

CORPORATE
SOCIAL
RESPONSABILITY

2022



cargolux

you name it, we fly it!

CORPORATE
SOCIAL
RESPONSABILITY

2022



*committed to
sustainability*

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**MESSAGE
FROM THE CEO**

INTRODUCTION

GRI 2-22

Cargolux has long been committed to Sustainability and CSR. For over 15 years, since formalizing its engagement by signing the UN Global Compact, the company has made continual progress and kept enlarging its scope of action. As these topics take an increasingly larger place in the public discourse, Cargolux's historical engagement forms a solid basis for advancement and allows us to grow our commitment through ambitious initiatives.

As topics of interest and legal requirements become broader, Sustainability and CSR encompass more than just environmental, governance, and social questions. These standards must be weaved into corporate procedures and strategies to ensure they become an integral part of the business model. A robust program can only be established through strong governance, and Cargolux is currently in the midst of building a solid internal structure to this end.

The continual progress we foster throughout the company and the personal engagement of our team members position Cargolux as a strong advocate for sound business practices.

Our Sustainability & CSR program covers numerous topics, based on three pillars, Environment & Climate, Social Engagement, and Governance, which guide our framework and help us to define priorities and establish milestones and targets.



The aviation industry has committed itself to ambitious goals in the fight against global climate change. It is of vital importance for Cargolux to contribute to the global effort and to reduce its carbon footprint. In 2022, we announced the selection of the 777-8F to replace the 747-400F freighters in our fleet. This decision to order the latest technology freighter under development demonstrates our commitment to mitigate the impact of our operations on the environment.

Building on the company's Sustainable Aviation Fuel (SAF) program that was launched in the previous year, the airline launched its first official partnership with a customer for the use of SAF. This has been followed by several more. This initial collaboration highlights the company's effort to invest and promote environment friendly fuels for customers.

Sustainable Aviation Fuel is one of the key elements to decarbonizing the industry. Although airlines cannot control SAF production, they can lobby for its availability in a unified and collective way. The production of SAF must be supported to encourage higher production volumes and more reasonable prices. Focus must also be placed on second generation SAF production. Research is on-going and new technologies will lead to an enhancement in the environmental friendliness of SAF.

The prospects and challenges that lie ahead are significant. Legal frameworks and requirements are on the horizon to better regulate progress while ambitious goals are being defined for the aviation and logistics sectors. We are actively preparing for these new regulations in order to be well prepared and aligned once they come into play. I am confident that with the drive and passion of our employees and the ambitious targets we have mapped out, Cargolux will continue to grow sustainably.

I would like to take this opportunity to thank our customers and our employees for embracing sustainability in their business practices.

RICHARD FORSON
President and
Chief Executive Officer





**ABOUT
THE REPORT**



ABOUT THE REPORT

GRI 2-2
GRI 2-3
GRI 2-4
GRI 2-14
GRI 3-1

METHODOLOGY

This annual CSR report provides information about Cargolux's CSR performance and achievements during the period from 01/01/2022 to 31/12/2022. Information contained herein 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 2022 audited by Verifavia. Facilities related consumption and CO₂ emissions only includes Cargolux HQ building and the Maintenance Center.

Cargolux publishes its CSR performance annually in its CSR report. The next publication will be released in 2024 and will cover Cargolux's sustainable development achievements and performance for 2023.

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/>.

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

To prepare this report, Cargolux conducted a double materiality analysis to identify the priority topics to report on according to the stakeholder feedback and double materiality principles in reference to the Corporate Sustainability Reporting Directive (CSRD) requirements, with the support of the sustainability advisory firm Forethix. For more than 10 years, Cargolux has published a CSR report sharing its CSR ambitions based on both business priorities and stakeholder dialogue. This section explains the methodology followed to identify the material issues.

The concept of "double materiality" has recently gained momentum and is a requirement of European regulations such as the CSRD and global sustainability reporting standards and frameworks (GRI – Global Reporting Initiative, SASB – Sustainability Accounting Standards Board, TCFD – Task Force on Climate-Related Financial Disclosures, etc.) as well as ESG rating agencies and therefore investors.

Double materiality implies that an organization must take into account impacts in both directions:

- On one hand, the financial risk that socio-environmental factors generate for its results (financial materiality, or outside-in);
- On the other hand, the responsibility for the positive and negative impacts - actual and potential - that its activities would have on the economy, the environment and society, including human rights (impact materiality, or inside-out).

The realization of the double materiality assessment is based on five steps:

GRI 3-1

1. IDENTIFICATION OF ESG TOPICS

To start the process of realizing the assessment, sustainability topics were identified through different research channels: sector benchmarks, literature reviews, requirements of rating agencies (e.g. MSCI, Sustainalytics), requirements dictated in sustainability standards and frameworks (e.g. GRI, SASB),

the United Nations Sustainable Development Goals (SDGs) and international and European megatrends according to sectorial and specific approaches.

These are the themes that could be relevant and help define an initial list of topics that will then be subject to impact analysis and stakeholder assessment.

GOVERNANCE & ECONOMY		SOCIAL		ENVIRONMENT	
GOV. 01	Employer attractiveness & job retention	SOC. 01	Training & development for staff	ENV. 01	Biodiversity & animal welfare
GOV. 02	Local community investment	SOC. 02	Staff diversity & inclusion	ENV. 02	Emissions (aircraft & ground operations)
GOV. 03	Innovation & technology development	SOC. 03	Staff welfare	ENV. 03	Aircraft fuel efficiency
GOV. 04	Financial stability & resilience	SOC. 04	Occupational health & safety	ENV. 04	Aircraft noise
GOV. 05	Product safety, quality & sustainability			ENV. 05	Water management
GOV. 06	Cybersecurity			ENV. 06	Materials & waste management
GOV. 07	Ethical practices in business relationships				
GOV. 08	Sustainable supply chain				



GRI 3-1

2. ASSESSING IMPACT MATERIALITY

The materiality of impact allows us to assess the organization's actual or potential, positive or negative impacts on the environment and society ("inside-out"). The issues from the list of ESG topics, defined in the first step, must be rated by the organization according to the following factors:

SEVERITY (INTEGRATING THE CONCEPTS OF SCALE, SCOPE AND IRREMEDEABLE CHARACTER)

0 = None

1 = Minimal

2 = Low

3 = Medium

4 = High

5 = Critical

LIKELIHOOD

0 = Rare
(<10 % chance of occurrence)

1 = Unlikely
(10% to 35% chance of occurrence)

2 = Possible
(35% to 65% chance of occurrence)

3 = Likely
(65% to 90% chance of occurrence)

4 = Almost certain
(>90% chance of occurrence)

3. ASSESSING FINANCIAL MATERIALITY

Financial materiality makes it possible to evaluate the financial risk that socio-environmental factors generate for results (financial materiality, or outside-in); it involves analyzing the risks and opportunities that could have an impact on the organization's value and value creation. The issues on the list of ESG topics, defined in the first step, must be rated by the organization according to their financial impact:

0 = None / 1 = Minimal / 2 = Low / 3 = Medium / 4 = High / 5 = Critical

4. ENGAGING WITH STAKEHOLDERS

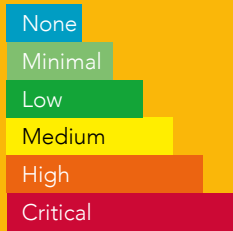
Since 2018, Cargolux has engaged with more than 750 stakeholders to highlight environmental, social and governance topics that are the most important for them to be included into Cargolux's CSR Strategy.

During 2022, Cargolux has updated its stakeholder mapping along with its stakeholder engagement plan to further enhance the integration of its stakeholders into its CSR Strategy. Cargolux will engage with its priority stakeholders during 2023. The results will be published in the next report.

