

CHANGE FUTURE STRATEGY

eSAVER RESTART JIS BUNDELING CUSTOMS COMPETENCE
BERGEN LOGISTICS TLO NETWORK DEMO-POOL MANAGEMENT



DIGITAL & INNOVATION

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The use of a masculine gender form is only due to simplification and easier readability. A rating is expressly not associated with this. LGI is committed to equal rights for all genders.

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Bernd Schwenger
Chairman of the board

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**Bergen
Logistics**

MEMBER OF ELANDERS GROUP

Dear Reader!

Actively shaping the future requires drive, courage and vision. And places where disciplines come together and network so that something new can emerge in the end.

Up and down the country, there are such "classic" places of the future. However, these do not necessarily have to be of a physical nature. The LGI Group also sees itself as a network of such places. We cooperate with the scientific community and network with customers, consultants, multipliers and suppliers in order to drive innovation and establish forward-looking solutions. For example, with ReuseIT, our sustainable services in the field of IT remarketing.

The LGI Group not only has a powerful and global logistics infrastructure to serve value chains in various industries end-to-end. In addition to full-blooded logistics experts, specialists from various disciplines, such as IT, e-commerce, customs, finance and sustainability, also contribute their respective expertise. This brings together a wealth of knowledge and skills in day-to-day work. In addition, different cultural backgrounds and mindsets come together. To ensure that all of this falls on fertile ground, we at LGI, as well as at traditional future locations, actively create the space in our group of companies for new ideas from which solutions for the future emerge.

I cordially invite you to participate and look forward to hearing from you.

Yours sincerely, Bernd Schwenger

LGI TESTS ENERGY SAVING MODULE

SAVE ELECTRICITY AND CO₂

DIGITAL & INNOVATION

Annual savings of around 8 percent of energy costs and 40 tons of CO₂ were achieved by LGI Logistics Group International GmbH at its Ketsch site with the energy-saving module from the company eSaver. The module thus contributes to the logistics company's sustainability strategy. Government subsidies can still be applied for the purchase of the device.

Saving energy remains the topic of the day, and not only in view of increased costs. LGI has also set itself the goal of being CO₂-neutral by 2050. The specialists from the Facility Management division have identified a contribution to this with the energy-saving module from the company eSaver in Ehningen. The device "smoothes" - to put it simply - incoming grid electricity, smoothes out fluctuations and thus ensures more efficient power consumption.

Skim off overvoltage and feed it back in

This is comparable to "recuperation" in Formula 1 or in modern electric cars: Excess energy is built up in the vehicle during the curve and released again on the straight. Similarly, the "eSaver" can absorb power surges in the millisecond range and feed them back in later - instead of releasing them as heat into the environment.

Specifically, this is a so-called low-pass filter, which helps to reduce existing interference effects by means of a filter effect through an additional autotransformer with software developed by eSaver. Savings result from the build-up of a magnetic field, the storage of network perturbations and the associated conversion into active current.



APPLICATION IN LOGISTICS

The fact that the solution can also be useful for energy-intensive logistics sites was confirmed after a sampling phase at the Böblinge site. There, LGI provides cross-docking and production supply services for an automobile manufacturer. In three-shift operation with more than 100 employees, approx. 13,000 load carriers are handled daily on an area of approx. 27,000 m². The result after two weeks: around 8 percent lower energy costs and a smoothing of the load curve, resulting in improvements in load management.

After the successful test operation, LGI also equipped the showcase location in Ketsch near Mannheim with the device. There, the company operates a modern logistics facility with 35,000 m² for high-tech logistics. Since installation and commissioning of the permanently installed device in September 2022, the eSaver has been in operation without any problems. Extrapolated, the energy savings at the site from now on correspond to 40 tons of CO₂ per year. An additional advantage is that the purchase is eligible for a government subsidy of around 40 percent.



„According to a conservative estimate, we see a payback of the investment in a period of four to five years due to the lower energy consumption," explains Florian Erdmann, Building Manager at LGI Logistics Group International. "In addition to the financial aspect, the most important thing for us is that we are making a contribution to achieving our sustainability goals with the eSaver."

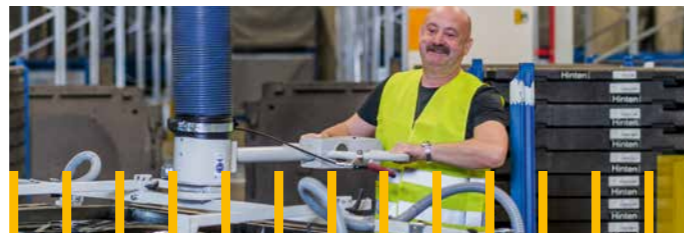
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PRODUCTION OPTIMALLY PROVIDED



RESTART JIS BUNDLING IN SINDELFINGEN



2. Just-In-Sequence (100% Sequencing at the service provider)

Here, the parts are delivered to the service provider by the supplier, sorted by type. After corresponding call-off impulses, the service provider places them in a specific load carrier in the production sequence and delivers them to the OEM.

The advantages for the OEM in both cases are a drastic reduction in space on the production line and significantly more efficient production. Due to the long expertise in the automotive sector, these processes belong to the core competences of LGI.

Due to the large number of different parts and the size of the project, LGI's project team faced various challenges, despite early planning. One of the largest results from the parallel production of the old and the new E-Class, which has never happened before in the almost 30 years of cooperation with Mercedes-Benz. This led to a double occupancy of the available space, which had to be managed "Tetris" like in order to satisfy all customer needs in the best possible way. For this purpose, a new LGI site concept was developed in the vicinity of the Mercedes-Benz production facility at the Sindelfingen plant. After this restructuring, which also resulted in the relocation of existing LGI businesses, production is now supplied from a total of three LGI locations. production is now supplied from a total of three LGI locations (2x Böblingen and Herrenberg).



Just-In-Sequence (JIS) is the delivery of the right products, in the right quantity, at the right time, to the right place, and in the required order (sequence) so that they can be processed directly in production. Just-In-Sequence supply is thus an extension of Just-In-Time (JIT), because delivery in the correct (production-synchronized) sequence is added as an additional parameter. As a result, the producer no longer needs any storage capacity for the parts to be supplied, only a buffer in the production area.

Since August 2022, Mercedes-Benz has been manufacturing the GLC in Sindelfingen in a production hall converted for this purpose. The new E-Class will also be integrated there, so that both model series will roll off the production line together in one production hall. LGI won the sequencing tender for this in August 2021 to bundle a total of 47 component families. The various components include panoramic roofs, side windows, windshields, door handles, various trim parts and much more..

