

#12

CHARLIE VICTOR

The SIN issue

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WELCOME



The past two years have been a rollercoaster of events and a period we hope to look back on as remarkable on a number of levels. The challenges that arose during this time have underlined many challenges that still lie ahead as we work towards a more sustainable future.

The increasing requirement for digitalization and innovation in our industry is taking center stage. As Cargolux continues its journey in this direction, we hope to act as an industry leader and inspire others to follow suit. The global supply chain is experiencing unforeseen congestion and each player must reflect on how to alleviate this by working together in a transparent and open manner.

There is also, of course, the monumental task of decarbonizing the industry and promoting sound business practices. After acknowledging its responsibility over a decade ago and working to mitigate the effects of its operations, Cargolux is exploring new avenues to ensure sustainable practices. Agreements to procure and develop Sustainable Aviation Fuel, vast offsetting programs, and re-fleeting to replace aging aircraft are all in the pipeline for the near- to mid-future.

As we embrace our new post-pandemic normal, we must face the challenges ahead and continue to seek solutions for a better, environmentally-conscious world. There is a lot of work ahead of us, not only as a company, but as an industry. However, I remain confident that with our people's dedication, our leaders' commitment, and our partners' collaboration, we can achieve our goal of ensuring an environmentally, socially and financially viable Cargolux.

MOA SIGURDARDOTTIR

HEAD OF CORPORATE COMMUNICATIONS & CSR

Always a frontrunner

A CHARITY RUN, DONATIONS AND AWARDS - CARGOLUX HAS BEEN BUSY BOTH ON THE BUSINESS AND SOCIAL FRONT,

ACHIEVING EXCITING DEVELOPMENTS AND SUPPORTING WORTHY CAUSES

Fueling sustainability

Cargolux has launched a Sustainable Aviation Fuel (SAF) program to offer customer more sustainable options. The introduction of SAF in the airline's services takes Cargolux's sustainability engagement one step further, cementing the company's commitment to decarbonizing its operations.





Diversity is the best policy

Cargolux has signed the Luxembourg government's Diversity Charter. This non-legally-binding pledge reflects the company's commitment to diversity, inclusion, and equal opportunities in the workplace.

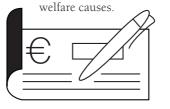
Steeling the show

Cargolux's new
Luxembourg-based HQ
designed by architects
AS+P Albert
Speer+Partner and
Engineering
firm AuCARRÉ won the
Steel Construction of the
Year award. The building,
constructed by
LuxAirport, was chosen
among 18 steel-based
projects for its
outstanding use of steel
structuring.



A healing contribution

A financial donation of 10,000 EUR has been made to Médecins Sans Frontieres (MSF). This package will support the NGOs projects worldwide for a year, contributing to their life-saving mission across the globe. As a company committed to health and safety, Cargolux is proud of supporting global





Connecting is key

Cargolux in collaboration with long-standing customer Kuehne+Nagel launched a set of APIs offering them a direct interface between their system and Cargolux's platform to receive quotes and book their freight onboard a Cargolux flight.

Cargolux goes gold

Cargolux took part in the fourth edition of the LËTZ GO GOLD charity run organized by Fondatioun Kriibskrank Kanner, a Luxembourg-based charity that raises funds for childhood cancer research. Always committed to making a difference, the team raised a total of 1,142 EUR for the good cause.





MEET RICHARD FORSON

A challenging and rewarding business

AIR CARGO IS RENOWNED AS A VOLATILE INDUSTRY.
A HIGH INTENSITY ENVIRONMENT WHERE TIME,
VALUE AND PRECISION ARE CRUCIAL TO ENSURE
SUSTAINABLE BUSINESS. RICHARD FORSON,
CARGOLUX'S PRESIDENT AND CEO TALKS ABOUT THIS
PIVOTAL PERIOD IN THE INDUSTRY, THE CHALLENGES
THE FUTURE HOLDS, AND HOW CARGOLUX IS EQUIPPED
TO LEAD THE WAY TOWARDS A RESPONSIBLE AND
SUSTAINABLE AIR CARGO BUSINESS.