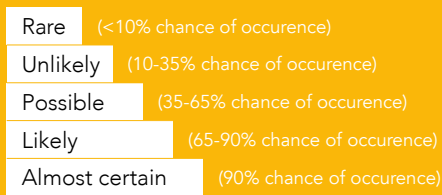
STAKEHOLDERS	ENGAGEMENT METHOD	NUMBER OF PARTICIPANTS	YEAR
Customers	Questionnaire	17	2018
CSR Board	Questionnaire	50	2018
Suppliers	Questionnaire	11	2019
Employees	Questionnaire	263	2019
Banks	Questionnaire	17	2021
Customers	Questionnaire	19	2021
Employees	Questionnaire	420	2021

IMPACT MATERIALITY

SEVERITY



LIKELIHOOD



The severity of the impact is determined:

Scale: how bad is the impact

Scope: how widespread is the impact

Irremediable character: how hard is it to counteract or reverse the harm

GOVERNANCE

GOV. 01	Employer attractiveness & job retention	High	Likely
GOV. 02	Local community investment	Medium	Possible
GOV. 03	Innovation & technology development	High	Likely
GOV. 04	Financial stability & resilience	High	Likely
GOV. 05	Product safety, quality & sustainability	Medium	Possible
GOV. 06	Cybersecurity	Critical	Likely
GOV. 07	Ethical practices in business relationships	High	Likely
GOV. 08	Sustainable supply chain	High	Likely

SOCIAL

SOC. 01	Training & development for staff	High
		Likely
SOC. 02	Staff diversity & inclusion	Medium
		Possible
SOC. 03	Staff welfare	High
		Likely
SOC. 04	Occupational health & safety	High
		Likely

ENVIRONMENT

ENV. 01	Biodiversity & animal welfare	Low
		Possible
ENV. 02	Emissions (aircraft & ground operations)	Critical
		Almost certain
ENV. 03	Aircraft fuel efficiency	High
		Likely
ENV. 04	Aircraft noise	Medium
		Likely
ENV. 05	Water management	Medium
		Possible
ENV. 06	Material & Waste management	Medium
		Possible

FINANCIAL MATERIALITY

GRI 3-1

GOVERNANCE

GOV. 01	Employer attractiveness & job retention	High
GOV. 02	Local community investment	Low
GOV. 03	Innovation & technology development	High
GOV. 04	Financial stability & resilience	High
GOV. 05	Product safety, quality & sustainability	Low
GOV. 06	Cybersecurity	High
GOV. 07	Ethical practices in business relationships	Medium
GOV. 08	Sustainable supply chain	Medium

SOCIAL

SOC. 01	Training & development for staff	Medium
SOC. 02	Staff diversity & inclusion	Low
SOC. 03	Staff welfare	Medium
SOC. 04	Occupational health & safety	Medium

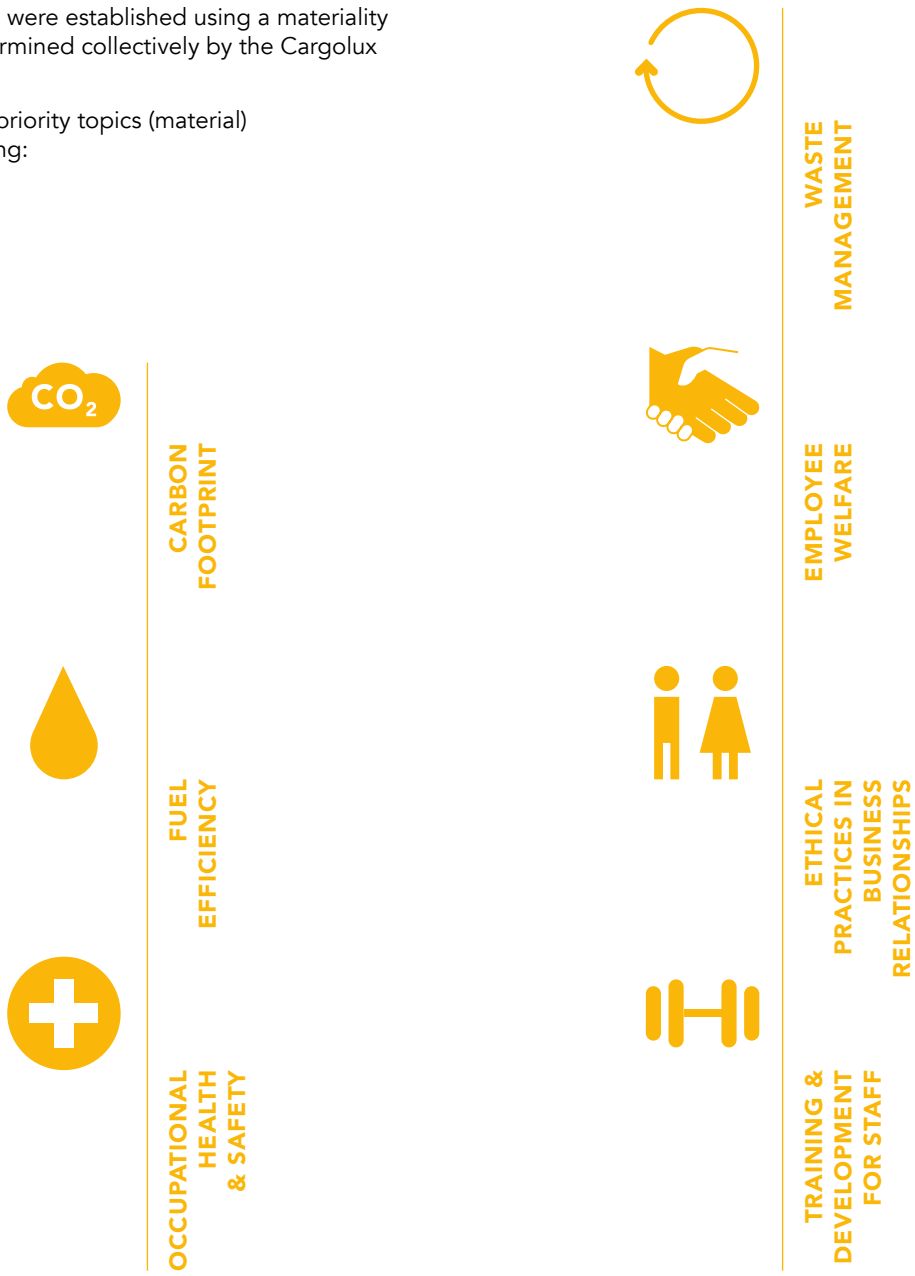
ENVIRONMENT

ENV. 01	Biodiversity & animal welfare	Low
ENV. 02	Emissions (aircraft & ground operations)	High
ENV. 03	Aircraft fuel efficiency	High
ENV. 04	Aircraft noise	Medium
ENV. 05	Water management	Low
ENV. 06	Material & Waste management	Medium

GRI 3-2

Material topics were established using a materiality threshold determined collectively by the Cargolux CSR Board.

Therefore our priority topics (material) are the following:



Our secondary topics are:



AIRCRAFT NOISE



BIODIVERSITY AND NATURE PRESERVATION



LOCAL COMMUNITY INVESTMENT

NEXT STEPS

Fueled 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. Therefore we will renew our stakeholder engagement program in 2023 in order to consult new groups of stakeholders for the purpose of our double materiality analysis.

OR



**ABOUT
CARGOLUX**





VISION, MISSION, 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

ACTIVITIES

GRI 2-1
GRI 2-6

OUR ACTIVITIES

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 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 unequaled 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.