Just-in-sequence (JIS) supply is an essential part of the main forms of supply and thus also of the production supply of automotive manufacturers. There are two different variants here:

1. JIS beads chain

This is production synchronous procurement, which forces suppliers to provide the parts to be supplied in the production sequence planned by the manufacturer. In this chain, the service provider assumes a monitoring and correction function in the event that the production sequence still changes between production of the parts at the supplier and assembly on the OEM's production line.



In addition to the pure sequencing activities, LGI is also responsible for carrying out and controlling the transports. A new transport concept was developed for this purpose, with which the production facility in Sindelfingen is supplied every half hour. LGI is not only responsible for the complete route planning, but also handles this with its own fleet of vehicles. The plant is supplied in two shifts with approximately 50 truck tours. LGI thus covers the entire daily spectrum of vehicle production, ranging from interior parts to heavy larger parts that must be handled with special lifting equipment.

LGI is aware of the high responsibility that comes with the time-critical JIS plant supply and ensures this through its many years of expertise in the automotive sector.

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CONCENTRATED COMPETENCE

LGI ESTABLISHES A CENTRAL DIVISION FOR CUSTOMS AND FOREIGN TRADE

CUSTOMS

The framework conditions of customs and foreign trade are in a constant state of flux due to permanent changes in trade as well as economic policy influences. Nothing remains as it was.

In October 2022, the previous Manager Customs & Foreign Trade of LGI, Joachim Köcher, was commissioned as the new Head of Customs & Foreign Trade to develop a corporate customs structure for the internal customs competencies of the entire LGI Group. In line with the One Group concept, the subsidiaries, primarily ITG, will be included in order to establish joint audit and review functions for all existing customs processes with a view to reducing risks.

In an exchange with Gabriele Dallinger, the ITG Group's customs and foreign trade representative, it very quickly became clear what far-reaching competencies are available in the two divisions

and with how many different services we already support our customers in customs and foreign trade. This goes far beyond "simple" import and export clearances. And not only in Germany, but also internationally, as we have strong customs organizations in the USA and above all in the Netherlands, which bring their many years of experience and contacts just as reliably into the Corporate Customs organization.

It was therefore clear that Corporate Customs would not be used solely for risk management: We will expand the customs area and make it more transparent and accessible for customers and employees alike. In addition, the specialists want to be both advisors and competent contacts for customers and partners. This offers additional added value in LGI's range of services!

The editorial staff of MOTION magazine met with representatives of Corporate Customs and asked them.



Gabriele Dallinger

Tanja Bertsch

Birgit Rudolph

Joachim Köcher



Why this Corporate Customs Team makes sense?

In terms of content, they all deal with the same topic, yet there are different experiences and competencies. They all need permits and guarantees to be able to work, but the range of customers is different. On the one hand, the focus is on industrial customers and automated processing, on the other hand on fashion and lifestyle with individual clearances. The newly created Corporate Customs team serves the mutual exchange of knowledge and thus combines the best of different worlds.

How can the Corporate Customs team support the customers, but also all colleagues in the LGI Group?

The Corporate Customs Team serves colleagues and customers as a point of contact for all customs issues. It centralizes the entire customs knowledge of the LGI Group in one place. A contact person is available at all times for questions regarding complex customs clearance processes or other customs topics, such as permits, classification in the customs tariff, preference and origin regulations, customs value calculation, preparation for external audits, etc. This applies to employees as well as to our customers, who are welcome to contact us at any time. This applies to our employees as well as to our customers, who are welcome to contact us at any time.

How has the topic of customs been presented to the LGI Group so far, where are the strengths?

Within the LGI Group, we have both centralized and decentralized clearance areas. The central customs departments serve as knowledge carriers and support the decentralized areas with their expertise. In doing so, they ensure that compliance and legal regulations are adhered to. Both operate with a high degree of automation. Of course, we still prepare individual customs declarations "by hand". But we also have our strengths in understanding interface connections and digitization in the customs area. For LGI as a group, it is irrelevant in which industry we operate: in the automotive, electronics, healthcare, industrial and fashion & lifestyle sectors, we have broad expertise within the group, which enables us to be a reliable partner for our customers.

WHAT CAN WE DO FOR YOU?

We support you with your customs issues:

- Import and export processing
- Classification in the customs tariff / Application EZT-Online / BTI application
- Origin of goods and preferences
- Application for authorizations (AEO, Authorized Exporter, etc.)
- IT interfaces, simplifications of customs declarations
- Evaluation of relevant costs for customs value calculation
- Preparation for your external customs audits

If you have any questions on customs topics or are interested in the latest news from the customs world, please contact us at customs@lgi.de.

What current developments pose challenges for customs clearance?

Since the beginning of the war in Ukraine, the topics of sanctions and embargoes have taken center stage. Not only the observance of sanctions for deliveries to/from Russia have become a high priority in daily processing, but also the associated and dynamically developing embargo regulations. In parallel, we have noticed a change in the procurement markets since the outbreak of the Corona pandemic, which in turn makes the rules of origin a complex topic.

New procurement and transport routes require more flexibility in planning in order to be able to adjust the location of customs processing at short notice and to react actively to bottlenecks - due to high volumes or transport disruptions.

We see the increasing willingness to digitize customs processes among our customers and the customs administration as a positive development.

Why must employees be permanently trained?

On the one hand, we are faced with the challenge of always keeping our knowledge up to date, on the other hand, we have to fulfill the requirements of the customs administration for permanent training. This is important in order to fulfill the requirements of the AEO authorization and to keep our processes up-to-date and compliant. Furthermore, this is the only way we are able to proactively keep ourselves and our customers informed about upcoming changes.

View: What will customs processing look like in 5 years?

The expansion of digitization in the world of logistics will certainly continue in leaps and bounds, although many topics are currently still in their infancy. This will have to accelerate the development of peripheral processes at our company in particular, but also at our customers. Here, we also see ourselves as a contact partner for our customers in order to develop joint solutions.

The early collection of data, ideally before the actual start of the transport, will become more of a focus and speed up customs clearance. A more and more transparent customs world will be created.

We would like to thank Tanja Bertsch, Gabriele Dallinger, Joachim Köcher and Birgit Rudolph for the interesting discussion.

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BERGEN LOGISTICS COMES TO EUROPE

ADDITIONAL SERVICE FOR FASHION & LIFESTYLE BRANDS

E-COMMERCE

In November 2021, LGI's parent company Elanders AB acquired a majority stake in BERGEN LOGISTICS, one of the leading providers in the US for B2B and D2C fulfillment in the Fashion & Lifestyle segment. As part of the integration of this acquisition within the Elanders Group, the European activities will be managed by LGI. Under the leadership of Florian Beck, a long-standing and experienced LGI manager, the expansion of these services under the BERGEN LOGISTICS brand in Europe has been taking place since mid-2022.

