



cargolux



**CORPORATE SOCIAL
RESPONSIBILITY 2021**



01

INTRODUCTION

06 Message from the CEO

02

ABOUT CARGOLUX

10 Mission, Vision and Values
12 Our activities
14 Destinations route map 2021
16 Building bridges: competency & confidence
20 At a glance
22 Corporate governance
28 CSR governance

03

SUSTAINABILITY APPROACH

32 Progress in 2021
36 Stakeholders
38 Shared value creation

04

SUSTAINABILITY COMMITMENT

45 Operational safety
46 Environment and climate
58 Social engagement
80 Governance



05

ABOUT THIS REPORT

94 About this report

06

CONTRIBUTION TO THE SDGS

102 Our contribution to the SDGs

07

GRI APPENDIX

106 GRI appendix

08

GRI CONTENT INDEX

112 GRI content index

09

INDEPENDENT AND LIMITED ASSURANCE REPORT

120 Independent and limited assurance report

10

GLOSSARY

128 Glossary



01

INTRODUCTION





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Message from the CEO

LOOKING BACK ON 2021, I CANNOT HELP BUT FEEL PROUD OF CARGOLUX'S ACHIEVEMENTS. THE INTENSE PRODUCTION, SANITARY RESTRICTIONS, AND THE PRESSURE ON THE GLOBAL SUPPLY CHAIN DID NOT IMPACT AT CARGOLUX SPIRIT. ONCE AGAIN, TEAMS WORLDWIDE PULLED THROUGH AND PROVED THE DEDICATION AND FLEXIBILITY ARE KEY TO SUCCESS IN THE AIR CARGO INDUSTRY.



As we navigated through operational challenges, we did not lose sight of our long-term goals and commitments, especially when it comes to sustainability.

Our commitment remains strong, and we continue to integrate Corporate Social Responsibility into our activities, setting targets, implementing measures and identifying areas of improvement in our day-to-day work environment.

One of our proudest performances in 2021 is achieving the best carbon performance on record at 0.463kg / FTK, down 4% from the previous year. This remarkable result reflects how deeply our fuel efficiency procedures are ingrained in our operations. Our investment into sound operations has yielded significant results over the past decades, showcasing our concrete ambition to pursue sustainability.

Building on this commitment, a Sustainable Aviation Fuel (SAF) program was launched, materializing an additional step in Cargolux's decarbonization target. Traditional sustainable fuel products are in short supply globally, so Cargolux is also exploring other avenues such as e-fuels. All these new options offer interesting perspectives for the future, and I am very much looking forward to witnessing the evolution of these products. Not only will these enable Cargolux to work towards achieving its environmental goals, it will also allow our customers to reduce their scope 3 emissions.

We are currently also analyzing options with manufacturers to replace our aging 747-400F fleet. One of the main considerations is, of course, environmental performance which will enable us to further improve our footprint.

Digitalization is another core component in our CSR endeavor that was bolstered in 2021. Work in this area progressed significantly during the year through the development of new tools and the launch of several projects to further our ambitions. The focus remains on enhancing customer experience and providing our employees with user-friendly tools to eliminate time-consuming repetitive tasks and

improve efficiency.

This lean and flexible methodology will allow Cargolux to focus on key strategic elements and optimize its resources to future-proof the company.

We have also invested significantly into cybersecurity. Cargolux has a dedicated department dealing with data and asset protection. In a world of digital and online activity, data integrity and safety cannot be ignored, and every precaution has been taken to prevent breaches in our systems. Awareness campaigns are regularly conducted among our personnel and recurring trainings ensure our people are informed on the importance of this matter. Robust procedures have also been implemented should a malicious breach occur.

Coupled with investments in technology and assets, Cargolux continued to distribute PPE and sanitizing products to employees as well as providing free testing, both antigenic and PCR, to provide maximum protection and avoid contamination in the workplace. Once again, working from home regimes were implemented when required by the situation and in-house protocols were designed to keep risk as low as operationally possible. A dedicated hotline is also available around-the-clock to provide assistance to stations worldwide and crews on duty.

A sustainability governance structure comprising key people from Cargolux is in the process of being implemented. The first step of this ambitious undertaking defines representatives who are responsible for various aspects of the program. This working group aims to continue growing and establishing CSR principles as key components of the corporate strategy. This establishes a clear framework for our program, complete with

milestones and targets to be reached.

There is a lot of work ahead to achieve our ambitious CSR goals, but we continue to build on our progress and strive to find new areas of improvement. As environmental, social, and governance topics take more precedence in the public dialog, together we will work to ensure our growth and expansion benefits not only the organization but also the communities we operate into every single day.

I would like to thank the whole Cargolux team, near and far, for recognizing the importance of these commitments and playing their part every day to make our progress a reality.

Thank you all.

Richard Forson
President and
Chief Executive Officer





The background image shows an airport tarmac scene. On the left, the cargo door of a large aircraft is open, revealing the interior. Below the aircraft, there are several ground support vehicles, including a white truck with 'Luxair CARGO' written on its side and a white van. The aircraft has 'spirit of schengen' and 'luxembourg' written on its side. The entire image is overlaid with a semi-transparent red filter. A horizontal dotted line is positioned above the text, and a vertical dotted line is on the right side of the page.

ABOUT CARGOLUX

02



Mission, Vision, and Values

Our vision

To be “The Global Cargo Carrier of Choice”.

Our mission

We deliver consistent flexibility and reliability through our valued and dedicated employees creating sustainable benefits for all stakeholders in a safe environment.



The Cargolux spirit

- Leading by example
- Respecting each other
- Working as a team
- Being dedicated and passionate
- Going the extra mile
- Being cost efficient
- Being flexible
- Delivering service excellence





Our activities

The airline offers an extensive product portfolio that gives customers expert treatment for even the most unusual requirements.

Cargolux Airlines International S.A., headquartered in Luxembourg, is a leading provider of reliable, high-quality air cargo services, and the Global Cargo Carrier of Choice. In over half a century of operations, Cargolux has become an expert in handling a variety of delicate shipments. Live animals, perishables, temperature-sensitive commodities, and outsized freight, all benefit from Cargolux's experienced touch. The airline offers an extensive product portfolio that gives customers expert treatment for even the most unusual requirements. Cargolux is unequalled in the provision of services that call for management of sensitive and valuable shipments.

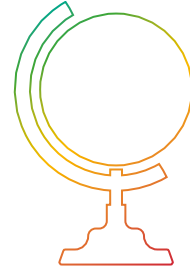
Starting with a single Canadair CL-44 swing-tail aircraft in 1970 with a capacity of about 30 tonnes, the company developed into Europe's number one all-cargo airline, ranking 5th in IATA's scale of freight operators. Cargolux was the world's first operator of both the 747-400F and the 747-8F. Today, the airline operates a fleet of 30 747 freighters. With more than 85 offices in over 50 countries, Cargolux works cooperatively with trucking contractors to move cargo over its worldwide network that covers some 75 destinations.

Cargolux Italia, the airline's subsidiary based in Milan, was Italy's largest all-cargo carrier in 2021. Cargolux continues to build on its existing core competency, pushing global consistency and leveraging the evolution of its global network to fulfill industry-specific needs. The airline thinks beyond just the in-flight needs of its cargo. It responds to customers' door-to-door requirements.

The company's flexible charter services offer the advantage of dedicated, tailored solutions for its clients. The airline operates a number of charter aircraft that can be booked and deployed at very short notice. With staff stationed across the globe, Cargolux Charter gives customers 24/7 coverage.

As well as regular fleet upkeep, Cargolux's maintenance center, based in Luxembourg, offers third-party maintenance services. Specialized in Boeing 747 maintenance, the airline offers a range of specialized maintenance services such as, but not limited to, avionic modifications, structural repairs, worldwide AOG support and hangar maintenance up to and including C-checks.





56

SCHEDULED
FLIGHT
DESTINATIONS
WORLDWIDE



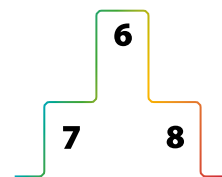
30+

COUNTRIES



4.0%

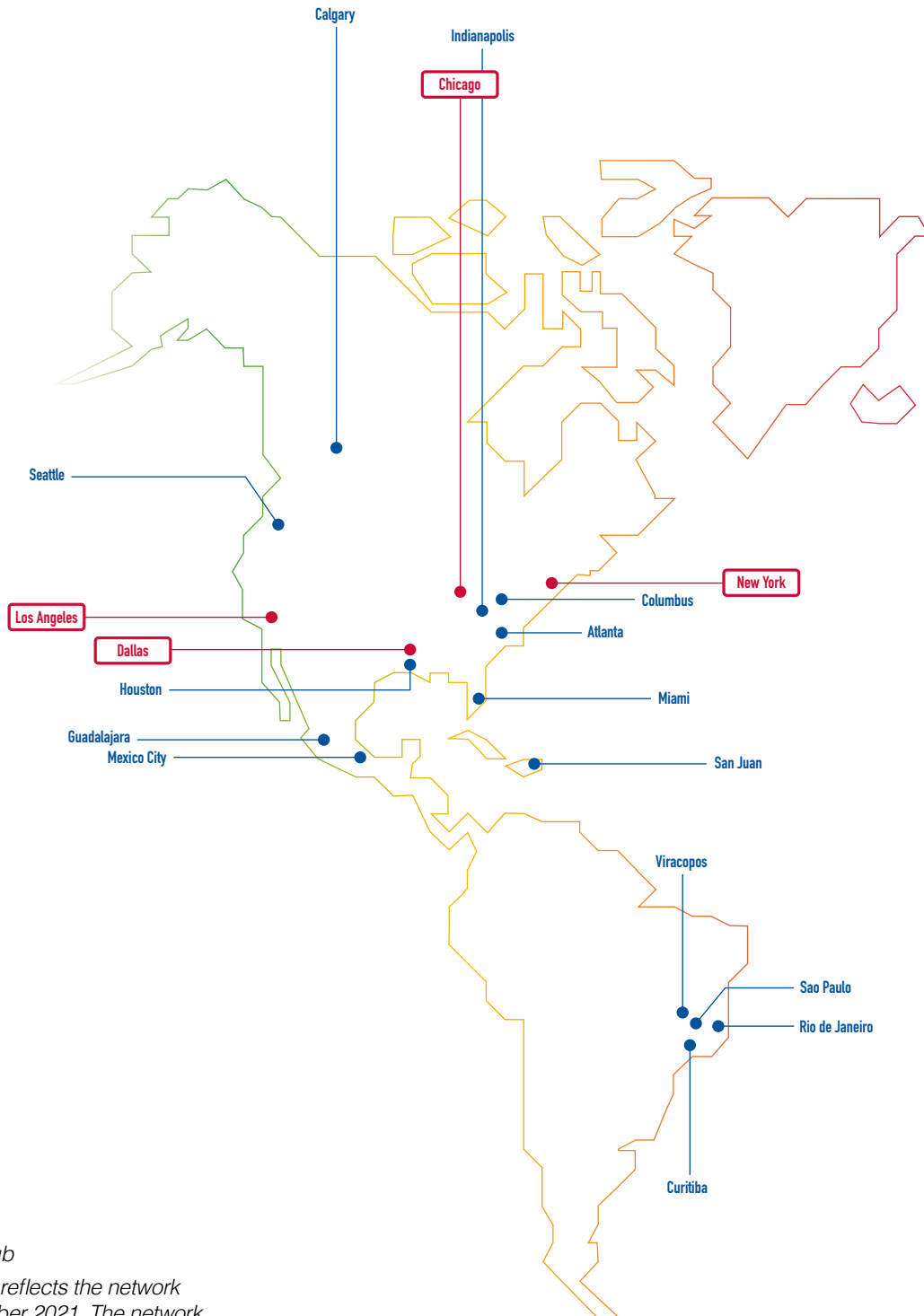
WORLDWIDE
MARKET
SHARE



5TH

IATA
RANKING -
BIGGEST
EUROPEAN
ALL-CARGO
CARRIER,
WORLDWIDE

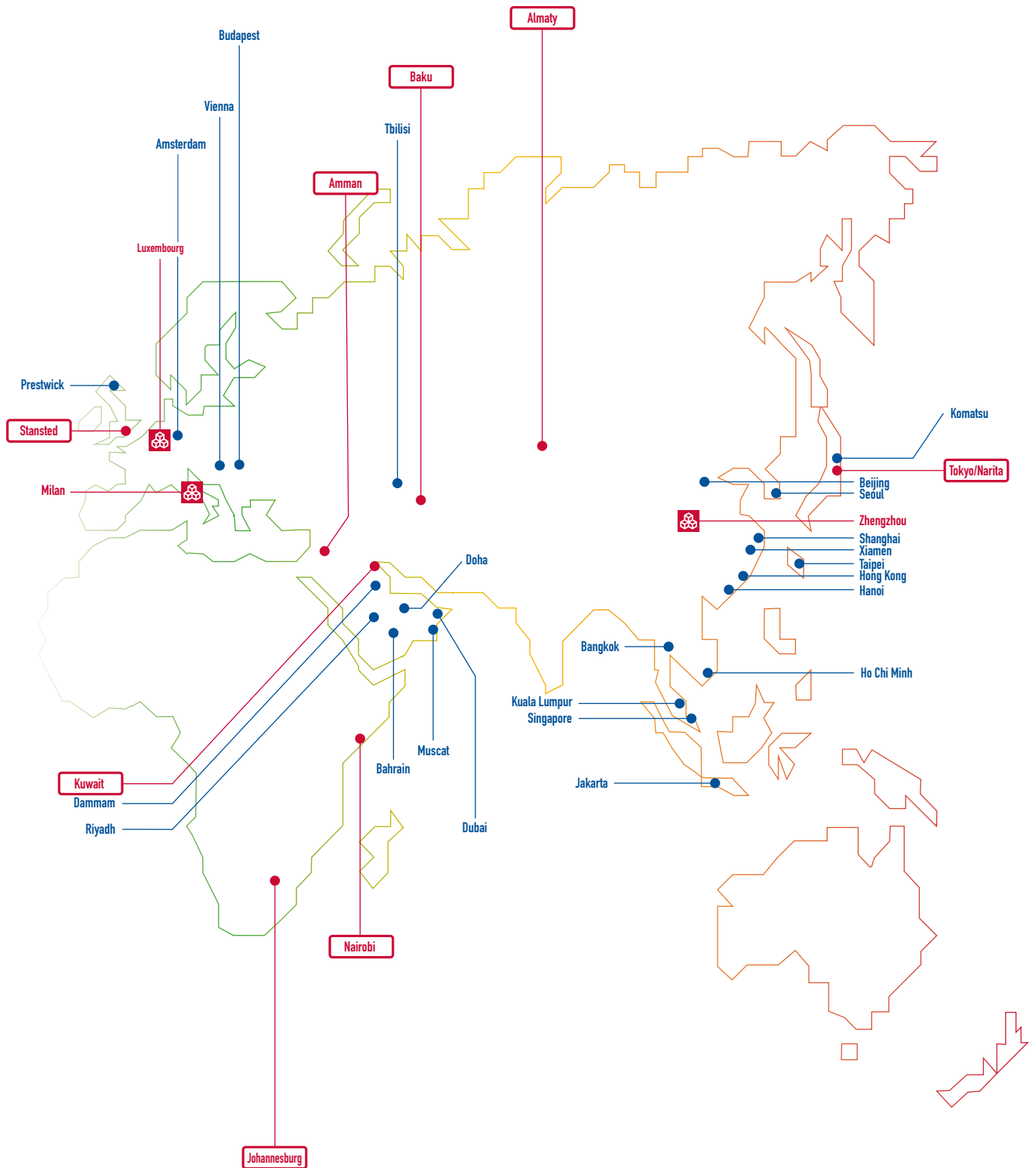
Destinations route map 2021



 Cargolux hub

This Route Map reflects the network as at 31 December 2021. The network was adapted throughout the year to cater for market requirements in the context of the COVID-19 pandemic.

**(ALSO) FLOWN
BY CARGOLUX ITALIA**



Building bridges: competency & confidence

INDUSTRY ASSOCIATION MEMBERSHIPS

Cargolux takes its commitment to the business community and industry seriously. Integral to the development of industry-wide solutions are partnerships that can afford opportunities for expansion, progress, and advancement.



IATA

Trade association for the world's airlines helps to guide and formulate industry policies on critical aviation issues



Cargo iQ

This IATA interest group improves end-to-end processes in the air cargo transportation industry



International Air Transport Association IATA TTTF

Time and Temperature Task Force



Safety Management Best Practices

EASA CAT-CAT, IATA Safety Group, IATA Hazard Identification Task Force & EASA European Operators Flight Data Monitoring Initiative. These groups promote safety in the industry



Good Distribution Practice (GDP)

This certificate attests that Cargolux's management system meets World Health Organization guidelines and the EU directive "Guidelines on Good Distribution Practice of Medical Products for Human Use"



IATP

International Airlines Technical Pool



Airlines for Europe (A4E)

Europe's largest airline association represents the interests of airline members and their customers



Cool Chain Association



IAAIA

International Association of Airline Internal Auditors

Animal welfare association memberships



IPATA
International Pet and Animal Transportation Association



ATA
Animal Transportation Association



IATA LAPB
Live Animal and Perishables Board



UFW
United for Wildlife

Luxembourg association memberships



FEDIL
Business Federation Luxembourg



Cluster for Logistics
Association of logistics service providers, research institutes and other organizations, promoting members, optimizing activities, and building competencies



CHINALUX
China-Luxembourg Chamber of Commerce



IIA Luxembourg
Institute of Internal Auditor Luxembourg Chapter



Loic
Luxembourg Open Innovation Club



CSR association memberships and collaborations



UN Global Compact

Cargolux pledged to act in a socially and environmentally responsible manner in 2007 and to support the SDGs in 2016



Sustainable Aviation Fuel Users Group

SAFUG

The Sustainable Aviation Fuel Users Group is a cross-industry initiative aimed at promoting and marketing sustainable aviation biofuels



RSB

Roundtable on Sustainable Biomaterials



INDR

Luxembourg's National Institute of Sustainable Development



IMS Luxembourg

Inspiring More Sustainability



Chambre de Commerce Luxembourg (Groupe de Travail développement Durable)



Vision Zero

Reducing the number and severity of workplace accidents

AWARDS & RECOGNITIONS



7th IOSA Audit

Cargolux passed its seventh (bi-annual) IOSA audit, assessing operational management and control systems. The exceptionally good results in this internationally recognized evaluation system reflect Cargolux's commitment to continuously monitor and enhance procedures and establish high standards



GDP

Cargolux successfully passed its GDP renewal audit



Ecovadis' Gold Rating

Based on the sustainable development standards of the Global Reporting Initiative (GRI), the United Nations Global Compact, and ISO 26000, this rates sustainability in global supply chains and the airline's corporate social responsibility performance



Safe. Secure. Sustainable.

