and various steps taken to support business continuity. As a result, Logista has been able to continue operating while introducing a range of measures to protect its employees and partners. Further details on Logista's pandemic response measures can be found in the following sections: Creating Value for Shareholders and Investors (measures affecting shareholders and investors); Employee Development (plans implemented to protect employees) and Customer satisfaction (examples of new services developed in response to client needs during the pandemic). |

| Type of risk | Description | Risk level | Response planning |
|--|--|------------|---|
| <p>2</p> <p>Macro-economic, political and social environment and changing consumer habits</p> | <p>Various business activities within the geographical range of Logista's operations may be affected by changes in political, social and/or macroeconomic conditions, both at the global level and, in particular, in Spain, France, Italy, Portugal or Poland. The Group may become subject to new regulations or be affected by structural changes that reduce clients' purchasing power. Similarly, changes in consumer habits and patterns may have an impact on its business performance.</p> | Critical | <p>Logista continuously monitors the progression of its various business activities and any developments in the regulatory, social and political environment, adapting its strategy and objectives to changing conditions in its countries of operation.</p> |
| <p>3</p> <p>Market liberalisation</p> | <p>Moves to promote further market liberalisation in countries where Logista acts as an authorised distributor for tobacco products in the context of a state retail monopoly could have an impact on the Group's results if it fails to take certain measures, which have already been identified.</p> | Serious | <p>The consequences of market liberalisation in the Group's main target markets, where it acts as an authorised distributor for tobacco products in the context of a state retail monopoly, may adversely affect its profits. However, such effects would be mitigated by the Group's capacity to distribute tobacco through an extensive network of outlets and its pursuit of a diversification strategy.</p> |
| <p>4</p> <p>Accelerated decline in the tobacco market</p> | <p>In light of new anti-smoking policies adopted by national governments in target markets or at EU level, changes in consumer habits and significant hikes in taxes or retail prices, there is a risk that the tobacco market will shrink at a faster rate, while trade in counterfeit products will increase. The Group may not be in a position to compensate this loss through growth in other business areas, such as convenience products or pharmaceuticals.</p> | Serious | <p>Diversification plan, as established in Logista's strategic plan.</p> |
| <p>5</p> <p>The illicit tobacco trade</p> | <p>As a result of the economic crisis and a rise in unemployment, there is a risk that illicit trade in tobacco and counterfeit tobacco products will become significantly more prevalent. This could have an adverse effect on the volume of tobacco products distributed by Logista.</p> | Relevant | <p>Product traceability is now subject to more rigorous protocols, as required by Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014. This directive establishes stricter standards in relation to labelling, ingredients, traceability and cross-border sales, among other aspects, which could have a bearing on the volume of tobacco sold. All EU member states in which the Group operates have already transposed the Directive into their national legislation.</p> <p>Logista cooperates with national law enforcement and security forces to tackle illicit trade.</p> |
| <p>Operational and Technological Risks</p> | | | |
| <p>6</p> <p>Cybersecurity</p> | <p>Deliberate third-party attacks can undermine the operations of corporations and industries. The Group is exposed to various threats and vulnerabilities due to its highly digitalised systems and daily use of technology and information systems across its various business activities. This presents a risk to information security and to system continuity, and may lead to privacy breaches, information loss or the theft or fraudulent use of data.</p> | Critical | <p>The company has developed a Cybersecurity Plan, which should be regularly updated. This document sets out specific measures to counter these risks, such as external and internal intrusion testing, preventative digital monitoring and checks on the level of service delivered by providers contracted to manage and administer the Group's IT infrastructure.</p> |
| <p>7</p> <p>Risk of theft</p> | <p>Theft of tobacco from the Company's facilities or during transport may result in higher insurance premiums.</p> | Serious | <p>Adopting the most rigorous security standards possible and taking out Insurance Policies reduce both the likelihood of theft and the impact on tolerable risk levels.</p> |

| Type of risk | Description | Risk level | Response planning |
|--|---|------------|--|
| 8 Availability of information systems and business continuity | There is a risk that a shock event could paralyse the company's operations, or that the business continuity plans designed to ensure a timely and appropriate disaster response fail to make provisions for the continued availability of Information Systems and the level of service they routinely provide. | Relevant | Contingency plans should be in place and periodically tested to assess their effectiveness. The Group should continuously monitor the levels of service delivered by providers contracted to manage and administer its IT infrastructure. |
| 9 Environmental standards | There is growing client demand for services that meet certain environmental standards. In this respect, Logista has developed a Quality and Environment Master Plan and a Quality, Environment and Energy Efficiency Policy that establish guidelines and good practices for optimising the use of resources and preventing pollution throughout its business processes. Pursuant to the ISO 14064 standard, the Group calculates its carbon footprint using the methodology set out in the GHG Protocol. | Acceptable | Logista's efforts in this area have won recognition from several international bodies. CDP, for example, has included Logista in its prestigious "A List" as a global leader in the fight against climate change – the only European distribution company to have achieved this recognition in the last four years. |
| Regulatory Compliance Risks | | | |
| 10 Regulatory risk | The Group's business activities are subject to compliance with numerous laws and regulations, both general and sectoral. These may apply at the European, national, regional and local levels in any country of operation. This exposes the Group to risks arising from potential breaches, associated sanctions or legal claims and increased costs of verifying and controlling regulatory compliance. | Serious | Logista continuously monitors the regulatory and legislative environment for changes that may affect its activities, aiming to anticipate such changes as early as possible to allow for effective management. The Group has also produced an assortment of specific standards and procedures to govern its framework for action, in addition to criminal risk prevention models for each Group Company. These measures reflect a "zero-tolerance" approach to fraud and corruption. The Corporate Legal Advice Department coordinates a review of the Group's most significant contracts to ensure strict legal compliance. |
| 11 Legal Action | In the normal course of its business, Logista may become involved in legal disputes, either as the claimant or as the defendant. These may arise from differences in the interpretation of laws, regulations or contracts or from the bringing of legal actions, the outcomes of which are uncertain by nature. | Relevant | Establishment of specific standards and procedures to govern the Group's framework for action, in addition to criminal risk prevention models for each Group Company. Legal defence and procedures for managing and monitoring legal actions, with external expert advice as appropriate. |

| Type of risk | Description | Risk level | Response planning |
|--|---|------------|--|
| Financial and Tax Risks | | | |
| <p>12</p> <p>Changes to the Group's payment cycles or to fiscal policy</p> | <p>Like any other wholesale business, Logista's purchasing and revenue cycles are staggered. This means that outgoings to tobacco manufacturers and incomings from retail outlets may not always be in balance. Moreover, Logista's tax obligations must be settled according to a different cycle again.</p> <p>Changes to the tax payment cycle or significant tax rises (in VAT or excise duties, for example) could have a negative impact on the business by weakening the financial outlook, thus affecting the Group's operating profit and cash management.</p> | Critical | <p>Changes to the Group's payment cycles could force it to seek external financing in order to meet its obligations.</p> <p>The Group is in the process of developing more robust mechanisms for debt collection, with a view to shortening collection periods in markets most vulnerable to an economic slowdown and business areas most exposed to client credit risk. In addition, it is lowering the credit limits extended, monitoring credit lines more closely and seeking bank guarantees.</p> |
| <p>13</p> <p>Annual accounts subject to audits and inspections</p> | <p>The Group's primary activity is the distribution of tobacco, and as such it is subject to a specific fiscal model that can be complex due to its extensive geographical presence. In this respect, the Group has various tax disputes pending resolution requiring value judgements as to the probability of being obliged to settle certain liabilities. Logista has made provisions for these risks based on expert legal advice and the potential for transferring them to third parties.</p> <p>In accordance with current legislation, tax assessments are not considered definitive until the filed returns have been inspected by the tax authorities or the four-year inspection period has lapsed. Currently, the Group's returns from a number of financial years are subject to inspection with respect to certain taxes.</p> | Serious | <p>In discharging its fiscal obligations, the Company advocates strict compliance with all applicable tax requirements. It adopts a centralised approach to monitoring and verification, ensuring that all fiscal obligations across the Group are met. To this end, it draws on support from highly reputable tax advisors and law firms when preparing its tax reports and settling taxes owed. Such advice is also sought in the event of any special transactions and when mounting a legal defence of the Group's position, should this be necessary.</p> |
| <p>14</p> <p>Fair value impairment losses on assets, investments, goodwill and asset provisions</p> | <p>One of the Finance Department's basic objectives is to preserve the value of the Group's assets in every business unit and country of operation. It does this by analysing and preventing risks and optimising the management of the main claims. Nevertheless, there is a risk that the fair value of assets may deteriorate, particularly with respect to the carrying value of goodwill, which is high. This is because the Group has a significant volume of assets and investments that have a substantial impact on its income statement.</p> | Serious | <p>The Finance Department analyses potential accidental risks to which Logista may be exposed, both in its asset holdings and in the course of its business activities. Accordingly, it ensures that external insurance policies are in place as appropriate and commissions real estate asset valuations. With respect to the high carrying value of goodwill, the Group carries out impairment testing in accordance with International Accounting Standards.</p> |
| <p>15</p> <p>Insolvency and default risk</p> | <p>When dealing with clients in the ordinary course of its operations, Logista is exposed to commercial credit risk.</p> | Relevant | <p>The Group seeks to minimise insolvency and default risk by setting credit limits and imposing strict conditions with respect to collection periods. As the Group's main clients are licenced tobacconists, this commercial risk is spread over a large number of clients with fairly short collection periods. Consequently, the Group's exposure to third-party credit risk is not particularly significant. Where deemed necessary, Insurance Policies are in place to mitigate the impact of defaults on payments, although, historically, default rates in geographical regions where the Group operates have been consistently very low.</p> |

| Type of risk | Description | Risk level | Response planning |
|--|---|------------|---|
| <p>16</p> <p>Credit, liquidity and exchange rate risk</p> | <p>It is the Group's general practice to use only institutions with a high credit rating when depositing cash reserves and equivalent liquid assets. Furthermore, the Group's exposure to credit and counterparty risk is shared with Imperial Brands through cash transfer agreements.</p> <p>With regard to liquidity risk, the Group has sufficient reserves of cash and equivalent assets to cover payments arising in the normal course of its business activities.</p> <p>As far as interest rate risk is concerned, in light of the Group's low levels of financial debt, the Parent Company's Senior Management Team does not consider that a sudden rise in interest rates would result in a significant impact on the accompanying consolidated annual accounts.</p> <p>Meanwhile, the exposure of the Group's equity and income statement to future changes in prevailing interest rates is relatively slight, since so few of its transactions are carried out in currencies other than the Euro.</p> | Acceptable | If necessary, the Group has a number of credit lines available to it. |

Opportunities of risk management

Logista's risk management system supports a comprehensive analysis of the Group's business environment (its relationships and other factors with a bearing on current or future strategy or on company objectives). In turn, this has allowed the following opportunities to be identified:



Development of other business areas- The shrinking tobacco market

Logista's growth strategy depends, among other factors, on its ability to expand its core business by further developing its distribution networks for consumer goods and pharmaceuticals. This strategy will allow the Group to address one of the risks to which it is exposed, namely, the steady fall in tobacco consumption in developed countries.

Certain market trends observed in these sectors present opportunities for sustainable and profitable growth. These include the growing importance of local distribution networks for consumer goods, the significant increase in the volume of pharmaceuticals dispensed by hospital pharmacies, the relative rise in demand for OTC and personal care products in pharmacies and the shift towards e-commerce, with the associated transportation needs. This is one of Logista's four strategic objectives.



Competitive advantage in the regulatory environment

Due to the regulatory context in the tobacco and pharmaceutical sectors, there are increasingly exhaustive checks on the distribution of those products, and companies therefore need to be able to comply with those requirements if they wish to continue operating in the future. Logista not only conforms to these requirements, but endeavours to anticipate them by offering new services in each of its distribution sectors. The Group also has the benefit of significant financial capacity and extensive market experience, which helps foster client loyalty and presents a barrier to entry for new competitors – due to, for example, the high investment costs associated with conforming to regulatory requirements.



Next-Generation Products

New tobacco products are emerging, with many more choices available to consumers than just a few years ago. The Group offers manufacturers the fastest and most effective route to consumers in southern Europe, thanks to its extensive presence in each of its national markets and its expert market knowledge.

Logista actively participates in and supports the strategic transformation of the sector by offering consumers alternatives to traditional tobacco products, potentially with fewer health impacts.

In its capacity as the preferred distribution partner for these kinds of products, the Group also works to foster a responsible approach to how they are sold.

5

Creating value for shareholders and investors

Logista maintains a commitment to creating short, medium and long-term value for its shareholders and investors.

To do this, it safeguards business profits, managing financial and non-financial risks carefully and responsibly, while maintaining open and transparent dialogue with shareholders, investors and financial analysts as one of the foundations for long-term sustainability.

Logista's Information and Communications Policy concerning shareholders, the securities markets and public opinion stipulates the company's information, communication and contact tools, and outlines the criteria for action when communicating with and contacting shareholders, analysts and large investors.