Bergen Logistics is a leading 3PL in the fashion & lifestyle sector in the USA, specializing in small to medium-sized brands from the "better-to-luxury" segment. The specification "better-to-luxury" was coined by BERGEN itself and means high quality and luxurious products for customers and end customers, who expect exactly the same from the fulfillment of their orders.



The service portfolio covers all logistical tasks from the receipt of products, through storage and finishing, to shipping. Nothing new as far as that goes. The service package is handled by the "CloudX" warehouse management system, which was specially developed by BERGEN and tailored to the needs of the customer group. With this system, customers have full transparency globally and in real time on the progress of their goods movements, inventories and current performance against agreed service levels. The use of "CloudX" not only ensures transparency, but in combination with the standardized

processes also enables fast onboarding of new business in 2 weeks. The offer is rounded off by the Bergen preferred shipping program where customers can benefit from attractive rates in the area of European parcel shipping.

The success of the company, which now has more than 20 years of experience in fulfillment, is driven by its high IT affinity, a special agility as well as the partnership-based way of working. New markets can be opened up much faster, whereby BERGEN also supports the customer in internationalization and its growth.

Based on this setup, activities in Europe are being expanded. The focus is on both American brands that want to gain a stronger foothold in Europe and ambitious European suppliers. Currently, there is a site in Veghel (Netherlands) and, since March 2023, one in Newcastle (UK). BERGEN

supports many customers there in overcoming the challenges that have arisen as a result of Brexit.

A second logistics center in the Netherlands will start operations in May 2023. In addition, a site in Germany and another in the Netherlands are to be added by the beginning of 2024. Europe is just one building block of BERGEN's global presence, because the model also applies here: one fulfillment system, no matter where in the world. In addition to the USA and Europe, the solutions will also be offered in Asia and South America.



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TECHNICAL LOGISTICS

COMPREHENSIVE LOGISTICS SERVICES FOR THE MOST DEMANDING APPLICATIONS.

ELECTRONICS

We know it from our private environment: A new laptop, a new printer, a new household device is quickly bought and delivered, but until "everything really works" - that eats up time. What's more, the person who must take care of it often has neither the expertise nor the experience and could certainly use his (free) time more profitably. Figuratively speaking: The head of the family takes care of connecting the washing machine ("What's that about the aquastop again?") or clicks through a long user guide on a nice Saturday afternoon to set up the new printer perfectly ("Do I have the latest driver now?").

What may be annoying for all of us as private individuals but solvable - if necessary with the help of Youtube tutorials - can be a business critical challenge for companies. Examples:

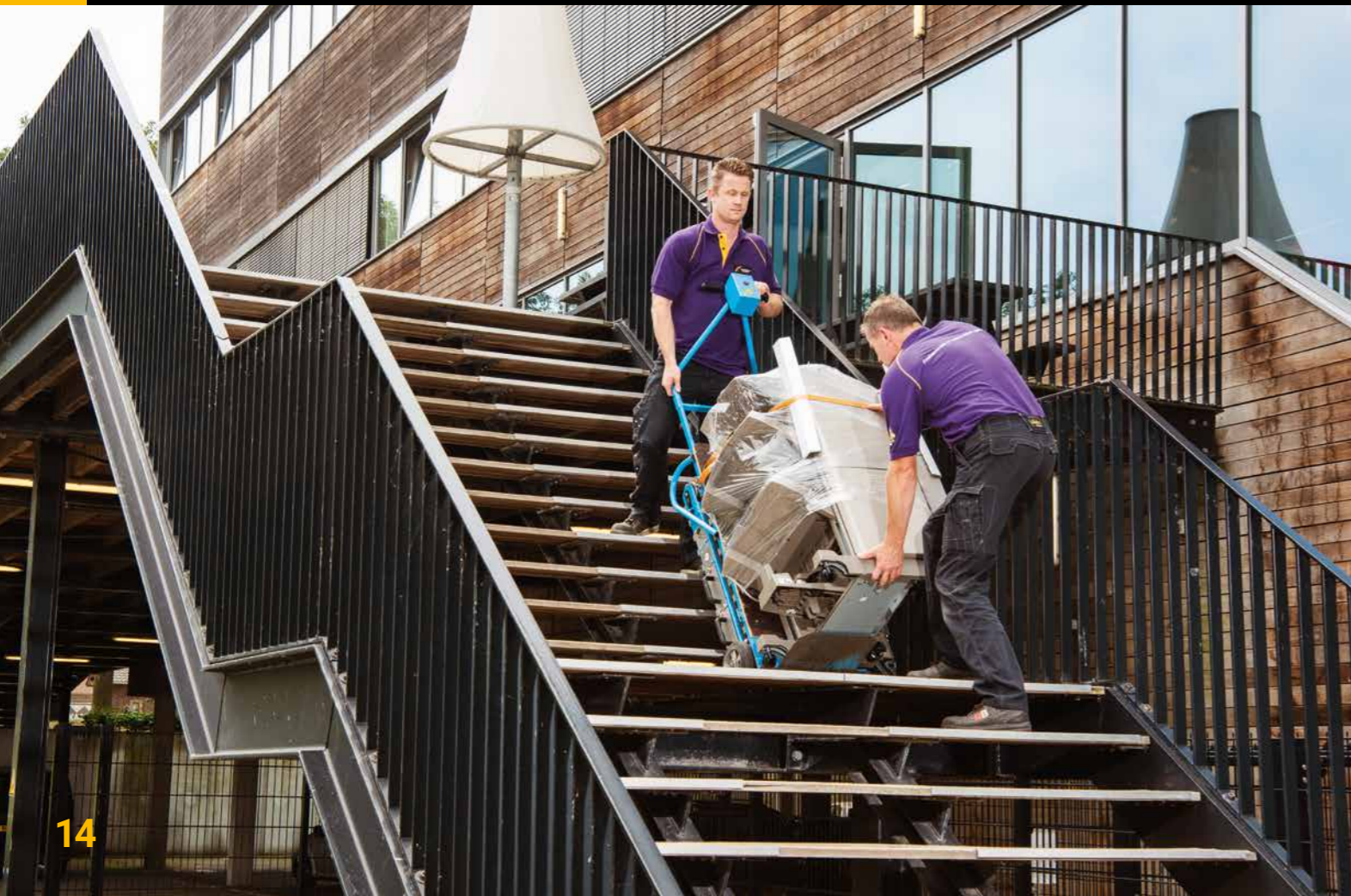
- Today, printers are often leased: When they are replaced, sometimes hundreds of devices have to be removed, new ones set up, integrated into the network and tested. And this has to be done in such a way that availability for the company's employees

is guaranteed on an ongoing basis. And the employees must also be able to operate the new printers, which requires instruction and training.