SkyCell award

Cargolux has been recognised as "The safest Partner Airline" by SkyCell at their Quality Award Ceremony



ESR label by INDR






Cargolux has been recognized as 'Socially Responsible Enterprise' by Luxembourg's INDR

At a glance

CARGOLUX IS FOCUSED ON CREATING VALUE FOR ITS STAKEHOLDERS BY ENHANCING ITS POSITIVE IMPACT AND MITIGATING THE ADVERSE EFFECTS OF ITS OPERATION. IN ORDER TO PROVIDE SUSTAINABLE, LONG-TERM BENEFITS, THE COMPANY RELIES ON DIFFERENT CAPITALS – HUMAN, INTELLECTUAL, NATURAL, MANUFACTURED, ETC. – THAT IT MUST CONTINUOUSLY INVEST IN AND DEVELOP.



Consolidated figures - 2021

		2021	2020	2019	2018
	Total income in USD '000	4,428,786	3,170,697	2,258,650	2,634,033
	Profit/loss for the year in USD '000	1,295,297	768,669	20,242	211,206
	Shareholders' equity in USD '000	3,130,982	1,930,505	1,157,246	1,183,008
<hr/>					
	Tonnes sold	1,241,908	1,107,071	1,009,338	1,053,626
	<hr/>				
	Tonne-kilometers flown (millions)	10,235	8,934	8,091	8,409
	Available tonne-kilometers (millions)	14,053	13,013	12,316	12,375
<hr/>					
	Employees worldwide (CV & C8) (as at 31 December 2021)	2,477*	2,368	2,253	2,136
	Luxembourg (as at 31 December 2021)	1,830*	1,726	1,630	1,531
<hr/>					
	Boeing 747-8 freighters (units)	14	14	14	14
	Boeing 747-400 freighters (units)	10	10	11	11
	Boeing 747-400ERF (units)	6	6	5	2

*As of 2021, the headcount of Luxembourg based staff includes reclassified employees

Corporate governance

Board of directors

Christianne Wickler

Chairman of the Board of Cargolux,
Director

Anouk Agnes

Conseiller de Gouvernement 1^{ère}
classe, Ministry of State, Director

Giovanni Giallombardo

Chairman of the Board of Luxair S.A.,
Director

Jianmin Liu²

General Manager
Henan Province Airport Group Co.,
Ltd., Director

Patrick Nickels

Premier Conseiller de Gouvernement
Ministry of the Economy, Director

Françoise Thoma

Chief Executive Officer,
Banque et Caisse d'Épargne de l'État,
Director

Dongge Wang²

Deputy Manager of Operation
Management Department
Henan Civil Aviation Development &
Investment Co., Ltd., Director

Tom Weisgerber

Premier Conseiller de Gouvernement,
Ministry of Mobility and Public Works,
Director

Wenjie Yang^{2,3}

Deputy General Manager
HNCA Aviation & Equipment Leasing
Co., Ltd., Director

Shengzhen Kang¹

Chairman of Henan Airport Group,
Director

Shengbo Yuan¹

General Manager of Luxembourg
Project Office of HNCA, Director

Mingchao Zhang¹

Chairman of Henan Civil Aviation
Development and Investment Co,
Ltd, Director

Dirk Becker

Captain,
Director, Staff Representative

Christine Dargan

Manager (Sr) Crew Control,
Director, Staff Representative

Bettina Faulhaber

Manager Sales & Marketing
Crew Training, Director,
Staff Representative

Yves Hendel

Assistant Lead Technician
Line & Hangar Maintenance,
Director, Staff Representative

Darrell Myers

Captain,
Director, Staff Representative

Committees of the board of directors

Compensation Committee

Christianne Wickler (Chairman)

Françoise Thoma

Dongge Wang²

Tom Weisgerber

Audit Committee

Patrick Nickels (Chairman)

Françoise Thoma

Tom Weisgerber

Wenjie Yang^{2,3}

¹ Until 30 June 2021

² Since 30 June 2021

³ Resigned on 26 January 2022



EXECUTIVE COMMITTEE



Richard Forson
President and
Chief Executive Officer



Maxim Straus
Executive Vice-President
and Chief Financial Officer



Onno Pietersma
Executive Vice-President
Maintenance & Engineering



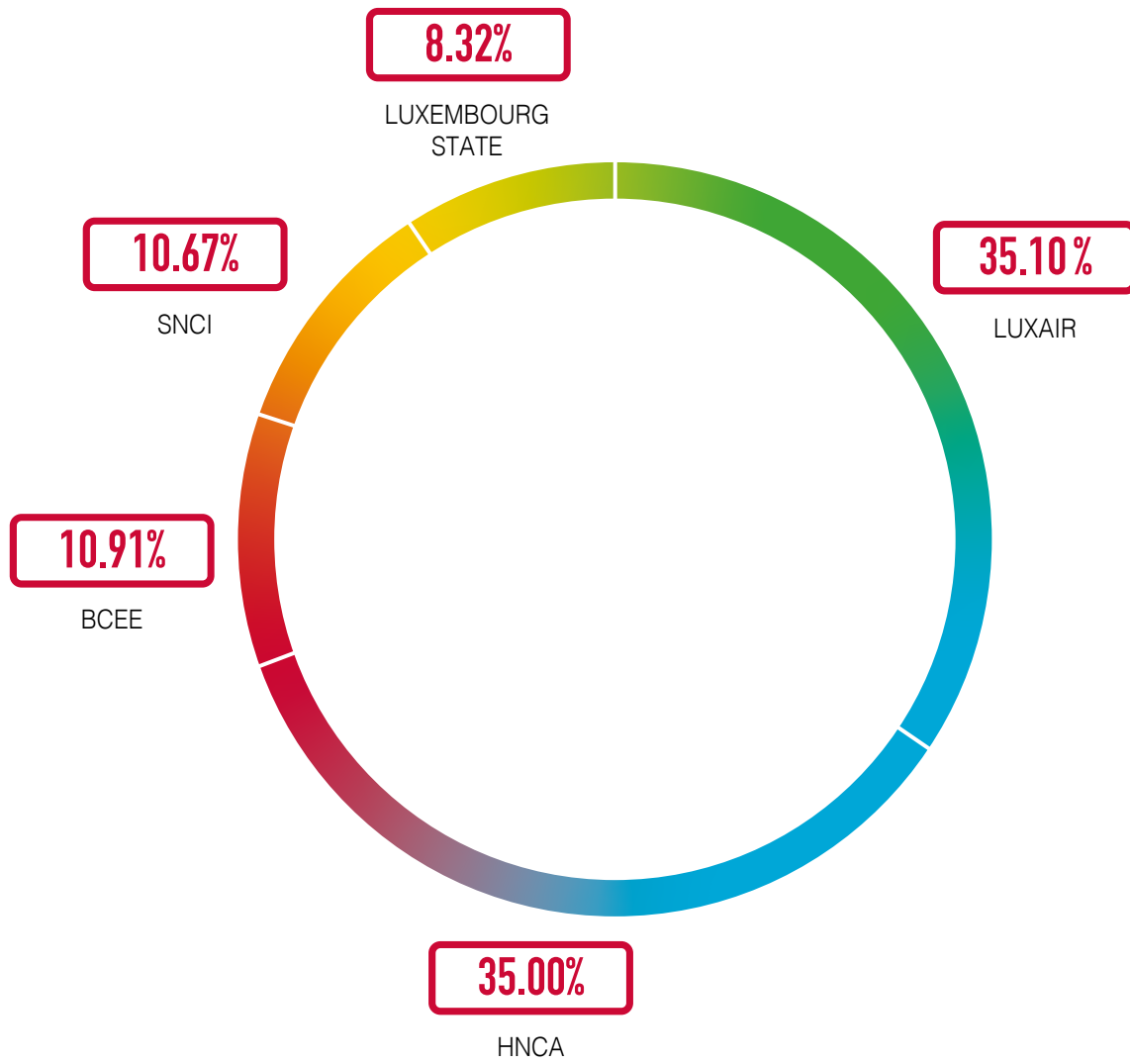
Domenico Ceci
Executive Vice-President
Sales & Marketing



Claude Zehren
Executive Vice-President
Flight Operations



SHAREHOLDER STRUCTURE



OPERATIONAL STRUCTURE OF THE ORGANIZATION



**COMMERCIAL PLANNING
& DEVELOPMENT**



CORPORATE



**GLOBAL
LOGISTICS**



**HUMAN RESOURCES,
LEGAL AFFAIRES
& COMPLIANCE**



**FINANCE &
ADMINISTRATION**



**FLIGHT
OPERATIONS**



**MAINTENANCE &
ENGINEERING**



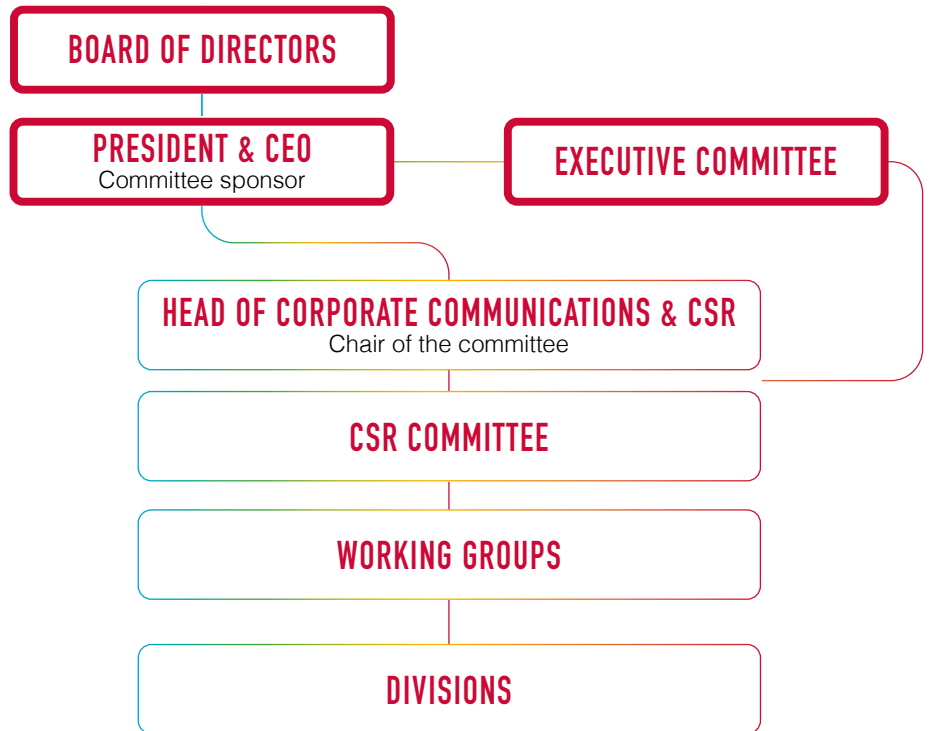
**SALES &
MARKETING**

CSR governance

The Cargolux CSR Committee comprises members from across the organization. The Committee is sponsored by the President & CEO and chaired by the Head of Corporate Communications & CSR.

Key functions relevant for the company's CSR program and from each division have been mandated by the division's respective EVP to fulfill all CSR-related duties.

The CSR Committee meets periodically to define and review CSR policies, priorities, strategy, targets and KPIs. As subject matter experts in their fields, each committee member coordinates working groups within their area to address CSR-related issues. They also monitor the CSR performance within their area and support the development of the program in line with company objectives.







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SUSTAINABILITY APPROACH

03

Progress in 2021

CARGOLUX CONTINUED TO MAKE PROGRESS IN THE AREA OF CSR WHILE NAVIGATING OPERATIONAL CHALLENGES AND HIGH VOLUMES THROUGHOUT THE YEAR. IN ADDITION TO WORKING ON ITS PRIORITY TOPICS, THE AIRLINE LAUNCHED AN AMBITIOUS REVIEW OF ITS CSR PROGRAM TO PREPARE FOR UPCOMING LEGAL REQUIREMENTS AND ALIGN WITH STAKEHOLDER EXPECTATIONS.



A stakeholder engagement survey was launched in 2021 to determine what they deem key priorities for Cargolux in terms of CSR. The results were integrated into the CSR framework and will be included in the corporate sustainability program. In order to coordinate efforts internally, working groups were formed within the organization to work on material topics and follow-up on the progress made on each subject.

Promoting environmentally sound operations ranked high on the agenda in 2021. High payloads, long-haul flights, and efficient operations enabled Cargolux to achieve record carbon performance in 2021. This remarkable result was supported by the fuel efficiency program; a set of 15 measures which have been integrated into operational considerations.

Building on this solid foundation, the airline launched a dedicated SAF program, further cementing its commitment to reducing emissions. As an advocate for sustainable supply chains, Cargolux will continue to develop this program, allowing customers to reduce their Scope 3 emissions. A vast analysis is also underway to assess replacement aircraft for the ageing 747-400 fleet, a new chapter which will further contribute to reducing emissions. These ambitious projects will yield significant reductions in the future and support the airline's vision of achieving carbon neutral growth by 2050.

As a strong promoter of sustainable and ethical practices, Cargolux implemented a KYS/KYC (Know Your Supplier/Know Your Customer) process. This vetting method allows the organization to ensure its business partners comply with all regulations and are aligned on sustainable principles. Cargolux is the first known airline to implement such a vetting process for its customers.

Diversity and inclusion have also been a priority for the airline in 2021. As a cargo-carrier operating on an international network, diversity is deeply ingrained in the corporate spirit. This approach was formalized when Cargolux signed the Luxembourg government's Diversity Charter, a pledge to promote diversity and inclusion in the workplace.

The digital overhaul progressed, and several new tools were implemented to enhance processes throughout the organization. The company developed a dedicated cyber security unit with its IT department to safeguard data and assets against cyber criminality. Innovation and technology were also central to the Digital Sales strategy that took a leap forward in 2021. Customer experience is central to Cargolux's philosophy, and several initiatives were launched in this area.

In line with its historical engagement, the airline continued to support many initiatives, both locally and abroad, to support communities. Cargolux is deeply committed to health and safety, youth, and culture, and strives to engage with initiatives in these areas. In addition to material and financial donations, the carrier also performed a number of Free of Charge (FOC) flights for various organizations.

Cargolux's solid engagement spreads throughout the company and initiatives can be witnessed everywhere. The priority topics that form the basis of the program are continuously reviewed and improved to match stakeholder expectations. In 2021, Cargolux renewed its ESR label, a Luxembourg distinction that recognizes Socially Responsible companies. This label not only highlights Cargolux's strong commitment, it serves as an incentive for the organization to build on its achievements.



Reducing carbon footprint



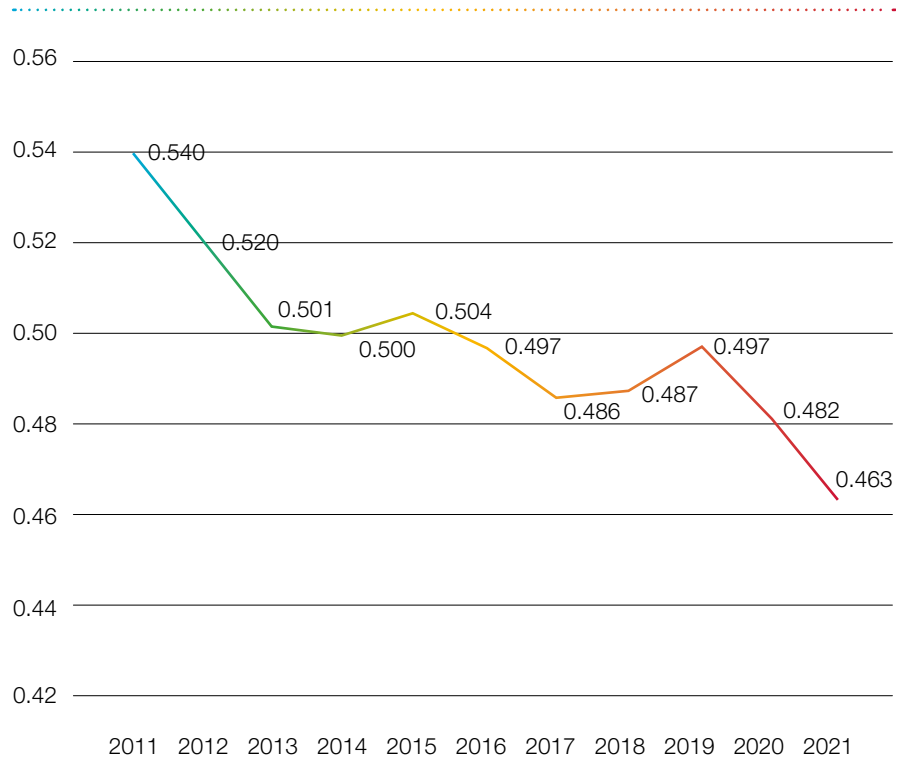
2011

0.54
KG CO₂ / FTK



2021

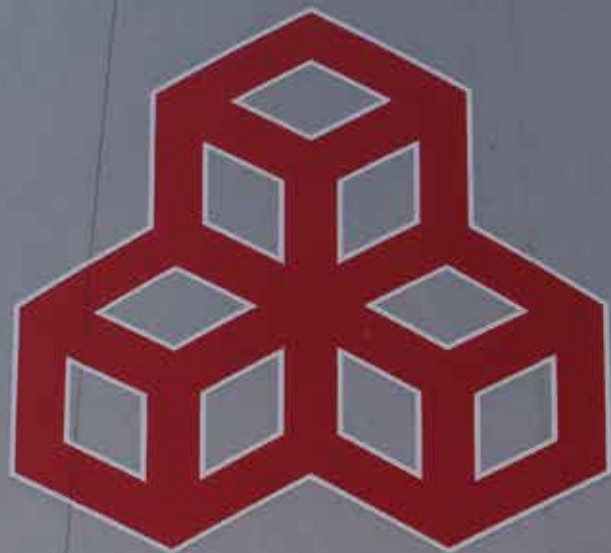
0.463
KG CO₂ / FTK



Gold Rating

Driven by its solid environmental program, in 2021 Cargolux scored 68/100 in the evaluation by Ecovadis.

Ecovadis provides a solution for the monitoring of sustainability in global supply chains. This methodology is based on sustainable development standards of the Global Reporting Initiative GRI, the United Nations Global Compact and ISO 26 000.



cargolux



Stakeholders

Cargolux's sustainability approach is based on continuous dialog with internal and external stakeholders with whom Cargolux interacts at various levels:



CUSTOMERS



EMPLOYEES



FINANCIAL INSTITUTIONS



SUPPLIERS



JOINT VENTURES



SHAREHOLDERS



SUB-CONTRACTORS



COMPETITION



AUDITING BODIES



AVIATION SECTOR



NGOS



AUTHORITIES AND GOVERNMENT



SHIPPERS



TRADE UNIONS



BOARD OF DIRECTOR



COMMUNITIES



INSURANCE COMPANIES



MEDIA



ACADEMIA

[1] Cargolux included internal and external stakeholder consultation in the materiality analysis carried out in 2021 to prepare this report.