Studion



ver the past 18 months, the global supply chain has been under continuous pressure due to lack of capacity and sanitary restrictions. What are the main challenges for the global supply chain?

2021 has actually been more challenging operationally than 2020. At present the challenge is lack of capacity for both sea and air freight. There are blockages at ports in the USA as well as at certain airports in China. This is compounded by the fact that warehouses are full and trucking in short supply. In Asia specifically, testing and quarantine restrictions make it extremely difficult to operate our schedule optimally, although certain governments are now considering opening for business.

What lessons can be learnt from these challenges and how could these issues be resolved?

Expect the unexpected. The main lesson is to be agile, react quickly to a continuously evolving situation and come up with solutions. What it has also taught us is to have not only a plan B, but also a plan C and D. As the global economy begins to relax travel restrictions, we will continue to follow our sanitary protocols. The world may face more pandemics and dealing with Covid has given us valuable experience to build on.

In addition to these disruptions, environmental concerns and sustainable issues are increasingly taking center stage in the public debate. How can this be tackled by the industry as a whole?

Combatting environmental issues, especially global warming, must be done on a coordinated global basis. If not, it will lead to further distortion of level playing fields between European and non-EU airlines. All initiatives launched by governments,

including the EU, should result in increased revenue collection for GHGs emitted which must be re-invested 100% into sustainable energy solutions, especially R&D with the private sector.

What about Cargolux's SAF program?

Cargolux has procured its first batches of neat SAF and will continue such acquisitions in order to offer our customers more sustainable products. We are also looking at investing in several SAF production projects or e-fuels, covering the span of current and future technologies, that will have minimal to zero impact on the environment.

Cargolux is a full 747 operator, many other airlines have retired their 747 fleet. What are the prospects for Cargolux? What are the main considerations when selecting new aircraft? Selecting an aircraft is an extremely

complex analysis which takes many variables into account including cost, financial risk and environmental impact.

We are currently assessing future generation freighters offered by manufacturers. The selection of a new model will be a considerable change for Cargolux. It will impact both operations and the flexibility we can currently offer with a single-type fleet. Irrespective of which aircraft Cargolux selects, the B747-8F will continue to operate until the 2040s.

All these elements will considerably affect Cargolux and the way the company operates. What are your main concerns in this period of transition?

We have come through 18 months of Covid restrictions operating at sustained high levels of productivity due to capacity shortages in the market. Employees are feeling the effects of long-term fatigue and crews have been subjected to strict restrictions such as in-room confinement. However, I am proud to say that we have persevered, and we are starting to see a return to normal in many countries.

As economies open, however, passenger travel will increase which means more air cargo capacity will become available.

This impacts our business as the gap between supply and demand will narrow and potentially disappear. The global economy is also fragile, and any downturn will result, in my view, in excess capacity, much higher than levels previously experienced.

The industry has also been affected recently by unprecedented circumstances and the repercussions of the Covid outbreak are still not behind us. How do you expect the situation to evolve?

The pandemic has led to a significant disruption in logistics channels which has also impacted manufacturing leading to a shortage of parts required for production of many items, most significantly the lack of electronic chips required for electronic devices. Distribution channels will only improve once all countries reach the level of operational efficiency they had before the pandemic. Once this is reached, then we will see a return to normality. However, on the negative side, if demand for goods falls because of an economic contagion then this in itself may lead to a reverse crisis for logistics in that the amount of capacity will significantly exceed demand. •

"Our biggest asset is the quality of our people both in Luxembourg and across the globe. Only by working together to counteract the impact of the pandemic on our operations can we succeed as a business." CARGOLUX'S EXPORT CONTROLS TEAM GREW SIGNIFICANTLY IN 2020 TO ENSURE ROUND-THE-CLOCK COVERAGE FOR SHIPMENT INTEGRITY. THE TEAM WORKS IN CLOSE COOPERATION WITH SALES FOR ENHANCED TRANSPARENCY.