- The case is similar when replacing laptops, with an important additional step: hard disks may have to be backed up and removed, or they may have to be formatted under data protection law so that a new user cannot recover (apparently) deleted data.
- Large-scale technical equipment, such as an MRI, must be installed and set up by highly specialized technicians, often in inner-city locations and in difficult structural environments.

This is where TLO - Technical Logistics - comes into play. There is much more behind this term than just "transporting of devices". TLO means:

- the management of the entire logistics process,
- the leveraging of efficiency gains by concentrating on the value-adding processes within the company,
- optimal positioning in competitive markets.



Management of the entire logistics process

TLO is project business: the processes are complex and go far beyond standard logistics tasks. Some examples:

- Do devices need to be pre-configured (component assembly, software installation, pre-tests, ...) to minimize on-site time?
- Do serial numbers need to be recorded?
- How expensive and "handy" are the devices? Do we need a security concept?
- How is the location of use accessible, might special tracked vehicles need to be used to get up and down stairs? Are downtown locations involved or are all locations easily accessible?
- Are there customs formalities involved? Will special documentation be needed for the tax office?
- Do employees need to be trained?
- In the case of return logistics (pickup of equipment from lease returns, for example): How is the reprocessing of these devices ensured or, alternatively, a professional and cost-efficient disposal?

TLO specialists know such issues from hundreds of comparable projects. Together with the customers, every step is planned in detail. They provide a central personal contact as well as - depending on the project size and complexity - a hotline service for all questions related to the project.

Leveraging efficiency gains

Working with a specialized TLO service provider enables companies to deliver their core service much more efficiently:

- In-house technicians may know the equipment well, but they usually have no logistics experience.
- Specialists are also just too expensive for simpler tasks (which are inevitably involved).
- In-house teams often have idle times, which a logistics provider can cushion much better due to its size and the number of customers.
- Maintaining competent personnel and infrastructure across Europe or even worldwide is not only complex. It is also expensive, often results in high travel costs and is ultimately less flexible.
- Experienced TLO specialists learn from each project with many customers. This accumulation of know-how ensures a permanent increase in benchmark and quality, which benefits all parties involved.



TECHNICAL LOGISTICS



Optimal positioning in competitive markets

However, reducing TLO to "cutting costs" falls short. The benefits of an optimal TLO strategy go much further:

1. enabling an optimal offer, which can either not be presented in-house in this quality or much too high costs. "Hardware" - regardless of whether it is a printer, a laptop or an MRI - is always comparable, the differentiation takes place (in addition to the price) via the service and a smooth delivery including commissioning. What counts here is maximum flexibility and customer orientation (accommodating "requested deadlines", "special requests", etc.). To put it more vividly: A large corporation will buy 20,000 printers where worldwide distribution down to the smallest branch, "ready to use" is 100% guaranteed.
2. expansion of the product portfolio to include innovative services with a strong logistics aspect. These services not only serve as a differentiation criterion from the competition, but are also paid for appropriately.
3. in the case of equipment take-back, professional reconditioning is a prerequisite for economic and sustainable further use and thus the basis for higher or additional earnings.

Why companies should rely on TLO with LGI.

LGI has its roots in the logistics sector of the computer manufacturer Hewlett-Packard. TLO has been part of our DNA since our founding. We have continued to build on and optimize this know-how from almost 30 years of company history.

But "just optimizing" is not enough for the future. Most TLO service providers rely exclusively on a network of partners to offer their services Europe-wide or worldwide and take over their management. This structure is no longer sufficient in view of the ever-increasing technical and process requirements.

LGI is therefore systematically repositioning itself strategically. Since 2021, specialized European service providers have been taken over and integrated into the LGI structure. These bring additional competencies of their own. Under the "LGI Technical Logistics" brand, we provide the most sophisticated TLO services essentially with our own assets - throughout Europe. In the course of these integrations, we invest heavily in the training and further education of competent teams. For precisely defined sub-projects, we also continue to make use of local partners where this can lead to an increase in efficiency and quality.



CASE STUDY

The task:

LGI Technical Logistics is responsible for the Europe-wide delivery and installation of X-ray equipment for a medical technology company.

Most important challenges:

1. highly sensitive, very expensive devices (the unit price of a digital X-ray device is in the six-figure euro range).
2. high demands of the recipients (hospitals, doctors' practices) in terms of punctuality, speed of replacement and "least possible disruption to operations".
3. partial replacement of existing equipment and organization of return logistics
4. very different recipients (from country doctor's practices to university hospitals), who have to be looked after individually in a correspondingly customer-oriented manner.

Our approach:

The basic service is the LGI White Glove Service, where specially trained staff, experienced in handling sensitive goods, provide on-site service. Together with the customer, the LGI TLO project team defined each individual step in the delivery process, from delivery to a central LGI hub to checking all predefined requirements on site and providing support during commissioning. LGI's many years of experience in handling high-tech equipment in the healthcare and electronics sectors can be drawn upon. Standards are defined for quality assurance (e.g. for adherence to schedules), and these are regularly monitored and evaluated. Special attention is also paid to the organization of return logistics: after all, this expensive equipment has a "second life" in many hospitals, especially in poorer countries around the world. They thus provide access to high-quality diagnoses and better healing opportunities for many people.

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DEMO-POOL SERVICE

Innovative solution in the sales process of technical devices

Who doesn't like to test a technical device before buying it? Relying on recommendations and reviews from others is only of limited use when making a purchase decision. Cars can be test-driven. But who wouldn't like to try out a washing machine, for example, before making a decision? The higher the investment, the more important such a service is. LGI has developed a special service for a global player in the field of medical technology.

Since mid-2021, LGI has been the central service provider for the logistics processes of a renowned manufacturer of medical technology devices. This includes, among other things, the management of the entire European demo pool. This includes a range of devices which are exhibited at trade fairs customary in the industry on the one hand, and on the other hand are loaned out to interested end customers in order to test them during operations. The possibility of being able to use the equipment in practice in his own working environment before purchasing it is of considerable benefit to the prospective customer. They can better assess the technology, which leads to a greater willingness to buy.

Own reservation system for the demo pool

To make the process as simple as possible, LGI provides the customer's sales representatives with a demo pool management system that they have configured themselves. The sales person can use this online at the end customer's site and immediately check the availability of a device via a calendar function and book it accordingly. This takes into account all the time spent behind the scenes.

Central warehouse at the new LGI site in Ketsch

The storage of the demo pool devices as well as the associated components is temperature-controlled at the new LGI location in Ketsch (Rhein-Neckar-Kreis). Before a device leaves the warehouse in the direction of the prospective customer, customer & country-specific device settings and equipment are ensured. This includes, among other things, the setting of the appropriate language on the device, special cables and instructions for use. Subsequently, the transport to the customer takes place, which is carried out with air-suspended box vehicles. Delivery is made to the point of use. This can be an ophthalmologist on the 5th floor. But it can also be the operating room of a university clinic or a trade fair.