Shared value creation

Cargolux is continuously working to maximize the value it creates for all stakeholders. To sharpen the way the airline tackles sustainability, it conducted a materiality analysis. This analysis assessed the significance of the economic, social, and environmental impacts of Cargolux's activities and their influence on stakeholders' decisions. Top priorities – i.e. material topics – have been identified: [2]



CARBON FOOTPRINT



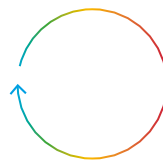
FUEL EFFICIENCY



OCCUPATIONAL HEALTH & SAFETY



ETHICAL PRACTICES IN BUSINESS RELATIONSHIPS



WASTE MANAGEMENT



TRAINING & DEVELOPMENT FOR STAFF



EMPLOYEE WELFARE

[2] to find more about the methodology, see the "About the Report" section.



OUR VALUE CREATION MODEL

INPUT

BUSINESS STRATEGY

THE GLOBAL CARGO CARRIER OF CHOICE



**STRONG
BALANCE SHEET**



**UNIQUE GLOBAL
OPERATION**



**INNOVATION
CAPABILITIES**



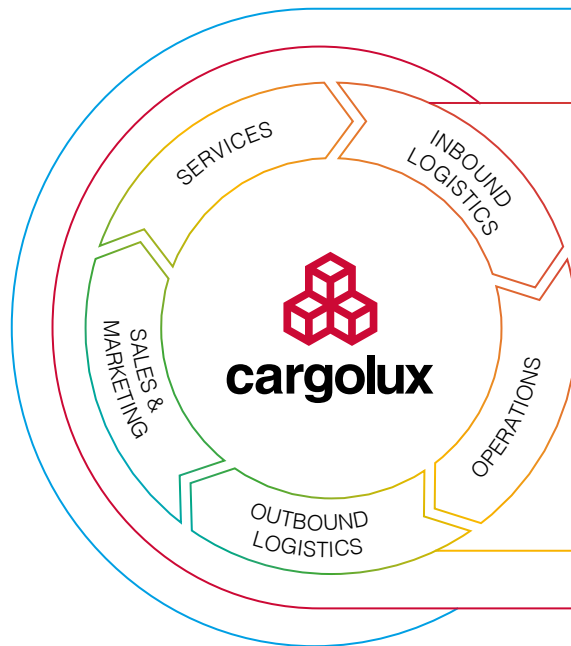
**STAKEHOLDER
RELATIONSHIPS**



**HIGH PERFORMING
ORGANIZATION**



**RESPONSIBLE
USE OF RESOURCES**



OUTPUT

Environment & Climate

- Emissions**
- Fuel efficiency**
- Regulatory compliance
- Scope 3 emissions**
- Waste management**
- Noise abatement

- GRI 305
- GRI 302
-
- GRI 305
- GRI 308
- GRI 413



Social Engagement

- Diversity & inclusion
- Talent attraction & retention
- Talent development & training**
- Health & safety**
- Local community development
- Creating bonds
- Inspiring future talents
- Ecosystem of innovation & research

- GRI 402 | GRI 405 | GRI 406
- GRI 401
- GRI 404
- GRI 403
- GRI 203
- GRI 203
- GRI 203
- GRI 203



Governance

- Compliance & Ethics**
- Sustainable procurement
- Digitalization & cyber-security

- GRI 205 | GRI 412 | GRI 304
- GRI 204
- GRI 418

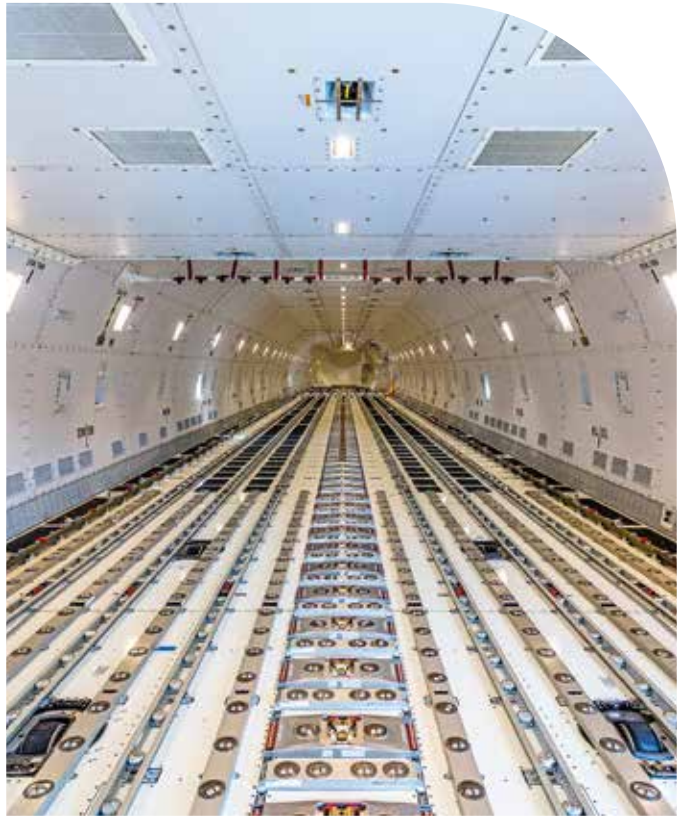






04

SUSTAINABILITY COMMITMENT





Operational safety

Operational safety is the core component of Cargolux's activities. The highly complex nature of the industry and the multitude of processes, technology, and expertise require the teams to work together to ensure the highest standards are applied throughout the organization. Teams and departments work together to support the company by monitoring operations and identifying any risk or issues in their area.

Using the Standards and Recommended Practices issued by ICAO and regulations published by EASA and IATA Industry Standards, Cargolux's dedicated Aviation Safety Department supervises the Safety Management System. The System uses a variety of data sources and tools to understand whether the processes within Cargolux work as intended and where they need adjustment or adaptation. Incidents and lapses are investigated to identify causes and allow recommendations for improvement to be issued.

Data is consolidated from a multitude of systems and applications to provide easy-to-use information that streamlines flight, ground and maintenance operational processes for Cargolux and third parties. Analytical tools allow Cargolux to gain intelligence that Operational Safety uses when presenting findings and recommendations to management. This solid process allows Cargolux to maintain high safety standards and work continuously to enhance awareness throughout the operation.



Teams and departments work together to support the company by monitoring operations and identifying any risk or issues in their area.



Environment and climate

CARGOLUX IS STRONGLY COMMITTED TO ENVIRONMENTALLY SOUND OPERATIONS AND WORKS TIRELESSLY TO MITIGATE THE IMPACT OF ITS OPERATIONS. AS A CARGO AIRLINE OPERATING ON A GLOBAL NETWORK, CARGOLUX IS INTENT ON REDUCING ITS IMPACT ON CLIMATE CHANGE, A PRINCIPLE THAT HAS BEEN INGRAINED IN DAILY OPERATIONS. THE COMPANY IS ALSO FOCUSED ON ENVIRONMENTAL PROTECTION AND HAS INVESTED RESOURCES AND FINANCES IN PRESERVING NATURAL RESOURCES AND PROMOTING ANIMAL WELFARE.





CLIMATE ACTION

Environmental concerns are a major focus for Cargolux and a central consideration in business decisions and development strategies. Numerous measures have been implemented over the years, forming a solid basis for further initiatives with the aim of achieving carbon neutral growth in 2050.

As a good corporate citizen, Cargolux aims to promote these business practices within the industry and encourage ethical and sound processes throughout the supply chain. The airline upholds very high standards and expects its partners and suppliers to follow suit. As a result, no case of non-compliance with environmental laws and regulations was reported in 2021.

Emissions

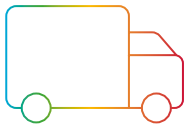
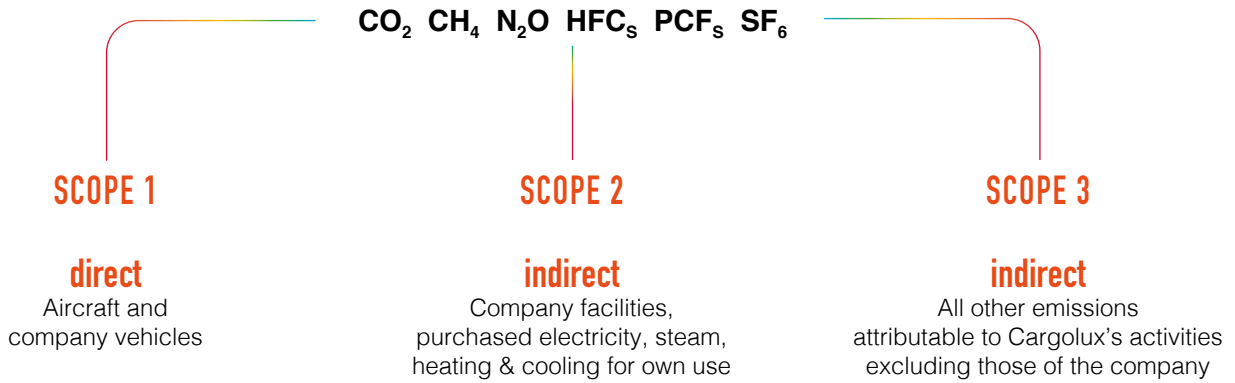
With rising concern about CO₂ emissions and their impact on climate change, the cargo carrier is intent on mitigating the effect of its activities and is taking a number of measures to do so. The focus on heavy loads and long-haul routes coupled with a fleet of efficient 747 freighters enable Cargolux to have one of the lowest carbon footprints in the industry.

In fact, in 2021, Cargolux achieved its best carbon performance on record, down 4% from the previous year and almost 7% compared to 2019. The average footprint was established at 0.463 / FTK for 2021, down from 0.482 kg / FTK in 2020. The result, achieved in a year of high fleet utilization, reflects the legwork done within Cargolux to truly integrate sustainable principles in its operations. The company has now reached a plateau in terms of fuel efficiency as regards traditional operations and is exploring other avenues to further reduce emissions.

The launch of Cargolux's SAF program in 2021 marks the beginning of a customer sustainability program, allowing them to reduce their scope 3 emissions. The airline expects to build on this initial step and develop a dedicated customer sustainability program, offering options for environmentally sound operations. This decision demonstrates the corporate engagement towards defining broader environmental targets.

As a founding member of SAFUG and member of RBS, Cargolux is strongly committed to the development of SAF in the industry. The airline also recently joined the World Economic Forum's working group on Clean Skies for Tomorrow, a contingent championing for the broad adoption of SAF by 2030.

The Greenhouse Gas Protocol



SCOPE 1

The Cargolux Group shows exemplary greenhouse gas emissions management for its fleet. In 2021, the overall CO₂ efficiency reached 0.463 KG CO₂ / FTK for the combined CV & ICV fleets.

SCOPE 2

Cargolux offices and facilities recorded CO₂ emission of 2,456 tonnes for fuel and gas consumption during 2021. Use of electricity emitted no CO₂, as it comes from renewable sources.

SCOPE 3

Category that covers all other indirect emissions attributable to Cargolux's activities excluding those of the company.

Fuel efficiency

Cargolux's Fuel Efficiency program comprises 15 different fuel saving initiatives which have been implemented across the operation as part of a 5-year roadmap. These measures were defined by Cargolux's dedicated Fuel Efficiency roundtable and have since become an intrinsic part of Flight Operations. The Fuel Efficiency program was designed and implemented as part of the operation and, as such, has become an organic part of daily considerations.

The pandemic circumstances contributed to high market demand and a significant increase in flight movements offering opportunities to actively pursue established initiatives (e.g., flight, dispatch, ground etc.). The remarkable fuel efficiency achievements generated in 2021 reflect the dedication and hard work invested into the program.

True to its commitment to sustainability, the carrier continues to explore new areas of potential improvement. Once the current, highly volatile situation, has stabilized, projects such as a fuel efficiency coaching program for Flight Crew Training, a Fuel Briefing Dashboard (FBD), and a dedicated fuel efficiency intranet page are expected to resume.



	2021	2020
Savings from fuel saving initiatives (tonnes)	6,941	6,005
CO ₂ emissions saved (tonnes)	21,865	18,916
CO ₂ efficiency/FTK	0.463	0.482
Lead-free (L)	5,098	6,125
Diesel (L)	18,844	17,674
Diesel (industrial machines) (L)	55,709	56,469

Regulatory compliance

Cargolux is compliant with all CO₂ related emissions regulations including the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). The scheme foresees mandatory offsetting for civil aviation flights as of 2024/2025 but the initial data gathering was already launched in 2019. Measurement, Reporting and Verification (MRV) of greenhouse gas (GHG) are on-going within the company in alignment with monitoring plans approved by competent authorities.



Scope 3 emissions

Taking its commitment to climate one step further, Cargolux is actively looking into reducing its Scope 3 emissions. The airline is in discussions with its business partners, such as GHAs and trucking, to identify solutions and define workable measures to decrease emissions.

As well as engaging its vendors, the company is also intent on including its employees in flexible and sustainable practices. A mobility survey was launched among employees in 2021 asking about their commuting habits and potential company-backed improvements and initiatives. Almost 30% of respondents expressed interest in alternatives to individual car usage, prompting Cargolux to look into solutions such as car-pooling, or e-bike charging stations.

The corporate vehicle fleet also witnessed an overhaul with a strong increase in electric and hybrid vehicles, doubling the amount of non-gas-powered automobiles. To further promote this momentum, management agreed to a go-green direction by increasing the budget allowance for hybrid and full electric vehicles in early 2021. Finally, in addition to the 20 charging stations installed in the HQ car park in 2020, the company approved the implementation of a further 20 charging stations to be installed in early 2022.

Road Feeder Services

In 2021, Cargolux's Road Feeder Services department experienced yet another highly productive year. Sanitary measures and border closures continued to affect the industry and trucking was in limited supply, leading to delays and disruptions in the supply chain. The team remained very busy throughout the year, handling record volumes and juggling restrictions to keep the goods flowing as smoothly as possible in the network.

Global Road Feeder Services experienced congestion at international gateways with delays and long waiting time becoming the norm in the industry. The Cargolux team, however, worked continuously to alleviate these issues and seek solutions to minimize disruption throughout its network. The dedication and hard work, coupled with an ingenious choice of suppliers allowed the trucking team to handle hub operations in an efficient manner.

Despite the intense workload, the RFS department continued to make progress in reducing emissions. The trucking companies operating on behalf of Cargolux have replaced their fleets and now operate solely Euro 6 category vehicles. The high load factor allowed for enhanced efficiency and strongly contributed to reducing emissions per kilogram transported. The airline also approached its service providers to collect information on fuel emissions including those of their subcontractors. This will serve to establish a baseline and devise a roadmap to identify areas of potential saving.

Furthermore, 2021 saw the kick-off of an ambitious Cargo Management System project. This new solution will streamline information from various sources to provide an overview of operations. This will enhance end-to-end visibility for the RFS team allowing them to consolidate proceedings and achieve higher load factors once the system is fully implemented in 2023.



+8.1%

TRUCKS



+10.3%

TONNES CARRIED



+5.9%

MIO KM



+1.0%

LOAD FACTOR (KG)

IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

Cargolux uses 15 different fuel-saving programs to reduce consumption and has gone from a 3- to a 5-year fuel management plan with the most effective initiatives.

The trucking management system and e-booking paperless processes all contribute to reducing waste and energy use. Portable Electronic Flight Bags are just one example of the focus on reducing unnecessary aircraft weight, which results in fuel savings.

Management approach & components

Cargolux adheres to several programs that are designed to achieve substantial reductions in CO₂ emissions, save fuel, improve safety, and/or decrease congestion.

CDO (Continuous Descent Operations) & **CDAs** (Continuous Descent Operations and Approach) create efficient descents. **Performance Based Navigation** (PBN) uses generic navigation requirements that reduce the need to maintain sensor-specific measures for routes and procedures.

Core Engine Compressor Wash process (for GENX-2B, CF6-80C2B5F and selected RB211-524H2-T engines with low N3 speed margin).

Many of these programs also have added community benefits such as noise reduction.

Cargolux adheres to the EU Trading Systems (EU ETS) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) from ICAO. It follows the 2018 process for monitoring emissions.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

Evaluation & adjustments

Cargolux complies with the European Union's Emissions Trading System (EU ETS) reporting requirements and continues to monitor and report CO₂ emissions.

Communication programs provide information regarding environmental successes in emissions control, fuel management, digitalized cargo management and logistics systems.

Cargolux cooperated with the local Air Navigation Service Provider to develop CDO arrivals for Luxembourg. A number of waypoints were created that allow pilots to efficiently plan the descent. CDOs and CDAs (Continuous Descent Operations and Approach) methodologies are a huge step-change in the industry and represent potential for significant fuel savings as well as substantial reduction in CO₂ emissions. A CDO(F) arrival can log fuel savings of approximately 250 kg per flight for a B747, as the engines stay at near-idle thrust during the process. The lack of thrust during descent also means a quieter arrival; reducing noise for surrounding communities.

OPERATIONS



30

NUMBER OF AIRCRAFT



14:48

AVERAGE DAILY
AIRCRAFT UTILIZATION



152,785

TOTAL BLOCK HOURS
(INCLUDING ACMI)



10,235

MILLION TONNE-KM
FLOWN



253,089

PRODUCT TONNAGE
(EXCL. CV CLASSIC)



1,241,908

TONNES SOLD
(INCLUDING C8)



72.8%

OVERALL
LOAD FACTOR

ENVIRONMENTAL PROTECTION

Environmental protection is a pillar of Cargolux's philosophy, and a principle that is instilled in all areas of the company. From waste management and reduction to awareness and risk assessments, Cargolux teams work together to minimize waste and optimize resources. As reduce-reuse-recycle philosophy is followed in all areas of the operation and employees are encouraged to share ideas on areas of potential improvement.

Cargolux is ISO 14001 certified, and this framework is applied to all activities. The new HQ in Luxembourg is designed with sustainability in mind and initiatives such as centralized waste collection and printing areas have been implemented to promote sound practices. As a signatory of Luxembourg IMS's Zero Single Use Plastic manifesto, the company is working to eliminate all SUP from its premises.

As an airline, Cargolux requires a wide variety of resources, including chemical and hazardous substances. Analyses are underway to improve chemical risk assessment and review disposal processes to ensure best practices are upheld.

Awareness campaigns are organized internally, encouraging employees to act responsibly as regards resources. The importance of sustainable consumption is highlighted throughout corporate procedures and integrated into the company's values.

Waste management

Waste management is a core component of sustainable work environments and one that Cargolux is strongly committed to. Waste reduction and responsible refuse elimination are integrated into the company's strategy with a focus on lean processes and sound consumption. The reduce-reuse-recycle principle is widespread throughout the company and teams are increasingly looking into ways of further applying this lean philosophy. Although these principles have been integrated into company processes and welcomed by employees, the company is always looking for additional areas of improvement.

The footwork to improve responsible disposal is well-underway within the company and significant progress has been made over the years. If the overall efforts have been conclusive and measures efficiently implemented, in 2021, certain events occurred that increased the amount of waste on an ad hoc basis. These punctual instances are limited in time and initiatives were taken to limit their impact and draw lessons from these experiences.

Employees returning to work on site after periods of home office contributed to the increase in biodegradable waste, mostly generated by the canteen. Cargolux worked closely with the service provider to mitigate this and introduced a system to monitor the origin of the food waste. Once these figures become available, they will be analyzed to determine whether measures can be implemented to reduce refuse.

Progress continued to be made in the Maintenance environment to replace the oil absorbing material as well as the waste caddies used in the Maintenance Center.

