



Communication on Progress 2020

Rhenus Air & Ocean



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1. Introduction

1.1 Statement

As a globally operating family logistics business, we are aware of our social responsibilities. We focus on a conscientious and sustainable approach towards our planet, society, customers and employees. We do not believe that sustainable logistics and economic activity are mutually exclusive. On the contrary: continuous improvement processes help us to provide our services in a more resource-efficient manner and position Rhenus Air & Ocean responsibly and sustainably for the future. In doing so, we have set ourselves environmental and social goals based on the Sustainable Development Goals of the United Nations and the Ten Principles of United Nations Global Compact.

We again confirm that Rhenus Air & Ocean reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, positioned above a solid horizontal line.

March 5, 2021

E.P.F. Roderkerk
CEO North Europe Air & Ocean
Rhenus Air & Ocean Netherlands

1.2 Scope of the report

Starting with this report the Rhenus Air & Ocean reports will cover the 12 months period from January till December. This report covers the year 2020 and is applicable for the sites of Rhenus Air & Ocean B.V. in the Netherlands. The report will be published on the website www.unglobalcompact.org and is available for all stakeholders upon request.






1.3 Company profile

Rhenus Air & Ocean is an airfreight forwarder based in the Netherlands. The head office of Rhenus Air & Ocean is at Schiphol Airport. There are side branches on regional airports (Eindhoven, Maastricht and Rotterdam) and in Drachten, Vaassen and Rotterdam (port). Rhenus Air & Ocean has approximately 200 employees. Rhenus Air & Ocean offers logistical solutions 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 continuous improvement of our commercial, operational, financial, HR, quality and sustainability policy and procedures.

Rhenus Air & Ocean 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.

2. Our actions in 2020

2.1 Environmental goals

Goals 2020	What we achieved last year	Status
The complete and within the entire Air & Ocean organization digitally linking information and documentation to the digital file in our operational system.	It has been concluded that it is very difficult to measure this goal since the reasons for to meeting this goal can also be found in external circumstances (legal and customs regulation in third countries). We are on the right track but still have some challenges ahead.	
Digitally implement all newly-scored customers (including electronic invoices etc.)	Not all newly-scored customers are digitally implemented. We did offer it to all new clients but some were not willing to accept this way of working yet.	
Rollout of the sales app for top 10 clients (fully digital)	The sales app was successfully implemented for the top 10 clients	
100% of the shipments that can be booked as E-AWB are sent as such	The goal we set was perhaps somewhat ambitious and not realistic, but we still managed to realize a percentage of 90% (SPC), which is still a percentage far above the average compared to other forwarders.	
Automate and link the RHEGREEN calculation to the operational system (choice of the least environmentally damaging option / carrier on a particular route)	Due to COVID 19 IT resources planned for linking RHEGREEN to the booking platform were prioritized for other projects. However in Q4 2020 a start has been made and we are currently in a testing phase For more details see chapter 3.1 (page 4) of this COP	

2.2 Environmental KPI's

A KPI overview to measure our impact on the environment is implemented. Measured are CO2 emissions as a result of the company's own fleet, electricity consumption, gas consumption, water consumption, lease cars, commuter traffic, business trips, paper consumption and plastic consumption. Due to COVID-19 less shipments / weight was transported via our warehouses in 2020 compared to 2019/ However CO2 emissions have not declined proportionally which can be explained by the fact that heating / cooling systems (also in the temperature controlled) rooms cannot be switched off.

2.3 Other actions

Other CSR or environmental projects Rhenus Air & Ocean participated in or actions taken in 2020 are:

- **Compliance training:** In 2020 all Rhenus Air & Ocean managers and staff participated in several compliance awareness training programs which were developed especially for Rhenus (worldwide) and which focussed on integrity in business dealings, separating professional and private interest, handling privacy-sensitive data etc. Also e-learning tutorials (and refreshers) on social compliance, fair competition, preventing corruption, data protection, information security training and preventing fraud were provided by the German Head Quarters. These online tutorials focus on familiarizing with the matters of compliance. Participants in the training were taken in easy steps through hands-on examples of everyday business situations involving multiple compliance issues. The training was to be completed successfully for all participants.
- **DG awareness training:** As part of their daily job export employees of Rhenus Schiphol attended a (refresher) DG security awareness training with the aim of recognising potential risks and or special handling request in an early stage.
- **Green Logistics:** In Q4 Rhenus Air & Ocean globally started a green logistics initiative by setting up an international "Global Green Initiatives Team" to drive forward sustainability solutions within the business segment in the future. This applies to topics within the Rhenus Air & Ocean organisation as well as to the design of new sustainable products for customers.
- **Rhenus Air & Ocean supports regional charities:** Last Christmas Rhenus Air & Ocean has decided to financially support a number of charities that make an active and positive contribution to the living environment of the local population. The eight charities were themselves selected by the Rhenus Air & Ocean employees in the regions where Rhenus Air & Ocean is represented. The organization vary from "wish ambulance Limburg" and Mercy Ships Holland till a local care centre.