Installation at point of use

At the place of use, the device is unpacked from the specially designed box. This is followed by assembly (e.g. attaching components), installation (including connecting the device to the power supply and putting it into operation) and return of the box. At the end of the rental period, usually two to three weeks, the LGI crew returns to the customer's premises, dismantles the device, packs it in the designated box and returns it to the Demo-Pool warehouse. There, after the goods have been received, the LGI technicians carry out a thorough disinfection and a function test, which is individually tailored to each device type. Afterwards, the device is stored again before it is prepared for the next prospective customer or a trade fair for demo presentation.

Extensively trained staff

All employees deployed in the process chain, i.e. warehouse and driving personnel as well as technicians, are specially trained. They receive equipment-specific training and must regularly complete e-learning courses.



HEALTHCARE

In addition to the services described, LGI and its staff provide further technical services, such as the initial installation of a new device, which is included in the demo pool, or the semi-annual maintenance of all demonstration devices used. The customer benefits from fully functional devices that can be used at any time. In addition, the demo pool service is a valuable component for the sales department in the context of consulting and contributes to confidence on the part of the subsequent equipment users.

Innovative service as sales advantage

With this innovative demo pool service, LGI offers all companies that distribute devices considerable added value in the sales process, which also has a positive effect on customer loyalty. Suppliers of medical technology, but also of other technical equipment, can benefit from LGI's extensive experience. Our concepts are tailored to the needs of our customers and take into account a holistic end-to-end approach, which can become a significant unique selling point. Contact us, we will also develop an individual demo pool service for your needs in an uncomplicated and fast way and handle it Europe-wide and even globally. Let your end customers know right from the start that not only the equipment is first-class, but also the associated logistics!

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RELAUNCH LGI HOMEPAGE

INTERNATIONAL PRESENCE WITH NEW DOMAIN

NEWS

LGI has a new homepage! It not only looks more modern, but uses lgigroup.com as the leading domain to become more present internationally on the web.

On March 7, the new LGI homepage was published. This reflects the further development of the group of companies and is intended to make the range of services visible to a wider target group. As the leading domain, lgigroup.com is now used in order to be more present internationally on the web. Of course, the short and concise URL lgi.de remains and redirects to the new site.

In addition, the most important innovations are a new menu navigation and the possibility of localization, i.e. viewing the site in several country and language versions. Our digital shop window now appears in a modern and contemporary look, guided by a new visual language. The Corporate Communication + Marketing team will continue to work on the content of the new homepage, so that customers and interested parties can inform themselves appropriately.

Make yourselves best a picture and look you the new side www.lgigroup.com simply times at!



www.lgigroup.com

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HACK THE WORLD A BETTER PLACE

LGI SUPPORTS DIGITAL EDUCATION



NEWS



The term "hacker" has had a negative connotation in common parlance ever since a report by the U.S. news magazine NEWSWEEK appeared in September 1983. It is equated with a person who illegally gains access to other people's computer systems and overcomes security barriers. Actually, in its original usage, it refers to playful tinkerers who handle technology with dedication and a special sense of both creativity and originality - and sometimes play a prank in the process. Accordingly, every one of us should have hacked at some time or another.

The vision of the HACKER SCHOOL is that every young person in Germany should have programmed at least once before deciding on their own career path. To achieve this, the non-profit organization based in Hamburg relies on so-called inspirers. These are enthusiastic IT practitioners themselves and act as role models from IT to touch and ask questions. In addition, the Inspirers are intended to arouse enthusiasm for future careers in the IT environment among young people from the age of 11. The HACKER SCHOOL offers a diverse course program that takes place in companies or at schools, on site or online via video conference.

This concept excited LGI and motivated it to support the HACKER SCHOOL. As a socially responsible company, the LGI Group is committed to equal opportunities in education and equal rights. In addition to a financial donation, we have set ourselves the goal of teaching 120 students in the first step. To this end, 24 colleagues with IT affinity from LGI and ITG are currently committed to holding courses. Shortly after the first request for volunteers, they started their onboarding by HACKER SCHOOL and already held courses. The feedback on both sides, the inspirers as well as the course participants, was consistently positive. We are proud to be part of this community and to be able to contribute to education in the digital sector.

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EXCELLENT EMPLOYER

LGI ONE OF THE BEST COMPANIES IN GERMANY

NEWS

One issue that seems to concern all companies in Germany - regardless of company size or industry - is the difficulty of filling vacancies. Skilled workers are just as much in demand as junior staff. The problem area is multi-layered and the solution complex.

The LGI Group has long considered itself one of the best employers and training companies. For many years, a wide range of measures have contributed to employees feeling comfortable and recommending LGI as "their" employer. We are proud to be able to confirm this now with two awards.

LGI ranks among Germany's best employers 2023

On behalf of the weekly magazine Stern (Gruner + Jahr Medien), the market research company Statista surveyed more than 43,000 employees about their own employer and other employers within their industry. In the process, a total of around 1 million judgments were evaluated. Based on the results of the large-scale study, those employers in Germany were identified that the respondents would recommend to others.

As a result, LGI was awarded the "Germany's Best Employer 2023" seal as one of the top 15 companies in the transport & logistics sector.



OUR EDUCATION OFFERS:

- Merchant for office management
- Freight forwarding and logistics services clerk
- Warehouse logistics specialist
- Warehouse specialist
- Professional truck driver

Awarded several times as best training company

For the third time in a row, LGI was named one of the best training companies in Germany. After 2020 and 2021, we received this award again for 2022, even with an even better rating than in the previous years.

We are very pleased about this. It shows that we are usually ahead of other comparable training companies with our innovative teaching methods as well as our numerous digital tools. LGI thus offers its trainees modern and action-oriented vocational training.

In addition, this study evaluates criteria such as feedback discussions, takeover rate, further training opportunities and development programs. We also score well here.

Special thanks go to our trainers in the respective areas of operation who actively support us. Their qualifications and commitment are essential in helping the young people make a very good start to their careers during their training at LGI.

OUR STUDY PROGRAMS IN COOPERATION WITH THE BADEN-WÜRTTEMBERG COOPERATIVE STATE UNIVERSITY:

- B.A. Service Management
- B.A. Digital Business Management
- B.A. International Business
- B.A. Freight Forwarding, Transport and Logistics
- B.Eng. Industrial Engineering Production and Logistics
- B.Eng. Industrial Engineering - Facility Management
- B.Sc. Business Information Systems



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FOCUS

FUTURE

WITH A NEW MISSION AS THE CUSTOMER'S PARTNER

LGI INSIDE

One of the most frequently used quotations is probably the saying of the Greek philosopher Heraclitus "Nothing is as constant as change". What was already true about 2,500 years ago is still significant today. In the 1990s, the term "agility" was coined to describe how organizations can meet changing requirements and conditions.