Logista manages the relationship with shareholders and the wider financial community through the Investor Relations department, with a commitment to maximum information transparency and a steadfast adherence to the relevant legislation.

Logista therefore offers the investor community key information about the Company in relation to its strategy, activities and results, through the information published on its website, and through meetings, person-to-person contacts, participation in conferences and seminars, etc.

Since March 2020, due to the COVID-19 pandemic, our 'roadshows' and participation in conferences and seminars have been virtual; and person-to-person contacts have primarily been via telephone instead of in person. From June 2020, we began to hold face-to-face contacts with any investors requesting such a meeting, although the majority of communications have continued to be by telephone or online.

Dividends allocated to the 2020 financial year

€1.18
PER SHARE

+ 9.8% CAGR
2015-2020

Earnings per share

€1.19
PER SHARE

+ 7.7% CAGR
2015-2020

Firms covering Logista

12

Strong buy recommendation

1

Buy recommendations

11

No hold and sell recommendations

Median target price

> €23

Price-sensitive and other key information reported to the Spanish Securities Market Commission (CNMV) in 2020

Press release announcing results for Q3 2020
Announcement of results for Q3 2020
Distribution of dividends

Agreements approved by the Ordinary General Shareholders' Meeting on 24 March 2020
Supplementary notice of call to the Ordinary General Shareholders' Meeting: Confirmation of the Meeting
Supplementary notice of call to the Ordinary General Shareholders' Meeting

Share buyback (days 07, 13, 20, 28)
Press release announcing results for Q1 2020
Announcement of results for Q1 2020

Appointment of Director
Press release announcing results for the 2019 financial year
Presentation of results for the 2019 financial year
Announcement of results for the 2019 financial year

**JUL.
2020**

**MAR.
2020**

**JAN.
2020**

**NOV.
2019**

**SEP.
2020**

Modification of the Board of Directors Regulations
Extension of share buyback programme
Appointment of Director
Death of Director

**APR.
2020**

Press release announcing results for H1 2020
Presentation of results for H1 2020
Announcement of results for H1 2020
New Internal Code of Conduct on matters relating to the securities market
Notice of audio webcast announcing H1 2020 results

**FEB.
2020**

Notice of General Shareholders' Meeting
Notice of next General Shareholders' Meeting and Proposal of new Directors

**DEC.
2019**

Share buyback (days 18 and 26)
Composition of the Board of Directors

**OCT.
2019**

Appointment of the first managing director of Logista
CEO Announcement
Notice of presentation of the results for the 2019 financial year

There were no Inside Information communications during the financial year.

Investor calendar:

28 August 2020: Interim dividend 2020 (€0.39/share)
22 July 2020: Announcement of Q3 2020 results (Oct-Jun)
29 April 2020: Announcement of H1 2020 results (Oct-Mar)
27 March 2020: Additional dividend 2019 (€0.81/share)
24 March 2020: General Shareholders' Meeting
29 January 2020: Announcement of Q1 2020 results (Oct-Dec)
5 November 2019: Announcement of 2019 financial year results

The Group's Information and Communications Policy concerning shareholders, the securities markets and public opinion also governs the information Logista provides to the media on the Group's results and business performance, on the signing of contracts, and on any other aspect considered relevant to the Group.

Logista and the Stock Market

Logista is listed on the Madrid Stock Exchange General Index, and the IBEX Top Dividend, which lists the 25 securities with the greatest dividend yield from those included in the IBEX 35, IBEX Medium Cap and IBEX Small Cap indexes, provided they demonstrate a history of payment of ordinary dividends for at least two years. It is also listed on the IBEX Medium Cap (the index listing the 20 largest securities after those listed on the IBEX 35 by market capitalisation adjusted for free float, provided the annualised turnover of securities on their free float is greater than 15%) and the FTSE4Good index, which lists companies that demonstrate sound environmental, social and corporate governance practices.

Since the 2014 financial year-end, the year in which the company was listed once again, Logista has maintained its value (+0.2% annually average appreciation), compared to an average annual decline of 8.2%, 4.5% and 4.8% on the Madrid Stock Exchange General Index, IBEX Top Dividend and IBEX Medium Cap respectively over the same period. At the 2020 financial year-end, the Logista share price stood at €14.6.

Dividends

Logista's dividends policy, subject to approval by the General Shareholders' Meeting, consists of distributing a payout of at least 90% of the Consolidated Net Annual Profit.

Logista therefore paid an interim dividend of 0.39 euros per share on 28 August 2020, allocated to the 2020 results and, in addition, the Company's Board of Directors intends to propose to the General Shareholders' Meeting distributing an additional dividend of 0.79 euros per share, to be paid at the end of Q2 2021.

The total dividend allocated to the 2020 financial year will therefore be 1.18 euros per share, same amount as that distributed in dividend allocated to the previous financial year, and representing a payout of 99.2%.

LOGISTA'S HISTORICAL SHARE DATA

| | 2014* | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------------|------------|------------|------------|------------|------------|------------|
| Capitalisation at financial year-end (€ million) | 1,911.6 | 2,238.2 | 2,636.4 | 2,700.8 | 2,936.4 | 2,373.6 | 1,938.2 |
| Closing price (€) | 14.4 | 16.9 | 19.9 | 20.3 | 22.1 | 17.9 | 14.6 |
| Maximum price (€) | 14.4 | 20.2 | 21.6 | 24.2 | 23.7 | 22.8 | 21.3 |
| Minimum price (€) | 13.0 | 12.9 | 16.7 | 19.2 | 17.2 | 17.7 | 12.9 |
| Total Volume (shares) | 24,614,887 | 60,184,153 | 40,296,050 | 35,104,389 | 65,615,281 | 41,954,961 | 41,772,377 |
| Average daily volume (shares) | 431,840 | 236,016 | 156,186 | 137,127 | 258,327 | 164,529 | 163,173 |
| Turnover (% of share capital) | 18.5% | 45.3% | 30.4% | 26.4% | 49.4% | 31.6% | 31.5% |

*Since 14 July 2014: initial listing. Source: Bloomberg

At the 2020 financial year-end, the Logista share price stood at

€14.6

Total dividend allocated to the 2020 financial year

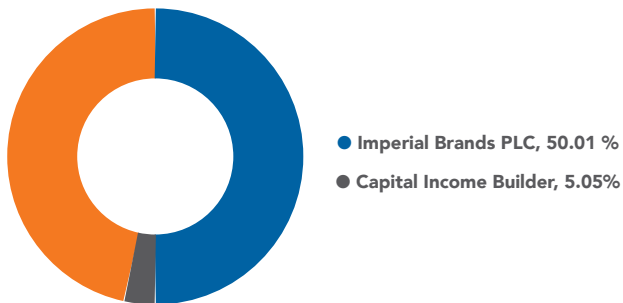
€1.18
PER SHARE

Capital structure

All Logista's shares belong to a single class and series with identical rights.

At the 2020 financial year-end, Logista had 522,273 treasury shares, to meet the share distribution commitments resulting from the Company's incentives plans.

SIGNIFICANT SHAREHOLDINGS TO 30 SEPTEMBER 2020



During the 2020 financial year, the most significant changes in the shareholder structure was the 5% increase in Capital Income Builder's ownership interest, and the 3% drop in the ownership interests of BlackRock, Santander Asset Management SA SCIIC and Allianz Global Investors GmbH.

Equal treatment

Every shareholder has the same rights, on an equal and equitable basis.

Logista encourages shareholders to participate in the General Shareholders' Meeting, the Company's highest body and fundamental forum for shareholders to take part in decision-making and share their opinions and concerns with the Board of Directors and other shareholders.

All Logista shareholders are entitled to attend the General Shareholders' Meeting on an equal and equitable basis, irrespective of the number of shares they own.

Logista provides all shareholders with information about the holding of the General Meeting on the Company website (www.logista.com), with access to the electronic forum for participation.

On this occasion, following recommendations from the competent authorities, in light of the situation caused by the pandemic, for the March 2020 General Shareholders' Meeting Logista recommended that shareholders and investors exercise their voting right using the remote voting tools it provided, namely postal voting and electronic voting.

In addition, and to enable the proceeds of the Meeting to be followed remotely by all shareholders, Logista broadcast the meeting live for the first time, through a webcast available at www.logista.com.

CAPITAL STRUCTURE

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| No. of Shares | 132,750,000 | 132,750,000 | 132,750,000 | 132,750,000 | 132,750,000 | 132,750,000 | 132,750,000 |
| Share Capital | 26,550,550 | 26,550,550 | 26,550,550 | 26,550,550 | 26,550,550 | 26,550,550 | 26,550,550 |
| Par Value | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Treasury Shares | - | 40,614 | 275,614 | 391,432 | 425,496 | 486,013 | 522,273 |
| Treasury Shares as % of share capital | - | 0.03% | 0.21% | 0.29% | 0.32% | 0.37% | 0.39% |

6

Employee development

Logista regards its professionals and colleagues as a crucial and fundamental factor for achieving its objectives and generating value in the short, medium and long term. Respect, initiative, commitment and professionalism are the values that govern the conduct of both the 5,839 employees of more than 50 nationalities who work for the Group and the professionals who regularly work with Logista.



During the 2020 financial year, Logista continued to implement its 2018–2020 Human Resources Master Plan. This plan outlines the HR strategy based on the Group's objectives and the objectives of each of its businesses and boosts its efficiency and impact on those businesses and their employees.

This Human Resources Master Plan has four constituent parts:

- **The HR Roadmap:** sets out the Human Resources priorities, based on the objectives of the Group and of each of its businesses.
- **The Balanced Scorecard/BSC:** measures the degree of achievement in the HR Roadmap targets, decision-making and in the setting of action plans based on key human resources management metrics.
- **Centres of Excellence:** offer specialised services in recruitment, development, pay, employee communication, industrial relations and health and safety at work.
- **Shared Services Centres:** designed to boost the standardisation and efficiency of processes and systems, and the management of Big Data for the identification of potential areas for improvement, whether descriptive or predictive.

Logista manages talent with a view to achieving objectives and generating value in the short, medium and long term. During the 2020 financial year, with the aim of boosting efficiency in attracting and retaining talent in the Group, the Centre of Excellence for Recruitment continued to introduce of tried-and-tested competitive tools, as well as improve its processes and efficiency through the use of metrics analysis and by hiring experts, to attract and recruit the best candidates to the Group. Examples that stand out include the implementation of team management policies, participation in the main forums of business schools, universities and careers fairs in each country, the improvement and strengthening of selection procedure tools, the recruitment of junior roles through the 'Youners' project – with the aim that they develop their career at the Group – and plans for welcoming and integrating new employees.

Another Logista objective relating to its employees is the implementation of market-competitive remuneration and social benefit conditions, both individually and globally. To achieve this, the Group has a global pay policy and a series of local policies on social benefits in order to recruit and retain the finest professionals. The Group also produces market research and internal equity and external competitiveness studies (benchmarks) which facilitate decision-making and the management of teams in the various departments.

The main risk that Logista has detected in relation to social and staff issues is the retention of key staff and the ability to match personnel to posts (particularly in critical positions), since the loss of key staff and gaps in their training could increase the risk of the duties of that post not being adequately carried out.

Main mechanisms for talent management:

- Procedures to identify key employees who need to be retained, and the application of policies which encourage them to stay.
- Implementation of processes that identify critical posts and ensure efficient management of the people in them, ensuring robust succession plans for those positions.
- Review of development opportunities and adapting pay packages to the duties and skills of key employees to be retained.
- Implementation of a flexible Human Resources structure, for agility in adapting to the needs of the business.
- Globalised management of Human Resources that unifies the criteria applied in the different subsidiaries.
- Knowledge exchange initiatives between the different Human Resources areas, in order to increase the internal exchange of best practices: training initiatives on the management of the Company's governance code, training in pay and benefits, among other actions.