IATA RANKING -
BIGGEST EUROPEAN
ALL-CARGO CARRIER,
WORLDWIDE
5TH



WORLDWIDE
MARKET SHARE
4.1%



COUNTRIES
30+



SCHEDULED FLIGHT
DESTINATIONS
WORLDWIDE
56

5TH

4.0%

30+

56

2021

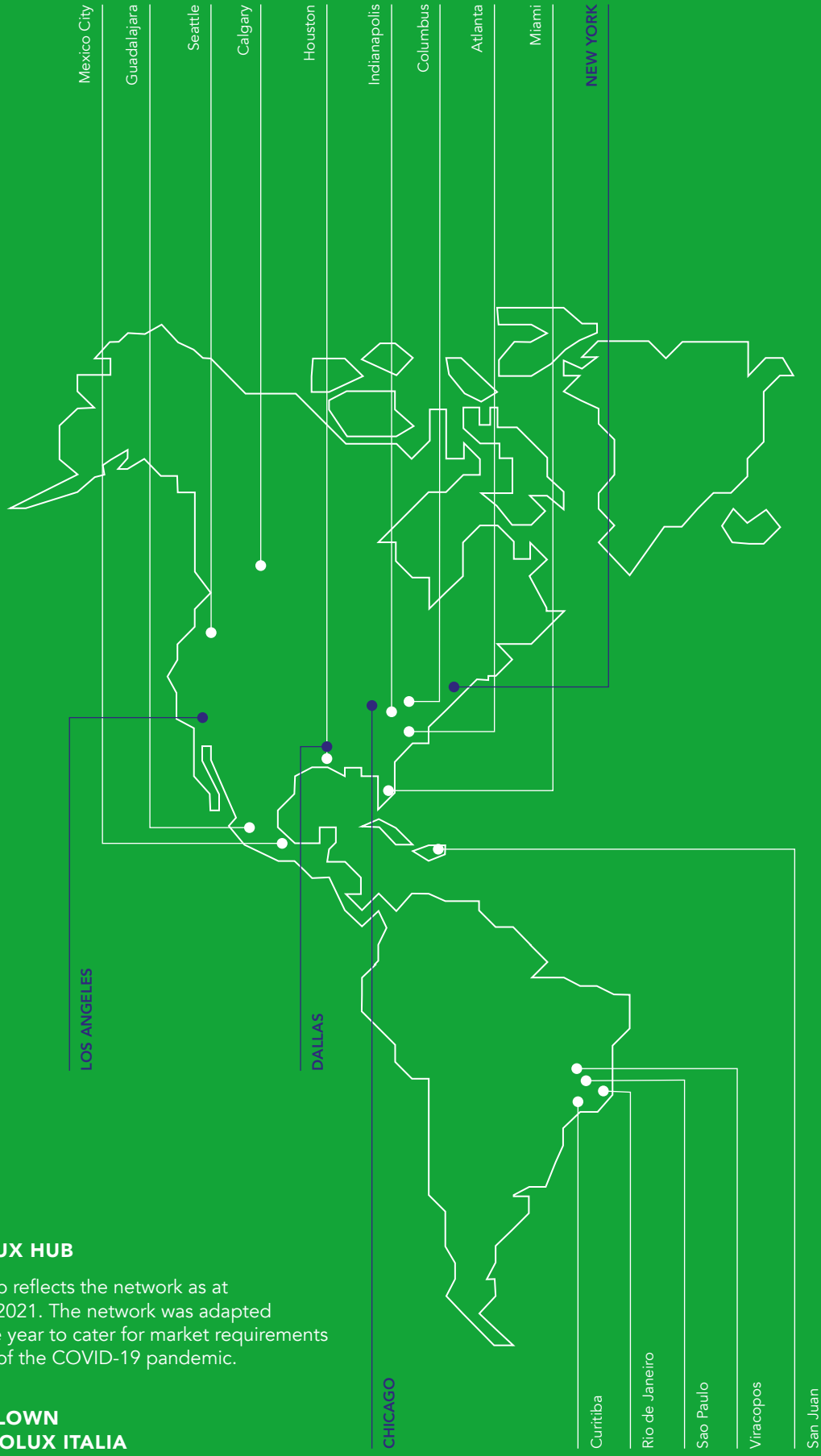
2022

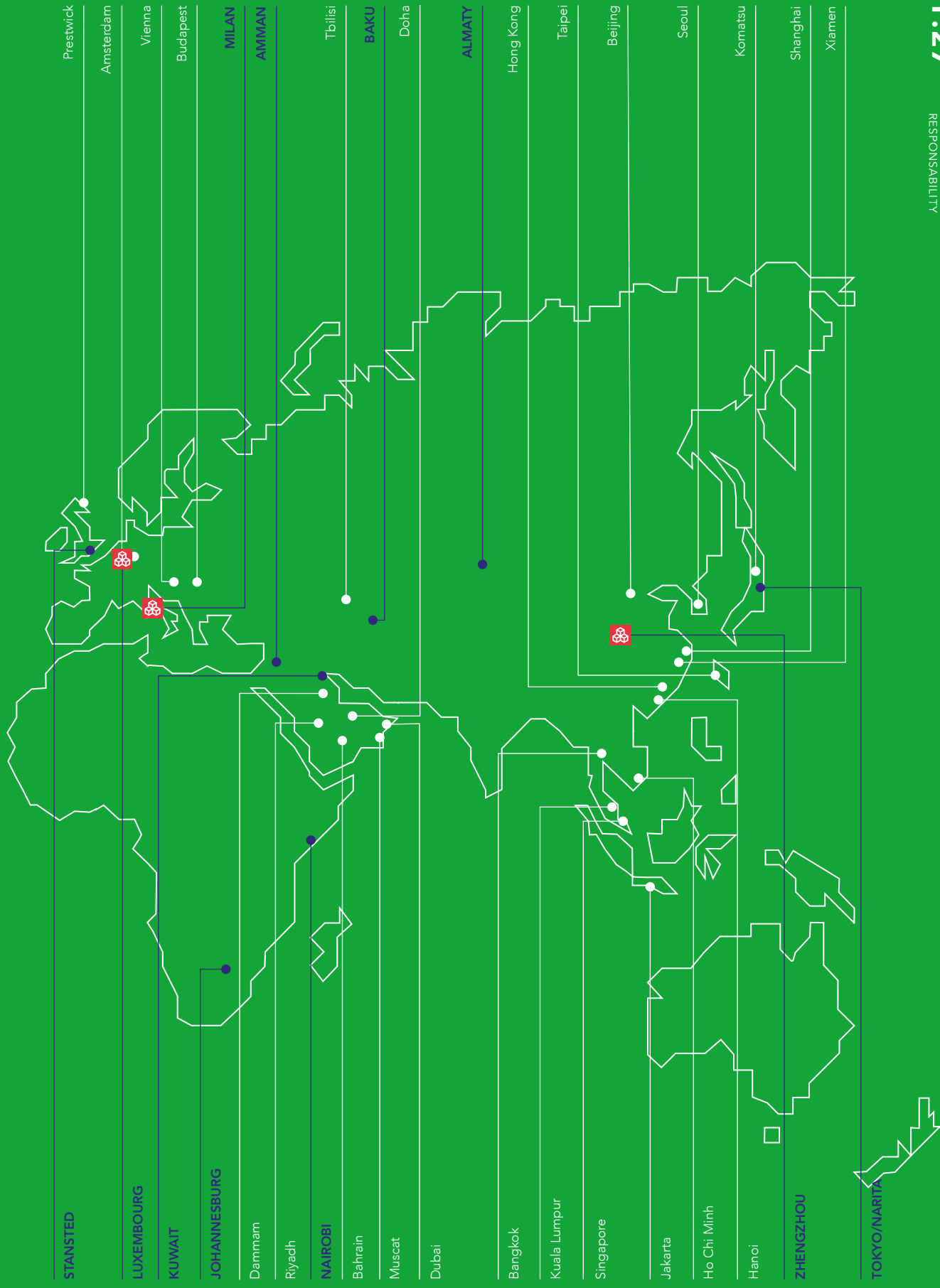
DESTINATIONS ROUTE MAP 2022

 **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

GRI 2-28

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.

LIST OF INDUSTRY ASSOCIATIONS



IATA

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



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



AIRLINES FOR EUROPE (A4E)

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

GRI 2-28



CARGO IQ

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



INTERNATIONAL AIR TRANSPORT ASSOCIATION IATA TTF

Time and Temperature Task Force



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



COOL CHAIN ASSOCIATION



IAAIA

International Association of Airline Internal Auditors

GRI 2-28

**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 Auditors Luxembourg Chapter



LOIC
Luxembourg Open Innovation Club

GRI 2-28

**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

IMS LUXEMBOURG

Inspiring More Sustainability








Chamber of Commerce Luxembourg
(Powering Business)

**VISION ZERO**

Reducing the number and severity of workplace accidents

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 – 2022		2022	2021	2020	2019
	Total income in USD '000	5,078,823	4,428,786	3,170,697	2,258,650
	Profit/loss for the year in USD '000	1,578,627	1,295,297	768,669	20,242
	Shareholders' equity in USD '000	4,530,729	3,130,982	1,930,505	1,157,246
	Tonnes sold	1,136,695	1,241,908	1,107,071	1,009,338
	Tonne-kilometers flown (millions)	9,514	10,235	8,934	8,091
	Available tonne-kilometers (millions)	13,757	14,053	13,013	12,316
	Employees worldwide (CV & C8)*	2,539 <i>(as at 31 December 2022)</i>	2,477 <i>(as at 31 December 2021)</i>	2,382 <i>(as at 31 December 2020)</i>	2,263 <i>(as at 31 December 2019)</i>
	Luxembourg	1,888 <i>(as at 31 December 2022)</i>	1,830 <i>(as at 31 December 2021)</i>	1,740 <i>(as at 31 December 2020)</i>	1,640 <i>(as at 31 December 2019)</i>
	Boeing 747-8 freighters (units)	14	14	14	14
	Boeing 747-400 freighters (units)	10	10	10	11
	Boeing 747-400ERF (units)	6	6	6	5

*As of 2021, the headcount of Luxembourg based staff includes reclassified employees. The figures in the column for previous years have been updated to include reclassified staff as well



CORPORATE GOVERNANCE

GRI 2-9
GRI 2-17
GRI 2-18

Tom Weisgerber

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

Wenjie Yang⁴

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

Dirk Becker

Captain,
Director, Staff Representative

Christine Dargan⁵

Manager (Sr) Crew Control,
Director, Staff Representative

Bettina Faulhaber⁵

Manager Sales & Marketing Crew Training,
Director, Staff Representative

Astrid Mosel-Kneip⁶

Director, Staff Representative

Fabien Kowolik⁶

Foreman/MCC,
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

BOARD OF DIRECTORS

Christianne Wickler

Chairman of the Board of Cargolux,
Director

Anouk Agnes¹

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

Jacques Flies²

Ministre plénipotentiaire,
Ministry of State
Director

Giovanni Giallombardo

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

Jianmin Liu

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

Patrick Nickels

Premier Conseiller de Gouvernement
Ministry of the Economy,
Director

Binbin Shi³

General Manager PMO, HNCA
Head of the Culture and Tourism Department, HNCA
Director

Françoise Thoma

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

Dongge Wang

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

COMMITTEES OF THE BOARD OF DIRECTORS

COMPENSATION COMMITTEE

Christianne Wickler (Chairman)