As part of a structured strategy process, the LGI Group has also realigned itself. The essence of this process is our new mission, which is "Provide leading and flexible end-to-end demand chain solutions with a high degree of value-added services as a customer's partner". By "leading" we define innovative, future-oriented, high-performance and competitive services. "For us, flexible end-to-end demand chain solutions are flexible if they are tailored to our customers and based on the best practices we have already developed in our individual business areas.

Our guidelines with regard to services and customers are as follows:



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End-to-End Demand Chain

End-to-end supply chain was yesterday. Today, the impetus must come from the (end) customer. This controls and orchestrates the entire end-to-end demand chain. This includes the entire life cycle of the product from creation to reuse or recycling. LGI has this control competence. We make it easier for our customers to do business: You concentrate on your product and its distribution, and we ensure that it reaches the customer and - depending on requirements - is returned at the end of its life cycle.

High Degree of Value Added Services

Pure transport solutions or warehousing activities are an interchangeable commodity for many companies today. As one of the leading contract logistics companies in Europe, these form the basis of our business. But we are not content to stop there. With an extensive portfolio of value-added services, we inspire our customers and thus offer attractive added value.

For example, with services such as the flocking of T-shirts, the refurbishment of textiles or returns handling, with technical logistics services such as the installation of new firmware for PCs or printers, the certified deletion of stored data, the refurbishment of technical equipment or with the operation of a repair center, with pre-assembly in the automotive sector or simple electronics production.

As a Customer's partner

We are much more than a service provider for our customers. We are their key partner and work together accordingly at eye level. We develop services tailored to our customers' needs and evolve our forward-looking strategic solutions together with our customers - for joint success and long-term competitiveness on both sides.

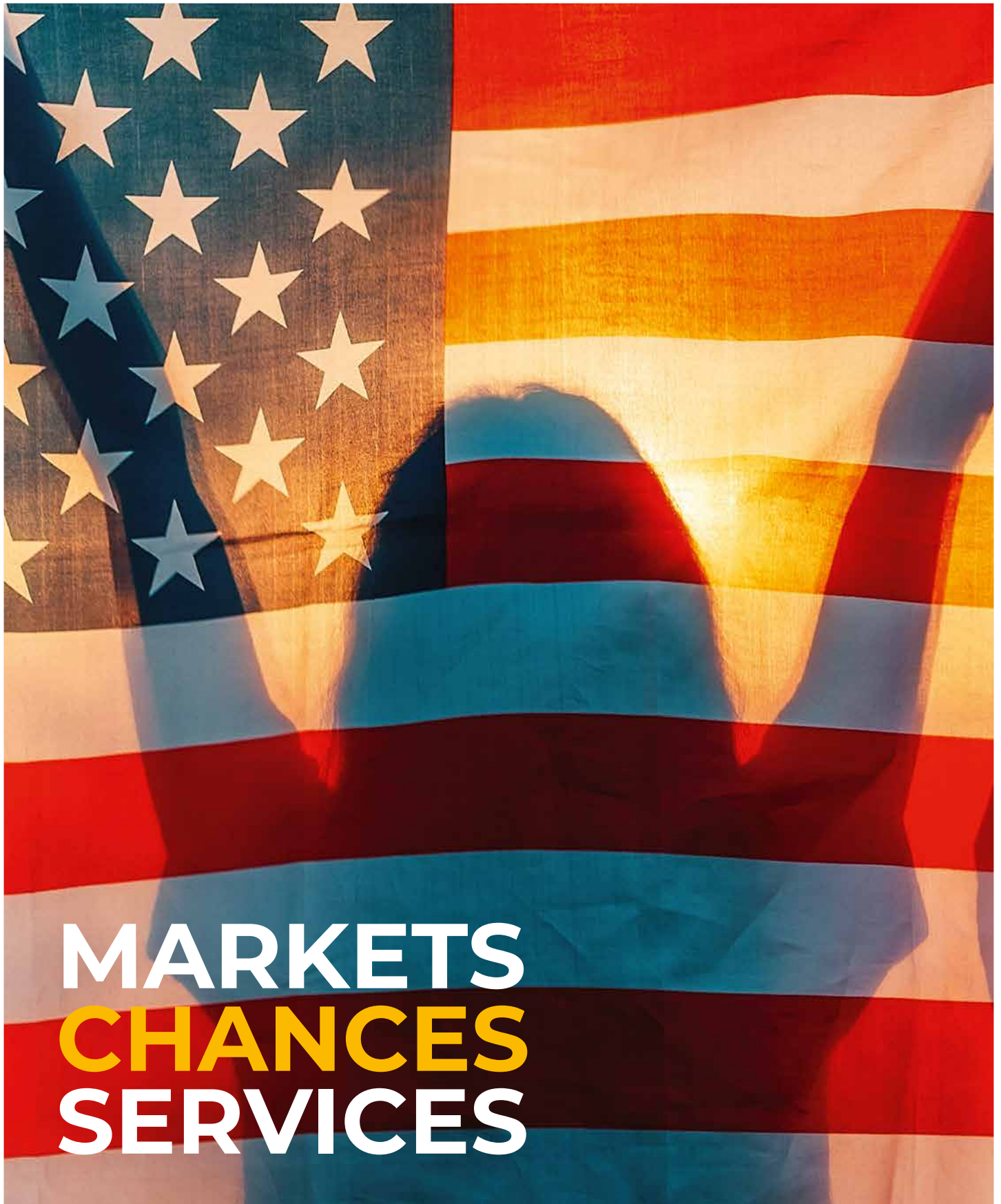


As we move into the future, we deliver the following key added values to our customers:

- We have many years of experience and best practices in numerous logistics business models.
- We excel in digital and operational excellence, consistently exploit the opportunities of digitalization and have been successfully operating our Lean Management-based LGI Operating System (LOS) for years to optimize performance and quality targets.
- We are networked with more than 50 locations across Europe and offer global end-to-end demand chain solutions from a single source through the Elanders Group (with Mentor Media, Elanders, Bergen Logistics, etc.), among others.
- We deliver high quality, stable processes and information security, evidenced by various certificates (e.g. ISO 9001, 27001 and 14001).
- We combine and manage diverse elements of logistics and value-added services in the end-to-end demand chain.
- Through our long-standing partnerships with customers, we offer a high degree of flexibility as well as consistent joint process optimization.

We would be happy to embark on a journey with you to successfully support your business with our modern demand chain solutions. Let us start with an initial conversation!

LGI INSIDE



MARKETS CHANCES SERVICES



FASHION & LIFESTYLE
// CONTRACT LOGISTICS
SERVICES USA **04**

E-COMMERCE
// FASTLANE COMMERCE **06**

AIR & SEA
// CO₂ COMPENSATION FOR
TRANSPORTS **10**

NEWS
// ISO 27001 CERTIFICATION **11**

04



10



06



11



Thomas Bogner
Head of Communication + Marketing

Dear Reader!