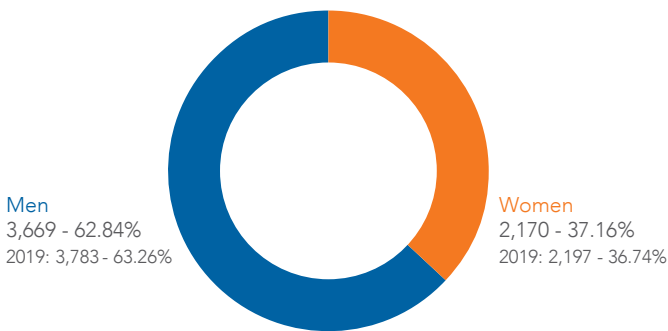


Employment

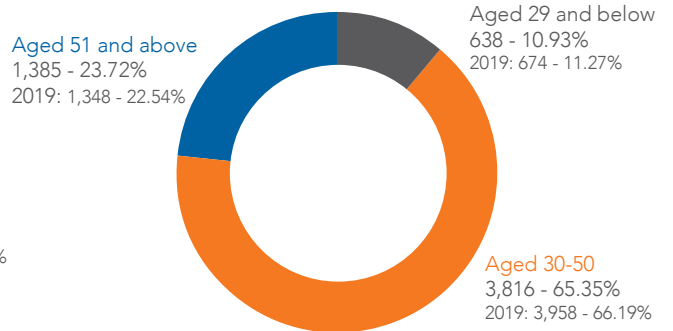
DISTRIBUTION OF EMPLOYEES BY GENDER, AGE, NATIONALITY AND ROLE



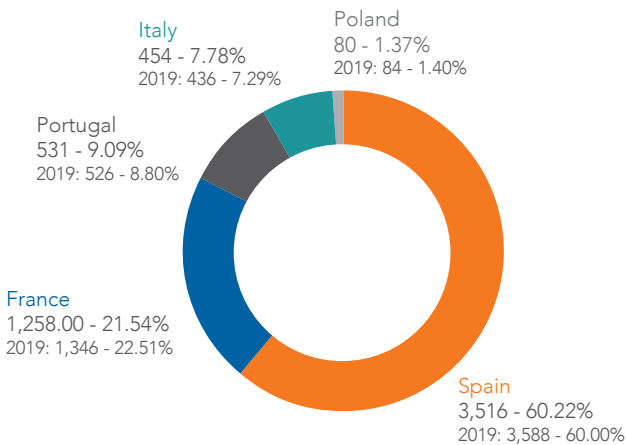
Employees by gender



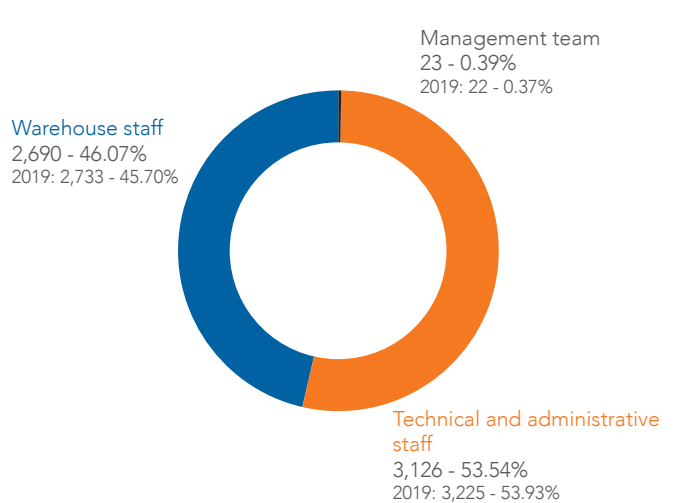
Employees by age



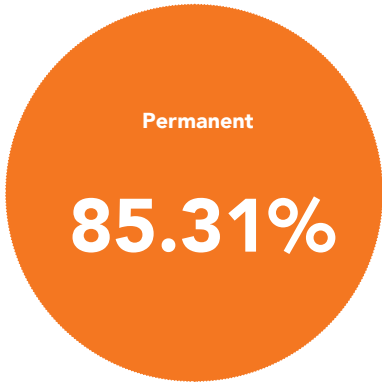
Employees by nationality



Employees by role

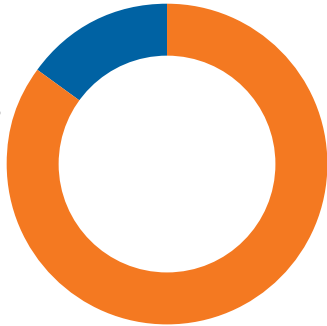


TOTAL NUMBER AND DISTRIBUTION OF WORK CONTRACT TYPES

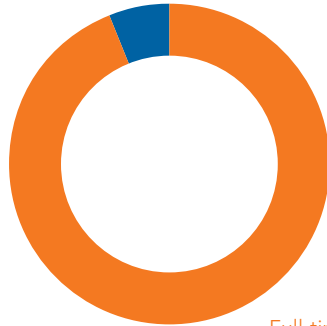


Distribution of work contract types

Temporary
858 - 14.69%
2019: 995 - 16.64%



Part-time
396 - 6.78%
2019: 144 - 2.41%



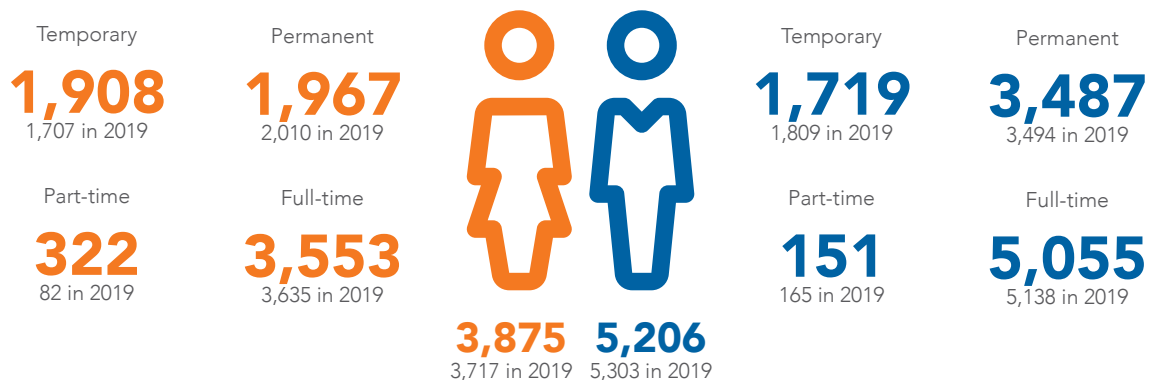
Permanent
4,981 - 85.31%
2019: 4,985 - 83.36%

Full-time
5,443 - 93.22%
2019: 5,836 - 97.59%

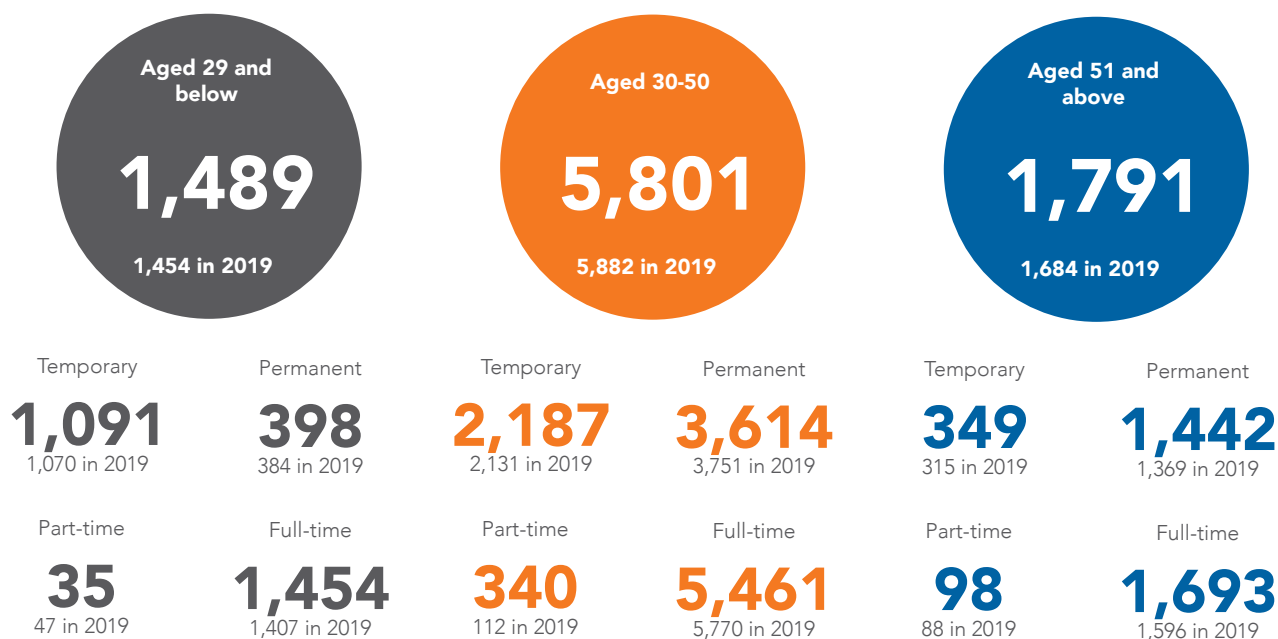
Logista fosters a long-term employment relationship with its employees in a working environment with high levels of motivation and job satisfaction.

ANNUAL AVERAGE OF CONTRACTS BY CONTRACT TYPE, GENDER, AGE AND ROLE

Annual average of contracts by gender



Annual average of contracts by age



Annual average of contracts by role



Temporary

0

0 in 2019

Permanent

27

23 in 2019

Temporary

661

799 in 2019

Permanent

3,119

3,212 in 2019

Temporary

2,966

2,717 in 2019

Permanent

2,308

2,269 in 2019

Part-time

0

0 in 2019

Full-time

27

23 in 2019

Part-time

228

80 in 2019

Full-time

3,552

3,931 in 2019

Part-time

245

167 in 2019

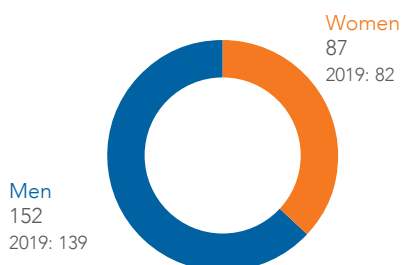
Full-time

5,029

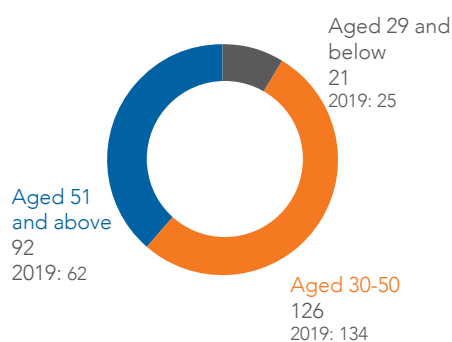
4,819 in 2019

NUMBER OF DISMISSALS BY GENDER, AGE AND ROLE

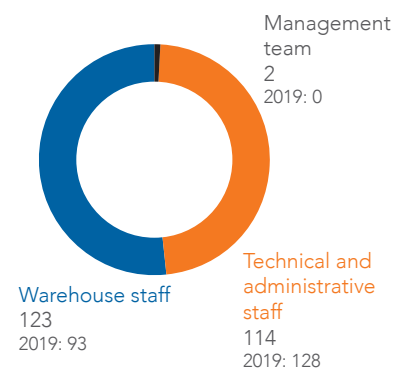
Dismissals by gender



Dismissals by age

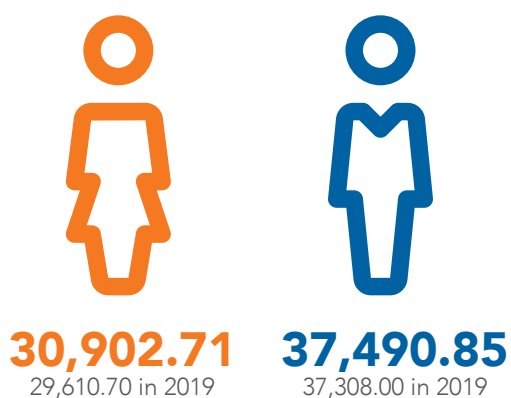


Dismissals by role

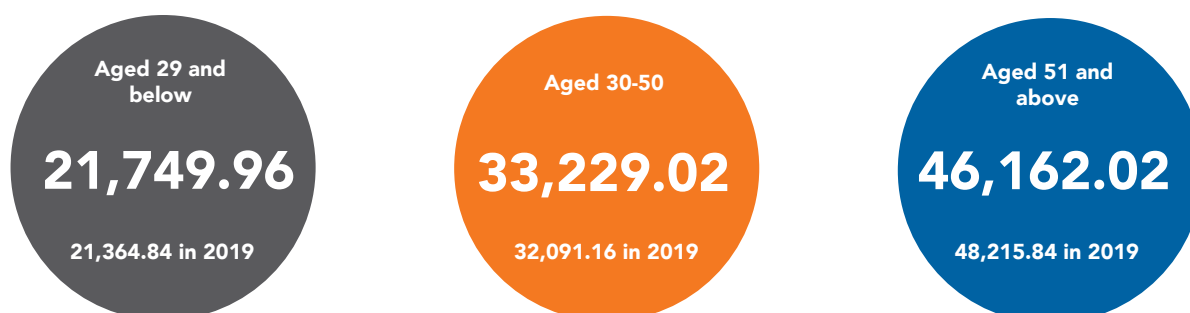


AVERAGE PAY* AND ITS EVOLUTION BY GENDER, AGE AND ROLE

Average remuneration by gender (€)



Average remuneration by age (€)



| Average remuneration by role | 2020 | 2019 |
|------------------------------------|------------|------------|
| Management team | 372,202.56 | 532,056.68 |
| Technical and administrative staff | 39,211.03 | 38,113.88 |
| Warehouse staff | 27,315.42 | 26,234.79 |

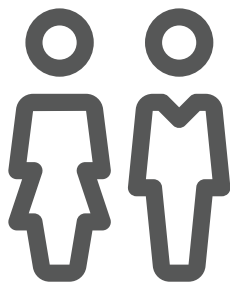
| Average pay of Directors by gender (€) | 2020 | 2019 |
|--|---------|---------|
| Men | 134,004 | 179,653 |
| Women | 78,056 | 111,467 |

| Average pay of Management team by gender (€) | 2020 | 2019 |
|--|---------|---------|
| Men | 405,879 | 562,839 |
| Women | 212,239 | 224,230 |

*Remuneration actually paid during the financial year

Gender pay gap

To analyse the gender pay gap, understood as the difference in pay between positions involving equal or similar duties and responsibilities, income from work received for the following items (remuneration actually paid during the financial year) has been taken into account: variable pay, allowances, benefits, contributions to long-term saving plans and any other payment received by the Group's entire organisational structure or hierarchical level, including Directors and Managers.