3. Focus Areas

As a European based company we feel it is obvious that the principles related to environment are the biggest challenge for us since being compliant with all laws and regulations automatically means that we for example respect human rights, eliminate all forms of forced and compulsory labour and child labour. Therefore we focus on improvement of our environmental policy and procedures, implementation of durable (logistic) solutions, further implementation of E-Cargo and participation in other E-projects.

3.1 Projects and programs

3.1.1 RHEGREEN

In April 2019 Rhenus Air & Ocean launched RHEGREEN. RHEGREEN is the world's first CO2 reduction program for airfreight. RHEGREEN gives customers the opportunity to choose the most efficient aircraft from a sustainability point of view. RHEGREEN is a calculation method based on available types of equipment, fuel consumption and distances to be covered. In short: RHEGREEN calculates which aircraft is most efficient in terms of CO2 emissions per route.

An external party has validated the transparency and independency of the calculation method. This validation confirmed that by making the greenest choice, a CO2 reduction of 10 to 40 percent per shipment can be achieved. We started to offer RHEGREEN on flights from Amsterdam Schiphol Airport to several destinations like Chicago, Mexico City, Mumbai, Shanghai, Singapore, San Francisco and Hong Kong. And from Brussel to Shanghai and from Frankfurt to New York, Shanghai and Hong Kong. Currently we can offer RHEGREEN to all destinations worldwide and are also working on CO2 reporting with which we can advise our customers on which lanes they can reduce their CO2 emissions by choosing other alternatives.

3.1.2 E-Cargo

In 2007 IATA started with its E-Cargo (air cargo digitalization) initiative, to build a new evolutionary set up and way of working. In 2013 IATA realized that its scope is too broad for their ambitions to change the air cargo business. Together with all stakeholders (mainly carriers) IATA determined the E-AWB as the most important component and the starting point of its attempt to start an evolution in the air cargo business. From the beginning of the e-Cargo project back in 2007, Rhenus Air & Ocean has been frontrunner for this project in the Netherlands. Rhenus Air & Ocean ships, together with Rhenus Fresh, over 2.400 e-Freight shipments per month.

3.1.3 Last mile delivery of relief goods / Wings for Aid

Over the past years, Rhenus Air & Ocean and Wings for Aid have been working together to explore the feasibility of a strategic alliance for the 'last mile' delivery of relief goods in disaster areas.

Bridging the so-called 'last mile' in disaster areas that are difficult to reach is a major logistical problem. It is estimated that 100 million people in disaster areas are in need of emergency aid every year, 20 percent of whom are poorly served. Wings for Aid responds to this with an innovative delivery system consisting of unmanned small airplanes and smart technology that allows self-landing boxes of emergency aid to land with great precision in otherwise inaccessible places. Rhenus Air & Ocean looks after the logistics needed to get the delivery system to its destination quickly and efficiently, anywhere in the world.

Central to the solution is a patented delivery box. It is designed to land itself in an upright position when dropped from 50-500 meters and absorb the landing impact — without a parachute. Made out of biodegradable cardboard, the box can be mass-produced like any ordinary cardboard box. Each box is to safely deliver a 20-kg payload of food, water or any other life-saving. The system can be used for disaster relief, but also for the planned supply of medicines in remote areas.

3.1.4 Schiphol SmartGate Cargo

Dutch Customs, Schiphol Airport and ACN have initiated 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.

Since April 2014 Rhenus Air & Ocean started with e-Link. E-Link is part of Schiphol SmartGate Cargo and provides seamless connections and real time status information to all parties involved in the delivery of export shipments. Simply by connecting the AWB number to the ACN Cargo Card (driver's ID), shipment statuses and customs and security controls are immediately visible to all concerned. The e-Link pilot project has shown that an average delivery truck can save 15 minutes of every hour it spends at the ground handler, simply by passing over the "intake" desk. Reusing key shipment information brings more transparency and fewer errors. Moreover, the system provides real-time status reporting in line with Cargo 2000 milestones. It enables the industry to deal with any customs controls and inspections before building up pallets and loading the goods in the truck. It seamlessly integrates e-Freight and automated compliance checking.

3.1.5 CO2 compensation program

In 2017 Rhenus Air & Ocean signed an agreement with Climate Neutral Group to offer clients a CO2 compensation program. In the program there are two options: compensation of CO2 only or compensation of all greenhouse gasses (ClimateSave). By choosing one of these options our clients can take responsibility for the negative climate effects of airfreight. Promotion actions are currently on hold due to the introduction of RHEGREEN. RHEGREEN (actual CO2 reduction) and the CO2 compensation program (compensation of CO2) are not (yet) easy to promote together since one of the advantages (real reduction and not compensation) of the first undermines the goal of the second one. Since every action in favor of the climate is good, we still offer the compensation program for those companies who ask to compensate their emissions.