SHOWCASE

Setting the standards

CARGOLUX GIVES THE HIGHEST
IMPORTANCE TO **RESPECTING ALL NATIONAL AND INTERNATIONAL REGULATIONS**THAT GOVERN OUR OPERATIONS. THIS IS

THAT GOVERN OUR OPERATIONS. THIS IS PARTICULARLY RELEVANT WHEN IT COMES TO EXPORT CONTROLS LEGISLATION.

xport control laws regulate one of the core aspects of our operations, the transport of goods between countries and continents.

Cargolux understands the key responsibility it holds towards authorities and customers but also the communities it operates into to make sure that the goods accepted for transportation are not only compliant with the law, but also with the principles and values of the company.

In parallel, Cargolux has developed a close cooperation with the Luxembourgish authorities to meet their expectations in this field. The airline understands its role as ambassador of the Luxembourg brand around the world, and that its reputation and image have an impact on Luxembourg's position in the international community.

Cargolux holds a global responsibility and strives to contribute, through actions and decisions, to a better world by ensuring that prohibited goods are not carried on board its aircraft and that the appropriate licenses and authorization are obtained whenever necessary.

In this context, the company is in a continuous process of reviewing and improving its export controls related processes. These enhancements have been especially significant during 2020 and 2021.

In 2020, Cargolux finalized the implementation of the automated vetting system Accuity and the setup of its Shipment Integrity Monitoring Unit which uses this system. This new process allows for a much better visibility on the goods that are transported and the opportunity to react when those shipments are not in line with regulations or the expectations of various stakeholders.

This enhanced knowledge of what is carried on board has led to two important developments during 2021.

Firstly, Cargolux has documented its revised and enhanced expectations towards customers in a new version of the Conditions of Carriage. This document sets out, in detail, the conditions under which goods can be accepted for transport.

Secondly, these changes and improvements have highlighted the added value in increasing the cooperation and continuous dialogue with customers. Indeed, the vetting processes of shippers, forwarders, and airline are often carried out independently, although the ideal situation for all stakeholders is to establish agile communication and fluid exchange between these parties.

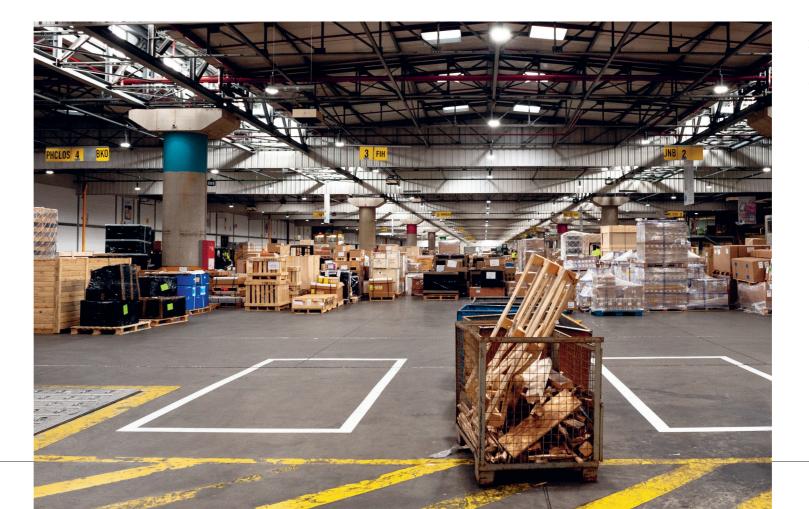
With this aim, Cargolux has implemented a KYC process, which forms the cornerstone of its export controls policies, and the process which helps to better know the systems values and objectives of customers thus enabling the airline to better understand and respond to issues on their side.

This project has been launched covering small, medium and major business partners. The outcome of each KYC is documented in a report which is shared with relevant colleagues, and explains the company's decisions and opinions on each one of these entities.

The response has been particularly positive from some of the biggest customers who have welcomed this proposal to exchange on our mutual processes, learning from each other, and building up a forum of mutual trust to debate these matters.