Françoise Thoma

Dongge Wang

Tom Weisgerber

AUDIT COMMITTEE

Patrick Nickels (Chairman)

Binbin Shi³

Françoise Thoma

Tom Weisgerber

Wenjie Yang⁴

¹ Until 17 June 2022

² Since 29 June 2022

³ Since 26 January 2022

⁴ Resigned on 26 January 2022

⁵ Until 27 April 2022

⁶ Since 27 April 2022

**EXECUTIVE
COMMITTEE**

GRI 2-9

P.35

CORPORATE SOCIAL
RESPONSIBILITY

**RICHARD
FORSON**



*President and Chief
Executive Officer*



**MAXIM
STRAUS**

*Executive Vice-President
and Chief Financial Officer*

**DOMENICO
CECI**



*Executive Vice-President
Sales & Marketing*



**ONNO
PIETERSMA**

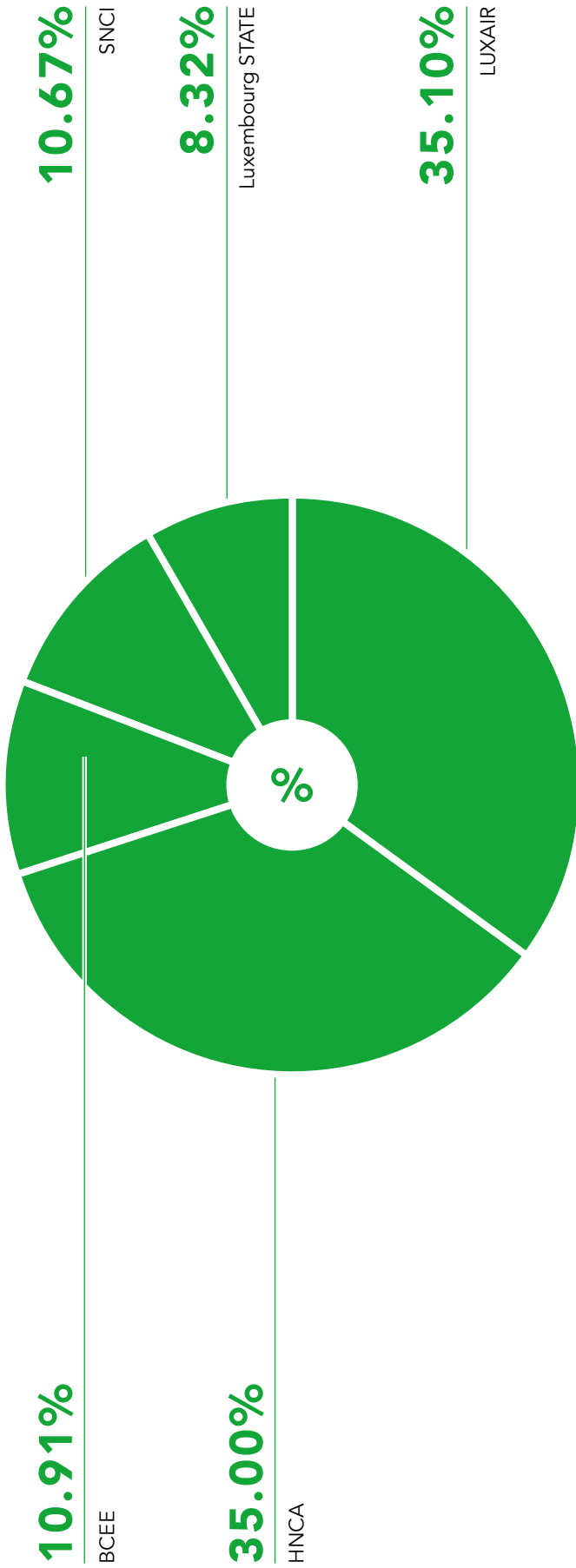
*Executive Vice-President
Maintenance & Engineering*



**CLAUDE
ZEHREN**

*Executive Vice-President
Flight Operations*

SHAREHOLDER STRUCTURE



OPERATIONAL STRUCTURE OF THE ORGANIZATION

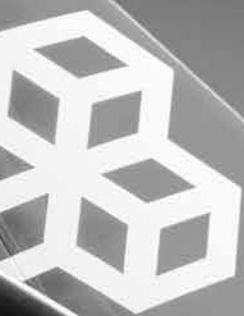


04





**SUSTAINABILITY
GOVERNANCE**



LX-VCC

BOEING 747

370

WT2210

CSR GOVERNANCE

- GRI 2-9
- GRI 2-10
- GRI 2-11
- GRI 2-12
- GRI 2-13

Cargolux has established a dedicated, cross-divisional CSR Committee to manage its growing sustainability-related tasks and responsibilities. The Committee includes representatives from each division and members holding key roles within the company. The group's role is to support the company's commitment to CSR – to identify, prevent, and mitigate actual and potential adverse impacts the company may cause or contribute to throughout its activities and business relationships. It also looks at maximizing positive impacts and seize opportunities. The committee is sponsored by the CEO and chaired by the Head of Corporate Communications and CSR. The committee members have been designated by their EVP.

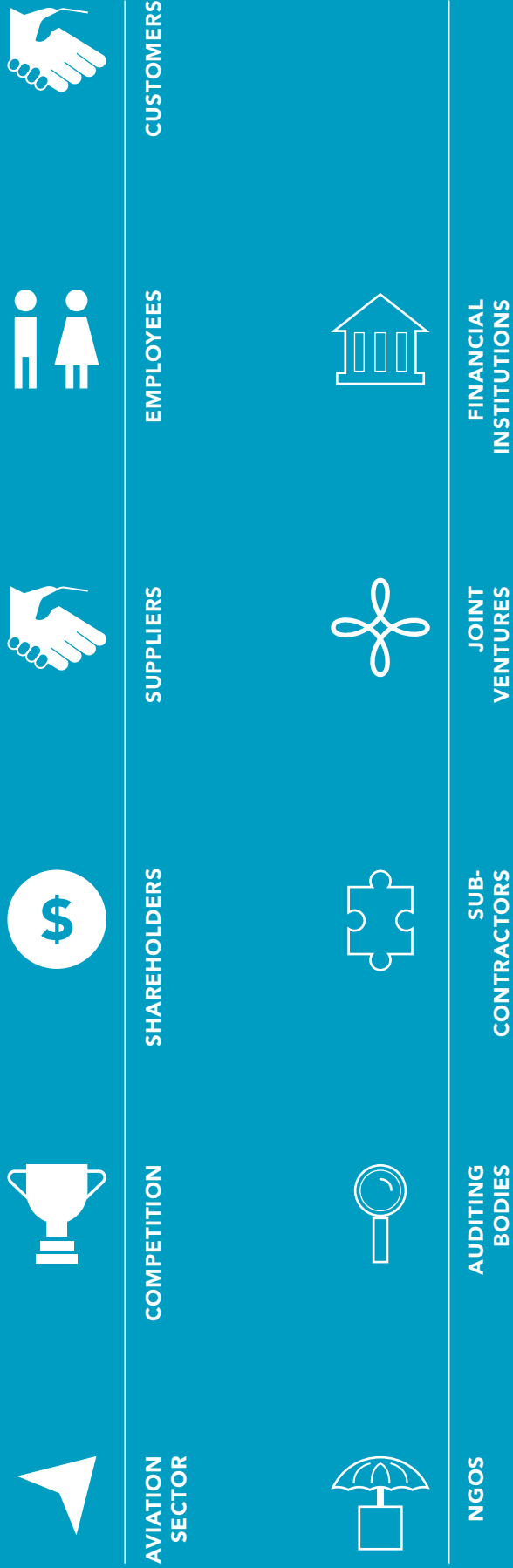
The tasks surrounding CSR matters are becoming more and more numerous as Cargolux increasingly integrates these principles in its strategy. To ensure a thorough approach, all the Committee members are subject matter experts in their fields and share the company's vision of sustainable development. Each representative is responsible for coordinating CSR issues within their area and the Committee aims to meet quarterly in order to discuss ideas, achievements, and goals, and to set mid- to long-term targets within the company's CSR framework. Each board member is also in charge of reporting on yearly activities to ensure the annual CSR Report is complete, informed, and fully accurate.