These two initiatives should have a positive impact on the amount of both oily and hazardous waste material produced in the hangar. The installation of a new water treatment station is also in the works to ensure the water injected into the official water treatment plant will be of better quality.

Although the project is foreseen to increase the hazardous waste generated by Cargolux, it ultimately contributes to a sounder environment in the surrounding communities.



Cargolux is signatory of the IMS Luxembourg's Zero Single-Use Plastic pledge.



The SuperdrecksKëscht fir Betriber is a Luxembourgish environmental label, awarded annually, that recognizes companies' commitment and efforts to promote sound waste management.

2021 **2020**

Hazardous material

Composted (kgs)	134,500 (*)	164,250
Other (kgs)	289,192	142,466
Recycled (kgs)	7,945 (**)	378
TOTAL	431,637	307,094

Non-Hazardous Material

Landfilled (kgs)	-	-
Other (kgs)	141,151	63,783
Recycled (kgs)	123,242 (***)	93,888
TOTAL	264,393	157,671

- (*) The amount decreased following the installation of a new locker container which connects directly to the drain system thus reducing the volume in the retention tank on the previously used WC container.
- (**) The significant increase is due to an incident involving the sprinkler system which resulted in the elimination of approximately 100,000 liters of water which was polluted with a foam product.
- (***) This increase is generated by scrapping process applied to very old aircraft parts that were removed from storage



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ACCIDENTAL SPILLAGE
IN CMC



0

SPILLS REPORTED
BY M&E ON P7

IN THIS AREA...**CARGOLUX DOES THIS...****Impact & boundary**

In addition to regular waste, Cargolux also generates industry specific refuse. As an airline, Cargolux is required to use chemical substances in its operation; products which can create contaminated or hazardous waste. In addition, large amounts of packing material are used to pack or secure cargo on-board. This waste material, specific to a cargo airline, calls for appropriate assessment and disposal to ensure minimal environmental impact.

The company performs on-site C-checks that produce different categories of waste and require specific reporting procedures. Activities handled by the Facility Management team include contractor control for the removal and disposal of hazardous substances (e.g., waste removal process validation, adherence to regulations and certifications). This team also tracks ongoing developments and innovations that could improve their handling practices and further waste avoidance programs.

With dozens of hazardous substances from kerosene to cement/concrete used in the construction of the new building, Facility Management is the central point of contact for all organizational requirements. Cargolux is committed to excellent recycling, reusing, and waste management programs. The airline's focus is to protect against ground, air and water pollution, and to ensure the health and well-being of staff, communities, and stakeholders throughout the supply chain.

Management approach & components

The airline is certified in the ISO 14001:2015 Environmental Management System Standard; a voluntary set of standards for effective environmental management. It includes identifying key stakeholders and determining their requirements, risks for their areas, and opportunities that might impact the environmental management system (EMS) supply chain.

Cargolux's commitment to environmental awareness is ongoing. Lean and agile processes are at the heart of its strategy. The company's waste management program covers the headquarters in Luxembourg, the maintenance center, and rented offices at other locations. The 'Superdreckschést fir Betriber', a local environmental label is renewed each year (via an audit) and recognizes the organization's exemplary waste management practices in waste avoidance, safe and environmentally friendly waste storage, selective collection, transparent waste recycling and disposal system. Cargolux has an ambitious, organization-wide program to promote responsible consumption and reduce waste. It has worked towards eradicating paper from all divisions. Decision-making is effectively executed by an on-site presence in each building. More stringent waste avoidance and reduction measures are continuously iterated and implemented throughout the organization not just to reduce waste but to boost efficiency. Avoidance measures such as digitalization of processes and procedures (e.g., Electronic Flight Bags and crew iPads, removal of single-use plastics, replacing incandescent bulbs with LED lights, and extending recycling schemes) yield clear reductions in waste volumes. LED also replace traditional bulbs on the aircraft's vertical fin and wing illumination.

Cargolux has a strict no-printing policy for operations manuals thus reducing the amount of paper required. Centralized printing points were introduced in the new HQ in Luxembourg to avoid unnecessary printing and encourage employees to work with digital documents.

The grievance process is built upon well-defined, stable processes and reinforces good behavior and Cargolux's drive to be a good corporate citizen.

IN THIS AREA...

Evaluation & adjustments

CARGOLUX DOES THIS...

Cargolux follows the European requirement for a blended reporting solution with elements from each regulation. Documentation and reporting templates designed to fulfill requirements associated with the regulations support the methodology and emission calculation. The organization passed its last ISO 14001 audit with an excellent 'no findings'.

Not only does ongoing review and iteration of positive environmental options reduce waste, it helps eliminate dependency on paper and other heavy processes that cause waste. By continuously reviewing data and using the results to search for better solutions, Cargolux staff are able to improve and adjust as new solutions come on the market.



Noise abatement

Cargolux operates a fleet of 30 Boeing 747 aircraft. The advanced engine technology and wing design of the -8F reduces the already low 85db take-off noise footprint of the -400F by another 30%.

Tailored procedures to further reduce noise: flaps management, idle reverse thrust, 3-engine taxi-in.

IN THIS AREA...

Impact & boundary

CARGOLUX DOES THIS...

Cargolux's **noise abatement program** ensures minimum noise disturbance to the surrounding area on approach ensuring the highest quality of life for neighboring communities.

Management approach & components

APU off, Active Quiet Climb, Three Engine Taxi, and Constant Descent Approach; all make a difference for the communities around the Luxembourg hub. Additional noise abatement measures can be seen in the CDO(N) program.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

Evaluation & adjustments

Following a similar protocol to the CDO(F) (Fuel), CDO (N) (Noise) uses different parameters to ensure minimum noise disturbance to the surrounding area on approach. Ultimately, this leads to reliable, flexible, all-weather operations that enjoy infrastructure interoperability and reduced environmental impact.





Social engagement

**The company
is intent on recruiting
talented and
dedicated people
to match the dynamic
workplace.**

OUR PEOPLE

As a cargo carrier operating on a global network, Cargolux requires a wide range of highly skilled professionals both at its HQ and in stations worldwide. The company is intent on recruiting talented and dedicated people to match the dynamic workplace. The airline supports numerous jobs in industries, locally and abroad, that are directly related to its air freight activities such as freight forwarding, storage facilities, and airports.

The Cargolux team continues to grow on a global scale and the HR team is continuously looking for new talents to join its workforce. In line with its commitment to a long-term sustainability strategy, the airline is strongly focused on offering opportunities to young talents. There is also a commitment to continuous development with numerous trainings and study schemes available to employees throughout their careers.



OUR PEOPLE



2,477

EMPLOYEES WORLDWIDE



1,830

EMPLOYEES AT THE HQ
IN LUXEMBOURG



2,363

EMPLOYEES ON
PERMANENT CONTRACT



257

EMPLOYEES ON PART-
TIME CONTRACT

NEW STAFF



+4.0%

INCREASE OF STAFF
THROUGHOUT
THE NETWORK



+9.0%

TOTAL NEW HIRES



+9.0%

NEW HIRES IN
LUXEMBOURG



+10.0%

NEW HIRES
AT STATIONS

EMPLOYEE DEVELOPMENT



TRAINING

ON AVERAGE,
EACH EMPLOYEE
ENJOYED 55 HRS
OF TRAINING
IN 2021



APPRAISAL PROGRAM

16% OF THE STAFF
RECEIVED REGULAR
PERFORMANCE AND
CAREER DEVELOPMENT
REVIEWS

Diversity & Inclusion

Cargolux considers its people its most valuable asset and strives to foster a just culture and a spirit of inclusion. The variety of individuals employed throughout the Group’s international network fosters open-mindedness and positively contributes to the corporate culture. Building on this solid basis, Cargolux has re-affirmed its commitment to gender balance and diversity in the workplace. In addition to joining the IATA 25by2025 scheme, Cargolux has also signed Luxembourg’s Diversity Charter, consolidating its dedication to equal opportunity.

The company promotes an open-door policy and has implemented reporting channels in case of incidents related to discrimination. No incidents of this nature were reported in 2021.

Talent attraction & retention

Cargolux offers a diverse work environment from specialized mechanical & engineering positions, flight operations, handling as well as a variety of support functions, from IT specialists to compliance officers and much more. This variety of profiles contributes to a unique environment and since the field of aviation is complex, there is always something new to discover within the company. Interest in the aviation industry and employees’ positive ambassadorship have strongly contributed to Cargolux’s attractiveness on the job market.

Throughout the pandemic, Cargolux also increased its online presence through social media and online events. The latter have enabled the recruitment team to offer an insight into life at Cargolux and explain the particular nature of the air cargo industry. Meeting people, even virtually, has allowed the company to remain present and continue offering opportunities to join its steadily growing workforce.

Indeed, the recruitment team handled an increased number of recruitments in 2021 due to the higher workload generated by the extended peak season and a number of company projects. The continuous interest in the company and the low turn-over rate highlight Cargolux’s reputation as a good employer.



WOMEN AT CARGOLUX

	2021	2020
Women worldwide	449	434
HQ	253	234
Line stations	188	193
Permanent contract (worldwide)	434	420
Part-time (worldwide)	66	64
Executive Mgmt role	4	3
Senior Mgmt position	0	0
Female pilots	21	20
BoD	6	4
Female staff	18%	18%

IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

Cargolux's HR practices aim at fostering productive and forward-looking collaboration between generations. The airline puts strong emphasis on supporting future professionals and participates in a range of initiatives to attract young talents. The company takes part in events that give youths the chance to gain personal impressions of daily work requirements in the air freight industry, first-hand information about career opportunities, and allow them to explore job opportunities and possible career paths.

Management approach & components

Recruiting new staff that is frequently comprised of the next generation provides an exciting view of what is to come for Cargolux. The influx of a young professionals is a welcome trend that brings dynamic energy and enthusiasm which are the hallmarks of the Cargolux culture.

Cargolux is committed to ensuring fair remuneration for its employee based on the position filled. The Collective Work Agreement foresees a minimum wage above the minimum legal requirement for all Luxembourg-based staff covered by the contract (from entry to management level). Additional benefits are also provided to full time employees such as, but not limited to: parental leave, profit sharing, health insurance, meal vouchers, and travel discounts.

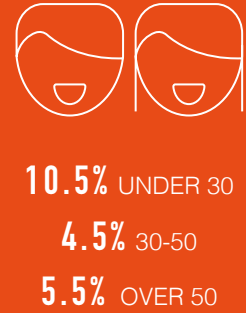
The airline follows all legal requirements (labor law) regarding notice periods for operational changes impacting employees.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialog focused on positive resolution and outcomes.

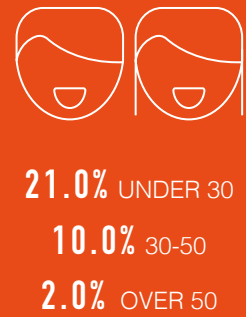
Evaluation & adjustments

Employee consultation follows a structured approach that allows engagement with an eye to practicality. Communication to the impacted employee groups is followed up with interviews and collaborative problem-solving. A cost-benefit analysis, which includes safety considerations, is performed for leading ideas/suggestions and key influencers in each area are selected to help lead the required behavior change.

TURNOVER



NEW HIRES



PARENTAL LEAVE (STARTED IN 2021)



Talent development & training

The Cargolux workforce comprises highly skilled, experienced professionals who follow an extensive program of regulatory and specialized training. The Cargolux Training departments work closely with all divisions in the organization to develop and implement courses tailored to their needs.

Cargolux prides itself on offering a wide array of trainings from technical knowledge to soft-skills and language, allowing employees to hone their skills and develop professionally.

In 2021, the Corporate Training department implemented a new Learning Management System to better streamline and process training requirements. The user-friendly solution offers significant advantages for all users; learners can easily access their personal training information and managers have access to reports on their team's training activities. This centralized source offers greater flexibility to respond to requirements for hybrid learning models, as well as improved tracking, reporting, and reminder capabilities. The introduction of this solution has allowed training processes to be reviewed, automated, and digitized in line with the company's strategy.

As the sanitary situation evolved and employees navigated between home working and on-site presence, learning activities were continuously adapted to match current measures. According to the Corporate Training and Development Manager "Flexibility has been a key tool for our team as well as for our learners as we adapt to hybrid and blended approaches. We have upskilled in terms of our own digital capabilities and developed our processes and systems to respond to the ever-changing situation".

Cargolux will continue to invest in its people and aims to develop its course catalog to support employees' digital literacy. The company is intent on offering relevant training opportunities and responding to the workforce's growing interest in personal development. The company also grants employees educational leave where applicable. In 2021, 6 requests were submitted to the government for approval, 4 of which were approved and 2 still pending.






cargolux

cargolux

180 KVA
USAF-600 PER
A320-300, A330
B747-400

91

IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

Cargolux sees its future in its people. The aviation industry requires high levels of expertise that come from a well-aligned training, development, and regulatory compliance program. Cargolux Corporate Training has, at its core, a philosophy of continuous learning and development with on-the-job training, teaching and learning as primary focus. Cargolux acknowledges that this is a pillar in attracting, retaining, and developing talent, which impacts its success. Learning opportunities go well beyond the mandatory technical qualification trainings. In line with the philosophy of continuous learning, employees are encouraged to work towards relevant degrees or other professional accreditation, and to develop essential soft skills.

Performance management and succession planning are the backbone of organizational achievement. Success depends on a dedicated and talented team. A structured succession planning framework aligns internal knowledge and skills to ongoing operational activity. Cargolux's commitment to career development for all employees in the company's global network is unwavering.

Ground Operations Training includes Compliance training in the classroom, online and via blended learning solutions. Webinars for Personal Data, Embargoes, Fraud, Corruption, and Confidential Reporting are available on demand. Technical apprenticeships continue successfully, following the EASA Part-66 B2 practical tasks and Part-66 B1 apprenticeship programs. As well, classroom continuation training improves troubleshooting skills and knowledge of all technical staff, including mechanics.

Regulatory Compliance Training: standardization enables the highest level of training quality for the flight crews and third-party customers. Continuous investments ensure that training devices are operating to the latest standards and requirements, mitigating all specific work-related hazards.

Management approach & components

Cargolux makes every effort to treat all personnel equally. To this end, the organization focuses on cross-pollination and collaboration to promote equality and improve gender relations.

5S philosophy: focuses on maintenance and engineering. This program uses a systematic method for organizing and maintaining activities and equipment. The emphasis is on minimizing wasted effort and costs, while integrating Lean Philosophy into day-to-day activities and leadership practices.

Brainwaves: A company-wide suggestion scheme encourages employees' creative thinking and provides a channel for innovative ideas to enhance the airline's efficiency, productivity and to improve the performance and quality of day-to-day work. Suggestions are evaluated by specialists in the relevant area of the organization; successful proposals are implemented, and the creative employees are rewarded.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

Evaluation & adjustments

As well as quarterly reports to the executive, HR's process of large-scale engagement is complemented by data collection and evaluation. Focus is put on in-person contact and conversation. Feedback, evaluation results, and quantitative data are all used during the decision-making process.




car 50 lux
YEARS

cargolux

Spirit of Cargolux
you name it, we fly it

LU  **emsaure**
Lufthansa Cargo

VEE

Health & safety



14,528

LOST DAYS
FOR SICKNESS



467

LOST DAYS
FOR ACCIDENTS

Occupational Health & Safety is a primary focus for Cargolux as the organization promotes a healthy and safe work environment. The OHS team is highly active within the company, conducting inspections and defining measures and projects to enhance employee welfare. Since the beginning of the pandemic, the role of the department has come even more into the spotlight. Now responsible for managing the challenges of sanitary restrictions within the workplace, OHS has been on the frontline of Cargolux's commitment to health and safety.

The COVID-19 pandemic and its related restrictions continued to heavily affect Cargolux, and protocols were updated in line with WHO recommendations and in-house assessments. The internal Business Continuity Meetings (BCM), established in 2020, carried on throughout 2021 on a regular basis – thrice weekly or daily depending on business requirements.

This roundtable discussion allows key stakeholders in the company to exchange on the global situation and address any particular pandemic-related issues. As part of the IATA medical alert group and in close contact with the Luxembourg health authorities, OHS regularly updated the group on upcoming developments and provided advice on how to adapt in-house measures.

To ensure the highest level of safety within the workplace, Cargolux applied stringent sanitary measures, often exceeding governmental recommendations. Employees were also entitled to a monthly COVID kit; a parcel containing surgical masks, sanitizer, and disinfecting wipes. As an additional precaution, self-tests were also handed out to personnel for private use, to keep them and their families safe. OHS also implemented 24/7 coverage to ensure all staff had access to support at all times, regardless of their geographical location.

The OHS department remained in close contact with stations across the network, assisting with the procurement of PPE and liaising with them whenever issues arose. Whether new measures were implemented on short notice, a crewmember tested positive while on duty, or testing was required at the location, the team in HQ assisted in coordinating efforts and providing solutions.



The team invested countless effort to safeguard employees' health and keep the workplace safe.

A wide range of in-house testing were made available to employees based in Luxembourg, offering different types of tests such as PCR, rapid antigen, and serological analyses. In order to cater for crewmembers, a second testing facility was opened at Luxembourg airport. This dedicated center was moved from the old HQ to the new crew briefing area and coverage was extended from 4:00 to 23:00, giving pilots the option to test before flights and upon return. As restrictions varied around the world, express PCR testing was also introduced to ensure flight crew had valid certificates when landing at their destination. A total of 5 nurses were employed and trained by the company to perform these tests both in the HQ and at the airport facility.

Luc Loschetter, Head of Occupational Health, Safety & Environments explains the challenges the team faced during 2021: "The situation remained volatile throughout the year and required continuous adaptation. As well as physical sickness, the pandemic had a significant mental impact on communities around the world including our workforce. All employees demonstrated exceptional resilience and I want to thank them for their effort. The OHS team also pulled together and went the extra mile to ensure everything was covered despite the hurdles. As one of my colleagues says, "it is teamwork that made it work."

Throughout the year, OHS witnessed many forms of distress, from difficulty switching off, to depression and burn-outs. To alleviate the mental stress experienced by employees, Cargolux started to offer psychological assistance to employees. An independent professional practitioner was available on site once a week to help anybody struggling to deal with the circumstances. The initiative was highly successful, and appointments were fully booked, reflecting the need for such support.

Cargolux also began a service for employees to perform private analyses in-house at the headquarter medical room. Once a week, a nurse is present on the premises to carry out any prescription medical analyses required by a doctor. This allows employees to undergo these analyses at the company premises thus avoiding lengthy waiting times at public facilities.

Although 2021 was largely overshadowed by the COVID-19 pandemic as regards OHS duties, the team managed to implement these medical support programs in addition to their daily tasks. As employees navigated between home office and on-site presence, OHS always ensured a presence on site to assist wherever needed, manage PPE supplies, and make sure all sanitary protocols were scrupulously applied.

The team also pursued other health & safety related projects such as a new wastewater treatment plant that will be built next to the Maintenance Center in Luxembourg. Cargolux's wastewater contains cadmium, and the implementation of this new solution will allow the company itself to treat the sewage rather than relying on an external party. The ambitious project has already been assessed and construction should start in 2022.