82.43%

79.37% in 2019

According to the information in the above table on gender pay gap at the Group, the salary of women appears to be 17.57% below that of men. However, it should be borne in mind that this difference reduces significantly in Warehouse staff positions, to 9.94%. This is due to the seniority salary supplement.

The Management team of the Company, taken as a whole, include Managers responsible for different departments and the Managing Directors of the countries and business areas. As part of the Management team, there is the Management Committee, composed -currently made up of 9 members, - to which two women have joined during this financial year, representing 22% of the same.

In 2020, Logista increased the number of women on the Board of Directors and on the Management Committee in line with supporting equality.

On the Board of Directors, 5 of the 12 members of the Board are women, i.e. 42%.

The average pay of directors includes remuneration commensurate with their duties and responsibilities as directors. The five proprietary directors do not receive any pay for their duties and responsibilities as directors and are therefore not included in the calculation of the average.

The average pay of male directors increases with respect to average pay of women directors, mainly, due to including the pay of the Chairman of the Board, which is higher due to his roles and responsibilities as Chairman.

The remuneration of Directors is included in greater detail in the 2019–2020 Annual Report on Director Remuneration.

In 2020, Logista increased the number of women on the Board of Directors and on the Management Committee in line with supporting equality.

Introduction of policies on the right to disconnect from work (digital disconnection)

On 7 December 2018, Spain's Organic Law 3 of 5 December 2018 came into force on data protection and on guaranteeing digital rights. Article 88 of this law governs the right of working people to disconnect from their digital devices outside their working day.

As a consequence of this Organic Law, a new article, Article 20a, was added to Spain's Workers' Statute, with the following wording:

'Workers have the right to privacy in the use of digital devices made available to them by their employer, the right to disconnect from their digital devices and the right to privacy in respect of the use of video-surveillance and geolocation systems, in accordance with prevailing legislation on the protection of personal data and the guarantee of digital rights'.

In line with these new regulations, Logista has developed a new policy on employees' rights to digital disconnection that will ensure this law is implemented. This policy is currently being implemented.



Organisation of work

Logista offers various options for the organisation of working hours, offering its employees the opportunity to request reduced working days and offering flexibility around the time they arrive at or leave the office. The aim of this is to reduce time spent commuting and improve employees' work-life balance, while also encouraging a long-term employment relationship in a stable and motivating work environment.

Notable measures adopted include: flexible working hours, compressed hours during summer months and the Christmas and Easter periods, reduced workdays with unbroken hours in legal guardianship circumstances, reduced working days and extended leaves of absence to care for a minor or a relative.

Due to the exceptional circumstances experienced this year due to COVID-19, the organisation of work has been adapted to this situation. The majority of the Group's activities have been classed as Essential Businesses, which has meant that warehouse workers have continued to carry out their duties in person, having at all times demonstrated a high commitment to ensuring service provision during the pandemic. Office employees have worked remotely, provided this is compatible with their duties.

Once the state of emergency ended, the Company carried out a phased return of its employees to offices, adopting the necessary measures to ensure employee safety vis-à-vis COVID-19.

Number of hours of absenteeism

Logista monitors the level of absenteeism on an ongoing basis, looking at absences from work due to sickness and accident with an impact for social security purposes. During the 2020 financial year, there were 623,339 hours of absenteeism, compared with 491,883.60 hours in the previous year. Absenteeism therefore increased by 26.7% during 2020 due to the pandemic experienced since March 2020.



Health and safety

Logista regards the health, safety and well-being of its employees as fundamental for the Group and is committed to providing a safe and secure working environment. The Centre for Excellence in Health, Safety and Well-Being focuses on the following core objectives:

- To achieve a gradual reduction in accident rates in the Group's businesses.
- To continue improving safety conditions and making work sites increasingly healthy.
- To promote a culture of excellence in terms of the safety, health and well-being of employees in the Group.

The Group has continued to consolidate its OHSAS 18001:2007 certification, the international standard for preventing risks in the workplace.

As such, its OHSAS 18001:2007 certifications are reviewed annually: 2007 for Logista Pharma, Nacex, Integra2, Logesta and Logista Libros in Spain. In Italy, Logista Italia, and the work sites at Bologna and Crespellano have this certification (OHSAS 18001:2007). In Portugal, the

certification of all the businesses and the site in Alcochete (Lisbon), have been reviewed. In Poland, the certification obtained by Logista Polska was reviewed two years ago.

In 2020, the Group's health and safety organisation had to focus all its efforts on managing the pandemic caused by COVID-19. An evaluation of the risk of COVID-19 infection was conducted at the Company, and preventive and protective measures have been established in the following areas:

- Organisational
- Collective protection
- Individual protection
- Especially vulnerable workers
- Case and contact tracing and management

The main health and safety indicators are as follows:

| 2020 | Total | Men | Women |
|----------------------------------|-------|-------|-------|
| Accidents | 125 | 87 | 38 |
| Frequency index | 11.84 | 13.12 | 9.69 |
| Severity index | 0.34 | 0.35 | 0.32 |
| Confirmed occupational illnesses | 0 | 0 | 0 |
| Lost Time Accidents Rate | 2.37 | 2.62 | 1.94 |

| 2019 | Total | Men | Women |
|----------------------------------|-------|-------|-------|
| Accidents | 121 | 88 | 33 |
| Frequency index | 11.83 | 13.65 | 8.74 |
| Severity index | 0.26 | 0.33 | 0.15 |
| Confirmed occupational illnesses | 0 | 0 | 0 |

Social relationships

Employees covered by collective bargaining agreements

Logista fully respects the working conditions established in the Collective Bargaining Agreements applicable to its companies. During the 2020 financial year, as in 2019, 99% of Logista's employees, all Group's Companies except those located in Poland, are covered by Sectoral or own Collective Agreements that improve the working conditions of their employees.



For information about channels of communication, consult the **Business model** section

Training

Logista promotes the management of talent and the professional development of its employees, with training being one of the most important aspects.

Logista bases its individual employee development plans on the 3Es model: Experience (70%), Exposure (20%) and Education (10%).

Logista is also committed to ensuring employees can easily move between roles and geographical locations, to boost their professional development. Several employees were selected during the year to be temporarily assigned to projects in other businesses and countries of the Group, and began new postings abroad in order to increase the international experience and cross-cutting vision of Logista's different businesses and areas, while also contributing to the homogenisation of the Group's policies, processes and procedures.

In addition, the Centre for Excellence in Development also rolled out other projects during the year, such as increasing talent (Talent Density) in the Group's critical positions, as well as strengthening succession plans for those positions, implementing individual action plans that incorporate different initiatives in terms of project allocation, development and pay; and not forgetting the 'Youners' Project referred to above.

| Total hours of training by role | 2020 | 2019 |
|------------------------------------|--------|--------|
| Management team | 187 | 304 |
| Technical and administrative staff | 27,318 | 42,542 |
| Warehouse staff | 9,590 | 18,986 |

Policies implemented in training

Logista does not have a specific training policy. However, during the 2020 financial year, business objective-based training initiatives were devised and implemented relating to leadership, the role of sales, project management and technical knowledge, enhancing individual and collective talent.

Training is one of the main pillars for overcoming strategic challenges in terms of personnel that are cited in Horizon 2020, namely to attract, retain and develop talent.

Equality and universal access

The Group's Corporate Social Responsibility Policy expressly sets out Logista's commitment to diversity, equal opportunities and non-discrimination in all its variables.

- Diversity: over 50 different nationalities work at Logista.
- Equality: the number of women on the Board of Directors and on the Management Committee has increased.
- Non-discrimination: Logista continuously seeks to work proactively with a range of foundations and associations that support and employ those with disabilities who are at risk of exclusion, with the aim of helping to integrate them into the labour market. In 2020, Logista had 108 employees with different capacities (123 in 2019).

The Group's Code of Conduct enshrines these principles and lays down the general guidelines of conduct for all its employees. It is available on the Group's Intranet to ensure that it is disseminated and understood as widely as possible.

The Group continues to support sports initiatives, especially those focused on young people and the integration and participation of disabled athletes.

In Spain, Logista has had a Parity and Equality Commission since 2011. This establishes principles of equality and lays down the protocols that ensure Human Resources are managed in accordance with principles of:

- Non-discrimination on grounds of gender or sexual orientation, or for any other reason prohibited by law.
- Respect for people above all other considerations.
- Professional conduct in relations between employees and with Management.

- The promotion of a fair work climate that encourages professional development based on professional merit and on training.

These are the principles that underpin Logista's Equality Plan in Spain.

The following initiatives have been carried out in this area at several of the Group's businesses:

- Initiatives to raise awareness on equality, including the distribution of leaflets.
- The creation of a protocol to prevent harassment.
- The creation of an Equality Commission.
- The implementation of a top-up payment so that all workers on maternity or paternity leave receive 100% of their real pay.

7

Customer satisfaction

Clients are the core focus of Logista's business model.

To meet their needs, Logista has developed a business model that is unique in southern Europe, integrating all the services making up the distribution value chain into one single supplier. The company acts efficiently and sustainably and, with full transparency and traceability, offering advanced and specialist services for each sector and point of sale channel in which it operates.

Logista provides manufacturers and retailers with simple, effective and modern omnichannel solutions for a broad range of products and services, tailored to the point of sale and end consumer.

Excellence and the highest quality of service

Logista includes sustainability in its objective of offering the highest quality of service, always seeking efficiency in its operations, under the most suitable social and environmental conditions.

Logista therefore promotes ongoing open and transparent dialogue with its clients through a range of specific communication channels tailored to their circumstances (person-to-person contact, meetings, electronic mailboxes, call centres, etc.), or through shared

communications channels for different stakeholders, such as the Company's corporate website (www.logista.com) or the websites of its different businesses.

Logista also has a range of different systems for dealing with complaints and claims from consumers. These systems are set up by each business and are tailored to the latter's circumstances and to those of its consumers.

During the 2020 financial year, Logista received 12,860 claims and complaints from consumers (11,334 in 2019), 99.97% of which corresponded to operational incidents from the transport division, such as loss of goods, etc., accounting for just 0.03% of shipments and consignments handled by Logista throughout the year.

100% of claims and complaints from the transport division were resolved through agreement with the clients, always based on the contractual terms agreed in the service provision.

Stable, long-term relationships

Logista seeks to build relationships of trust with its clients and to maintain stable, lasting connections that are beneficial to both parties, while guaranteeing independent management and operational neutrality.

Logista applies its commitment to quality, sustainability and continuous improvement to all its activities and operations and has numerous certifications to confirm this.

MAIN CERTIFICATIONS

| | |
|---------------------------------------|--|
| ISO 9001 | Quality Management System in more than 300 facilities of different Group's businesses in Spain and Portugal (distribution of tobacco, distribution of pharmaceutical products, transportation services and distribution of convenience products) externally audited every year |
| GDP (Good Distribution Practices) | Distribution of medicines in accordance with European and Spanish regulations |
| GMP (Good Manufacturing Practices) | Correct handling, re-packaging and re-packing of medicines awarded by the Spanish health authorities |
| OEA (Authorised Economic Operator) | The Agencia Estatal de Administración Tributaria (State Tax Administration Agency, AEAT), in its most stringent Customs Simplification, Security and Safety procedure, has certified Logista's customs control, financial solvency and appropriate levels of security and administrative management to ensure satisfactory fiscal compliance |
| TAPA | Certifies Logesta's compliance with TAPA's FSR (Facility Security Requirements) and TSR standards (Trucking Security Requirements) designed to guarantee the safe and secure transit and storage of assets of any member of TAPA worldwide |
| ISO 14001 | Environmental Management System |
| OHSAS 18001 | Management system for preventing risks in the workplace |
| IFS Logistics | Certifies the quality of Integra2 in the food sector |

New services and measures adopted due to COVID-19

Logista has developed new services and adopted new security and safety measures to continue operating during the COVID-19 pandemic, maintaining its high standard of service, quality and security in its operations.

For example, Logista Pharma introduced its direct-to-patient delivery service for patients taking part in clinical trials, ensuring the continuity of these trials despite the risks of patient infection and hospital overwhelm, and despite patients' mobility restrictions. In order to ensure continuity of treatment, the direct-to-patient delivery service was also effectively extended to other hospital medicines, particularly to chronic and high-risk patients.