Artificial intelligence, AI for short, is on everyone's lips at the moment - or should I better write „on everyone's minds“? It is being reported and discussed in specialist publications, in public, and of course in the social media. On the one hand, people celebrate or admire the possibilities opened up by algorithms. On the other hand, there are fears that, for example, entire job descriptions will become superfluous. 300 million jobs worldwide are said to be at risk from AI technologies. Universities and schools fear more than ever that homework and final papers will no longer be written with outside help, but will be generated entirely by computers. How to deal with tools like ChatGPT in this context is currently often still unclear.

In the meantime, AI has also been attributed creative properties. A joint study published in March 2023 by the Humboldt University in Berlin and the University of Essex concluded that in the field of everyday creativity, AI is at least equal to the performance of humans. Depending on what you define as creative. However, AI tools always require an outside impetus, while humans can also be creative from an intrinsic motivation. Moreover, in the study's tests, just under ten percent of humans were more creative than any AI. That gives us hope. However, the dangers should not be underestimated: fake photos, videos and even voices are already being misused and manipulated.

So these new technologies seem to be both a curse and a blessing. In any case, I can assure you that all texts in this magazine were written by humans alone and also the complete layout was created exclusively by our Senior Creative Manager. We both hope that you enjoy the contents as well as the layout and wish you an entertaining reading!

Yours sincerely, Thomas Bogner

The use of a masculine gender form is only due to simplification and easier readability.
A rating is expressly not associated with this. ITG is committed to equal rights for all genders.

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The USA is one of the most important trading partners for the Federal Republic and the European Union. Last year, exports to the United States totaled more than 156 billion euros and, as in previous years, ranked first among trading partners, followed by France, the Netherlands and China. The U.S. also ranks first in terms of foreign trade balance, with an export surplus of more than 64 billion euros. It is therefore not surprising that German companies are the third-largest foreign employer in the U.S., providing around 885,000 jobs.

ITG has been represented in the USA since 1994 and initially opened an office there to handle air and sea freight shipments. Since the very beginning, the location has been managed by Guido Voss, today President of ITG International Transports Inc. Business has continuously developed positively. With its high service and quality standards as well as its competence in customs clearance, ITG was also able to convince American customers in the USA and establish long-term business relationships.



our sister company BERGEN LOGISTICS (see LGI report on page 12), the optimization of the shipping network was implemented to expand services and offer very attractive pricing options.

This means that ITG is also well equipped to support the growth of existing customers in the USA and to handle new business at the highest level. ITG's omnichannel approach also comes into play for the American market, so that B2B and B2C can be served across all sales channels from a single logistics processing system. The organization, which has proven itself in Europe, will also be maintained in the USA via a high-performance multi-user warehouse. In addition to the classic fulfillment services, the range of services also includes a variety of value-added services (VAS) as well as the handling of samples and returns, including their reprocessing. In combination with the forward-

ing services and the high level of competence in customs clearance, this enables end-to-end services from a single source. Initially, handling is concentrated at the Boston site, which has excellent international connections to the airports and seaports of the East Coast. For fine distribution, the optimized multi-carrier connection in the CEP area as well as contracts with LTL and FTL truckers are used.

Thus, ITG has combined American and German spirit in order to also pave the way for new customers into the American market with the high competence in the fashion and lifestyle sector. As a member of the German-American Chamber of Commerce (GACC), a part of the German Chambers of Foreign Trade, we regularly exchange information within this network. Do you have questions or a specific need? We will be happy to advise you.

GET MOVING

ITG in the land of unlimited opportunities

In 2007, activities and value added services in contract logistics were started for a German customer in the fashion & lifestyle sector. For this purpose, warehouse space was rented and successively expanded in order to also offer and handle these services to other German customers for the American market.

In 2021, another office was opened in Atlanta to handle air and sea freight. ITG currently employs more than 30 people at three locations in the USA. This constant growth, also driven by existing customers with an expansion strategy towards the USA, as well as the potential for high-quality services in the area of contract logistics, especially for customers from the fashion and lifestyle environment, motivated the ITG management to intensify the focus for further business development in the USA and to drive growth there. A first step was taken in 2022 with the expansion of space by 10% to over 50,000 sqft. In addition, the handling processes were restructured. This has improved performance quality and raised service levels. The next step will now be the expansion of the IT infrastructure for nationwide network coverage, an upgrade of the WMS connection to the same level as at ITG in Europe. In addition, together with



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Mastering the complexity of online business
with end-to-end solutions

MANAGED E-COMMERCE SERVICES

While the Corona virus has been sweeping the globe, leading to retail lockdowns and closures among other things, the boom in online retailing, which had lasted until then, has been reinforced once again. Now this trend is weakening. The figures for online retail, which has been spoiled by success, are declining. But stationary retail is also suffering from structural problems and an increasing reluctance to buy.



How does our expert see it? Our editorial team conducted a short interview with Karsten Oelmann, Director E-Commerce, to shed light on these developments.



What's new in the e-commerce environment?

As in the past, the online business is subject to permanent change and adapts to current market developments. Hardly any other industry reflects so quickly and directly the climate on the markets and especially from consumers. Current developments and their impact on the economy pose challenges for everyone: just look at the topics of inflation and energy prices. The general mood of end customers is also reflected in purchasing behavior. People are acting more cautiously and we are currently experiencing greater buying restraint.

What does this mean for the industry in concrete terms?

Certainly, the market will consolidate. There is still a lot of merchandise in the warehouses, and the marketplaces in particular are under pressure, as both retailers and the marketplaces themselves compete for shares here. But customers' buying

decisions are also changing: social media sales - driven by influencers - are generating huge footfall. The customer wants more advice, more information. A few months ago, the purchase decision was faster and more spontaneous.

And what does that mean for ITC's e-commerce division?

We believe that the own online store will become more and more important for brands. Both established brands and sellers with little online experience are dependent on positioning their brand in the end customer business and addressing the brand message directly to the end customer. Traditional wholesalers are de facto unable to convey these messages. Through direct contact with the end customer via their own online store, a wide range of information about the buyer group can be acquired. Brands can use the findings about their needs and wishes to optimize the product range and retain customers in the long term.

With a view to current developments and trends, we focus our expertise on two points:

On the one hand, we develop and operate online stores for brands at the highest level and thus create shopping experiences that the end customer expects and is used to in online shopping. On the other hand, we work together with our customers to select dedicated marketplaces that we believe will increase sales and brand awareness through their reach and an attractive price-performance ratio. This is not always about the big players, but especially in Europe we also consider the multitude of national marketplaces.