Cargolux is once again pioneering a new process, but we believe that these procedures will become essential for many airlines in the coming years. The proven success of the KYC program reinforces the airline's leading position as a market leader in integrity in the air cargo industry.





CARGOLUX IS THE FIRST KNOWN AIRLINE TO VET ITS CUSTOMERS WITH A KYC (KNOW YOUR CUSTOMER) APPROACH THUS HIGHLIGHTING ITS COMMITMENT TO ETHICAL AND SUSTAINABLE BUSINESS.

ABOUT SINGAPORE

1965

INDEPENDENT CITY-STATE SINCE 1965

CHANGED TIME ZONES 6 TIMES

SINGAPORE IS **ONE** OF THE WORLD'S GREENEST CITIES WITH ALMOST HALF OF ITS SURFACE COVERED IN VEGETATION

THE STATE COVERS 728.6 KM² AND COUNTS 64 ISLANDS

728.6 KM²



WITH A MULTI-CULTURAL POPULATION OF ALMOST 5.7 MILLION PEOPLE,

SINGAPORE HAS 4 OFFICIAL LANGUAGES: MALAY, CHINESE, TAMIL AND ENGLISH.

HOSTED THE FIRST FORMULA 1
NIGHT RACE IN 2008

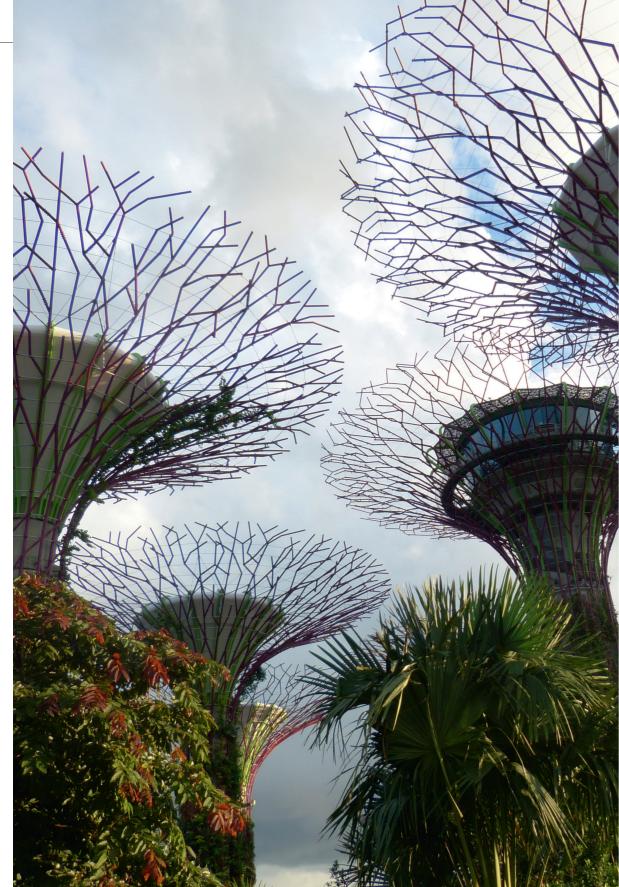
DISCOVER SINGAPORE



Southeast Asia's garden city

SINGAPORE AIRPORT, KNOWN INTERNATIONALLY
AS CHANGI AIRPORT, IS ONE OF THE WORLD'S BUSIEST
AIRPORTS FOR BOTH PASSENGERS AND CARGO. BOASTING
A WIDE RANGE OF UNIQUE FEATURES, SINGAPORE IS NOT
ONLY A GATEWAY TO THE SOUTH ASIA AND INDO-PACIFIC
REGION. BUT A PLACE TO VISIT IN ITSELF.

🖾 Lynn Daubenfeld/Shutterstock





THE MAIN CARGO HANDLED AT CHANGI AIRPORT INCLUDES **ELECTRONIC COMPONENTS** TO SUPPLY SINGAPORE'S BUSTLING ELECTRONICS MARKET. THE AIRPORT IS ALSO INCREASINGLY RECOGNIZED AS A PHARMA HUB IN THE REGION.