In addition to activating its robust contingency and continuity of service plans, Logista Pharma also installed, in advance and effectively, a wide arsenal of specific prevention measures for COVID-19, successfully managing to ensure the regular supply of medicines in all pharmaceutical distribution channels. These measures include support for increasing safety stock levels, particularly for essential medicines, the provision of 24/7 emergency distribution channels, the reorganisation and special protection of employees, and extraordinary cleaning, monitoring and security measures in all warehousing, handling and order picking plants, as well as in pharmaceutical transport fleets.

Amid this new and complex situation and in response to soaring online demand, Logista Libros responded to the needs of booksellers and publishers by launching its new "dropshipping" service. This service allows customers to order books through their preferred physical or online store for direct home delivery.

Logista's high degree of digitalisation in recent years has enabled administrative divisions to work remotely during the pandemic almost without incident.

PDA processes have also been developed in Nacex deliveries, and its contactless delivery services has enabled them to maintain their service, guaranteeing client and worker safety.

8

Collaboration with suppliers



Logista manages the supply chain responsibly, establishing business relationships with reputable, trustworthy suppliers that have professional and ethical business practices.

Logista's General Principles of Conduct set out the minimum standards and basic rules of conduct that must govern the activities of suppliers in their dealings with the Group, with their own employees and with other third parties involved in carrying out their activities.

These principles of conduct must be understood and accepted by all the Group's suppliers, and compliance is mandatory. To ensure they are public knowledge, they are published on the Group's corporate website and translated into the official languages of the countries in which the Group operates.

Logista's Procurement Policy also sets out Logista's guiding principles on ethics, labour, sustainability, quality and client focus, and form the basis for supplier tendering and selection through an objective and rigorous process.

Under the Group's Procurement Guidelines, tendering must also be governed by the Principle of Ethical and Professional Conduct.

To evaluate the degree of compliance with standards of quality, safety and professionalism, and with all other standards required by the Group, Logista carries out regular evaluations to assess its suppliers' capacity.

In 2020 financial year, Logista carried out 845 audits of suppliers, and did not identify any significant shortcomings in any of them.

The checks form part of the control systems in operation in each of the businesses. The regular checks include the evaluation of certified quality control systems, a review of the degree of compliance with regulatory strategies, and the monitoring and evaluation of area directors and other commercial representatives by means of unannounced inspection visits.



Resource optimisation

All significant purchases of goods and services corresponding to general purchases, supplies, maintenance services and information and communications technologies, as well as CAPEX, are centralised, in order to optimise and streamline resources.

There is also procurement of goods and services that, due to their nature or low cost, are not suitable for centralised management. In these cases, the established procurement process is followed, to comply with the general procurement guidelines set out in the Procurement Policy and to ensure transparency, efficiency and equity in those purchases.



OBJECTIVES

AREA

SCOPE

| | | | |
|---|---|---|---|
| <p>Principles of Ethical and Professional Conduct. Code of Conduct</p> | <p>Establishes ethical values and other guidelines and principles of responsible conduct, applicable to the Group's management</p> | <p>General. All Logista employees</p> | <p>Criminal activities, theft of products by clients/suppliers, bribery, fraud, falsification of company accounts or records, facilitating incorrect data or information, theft of company information, breaches of security/health and safety/environmental rules, discrimination</p> |
| <p>Procedure and Rules for Reporting Malpractice</p> | <p>The Code of Conduct created a whistleblowing channel for reporting conduct, facts, omissions or non-compliances (Malpractice) that constitute Infringements of the Code of Conduct</p> | <p>General. All Logista employees</p> | <p>n/a</p> |
| <p>Procurement Policy/Guidelines</p> | <p>i) Optimising and streamlining the use and availability of resources through centralisation (synergies, economies of scale)</p> <p>ii) Highlighting the importance of the procurement process (duties and responsibilities of those involved in the process)</p> <p>iii) Preventing risks of fraud in procurement processes</p> <p>iv) Establishing basic principles of procurement:</p> <ul style="list-style-type: none"> 1- competition 2- publicity 3- non-discrimination 4- preventing conflict of interest 5- ethical and professional conduct 6- reasoned decisions 7- separation of roles 8- General principles of supplier conduct <p>v) Creating a register of suppliers</p> | <p>Procurement Activities</p> | <p>Purchases included, purchases excluded</p> |
| <p>General Principles of Supplier Conduct</p> | <p>Minimum standards and basic rules of conduct that must govern the activities of Logista suppliers. Not just in relation to Logista, but also in terms of suppliers' relationships with their workers, third parties and the environment. Logista's principles are also principles that we expect of our suppliers</p> | <p>Suppliers</p> | <p>Compliance with laws, transparency in dealings with public authorities, freedom of competition, prevention of money laundering, compliance with tax and social security regulations, principles of honesty and transparency, confidentiality of information, respect for intellectual property rights, respect for personal and family privacy, compliance with labour obligations, respect for employees, safe and healthy working environment, protection of the environment</p> |



Minimising environmental impact

Logista is committed to minimising the environmental impact of its activity.

Our Quality and Environment Master Plan and Quality, Environment and Energy Efficiency Policy establish guidelines and good practices for optimising the use of resources and preventing pollution from processes. These are in strict compliance with regulations and with the voluntary targets signed up to by the Group.

Logista is therefore involved in various initiatives that aim to control and manage the current and foreseeable impacts of its activity on the environment, and to address key environmental aspects.

Logista has specified the main environmental and quality indicators relevant to its sustainable development, and monitors and evaluates these regularly, carrying out energy audits in each country and for each business.

In addition, Logista promotes respect for the environment among its employees, customers, suppliers and society as a whole. Logista was one of the signatory companies to Spain's 'manifesto for a sustainable economic recovery' published in 2020. This declaration advocates a recovery towards a more sustainable and robust economy, calling for the establishment of alliances to ensure that, in addition to being effective from a socioeconomic perspective, stimulus policies that respond to the COVID-19 pandemic are aligned with sustainability policies and with the European Green Deal.

The Quality, Environment and Energy Efficiency Policy is available on the Group's Intranet and on its corporate website, so that all employees and other stakeholders can be familiar with it.

Pursuant to the ISO 14064 standard, Logista has also calculated its carbon footprint, using the methodology set out in the GHG Protocol. The Environmental Management System of Logista's businesses in Spain is also certified according to the ISO 14001 standard.

Logista is involved in various initiatives that aim to control and manage the current and foreseeable impacts of its activity on the environment, and to address key environmental aspects.

LIST OF ISO 14001-CERTIFIED CENTRES

| Business Unit | Centre | Certifying body | Expiry date | Scope |
|----------------|-------------------------------|-----------------|-------------|---|
| INTEGRA2 | CORPORATE HEADQUARTERS | BUREAU VERITAS | 01/11/2020 | Industrial parcel transport and distribution |
| INTEGRA2 | SANT ANDREU DE LA BARCA | BUREAU VERITAS | 01/11/2020 | Industrial parcel transport and distribution |
| INTEGRA2 | GETAFE | BUREAU VERITAS | 01/11/2020 | Industrial parcel transport and distribution |
| LOGESTA | LEGANÉS | AENOR | 30/03/2022 | Management of the national and international road transport of general goods. |
| LOGISTA SPAIN | LEGANÉS | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; lottery tickets; retail consumer goods; electronic transactions. |
| LOGISTA SPAIN | RIBA-ROJA | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA SPAIN | BARCELONA | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA SPAIN | LA RIOJA | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA SPAIN | LLANERA | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA SPAIN | SEVILLE | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA SPAIN | ANDUJAR | BUREAU VERITAS | 24/07/2021 | The storage and distribution of tobacco and complementary items; postage stamps; stamped documents; retail consumer products. |
| LOGISTA PHARMA | LEGANÉS | SGS | 12/03/2022 | Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service. |
| LOGISTA PHARMA | PIERA | SGS | 12/03/2022 | Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service. |
| LOGISTA PHARMA | LAS PALMAS ENTRERRIOS | SGS | 12/03/2022 | Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service. |
| LOGISTA PHARMA | WAREHOUSE C | SGS | 12/03/2022 | Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service. |
| LOGISTA PHARMA | LAS PALMAS DE GRAN CANARIA | SGS | 12/03/2022 | Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service. |
| LOGISTADIS | MADRID CORPORATE HEADQUARTERS | BUREAU VERITAS | 24/07/2021 | The storage and distribution of food (excluding frozen products) and beverages |
| LOGISTADIS | CABANILLAS DEL CAMPO | BUREAU VERITAS | 24/07/2021 | The storage and distribution of food (excluding frozen products) and beverages |
| NACEX | HOSPITALET | AENOR | 19/11/2022 | The express documentation and parcel delivery service and associated activities (pickup, handling, storage, distribution and delivery) |
| NACEX | COSLADA | AENOR | 19/11/2022 | The express documentation and parcel delivery service and associated activities (pickup, handling, storage, distribution and delivery) |
| NACEX | BARBERÁ DEL VALLÉS | AENOR | 19/11/2022 | The express documentation and parcel delivery service and associated activities (pickup, handling, storage, distribution and delivery) |



Environmental management

Logista includes environmental risks and opportunities in its multidisciplinary procedure for managing risks across the Group. The risk assessment process takes environmental risks and opportunities into account, including those arising from changes in regulations, the physical environment and other climate-related developments.

In 2020, for the first time, Logista incorporated the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) into the assessment of risks and opportunities related to climate change. Introducing the TCFD recommendations at Logista is a project that is currently underway and consists of two phases; the first of which has already been completed and whose results are presented in this report.

These recommendations apply not only to financial institutions but to any other organisation, particularly the four sectors potentially most affected by climate change: energy, transport, materials and buildings, and agriculture, food and forestry. The objective of this initiative is to provide information about the economic impact of climate change on the organisation, so that the Group's stakeholders (whether they are clients, lenders or investors) can understand the material risks ahead.

The TCFD analysis carried out by Logista has considered two sets of physical scenarios (low emissions and high emissions) and two sets of transition scenarios (Stated Policies Scenario and Future Policies for Sustainable Development).

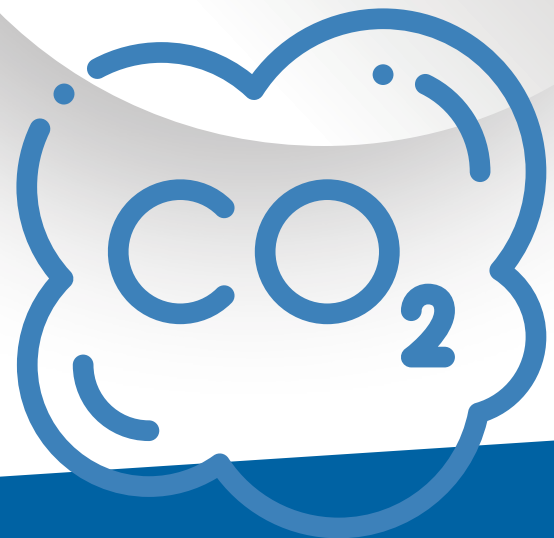
Emissions scenarios

a) Low emissions:

Logista has selected the RCP 4.5 scenario as the common scenario for lower emissions into the atmosphere. The outlook in the RCP 4.5 scenario sees major mitigation actions being taken and therefore emissions into the atmosphere peaking around the year 2040, then beginning to decline.

b) High emissions:

The company has chosen the RCP 8.5 scenario for analysing climate projections in a future with high emissions. In RCP 8.5, the outlook is a Business-as-Usual (BaU) scenario in which GHG emissions continue to rise at their current pace. This is a worst-case scenario of higher GHG emissions into the atmosphere and higher global warming.



Transition scenarios

a) Stated Policies Scenario (SPS): only policies that have been formally adopted by governments or are derived from current trends already observed in social, business, technological or market fields have been considered. For example, Spain's National Energy and Climate Plans.

b) Future Policies for Sustainable Development scenario: the scenario adopted is of more ambitious reductions than current policies, in which the rise in global temperatures is kept well below the 2°C indicated in the Paris Agreement.

Logista has analysed the above emissions and transitional scenarios outlined by the TCFD, through which it has identified future risks and opportunities.

Logista subsequently assessed the impacts in terms of economic parameters (impact on revenue, expenditure, assets, etc.), in line with the TCFD. The impacts on the Group's specific services (products and services, supply chain/value chain, adaptation and mitigation, investment in R&D and operations) were also assessed, together with the Group's resilience to impacts, i.e. its capacity to respond to physical and transitional risks and to take advantage of opportunities identified.

To be able to fulfil the requirements of the TCFD, a cross-cutting procedure has been implemented in the organisation that involves all members of the organisation in identifying and assessing risks.

Under Logista's risk management system, the identification and assessment of risks, including risks related to the environment, must be carried out at least once per year. In reality, the frequency is greater (weekly or more often) due to the ongoing monitoring and revision of the risk management process.

This risk management process is applied to all the Group's business areas, departments and in all countries in which it operates (Spain, France, Italy, Portugal and Poland).

The results of this risk identification and assessment process are reported to the Audit and Control Committee.

Procedure for prioritising climate-related risks and opportunities

Climate change risks and opportunities are prioritised on the basis of the ratings obtained from applying the corporate methodology. However, all climate-related risks and opportunities, not only those with a significant impact, are taken into account in the Company's strategy and objectives.