Despite a remarkably busy year, Occupational Health and Safety perspective did not lose sight of the company's focus on welfare. Although items were prioritized to ensure COVID-related matters were considered, other safety issues continued to be addressed. The team invested countless effort to safeguard employees' health and keep the workplace safe.

COVID-RELATED FIGURES

2021

Rapid tests done on-site	13,700
PCR tests done on-site	10,000
FFP2 masks distributed	12,000
Surgical masks distributed	1.1 million
Surgical masks donated	1.2 million
Sanitizers distributed	16,000
Packs of wipes distributed	54,000
Covid kits	6,000



Vision Zero

Vision Zero is Luxembourg's national strategy for the prevention of work accidents, commuting accidents, and work-related illness.

IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

OHS team works fluidly with different parts of the organization to ensure optimal working conditions throughout the company. The Cargolux Occupational Health and Safety team is vigilant in its mission to improve the quality of activities that ensure a healthy and safe work environment.

Occupational Health & Safety are significant pillars for all Cargolux teams and a primary focus within their activities. There is nothing more important than keeping Cargolux and associated staff safe and healthy, which impacts the company, the community, and the industry. By disseminating high-quality safety thinking and practices beyond the borders of Cargolux installations, the perception of issues and challenges related to Health and Safety activities are changed, while the value of life and a hazard-free work environment are emphasized.

OHS follows ISO 45001: Occupational Health and Safety guidelines which include hazard management throughout the organization for Luxembourg-based employees. The use of the IQ SMS system underscores the importance of people's safety and wellbeing.

Managers and process owners are responsible for ensuring that risks are addressed. They use the Safety Management System to ensure transparency and effective management of processes and potential hazards. The resolution of all issues, no matter what their origin, usually starts with open conversations and meaningful dialogue informed by the Cargolux focus on staff and asset safety.

The OHS Management System is fully detailed in the OHS manual that is available for consultation by all employees. It is fully aligned with the ISO 45001 standard which is applied to all processes and explains the scope of the department's activities. OHS is committed to ensuring a safe work environment and strives to engage all employees to this aim.

Risks and potentially hazardous areas are analyzed and documented according to a defined process. All reported accidents and incidents are also investigated to identify shortcomings and mitigate any further risk. The company fosters just culture, encouraging employees to flag areas of improvement.

Workers' health is a primary focus; in addition to its yearly influenza vaccination campaign, OHS also implemented in-house COVID-19 testing, both antigenic and PCR for its employees. They are also regularly equipped with PPE to ensure the highest level of protection in the workspace.

Management approach & components

OHS regularly communicates on its activities and campaigns include:

OHS posters (digital and hard copy), working at height assessments, vibrating tools practices, digitalized risk assessment (which provides information and recommendations regarding road safety). To ensure staff and third-party contractors are following labor code regulations and best practices, training and controls implementation are also areas of focus.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

IN THIS AREA...

Evaluation & adjustments



CARGOLUX DOES THIS...

The OHS team tracks and rates all types of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities. OHS provides information on workload stress, monitors, and follows up with anyone who is absent from work for more than 6 consecutive weeks.

100% of Luxembourg-based workers covered by a H&S management system certified by an external party.

OHS IN FIGURES

2021

2020

Number of incidents	54	49
Internal	35	30
External	19	19
Lost days for accidents	467	383
Lost days for sickness	14,528	15,331

No work-related ill health instances reported in 2021.



Human Factors: Pilot Peer
Support Program

IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

Cargolux's Pilot Peer Support Program, that considers the individual, is a shining model for the industry. Offered in close cooperation with the Mayday Foundation and Cargolux's Human Factors Manager, it guarantees extensive, confidential assistance to pilots who must work through the challenges of a serious incident and/or other issues impacting pilots' wellbeing and/or mental health.

**Management approach
& components**

The peer-to-peer support is highly appreciated within the pilot community. Pilots in need may request assistance via the Mayday Foundation either from a peer within the Cargolux volunteer group, or from others in the Mayday Foundation pilot peer community. Cargolux's Human Factors Manager is also available to provide assistance. The support system is designed, implemented, and monitored by the Cargolux Advisory Group comprised of colleagues from the group of pilot representatives, the Chief Pilot, and the Human Factors Manager. Peer-to-peer volunteer pilot counsellors call upon their years of professional experience during counselling calls. This shared background allows them to understand, at a deep level, the concerns and impacts of the caller's issue. Volunteers are trained and supported by the independent Mayday Foundation.

This highly confidential program holds empathy and strict confidence as central. All volunteers in the program sign a confidentiality agreement and are trained to respect, understand, and protect the callers' confidentiality. If necessary and requested, a professional referral is coordinated by the Mayday Foundation.

Grievance resolution, which constitutes one of the program's cornerstones, is also of utmost importance. Should the caller be dissatisfied with the assigned peer, that person can provide the caller with alternatives such as switching to a different peer or contacting the Clinical Director of the Mayday Foundation. In its aim to assist pilots in need of support, the Mayday Foundation has access to a wide range of resources and channels. If a grievance is not resolved, the individual has the option to send a complaint to any of the following: the Cargolux PSP Advisory Group, Human Factors Manager, EVP Flight OPS, VP Flight OPS, CPO or HR, where the complaint is handled discretely and appropriately.

Evaluation & adjustments

All electronic communication and records are securely stored within encrypted systems and are stored and destroyed according to the Data Protection Act. Personal data is bound by confidentiality and restricted to the CISM (Critical Incident and Stress Management) Team of the Mayday Foundation for the duration of the support provided. The Mayday Foundation is completely independent from Cargolux. No data or information is shared with Cargolux unless explicit permission has been granted. General, de-identified high-level data is provided to the PSP Advisory Group and appropriate management bodies to ensure appropriate oversight and action.

SHARING VALUE WITH COMMUNITIES

The airline's deep roots in Luxembourg stem from its inception in 1970. Throughout its history, Cargolux has fostered strong ties with local governments, communes, and industry organizations. Now, with over 50 years of membership in Luxembourg's vibrant business community, commitment to promoting partnerships at home and abroad is even stronger.

As a pillar of Luxembourg's logistics industry, Cargolux contributes to the development of this important business segment in the Grand-Duchy. In addition to supporting employment in areas directly related to its activities (storage, handling, forwarding, etc.), the company also strives to create value for local commerce through procurement, commercial exchanges, and partnerships.

Intent on advocating these values throughout its network, the organization also strives to promote local employment in its stations. This international workforce strongly contributes to Cargolux's global reach and enables the company to anchor its presence in local communities.

To achieve a healthy future society, the community and individuals must work together. Cargolux cares about team spirit and, whenever possible, supports its employees to build ties to their business and social community. The organization encourages its team to partner with associations that focus on improving physical, mental and/or emotional well-being.

Cargolux recognizes the value of supporting local and global community events that work to create a healthier, kinder and better future for all. Not only does the organization provide ongoing support and sponsorship for many initiatives locally and abroad; many are spearheaded by Cargolux staff who are personally involved.

Local community development

Cargolux is committed to partnering with local entities, supporting community events and initiatives that contribute to a better, kinder, and healthier environment for all. A strong believer in team spirit, the organization strives to further projects in line with this philosophy.

As one of the key players in Luxembourg's economy operating globally, Cargolux backs projects both at its home base and abroad. These initiatives encompass a wide range of items such as sports, culture, or the environment to name a few. Employees are also encouraged to get involved and approach the company with ideas and sponsorship proposals that could fall under this scope.

Creating new bonds

Cargolux's commitment to communities remained strong in 2021 despite the hindrances linked to the sanitary situation. The airline continued to promote health & safety through multiple PPE donations and the support of several health promoting initiatives. Cargolux joined UNICEF's Humanitarian Airfreight Initiative (COVAX) to transport essential medical and pharmaceutical supplies where they are most needed. The airline also took part in a charity initiative from the Changi foundation by transporting medical equipment destined to COVID-hit Indonesia, free of charge.

IN THIS AREA...

Impact & boundary

CARGOLUX DOES THIS...

Cargolux recognizes the importance, as a leader in the industry, to create value for communities it operates into. The company goes above and beyond with efforts to connect with and support its stakeholders. It supports apprenticeship programs, environmental research, the preservation of endangered species, cultural exchanges, and sponsors community events and non-profit organizations.

The airline cares about team spirit and, whenever possible, supports its employees to build ties to their business and social community. The airline partners with associations and organizations that focus on improving physical, mental, or emotional well-being.



IN THIS AREA...

Management approach & components

CARGOLUX DOES THIS...

Cargolux runs an Apprenticeship Program for aircraft mechanics (Maintenance & Engineering division) via the airline's long-term, cooperative relationship with Luxembourg's Lycée Privé Emile Metz (LPEM). Successful apprentices are awarded a Luxembourg end-of-school certificate (Diplôme de Technicien) as well as an EASA certified Aircraft Maintenance License. Other community programs that receive support from Cargolux include;

Reaching Children & Youth: kids.cargolux.com is an interesting and exciting vehicle to introduce children to the world of air freight. The site provides information and activities related the air transport industry and Cargolux's business.

FOC (Free of Charge) transports: support a range of initiatives such as art, cultural institutions, research and humanitarian causes that add to the cultural vibrancy and reputation of Luxembourg and expose other populations to art and culture that they would otherwise not experience.

Sponsoring: Cargolux sponsors multiple events and initiatives in the area of sports, art, and culture. Whether at its HQ or abroad, the company is proud to contribute to expanding horizons. Employees are encouraged to approach Cargolux if they seek support for such projects.

Local engagement: As a large operator based in a not-so-large airport, Cargolux engages with the neighboring communities and gets involved in local projects to support the area.

Corporate teams and sports clubs: A healthy population is happier and more resilient. The organization supports active sports clubs that are run by its employees, corporate teams and other sports clubs in a variety of sport-related leagues and competitions. Despite the difficult circumstances, Cargolux continued to support **Tennis Club Senningerberg**, and **Top Squash Sandweiler**.

Other areas of Support and Sponsorship: Natur & Umwelt a.s.b.l. works to protect biodiversity in a varied natural and cultural landscape through awareness-raising, advice, practical, scientific and political actions at the local, national and international level.

Cargolux **Advent calendars** were donated to organizations dealing with health and poverty to spread joy during the festive season. Cargolux illuminated its HQ building in blue for **UNICEF's Go Blue** initiative on the occasion of World Children' Day.

Evaluation & adjustments

Ongoing partnerships are integral within a well-functioning and community-minded organization. These partnerships only work with employee engagement and due diligence. Cargolux staff suggest and/or select community outreach programs to review. All requests are funneled through the HR department using standard application forms that must be completed by the applying association. Selections are based upon the charity's reputation, focus of their activity, and alignment with Cargolux values. Ongoing partnerships are created with successful applicants.

Inspiring future talents

Cargolux offers a wide range of positions in an exciting and dynamic environment and banks on science and technological innovation to remain a leader in the industry. This innovative focus is key for the organization to attract the required talents.

Partnerships with educational institutions continued throughout the year and Cargolux hired 7 aircraft mechanics apprentices in the framework of its partnership with Lycée Privé Emile Metz. This historical cooperation was started in the late '70s and since then, over 200 mechanics were trained at Cargolux and graduated from the apprenticeship program.

Although Cargolux was not in a position to welcome many interns in 2021 due to the sanitary situation, it continued to bolster its online presence to remain attractive to young talents. The recruitment team increased the number of posts on social media and organized online events to promote open positions. The company also took part in several virtual job fairs to promote the company and spark the interest of dynamic young professionals.

To further enhance its visibility as a prime employer for graduates, Cargolux has signed a partnership with Jobteaser, a career network for students and alumni. This platform allows Cargolux to publish its openings for young talents (e.g., internships or junior positions) on the Intranet websites of over 700 educational institutions worldwide.



IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

The logistics and aviation sectors are being molded by advances in digitalization, automation and materials engineering. The importance of stable and consistent support for local science and technology events and activities means that this community can plan and execute a robust and fruitful schedule that takes into consideration the many facets of good community development. Cargolux is proud and supportive of active and theoretical research that provides keener insight into the expansive logistics and air cargo industries.

Management approach & components

Cargolux participates in a wide variety of endeavors to support this community and to inspire its talent for the future. Some ongoing support includes:

Luxembourg Science Center: The airline partners with the science and technology discovery center to help spark children's interest in this area. Cargolux sponsors exhibits, transports equipment and supports elements of interactive displays such as a wind tunnel.

Luxembourg Open Innovation Club (LOIC): Cargolux is an active member of LOIC, an association that regroups members of Luxembourg's business community to exchange best practices and discuss innovative processes.

Social Media Etiquette is becoming more and more important. Cargolux published a social media etiquette guide to help employees understand required boundaries to being a savvy social media ambassador.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

Luxembourg Center for Logistics (University of Luxembourg): Cargolux supports the development of Luxembourg as a logistics hub through this scheme. The company welcomes Masters students and encourages interest in this fascinating field. This year Cargolux welcomed 2 students to work on a project cammed "Optimizing the Utilization of ULDs for Air Cargo". The Cargolux BI department along with the Global ULD services department have regular calls with both students to discuss their progress and obstacles. The company then provides support and guidance from an operational point-of-view and from an analytical point-of-view, by making them better understand the data they work with.

Evaluation & adjustments

Cargolux follows a solid and well-thought-through process that encourages and supports personnel to present their ideas for evaluation against a backdrop of robust fact-finding and reporting. Decision-making is based upon criteria that consider value-add and alignment with overarching corporate goals.

Ecosystem of innovation & research

Cargolux is focused on remaining a leader in the industry and developing customized tools to respond to business requirements in the fastest and most efficient way possible. With a strategy geared towards innovation and digitalization, the organization aims to develop lean and agile processes.

Employees throughout the company are encouraged to flag areas of potential improvement and discuss ideas with the dedicated Innovation department to find incremental, user-friendly solutions.

The focus for the team in 2021 was developing digital sales in line with the company's modernization strategy. Following the successful implementation of an internal quoting tool for the pricing department, a series of APIs were implemented offering customers a direct interface between their system and Cargolux's platform. This interface allows customers to connect their operating system to receive quotes and book their freight onboard a Cargolux flight based on specific requirements such as weight, routing, and product.

The success of this new tool was immediately perceived and reflected a strong demand for digital self-service among the customer-base. Building on the functionalities developed for the API, the portal will enable customers to log on and request an instant spot quote according to personalized criteria. The new interface, which will be launched at the beginning of 2022, will be directly accessible through the website. Further developments are expected in the field of digital sales to offer more options, streamline processes, and enhance customer experience.

In addition to these major projects, Innovation worked on a series of applications for various departments within the organization. A digital handover app was developed for Maintenance & Engineering allowing information exchanges between different shifts to avoid physical interaction. The tool gives an overview on the status of activities at the end of a work period, allowing the next team to efficiently plan their work.

A dashboard was also created during the runway works at Luxembourg airport to navigate disruptions linked to the runway closure from 23:00 to 6:00. The tool provided a single location for all stakeholders to gather information and 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 Cargolux to have a complete overview of the requirements for each flight and work on any hindrances before they became critical.

To keep abreast of recent developments and discover new opportunities, Cargolux engages with the innovation community at its home base in Luxembourg. An active member of Luxembourg Open Innovation Club (LOIC) and Cluster for Logistics, the airline regularly engages with other member of the Grand-Duchy's business community to exchange best practices, share experiences, and cross-pollinate ideas with link-minded companies.



IN THIS AREA...

CARGOLUX DOES THIS...

Impact & boundary

Cargolux is on a journey to better leverage its expertise, enable faster processes and streamline its connection with customers, industry, and staff. Innovation and the digital transformation of the company enable creative solutions and inspiring projects design as tasks are automated. Cargolux goes above and beyond to offer its customers the latest technology in transport solutions. Cargolux continually seek better, faster, and more accurate and safe ways to do things. Most project are synced with the ePMO (Program Management Office).

Management approach & components

Lean Maintenance & Engineering (M&E): Lean training complements improvement projects in capacity management, line, hangar and shops, Material, Sales, digital & paperless and steering cockpit. As well, aircraft modifications.

M&E's e-mobility project: uses digitalized processes for aircraft maintenance. iPads and electronic process management software save thousands of pages of paper, time, effort, and enables better information sharing, including allowing statistics to be tracked and reported more easily and accurately.

Advanced Tool Management System (ATMS): uses ubiquitous RFID (Radio Frequency Identification) technology to: 1) identify and trace tools, 2) decentralize storage solutions, and 3) improve tool maintenance.

Capacity planning improvements: connect teams globally, matching capacity to workload on the line and in the hangar. The system allows management to review the workload for the year and look for activity peaks and valleys. The schedule is then organized to ensure a steady, achievable level of activity, accounting for team availability.

Light-weight Solutions: The implementation of SquAIR timber use hat began in 2017 was extended in 2018 to include animal transport. **10ft Connectors:** Building upon the success of the environmentally friendly beam solution implemented in 2017, Cargolux helped with the certification of 10ft connectors (10-foot pallet connectors) and acquired the solution in 2018. This certified component is constructed of aluminum. Typical 20ft pallet weighs around 500kg. This connector affords the possibility to safely connect two 10-foot pallets (that weigh around 120kg each). This is an optimal way to enable the transport of long cargo on the main deck via nose-loading while saving weight/fuel.

Other corporate projects included: LEAP and TMS begun in 2018, and...

EnPlore: a software and data-platform that enables advanced data manipulation, data visualization, descriptive and predictive analytics which helps Maintenance improve its repair and overhaul operations

Connected ULDs with Unilode units equipped with Bluetooth tracking tags, enabling digital visibility over ULDs offering further transparency and enhanced tracking for shipments via Bluetooth readers at all warehouses operated by its customers.

Evaluation & adjustments

Cargolux follows a robust and well-thought-through process that encourages and supports innovation which includes evaluating ideas, solutions and new projects throughout the process.



Governance

Compliance & Ethics

Cargolux is an established leader in the air cargo sector, operating on a global network that spans the world. Strongly committed to ethical and sustainable business practices, the airline aims to act as a benchmark for integrity in the industry. As part of this ambition, Cargolux has implemented a solid set of procedures and vetting processes to ensure its core business is conducted in a fair and transparent manner.

To continue delivering this mission in the most transparent way possible, the Compliance department structure was reviewed, and the work force increased to efficiently cover all areas of focus. Data Protection, Compliance Communications, and Governance were merged into a single unit to provide effective management of data protection operational obligations. This streamlined team is also responsible for overseeing the KYC process which was introduced in February 2021.

Cargolux was the first known airline in the industry to implement such a vetting process, an initiative that was appreciated by major customers. This process, which allows to mitigate export control risks linked to clients, was widely embraced by the organization. "The introduction of the KYC has demonstrated that customers have sophisticated compliance programs and has helped us significantly in preventing export controls breaches within

the organization. It has also enabled us to establish a pool of companies in the supply chain that share the same export controls principles and values", explains Javier Coto, Vice-President Compliance.