3.2 Environmental friendly sites and equipment

All sites of Rhenus Air & Ocean are fully compliant to all labor and environmental legislation. The sites of Rhenus Air & Ocean in Drachten, Rotterdam (port and airport) and at Schiphol Airport Rhenus Air & Ocean however even have some more eco-friendly solutions and provide optimal working conditions for all employees since the buildings are relatively new. Below we summarize some of the solutions:

- Attendance detection for light dimming and regulating the air conditioning are installed (Drachten, Eindhoven, Vaassen, Rotterdam, Schiphol).
- The building in Rotterdam The Hague Airport is connected to an "ATES installation" (Aquifer Thermal Energy Storage), a sustainable energy control system. An ATES system uses aquifers (underground water-bearing formations) to store heat and cold and uses the groundwater as a heat carrier.
- 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 (Schiphol).
- 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 (Schiphol).
- Tap water collector showers: water for the showers is heated by sun collectors (Schiphol).
- Sun collectors: 500m2 PV cells on the roof which produce 50.000 Kwh of energy on a yearly basis (Schiphol).
- Electric forklift and pallet trucks are used (all sites)

3.3 Management systems and certifications

3.3.1 ISO standards

Rhenus Air & Ocean has an integrated quality and environment management system. The system has the aim to improve our processes and to meet the needs and requirements of our customers and to comply with all legal and other requirements. The systems are ISO 9001 and ISO 14001 certified by Lloyd's Register. The management systems are evaluated at least twice a year during management meetings and via internal and external audits. The Quality and Environmental Manual is published on the Rhenus Air & Ocean intranet site and is available for all employees.

3.3.2 TAPA-A Certification

The freight building of Rhenus Air & Ocean Schiphol is TAPA-A certified by SGS. 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 Safety & Security Manual is published on the Rhenus Air & Ocean intranet site and is available for all employees.

3.3.3 IATA CEIV Pharma Certification

Rhenus Air & Ocean has obtained the Center of Excellence for Independent Validators in Pharmaceutical Logistics (CEIV Pharma) certification from IATA for its Amsterdam Airport Schiphol branch. The CEIV Pharma certification sets the highest quality standards for life sciences and healthcare customers through uniform processes and a compliant supply chain for pharmaceutical products. CEIV Pharma ensures that facilities, equipment, operations and staff comply with all applicable standards, regulations and guidelines (such as GDP, WHO, IATA TCR) expected from pharmaceutical manufacturers. Main goal is to ensure product quality resulting in patient safety. The certification is valid as of 31 January 2019.

3.3.4 Ecovadis

The Rhenus Group undergoes an annual assessment on the 'EcoVadis' rating platform ([ecovadis.com](https://www.ecovadis.com)). EcoVadis is an independent agency for CSR (Corporate Social Responsibility) assessment. The CSR assessment technology takes into account 198 purchasing categories, 155 countries and 21 CSR indicators. The methodology is based on international CSR standards, including the Global Reporting Initiative, United Nations Global Compact and ISO 26000. 60,000 suppliers are now evaluated.

The Rhenus Group is in the top 10% of the companies in its sector that were assessed by EcoVadis. In 2020, the Group underwent an assessment by the EcoVadis rating platform for the sixth time and again performed successfully. By 2015, the Rhenus Group had already achieved silver status straight away thanks to its commitment in the four assessment areas of environment, labor and human rights, ethics and sustainable procurement. The introduction of further measures has enabled the silver status to be continuously extended.

The Rhenus Group is at least in the first third in a sector comparison: Environment (Top 5%), Labour and human rights (Top 20%), Ethics (Top 18%) and Sustainable procurement (Top 30%). The evaluation by EcoVadis is becoming increasingly important. The Silver rating from EcoVadis gives our customers and partners official confirmation of our performance in terms of sustainability and social responsibility.

4. Values and behaviors

Rhenus Air & Ocean embraces all UN Global Compact principals and actively promotes them via the Code of Conduct (national level) and the Corporate Compliance document (published by the Rhenus Group). Both documents are available for all employees via intranet. The Corporate Compliance Document is also available for all stakeholders on the website.