This methodology generally covers a period of between five and seven years, because a longer period would involve more uncertainties. However, depending on the type of risk, a longer period could be considered.

The procedure for prioritising environmental risks and opportunities follows the same stages as the risk management procedure across the Group.

Logista has also prepared a TCFD-compliant report on climate-related risks and opportunities, fulfilling the requirements of the four declarations (governance, strategy, risk management and objectives and metrics).

Resources allocated to the prevention of environmental risks (no. of people, with different allocation %)

84

67 in 2019

Resources allocated to environmental risk prevention (€)

€1,652,250

€1,464,469 in 2019

Given the Group's business activity, Logista does not have any environmental provisions or guarantees that could be significant in relation to the Company's assets, its financial position or results. However, Logista is insured, applying the precautionary principle, through a civil liability policy that covers claims for personal injury and damages accidentally caused by sudden or unexpected contaminating events.

Main environment-related risks and opportunities

TRANSITIONAL RISKS

| Risk | Relevance | Explanation |
|---------------------|--------------|---|
| Current regulations | Relevant | <p>Carbon taxes on fossil fuels are relevant for Logista, because although Logista sub-contracts vehicles for its transport activity, incorporating them into its activity, any carbon tax that is applied to fossil fuels will affect Logista's operational costs through its impact on the prices of transport providers sub-contracted by Logista.</p> <p>For this reason, this type of risk has been classified as relevant, with a high probability, and a moderate to low impact.</p> |
| New regulations | Relevant | <p>The Paris Agreement has been ratified by all the countries in which Logista operates, and the European Union requires all countries to stipulate and implement more ambitious climate plans. This could include a strategy for decarbonising the road transport sector.</p> <p>This will also be complemented by increasingly greater restrictions on vehicles' access to cities. It is envisaged that these restrictions, until now isolated and supported by local regulations, may become widespread in all cities, supported by a common regulatory framework.</p> <p>The Group may be indirectly affected by this risk, since its transport operations are sub-contracted, and account for more than 90% of all Logista's emissions.</p> <p>In addition, new environmental regulations are envisaged that levy taxes on non-reusable plastic packaging. These new regulations would have an impact on Logista, whether directly through the plastic packaging used in its own distribution processes, or indirectly from the plastic from products that the Company introduces to the market.</p> <p>This type of risk has been identified as relevant, with a high probability and a moderate to low impact.</p> |
| Technology | Relevant | <p>New technology designed to reduce carbon emissions from transport is relevant to Logista, since existing and future regulations are pushing in this direction, and 90% of the Company's emissions are generated by its transport division's activity.</p> <p>This type of risk has been identified as relevant, with a moderate probability and a moderate to low impact.</p> |
| Legal | Not relevant | <p>Legal risks have been identified as not relevant due to the nature of Logista's business activity.</p> <p>Moreover, the Group considers that there is little probability of this risk materialising and the impact if it did would be low.</p> |
| Market | Not relevant | <p>Logista distributes different types of products, and a change in consumer behaviour may affect the business of the Group in question.</p> <p>This risk has been identified as not relevant to Logista.</p> |
| Reputational | Not relevant | <p>This risk has been identified as not relevant to Logista, since the Group's business model helps to minimise the main climate-related impact.</p> |

PHYSICAL RISKS

| Risk | Relevance | Explanation |
|------------------|--------------|--|
| Acute physical | Relevant | <p>Acute physical risks mean those that are caused by events, including the greatest severity of extreme weather events such as cyclones, hurricanes and floods. Cyclones and hurricanes do not affect the countries in which Logista operates. Storms and floods are possible, although their probability is very low.</p> <p>Floods or storms could cause an interruption to distribution activity at the Group's warehouses.</p> <p>However, the number and frequency of these events is very low, having affected only two of Logista's more than 650 facilities in recent years. Logista's quick and effective response in the materialization of this risk resulted in a low impact. However, the fact that a service interruption may occur implies that the impact of this risk should be considered "medium".</p> |
| Chronic physical | Not relevant | <p>Temperature and rainfall patterns may change, affecting animal species such as <i>Lasioderma serricorne</i>, commonly known as the tobacco beetle. Logista stores and distributes the final tobacco product, so the probability and the impact of any plague is much lower than at the manufacturer's premises.</p> <p>This risk has therefore also been identified as not relevant.</p> |

OPPORTUNITIES

| Opportunity | Explanation |
|-------------------------|---|
| New regulations | Opportunity viewed as a competitive advantage in an increasingly ambitious environmental regulatory context. Logista has financial capacity and extensive experience of operating in strict regulatory contexts, such as the pharmaceutical sector, in which it not only complies with requirements but is able to anticipate them. When translated to the environmental context, this experience and capacity may offer the Company a competitive advantage. |
| Efficiency of resources | Reducing costs, a consequence of an increasingly stringent introduction of energy efficiency standards at the Company's premises and in its processes. Logista combines the construction of new facilities in accordance with more stringent energy efficiency standards with continuous improvements in the efficiency of its existing premises and processes. |
| Energy resources | Cost reductions resulting from falling production costs of electrical energy from renewable sources. Logista uses electricity from renewable sources at 99% of its premises. |
| Market | In terms of reputation and positioning, the Company's sound strategy for climate change management has a positive impact on Investment Groups and other stakeholders. |



Climate change

The Group calculates and promotes the reduction of its carbon footprint, as part of its initiatives to minimise the environmental impact of its activity.

Logista calculates the carbon footprint of all its businesses and activities in the different countries in which it operates, including the majority of the Group's outsourced activities, such as 100% of the emissions resulting from transport and franchise operations, as well as indirect activities such as the purchase of goods and services, based on the emissions factors and standard for reporting Greenhouse Gases (GHG) of the Greenhouse Gas Protocol (GHGP) and on the UNEEN-16258 standard.

An independent accredited entity verifies the carbon footprint calculation under the UNE-EN ISO 14064 standard, confirming the figures, reliability and traceability of the process.

The Group's transport division also notifies its clients, free of charge, of the carbon footprint of their deliveries and travel.

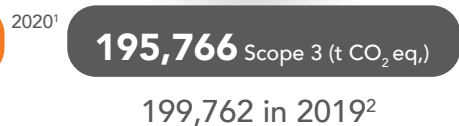
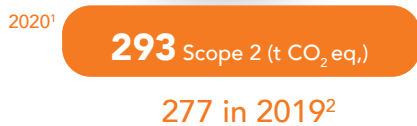
Logista has significantly improved its efficiency ratio through its continued efforts to optimise energy efficiency in its processes and premises, representing a decline of its emissions in absolute terms.

GREENHOUSE GAS EMISSIONS 2020

Direct stationary, mobile and fugitive GHG emissions

Indirect GHG emissions from imported energy

Indirect GHG emissions from the transport, purchase and use of goods and other sources

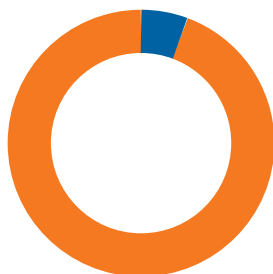


TOTAL EMISSIONS



- Scope 1
- Scope 2
- Scope 3

EMISSIONS BY ACTIVITY



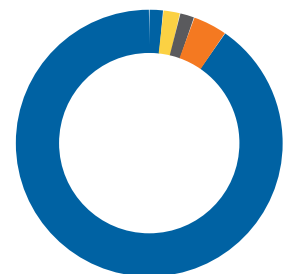
- Storage 6%
- Transport 94%

GHG EMISSIONS BY COUNTRY



- Portugal 7%
- Spain 79%
- France 8%
- Italy 4%
- Poland 2%

GHG EMISSIONS BY SOURCE



- Transport 94%
- Purchases 4%
- Energy 1%
- Waste 0%
- Other 1%

1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year. 2 The reason for the variation between the '2019' data reported in the non-financial information statement (EINF) for the 2019 financial year compared with those reported in the 2020 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2020.



Noise and light pollution

Noise during daytime and night-time hours is measured at each of Logista's facilities as per the frequency stipulated by environmental regulations. If the measurements show values close to the legal limit, action plans have been established to correct the noise level.

Light pollution is not significant, so the Group has made no specific arrangements for this aspect.



Measures adopted to adapt to the consequences of climate change

The current risk management system provides for the analysis and definition of action plans to address the consequences that climate change may have for the Company in the short and medium term.



Measures adopted to reduce carbon emissions

The Group reduces emissions by continually optimising routes and renewing transport fleet agreements, including efficiency criteria, promoting a gradual increase in the fleet of vehicles that operate with less polluting fuels.

During this financial year, Nacex has also strengthened its network of delivery and collection points (Nacex.shop), offering an option for local delivery through retail outlets and Smart Lockers, and helping to reduce last-mile delivery with the consequent reduction in CO₂ emissions, in line with Logista's environmental strategy.

99% of the Group's premises use renewable electricity, including all the Group's directly managed centres in Spain, France, Italy and Portugal.

In addition, measures taken to improve energy efficiency and increase the use of renewable forms of energy, which are described below in Energy Consumption, also foster the reduction of greenhouse gas emissions.



Awards

Logista was once again recognised in 2020 as one of the global leaders in combating climate change, having been included in CDP's prestigious 'A list' on the basis of the company's 2019 climate report.

Logista is the only European distributor, and one of the only two global distributors, to be included in the 'A-List' for the fourth year running. Only 3 Spanish companies, and 30 worldwide, have managed to maintain this distinction for 4 consecutive years.

Every year, Logista sends CDP information about the Group's management of climate change at corporate level and at individual business level. This information can be viewed on CDP's website.

Emission reduction targets

Global emission reduction target

Logista has developed its own Sustainability Index to identify opportunities for reducing emissions, based on the Science-Based Target (SBT) initiative.

After analysing all the existing methodologies, Logista has taken the view that the GEVA method (Greenhouse gas emissions per value-added unit) is the most suitable method for its activity.

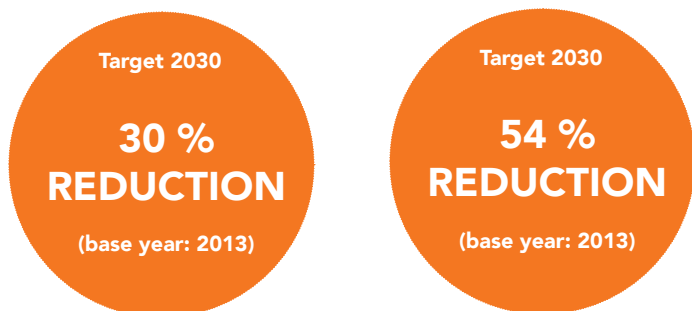
Logista has reviewed this methodology and adapted it to its transport activity, since it is the most pertinent in terms of emissions within the Group. The proposed unit must therefore take account of the distances covered.

This indicator shows the Overall Performance of Logista's emissions because it includes Scope 1 (which includes transport activities with operational control), Scope 2 and Scope 3 (which include all emissions related to transport activities without operational control: upstream and downstream emissions) emissions, as well as emissions from franchise transport.

Logista has considered CDP recommendations concerning year-on-year reduction and included an annual emissions reduction of 2.1%. Logista has also included the vast majority of Scope 3 emissions in its targets, following the GEVA recommendation referred to above, since 84% of Logista's emissions come from Scope 3 categories. The result is an Overall Target which accounts for and includes 95% of all Logista's emissions (considering Scopes 1+2+3).

Scope 1+2 (market-based)+ 3 (transport)

TmCO₂e per M€&Mkm

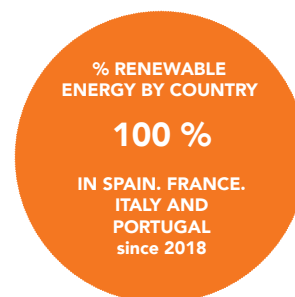


Logista is currently working on rolling out this emissions reduction target in its primary processes.

Renewable Energy Consumption Target

Committed to renewable energy, Logista aims to consume green energy in all its directly managed offices in Spain, France, Italy and Portugal (Poland is not included because its electricity consumption accounts for 2%).

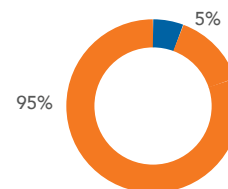
2020 target = 99% (achieved)



Sustainable use of resources

Logista is fully aware of how important the efficient use of resources is. As such, it compiles and analyses information about water consumption, waste and about the materials that are most important for the Group.

USE OF MATERIALS BY SOURCE



| | 2020 ¹ (Kg) | 2019 ² (Kg) |
|--------------------------|------------------------|------------------------|
| ● Renewable material | 10,981,417 | 11,580,263 |
| ● Non-renewable material | 596,018 | 603,670 |

The following categories are considered "Renewable material": Pallets, paper, cardboard boxes and lids.

The following categories are considered "Non-renewable material": Bags, wrapping film and airpad.

1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

2 The reason for the variation between the '2019' data reported in the non-financial information statement (EINF) for the 2019 financial year compared with those reported in the 2020 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2020.

Water consumption

The discharging of wastewater is not considered a relevant aspect at Logista because, due to the Group's type of activity, this water is discharged into municipal water systems.