This KYC process will be complemented by the introduction of a specific vetting process for those suppliers that were not subject to the already existing KYS process allowing for broader background checks on suppliers. As a matter of fact, all suppliers will be subject to the same process with verification of registration information, subcontracting, ISO and CSR certifications, as well as financial information. This additional safeguard will also be used by the Procurement department to ensure an optimal compliance risk management process.

In addition to developing checks on the business-side, the Compliance team reviewed internal policies throughout the year to raise awareness among the workforce about the importance of fair practices. The anti-bribery and anti-corruption policy and its related processes were updated to the latest company-defined standard. As a front-runner in ethical business practices, Cargolux is intent on providing continuous education within the organization to alleviate compliance risks.

The company's Management also approved a new Human Rights commitment which includes a firm stance on issues such as

discrimination and harassment. The document also promotes aspects such as gender balance and equal opportunity which are ingrained in Cargolux's corporate values. These principles are of particular importance to the company as it operates on an international level and counts employees from a wide variety of backgrounds both at its headquarters and within the network.

Pandemic-related restrictions and sustained market demand continued to affect company activities throughout 2021. This situation required the swift assessment and implementation of projects to comply with changing regulations. The data protection field in particular was subjected to new processing activities in order to align with both authority requirements and GDPR obligations.

As regards the export controls compliance side, the sanitary situation exposed the Compliance department to a lot of pressure with more time sensitive requests due to market conditions. The team was enhanced with additional resources to provide round-the-clock support, including weekend coverage.

No incidents of corruption reported in 2021.



A photograph of a Cargolux aircraft on a runway. The aircraft is white with blue and red accents. The runway has yellow markings, including the number '8' and the alphanumeric code 'B787-A340'. An orange rounded rectangle is overlaid on the lower left portion of the image, containing text.

Mechanisms for advice and concerns about ethics

GRI 102-17

Cargolux has established a dedicated reporting structure allowing employees to report concerns or seek advice on ethics-related topics. There are two distinct means of raising issues: confidential and non-confidential. The vast majority of reports received are non-confidential and channeled through the compliance department which is in charge receiving, investigating, and proposing remediation measures for each concern. Confidential reporting is managed through an independent and neutral platform and can be handled anonymously. The reporting mechanism for both instances is explained on the intranet and in training courses.

The compliance team receives a number of non-confidential requests every year, from both Cargolux employees and agents working on behalf of the company. The reporting can be done by phone, email, and dedicated mailboxes and is available in a variety of languages. The team is at hand to address concerns and provide support to anybody reporting that they will not face retaliation, in line with Cargolux's just culture approach.

For the year 2021, 4 confidential reports were investigated.

IN THIS AREA...

Impact & boundary

CARGOLUX DOES THIS...

Implemented throughout the world, strong, simplified, comprehensive and easy-to-understand policies and procedures providing tools that allow staff to:

- **flag ethical and compliance concerns**, potential human rights infractions, and potential business issues
- **identify and address challenges**: strict guidelines allow remote office locations and Cargolux's agents to comply with all laws and regulations as well as with Cargolux internal policies and encourage them to promote best practices in the area they operate
- **safeguard the teams, business environment and company assets**: Cargolux has implemented shipment screening and vetting for compliance with export control laws. The airline was an original member of the IATA working group on this topic.

Formal commitments to Human Rights, anti-discrimination and anti-harassment allows Cargolux to guide its suppliers to look more closely at, and modify, their own practices.

Cargolux has a strong commitment to animal welfare and wildlife preservation. All live animal shipments are assessed to ensure full compliance with regulations (including CITES, the industry standard). The animals' origin and final destination are also considered to make sure their practices are aligned with Cargolux's stringent standards.



IN THIS AREA...

Management approach & components

CARGOLUX DOES THIS...

The main objective for this area is to ensure that every staff member and group that interacts with Cargolux (e.g., suppliers, customers, etc.) understands the basic principles of compliance, and the rationale behind them that has been woven into the fabric of Cargolux.

Streamlined, targeted, on-demand Compliance & Ethics training ensures all actors are well-informed, comply with the company's Code of Conduct & Ethics and all company policies, practice personal data protection, understand and comply with export controls requirements, respect competition law, prevent fraud, corruption, and have the means to report any ethical issue or wrongdoings in the most appropriate manner, including by means of a confidential reporting hotline allowing the possibility to submit an anonymous report.

As part of its Live Animal transportation policy, Cargolux operates in full compliance with the IATA Live Animal Regulations (LAR) and the Convention on International Trade in Endangered Species (CITES). Cargolux is also a member of IPATA (International Pet and Animal Transportation Association), ATA (Animal Transport Association), and IATA LAPB (IATA Live Animal and Perishable Board) as well as a signatory of the United for Wildlife International Taskforce on the Transportation of Illegal Wildlife Products.

GDPR: Cargolux is fully committed to comply with GDPR obligations worldwide. It takes its responsibility for information disclosure, integrity, accuracy, and information security very seriously. A data protection consultation desk ensures a direct line between our employees and our team when it comes to personal data queries, reviews of data protection agreements, data protection assessments etc.

Mechanisms for advice and concerns about ethics: Cargolux has a dedicated structure for employees and agents to address ethics-related matters through both non-confidential and confidential channels.

Grievance resolution follows the Cargolux standard practice of engaging all parties in meaningful dialogue focused on positive resolution and outcomes.

Evaluation & adjustments

Compliance is structured to provide outstanding service to the company and clients, and to further strengthen ethical supply chain activities. Each Compliance Officer within the Compliance Support Unit oversees a specific geographical region and offers a full and direct support to the relevant Cargolux offices in the specific area. In addition, the Shipment Integrity Monitoring team ensures a 24/7 reactive review of shipments flagged with suspected findings (involving a sanctioned entity or country or related to a commodity require Compliance Defense review).

Clear targets provide a solid base for measuring direct and indirect impacts, collecting statistics, and analyzing trends. The Compliance and Ethics team stays on the leading edge of the industry. All elements of the Compliance and Ethics program are reviewed and simplified regularly to ensure ease of use and thorough understanding of main elements. Cargolux keeps a list of embargoed items that it does not transport on any of its routes for ethical reasons.

Cargolux's main priorities include ethical supply chain mechanisms, compliance updates and training, and GDPR. Export Control is aided by the shipment integrity system, which is built upon ethical supply chain principles.

Ethics and compliance training targets specific groups, while on-demand webinars are an additional tool to ensure accessibility. Topics include anti-corruption and conflict of interest, antitrust, respect for human rights, personal data protection, embargoes, harassment in the workplace, understanding and preventing fraud, corruption, and confidential reporting. A consultation desk assists employees in the practical application of policies.

COMPLIANCE AND ETHICS



121

DUE DILIGENCE



1

STATION VISIT*



2,409

COMPLIANCE
CONSULTATION DESK
INQUIRIES ANSWERED



0

INCIDENTS
OF CORRUPTION
IDENTIFIED



2,756

TOTAL PARTICIPATION
COMPLIANCE TRAINING



2,437

TRAINED CARGOLUX
EMPLOYEES

*Travel limited due to COVID-19.

Sustainable procurement

As a major player in the air cargo industry, operating throughout the globe, Cargolux strives to conduct responsible business not only within the global supply chain but also in its own procurement processes. The company's supplier-base counts over 640 entities worldwide which provide a multitude of services and goods. Strongly focused on anti-bribery, Cargolux has been implementing an increasing number of measures to minimize exposure throughout the network.

One of the most significant steps towards enhanced integrity and accountability is the implementation of a new e-Procurement solution, Zycus. This digital platform aims to provide an integrated digital procurement process offering a complete overview of the process and enhanced transparency and audit trail. Although the overall project has not fully gone live due to delays on other related digitalization programs, two modules of the tool, iContract and iSourcing, have already been implemented and were operational in 2021.

Originally foreseen as a digital

procedure linked to Zycus, the KYS (Know Your Supplier) process was implemented in the procurement practice. The KYS evaluates each service provider against a set of defined standards to ensure it upholds the same values and principles as the company in terms of ethical and sustainable business. The implementation of a manual KYS process ahead of the digital development highlights Cargolux's commitment to ensuring transparent overview in its dealings with suppliers.

The development of these robust vetting practices allows Cargolux to be fully prepared for the implementation of the supplier environmental assessment. It also paves the way for further quality controls to be conducted on business suppliers and partners such as social assessment.

This vendor vetting process will be complemented by a supplier sustainability charter which is expected to be approved by Management in early 2022. This document will allow the airline to make informed decisions about its suppliers in areas related to CSR and ethics. This extra safeguard will ensure business contracts are aligned with Cargolux's commitment to integrity and sustainability.

	2021	2020
Number of vendors	624	610
Local	328	343
Number of orders	3,438	2,946
Local	2,720	2,372
Orders made with local suppliers	79%	81%
Order value of local procurement	53%	68%

IN THIS AREA...

Impact & boundary

CARGOLUX DOES THIS...

Sustainable procurement is a priority, and the Cargolux Procurement Policy guides all staff through a consistent and vetted process. As well as protecting and guiding the organization, it positively impacts suppliers and local communities connected to Cargolux by causing them to consider their decisions regarding important aspects of their business model. In general, better and more transparent C&P processes have a positive impact within the company, the communities and the industry.

Cargolux's objective is to guarantee the optimal balance between the quality of goods and/or services and cost effectiveness. This fundamental principle ensures that the airline can support its partners, and service providers, with sustainable business practices. This is especially important in such a highly competitive field.

Generally, each department throughout Cargolux is responsible for procuring its required goods/services in conjunction with the procurement department using a standard tender process. The Cargolux KYS process ensures that no matter who is contracted for services or goods, there is a consistent approach to vetting providers. Potential suppliers are selected based on objective criteria such as technical expertise, level of experience, quality of proposed staffing, relevant credentials, resources, geographical coverage, and/or possession of necessary licenses (where applicable). Cargolux takes pride in working with suppliers of different sizes and ownership structures. It chooses suppliers based on their ability to provide high-quality, cost-effective goods/services.



IN THIS AREA...**Management approach
& components****CARGOLUX DOES THIS...**

From order placement to fulfillment, the whole Cargolux supply chain is transparent. The company uses a system that streamlines procurement process tasks. This enables compliance to be completed with little delay or lag time.

Cultivating and encouraging local providers is an important element in the process. The contracts and procurement process provide direction on how to assess targets and impacts, while adjusting for the highest possible impact. The validation program guarantees transparency in the selection process and provides a platform where skilled providers can easily be found. The tender process includes receiving at least three bids for any specific requirement and then conversations with the supplier and process owner to refine their understanding of any boundaries or constraints. All contracts must specify the goods/services required, milestones, and the method and timing of payments. As an international company, suitable segregation of decision-making and duties between the department requiring the goods/services, the procurement process, and payment approval is fundamental.

Compliance staff liaise with all parts of the organization, but mainly station and regional managers, for everyday consultation. They regularly conduct due diligence exercises and formal reviews, with key procurement departments (Fuel, Ground Handling, Sales Dept for General Sales Agents...). The compliance team works with Internal Audit (investigations and audits), and Finance (monitoring financial activities). Three different sections deal with reporting & control, training & communications, and general compliance support for the business. The formalized risk program, which includes an extensive business partner vetting questionnaire, ensures that internal and external documentation communicates standard processes and reinforced measures for identifying risk, ensuring due diligence, and considering the ethics-side of the SDGs.

Grievances are handled using a standardized approach which includes an anonymous hotline where employees can ask questions, gain clarification, and register issues.

Evaluation & adjustments

Simplification, optimization, alignment, and standardization of the expression of risk to ensure clarity throughout the organization is an important area. Risk assessment practices, including clarity of expression of risk, terms of reference, rating system, and process steps, are available and aligned throughout the organization.

Evaluations are done in conjunction with local staff and suppliers. Procurement trends are reviewed periodically to ensure the Cargolux procurement policy reflects the current, and global, supply/demand landscape. Compliance Officers are involved in all aspects of assessment and improvement.

Digitalization & cyber security

Digitalization and cyber security are core components of Cargolux's IT development strategy. The company is committed to safeguarding its assets and information through robust IT systems and optimal protection against threats.

As the digitalization journey moves forward, it is crucial to continuously assess risks and devise solutions to keep the operations running in a safe and efficient manner.

Following the in-sourcing of its IT infrastructure, at the beginning of 2021, the service desk was fully integrated into the company. This step includes a round-the-clock physical presence at Cargolux' HQ to ensure users have assistance at hand whenever required. In addition to providing full coverage on-site, new communication channels were developed, including a new service desk portal and an embedded chat functionality offering convenient and user-friendly contact methods. Digital engagement tools such as Teams, SharePoint, Citrix, and Office365 have also been a significant advantage to keep in touch during periods of home office.

One of the focuses for 2021 was the development of a solid cyber security infrastructure supported by a dedicated department. The IT division recruited experts to create its very own Security Operations Center (SOC) to ensure first level security support for the company. The SOC will continuously monitor Cargolux systems and trigger an alert in the event a breach is attempted. This robust procedure allows Cargolux to have better control over its assets and data and allows Cargolux to react faster in the event of an attack.

The SOC's function is complemented by a wide variety of procedures that were implemented in parallel, to provide enhanced cyber security. Since Cargolux uses cloud-based storage, a solid Firewall was implemented to protect information exchanged through the cloud. Multi-Factor Authentication (MFA) was also put in place for all end-users to further reduce external breach risks to Cargolux systems. As regards

web-security; a filtering tool was deployed to monitor web traffic and the new WAF (Web Application Firewall) has been set up to further secure all new web applications.

Cyber security is the backbone of digitalization and Cargolux is determined to provide the highest standards when it comes to data integrity. As Olivier Beaujean, Chief Information Officer, explains: "It is crucial that we continue to invest in IT security. Cybersecurity is paramount for our operations to remain compliant and safe in a world where this topic has been weaponized by third parties to destabilize the world economy. Every employee plays their part in safeguarding our systems and we will continue to provide training and raise awareness on the importance of their support."

In addition to these two major accomplishments, the IT team progressed on many other fronts in this very busy and intense year. To better integrate systems and streamline worldwide operations, hardware was deployed and the migration to Windows 10 was completed throughout the network. This allows all corners of the operations to be both harmonized and secured with the implementation of new security controls. Additionally, enhanced security, governance, and compliance have been reinforced on our Azure platform. A local back-up network has also been installed in case the main connection is disrupted at the HQ in Luxembourg.

As well improving systems and procedures for internal stakeholders, IT worked on enhancing customer experience. In line with the Digital Sales strategy, a set of APIs were developed enabling customers to connect their platforms to Cargolux's ecosystem of applications to receive digital quotes and make bookings using their usual corporate tools. Building on this solid basis, a customer portal was developed giving clients direct access to quotes and to book shipments through a dedicated webpage.





IN THIS AREA...

Impact & boundary

CARGOLUX DOES THIS...

Digital touches everything. Cargolux uses a vast amount of digitalized information to make decisions throughout the organization. Ensuring the integrity of that data is of utmost importance. The Cargolux 2025 strategy, drafted in 2017, guides the organization in accommodating and keeping abreast of digital trends. The strategy has three pillars: Strategic Measures, Business Process Review, and a Digital Roadmap. This Roadmap is at the heart of ongoing updates and the evolution of systems, processes, and procedures, across Cargolux. It also ensures that the organization has physical control over its digital assets.

Cargolux staff focus on projects that increase efficiency throughout operations. Ongoing process review and procedure streamlining allows teams to consider the big picture and how it connects tactical activities with strategic possibilities in the future.



IN THIS AREA...

Management approach & components

CARGOLUX DOES THIS...

Cargolux uses a 'high-return' strategy to determine the focus of its digital transformation energy. Some of the projects that are netting huge returns include:

The **CV pharma Service Capabilities Map** indicates important pharma capabilities within the CV network. This interactive map enables customers to swiftly and remotely match comprehensive services to their needs (e.g.: CV pharma service [2-8°C/15-25°C/frozen], CV pharma active/passive solutions).

T.E.A.M. (Turnaround Evaluation and Analysis Management) This cross-divisional system saves time and effort while streamlining processes. The tool provides a single digital view of information that predicts the schedule and shows the real-time status for all the steps of a turn-around from the aircraft's arrival at the gate for loading/off-loading, fueling and take-off. This allows any issue to be mitigated quickly and transparently, substantially reduces paper use, and improves communication and visibility for both internal and external stakeholders.

OHS risk assessment loads information automatically into the **IQSMS** system.

Paperless CMR consignment notes (**e-CMR**) provide real-time access to shipment information, accelerate administration, improve accuracy, reduce discrepancies and handling costs, and improve the control and monitoring of shipments.

Revenue management and **ERP** provide improved cost management.

TMS (truck mgmt. system) supports the logistics process and reduces waiting time and fuel burn.

The electronic Air Waybill (**e-AWB**) simplifies the air cargo process, reduces paper, administration time, and delays. It also provides transparency regarding the provenance and destination of every shipment.

Validaide CSR Global Logistics: This supplier qualification and risk assessment tool removes guesswork, manual effort, and paper from the transport supply chain. Customers and Cargolux teams use one platform where data is compiled automatically to access current, real-time service capability information for cargo origins, transit, and destinations.

Grievances and issues are handled in a standardized manner with end users contacting the end-user service desk to register an issue. Each issue is tracked to completion, closed out within the system, and follow-on developments noted.

Evaluation & adjustments

At the heart of Cargolux Roadmap for automation and digitalization, is the focus on identifying opportunities for further digitalization and automation, as well as opportunities to streamline processes. This focus ensures continuous and high-quality tools, systems, and processes. The ongoing focus on individual project debriefs and lessons learned exercises, ensures that suggestions for improvement are captured and codified to be used to create innovations for future projects.

Each system provides structured reports and efficiently evaluates associated processes and procedures. Quarterly reports that detail progress, issues, and suggested solutions, are provided to the executive so their input can be used during the decision-making process.




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ABOUT
THIS REPORT

05



...

About, this report

THIS ANNUAL CSR REPORT PROVIDES INFORMATION ABOUT
CSR PERFORMANCE AND ACHIEVEMENTS DURING
THE PERIOD FROM 01/01/2021 TO 31/12/2021.



GRI 102-42 | GRI 102-45 | GRI 102-46
GRI 102-48 | GRI 102-49 | GRI 102-50
GRI 102-51 | GRI 102-52 | GRI 102-53
GRI 102-54

Information contained here in pertains to Cargolux's overall operations and geographic presence, except where otherwise specified in the report:

- Occupational Health and Safety related indicators cover the parent company only.
- Data monitoring and the company's waste disposal relate to its facilities in Luxembourg.
- Monitoring of fuel consumption and CO₂ emissions for the fleet includes data from both Cargolux and Cargolux Italia. 100% of flight related CO₂ emissions were in 2021 audited by Verifavia. Facilities related fuel consumption and CO₂ emissions only includes Cargolux HQ building and the Maintenance Center.

This report has been prepared in accordance with the GRI standards - core option. The previous report was published in July 2021. The next publication will be released in 2023 and will cover Cargolux's sustainable development achievements and performance for 2022.

Cargolux invites all interested parties to enter into dialogue about its sustainability policy, its activities, and this report. The company's policy, details about its activities, and previous reports, can be found on its website at <https://www.cargolux.com/our-responsibility/>. This report will also be registered on the database of the UN Global Compact.