THE CITY-STATE'S EMBLEM, THE MERLION, WAS PARTLY INSPIRED BY THE CITY'S SANSKRIT NAME, SINGAPURA, WHICH MEANS LION CITY. LEGEND HAS IT THAT THE ORIGINAL LION SIGHTING WHICH GAVE THE CITY ITS NAME MAY HAVE ACTUALLY BEEN A TIGER.



SINGAPORE AIRPORT OFFERS FREE GUIDED TOURS FOR PASSENGERS WHO ARE IN TRANSIT FOR OVER 5.5 HOURS, ALLOWING TRAVELERS TO DISCOVER THE CITY-STATE DURING THEIR LAYOVER.





CARGOLUX FIRST STARTED OPERATING TO SINGAPORE IN 1971, AFTER A BRIEF HIATUS BETWEEN 1974 AND 1978, THE ALL-CARGO CARRIER HAS BEEN FLYING TO THE CITY-STATE EVER SINCE.









CHANGI AIRPORT HAS NUMEROUS FEATURES SUCH AS A BUTTERFLY GARDEN, WATERFALLS AND SLIDE. IT WAS RATED WORLD'S BEST AIRPORT BY SKYTRAX FOR FIVE CONSECUTIVE YEARS. IN 2021, IT WON THE WORLD'S BEST AIRPORT STAFF AWARD.

ABOUT CHANGI AIRPORT



13 KM², 4 TERMINALS, 2 RUNWAYS

> 18TH BUSIEST AIRPORT IN THE WORLD

HOME TO THE WORLD'S TALLEST INDOOR WATERFALL THAT STANDS AT 40 METERS

> 100 AIRLINES FLYING TO 400 CITIES WORLDWIDE

2 MILLION



OVER 2 MILLION TONNES OF AIRFREIGHT IN 2019

1,400 M² CARGO FACILITY DEDICATED TO PERISHABLE AND PHARMA CARGO



INTERVIEW MAGGY NAGEL

"RESOURCEFUL LUXEMBOURG" WILL SHOWCASE THE COUNTRY'S

Bringing Luxembourg to Dubai

AS ONE OF THE SPONSORS OF THE LUXEMBOURG PAVILION AT THE EXPO 2020 IN DUBAI, CARGOLUX TALKED TO MAGGY NAGEL, COMMISSIONER GENERAL OF THE LUXEMBOURG PAVILION AND PRESIDENT OF THE GIE LUXEMBOURG EXPO 2020 DUBAI, ABOUT CHALLENGES, OPPORTUNITIES AND STRONG PARTNERSHIPS.

he World Expo 2020 has officially been opened, a full year after its original start date. What were the main challenges for the Luxembourg pavilion? How did you work to alleviate these challenges?

We are glad that we could finally open the Luxembourg pavilion at EXPO 2020 DUBAI. Despite the one-year postponement, we did not exceed the original budget and I am particularly grateful that all of our partners and sponsors kept believing in Luxembourg's presence at EXPO 2020 DUBAI.

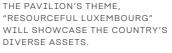
It is also thanks to the pandemic that the World Expo with its theme "Connecting Minds, Creating the Future" took on a new dimension.

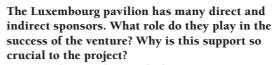
The pandemic has changed the way we interact and live together, and it showcased that we are much more interconnected than we might have been aware of. In that sense, EXPO 2020 DUBAI can be understood as the absolute will to come together as one and work cooperatively on a shared solution in a changed world.

In fact, working together on the challenges of tomorrow has never been more urgent.









Sponsors do not only provide the GIE LUXEMBOURG @ EXPO 2020 DUBAI with the necessary funds and some very important contribution in kind, essential to realize its project, but they also attach their brand image to the event. This significantly improves the reliability factor of any event.