In the 2020 financial year, water accounted for 0.04% of the Group's environmental impact, because it is only used for sanitary purposes (0.01% in 2019).

In the 2020 financial year, 98,410* m³ of the supply network was consumed, in accordance with local limits. In 2019, water consumption from the supply network stood at 93,873 m³ and was in line with the established local limits.

* For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

Consumption of raw materials

The principal raw materials consumed by the Group and their quantities are shown below:

| | 2020 ¹ (t) | 2019 ² (t) |
|--------------------------|-----------------------|-----------------------|
| Airpad film | 118 | 119 |
| Cardboard boxes and lids | 8,556 | 8,238 |
| Pallets | 2,142 | 3,005 |
| Paper | 283 | 337 |
| Single-use plastic bags | 14 | 19 |
| Reusable bags | 1 | 6 |
| Wrapping film | 463 | 460 |
| Biodegradable bags | 0 | 0 |

1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

2 The reason for the variation between the '2019' data reported in the non-financial information statement (EINF) for the 2019 financial year compared with those reported in the 2020 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2020.

Efficiency measures

Efficiency measures for improving the use of raw materials include the recovery of reusable cardboard boxes through a system involving specific continuous improvement actions.

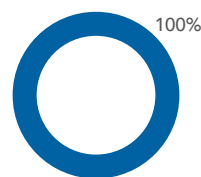
In addition, the Group's Environment, Quality and Energy Efficiency Policy includes, among its commitments, the implementation of policies and good practices for the rational use of resources, where the formula underpinning its processes is optimisation.

Circular economy, waste prevention and management

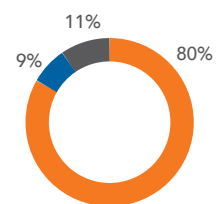
The Group has significantly reduced waste and emissions produced by its activity through the use and recovery of reusable cardboard boxes, via a system already implemented at Logista's centres in Spain, France, Italy and Portugal, and in its specialist express courier service for parcels and documents.

Due to the nature of its activity, the main types of waste currently generated by the Company are paper and cardboard, wood (pallets), municipal waste, plastics and oils.

HAZARD CLASSIFICATION 2020



CLASSIFICATION BY END USE 2020



| | 2020 ¹ (Kg) | 2019 ² (Kg) |
|----------------------------------|------------------------|------------------------|
| Hazard classification | | |
| ● Hazardous | 9,686 | 14,829 |
| ● Not Hazardous | 15,886,901 | 14,919,129 |
| Classification by end use | | |
| ● Recycling | 12,744,465 | 13,079,971 |
| ● Landfill | 1,397,173 | 1,506,861 |
| ● Energy recovery | 1,754,950 | 347,126 |

The following wastes are considered "Hazardous": batteries, accumulators, absorbent materials, contaminated packaging and oils.

The following wastes are considered "Non-Hazardous": tires, waste that can be classified and processed as urban waste, paper, cardboard, plastics and wood.

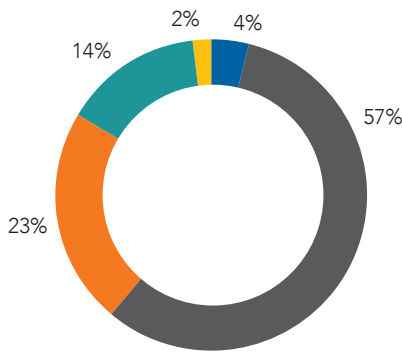
1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

2 The reason for the variation between the '2019' data reported in the non-financial information statement (EINF) for the 2019 financial year compared with those reported in the 2020 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2020.

Energy management

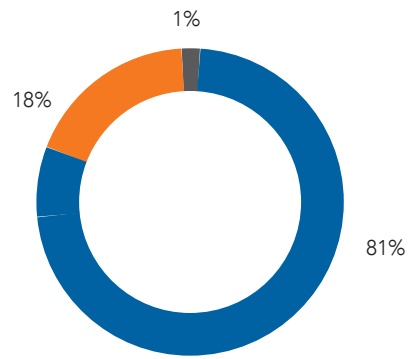
The main sources of energy consumption in the Company are electricity, natural gas, diesel and fuel oil. The quantities consumed are shown in the following table:

TOTAL ENERGY BY COUNTRY 2020



| | 2020 ¹ | 2019 ² |
|------------|-------------------|-------------------|
| ● Portugal | 2,490,840 | 2,477,755 |
| ● Spain | 35,599,118 | 36,454,178 |
| ● France | 14,096,594 | 14,893,120 |
| ● Italy | 9,004,673 | 8,938,481 |
| ● Poland | 1,123,258 | 1,010,108 |

ENERGY CONSUMPTION 2020 (Kwh)



| | 2020 ¹ | 2019 ² |
|----------------------------|-------------------|-------------------|
| ● Electricity consumption | 50,248,755 | 51,296,225 |
| ● Natural gas | 11,561,095 | 11,943,137 |
| ● Other energy consumption | 504,632 | 534,281 |
| | Diesel: 455,004 | Diesel: 431,708 |
| | Fuel oil: 49,628 | Fuel Oil: 102,573 |

1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.
 2 The reason for the variation between the '2019' data reported in the non-financial information statement (EINF) for the 2019 financial year compared with those reported in the 2020 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2020.

| STRATEGIC OBJECTIVE | ACTIONS | FY20 RESULTS | FUTURE ACTIONS |
|-----------------------------|---|---|---|
| CO ₂ e emissions | <ul style="list-style-type: none"> Science-backed reduction targets approved by the Science Based Targets Initiative Monthly calculation and monitoring of emissions Calculation and reporting of emissions detailed in Scope 3 | <p>Target: -2.1% per year</p> <p>CO₂e/ MK M&M€</p> <p>✓</p> | <ul style="list-style-type: none"> Improving the emissions calculation methodology Rolling out of low-level reduction targets |
| Renewable energy | <ul style="list-style-type: none"> Purchasing electricity from renewable sources at all facilities managed by Logista in Spain, France, Italy and Portugal Monthly monitoring and control of energy consumption sources at the Group's facilities | <p>Target: 100%</p> <p>Electricity from renewable sources</p> <p>✓</p> | <ul style="list-style-type: none"> Continuing consumption of electricity from renewable sources |



Measures adopted to improve energy efficiency

Logista is implementing several action plans in order to achieve fuel and energy consumption savings, such as: optimising routes, upgrading fleets, adjusting the volume of existing infrastructure, setting local targets and reduction initiatives in our main warehouses, implementing energy efficiency criteria in new and existing premises, etc.

Energy audits are carried out regularly on the Group's principal processes and warehouses. The results are used to identify and prioritise actions to reduce consumption.

Other actions undertaken by Logista to reduce energy consumption include:

- LEED/BREAM certification for new premises.
- The continuous implementation of corporate and local projects (monitoring consumption, lighting replacements, improving insulation, updating equipment, etc.).



Measures adopted to improve renewable energy use

As a Group committed to renewable energy, Logista aims to consume green electricity in all its directly managed offices in Spain, France, Italy and Portugal.

In the 2019 financial year, Logista consumed 51,296 MWh, of which 50,942 MWh corresponded to the purchase of renewable energy. In the 2020 financial year, Logista's electricity consumption fell to 50,249 MWh, with the purchase of renewable energy accounting for 49,873 MWh. This renewable energy consumption entails an estimated saving of 13,866 metric tonnes of CO₂e compared with conventional energy consumption, taking into account the different emissions factors in each country.



Measures adopted to ensure sustainable mobility

Logista is part of the national mobility committee set up by Spain's General Traffic Directorate (DGT) and works on the 'Autonomous Ready' project driven by the DGT and Barcelona city hall. This project aims to lay the foundations for the testing and approval of autonomous vehicles and to define a regulatory framework that guarantees safe and sustainable urban mobility.

Meanwhile, temporary (remote working) and permanent (flexitime, compressed hours) measures introduced by Logista in 2020 are in line with calls by cities such as Madrid on the staggering of employee travel around times of peak traffic and congestion.

Protection of biodiversity

Logista's activity does not have a direct impact on protected areas. This is why biodiversity is not included in the Company's material considerations.

There was no significant impact on biodiversity during the 2020 financial year.

10

Impact on the community

Logista is committed to sustainable growth, both in economic terms and in terms of social well-being and environmental awareness in the areas in which it operates, managing its projects' impact on the community in four key areas.

1. Long-term employment relationship with its employees

Logista fosters a long-term employment relationship with its employees in a working environment with high levels of motivation and job satisfaction.

85%

of the Group's employees are permanent staff

2. Minimising environmental impact

Logista applies good environmental practices in order to minimise the environmental impact of its activity.

- Included in CDP's 'A List' for the fourth consecutive year
- Part of the FTSE4Good index, a list of companies that have demonstrated their soundness in environmental, social and corporate governance practices
- UNE-EN ISO 14064
- 99% of the Group's premises use renewable electricity
- LEED/BREAM certification for new premises



For more information about jobs, see [Employee development](#)



For more information about the environment, see [Minimising environmental impact](#)



3. Social initiatives

Logista is actively engaged in numerous social initiatives, mainly in its local areas.

- Logista works with a range of foundations and associations that support and employ those with disabilities at risk of exclusion, with the aim of helping to integrate them into the labour market. In the 2020 financial year, 108 Logista employees had disabilities
- Contributions to foundations and non-profit organisations in the 2020 financial year amounted to €447,993 (€188,980 in 2019), the primary beneficiaries being those active in the areas of humanitarian response and social welfare and integration.

These funds will be used to improve the quality of life of society's most vulnerable groups. The majority of these contributions take the form of donations of consumer goods and transport services for the collection, distribution and delivery of food, personal hygiene products, etc., to parishes, social canteens and other frontline support providers.

- Logista's Corporate Social Responsibility Policy is aligned with the United Nations Global Compact principles on human rights, labour, the environment and anti-corruption. This explicit commitment by the Company is integral to its business, and extends to all its employees, clients and suppliers, to respect and guarantee Human Rights compliance.

4. Fiscal reporting

| Pre-tax profit/ (loss) (€ thousand) | | |
|-------------------------------------|----------------|----------------|
| | 2020 | 2019 |
| Spain | 79,203 | 87,359 |
| France | 24,254 | 24,040 |
| Italy | 104,012 | 90,890 |
| Portugal | 10,526 | 13,969 |
| Poland | 687 | 841 |
| Total | 218,682 | 217,099 |

| Corporate Income Tax Paid (cash basis) (€ thousand) | | |
|---|----------------|--------------|
| | 2020 | 2019 |
| Spain | 70,226 | (54,058) |
| France | 23,925 | 24,678 |
| Italy | 24,616 | 31,862 |
| Portugal | 4,635 | 2,926 |
| Poland | 158 | 429 |
| Total | 123,560 | 5,837 |

In 2020, as in 2019, Logista did not receive any public subsidy.

Partnership and sponsorship initiatives

Logista is involved with different associations linked to the Group's activities, in order to collaborate on initiatives linked to its business area, or to promote transparency and corporate responsibility.

For example, Logista is a founding member of Grupo Español para el Crecimiento Verde (Spanish group for green growth), a sponsor of the Madrid Futuro association, and participates annually in CDP initiatives.

- Grupo Español para el Crecimiento Verde works to translate to society and to government its vision of a sustainable economic growth model compatible with the efficient use of natural resources.

- The Madrid Futuro non-profit association grew out of the desire of businesses and organisations to boost Madrid's recovery following the health and socioeconomic impact of the pandemic.

At sector level, Logista is also involved with associations such as the AESEG (Spanish association of generic drugs), the AEFI (Spanish Fintech association) and the AECOC (association of manufacturers and distributors).

About this report

In 2020, Logista is presenting its first integrated annual report, drafted in accordance with the guidelines set out in the International Integrated Reporting Council (IIRC)'s framework for the preparation of integrated reports and in line with the GRI standards framework. The aim is to report on the most significant aspects for the Company in the implementation of its core business activities, including detailed information on economic, social and environmental matters, on respect for human rights, combating corruption and bribery, and on corporate governance.

This report includes the updated statement on non-financial information and the annual CSR report, and has been subject to an independent external review. The independent assurance report, which includes the objectives and scope of the external review, as well as the procedures used and their conclusions, are attached as an appendix.

This document forms part of the 2020 consolidated Management Report of Compañía de Distribución Integral Logista S.A. and its subsidiary companies. It is subject to the same criteria for approval, deposit and publication as the Management Report. By drafting this report, Logista complies with the provisions of Articles 262 of the Spanish Companies Act and Article 49 of the Spanish Code of Commerce, as amended by Law 11/2018 of 28 December 2018 on non-financial information and diversity.

Scope of reporting

The report's quantitative data correspond to the year 2020 financial year – the period from 1 October 2019 to 30 September 2020.

The qualitative information included in the report explains the historical evolution and the evolution expected by the Company from analysis of the current context. It does not make a commitment to attaining those objectives, since they are subject to risks and uncertainties.

Scope

The quantitative and qualitative information in this report encompasses all the activities carried out by 100% of Logista's subsidiaries included in the scope of consolidation.

