



# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY



## **ISSUER IDENTIFICATION DETAILS**

**FISCAL YEAR END DATE:** 30/09/2019

**C.I.F.:** A87008579

**COMPANY NAME:** Compañía de Distribución Integral Logista Holdings, S.A.

**REGISTERED OFFICE:** Calle Trigo, 39 – Polígono Industrial Polvoranca – 28914 Leganés (Madrid)



# ABOUT THIS REPORT

**The information in this report refers to the fiscal year 2018-2019, comprising from October 1<sup>st</sup>, 2018 to September 30<sup>th</sup>, 2019, and covers the most relevant aspects to the Group's different stakeholders regarding good governance, transparency, human rights, and environmental and social matters.**

This Annual Report on Corporate Social Responsibility has been approved by the Company's Board of Directors in its meeting on October 29<sup>th</sup>, 2019, following a report from the Audit and Control Committee, as stated in the Logista Group's CSR Corporate Policy approved in June 2016.

This Report must be jointly considered with Logista's Non-Financial Information Statement, corresponding

to the fiscal year 2018-2019 and is part of the Management Report. This report expands information on environmental, social and employees-related, respect for human rights, fight against corruption and bribes relevant to the Group in developing its activity.

In designing the contents on such Report, Logista has carried out a materiality analysis allowing to identify the most relevant aspects to report on to its stakeholders, as well as responding to non-financial information legal requirements.

This Non-Financial Information Statement has been subject to an independent external verification process.

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## Corporate Reports

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Logista publishes the following reports that make up the Annual Report:



Annual Accounts



Annual Report on Corporate Governance



Annual Report on Remuneration of Directors



Annual Report on Corporate Social Responsibility



These reports, together with the annual reports of previous fiscal years, are available in the Group's website, [www.grupologista.com](http://www.grupologista.com), both in Spanish and English.



**LETTER FROM  
THE CHAIRMAN**



**LOGISTA  
GROUP'S  
PROFILE**



**CORPORATE  
SOCIAL  
RESPONSIBILITY**



**GOOD  
GOVERNANCE**



**SHAREHOLDERS  
AND INVESTORS**



**EMPLOYEES**



**CLIENTS  
AND CHANNELS**



**SUPPLIERS**



**SOCIETY  
ENVIRONMENT AND  
SOCIAL ACTION**

Free translation from a report originally issued in Spanish. Spanish version prevails over the English version.



# LETTER FROM THE CHAIRMAN



DEAR SHAREHOLDERS,

**I have the satisfaction of presenting you the Logista Group's Annual Report on Corporate Social Responsibility (hereafter, CSR indistinctly) corresponding to the fiscal year 2018-2019, comprising from October 1<sup>st</sup>, 2018 to September 30<sup>th</sup> 2019.**

Throughout the fiscal year, the Group has continued developing its activity with a full integration of its responsibility and sustainability commitments, according to its ethical, business, social, environmental, economic and transparency values.

The Logista Group considers, reconciles and integrates its social responsibility regarding the stakeholders that may influence or be influenced by the Group's activities on social responsibility matters. It so identifies employees, shareholders and investors, clients and suppliers and the society in general, with particular emphasis in the environment, as its main stakeholders.

This CSR Annual Report, which must be jointly considered with Logista's Non-Financial Information Statement, confirms, again, the Group's unequivocal commitment to being a continuously improving company, responsible and sustainable in all its aspects.

Accordingly, we keep reducing CO<sub>2</sub> emissions related to our activity and we are the only European distributor included for three consecutive years on CDP's reputed "A List" as a worldwide leading company in Climate Change management. In addition, we continue to be recognized for our good practices in corporate governance.

Logista's business success is inseparable from its firm commitment to quality, understating that excellence must extend to all aspects of its strategy, management, operations and activities, with internal and external influence on the company.

This comprehensive vision of quality, sustainability and responsibility allows the Logista Group to reinforce its leadership position in the distribution of products and services to proximity retailers in Southern Europe.

**Mr. Gregorio Marañón y Bertrán de Lis**

# LOGISTA GROUP'S PROFILE



**The Logista Group is the leading distributor of products and services to proximity retailers in Southern Europe.**

Logista provides the best and fastest market access for products and services through a capillary network of points of sale near the end consumer, becoming the best partner for manufacturers and points of sale, through its specialized, high added value, intelligent and unique distribution service in Southern Europe.

Logista distributes tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries, among others, to some 300,000 points of sale within capillary retail networks in Spain, France, Italy and Portugal. Logista also distributes tobacco products to wholesalers in Poland.

## UNIQUE BUSINESS MODEL



Logista has developed a unique business model in the market that is transforming the distribution model to specialized retail channels, by facilitating manufacturers and retailers a simple, effective and modern omnichannel approach for the broadest portfolio of products and services, adapted to the point of sale and its end consumer.

value services and powerful Business Intelligence tools in a flexible fashion, to efficiently and transparently satisfy its clients' needs, always keeping proximity to the point of sale.

At that end, Logista combines specialized comprehensive distribution and logistics services with exclusive added

Logista so provides an unbeatable platform for the commercialization of products and services in Southern Europe.

## MAIN OPERATING FIGURES



PRESENCE IN  
**5 COUNTRIES**



**-300,000**  
POINTS OF SALE  
DISTRIBUTED



**-47,000**  
POINT-OF-SALE  
TERMINALS  
(POS TERMINALS)  
INSTALLED



**-50 BILLION €**  
INVOICED IN  
PRODUCTS AND  
SERVICES



**-45,000,000**  
OF DAILY CONSUMERS  
IN THESE CHANNELS



**-650**  
CENTRAL AND  
REGIONAL  
PLATFORMS AND  
SERVICE POINTS



**-5,900**  
DIRECT  
EMPLOYEES OF 50  
NATIONALITIES



**-15,000**  
COLLABORATORS



# VALUE CHAIN

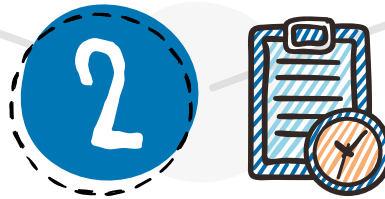
**L**ogista offers the most extensive value chain in the market, from omnichannel order taking from points of sale and products' purchase and supply to the after-sales service, providing manufacturers and points of

sale with a specialized distribution service according to the product, the retailer and its end customer, together with other added value services and powerful Business Intelligence tools.



## OMNICHANNEL ORDER TAKING FROM POINTS OF SALE

- Point-of-Sale (POS) terminals, Internet, cash&carry, telephone...
- Online orders processing and follow-up



## PURCHASE OF PRODUCTS STORAGE AND REAL-TIME STOCK MANAGEMENT

- Safety stock management
- Adaptability to different types of products
- Temperature controlled storage
- Availability of tax and bonded warehouses



## AUTOMATED ORDERS PREPARATION

- Consolidation of orders from several suppliers with single delivery
- Customized labelling and packaging
- Automated classification of shipments



## TRANSPORT AND DISTRIBUTION

- Design and management of routes
- Controlled temperature
- Merchandise risk coverage
- Multimodal transport (express, parcel, full load...)
- Fleet control and tracking



## INVOICING AND COLLECTION

- Collections via cash on delivery, credit card, bank transfer, direct debit ...
- Administrative support
- Incidents management
- Up-to-date maintenance of applications and price information
- Integration of external call centres



## CUSTOMER AND AFTER-SALES SERVICE

- POS Terminals and applications for point-of-sale management
- Service points
- Real time information on orders
- Incidents and returns management
- Exchange of goods
- Centralized hotline service
- Integration with external call centres

# MAIN FIGURES



## Economics

(€ MILLION)	2018 - 2019	2017 - 2018
Revenues	10,148.3	9,476.5
Economic Sales	1,149.0	1,118.2
Iberia	581.6	561.4
France	277.7	264.2
Italy	286.1	290.4
Corporate & Others	3.6	2.2
Adjusted EBIT	261.9	245.9
Iberia	120.2	114.2
France	74.3	65.8
Italy	81.0	79.5
Corporate & Others	(13.6)	(13.6)

There have been no significant changes in the Group's perimeter and no reformulation of the information in both periods.

## Employees

AVERAGE HEADCOUNT (*)	2018 - 2019	2017 - 2018
Spain	3,551	3,440
France	1,369	1,395
Italy	427	406
Portugal	493	484
Poland	78	77
TOTAL	5,918	5,802

\* Rounded figures





## Market capitalization





	30/09/2019	30/09/2018
Market capitalization (€ million)	2,374	2,936
Share price (€)	17.9	22.1





# BOARD OF DIRECTORS AND COMMITTEES

	Mr. Gregorio Marañón y Bertrán de Lis <b>CHAIRMAN</b>	
	Mr. Luis Egido Gálvez <b>CHIEF EXECUTIVE OFFICER</b>	
	Mr. Rafael de Juan López <b>SECRETARY DIRECTOR</b>	
	Mr. Jaime Carvajal Hoyos <b>DIRECTOR</b>	
	Mr. John Downing <b>DIRECTOR</b>	

	Ms. Cristina Garmendia Mendizábal <b>DIRECTOR</b>	
	Mr. Richard Guy Hathaway <b>DIRECTOR</b>	
	Mr. John Michael Jones <b>DIRECTOR</b>	
	Mr. Alain Minc <b>DIRECTOR</b>	
	Mr. Amal Pramanik <b>DIRECTOR</b>	

-  Chairman of Audit and Control Committee
-  Member of Audit and Control Committee
-  Chairman of Appointments and Remuneration Committee
-  Member of Appointments and Remuneration Committee

The Company's government structure is explained in detail in the Annual Report on Corporate Governance 2018-2019.

## OUR VALUES

Logista has promoted since its origin an upright behaviour, based on its corporate values, which are shared by the entire Group.



**RESPECT:** Logista, as a multicultural Group, promotes the respect and tolerance in all its actions



**INITIATIVE:** Key factor for change that promotes advance and prepares us for the future



**PROFESSIONALISM:** Integrity in management and transparency in the Group's relationships with its stakeholders



**COMMITMENT:** Long-term sustainable development

These values are expressly included in the Code of Conduct and, together with other behaviour guidelines also included, form the basis of the Logista Group's sustainable business model.



THE COMPOSITION OF THE **LOGISTA GROUP**, FORMED BY COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND ITS SUBSIDIARY COMPANIES, DIRECT OR INDIRECT, IS:

## Compañía de Distribución Integral Logista Holdings, S.A.

### Compañía de Distribución Integral Logista, S.A.U.

#### 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 Italia (100%)
- Logesta Francia (50%)
- Logesta Deutschland (100%)
- Logesta Lusa (51%)
- Logesta Polska (51%)

#### Logista Publicaciones (100%)

- Distribuidora del Este (100%)
- Disvesa (50%)
- Cyberpoint (100%)
- Distrisur (50%)
- Distribuidora de Aragón (5%)
- Provadisa (100%)
- Las Rías (100%)
- Distribuidora de Ediciones Sade (100%)

- Distribuidora del Noroeste (51%)
- Pulisa (100%)
- Distribución de Publicaciones Siglo XXI Guadalajara (80%)

#### Distribuidora del Noroeste (49%)

#### Logista France Holding (100%)

- Logista Promotion et Transport (100%)
  - › Logesta Francia (50%)

#### Logista France (100%)

- SAF (100%)
  - › Supergroup (100%)

#### 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%)





# CORPORATE SOCIAL RESPONSIBILITY

Since its origins, Logista has evolved according to an upright behavior, based on ethical, business, social, environmental, economic and transparency values. However, due to the desire of continue progressing in its commitments to social responsibility, the Group has been adopting a number of voluntary actions committing, also externally, to keep improving in this area going forward.

Accordingly, in June 2016, the Company approved its Corporate Policy on Social Responsibility, setting the Group's main commitments to the different stakeholders in corporate governance, economic, operational, environmental and social matters.

This Corporate Policy on Social Responsibility integrates into the Group's strategy and management model, the principles and values characterizing it and the commitments voluntarily adopted, permeating all its actions.

## Objectives and commitments to Stakeholders

Logista identifies its employees, shareholders and investors, clients, suppliers and the society in general, with particular emphasis on the environmental care, as its main stakeholders, as they are considered as the main groups that may influence or be influenced by the Group's activities in social responsibility matters.

The Logista Group's objectives and commitments to its main stakeholders contribute to developing a sustainable business model and to adding the maximum possible value to each of them.

The Logista Group carries out a periodical assessment of the degree of achievement of these commitments and objectives aiming to identify opportunities for improvement in managing CSR.

## Permanent and fluent dialogue with Stakeholders

Logista promotes a permanent, fluid and transparent dialogue with all its stakeholders through a number of communication channels, specific and adapted to each stakeholder's characteristics, or through communication channels common to all of them, as may be the Company's corporate website ([www.grupologista.com](http://www.grupologista.com)) or the corporate reports annually published.

Communication channels specific to each stakeholder include personal contacts, meetings, specific email and phone numbers for each stakeholder, suggestions boxes, etc.



## GOOD GOVERNANCE

### OBJECTIVES

- Short, medium and long-term value generation

### COMMITMENTS

- Promoting best practices
- Fostering transparency and two-way communication
- Assuming the Group's fiscal responsibility
- Incorporating the principles of the United Nations Global Compact



## SUPPLIERS

### OBJECTIVES

- Promoting the compliance with sustainable criteria

### COMMITMENTS

- Promoting the optimization and rationalization of resources
- Guaranteeing maximum transparency and preventing the risk of fraud in the contracting processes
- Promoting the knowledge and application of the Code of Conduct and of the principles upon which the Group's Purchasing Policy is based on

## EMPLOYEES



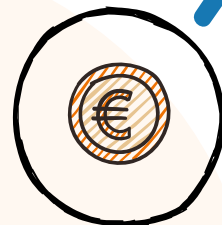
### OBJECTIVES

- Promoting employment and motivation of employees
- Recruiting and developing internal and external talent
- Spurring continuous training and learning
- Diversity and equality of opportunities
- Promoting the health, safety and wellbeing of employees

### COMMITMENTS

- Promoting employment and motivation of teams
- Developing actions designed to recruit talent
- Spurring the training and qualification of our employees
- Establishing a policy on remuneration and social benefits which facilitates the engaging of the best professionals
- Promoting diversity and equality of opportunities
- Considering the health, safety and wellbeing of employees as a fundamental value for the Group

## SHAREHOLDERS AND INVESTORS



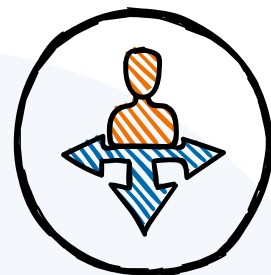
### OBJECTIVES

- Long term sustainable value generation
- Permanent dialogue

### COMMITMENTS

- Long-term sustainable value generation
- Prudent and responsible risks management
- Promoting integrity and transparency in the information
- Guaranteeing fair treatment to all shareholders

## CLIENTS AND CHANNELS



### OBJECTIVES

- Creation of stable and long-term relationships
- Loyalty of relationships

### COMMITMENTS

- Promoting excellence and quality in the service
- Spurring initiatives fostering full satisfaction of clients and the correct functioning of the sales channels
- Establishing stable and long-term relationships

## SOCIETY AND ENVIRONMENT



### OBJECTIVES

- Development of quality and environmental good practices
- Social initiatives

### COMMITMENTS

- To identify, monitor and control the most relevant environmental indicators (scorecard)
- Collaborating in, participating in, and supporting national and international initiatives for the protection of the environment
- Impelling the development of the Energy Efficiency Plan
- Promoting the CSR culture



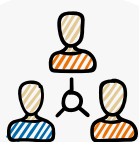
# GOOD GOVERNANCE

**The Company's Good Governance is the basis for the appropriate functioning and development of the Group's activity and the long-term sustainable value creation.**

The Group's Policy on Corporate Governance, approved by the Board of Directors on June 23<sup>rd</sup>, 2016, sets the corporate values based on respect as a multicultural Company, commitment, directed to sustainable development and the long term, and professionalism, integrity and transparency, creating, promoting and supporting a culture and philosophy based on integrity.

Therefore, Logista's Corporate Governance model is founded on such corporate values, as well as on the best practices in Corporate Governance, while following the Principles and Recommendations by the Good Governance Code of Listed Companies approved by the Comisión Nacional del Mercado de Valores (Spain's stock market supervisor) and the criteria and guidelines on good governance issued by markets supervisors and other operators.

Logista's corporate governance is articulated through the following governance bodies:



General Shareholders Meeting



Board of Directors



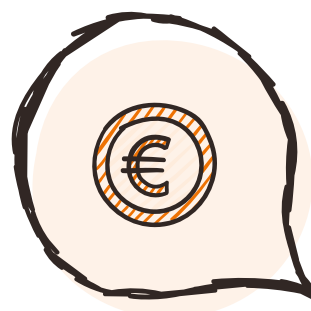
Audit and Control Committee and Appointments and Remuneration Committee



Senior Management

The Annual Report on Corporate Governance provides with full and detailed information about the functioning of the governance bodies and the governance of the Company and its subsidiary companies.

**The Annual Report on Corporate Governance corresponding to the fiscal year 2018-2019, comprising from October 1<sup>st</sup>, 2018 to September 30<sup>th</sup>, 2019, was approved by the Group's Board of Directors in its meeting on October 29<sup>th</sup>, 2019 and is available in the CNMV's website as well as in the Group's website ([www.grupologista.com](http://www.grupologista.com)).**



**LOGISTA AUDITS ITS FINANCIAL STATEMENTS BY TWO AUDITORS ACTING JOINTLY AIMING AT REINFORCING THE GROUP'S TRANSPARENCY AND INDEPENDENCY**

One further fiscal year, the auditors considered that the Logista Group's annual accounts express, in all relevant aspects, the true image of the Group's equity and financial situation, as well as its results and cash flows.

Furthermore, in the fiscal year 2018-2019, Logista has prepared the Non-Financial Information Statement, which is part of the Company's Management Report, in compliance with the Law 11/2018, of December 28<sup>th</sup>, modifying the Code of Commerce, the consolidated text of the Act on Capital Companies approved by the Royal Decree-Law 1/2010, of July 2<sup>nd</sup> and the Law 22/2015, of July 20<sup>th</sup>, on Auditing Accounts, on non-financial information and diversity matters.

This report has been independently externally verified, expressing that the indicators included comply with the principles of comparability, materiality, relevance and reliability, while the information included is accurate, comparable and verifiable.



The Logista Group has promoted since its origins a strict behaviour of respect for human rights in developing its activity. This commitment to complying with human rights is explicitly embodied in the Group's CSR Policy, as it is aligned with the Principles of the United Nations Global Compact regarding human rights, labour, environment and anticorruption.

In addition, this commitment to human rights is embodied in the Group's Code of Conduct, establishing that the Group's employees will promote and protect human rights in a way of not contributing, neither direct nor indirectly, to any violation of these rights, particularly when relating in any way with the Group's activity.



**When any fact, conduct or omission arises implying a contravention of human rights, the Group's employees have mechanisms to make them known, as for instance through the Channel for Denounces. The Channel for Denounces Management Procedure is published on the Group's intranet so it may be consulted by any employees.**



Logista has implemented due diligence measures, even considering that due to the geographical area in which it develops its activity, its typology and the solid regulatory framework, no relevant risks relating to forced labour or child labour are observed so that they may need applying specific due diligence procedures in the Group.

**Responsible tax management**

The Logista Group is firmly committed to the strict compliance with the applicable regulations in the territories where it operates and with the application of the Group's good practices.



**Aiming at making this firm commitment explicit, the Company's Board of Directors approved the Group's Fiscal Policy in 2015, whose main objectives and principles provide the backbone of Logista's management in this matter and secure a responsible tax management.**

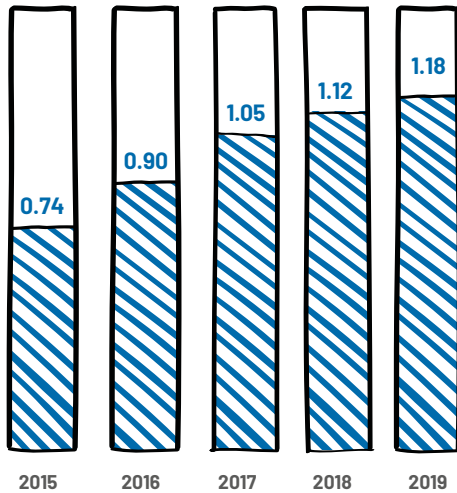




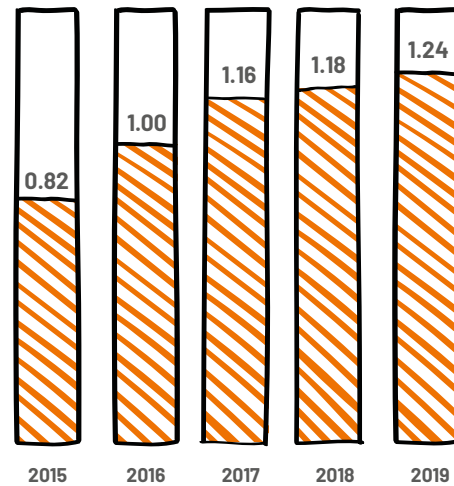
# SHAREHOLDERS AND INVESTORS

The Logista Group is committed to creating value, ensuring corporate profit and keeping a fluid and transparent dialogue with shareholders, investors and

financial analysts as one of the bases for its long-term sustainability.



**DIVIDENDS  
(€ PER SHARE)**

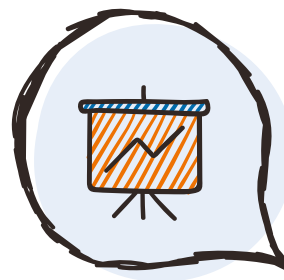


**EARNINGS PER  
SHARE (€)**

Logista manages the relationship with investors and the financial community in general through the Investor Relations and Strategic Analysis department, with a commitment to maximum transparency in information and firm respect to applicable regulations. The Group's Policy on Information and Communications with shareholders, the securities markets and the public opinion establishes the Company's information, communications and contact instruments, and defines the criteria when communicating and contacting shareholders, analysts and large investors.

Accordingly, Logista provides the investors community with relevant information on the Company related to its strategy, activities and results through information published in its corporate website, as well as through meetings, personal contacts, participation in conferences and seminars, etc.

By the end of the fiscal year 2018-2019, 13 firms covered the Company with 11 buy ratings, 2 hold ratings and no sell ratings, with an average target price of €24.8.



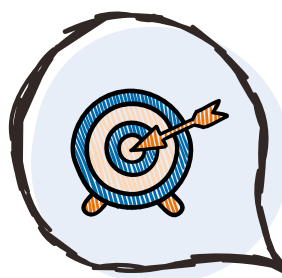
**THE GROUP'S POLICY ON INFORMATION AND COMMUNICATIONS WITH SHAREHOLDERS, THE SECURITIES MARKETS AND PUBLIC OPINION ALSO RULES THE INFORMATION PROVIDED BY THE GROUP TO THE MEDIA ON THE GROUP'S RESULTS AND BUSINESSES DEVELOPMENTS, CONTRACTS SIGNED OR ANY OTHER ASPECT DEEMED AS RELEVANT FOR THE GROUP**

## Logista in the Stock Market

Since the closing of fiscal year 2014 (when Logista was again listed), Logista's share price has annually increased by 4.4% versus a 3.1% average annual decline of the IBEX 35 index in the same period. By the end of the fiscal year 2018-2019, Logista's share price was €17.9.

Logista is part of the "IBEX Top Dividendo" index, made up of the 25 securities with the highest dividend yield among those included in IBEX 35, IBEX Medium Cap or IBEX Small Cap, provided that they at least have a 2-year track record of ordinary dividend payments. It is also part of the IBEX Medium Cap, the index with the 20 largest companies by market capitalization adjusted by free float after those included in the IBEX 35 index, as long as its annualized rotation on its free float is higher than 15%; and of the

FTSE4Good index, consisting of those companies proving solid practices in environmental, social and corporate governance matters.



**LOGISTA IS PART OF THE IBEX TOP DIVIDEND, IBEX MEDIUM CAP AND FTSE4GOOD INDEXES**

## Logista's share historical data

	2014*	2015	2016	2017	2018	2019
Market capitalization at the end of FY (€m)	1,911.6	2,238.2	2,636.4	2,700.8	2,936.4	2,373.6
Closing price (€)	14.4	16.9	19.9	20.3	22.1	17.9
Maximum price (€)	14.4	20.2	21.6	24.2	23.7	22.8
Minimum price (€)	13.0	12.9	16.7	19.2	17.2	17.7
Total volume (shares)	24,614,887	60,184,153	40,296,050	35,104,389	65,615,281	41,954,961
Average daily volume (shares)	431,840	236,016	156,186	137,127	258,327	164,529
Rotation (% of share capital)	18.5%	45.3%	30.4%	26.4%	49.4%	31.6%

\*Since July 14<sup>th</sup>, 2014: IPO. Source: Bloomberg

## Dividends

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

Accordingly, Logista paid an €0.37 per share interim dividend on August 29<sup>th</sup>, 2019, indebted to fiscal year 2018-2019 results and, furthermore, the Company's Board of Directors intends to propose to the General Shareholders Meeting distributing a final dividend of €0.81 per share, to be paid by the end of the second quarter of fiscal year 2020.



**THEREFORE, THE TOTAL DIVIDEND TO BE INDEBTED TO FISCAL YEAR 2018-2019 WOULD AMOUNT TO €1.18 PER SHARE, A 5.4% HIGHER THAN THE TOTAL DIVIDEND INDEBTED TO THE PREVIOUS FISCAL YEAR AND IMPLYING A 95.2% PAYOUT**



## Capital structure

All Logista's shares are of a single class and series and have the same rights.

CAPITAL STRUCTURE	2014	2015	2016	2017	2018	2019
Number of shares	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
Nominal value	0.20	0.20	0.20	0.20	0.20	0.20
Own-shares	-	40,614	275,614	391,432	425,496	486,013
% Own-shares over share capital	-	0.03%	0.21%	0.29%	0.32%	0.37%

**At the end of fiscal year 2018-2019, Logista had 486,013 own-shares in order to meet the commitments of shares distribution resulting from the Company's incentive plans.**

During the fiscal year 2018-2019, the most significant movements in the shareholding structure have been the increase of the Santander Asset Management SA SCIIC above 3%, the decline of Black Rock's stake to 3.96% from 4.58% at the end of the previous fiscal year and the decline of the Capital Management Research stake below 3% from the 5.34% at the end of the previous fiscal year.

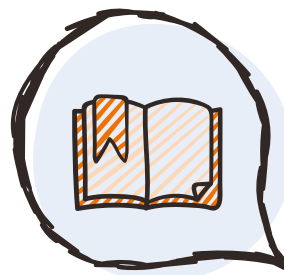
As of September 30<sup>th</sup>, 2019, the most significant shareholdings according to the information reported to the CNMV by the shareholders, are:

NAME OF SHAREHOLDER	% OVER TOTAL VOTING RIGHTS
Imperial Brands PLC	50.01%
BlackRock, Inc	3.96%
Allianz Global Investors GmbH	4.98%
Santander Asset Management SA SCIIC	3.01%

### Prudent and responsible management of risks

The Logista Group efficiently, prudently and responsibly manages risks aiming at minimizing impacts if they were to materialize.

At that end, the Group's Risks Management General Policy, including the Corporate Risks Management System, provides the guidelines to integrate all information of the Group's different functions and operations, in order to provide Business Managers and Corporate Directorates with a full and integrated vision of risks, so improving the Management's ability to manage them while minimizing possible impacts if risks were to materialize.



**THE GROUP'S RISKS MANAGEMENT METHODOLOGY IS EXHAUSTIVELY EXPLAINED IN THE ANNUAL REPORT ON CORPORATE GOVERNANCE 2018-2019**

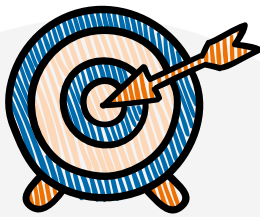
**Equal treatment**

All Logista’s shares are of a single class and series with the same rights.

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

Every Logista’s shareholder has the right to attending the General Shareholders Meeting on an equal and equitable basis, notwithstanding the number of shares owned.

Logista promotes that shareholders participate in the General Shareholders Meeting, the Company’s sovereign body and fundamental forum for shareholders in taking part in the decisions-making and sharing their opinions and concerns with the Board of Directors and the rest of shareholders.



**SHARES**  
single class with the same rights



**EQUAL AND EQUITABLE PARTICIPATION** in the General Shareholders’ Meeting



The **GENERAL SHAREHOLDERS’ MEETING** is the sovereign body and fundamental forum for shareholders in taking part in the decisions-making

GENERAL SHAREHOLDERS MEETING	2015	2016	2017	2018	2019
% of capital present or represented	82.96%	90.91%	88.82%	84.66%	84.09%



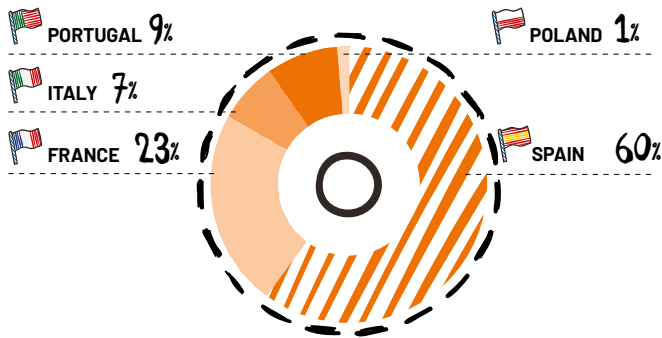
# EMPLOYEES

**L**ogista considers its professionals and collaborators a key and fundamental factor in achieving its business targets, being the Group's ultimate goal the value generation.

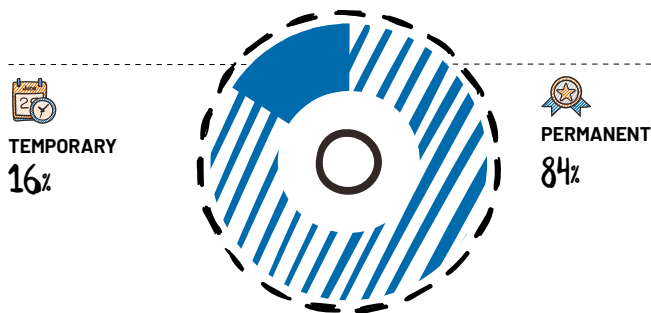
Respect, initiative, commitment and professionalism are the values ruling the conduct of every professional recurrently collaborating with Logista. These values are expressly included in the Group's Code of Conduct, establishing the guidelines for all its professionals' behaviours.

Such Code of Conduct is available in the Group's intranet to secure its maximum dissemination and knowledge by all Group's employees.

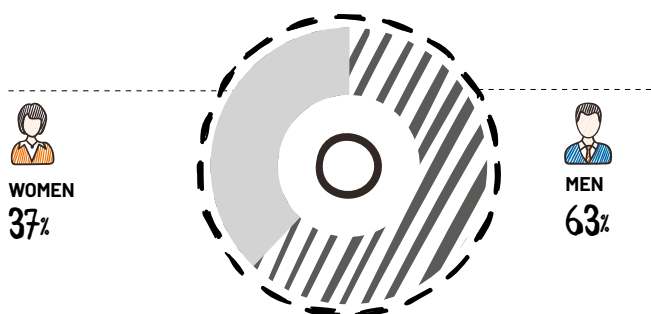
## Employees by country



## Employees by contract type



## Employees by gender



Some 15,000 professionals recurrently collaborate with the Logista Group, at the closing of the fiscal year 2018-2019, being 5,980 direct Group employees.

100% of the Logista Group's employees are covered by labour collective bargaining agreements or improved bargaining agreements.

## Promoting employment

The Logista Group is committed to job creation and maintenance, promoting a long-term labour relationship with its employees in a healthy and secure working atmosphere with high levels of motivation and satisfaction.

Logista also has continued devoting its greatest efforts to attract talent and the best professionals. Accordingly, at closing of fiscal year 2018-2019, the total staff rose by 161 employees, from 5,819 in fiscal year 2017-2018 to 5,980 professionals.

## Talent management

The Logista Group carries out a talent management aimed at achieving business targets, with the ultimate goal of creating value.

During the fiscal year 2018-2019, the Recruitment Excellence Centre, aiming at boosting efficiency in attracting and recruiting talent for the Group, has continued implementing market-proven competitive tools and improving its processes and efficiency by using metrics analysis and contracting experts, aiming at attracting and incorporating the best candidates to the Group.

As example, it stands out the implementation of teams management policies, the participation in the main forums at business schools, universities and and jobs fairs in each country, the improvement and fostering of tools for selection processes, the attraction of junior profiles, through the "Youners" project, aiming at developing their careers in the Group or the welcome and integration plans for new employees.

2018 - 2019	STAFF							
	AVERAGE STAFF*				STAFF AS OF 30/09/2019			
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Spain	1,759	1,121	387	284	1,752	1,107	435	294
France	829	459	40	41	821	454	32	39
Italy	256	140	21	10	260	147	17	12
Portugal	276	91	88	38	293	92	101	40
Poland	50	10	16	2	49	10	23	2
<b>Subtotal</b>	<b>3,169</b>	<b>1,822</b>	<b>551</b>	<b>376</b>	<b>3,175</b>	<b>1,810</b>	<b>608</b>	<b>387</b>
<b>TOTAL</b>	<b>5,918</b>				<b>5,980</b>			

\*Rounded figures

### Compensation and Benefits Policy

The Logista Group, aiming at hiring and retaining the best professionals, has a market-competitive compensation and benefits policy at an individual and global level.

Also, Logista carries out benchmark and internal equity and external competitiveness studies, favouring decision-making and teams' management across departments.

### Employees' development

Logista considers training as one of the most relevant issues in managing talent and its staff's professional development.

Logista bases individual development plans for its employees on the "3Es model", consisting of experience (70%), exposure (20%) and education (10%).

Logista also fosters geographical and functional mobility to boost its employees' professional development. Some professionals were selected during the fiscal year to be part of a program for temporary assignments to projects in other Group's countries and businesses and new international assignments started, aiming at increasing the international experience and the vision across Logista's different businesses and areas, while contributing to homogenizing Group's policies, processes and procedures.

Also, the Development Excellence Centre has developed other projects during the fiscal year, like increasing Talent (Talent Density) in Group's critical positions, as well as reinforcing succession plans for such positions, starting individualized action plans encompassing different

initiatives regarding assignment to projects, development and compensation, as well as the aforementioned "Youners" project.

**The main training actions which, based on the business targets, were carried out during the fiscal year 2018-2019, were related to leadership, sales, projects management and technical knowledge.**



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## Teams' motivation

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Logista promotes a fluid and transparent dialogue with its staff, keeping bidirectional communication and dialogue channels.

Periodical communication in the Group's intranet keeps being boosted regarding the most relevant information and main projects for the Group and each of its businesses.

Also, the Group's Labour Relations Excellence Centre has the fundamental aim of fostering a stable and long-term labour framework favouring the development of its employees and businesses.

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## Safety, Health and Wellbeing

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Employees' safety, health and wellbeing is a fundamental value for the Group, seeking a safe and healthy working atmosphere. The Safety, Health and Wellbeing Excellence Centre focuses on the following basic objectives:

- Achieving a progressive reduction in the accidents rates in the Group's businesses.
- To keep improving work safety conditions and making work centres increasingly healthy.
- Promoting a culture of excellence regarding safety, health and wellbeing for the Group's employees.

The Group has continued consolidating its OHSAS 18001:2007 certification, the international standard defining an organised management for preventing labour risks.

Accordingly, the OHSAS 18001:2007 certifications of Logista Pharma, Nacex, Integra2, Logesta and Logista Libros are annually reviewed in Spain. In Italy, Logista Italia and the work centres in Bologna and Crespellano have this OHSAS 18001:2007 certification. In Portugal, the certifications of all businesses located in Alcochete (Lisbon) have been reviewed and, in Poland, Logista Polska's certification obtained two years ago was reviewed.

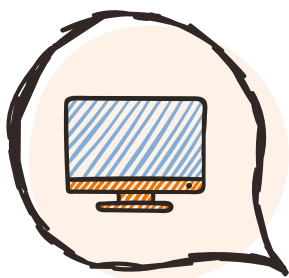


**Logista proactively manages its employees' labour safety, health and wellbeing, organizing workshops with benchmark occupational health centres enabling to progress in implementing improvements in risks prevention at work centres.**

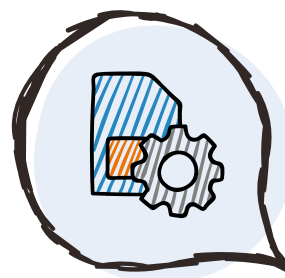


Different projects are also carried out every year with the common goal of reducing risks related to manually handling loads in activities, including pilot tests with dorsolumbar exoskeletons, the installation of tilting tables, preventive physiotherapy plans and "in situ" on-the-job back school training.

Logista additionally informs its employees on potential risks for their health at their post and provides specific training in every business.



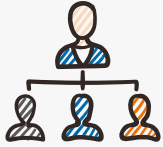
**LOGISTA PROMOTES A FLUID AND TRANSPARENT DIALOGUE WITH ITS EMPLOYEES, KEEPING BIDIRECTIONAL COMMUNICATION AND DIALOGUE CHANNELS**



**DIFFERENT PROJECTS ARE CARRIED OUT EVERY YEAR WITH THE COMMON GOAL OF REDUCING RISKS RELATED TO MANUALLY HANDLING LOADS IN ACTIVITIES**

## Diversity, equality, non-discrimination and ethical behaviour

Logista is committed to diversity, equal opportunities and non-discrimination in every form, as expressly said in the Group's CSR Policy.



**Diversity:** employees with 50 nationalities.



**Equality:** the Group has developed different actions aimed at equality, such as the distribution of leaflets, the creation of a protocol to prevent harassment, etc.



**Non discrimination:** Logista continuously seeks very proactively collaborating with different foundations and associations to help and employ collectives with disability and at risk of social exclusion, aiming at helping them entering the labour market.

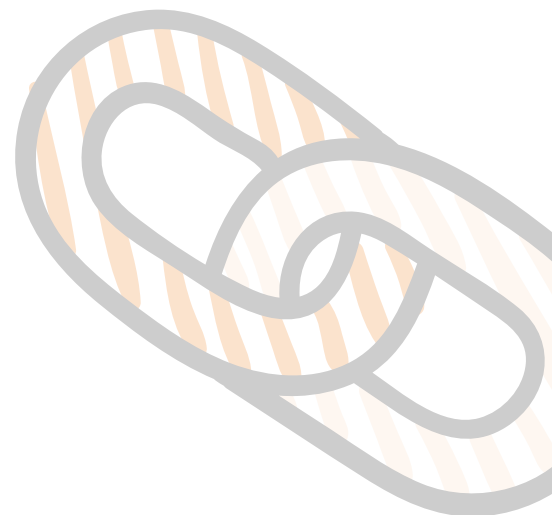
//////  
**The Group's Code of Conduct, available in the Group's intranet to secure the maximum dissemination and knowledge, includes these principles and sets the behaviour guidelines for all employees.**  
//////

The Group keeps supporting sport initiatives, mainly focused on young people and the integration and participation of disabled athletes.

In Spain, Logista has an Equality Peer Commission since 2011 setting equality principles and the protocols to secure that the Human Resources management is carried out according to the principles of:

- Non-discrimination by gender, sexual orientation, or any other reason forbidden by law.
- Respect to people above any other consideration.
- Professional behaviour in relationships among staff and with the Management.
- Promoting a fair labour environment fostering professional development based on professional and education merits.

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





# CLIENTS AND CHANNELS

**C**lients are the core of Logista Group's business model.

Logista has therefore developed a unique business model in Southern Europe, integrating into a sole operator all services within the distribution value chain, in a transparent, efficient, sustainable and fully traceable way, and with the most advanced and specialized services according to each industry and channel of points of sale the Group operates in.

**The Group provides manufacturers and retailers with a simple, effective and modern omnichannel approach to the broadest portfolio of products and services, adapted to the point of sale and its end consumer.**

### Excellence and maximum quality in service

The Group integrates sustainability in its goal of maximum service quality, always seeking efficiency in carrying out its operations in appropriate social and environmental conditions.

### Stable and long-term relations

Logista seeks establishing trusting relationships with its clients and keeping stable and long lasting bonds benefitting both parties, securing management independence and operating neutrality.

The Legal Corporate Directorate centralizes the review of the most significant contracts throughout the Group to ensure strict law compliance.

- UNIQUE BUSINESS MODEL
- EXCELLENCE
- QUALITY SERVICE
- STABLE RELATIONSHIPS

Logista integrates its commitment to quality, sustainability and continuous improvement when carrying out its activities and operations, and has several certificates recognizing it:

### MAIN CERTIFICATES

ISO 9001	Group's Quality Management System in over 300 premises
GDP (GOOD DISTRIBUTION PRACTICES)	Distribution of pharmaceutical products according to European and Spanish regulations
GMP (GOOD MANUFACTURING PRACTICES)	Proper handling, relabelling and repackaging of pharmaceuticals, granted by the Spanish health authorities
OEA (AUTHORIZED ECONOMIC OPERATOR)	Spain's AEAT (State Agency for Tax Administration) recognizes, according to its most demanding Customs Simplification, Security and Safety version, a proper customs control, financial soundness, adequate security and administrative management to ensure a satisfactory tax compliance
TAPA	Recognizes Logesta for following Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) standards designed to ensure security and safe transit and warehousing of assets of any TAPA member worldwide
UNE-EN ISO 14064	Carbon Footprint calculation at Group level
ISO 14001	Environmental Management System
OHSAS 18001	Organised management for preventing labour risks
IFS LOGISTICS	Recognizing Integra2's quality in the food industry



**The Logista Group responsibly manages the supply chain, establishing commercial relationships with trustworthy suppliers, reputed for professionally and ethically developing their activity.**

Logista gathers in the “General Principles of Behaviour” the minimum standards and basic behaviour norms ruling the suppliers’ activity in their relationships with the Group, as well as regarding their own employees or third parties involved in developing their activity.

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**These Principles of Behaviour must be known and accepted by all Group’s suppliers, and are compulsory. To secure the public knowledge, they are published in the Group’s corporate website and translated into the official languages of the countries where the Group is present.**

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The Group’s Purchasing Policy includes the Logista Group’s main principles on ethics, labour, sustainability, quality and vocation for clients, which the suppliers’ selection and contracting process are based upon, being an objective and rigorous process.

Also, the Group’s Purchasing Norm rules that contracting must be guided, among others, by the Principle of ethical and professional conduct.

Aiming at assessing the degree of compliance with quality, security and professionalism standards, among others, required by the Group, Logista carries out periodical evaluations to measure its suppliers’ ability.

These reviews fall within the control systems implemented in every Group’s business.

Periodical reviews include the evaluation of certified quality systems or the review of the degree of compliance of regulatory strategies.

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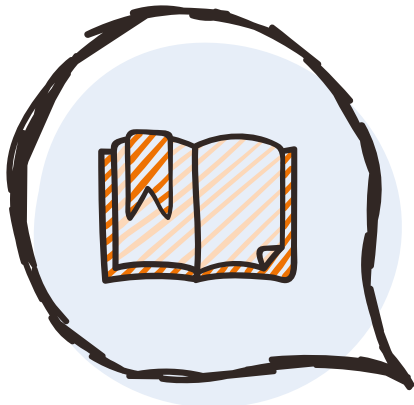
### Resources optimization

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All relevant purchases of goods and services corresponding to general purchases, supplies, maintenance services and information and communications technologies, as well as CAPEX are centralized aiming at optimizing and rationalizing resources.

////////////////////////////////////  
**There are also contractings of goods or services that, due to their nature or reduced cost, are not suitable for a centralized management. In these cases, the established purchasing process is also followed to comply with the general principles set forth in the Purchasing Policy and so ensure transparency, efficiency and equity in such purchases.**

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**THE GROUP’S PURCHASING NORM RULES THAT CONTRACTING MUST BE GUIDED, AMONG OTHERS, BY THE PRINCIPLE OF ETHICAL AND PROFESSIONAL CONDUCT**





# SOCIETY: ENVIRONMENT AND SOCIAL ACTION

**Logista is committed to a sustainable growth, both economic, in social welfare and in terms of respect for the environment it operates in.**

## Environment

The Logista Group develops good environmental practices aiming at minimizing the environmental impact of its activities.

Its Quality and Environment Director Plan and the Quality, Environment and Energy Efficiency Policy set guidelines and good practices to optimize the use of resources and prevent pollution in processes, according to strict regulatory compliance and the Group's targets voluntarily subscribed.



**MINIMIZING ENVIRONMENTAL IMPACT OF ACTIVITY**



**GOOD PRACTICES TO OPTIMIZE RESOURCES**



**PREVENTING POLLUTION IN PROCESSES**

Logista accordingly develops several actions with the objective of controlling and managing its activity's current and foreseeable effects on the environment and addressing the significant environmental aspects.

Logista has so established the main environmental and quality indicators for its sustainable development, taking its activity into account, which it periodically controls and assesses conducting energy audits in every country and per business.

The aspects the Group considers not representative or material regarding this are water consumption, which given the activity developed by the Group is only used for health reasons; noise and light pollution and the protection

of biodiversity, as the Group's activity has no direct impact on protected areas.

## Carbon Footprint

The Group assesses its carbon footprint and promotes reducing it, as one of the Group's initiatives to minimizing the environmental impact of its activities.

**The Logista Group calculates the Carbon Footprint of all its businesses and activities in the different countries where it operates, including most of the Group's outsourced activities, like 100% of emissions from transport operations and franchises, as well as indirect activities, like those of acquiring goods and services, according to ISO 14064 norm considering as referent the GHG Protocol methodology.**

A reputed independent firm verifies the calculation according to the UNE-EN ISO 14064 norm, ratifying the figures, reliability and traceability of the process.

Also, the Group's transport division freely reports to clients the Carbon Footprint of their deliveries and transport routes.

The Logista Group has significantly improved its efficiency ratio due to its continuous effort optimizing energetic efficiency in its processes and facilities, albeit the increase in activity involved raising emissions in absolute terms.

## Renewable energies

The Logista Group is committed to using renewable-produced energy. All Group's directly managed centres in Spain, France, Italy and Portugal use renewable-produced energy and, overall, over 90% of the Group's premises.

## Efficient use of resources

Logista collects and analyzes information on water consumption, waste and the most relevant materials for the Group, aiming at an efficient use of resources.