In principle, the issue of internationalization also plays a major role for us here: the fact that we are integrated into the L&I Group means that we can draw on excellent infrastructures in the most important sales markets in the EU, but also in a global context, and can export our customers quickly and flexibly to other markets. This can generate new revenue streams for them very quickly. With all our experience and our approaches to solutions, we overcome the current challenges posed by market developments together with our customers.

What is your medium-term outlook?

Online business is less vulnerable in times of crisis than traditional retail. I am sure that our economy - but also the global markets - are robust enough to cope with the current situation. We notice that interested parties from different industries are specifically looking for solutions such as our end-to-end services. Unfortunately, I also expect the trend toward retail consolidation to continue. P&C and Galeria Kaufhof will not be the last examples of this. In the online segment, on the other hand, we continue to see strong growth. The demand for fully integrated solutions, i.e. fulfillment and e-commerce managed services, will continue and increase.

We will therefore continue to have a lot of work to do to make more and more customers fit for e-commerce. And we are happy to do that.

Karsten, thank you for these interesting insights.

Frontend E-Commerce Services



Online Shop & Marketplace Connection

B2B and B2C store set-up

Design and feature development

Technical support

Store hosting

Ongoing optimizations

Development

Integration marketplace



Online marketing

Strategy development

SEO

SEA

Newsletter and email marketing

Social Media Marketing

Campaigns and promotions



Content Production

Photo production

Video production

360° shots

Product texts

Marketing texts



Headless e-commerce

Order and process management

Article, supplier and customer management

Master data management

Data transparency

Marketplace connection

Reportings



Store & Marketplace Management

360° Service

Key Account

Process monitoring

Performance tracking and analyses

Article data and content maintenance

Partner Management

Accounting



Customer Service

1st level support

Multilingual

Product consulting

Customer history

Order status

Shipment tracking

Complaint management



Financial Services

Risk management

Payment methods

Credits

Discounts

Accounts Receivable Management

Receivables management

Collection



Webshop Operator (Merchant Modell)

Merchant model

Consignment goods

Shipping on own account

Contract partner to end customer

Third party liability regulated



Logistics & Fulfillment

Goods receipt

Quality

Storage

Pick & Pack

Returns handling

Value Added Services

Infrastructure



Last Mile Distribution

Distribution

Carrier Management

Claim Management

International solutions

Track & Trace

Accounting

Reporting

By dovetailing our logistics and e-commerce services, ITG FastLane Commerce reduces complexity and provides solutions to online sales challenges.



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TOGETHER FOR A BETTER CLIMATE!

ITG offers CO₂ emissions offsetting for air and sea freight transports



AIR & SEA

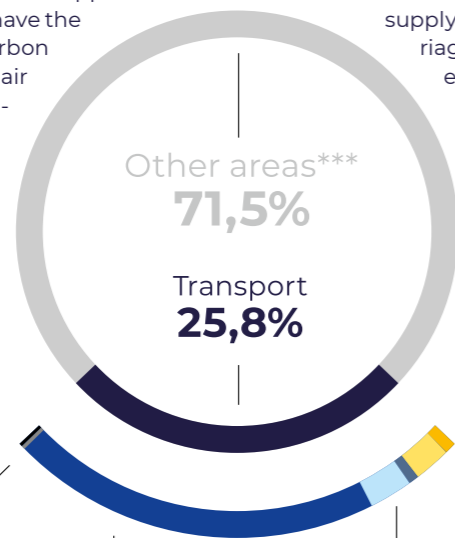
As yet, the CO₂ emissions generated by air or sea freight transport are only avoidable to a certain extent. Although aviation and shipping each account for only about 4 percent of total greenhouse gas (GHG) emissions in the EU, they are among the sectors with the fastest growing emissions. This is mainly due to the disproportionate increase in passenger numbers and trade volumes. In the meantime, carriers are working intensively to reduce their GHG emissions.

As a freight forwarder and thus an intermediary between the client and the carrier, ITG has no direct influence on emissions. Within the framework of the ESG program „OUR CARE“, the LGI Group not only undertakes its own efforts on the way to climate neutrality, but also supports customers with supplementary services. For clients who want to have the generated emissions reported for their carbon footprint, ITG offers CO₂ reporting for all air and ocean freight shipments with full visibility at shipment level. Based on this, the emissions generated during the transport of the shipment can be offset in a climate-effective manner by CO₂ certificates with globally certified climate protection projects.

Of course, the certificates comply with the requirements of the Verified Carbon Standard-Association (VCS). For greater transparency, the purchased product of our cooperation partner Klimainvest as well as the bookings and retirement of the CO₂ certificates are audited annually by TÜV. The decision was made in favor of the following CO₂-reducing projects; also in order to be able to make a contribution to biodiversity:

- Promotion of renewable energy power generation plants in India
- Methane gas prevention in the Ruhr region in Germany
- Protection and sustainable use of forests in Brazil

In addition, we are actively working on a sustainable supply chain for the pre-carriage and onward carriage of containers. Wherever possible, these are either shifted to rail or alternatively to or from the port to inland waterway vessels, thus only covering the last mile by truck.



Emissions in transport as a share of total EU greenhouse gas emissions* (2019)**



rail transport
0,1%
other transport
0,1%



road transport
20,5%



Vessel traffic domestic
0,4%
International
3,6%



Air transport domestic
0,4%
International
3,4%

* Excluding the United Kingdom (EU-27)
** Excluding land use, land use change and forestry (LULUCF)
*** Energy, industrial, residential, commercial, institutional, agricultural, fisheries and others



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SUCCESSFUL ISO 27001 CERTIFICATION

NEWS

Information security is indispensable, not only because of the dangers posed by viruses and hackers. In January 2023, ITG Group was awarded ISO/IEC 27001 certification by TÜV SÜD. ISO/IEC 27001 is the leading international standard for information security management systems (ISMS) and therefore the most important cyber security certification. It provides organizations of all sizes with clear guidelines for planning, implementing, monitoring and improving their information security.

In the run-up to the audit, which lasted several days, a project group of IT experts from ITG and LGI as well as representatives from the HR and FM departments worked together on implementation in line with the standards. In the course of this, all aspects of information security and IT security were systematically optimized and the security concept was updated.

After the organizational units of LGI had already been certified according to ISO/IEC 27001 since 2018, the entire LGI Group now has a uniform and certified management system for information security.



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Advertisement

WE STILL HAVE SPACE

- Areas immediately available in the heart of NRW
- Ideal connections to infrastructure (Port of Rotterdam, Duisburg Rail Terminal)
- Highest industry standards in terms of sustainability (DNGB certificate, property with PV system for self-sufficiency)
- State-of-the-art halls with a height of 12 meters, partly also shelved
- Use for short-term overflow business as well as long-term fulfillment



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