Materiality

To design the content of this report and select the significant aspects, Logista has carried out a materiality analysis to identify the most relevant aspects to report to its stakeholders, and to provide a response to non-financial information requirements under current regulations.

Materiality analysis

Logista has carried out a materiality analysis for the Company as a whole, taking into account each of the businesses within the Group.

The aim of this analysis is to understand the importance of the most relevant aspects from an internal vision of Logista's different businesses and corporate divisions, and from an external vision of the different stakeholders.

To gain a comprehensive overview of the importance of these aspects to the Company, members of the Management Committee were consulted about their importance (rating them from 0 to 10); while to gain a comprehensive overview of the importance of these aspects to the different stakeholders (employees, suppliers, clients, investors, society as a whole), the directors of the corresponding divisions were consulted, together with other personnel, to understand the views of stakeholders with whom we work closely.

Relevant aspects:

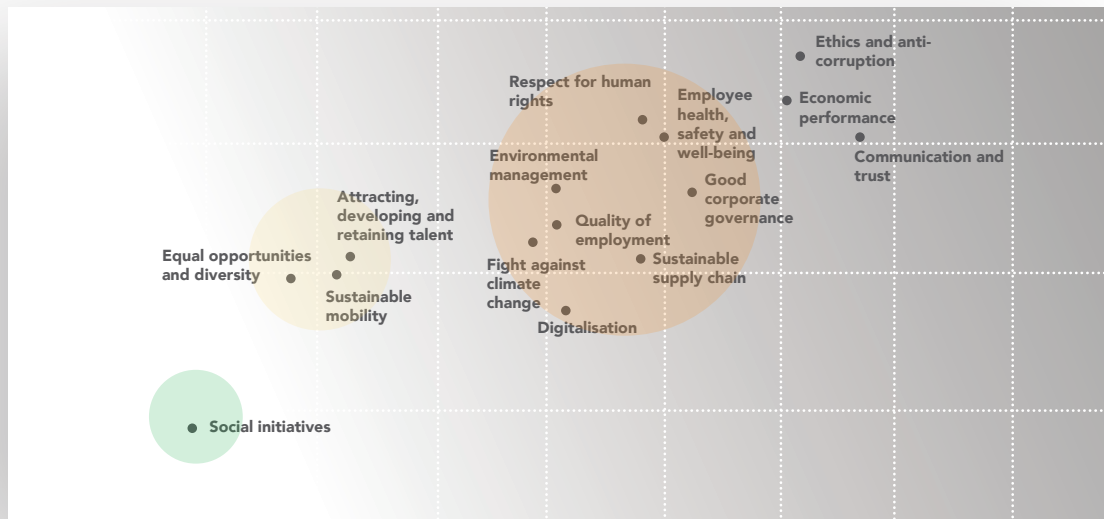


All these relevant aspects are marked with this icon throughout the report and the table below indicates the sections that provide more information about those aspects for ease of reference for readers.

| Relevant aspect | Section of the integrated annual report |
|---|---|
| Economic performance | Logista At a Glance |
| Ethics and anti-corruption | Corporate governance |
| Good corporate governance | Corporate governance |
| Respect for human rights | Corporate governance |
| Equal opportunities and diversity | Employee development |
| Employee health, safety and well-being | Employee development |
| Environmental management | Minimising environmental impact |
| Sustainable mobility | Minimising environmental impact |
| Fight against climate change | Minimising environmental impact |
| Sustainable supply chain | Collaboration with suppliers |
| Quality of employment | Employee development |
| Attracting, developing and retaining talent | Employee development |
| Communication and trust | Client satisfaction |
| Social initiatives | Corporate governance |
| Digitalisation | Strategy |

This report also covers the management approach for all aspects that are not material for Logista, but does not provide as much detailed information as it does for the relevant aspects.

MATERIALITY MATRIX



Connectivity

For further information on the 2020 financial year, Logista also publishes the following reports:

- Annual Accounts
- Annual Corporate Governance Report
- Annual Report on Director Remuneration

Contents required by Law 11/ 2018

| Content | Reference | Reporting framework |
|--|---|---|
| BUSINESS MODEL | | |
| - Entrepreneurial environment and business model | 16-23 | 102-2 |
| - Organization and structure | 14-15 | 102-2 |
| - Markets in which the company operates | 8, 12 | 102-6 |
| - Targets and strategies | 22-23 | 102-15 |
| - Factors and trends affecting evolution | 20-23 | 102-15 |
| POLITICS | It will be incorporated along those chapters related to the different topics. | 102-15 |
| RISKS | It will be incorporated along those chapters related to the different topics. Particularly, in Corporate governance / Risk and Opportunity Management | 102-15 |
| ENVIRONMENTAL ISSUES | | |
| GLOBAL | | |
| - Impact of the firm's activities on the environment, and health and security | 62-73 | Internal framework: Qualitative description of the main effects |
| - Environmental evaluation or certification procedures | 62-63, 68 | Internal framework: Qualitative description of evaluations and certificates |
| - Precautionary principle, quantity of provisions and guarantees regarding environmental risks | 65 | 102-11 |
| - Resources devoted to preventing environmental risks | 65 | Internal framework: Quantitative description of devoted resources |
| POLLUTION | | |
| - Measures associated with carbon emissions | 69 | Internal framework: Qualitative description of main measures and acts |
| - Measures associated with light pollution, noise and others | 69 | Internal framework: Qualitative description of main measures and acts |
| CIRCULAR ECONOMY AND WASTE PREVENTION AND MANAGEMENT | | |
| - Initiatives promoting circular economy | 71 | 306-2 |
| - Measures associated with waste management | 71 | 306-2 |
| - Actions combating food spoilage | Non material, taking into account the activity sector of the Company | n.a. |
| SUSTAINABLE USE OF RESOURCES | | |
| - Water: consumption and supply | 71 | 303-1 |
| - Raw materials: consumption and measures | 71 | 301-1 |
| - Energy: consumption, measures and use of renewables | 69-70, 72-73 | 302-1 |

| Content | Reference | Reporting framework |
|---|------------|---|
| CLIMATE CHANGE | | |
| - Greenhouse gas emissions | 68 | 305-1/ 305-2/ 305-3 |
| - Measures for climate change adaptation | 69-70 | Internal framework: Qualitative description of measures |
| - Targets in reducing emissions | 70 | Internal framework: Qualitative description of goals |
| BIODIVERSITY | | |
| - Prevention measures | 73 | Internal framework: Qualitative description of measures |
| - Impacts on protected areas | 73 | 304-2 |
| SOCIAL MATTERS AND PERSONAL-RELATED ISSUES | | |
| EMPLOYMENT | | |
| - Total number and distribution of employees by gender, age, country and professional category | 48 | 102-8/405-1 |
| - Total number and distribution of the different modalities of labour contracts | 49 | 102-8 |
| - Annual average of indefinite, temporal and partial contracts divided by gender, age and professional category | 50-51 | 102-8/405-1 |
| - Number of dismissals by gender, age and professional category | 51 | Internal framework: Total number of dismissals during the financial year by gender, age and role |
| - Average remuneration and evolution disaggregated by gender, age and professional category, or equal value | 52 | Internal framework: Average remuneration (including fixed and variable remuneration) |
| - Pay gap, remuneration of equal job positions or societal averages | 53 | Internal framework: (1-(Male average remuneration-Female average remuneration) / Male average remuneration) |
| - Average remuneration of Directors and Management team by gender | 52 | Internal framework: Average remuneration including fixed and variable remuneration |
| - Politics of occupational disconnection | 54 | Internal framework: Qualitative description of current policies |
| - Disabled employees | 54, 57, 75 | 405-1 |
| WORKTIME MANAGEMENT | | |
| - Task management | 54 | Internal framework: Qualitative description of the worktime organization |
| - Number of absence hours | 54 | Internal framework: Number of absence hours |
| - Measures of familiar reconciliation | 54 | Internal framework: Qualitative description of measures |

| Content | Reference | Reporting framework |
|---|-------------------|--|
| HEALTH AND SAFETY | | |
| - Health and security conditions at work | 55 | 403-2 |
| - Work accidents by gender, highlighting their frequency and severity by gender | 55 | 403-2 Internal framework: Frequency index = (Number of work accidents with sick leaves / Number of worked hours) * 1.000.000 Severity index= (Number of days lost due to work accident with sick leave / Number of worked hours) *1,000; Lost Time Accidents Rate = (Number of work accidents with sick leave / Number of worked hours) * 200,000 |
| - Professional illnesses, separated by gender | 55 | 403-2 |
| SOCIAL RELATIONS | | |
| - Organization of social dialogue | 18, 56 | Internal framework: Qualitative description of organization of social dialogue |
| - Percentage of employees covered by collective covenants by country | 56 | 102-41 |
| - Balance of collective covenants in work health and security | 30 | 403-1 |
| TRAINING | | |
| - Implementation of politics related to training | 56 | Internal framework: Qualitative description of policies |
| - Total number of training hours by professional category | 56 | 404-1 |
| EQUALITY | | |
| - Universal accesibility of disabled people | 57 | Internal framework: Qualitative description of measures |
| - Adopted measures to promote equality in treatment and opportunities between women and men | 31, 53, 57, 76-77 | Internal framework: Qualitative description of measures |
| - Plans for equality and measures for promoting employment, protocols against sexual and sex-based harassment | 31, 57 | Internal framework: Qualitative description of measures |
| - Policy against discrimination and in case, diversity management | 57 | Internal framework: Qualitative description of diversity management |

| Content | Reference | Reporting framework |
|---|-----------|--|
| HUMAN RIGHTS | | |
| - Due diligence procedures in human rights matters and if required, in their mitigation, management and repair | 30-31 | 102-16/102-17 |
| - Complaints for the violation of human rights | 30 | 406-1 |
| - Promotion and compliance of covenants ILO associated with the freedom of association and collective negotiation | 30-31 | 102-16 |
| - Elimination of employment discrimination, forced and child labour | 30-31 | 102-16 |
| CORRUPTION AND BRIBERY | | |
| - Adopted measures to prevent corruption and bribery | 29 | GRI 102-16/102-17 |
| - Measures to fight money laundering | 29 | GRI 102-16/102-17 |
| - Contributions to non-profit foundations and entities | 29, 75 | Internal framework: Amount of contributions in euros |
| SOCIETY | | |
| BUSINESS COMMITMENTS WITH SUSTAINABLE DEVELOPMENT | | |
| - Impact of activities on society: employment, local development, local populations and territory | 9, 17, 74 | Internal framework: Qualitative description of the impact |
| - Dialogue with local communities | 18 | Internal framework: Qualitative description of the relationships held |
| - Collaborative actions and sponsorship | 75 | 102-12/102-13 |
| SUBCONTRACTING AND SUPPLIERS | | |
| - Inclusion of social aspects, gender equality and environmental matters in procurement policies | 31, 60-61 | 102-9 |
| - Consideration of environmental and social aspects in the relationships with suppliers and subcontractors | 60-61 | 102-9 |
| - Supervision systems and audits, and their respective results | 60 | 308-2/414-2 |
| CONSUMERS | | |
| - Measures for health and security of consumers; | 58-59 | Internal framework: Qualitative description of measures |
| - Complaint system, received complaints and respective resolutions | 58 | 102-17 |
| TAX INFORMATION | | |
| - Profits by country before taxes | 75 | Internal framework: Profits (losses) before corporation taxes by country |
| - Taxes over paid profits | 75 | Internal framework: Corporation tax paid by country |
| - Public subsidies received | 75 | 201-4 |

Independent verification report

Independent Limited Assurance Report of the Integrated Annual Report
for the year ended September 30, 2020

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND
SUBSIDIARIES



Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel.: 902 365 456
Fax.: 915 727 300
ey.com

INDEPENDENT LIMITED ASSURANCE REPORT OF THE INTEGRATED ANNUAL REPORT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Integrated Annual Report for the year ended September 30, 2020, of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. and Subsidiaries (hereinafter, the Group), which is part of the accompanying Consolidated Directors' Report of the Group.

The content of the Integrated Annual Report includes additional information to that required by prevailing mercantile regulation in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the chapter "Table of contents required by Law 11/2018" of the accompanying Integrated Annual Report.

Responsibility of the Board of Directors

The preparation of the Integrated Annual Report included in the Consolidated Directors' Report and its content is the responsibility of the Board of Directors of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. The Integrated Annual Report was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in the chapter "Table of contents required by Law 11/2018" of the Integrated Annual Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of the Integrated Annual Report that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Integrated Annual Report is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the Integrated Annual Report, reviewing the process for gathering and validating the information included in the Integrated Annual Report, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the Integrated Annual Report based on the materiality analysis made by the Group and described in chapter "About this report", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the Integrated Annual Report for the year ended September 30, 2020.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the Integrated Annual Report.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the Integrated Annual Report for the year ended September 30, 2020 and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group's Integrated Annual Report for the year ended September 30, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the chapter "Table of contents required by Law 11/2018" of the Integrated Annual Report.



Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(signed in the original version)

Alberto Castilla Vida

October 28, 2020