All comments and enquiries are welcome and can be addressed to sustainability@cargolux.com.

GRI content principles note

To prepare this report, Cargolux conducted a materiality analysis to identify the priority topics to report on according to the Stakeholder Inclusiveness and Materiality principles, with the support of the sustainability advisory firm Forethix. For more than 5 years, Cargolux has published a CSR report sharing its CSR ambitions based on both business priorities and in-depth stakeholder dialogue.

Step 1: Raising awareness internally

In 2017, Cargolux's CSR team launched a first materiality assessment. It started with an exhaustive list of issues (42 topics - 7 economic topics, 13 environmental topics, and 21 social topics) based on in-depth desktop research on current market trends using a sector-specific benchmark analysis. The analysis was carried out using the applicable GRI sector supplement, as well as reports of the aviation sector and B2C companies displaying high maturity in terms of CSR reporting and performance.

In October 2017, Cargolux gathered input from internal stakeholders through 4 thematic workshops, organized around the domains of Economy, Environment, and Society and brought together experts from the various Cargolux corporate and operational areas: Human Resources & OHS, Compliance, Maintenance & Engineering, Environmental Management, Procurement, Flight Operations, Corporate Finance, Strategy & Development, Sales & Marketing, Global Logistics, and Corporate Communications.

The topics were prioritized according to their level of impact, occurrence, and the control that Cargolux holds. An initial list of material topics emerged from these workshops.

After completing the workshops involving a sample of internal collaborators, Cargolux mapped both internal and external stakeholders which would gradually engage in the materiality analysis.

The mapping workshop resulted in a list of 19 stakeholder groups, prioritized according to their level of dependence on, and influence exerted upon Cargolux (see mapping page 36/37).

Based on this mapping, a stakeholder engagement plan was designed; Cargolux expects that increasing engagement will allow it to identify and anticipate future sustainability risks and opportunities, and respond to stakeholder expectations more effectively.

Step 2: Engaging strategic internal body & customers

In 2018, Cargolux continued to improve the engagement process, involving external stakeholders in the materiality process. Aligned with the mapping and the engagement plan, customers were the first group to be involved. 17 customers were selected based on the sales volume, the nature of the relationship (short versus long term), and the capacity to be engaged (depending on their CSR maturity and their will to be engaged). They were mainly asked - by questionnaire - to assess the influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. The topics were rated from 1-not important, to 4-critical. The participation rate was 53% with 9 participants. Key topics were raised such as Cargolux's supply chain management (supplier environmental assessment, human rights assessment in the supply chain, and purchasing practices) and reporting practices relating to sustainability action plan & objectives.

Simultaneously, the CSR Board - composed of operational managers and top management - was integrated in the annual engagement process. They were mainly asked - by questionnaire - to assess the influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. The topics were rated from 1-not important, to 4-critical. The participation rate was 63% with 50 participants. Key topics were raised such as efficient air traffic management, attracting talents, and employee engagement in CSR programs as well as CSR integration in the core business through values, policy, increasing employees' involvement in objectives and internal training.

Step 3: Engaging employees & suppliers

In 2019, Cargolux continued to improve the engagement process, involving its suppliers and employees. Suppliers were asked - by questionnaire - to answer the main following elements:

- Their main expectations as suppliers in terms of Cargolux's purchasing practices
- The influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. The topics were rated from 1-not important, to 4-critical
- Their feedback on the report quality and content

The questionnaire was sent to 62 suppliers - representing our main suppliers in terms of volume/spending - and the participation rate was 6.82% with 11 participants. Key topics were raised such as the digital and physical asset security, job creation & retention, supplier environmental assessment and network efficiency.

Simultaneously, employees were asked - via questionnaire - to answer the main following elements:

- Their CSR knowledge
- The influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. These topics were rated from 1-not important, to 4-critical. Key topics were raised such as aircraft fuel efficiency, training and development, occupational health & safety and network efficiency.
- Their will to be further engaged in Cargolux's CSR journey

The questionnaire was sent to all employees and the participation rate was 9.9% with 263 participants.

Step 4: Engaging banks and reassessing expectations from key stakeholders

In 2021, Cargolux involved banks in the materiality process. 75 recipients from 54 different banks were selected based on the credit volume. They were mainly asked - by questionnaire - to:

- assess the influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. The topics were rated from 1-not important, to 4-critical. Key topics were raised such as emissions, aircraft fuel efficiency, occupational health & safety and sustainable material sourcing in the procurement process.
- assess the main expectations from Cargolux in light of the rising regulations - especially from the European Taxonomy regulation and the Sustainable Finance Disclosure Regulation (SFDR).
- communicate on their CSR maturity.

The participation rate was 23% with 17 participants.

As customers have been engaged for more than 3 years, Cargolux decided to engage them in 2021. 48 recipients from 31 different companies were selected based on the sales volume, the nature of the relationship (short versus long term), and the capacity to be engaged (depending on their CSR maturity and their will to be engaged). They were mainly asked - by questionnaire - to:

- assess the influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. The topics were rated from 1-not important, to 4-critical. Key topics were raised such as emissions, investment for sustainable innovation, aircraft fuel efficiency, occupational health & safety and purchasing practices.
- assess the main expectations from Cargolux and give their opinions on specific projects such as CO₂ offsetting, sustainable aviation fuel and vetting of shipments from an ethical and human rights perspective.
- communicate on their CSR maturity.

The participation rate was 40% with 19 participants.

As COVID has impacted all of us, especially as employees, Cargolux decided to engage employees in 2021. All employees were asked – by questionnaire – to:

- Communicate on their CSR knowledge
- Assess the influence of Cargolux's economic, social, and environmental impacts on their assessments and decisions. These topics were rated from 1-not important, to 4-critical. Key topics were raised such as occupational health & safety, aircraft fuel efficiency, staff welfare, human rights in our operations, training and development
- Express how COVID 19 has changed their expectations as employees
- Share their will to be further engaged in Cargolux's CSR journey

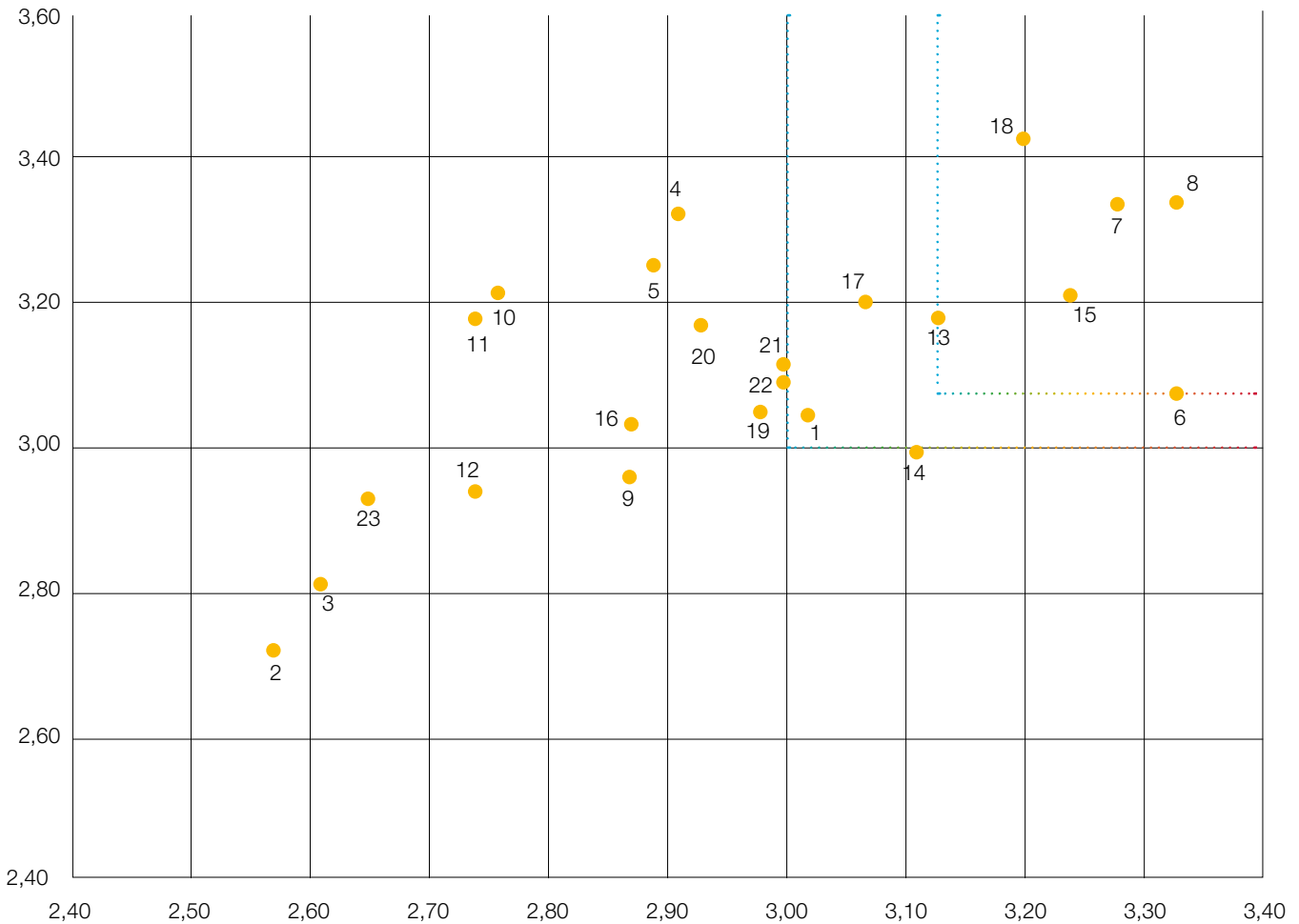
The participation rate was 17% with 420 participants.

Since 2017, all stakeholders engaged were weighted identically (without a multiplier) to give each participant equal importance. The list of topics to be ranked has been reviewed in 2021 and some topics have been merged resulting in a total of 23 topics.



Step 5: Selecting material topics

Through analysis of activities, the activities' economic, social, and environmental impacts and consulting both internal and external stakeholders, the following materiality matrix was created:



1 Job creation-retention

2 Investment in local infrastructures

3 Economic value distributed to communities

4 Investment for sustainable innovation

5 Purchasing practices & supply chain sustainability

6 **Ethical practices in business relationships**

7 **Emissions (aircraft and ground operations)**

8 **Aircraft fuel efficiency**

9 Aircraft noise

10 Sustainable material sourcing in procurement process

11 Supplier environmental assesment

12 Biodiversity and animal welfare

13 **Waste management**

14 Water management

15 **Training and development for staff**

16 Staff diversity & inclusion

17 **Staff welfare**

18 **Occupational health and safety**

19 Employee engagement in CSR programs

20 Human rights in our operations

21 Human rights in the supply chain

22 Humanitarian relief and resilience

23 Local community investment

Primary and secondary topics were established using a materiality threshold determined collectively by the Cargolux CSR Board:

- Primary material topics correspond to coordinates greater than or equal to (3,13 ; 3,07)
- Secondary material topics correspond to coordinates greater than or equal to (3 ; 2,99)

As a result, the material topics that Cargolux will focus on are:



CARBON FOOTPRINT



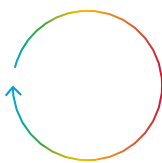
FUEL EFFICIENCY



OCCUPATIONAL HEALTH & SAFETY



ETHICAL PRACTICES IN BUSINESS RELATIONSHIPS



WASTE MANAGEMENT



TRAINING & DEVELOPMENT FOR EMPLOYEES



EMPLOYEE WELFARE

Next steps

Fuelled by a process of continuous improvement and dialogue with all stakeholders, the Cargolux CSR approach is based on a progressive and inclusive program of stakeholder engagement. At its heart is the fine balance between stakeholder engagement, continuous focus on sustainable business practices and innovation. This program will be renewed periodically to continuously engage new groups.

**CONTRIBUTION
TO THE UN'S
SUSTAINABLE
DEVELOPMENT
GOALS**

06





Our contribution to the SDGs



Environment & Climate

Emissions, p47				
Fuel Efficiency, p49				
Regulatory compliance, p49				
Scope 3 emissions, p50				
Waste management, p53				
Noise abatement, p57			X	

Social Engagement

Diversity & inclusion, p60					X
Talent attraction & retention, p60					
Talent development & training, p63				X	X
Health & safety, p67			X	X	
Local community development, p73	X		X	X	
Creating bonds, p73					
Inspiring future talents, p76				X	X
Ecosystem of innovation, p78					

Governance

Compliance & Ethics, p80	X			X	
Sustainable procurement, p85					
Digitalization & cyber-security, p88					



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07

GRI APPENDIX






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ATS
Crane
www.ats-crane.com

GRI appendix

Social



Employment

2021

2020

2019

Number of employees

Worldwide	2,477	2,368	2,253
Permanent contract	2,363	2,286	2,208
Newly hired	220	222	241
Collective Work Agreement	1,553	1,457	1,387
Female	198	181	170
Male	1,355	1,276	1,217
Turnover	135	96	134

Parental Leave (LUX)

Parental leave entitlement	466	397	401
Parental leave started in 2021	67	49	44

Number of employees by age groups

under 30	287	302	321
30-50	1,512	1,441	1,347
over 50	678	625	585



Absenteeism

Lost days for accidents
Lost days for sickness
Maternity leave

2021

2020

2019

467
14,528
7,206

383
15,331
5,316

347
14,682
6,744



Occupational health & safety

Number of injuries (accidents)

Internal
External

35
19

30
19

42
18

Injury rate
Work related fatalities
Occupational disease rate

-
-
-

-
-
-

-
-
-



Training

Number of training hours per employee

2021

2020

2019

55

53

76

GRI appendix

Environment



Materials

	2021	2020	2019
A/C cleaning products, TOTAL (ltrs)	33,282	31,102	32,074
Honey bee	30	152	270
A/C cleaner	30,090	28,125	29,035
Hydraulic removal	3,162	2,815	2,769
A/C dry wash soap			
De-icing and anti-icing product, TOTAL (kgs)			
Tarmac/airside (ltrs/kgs)	6,000 / 3,000	4,000 / 150	2,800/500
Salt (parking/road)	10,775	7,575	11,150
Paper (DIN A4) (kgs)	16,596	13,800	14,490
Cartridges (pcs)	209	243	436



Emissions

	2021	2020	2019
Direct emissions (Scope 1)			
CO ₂ emitted by aircraft (tonnes)	4,743,200	4,308,983	4,022,178
CO ₂ emitted by GSE vehicles	62	62	70
Indirect emissions (Scope 2)			
Facilities	2,456	2,524	2,392



Consumption

	2021	2020	2019
Water (m ³)	9,367	9,947	10,501
Electricity (kWh)	6,058,824	6,107,273	6,040,235

The following data regarding the indirect Energy Consumption are only available for CMC:

Heating (kWh)	6,046,200	4,821,000	5,338,400
Cooling (kWh)	430,300	512,600	482,900
Compressed air (m ³)	1,055,324	1,227,533	1,348,663

Fuel

Jet A (tonnes)	1,505,778	1,367,937	1,276,882
Facilities			
Natural gas (heating; paint cabins; BHKW)	1,132,363	1,034,443	958,223
Fuel (heating systems for Lorang building)	27,500	76,274	79,360
Fuel (sprinkler pumps)	5,900	3,999	2,326
GSE vehicles			
Industrial Fuel (ltrs)	55,709	56,469	65,805
Diesel (ltrs)	18,844	17,674	20,503
Unleaded Gasoline 95 (ltrs)	5,098	6,125	6,639



Waste

	2021	2020	2019
Hazardous waste			
Composted	134,500	164,250	33,000
Other	289,192	142,466	161,725
Recycled	7,945	378	32,502
TOTAL	431,637	307,094	227,227

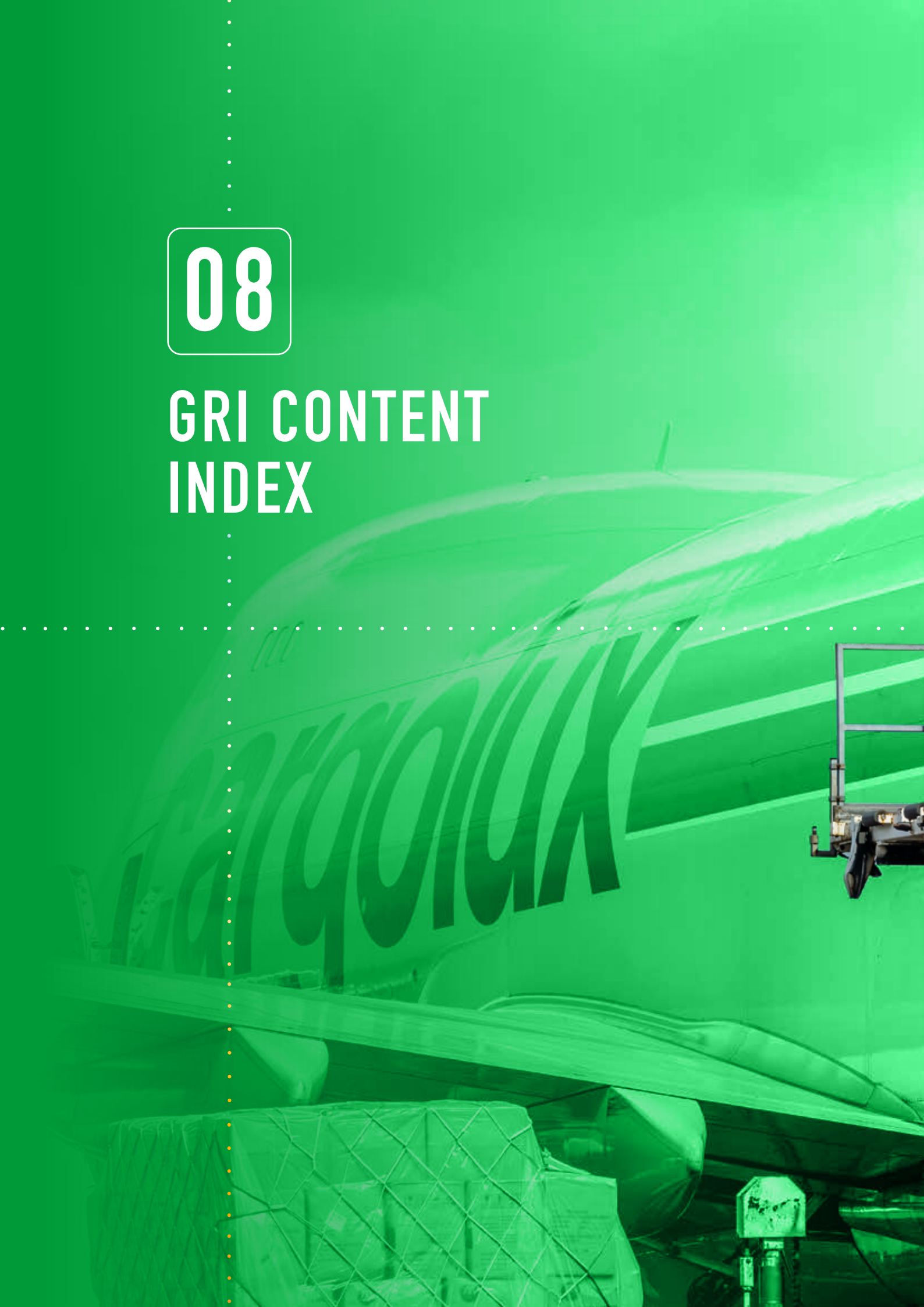
Non-Hazardous Material

Landfilled	-	-	1,180
Other	141,151	63,783	9,684
Recycled	123,242	93,888	231,903
TOTAL	264,393	157,671	242,767

Wastewater from our maintenance operations at the maintenance facilities in Luxembourg are directly collected by the airport sewage system prior to a wastewater treatment plant.