Cargolux is the Luxembourg pavilion's logistical partner for this event. What does this entail and how does this transport support help with the organization of the event?

Without such a strong and reliable logistical partner as Cargolux, the organization of this event, by the way the first Expo to be held in the Middle East, Africa and South Asia, would be very difficult to realize. It is an amazing opportunity to have Europe's leading all-cargo airline on board.

Already in 2010, the Gëlle Fra, a symbol of freedom and resistance for the Luxembourg people, was transported from Luxembourg to the Shanghai World Expo by Cargolux.

Cargolux is a Luxembourg-based company and proud to collaborate on this project. What advantages does it bring to have a cargo carrier as a sponsor for an initiative such as this one?

Thanks to the Diamond Sponsor agreement, Cargolux enables the GIE LUXEMBOURG @ EXPO 2020 DUBAI a free-of-charge air transportation of goods by the sponsor. Without such an agreement, it would have been a very difficult challenge to have all the products delivered in due time.



- 1. MAGGY NAGEL, COMMIS-SIONER GENERAL OF THE LUXEMBOURG PAVILION AND FRANZ FAYOT, LUXEM-BOURG MINISTER OF ECONOMY IN FRONT OF THE PAVILION
- 2. FRANZ FAYOT, MINISTER OF THE ECONOMY DURING HIS VISIT TO THE DUBAL EXPO
- 3. MAGGY NAGEL, COMMIS-SIONER GENERAL OF THE LUXEMBOURG PAVILION
- 4. MAXIM STRAUS, CFO CARGOLUX, AT A PRESS CONFERENCE AT THE DUBAI









CLAUDE ZEHREN
EVP FLIGHT OPERATIONS



Navigating runway works at LUX

REFURBISHING A RUNWAY IS A TITANIC TASK, NO LESS
WHEN IT IS A BUSY FREIGHT HUB AND HOME BASE OF
EUROPE'S NUMBER ONE ALL-CARGO AIRLINE. LUXEMBOURG
AIRPORT TOOK ON THE CHALLENGE AND CARGOLUX,
ALONG WITH THE OTHER PLAYERS INVOLVED, WORKED
TO ENSURE MINIMAL DISRUPTION TO OPERATIONS WHILE
FLYING AT A SUSTAINED LEVEL THROUGHOUT THE PERIOD. >





uxembourg airport, Cargolux's historical home base, has launched an extensive renovation project on its single runway. The works, foreseen to take place over two years, have been meticulously planned by the airport authorities in collaboration with the airport stakeholders to reduce potential issues and maintain smooth operations on site.

Preparation work, which started well ahead of the actual construction phase, involved discussion between all airport-based companies to assess requirements, analyze scenarios and establish contingency plans. Procedures for incoming and outgoing flights were aligned between the different players to ensure transparency, communication and the implementation of a solid decision-making process.

The first phase of the refurbishment, which was performed in 2020, required the complete closure of the runway during night hours, from 23:00 to 06:00. Given Cargolux's worldwide operation and unique network, each flight that could potentially reach or depart Luxembourg during the curfew was assessed to determine a solution based on its priority level.

A daily call was organized by the airport owner to discuss the upcoming schedule and airport operations with the stakeholders. Meetings were also organized internally twice daily including all critical departments within the company to examine the situation. A morning call aimed to plan the day and make decisions to accommodate the airport closure, and the afternoon call served to make adjustments to this plan based on the day's developments.

Every aspect of the flight was considered to ensure the best possible solution was found; cargo on board, loading/off-loading time, potential impact on the network, availability of crews and maintenance requirements.

From ops control to hub steering, from maintenance to crew control, network management and area operations managers, Cargolux drew on its expertise at numerous levels to find adequate solutions and minimize disruptions.

Cargolux's in-house innovation team also developed a special dashboard, accessible to the project team, to keep track of all flight and operational information in real time. The tool also displayed the daily plan for all flights, so each station was aware of potential impacts and actions required at their destination. This allowed the team to have a complete overview of the requirements for each flight and work on any hindrances before they became critical.