STAKEHOLDERS

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

GRI 2-29



GRI 2-29



ACADEMIA



COMMUNITIES



SHIPPERS



AUTHORITIES
AND GOVERNMENT



INSURANCE
COMPANIES



TRADE
UNIONS



INSURANCE
COMPANIES

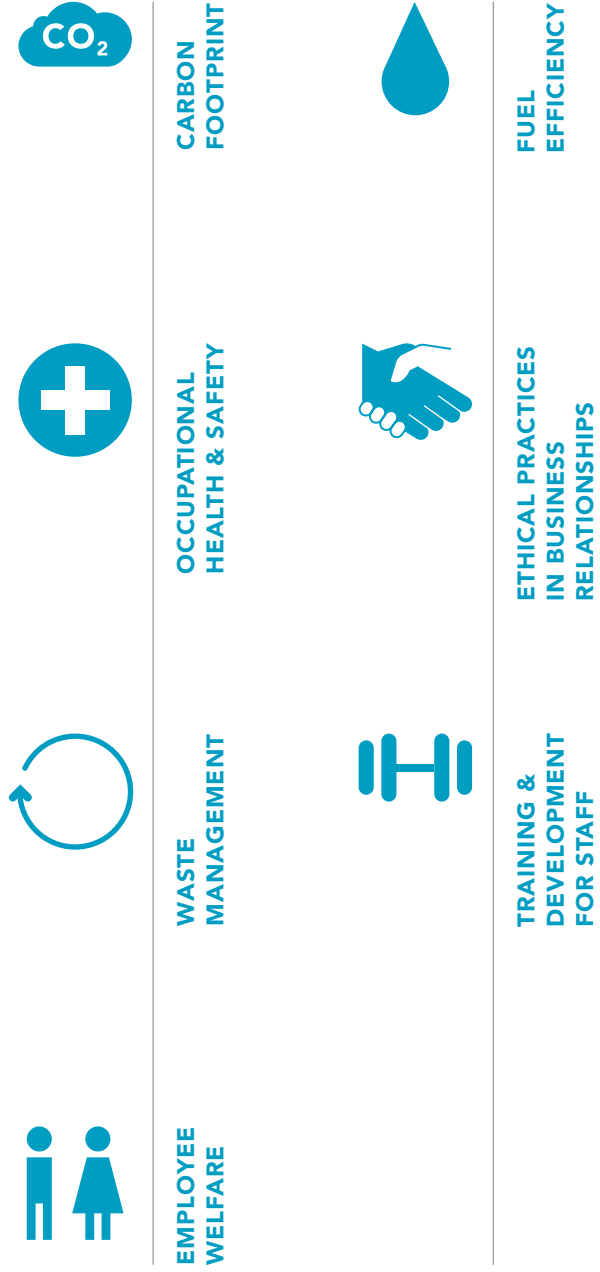


BOARD
OF DIRECTOR

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:^[1]

^[1] to find more about the methodology, see the "About the Report" section.





Q5



**PERFORMANCE
REVIEW**



05.1



ENVIRONMENT AND CLIMATE

Carbon efficiency	50
Carbon footprint	51
Trucking	52
Mobility	54
Fuel savings	54
Noise abatement	56
Waste management	56
Biodiversity & nature preservation	57

ENVIRONMENTAL PERFORMANCE



EMISSIONS

GRI 3-3
GRI 305-1
GRI 305-2

Cargolux is committed to ensure environmentally sound operations and work tirelessly to mitigate adverse effects. As an all-cargo airline serving a global network, Cargolux recognizes its impact and works continuously to identify areas of improvement. With a special focus on environmental protection, the company invests resources and finances to preserve ecosystems, promote animal welfare, and reduce emissions.

CARBON EFFICIENCY

Cargolux aims to be carbon neutral by 2050. Numerous measures have been implemented along the years and as the deadline nears, increasing effort are required within the industry to achieve this goal.

As a responsible corporate citizen, Cargolux strives to minimize its impact while delivering its core mission, flying goods across the world. Heavy loads and long-haul flights coupled with network optimization and flexible operations enable Cargolux to record a high carbon efficiency.

In 2022, despite longer routes and disruptions due to the closure of Russian airspace, Cargolux achieved a carbon efficiency of 0.488 kg CO₂ / FTK. This performance reflects the importance of the airline's sustainability practices and efficiency measures that have been ingrained in its operations.

CARBON FOOTPRINT

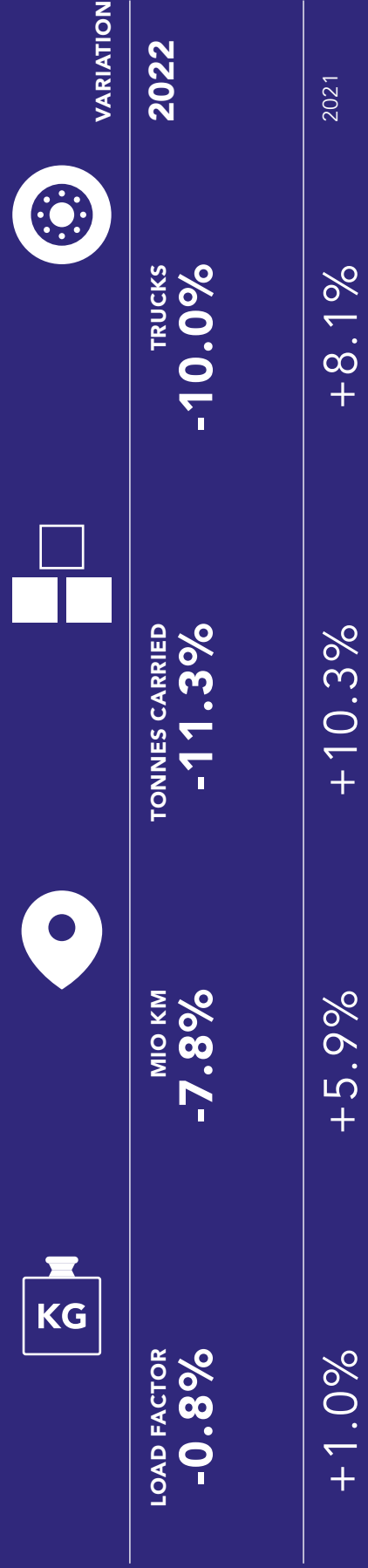


TRUCKING

Cargolux's Road Feeder Services witnessed a decreased load factor in 2022 due to a difficult market environment. The situation was tense throughout Europe with congestion in major European air freight hubs, but Luxembourg was thankfully spared severe disruption. Agile decisions and long-term partnerships with trustworthy RFS providers and GHAs also allowed Cargolux to avoid any considerable disturbance on its trucking network. The pressure experienced over the year required freight to be trucked over longer distances leading to lower mileage overall.

A core focus of the trucking team in 2022 was to analyze how to decarbonize the RFS network through alternative energy sources. Two main contenders are under assessment namely hydrogen- or electricity-powered vehicles. Both options offer different opportunities and disadvantages which must be carefully considered before a decision is taken. The next step, foreseen currently for 2023, is to take part in a trial run with of these solutions on a fixed lane to evaluate its potential viability for Cargolux's operation.

Furthermore, the Truck Management System (TMS) Export project was relaunched. The aim is to optimize trucking resources in the same way it is done on the import side to increase efficiency while lowering emissions. Progress was also made on the new Cargo Management System with the preparation of the blueprint and go-live for the project which is expected to launch in 2023.





OPERATION

9,514 MILLION TONNE-KM FLOWN	150,152 TOTAL BLOCK HOURS (INCLUDING ACMI)	14:36 AVERAGE DAILY A/C UTILISATION	30 NUMBER OF AIRCRAFT	2022
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10.235	152,785	14:48	30	2021
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69.2% OVERALL LOAD FACTOR	1,136,695 TONNES SOLD (INCD. C8)	264,127 PRODUCT TONNAGE (EXCL. CV CLASSIC)	2022
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72.80%	1,241,908	253,089	2021
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GRI 3-3
GRI 305-5
GRI 306-1
GRI 306-2

MOBILITY

The company also encourages employees to adopt flexible and sustainable practices to reduce their own impact.

The corporate vehicle fleet witnessed an overhaul with a strong increase in electric and hybrid vehicles. To further promote this momentum 20 additional charging stations have been installed in the HQ car park in 2022, doubling the amount of dedicated parking spots.

FUEL SAVINGS

Fuel efficiency is a cornerstone of Cargolux's sustainability program and one of the top considerations when it comes to reducing emissions. The dedicated Fuel Saving program outlines 17 different fuel saving initiatives implemented throughout the operation to optimize resources. Since the implementation of the measures, over the years, Cargolux has managed to save over 36,000 tons of Jet A1 fuel since 2017 thus reducing the airline's environmental impact.

Challenges to these measures did arise in recent years with sanitary measures affecting regular operations. Fuel efficiency initiatives were further affected in 2022 with the outbreak of the war in Ukraine which impacted regular operations. The closure of Russian airspace and the absence of layovers in part of the Far East required Cargolux to adapt its network and fly longer routes. One of the main fuelsaving measures, shutting down the APU during ground time, was also suspended for sanitary reasons, to ensure continuous and proper airflow in the cabin.

GRI 3-3
 GRI 305-5
 GRI 306-1
 GRI 306-2

Despite all these hindrances, not only did Cargolux manage not to increase its emissions, it actually managed to slightly reduced them. This remarkable achievement is a reflection of the diligence and efforts deployed to truly integrate the fuel saving measures into every corner of the operation. The fuel efficiency statistics are also published on a dedicated intranet page on a monthly basis, broken down per initiative for better readability.

One important initiative that was put on hold during the height of the pandemic was the development of a dedicated Fuel Briefing Dashboard (FBD). The idea of this platform is to gather tangible facts for a given flight, such as weather conditions en-route, historical fuel requirements, or average traffic along the route or at departure and destination airports. This association of elements can then allow the flight crew to make data-driven decisions regarding discretionary fuel.

Following a series of improvements, the FBD was re-launched in June 2022 yielding a very positive response from crew members. The results are impressive and there is a clear reduction in the amount of discretionary fuel requested since the implementation of the FBD, going below the monthly company target of 1,700 kgs in December 2022.

	2022	2021
Savings from fuel saving initiatives (tonnes)	9,610	6,941
CO ₂ emissions saved (tonnes)	30,271	21,865
CO ₂ efficiency/FTK	0.482	0.463
Lead-free (L)	5,398	5,098
Diesel (L)	18,174	18,844
Diesel (industrial machines) (L)	62,485	55,709

ENVIRONMENTAL PROTECTION

GRI 3-3
GRI 203-1
GRI 306-2
GRI 413-2

NOISE ABATEMENT

Cargolux operates a fleet of 30 Boeing 747 freighters. The engine technology and wing design of the 747-8F reduces the 85db take-off noise footprint of the 747-400F by 30%. Tailored procedures have been introduced to further reduce noise (flaps management, idle reverse thrust, 3-engine taxi-in).

WASTE MANAGEMENT

Waste management is a cornerstone of Cargolux's environmental program and an area of continuous action throughout the company. The waste hierarchy is ingrained in Cargolux's and implemented within the organization through various means. Continuous assessment and analyses ensure all areas of potential improvement are explored and departments and individuals are encouraged to share ideas on the topic.

After an unexpected rise in waste in 2021 due to an incident, the overall amount of waste generated was lower in 2022.

The amount of food waste also decreased despite employees returning on-site full time at the beginning of the year. This results from the provider's continuous monitoring of the nature of the food waste, the analysis thereof and subsequent measures to further reduce waste. Cargolux is committed to keeping waste to a minimum and working with like-minded partners is key to achieving this goal.

Another major undertaking during the year was the introduction of recycled paper throughout the company. All the paper towels and hygienic tissue was replaced by Fiberpack paper, a material made from recycled beverage cartons. Although this initiative may not reduce waste per se, the large-scale replacement will contribute to the savings in terms of CO₂ emissions.

Waste generated from the M&E shops has started to be recorded individually since mid-2022. This record will allow the division to register the nature and amount of refuse produced and analyze the resulting data. This approach will provide clear overview of information throughout the Maintenance & Engineering work environment in order to devise appropriate waste management solutions.

BIODIVERSITY & NATURE PRESERVATION

Several interesting projects were launched as part of Cargolux's commitment to biodiversity. Lux-airport, the owner of the Cargolux premises launched an appeal for members of the airport community to build insect hotels to be installed on the airport grounds. Several Cargolux employees took part in the initiative and built home-made structures from recycled material to provide shelter for the local fauna. The insect hotels were installed in the grassland in front of the Cargolux building and are home to thriving communities of insects. The project was so successful that a second edition is planned for 2023.

As a complement to this initiative, Cargolux in cooperation with Lux-airport, installed 10 beehives on the HQ grounds. The bees provide pollination around the airport and contribute to the environmental balance of the area. The hives also serve as a basis to monitor the flora in the airport vicinity. Indeed, as part of a bio-monitoring study, a dusting of pollen transported by the bees is gathered everyday by a pollen trap placed at the entrance of the hive. These samples are gathered 8 times a year and analyzed 4 times per year to get an idea of the natural environment in the area.

The results of this analysis allow the company to establish a map and identify the nature of the flora year-round and the presence of non-native or invasive species.

The bio-monitoring study also recorded the level of heavy metals and industrial residues in the pollen and the results were highly satisfactory. The evolution of the environment will be analyzed over time and potential areas of action could be identified at a later stage.

As a proud Luxembourg-based company, Cargolux has also entered a long-term partnership with the *Fondation Hellef fir d'Natur* (Help For Nature Foundation) one of the country's best-known nature conservation charities. The company will sponsor an environmental conservation and restoration program over a three-year period. This initiative will help preserve local species and preserve highly valuable habitats.

GRI 3-3
GRI 306-2
GRI 306-3

MANAGEMENT APPROACH

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 hazardous waste.

In addition, large amounts of packing material are used to pack or secure cargo on-board.

Facility Management is the central point of contact for all organizational requirements. Cargolux is committed to good recycling, reusing, and waste management programs.

Certifications: The airline is certified to the **ISO 14001:2015** Environmental Management System Standard; a voluntary standard for effective environmental management.

The **'Superdreckschést fir Betriber'**, a local environmental label is renewed each year (via an audit) and recognizes the organization's good waste management practices in waste avoidance, safe waste storage, selective collection, transparent waste recycling and disposal system.

Paperless operation: Cargolux has a strict no-printing policy for flight 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.

Company-wide measures: digitalization of processes and procedures (e.g., Electronic Flight Bags and crew iPads) removal of single use plastics, and extending recycling schemes yield clear reductions in waste volumes. LED also replace traditional bulbs on the aircraft's vertical fin and wing illumination.

	2022	2021
HAZARDOUS MATERIAL		
Composted (kg)	168,010	134,500
Other (kg)	96,829	289,192
Recycled (kg)	3,444	7,945
Recovered	66,093	
TOTAL	334,375	431,637
NON-HAZARDOUS MATERIAL		
Landfilled (kg)	2,320	-
Other (kg)	151,572	141,151
Recycled (kg)	115,822	123,242
TOTAL	269,714	264,393



SPILLS REPORTED
BY M&E ON P7

2



ACCIDENTAL SPILLAGE
IN CMC / HANGAR

1

2022

0

0

2021



05.2



Compliance & ethics	62
Corporate Digital Responsibility and Cybersecurity	64
Sustainable procurement	65

GOVERNANCE & ETHICS



GRI 2-15
GRI 2-16
GRI 2-23
GRI 2-27
GRI 3-3
GRI 205-1
GRI 205-2

COMPLIANCE & ETHICS

Ensuring a compliant, ethical, and safe business environment is a primary focus for Cargolux. The dedicated Compliance team ensures procedures and processes adhere to regulations, shipments are vetted, and data is handled with care. Both suppliers and customers undergo thorough checks to ensure their values and business procedures are aligned with those of Cargolux.

These extensive screenings proved to be a significant advantage for the company, especially after the war broke out in Ukraine. The solid export controls served as a basis to devise and implement drastic measure to cut all business ties linked to Russian and Belarussians interests. Early on in the conflict, Cargolux took the radical decision to go beyond regulatory recommendations to sever all ties linked, directly or indirectly, to Russian entities.

A vast assessment and background check was conducted to verify all accounts, customers, as well as origin and final destination of goods to ensure no connections could be established. This large-scale endeavor, led by the compliance team, required company-wide collaboration from key departments including Sales and Finance. The extent of the checks reflects Cargolux's strong values and the importance of these principles in business decisions.

This commitment regularly leads Cargolux to reject shipments linked to suspected Human Rights concerns. To ensure adequate coverage throughout the network, a dedicated Suppliers Sustainability Charter was addressed to all General Sales Agents (GSA) working on behalf of Cargolux throughout the network. The document provides information and background on the topic, encouraging the local agents to progress on the subject and devise their processes in line with these best practices. Not only does this safeguard Cargolux's interests, it also helps implement these principles throughout the supply chain for the benefit of all players.

As an advocate for a sustainable and ethical supply chain, Cargolux has also adapted its KYC (Know Your Customer) approach. Potential or existing forwarders that fail the initial KYC assessment are invited to take part in a workshop led by Cargolux, explaining the importance of solid procedures and export controls.

Another considerable undertaking for the team in 2022 was the implementation of a new and improved data governance program. The company-wide initiative aims to delete obsolete information, non-required data and apply a defined retention policy to inform employees of what must be kept and what can safely be disposed of. Each department was required to assess their needs in terms of storage and archiving and streamline their storage process to reduce digital cluttering. In the frame of data governance, a new set of rules was devised and issued to the GSAs targeting commercial data. This overarching approach will enable the company to have a better overview on requirements, cut back on storage, and ultimately reduce CO₂ emissions from our data centers. A data governance training campaign was also launched for both employees and GSA to ensure basic principles are covered.

The team started conducting an internal data protection audit in parallel to ensure GDPR compliance was observed throughout all departments.

A full review was carried out on the donation and sponsorship process to make sure all requests meet the company's values and principles. Guidelines were defined to facilitate the approval/rejection process for moderate demands and increase the checks for more sizable sponsorships.

A dedicated centralized gift and entertainment register was also established for employees, to ensure all provided and received benefits are accurately recorded as required by the company Anti-bribery & Anti-corruption Policy.

GRI 2-25
GRI 2-26
GRI 3-3
GRI 205-2
GRI 205-3

Working closely with the government at its home base in Luxembourg, Cargolux contributed its expertise, as an essential service operator, to the National Regulation Institute (Institut Luxembourgeois de Regulation) to help them draft a regulation for cargo aviation in respect to the implementation of the NIS Directive.

The airline continued cooperating with the government to ensure that shipments with a risk of use against human rights would not transit on board of Cargolux flights through the Grand-Duchy, including military shipments destined to certain countries.

MANAGEMENT APPROACH

As an industry leader, Cargolux has established solid compliance standards and strong export controls. The compliance and ethics department strives to safeguard the company, its employees, and assets through various channels. Solid vetting processes, internal awareness and training campaigns, different channels are explored to ensure all stakeholders work towards minimizing risks. Flagging any ethical or compliance concerns early on allow Cargolux to identify and address challenges in a timely manner and devise appropriate solutions.

Compliance & Ethics: Streamlined, targeted Compliance & Ethics training ensures all actors are well-informed and comply with the company's Code of Conduct & Ethics and all company's policies. This policy includes personal data protection, export control requirements, competition law, fraud prevention, and corruption. The compliance department ensures employees have the means to report any ethical issue or wrongdoings in the most appropriate manner, including by means of a confidential reporting hotline which allows for anonymous reporting. In addition to the compliance consultation desk and the confidential reporting hotline, a dedicated compliance officer is responsible for specific geographical areas.

Solid processes: Responsible business conduct commitments are set forth in the Cargolux Code of Conduct & Ethics which is directly applicable to employees and Cargolux. A dedicated Business Integrity Handbook which is distributed to all CV GSAs, OSSAs and legal representatives to ensure company values are upheld in all business proceedings. All company policies are available on the intranet, for employees, and on the extranet for Legal representatives, GSA, and OSSA.

Anti-trust: The compliance department offers support and guidance to all areas of the organization to avoid any potential violation of competition law through a dedicated compliance consultation desk, review of contracts by applying compliance clauses, and the compliance Training Program. The latter establishes a specific curriculum for the employees, depending on their exposure to the relevant risks, including competition law. This curriculum also applies to CV general sales agents.

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.

Reporting: Cargolux has established a dedicated reporting structure allowing employees to report concerns or seek advice on compliance and ethics-related topics. The majority of reports are on-confidential and managed directly by the compliance department that is responsible for receiving, investigating, and offering remediation measures for each concern. Confidential reporting is channelled through an independent, neutral platform and can be handled anonymously. These mechanisms are fully explained on the company intranet and in training courses.

CORPORATE DIGITAL RESPONSIBILITY AND CYBERSECURITY

As our world becomes ever more reliant on digital processes and IT-based tools, the notion of Corporate Digital Responsibility is emerging as a major concern. The rapid development of technology and hyperconnectivity raises questions about privacy, security, compliance, and work force evolution. To protect assets and data, Cargolux must remain informed on upcoming developments while anticipating areas of vulnerability to avoid any breaches.

Moving into the digital era also requires careful consideration for environmental questions such as emissions and climate change. Committing to net zero emissions for any entity means responsible use, storage, handling, and consumption of data. Reducing the carbon footprint of digitization is one of the major challenges the world faces and it embraces this new chapter.

Cargolux has made great progress in this area and drastically reduced the IT-related CO₂ emissions through the implementation of cloud-based infrastructures, saving 99.8% of our carbon emissions (Scope 1 and 2). A vast data governance campaign was also launched throughout the company to inform users about proper storage and encourage deletion of obsolete documents. This campaign, led in collaboration with the Compliance department, also raises awareness on data protection and handling and how to ensure these are properly managed.

The Corporate Digital Responsibility (CDR) approach favored by Cargolux encourages the application of ethical considerations when it comes to exploring and developing digital tools. Responsible use of technology is favored to manage risks and ensure the organization is safeguarded at all times. A technology such as Artificial Intelligence (AI), for example is applied in limited proportions within the company and its use is clearly defined.

The airline also takes a strong stance when it comes to cybersecurity and has a well-staffed unit dedicated to the task. The infrastructure is entirely internal which ensures complete autonomy when it comes to asset and data security. An extensive roadmap has been devised in line with EASA and ICAO regulations to ensure the highest security standards are applied throughout the company.

Cybersecurity is everybody's responsibility and employees are therefore regularly trained to spot and report phishing attempts. A new tool, Hoxhunt, was introduced in 2022 allowing users to report suspicious emails straight from their mailbox. It also provides interactive micro-trainings after each report to empower employees and make them aware of their individual responsibility when it comes to cybersecurity. Each report contributes to continuous improvement in incident response and defense.

In preparation for the introduction of the 777-8F, Cargolux created a dedicated aviation information security specialist position. The new aircraft model will feature advanced technology and new means of communication which will require updated regulatory standards and updated processes. This position will ensure collaboration between all required departments to ensure the aircraft can be seamlessly integrated into Cargolux's operations.

MANAGEMENT APPROACH

Management strongly supports the digital transformation as a key pillar to long-term sustainability and ensuring data integrity is of utmost importance. Processes and procedures are continuously analyzed and reviewed to identify areas of improvement.

SUSTAINABLE PROCUREMENT

As an all-cargo carrier, Cargolux plays a key role in establishing a sustainable and ethical global supply chain. It is therefore a given that this responsible mindset is extended to its own procurement processes. In order to conduct its business, the company works with over 640 suppliers worldwide who provide a wide range of products and services. To ensure best practices are upheld, regular tenders are conducted, contracts are checked, and measures are implemented to reduce bribery risks and minimize exposure throughout the network.

One of the main projects for the Procurement department in 2022 was planning and preparing the launch of the new e-procurement tool, Zycus for the go-live in January 2023. The digital procurement platform offers a complete overview of the procurement process, enhanced transparency, and easily traceable audit trail. Throughout the year, the team worked in close collaboration with numerous internal and external stakeholders to ensure a smooth roll-out. The meticulous planning included targeted communication, detailed training material, organized cut-over activities, and extensive user support.

The launch was successful, and users can now enjoy a more user-friendly platform and additional functions to simplify the procurement process. For those working with it, the tool offers significant advantages such as increased procurement control and accountability as well as direct involvement of relevant parties at every step of the process. This allows for more streamlined transactions for both end-users and operators.

The introduction of this new procurement tool was also the opportunity to review and update the purchasing policy. The aim is to better guide employees through the process and include considerations about sustainable procurement. A new Signature & Approval policy is under development to improve and facilitate the internal approval process. This document intends to involve stakeholder at an early stage in the approval process and align the internal thresholds with the underlying exposure for the organization.

Although 2022 brought its load of challenges with supply chain issues due to both sanitary restrictions in the Far East and the War in Ukraine, Cargolux worked to mitigate these effects on operations. Early on in the year, the procurement team proactively contacted suppliers to get a clear overview of the situation and expectations for supplies in the future. When required, safety stocks were increased, and no major disruptions occurred. The main impact of this situation was the constant price increases for procured goods. This economic factor, coupled with the ease of sanitary measure and a decrease in commercial activity for Cargolux explain the considerable 14% decrease in overall orders placed throughout the year.

MANAGEMENT APPROACH:

Procurement policy: a dedicated set of guidelines ensure each department procures its required goods and services through a consistent and vetted process. 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. The policy also ensures all regulatory requirements are complied with, ethical and sustainable standards are upheld to safeguard the company.

P.66

CORPORATE SOCIAL
RESPONSABILITY

GRI 2-23
GRI 2-24



3,099
COMPLIANCE CONSULTATION
DESK INQUIRIES ANSWERED

3
STATION
VISITS

73
DUE
DILIGENCE CHECKS

2022

2,409

1

121

2021



1,885
TRAINED
PERSONNEL

0
INCIDENTS OF
CORRUPTION IDENTIFIED

2,157
TOTAL PARTICIPANTS
COMPLIANCE TRAINING

2022

2,437

0

2,756

2021

KYS process: Cargolux ensures a consistent and standardized vetting process for its suppliers. The KYS process being carried out by Cargolux Procurement Department for all general purchasing suppliers and, on the other hand, by the Compliance Department for all other suppliers. 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.

Compliance: The compliance department regularly conducts due diligence exercises and formal reviews, with key procurement departments (Fuel, Ground Handling, Sales Dept for General Sales Agents...). 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.

The compliance team carries out as well investigations and audits when a compliance risk is identified and ensures the continuous monitoring of certain internal activities, such as invoices and payment transactions, expense reports etc.

Local sourcing: Almost 80% of all services and goods procured by Cargolux are sourced from local suppliers. The airline is a strong advocate for its community and is intent on promoting local talent and expertise throughout its operation. Cargolux considers as local suppliers all those partners located in the Luxembourg Greater Region, i.e., Wallonia (BE), Lorraine (FR) and Saarland & Rhineland (DE).

	2022	2021
Number of vendors	642	624
Local	332	328
Number of orders	2,949	3,438
Local	2,308	2,720
Orders made with local suppliers	78%	79%
Oder value of local procurement	51%	53%

05.3



Sharing value with communities	70
Engaging locally and beyond	70
Our people	72
Talent attraction	76
Young talents	78
Talent development	78
Health & Safety	80

SOCIAL ENGAGEMENT



GRI 3-3
GRI 203-1

SHARING VALUE WITH COMMUNITIES

As a major cargo carrier based in Luxembourg, Cargolux is strongly committed to both supporting local community action and contributing to initiatives abroad. From leveraging its expertise to monetary donations or in-kind assistance, the airline supports a variety of projects from sports and health to arts and culture. In line with its values, Cargolux ensures that its support goes to different structures, from local youth clubs to international organizations and government entities.

Cargolux is a vibrant contributor to the economic scene at its home base in Luxembourg where it supports employment related to its activities. In addition to its own operation, the organization helps to develop the logistics industry in the Grand-Duchy and creates value for local commerce through procurement, commercial exchanges, and partnerships.

A strong advocate for team spirit and charitable actions, Cargolux encourages employees to build ties with their business and social communities. Staff members are encouraged to seek support from the company and promote any endeavors they are taking part in. Cargolux is convinced that as a team, we can help to create a healthier, sounder, and better future for all.

ENGAGING LOCALLY AND BEYOND

Once again, this year, Cargolux took part in numerous projects to different degrees both locally and abroad. The airline was a sponsor of the Luxembourg pavilion at the Dubai World Expo, providing Free of Charge (FOC) shipments for the event. This initiative contributed to showcasing Luxembourg's rich cultural and economic environment to the world.

A proud supporter of Luxembourg's heritage, the airline also supported Esch European Culture Capital 2022. The initiative put the grand-Duchy's city in the spotlight with events promoted throughout the region.

Cargolux was also the main sponsor of Luxembourg-based charity "Letz go Gold", an annual charity run that is organized on behalf of Fondation Kriibskrank Kanner, an organization that helps children suffering from cancer. The event is part of the social calendar in Luxembourg for both individuals and corporate teams. Each participant pledges to raise 200 EUR ahead of the race which helps to promote the event and encourages donations.

The airline has a known history of advocating causes close to its heart so when the war broke out in Ukraine, Cargolux took a stance. The company donated a total of 3.5 million USD to help humanitarian aid in the countries and refugees abroad. Following the UN's emergency appeal for 1.7 billion USD for humanitarian support, Cargolux donated 1 million USD to each UNICEF and UNHCR and an additional USD 500.000 to Médecins Sans Frontières (MSF). The remaining 1 million USD was distributed to local initiatives at Cargolux's home base in Luxembourg.

Once again in 2022, the airline held a garage sale giving employees the opportunity to purchase unused company furniture, re-conditioned IT equipment, and various other items. The proceeds were donated to a total of 8 different Luxembourg-based charities, each involved in a different field of action.

MANAGEMENT APPROACH:

Cargolux in Luxembourg: 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.

Cargolux stations: Intent on advocating community 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.

Long-term partnerships: Cargolux has long-standing agreements with Luxembourg's Museum of Modern Art (MUDAM) and several other cultural outfits to transport exhibitions Free of Charge. The airline also transports products from various countries for the annual Internal Bazaar in Luxembourg. This important cultural gathering includes scores of international stalls a wide of countries who sell their national specialties, many of them imported by Cargolux, for this good cause. As an economic driver in the Grand-Duchy, it is important for Cargolux to contribute its expertise and act as an enabler for cultural exchanges.

Employee initiatives: Cargolux strongly advocates team spirit and, whenever possible, supports its employees in their community engagement and charity endeavors. Cargolux recognizes the value of supporting local and global community events that work to create a healthier, sounder, 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.

Human Factors – Pilot Peer Support Program:

Cargolux's dedicated Pilot Peer Support Program 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. Affected pilots can seek advice and/or help 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.

GRI 3-3
GRI 401-1

OUR PEOPLE

As a cargo carrier operating on a global network, Cargolux requires a wide array of different profiles to conduct its business. The airline values its workforce and is intent on recruiting talented and dedicated professionals to match the unique company spirit. In addition to its own employees, the airline supports numerous jobs in industries related to its activities such as freight forwarding, storage facilities, or ground handling.

The Cargolux team is continuously growing both at its home base in Luxembourg as well as in its stations abroad. Flexibility is a key consideration for the airline that has developed a considerable continuous learning program enabling staff to work on their skills and evolve in their careers. In line with its long-term vision, Cargolux strongly believes in giving opportunities to young talents and recent graduates. This approach, along with mentoring and training schemes allows Cargolux to future-proof the company and promote long-term sustainability.



9%
TOTAL RATE
OF NEW HIRES

4%



1,888
STAFF AT HQ
IN LUXEMBOURG

1,830



2,539
STAFF WORLDWIDE

2,477

2022

2021

GRI 2-7
 GRI 2-8
 GRI 401-2



49
 TRAINING HOURS
 PROVIDED TO
 EACH EMPLOYEE



283
 STAFF ON
 PART-TIME CONTRACT



2,428
 STAFF ON
 PERMANENT CONTRACT

2022

55

257

2,363

2021



429
 APPRAISAL PROGRAM:
 STAFF RECEIVING REGULAR
 PERFORMANCE AND CAREER
 DEVELOPMENT REVIEWS



8
 EDUCATIONAL LEAVE

2022

409

0

2021

GRI 2-23
GRI 2-24
GRI 2-30
GRI 3-3

EMPLOYEE ENGAGEMENT

To provide employees and prospective candidates with optimal service, the Cargolux HR department is in the midst of a profound transformation. The aim is to provide a common approach throughout the company, regardless of geographical location while ensuring standardized yet flexible agile procedures. The entire IT structure will be overhauled to support this initiative. Launched in 2022, the HR transformation is expected to be completed in the third quarter of 2023 and the IT infrastructure, the Human Capital Management software/tool, will be effective between 2024 and 2025.

The benefits will be twofold, on the company side, HR will act as a strategic partner and business enabler. Each department will have a dedicated point of contact allowing for better overview and streamlined procedures. On the employee and candidate side, a dedicated center of expertise will be established with a focus on talent. This will enable the company to map requirements, identify gaps, and cover any future requirements. This people-centric approach will expand support service throughout employees' career within the company.

An employee engagement survey was also conducted in 2022 to gather the current climate within the company and address any concerns that emerge. Over half of the workforce worldwide answered the questionnaire and took the opportunity to express their opinion. More than 2,250 comments received regarding all areas of the business. Both the quantitative and qualitative data gathered through the survey were analyzed to devise action plans both on a divisional and cross-divisional level. Moreover, several focus groups are planned to investigate topics of concern, discuss viable solutions, and set out a roadmap for the coming year.

DIVERSITY & INCLUSION

Cargolux has a diverse and multi-cultural workforce that fosters open-mindedness and positively contributes to the corporate culture. The company is committed to ensuring equal opportunities in the workplace and promotes a just environment. The Collective Working Agreement and the code of conduct and Ethics of Cargolux have long included a section on anti-harassment measures. As an additional step, a dedicated anti-harassment and non-discrimination policy was defined in collaboration with staff representatives.

A vast anti-harassment and non-discrimination support campaign was launched in 2022 to raise awareness and re-affirm Cargolux's position on the topic. The initiative included a dedicated and mandatory e-learning on Workplace Harassment & Discrimination for Luxembourg-based employees. A visual internal communication campaign was deployed in parallel to promote the message. The anti-harassment and non-discrimination policy will officially enter in force when all the foreseen training has been completed.

Cargolux has been committed to the Actions Positives program since 2021 when it launched a gender equality survey in collaboration with Luxembourg's Ministère de l'Égalité entre les hommes et les femmes (Ministry for Equality between Men and Women). The findings of the survey combined with the results of the 2022 Employee Engagement survey has led to the definition of 7 priority actions in the gender-equality field that will be implemented in the near future. These cover 3 major areas: equal treatment between women and men, gender equality in decision-making, and gender equality in work-life balance

MANAGEMENT APPROACH

Employment – Cargolux is committed to ensuring adequate and sufficient staffing in all areas of the business and witnesses a continuous growth in the workforce. The number of retirements is continuously monitored to avoid any gaps or knowledge loss in the company. A dedicated succession planning and mentoring program has been established to support the transmission between senior and younger generations of employees.

Labor Management Relations – A Collective Bargaining Agreement regulates the working conditions of employees based in Luxembourg. Additional HR policies cover Discipline, Just Culture, Company car, Substance abuse, Anti-harassment and non-discrimination and a Code of Conduct & Ethics.

Non-discrimination – The Cargolux workforce counts 71 nationalities spread across a global network creating a multi-cultural environment. All generations are represented across the staff fostering cross-pollination of ideas and flexibility. Although gender balance is a challenge given some of the positions are historically male dominated, the impartial recruitment process ensures any person can apply to open positions. