



Rhenus Air

Communication on Progress 2011

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1. Statement

Being a good corporate citizen is an ambition enthusiastically embraced at all levels within our company. As a member of the Global Compact, we believe that our business policies incorporate the ten principles. Our board fully supports our actions in working towards sustainability goals – in particular those contained in the UN Global Compact – and endorses the future priorities and specific targets we set out in our report. Through our support of the United Nations Global Compact, we also aim to move the agenda forward on performance related to human rights, labour rights, the environment and the fight against bribery and corruption. Here we summarised the progress we have made against these principles and we will continue to follow them up in future.

A handwritten signature in blue ink, appearing to read "P.G. Pasman", written over a horizontal line.

July 12, 2011
P.G. Pasman
Managing Director

2. Scope of the report

This annual report covers a 12 months period from July 2010 till June 2011 and is applicable for the sites of Rhenus Air in the Netherlands only. The report will be published on the website www.unglobalcompact.org and will be made accessible for all stakeholders via the Rhenus website and via the Rhenus newsletter.

3. Company profile

Rhenus Air (Netherlands) is an airfreight forwarder based in the Netherlands. The head office of Rhenus Air is at Schiphol Airport. There are side branches on regional airports (Eindhoven, Maastricht and Rotterdam) and in Apeldoorn, Drachten and Etten-Leur. In total Rhenus Air has approximately 150 employees. Rhenus Air offers logistical solutions at competitive rates that are tailored to the specific needs of our customers. We are capable of this due to the dedicated efforts of our employees and our ability to anticipate the ever-changing market circumstances and demands in a professional and decisive manner. This is accomplished by a continuous improvement of our HR, commercial, operational, financial, quality and sustainability policy.

Rhenus Air is part of the Rethmann Group (Germany). The Rethmann group is one of the leading logistics service providers in Europe. Rhenus Contract Logistics, Freight Logistics, Port Logistics and Public Transport divisions manage complex supply chains and provide a wealth of innovative value-added services. In our Communication on Progress we refer to the Code of Conduct of Rhenus Logistics (Netherlands), which is published on the intranet website of Rhenus Logistics and available to and distributed to all employees. It is the shared responsibility of the managers and employees of Rhenus Air to communicate those policies with all clients and suppliers.

4. Evaluation of previous period

Rhenus Air embraces all principals and actively promotes them via the Code of Conduct (national level) and a Corporate Compliance document (published by the Rethmann Group, our German holding company). Participation in environmental friendly projects and sustainability issues are shared with our stakeholders in the monthly newsletter.

New freight building at Schiphol Airport

In October 2010 Rhenus Air moved to a new eco-friendly freight building at the airport. Measures taken to save energy are:

1. Attendance detection: lights and air conditioning will switch off automatically if there is no movement in the offices and toilets.
2. Daylight timing: lights next to windows and dormers are equipped with sensors to detect if there is enough daylight. If there is enough daylight lights will be dimmed or switched off.
3. Reduction of the ventilation system (up to 40%): a monitoring system detects the number of employees present and will adjust the ventilation to a level that fits the amount of people present.
4. Heating pump (15KW): a pump will be used to get remaining heat out of the ventilation system and this heat will be warmed up to a higher temperature so that it can be used as heating for the building. This leads to reduction of gas consumption. Since the yield of the pump is higher than the yield of the boiler energy will be saved.
5. Tapwater collector showers: water for the showers is heated by sun collectors.
6. Sun collectors: 500m2 PV cells on the roof which produce 50.000 Kwh of energy on a yearly basis.

Based on the available information we can conclude that energy consumption did decrease severely: energy consumption from January till June 2011 is at the same level as it was in 2010, but in the new building twice the amount of employees are housed and almost twice the office/warehouse space is available.

Quality Management System

Rhenus Air is ISO 9001 certified and our quality management system includes procedures covering all key processes, procedures covering selection and evaluation of suppliers, procedures on human resource management and monitoring processes to ensure the effectiveness of our procedures. In October 2010 Rhenus Air Schiphol moved to a new building, which was TAPA-A certified in February 2011. All measures taken and procedures on safety and security issues are described in a Safety & Security Manual. The management system is evaluated twice a year during a management meeting and via internal and external audits. The Quality Manual and the Safety & Security Manual are available for all employees via the Rhenus Air intranet site.

Rhenus Logistics Run

On April 3 2011, the 18th Rhenus Logistics Run took place at the Haarlemmermeerse Woods. Approximately 600 participants including children ran the course. The proceeds of the Rhenus Air Run always go to a charitable fund. In 2011 Rhenus Air again supported the Leergeld Foundation project. This foundation ensures that children aged 4 to 18 who live in low-income families have an opportunity to participate in sports, cultural and social activities thus preventing social exclusion.

E-Freight

Paperless airfreight carriage is the main objective of E-freight. Rhenus Air is one of the biggest e-Freight supporters in the Netherlands of this worldwide IATA initiative and ships, together with Rhenus Fresh, on average approximately 400 e-Freight shipments per month. The number of E-freight shipments via Rhenus Air again increased 25% in the last year. Currently, 44 countries participate in this project with a monthly average of more than 15,000 shipments. From the beginning of the e-Freight project back in 2007, Rhenus Air has been in the top ten of IATA's e-Freight scorecard of number of e-Freight shipments. The goal of e-Freight is to make the supply chain faster, safer, more cost efficient and more durable. In 2010 the project was awarded a grant from the Ministry of Economic Affairs' 'Peaks in the Delta' (*Pieken in de Delta*) programme.

Schiphol SmartGate Cargo

Dutch Customs, Schiphol Airport and ACN members have initiated an innovative public-private cooperation between government agencies responsible for enforcing border crossing legislation and the private sector. It is referred to as Schiphol SmartGate Cargo and includes the integrated monitoring and, in the case of perceived risks, the one-stop physical inspection of goods leaving the EU. Introduction of this concept is supported by SmartGateTheGame®, a "serious" game with e-learning module. This game will assist air cargo companies to optimally prepare for the changes and train their personnel. It will also be used in regular and vocational education. Rhenus Air was involved in the development of this program.

Convenant Horizontaal Toezicht (Horizontal Customs Supervision)

In 2009 Rhenus Air and the Dutch Customs Authority signed an official bilateral convention called "Convenant Horizontaal Toezicht" (Horizontal Customs Supervision). Goal of this convention is to create and maintain an efficient way of working based on transparency, understanding and confidence. This convention covers all issues concerning customs, safety, health, economy and environment. In 2010 and 2011 this convention still stands and is resulting in continues improvement on above-mentioned issues.

AEO certification

Rhenus Air was one of the first forwarders in The Netherlands who received the AEO-certificate (Authorized Economic Operator). This certificate offers different advantages in international trade. Dutch Customs Authorities grant various facilities for physical customs inspections to enterprises with the AEO status. Enterprises that would like to qualify for the AEO status must meet a number of criteria, Rhenus received the combined Customs simplification and security and safety certificate.

CO2 program

We also created the possibility for our clients to compensate (via our sister company) the emission of CO2 which evidently results from sending shipments by air. There are two options: compensation of CO2 only or compensation of all greenhouse gasses (ClimateSave). By choosing for one of these options our clients can take responsibility for the negative climate effects of airfreight.

Company cars

Since 2009 hybrid company cars are successfully promoted: in 2010 and 2011 more employees have chosen for hybrid cars when their old ones have to be replaced.

5. Goals and targets / next years preview

Rhenus Air has the following goals for the coming period (July 2011 – June 2012):

- Reduce the use of paper (single instead of double invoices, digital invoices and e-freight)
- Set up an environmental management system (based on ISO 14001)
- Set up KPI's for environmental, human right/labour and anti-corruption issues
- Share our Communication on Progress (COP) and principals more actively with our stakeholders (more specific our clients, partners and suppliers)
- Introduce a web based booking tool
- Investigate the possibility of electro cars for 'internal use' on Schiphol Airport
- The Rhenus Air office in Rotterdam will move to a more eco-friendly and more secure new building at Rotterdam Airport in 2012

6. UN Global Compact Principals

1	Businesses should support and respect the protection of internationally proclaimed human rights;	Reference is made to the Code of Conduct chapter "Principals" in which for example we declare that Rhenus Air only provides services that are legal and ethical. Activities in contravention of national and international law and rules will not be accepted.
2	and make sure that they are not complicit in human rights abuses.	Reference is made to the Code of Conduct chapter "Principals" in which for example we declare that Rhenus Air avoids illegal activities and violation of human rights
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Reference is made to the Code of Conduct chapter "Employees" in which for example we declare that Rhenus Air respects its employees as a group and as individuals. A works council is active over more than 20 years and is involved in all company issues that affect the employees and their rights.
4	the elimination of all forms of forced and compulsory labour;	Reference is made to the Code of Conduct chapter "Employees" in which for example we declare that Rhenus Air opposes against all forms of discrimination, exploitation, intimidation, teasing and deceit.
5	the effective abolition of child labour;	Reference is made to the Code of Conduct chapter "Employees" in which for example we declare that Rhenus Air opposes against all forms of discrimination, exploitation, intimidation, teasing and deceit. Every year Rhenus Air organizes the Rhenus Air Run. This run is an event in the Netherlands with approximately 600 participants. The proceeds of the Rhenus Air Run always go to a charitable fund. In 2011 Rhenus Air supported a Leergeld Foundation project. This foundation ensures that children aged 4 to 18 who live in low-income families have an opportunity to participate in sports, cultural and social activities thus preventing social exclusion.
6	and the elimination of discrimination in respect of employment and occupation.	Reference is made to the Code of Conduct chapter "Employees" in which for example we declare that Rhenus Air opposes against all forms of discrimination, exploitation, intimidation, teasing and deceit. In addition Rhenus Air exerts itself to provide all people equal chances to develop themselves within the company. In case of suspicion of contravention of rules, laws or the Code of Conduct complaints can be anonymously reported to the Rhenus Air's Confidential Committee.

7	Businesses should support a precautionary approach to environmental challenges;	<p>Reference is made to the Code of Conduct chapter "Social Responsibility" and to the website of Rhenus Air's holding company Rhenus Logistics: Environmental protection is a leadership task. Managers must set an example. Moreover, we expect of our employees eco sensitive action. Rhenus' environmental policy:</p> <ol style="list-style-type: none"> 1. Compliance with environmental regulations: We observe all existing environmental regulations and provisions. 2. Information to the public: By providing objective information we awaken public and customer confidence. 3. The best available technology: We want to avoid environmental damage in all operational situations. As far as it is economically justifiable, we deploy the best available technology. 4. Employee training: The environmental awareness of employees is advanced at all levels by training. 5. Continuous improvement of environmental protection: Our target is continuous improvement of environmental protection throughout the group. 6. Incident precautions: We take precautions so as to avoid incidents. 7. Contract partners: Firms active at our branch locations are informed about our environmental policy and included in our activities. 8. Sparing use of resources: We use energy selectively and sparingly. Through technical and organizational measures we minimize the amount of waste material, trash, environmentally pollute emissions and liquid waste. <p>In October 2010 Rhenus Air moved to a new location which has high quality and environmental standards. It better suits today's and future needs, rules and regulations on environment, energy and working conditions.</p>
8	undertake initiatives to promote greater environmental responsibility;	Reference is made to the principal 7. Since 2007 Rhenus Air is leading participant in the global e-Freight pilot (IATA) which aims at establishing 'green lanes' and at the same time reduces paperwork, use of fuel id.
9	and encourage the development and diffusion of environmentally friendly technologies.	Reference is made to the principal 7.
10	Businesses should work against all forms of corruption, including extortion and bribery.	Reference is made to the Code of Conduct chapter "Employees" and "Social Responsibility" in which for example we declare that bribery is unacceptable and contributions to political parties and unions id are unacceptable. Rhenus Air avoids and disproves participation in criminal activities.

7. Contact details

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