Claude Zehren, EVP Flight Operations, who was coordinating the project on Cargolux's behalf, is extremely satisfied with the execution of the refurbishment. "The project ran very smoothly. All the airport stakeholders worked together transparently and coordinated to find solutions if an issue arose. Cargolux managed to operate without too many hiccups thanks to the dedication of those involved. It was a real pleasure to witness this remarkable team spirit and the focus on what was most important, keeping the operation running," highlights Claude.

The cooperation between the Cargolux teams was the backbone of this successful endeavor. In addition to the regular monitoring of operations around the globe, careful consideration was given to special cargo such as CV jumbo shipments that could require more ground time for loading or offloading, airport congestion which could affect ground time and planned maintenance schedules.

Every department involved in the discussion contributed their expertise and shared the developments related to their area to ensure data- and knowledge-based decisions were made. Diversions to a neighboring airport were of course included in the contingency plan but this solution was only required once thanks to the excellent work the teams demonstrated," says Claude.

The runway refurbishment is planned to take place over two years between spring and autumn. This careful planning foresees a hiatus during the winter months which also correspond to the traditional high season in air cargo. The first segment of the work has now been completed and Cargolux is very satisfied with the outcome of the process. The airline is steadfastly confident that the second phase will run just as smoothly thanks to the cohesion, communication and mutual assistance.





THE REFURBISHMENT TAKES PLACE DURING THE NIGHTTIME LEADING TO COMPLETE RUNWAY CLOSURE. THE WORKS WILL LAST OVER TWO YEARS WITH A HIATUS DURING THE AUTUMN AND WINTER MONTHS.



"Managing this additional restriction during a very busy period is a remarkable achievement. The whole team can be proud of itself."

SPECIAL

CV flies the supplies

THE EMERGENCE OF THE GLOBAL PANDEMIC HAS HIGHLIGHTED THE NEED FOR COMMUNITY SUPPORT AND THE REQUIREMENT OF A SOLID LOGISTICAL APPROACH TO RELIEF. THESE ELEMENTS FORMED THE HEART OF A COMMUNITY INITIATIVE AT SINGAPORE CHANGI AIRPORT TO DONATE LIFE-SAVING EQUIPMENT TO INDONESIA AT THE HEIGHT OF ITS COVID OUTBREAK.

he global pandemic has left no part of the world untouched, and the importance of community response has been a cornerstone of the battle against the virus. As parts of the world struggled with the outbreak of the Delta variant, Singapore Changi Airport community called on its members to help the relief effort. A long-standing and proud member of the airport's community, Cargolux did not hesitate to play its part in this solidarity endeavor.

At the initiative of the Changi Airport Group, over 30 community members teamed up to arrange a donation of 1,380 oxygen concentrators to Indonesia. This remarkable endeavor required quite a bit of logistical organization. Procured by Changi Foundation, the philanthropic arm of Changi Airport Group, the medical devices had to be shipped from Los Angeles, where they are manufactured, to Singapore and onward to Jakarta.

True to its community engagement values, Cargolux played its part in this charitable action by providing free transport for the life-saving equipment from Los Angeles to Singapore ahead of its onward journey to Indonesia.