08

GRI CONTENT INDEX





GENERAL DISCLOSURES

OMISSION

PAGES

Disclosures

GRI 102-1	Name of the organization	12
GRI 102-2	Activities, brands, products, and services	12
GRI 102-3	Location of headquarters	12
GRI 102-4	Location of operations	12
GRI 102-5	Ownership and legal form	12
GRI 102-6	Markets served	12
GRI 102-7	Scale of the organization	12, 21
GRI 102-8	Information on employees and other workers	59
GRI 102-9	Supply chain	86
GRI 102-10	Significant changes to the organization and its supply chain	86
GRI 102-11	Precautionary principle or approach	49
GRI 102-12	External initiatives	16, 17, 19
GRI 102-13	Membership of associations	16, 17, 19

Strategy

GRI 102-14	Statement from senior decision-maker	6
------------	--------------------------------------	---

Ethics and integrity

GRI 102-16	Values, principles, standards, and norms of behavior	10
GRI 102-17	Mechanisms for advice and concerns about ethics	81, 82

Governance

GRI 102-18	Governance structure	22, 24, 25, 26, 28
------------	----------------------	--------------------

DISCLOSURE

OMISSION

PAGES

Stakeholder engagement

GRI 102-40	List of stakeholder groups	36, 37
GRI 102-41	Collective bargaining agreements	106
GRI 102-42	Identifying and selecting stakeholders	95
GRI 102-43	Approach to stakeholder engagement	96, 97
GRI 102-44	Key topics and concerns raised	38, 95, 96, 97

Reporting Practices

GRI 102-45	Entities included in the consolidated financial statements	95, 99
GRI 102-46	Defining report content and topic boundaries	95, 99
GRI 102-47	List of material topics	98
GRI 102-48	Restatements of information	95
GRI 102-49	Changes in reporting	95
GRI 102-50	Reporting period	95
GRI 102-51	Date of most recent report	95
GRI 102-52	Reporting cycle	95
GRI 102-53	Contact point for questions regarding the report	95
GRI 102-54	Claims of reporting in accordance with the GRI standards	95
GRI 102-55	GRI content index	112, 113, 114, 115, 116, 117
GRI 102-56	External assurance	120, 121, 122, 123, 124, 125

MATERIAL TOPICS

DISCLOSURE

OMISSION

PAGES

Economy

Material topic: GRI 201 – Economic Performance 2016

GRI 103-1	Explanation of the material topic and its boundary	20
GRI 103-2	The management approach and its components	20
GRI 103-3	Evaluation of the management approach	20
GRI 201-1	Direct economic value generated and distributed	20

Material topic: GRI 202 – Market presence 2016

GRI 103-1	Explanation of the material topic and its boundary	61
GRI 103-2	The management approach and its components	61
GRI 103-3	Evaluation of the management approach	61
GRI 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	61
GRI 202-2	Proportion of senior management hired from the local community	59, 61

Material topic: GRI 203 – Indirect Economic Impacts 2016

GRI 103-1	Explanation of the material topic and its boundary	74, 77, 79
GRI 103-2	The management approach and its components	75
GRI 103-3	Evaluation of the management approach	75
GRI 203-1	Infrastructure investments and services supported	74, 77, 79

Material topic: GRI 204 – Procurement Practices 2016

GRI 103-1	Explanation of the material topic and its boundary	85, 86
GRI 103-2	The management approach and its components	85, 87
GRI 103-3	Evaluation of the management approach	85, 87
GRI 204-1	Proportion of spending on local suppliers	85

Material topic: GRI 205 – Anti-corruption 2016

GRI 103-1	Explanation of the material topic and its boundary	80
GRI 103-2	The management approach and its components	80
GRI 205-1	Operations assessed for risks related to corruption	80, 84
GRI 205-2	Communication and training about anti-corruption policies and procedures	84
GRI 205-3	Confirmed incidents of corruption and actions taken	80

Environment

Material topic: GRI 302 – Energy 2016

GRI 103-1	Explanation of the material topic and its boundary	47, 49
GRI 103-2	The management approach and its components	47, 49
GRI 103-3	Evaluation of the management approach	47
GRI 302-4	Reduction of energy consumption	49, 109
GRI 302-5	Reductions in energy requirements of products and services	47, 109

Material topic: GRI 305 – Emissions 2016

GRI 103-1	Explanation of the material topic and its boundary	47, 49, 51, 53, 55, 57
GRI 103-2	The management approach and its components	47
GRI 103-3	Evaluation of the management approach	47
GRI 305-1	Direct (Scope 1) GHG emissions	47, 48, 108
GRI 305-2	Energy indirect (Scope 2) GHG emissions	47, 48, 108
GRI 305-3	Other indirect (Scope 3) GHG emissions	50
GRI 305-4	GHG emissions intensity	47
GRI 305-5	Reduction of GHG emissions	47, 49

Material topic: GRI 306 – Waste 2020

GRI 103-1	Explanation of the material topic and its boundary	53
GRI 103-2	The management approach and its components	53
GRI 306-1	Waste generation and significant waste-related impacts	53
GRI 306-2	Management of significant waste-related impacts	53
GRI 306-3	Waste generated	54, 109

Material topic: GRI 307 – Environmental compliance 2016

GRI 103-1	Explanation of the material topic and its boundary	47
GRI 103-2	The management approach and its components	47
GRI 103-3	Evaluation of the management approach	47
GRI 307-1	Non-compliance with environmental laws and regulations	47

Social

Material topic: GRI 401 – Employment 2016

GRI 103-1	Explanation of the material topic and its boundary	58, 61
GRI 103-2	The management approach and its components	58, 61
GRI 103-3	Evaluation of the management approach	61
GRI 401-1	New employee hires and employee turnover	59, 62
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	61
GRI 401-3	Parental leave	62

Material topic: GRI 402 – Labor management relations 2016

GRI 103-1	Explanation of the material topic and its boundary	61
GRI 103-2	The management approach and its components	61
GRI 103-3	Evaluation of the management approach	61
GRI 402-1	Minimum notice periods regarding operational changes	61

Material topic: GRI 403 – Occupational Health and Safety 2018

GRI 103-1	Explanation of the material topic and its boundary	67, 70, 72
GRI 103-2	The management approach and its components	67, 70, 72
GRI 103-3	Evaluation of the management approach	71, 72
GRI 403-1	Occupational health and safety management system	70
GRI 403-2	Hazard identification, risk assessment, and incident investigation	70
GRI 403-3	Occupational health services	70, 72
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	70
GRI 403-5	Worker training on occupational health and safety	65, 70
GRI 403-6	Promotion of worker health	67, 70, 72
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70
GRI 403-9	Work-related injuries	67, 71
GRI 403-10	Work-related ill health	67, 71

Material topic: GRI 404 – Training and Education 2016

GRI 103-1	Explanation of the material topic and its boundary	63, 65
GRI 103-2	The management approach and its components	63, 65
GRI 103-3	Evaluation of the management approach	65
GRI 404-1	Average hours of training per year per employee	59
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	65
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	59

Material topic: GRI 405 – Diversity and Equal Opportunity 2016

GRI 103-1	Explanation of the material topic and its boundary	61
GRI 103-2	The management approach and its components	61
GRI 103-3	Evaluation of the management approach	61
GRI 405-1	Diversity of governance bodies and employees	60

Material topic: GRI 406 – Non discrimination 2016

GRI 103-1	Explanation of the material topic and its boundary	61
GRI 103-2	The management approach and its components	61
GRI 103-3	Evaluation of the management approach	61
GRI 406-1	Incidents of discrimination and corrective actions taken	60

Material topic: GRI 412 – Human Rights Assessment 2016

GRI 103-1	Explanation of the material topic and its boundary	80, 82
GRI 103-2	The management approach and its components	80, 83
GRI 103-3	Evaluation of the management approach	83
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	80, 84
GRI 412-2	Employee training on human rights policies or procedures	84

Material topic: GRI 413 – Local Communities 2016

GRI 103-1	Explanation of the material topic and its boundary	73, 74
GRI 103-2	The management approach and its components	73, 75
GRI 103-3	Evaluation of the management approach	75
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	57

Material topic: GRI 418 – Customer privacy 2016

GRI 103-1	Explanation of the material topic and its boundary	88, 90
GRI 103-2	The management approach and its components	88, 91
GRI 103-3	Evaluation of the management approach	91
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	88



09

**INDEPENDENT
AND LIMITED
ASSURANCE
REPORT**



TRUST

Beluga Whale Sanctuary



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To the Shareholders of
Cargolux Airlines International S.A.,
Aéroport de Luxembourg
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Independent Limited Assurance Report to Cargolux Airlines International S.A.

Scope

We have been engaged by Cargolux Airlines International S.A. ("Cargolux" or the "Entity") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Cargolux Airlines International S.A.'s 2021 Corporate Social Responsibility Report ("2021 CSR Report" or the "Subject Matter") as of 31 December 2021.

The sustainability information, narratives and indicators presented in the 2021 Corporate Social Responsibility Report of Cargolux Airlines International S.A. are included in the scope of our assurance engagement, with the exception of the indicators below:

- Jet fuel consumption
- CO2 emissions emitted by aircraft
- CO2 efficiency of aircraft operations
- Any indicator of which calculation depends on the above (e.g. Total Scope 1 emissions)

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Cargolux Airlines International S.A.

In preparing the 2021 Corporate Social Responsibility Report, Cargolux Airlines International S.A. applied the Global Reporting Initiative Sustainability Reporting Standards' ("GRI Standards") ("Criteria"). Such Criteria were specifically designed for reporting sustainability information. As a result, the Subject Matter information may not be suitable for another purpose.

- 1 -

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Cargolux Airlines International S.A.'s responsibilities

Cargolux Airlines International S.A.'s management is responsible for selecting the Criteria, and for presenting the 2021 Corporate Social Responsibility Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), and the terms of reference for this engagement as agreed with Cargolux Airlines International S.A. on 13 April 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

- 2 -

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Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the 2021 Corporate Social Responsibility Report and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Assessment of the suitability of the reporting criteria and their consistent application.
- Inquires of management to gain an understanding of Cargolux Airlines International S.A.'s processes for determining the material issues for Cargolux Airlines International S.A.'s key stakeholder groups.
- Interviews with senior management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Interviews with relevant staff at corporate and business unit level responsible for data capture and preparation of the information in the 2021 Corporate Social Responsibility Report.
- Review of the processes for gathering and consolidating the specified performance data and, for a sample, checking the data consolidation.
- Checks on a sample basis of the quantitative information included in the 2021 Corporate Social Responsibility Report as well as its adequate compilation from data supplied by information sources. The tests have been defined to provide limited assurance levels in line with the criteria described in this report.
- Review of material qualitative statements in the 2021 Corporate Social Responsibility Report with regard to consistency and plausibility.
- We also performed such other procedures as we considered necessary in the circumstances.

- 3 -

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Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the 2021 Corporate Social Responsibility Report as of 31 December 2021, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Cargolux Airlines International S.A. and for providing limited assurance over the sustainability information presented in the 2021 Corporate Social Responsibility Report and is not intended to be and should not be used by anyone other than those specified parties.

Ernest & Young
Société Anonyme
Cabinet de Révision Agréé

A handwritten signature in black ink, appearing to read 'Olivier Lemaire', written in a cursive style.

Olivier Lemaire
Partner

A handwritten signature in black ink, appearing to read 'Léna Le Gal', written in a cursive style.

Léna Le Gal
Partner

Luxembourg, 21 July 2022

- 4 -

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VERIFAVIA SARL
33 avenue du Maine, 75015 Paris (France)

ASSURANCE STATEMENT

Context

We have been engaged by Cargolux Airlines International S.A. and Cargolux Italia to perform an independent verification with reasonable assurance of the CO₂ emissions from flights operated in 2021 subject to the Directive 2018/101/EC (EU ETS) and flights operated in 2021 subject to ICAO's Carbon Offsetting & Reduction Scheme for International Aviation (CORSA).

Criteria

In order to prepare its 2021 emissions reports for EU ETS and CORSA, Cargolux Airlines International S.A. and Cargolux Italia followed the following rules:

- The EU ETS Directives (Directive 2008/101/EC of 19 November 2008 and Directive 2009/29/EC of 22 April 2009 amending Directive 2003/87/EC)
- The Commission Regulation 421/2014 of the European Parliament and of the Council of 16 April 2014 amending Directive 2003/87/EC
- The Commission Delegated Regulation 2019/1603 of 18 July 2019 supplementing Directive 2003/87/EC
- The Commission Regulation 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC (MRR)
- The Commission Regulation 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse

We conducted the independent verification based on the following verification criteria:

- ISO 14065:2013 – Greenhouse Gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition
- ISO 14064-3:2019 – Greenhouse Gases – Specification with guidance for the validation and verification of greenhouse gas emissions and removals
- The IAF MD 6:2014 - IAF Mandatory Document for the Application of ISO 14065:2013;
- The Commission Regulation 2018/2067 of 19 December 2018 on the verification of greenhouse gas emission reports and tonne-kilometre reports and the accreditation of verifiers pursuant to Directive 2003/87/EC (AVR)

Responsibilities

Cargolux Airlines International S.A. and Cargolux Italia are solely responsible for the preparation and reporting of their emissions data, for any information and evidence that support the reported data, for determining the company's objectives in relation to emissions information and management, and for establishing and maintaining appropriate performance management and internal control systems from which reported information is derived.

In accordance with our verification contract with Cargolux Airlines International S.A. and Cargolux Italia, it is our responsibility to form an independent opinion, based on the examination of information and data presented in the emissions report, and to report that opinion to Cargolux Airlines International S.A. and Cargolux Italia.

We conducted our examination having regard to the verification criteria documents listed above. This involved a site visit previously to inspect the facilities and interview the staff responsible. It also included examining, on a test basis, evidence to give us reasonable assurance that the amounts and disclosures

1/2

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relating to the data have been properly prepared in accordance with the rules in terms of relevance, completeness, consistency, transparency and accuracy.

Independence statement

We confirm that Verifavia SARL and the verification team are independent of Cargolux Airlines International S.A. and Cargolux Italia, and have not assisted in any way with the development of the emissions report, with the exception of this Assurance Statement.

Opinion

We conducted a verification of the 2021 emissions by Cargolux Airlines International S.A. and Cargolux Italia in its emissions reports dated 15 February 2022. On the basis of the verification work undertaken to reasonable assurance, these data are fairly stated and contain no material misstatements or material non-conformities.

Total international and domestic CO₂ emissions Cargolux Airlines International S.A. and Cargolux Italia together: 4,743,200 tCO₂ (with an emissions factor of 3,15)



Paris, 5 April 2022

Mathias Grossmann, Aviation & Airports Director, VERIFAVIA SARL



10

GLOSSARY



Glossary

A

AI

Artificial Intelligence

ANSP

Air Navigation Service Provider

APU

Auxiliary Power Unit

ATA

Animal Transportation Association

ATK

Available Tonne Kilometers

ATMS

Advanced Tool Management System

C

C&P

Contracts & Procurement

CAPA

Centre for Aviation

CDA

Continuous Descent Operations & Approach

CDO

Continuous Descent Operations

CDO (F)

Continuous Descent Operations (Fuel)

CDO (N)

Continuous Descent Operations (Noise)

CHINALUX

China-Luxembourg Chamber of Commerce

CISM

Critical Incident & Stress Management

CITES

Convention on International Trade in Endangered Species

CO₂

Carbon Dioxide

CORSIA

Carbon Offsetting & Reduction Scheme for International Aviation

D

DAC

Direction de l'Aviation Civile Luxembourg

DIMAS

Diplôme d'Initiation aux Métiers Aéronautiques et Spatiaux

E

e-AWB

Electronic Air Waybill

e-CMR

Electronic Consignment Notes (Convention relative au contrat de transport international de marchandises par route)

EAAP

European Association for Aviation Psychology

EASA

European Aviation Safety Agency

EPPSI

European Pilot Peer Support Initiative

EFB

Electronic Flight Bag

EMS

Environmental Management System

eMobility Trax

Electronic mobility

ePMO

Enterprise Project Management Office

ERP

Enterprise Resource Planning

EU

European Union

EU ETS

EU European Trading Systems

EVP

Executive Vice President

ExCom

Executive Committee

**FAA**

Federal Aviation Administration

FBD

Fuel Briefing Dashboard

FEDIL

Business Federation Luxembourg

FOC

Free of Charge

FRM

Fatigue Risk Management

FTE

Full Time Employee

FTK

Freight Tonne Kilometers

FWB

Freight Weight Bills

**GDP**

Good Distribution Practice

GDPR

General Data Protection Regulation

GHA

Ground Handling Agreement

GHG

Greenhouse Gas

GPS

Global Positioning System

GRI

Global Reporting Initiative

GSA

General Sales Agent

**H&S**

Health & Safety

HAWB

House Air Waybill

HCM

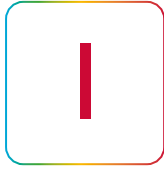
Human Capital Management

HQ

Headquarters

HR

Human Resources



IATA

International Air Transport Association

IATP

International Airlines Technical Pool

ICAO

International Civil Aviation Organization

IOSA

IATA Operational Safety Audit

IPATA

International Pet & Animal Transportation Association

IQSMS/IQ SMS

Safety Management Systems

ISO

International Organization for Standardization

IT

Information Technology



Km

Kilometer



LAPB

Live Animal & Perishables Board

LCL

Luxembourg Center for Logistics

LCSB

Luxembourg Center for Systems Biomedicine

LED

Light-Emitting Diode

LTF

Lightning Training Flight

LIDO

Lufthansa Integrated Dispatch Operation

LOIC

Luxembourg Open Innovation Club



M&E

Maintenance & Engineering

MHP

Mental Health Professional



NASI

Cargo Door Venting Systems



OHS

Occupational Health & Safety

OPS/Ops

Operations

OSSA

Open Secure Storage Area



PBN

Performance Based Navigation

PET

Polyethylene (plastic)

PSP

Peer Support Program



RFID

Radio Frequency Identification

RSB

Roundtable on Sustainable Biomaterials

RCS

Ready for Carriage



SAFUG

The Sustainable Aviation Fuel Users Group

SDG

Sustainable Development Goals



TTTF

Time & Temperature Task Force

TMS

Trucking Management System



UFW

United for Wildlife

ULD

Unit Load Device

UN

United Nations

US

United States



VAT

Value-Add Tax

VP

Vice-president



*committed to
sustainability*