



Communication on Progress 2021

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.

Frank Roderkerk

February 24, 2022

E.P.F. Roderkerk
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1.2 Scope of the report

This report covers the 12 months period from January till December 2021 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 2021

2.1 Environmental goals

Goals 2021	What we achieved last year	Status
All Air & Ocean offices only work with digital files	Unfortunately we did not fully achieve this goal, mainly due to external circumstances (legal and customs regulation to keep original documents in file). 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 unfortunately not willing to accept this way of working	
Rollout of the sales app for top 50 clients (fully digital)	The sales app was successfully implemented for the top 50 clients	
98% of the shipments that can be booked as E-AWB are sent as such	We achieved this goal since we realized a percentage of 98.1%. This is a percentage far above the average compared to other forwarders and far above the percentage achieved in 2020	
Having CO2 reports based on RHEGREEN available via Clicksense	During 2021 it was decided that we first needed CO2 reporting for air and ocean for the whole organization based on averages before we can link to more accurate emission figures which will be the next priority.	

2.2 Environmental KPI's

In 2021 the global Rhenus Air & Ocean organization started with COZERO to review her global environmental impact. IN COZERO 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 are reported. Due to COVID less shipments / weight was transported via our warehouses in 2021 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 2021 all Rhenus Air & Ocean managers and staff participated in several compliance awareness training programs which are developed for Rhenus (worldwide) and which focus 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 are taken in easy steps through hands-on examples of everyday business situations involving multiple compliance issues.
- DG awareness training: As part of their daily job export employees of all Rhenus offices in the Netherlands 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 2020 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 organization as well as to the design of new sustainable products for customers. In 2021 the introduction of the COZERO project (CO2 footprint) was supervised for the air & ocean organisation, a LCL carbon neutral project is developed and the project for (accurate) CO2 emission reporting for air & ocean shipments started.

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

IATA started with its E-Cargo (air cargo digitalization) initiative in 2007, 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

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.

In 2021, the Rhenus Group was assessed by the EcoVadis rating platform for the seventh time and once again performed successfully, improving its score by 6 points and achieving an overall score of 64 out of 100. This gives the Rhenus Group an overall score that is higher than or equal to 89% of all companies rated by EcoVadis.

Since 2015, the Rhenus Group has maintained its silver status with its commitment to the four assessment areas of Environment, Labour and Human Rights, Ethics and Sustainable Procurement and continues to improve it with the implementation of further measures. The EcoVadis assessment is becoming increasingly important. This is because the silver medal also confirms our performance in the areas of sustainability and social responsibility to our customers and partners. Well-known customers such as Bayer, Merck, Wacker Chemie or BASF want more transparency in CSR issues and therefore have access to our results on the EcoVadis platform.

Comparing the sectors, the Rhenus Group is now among the top 4% of suppliers in the logistics sector assessed by EcoVadis. The results from the specific categories are also above the sector average: Environment (top 6%), Labour and Human Rights (top 5%), Ethics (top 18%) and Sustainable Procurement (top 4%).

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 2022 and beyond

Although we made some good progresses last year, especially on environmental level, there are still enough challenges for the coming years. Goals for 2022 and beyond:

1. All Rhenus Air & Ocean offices should work with digital files only
2. 99% of the shipments that can be booked as E-AWB are sent as such
3. Realize accurate CO2 reporting tool
4. Create the opportunity to offer Sustainable Aviation Fuel on shipment level to customers
5. The Rhenus Group will neutralize the carbon emissions of all of its less-than-container-load (LCL) products by 2030. Starting from 2022, cargo shipped with the Rhenus Consolidation Box out of Hilden Gateway will be carbon neutral, with no additional costs to customers. The service will progressively roll out through all gateways in which Rhenus operates worldwide

6. Contact details

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COP UN Global Compact

Definitief controlerapport

2022-02-24

Gemaakt:	2022-02-24
Door:	Karin Van Groenigen (Karin.vanGroenigen@nl.rhenus.com)
Status:	Ondertekend
Transactie-id:	CBJCHBCAABAA4qhyARW1sP-yER_M4UkXwR5IVtxlUMON

Geschiedenis van COP UN Global Compact

-  Document gemaakt door Karin Van Groenigen (Karin.vanGroenigen@nl.rhenus.com)
2022-02-24 - 13:01:07 GMT
-  Document via e-mail verzonden naar Frank Roderkerk (Frank.Roderkerk@nl.rhenus.com) ter ondertekening
2022-02-24 - 13:01:33 GMT
-  E-mail weergegeven door Frank Roderkerk (Frank.Roderkerk@nl.rhenus.com)
2022-02-24 - 13:30:39 GMT
-  Document elektronisch ondertekend door Frank Roderkerk (Frank.Roderkerk@nl.rhenus.com)
Ondertekeningsdatum: 2022-02-24 - 13:30:48 GMT - Tijdbron: server
-  Overeenkomst voltooid.
2022-02-24 - 13:30:48 GMT