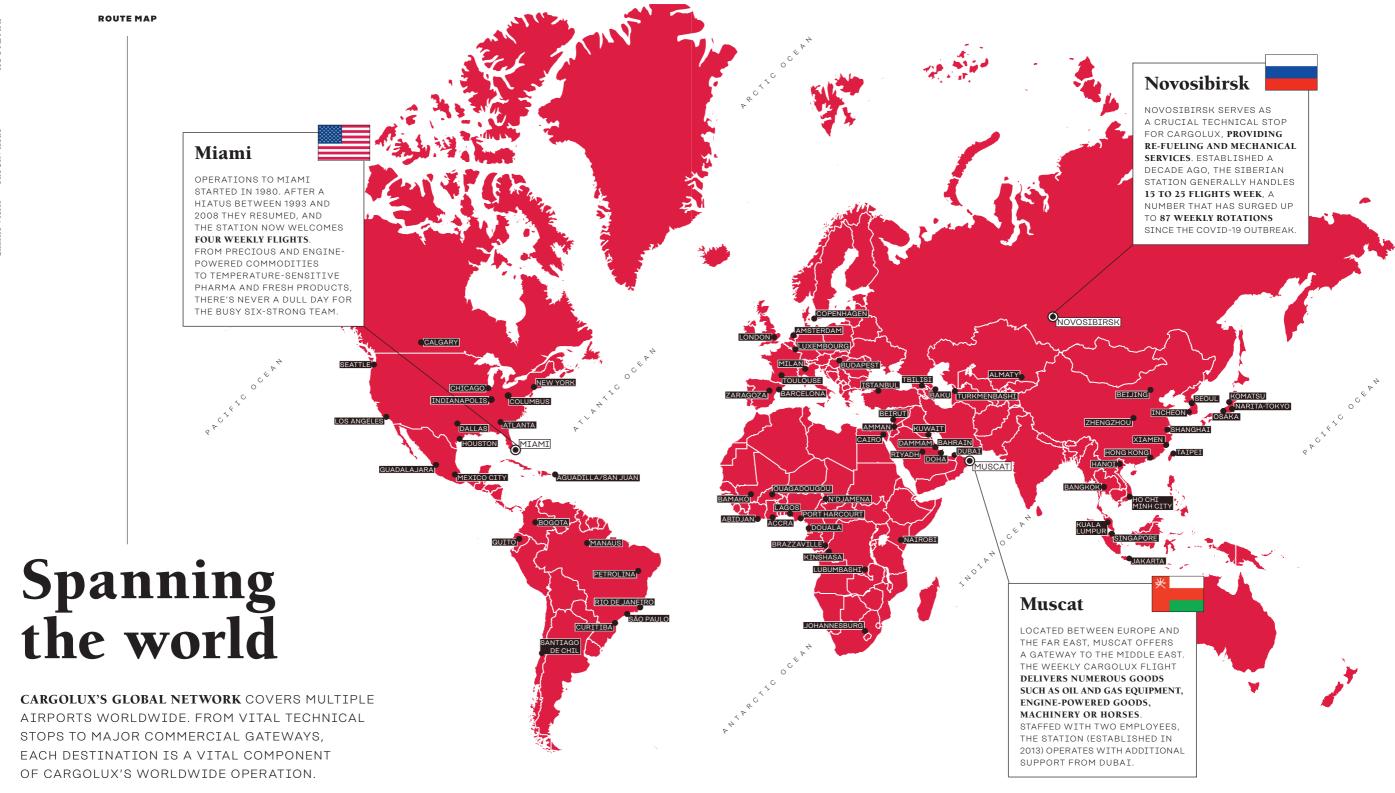
All sectors in the supply chain were represented in each step of this initiative from retail to handling – from engineering to airport employees across the globe, every component of the global chain played its part. The organization and coordination between stakeholders required special intention and mobilized countless people to ensure the mission was a success.

For Moa Sigurdardottir, Cargolux's Head of Corporate Communications and CSR: "Cargolux is always proud to leverage its expertise to contribute to good causes and strives to support its partners in their CSR journey. The incredible

collaboration we witnessed between all parties echoes the notion that we are stronger together, a philosophy that has been emphasized during this challenging sanitary situation."

The global pandemic, and its effect on the aviation industry and the supply chain has underlined the importance of air cargo. Since the outbreak of Covid-19, Cargolux has played a crucial role in keeping the supply chain moving and delivering essential supplies where they are most needed. As a responsible leader in the industry, Cargolux strives to promote sound business practices and act as good corporate citizen. Singapore and Jakarta are key destinations in the Cargolux network, and it is crucial for the company to support communities it operates into. Taking part in initiatives such as this one allows the airline to advocate these ideas and establish itself as a reliable partner for CSR-related topics. O





CHARLIE VICTOR

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