4.1 Corporate Compliance

The main objective of the Rhenus Group is to deliver high value across the Group's individual divisions, in line with the interest of all stakeholders; shareholders, employees, the wider community etc. This must be achieved in compliance with legal and ethical requirements. We value our company's good reputation: business partners, authorities and the public all expect us to act in a professional and responsible manner. The growing importance of good corporate governance and the legal risks associated with non-compliant behavior was the reason to set out formal Corporate Compliance Principles, which are:

1. We are committed to fair competition – no illegal cartel agreements
2. We are committed to integrity in our business dealings – no corruption
3. We are committed to separating our business and private activities – no conflict of interest
4. We are committed to full cooperation with the authorities – no false or misleading information
5. We are committed to respecting human rights and creating proper working - without making any compromises

All principals are in line with the UN Global Compact anti-corruption principle (*Businesses should work against all forms of corruption, including extortion and bribery*). Some clients request Rhenus activities to be compliant to the FCPA (Foreign Corrupt Practices Act / USA), which has been agreed upon with those clients.

4.2 Code of Conduct

The division management of Rhenus Group further implemented and explained the corporate compliance code of our holding company which resulted in the Code of Conduct for Rhenus employees in the Netherlands. This Code of Conduct is an addition to the corporate compliance policy. The Code of Conduct contains all regulations and rules of conduct that Rhenus employees may encounter while at work.

The main aim of the Dutch Code of Conduct is to set out those guidelines that we believe to be important at Rhenus. We also describe how to handle and respond to certain situations, and how to create a pleasant working environment. This is called 'doing the right thing'. The Dutch Code of Conduct sets out what we mean by 'doing the right thing', and enables us to take a more in-depth look at a number of subjects, including:

- (1) Respect and behavior towards others
Rhenus believes that it is important to have a pleasant working environment. Working well with other company departments and divisions, colleagues, customers and third parties will always have a positive outcome. A good working environment starts with showing respect to others and behaving appropriately towards colleagues, customers and third parties.
- (2) Separating professional and private interest
Working in an honest, professional manner is the top priority for all employees. This means that professional interests and private interests have to remain separate. A few rules of conduct are provided in the Code of Conduct to help employees to follow these rules. This will guarantee integrity and reliability in the workplace at all times. A few examples are: do not accept any

business gifts at home, do not give discounts to customers in exchange for private benefits, never ask (potential) suppliers for gifts etc.

(3) Handling privacy-sensitive data

Privacy-sensitive data should always go hand in hand with governmental regulations, i.e. permitted and non-permitted activities in accordance with the law. It is important to make sure that employees do not pass on any information about their selves to others. Furthermore, employees should not collect or check information about others. While there are of course exceptions to this rule (e.g. in the event of risk/danger), employees should treat such information with care at all times and only share the details which are absolutely necessary. At Rhenus, we wish to avoid:

- Loss of private data regarding employees, customers and third parties.
- Unauthorized access to employee, customer and third-party data.
- Unauthorized use of employee, customer and third-party data.
- Theft of personal data of employees, customers and third parties.

(4) External and internal communication

In the age of modern digital communication, e.g. smartphones and e-mail, it is easy to disseminate information that both employees and Rhenus would prefer not to be shared. Digital communication equipment is hugely important to Rhenus' business operations. We want to be sure that we are able to continue using our technical infrastructure and digital communication and that it continues to function correctly. This is why it is important to use this equipment and these systems carefully. If we fail to do so, this could endanger our logistical processes and lead to financial losses.

(5) Health & Safety

A healthy and safe working environment is important. At Rhenus, we constantly strive to improve our working environment, thereby reducing the risk of any employees being placed in danger. This also serves to minimize the effect of our activities on the environment. To ensure that we are able to continue working as effectively as we are doing now, we have set out a few rules of conduct such as:

- Rhenus makes sure that working conditions are safe. All employees are responsible for ensuring that this remains the case. If you follow Rhenus' operational health and safety procedures, you are in full compliance with the company's requirements.
- During working hours, Rhenus expects its employees to refrain from ingesting intoxicating agents (alcohol / drugs) that may have an adverse effect on workplace safety.
- Rhenus requires you to report all work-related accidents.
- Rhenus is committed to sustainability (and a healthy environment), which is why we want to prevent employees from taking risks that may have an adverse impact on people and the environment.

4.3 Complaints and Reporting procedures

At Rhenus in the Netherlands we have a complaints and reporting committee. Employees can contact the Complaints and Reporting Committee in case they have a complaint or observe a violation of the code of conduct and if they were not able to solve or discuss it with their manager.

Employees who prefer to make an anonymous statement can contact the Rhenus Integrity Line. This line can also be contacted for non-anonymous complaints. More information about these two bodies and the relevant procedure is available for all employees on the Dutch intranet site on the page 'Compliance'.

5. Preview 2021

Although we made some good progresses last year, especially on environmental level, there are still enough challenges for the coming year. Goals for 2021 are:

1. All Rhenus Air & Ocean offices should work with digital files only
2. Digitally implement all newly-scored customers (including electronic invoices etc.)
3. 98% of the shipments that can be booked as E-AWB are sent as such
4. Realize CO2 reporting tool via Clicksense for RHEGREEN

6. Contact details

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