Aiming at reducing fuel and energy consumption, Logista has developed during the fiscal year 2018-2019 a number

of initiatives, such as optimizing routes, adjusting volume to the existing infrastructure, setting local targets and initiatives for reduction at its main warehouses, etc.

Logista carries out periodical energy audits for the Group's main processes and warehouses, aiming at identifying and prioritizing improvement actions for reducing such consumptions.

Other actions carried out by Logista during the fiscal year 2018-2019 for reducing energy consumption include, among others:



LEED/BREAM certification for new premises, like the new warehouse for the wholesale activity at Cabanillas (Spain) and the new warehouse for next generation products at Bologne (Italy). Both premises have been designed and built according to the most strict energy efficiency standards.



Constant implementation of corporate and local projects like monitoring consumption, replacement of illumination, improvements in isolation, renewal of equipment, etc.

In January 2019, CDP again included the Logista Group on the prestigious "A-List" group, highlighted as the only European distributor in the list for the third consecutive year and identifying Logista as a world leading company in managing Climate Change.



**OPTIMIZATION OF ROUTES**



**LEADER FIGHTING AGAINST CLIMATE CHANGE**



**AWARENESS IN EMPLOYEES**

Logista annually submits information to CDP on the Group's climate change management, both at the corporate and at each business' levels. This information is available at CDP's website.

**Collaboration with national and international organizations**

Logista collaborates with several environmental protection organizations and initiatives, like the Grupo Español para el Crecimiento Verde (Spanish Group for Green Growth or GVEC) in which Logista is a founding member.



The GVEC works together to transfer to the society and the Public Administration its vision on the sustainable economic growth model compatible with the efficient use of natural resources.



Logista is part of the FTSE4Good index, created by the global indexes provider FTSE Russell and consisting of companies proving solid environmental, social and corporate governance practices.

The Logista Group also develops initiatives for awareness to increase the employees' knowledge and commitment, disseminating the Group's actions on these matters.

The email address [calidadymedioambiente@logista.es](mailto:calidadymedioambiente@logista.es) is available to the public to submit to the Logista Group any doubt, suggestion or comment related to the Group's quality and environment management.

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**Social action**

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The Logista Group keeps an active commitment to several social initiatives, mainly at a local level, and promotes the participation of all those related to the Group (employees, franchises, delegations, etc.) while collaborating in projects they propose for developing its social responsibility.



## THE LOGISTA GROUP THROUGH ITS COMPANIES SUPPORTS SEVERAL INITIATIVES TO IMPROVE QUALITY OF LIFE OF THE MOST VULNERABLE GROUPS

The Group supports researching and palliating diseases, by backing several initiatives. Nacex commits to long-term collaborations and so, one further year, Nacex is VIP Partner Company of the Josep Carreras Foundation supporting its fight against leukaemia, keeps collaborating with the Multiple Sclerosis Foundation and with the Spanish Federation of Rare Diseases (FEDER), supporting its campaign for the Rare Diseases World Day by delivering charity packs to associations and collaborating entities. It also collaborated with C.B. Valls in a charity initiative fighting cancer.

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**This fiscal year, Nacex started collaborating with the Ronald McDonald Foundation, the non profit entity highly reputed for its work favouring families with seriously ill children, by sponsoring a room at the Ronald McDonald House in Barcelona, very close to the Vall d'Hebrón Hospital.**

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Nacex also collaborated with the ASDENT Foundation by collecting solidarity caps for researching the rare Dent disease. Its franchises have become collecting points for caps and have made possible a nationwide collection, as until then the Foundation only collected caps in Catalonia due to the lack of resources. Requesting suppliers and customers are also collecting points.

Meanwhile, Integra2 collaborated with different initiatives, like the ADMO association (Extremadura's Association for donating bone marrow and umbilical cord), or the "Metamorfosis desde la esperanza" event to collect funds for the AECC (Spanish Association Against Cancer).

Integra2 also collaborated with organizations like Olvidados and the Food Bank by donating its transport services to collect, transport and deliver food, health products, etc. to parishes, social lunchrooms, etc.

The Group additionally promotes charity bazaars at its premises, as well as collecting products for several social-supporting organizations. For example, the Logista Group's headquarters held a charity bazaar during Christmas with the participation of Red Cross Leganés, Avantes3, Prodis Foundation and La Merced Foundation. Logista France organized a toy collection with the "Le secours populaire" association.

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**Logista France also collaborated with organizations like Stophunger, Mieux vivre at Vaucluse and the French Red Cross by donating funds or products to support unfavoured groups around it.**

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-  **SOCIAL INITIATIVES**
-  **SUPPORTING RESEARCH**
-  **HELP TO VULNERABLE GROUPS**

One further year, Nacex was the official courier of the "Ayuda en Acción Christmas" campaign, allowing the NGO to develop humanitarian support projects. Particularly, the "Enlighten their future" project in 2019 focused on achieving that children in the Nacuta area (Mozambique) receive education to prosper.

Also during Christmas, Nacex collaborated with Unicef by selling the NGO's charity gifts at its headquarters.

Logesta keeps fostering kids in Cambodia, Peru and Guatemala to achieve communities' self-sufficiency in education, culture, food safety, health, infrastructures, production and qualification. Logesta has also collaborated with Juegaterapia and the Educo Foundation.

//////  
**The Group also keeps supporting sport initiatives, particularly those focused on young people and seeking the integration and participation of disabled athletes, by sponsoring several sport clubs, activities and events.**  
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Integra2 supported different initiatives, like the "un nombre una vida" campaign through a golf tournament, and has collaborated with several sport clubs, like the Rias Baixas Cycling Club (elite under 23 team) and the Navalморal Indoor Football Club.

Nacex sponsored the football Media Base Sports and the basketball GLT Sport campuses. It also sponsored the Nacex paddle tennis Challenge, where former Real Madrid and Barça football players competed to raise funds for charity, this time devoted to the Forever Dream foundation. Nacex also sponsored a number of golf charity tournament, like the "Tournament for Brave people", for the Leo Messi Foundation and the San Juan de Dios hospital in Barcelona.

Nacex also sponsored the Kern Pharma XIII International Meeting fostering the elite athletics among disabled athletes.

Additionally, the Logista Group through Nacex promotes culture by sponsoring the Principe Pío Theatre in Madrid and the creation of an area in the Micropolix child leisure centre at Madrid devoted to couriers so kids may know the importance of this occupation in the current world. Integra2, meanwhile, maintains the [www.rutaintegra2.es](http://www.rutaintegra2.es) portal on popular food festivities in Spain, bringing closer the gourmet and food industries, fostering popular, and food culture across the regions.

-  **SPONSORSHIP**
-  **HUMANITARIAN AID**
-  **CHARITY**
-  **EDUCATION**
-  **SPORT INITIATIVES**



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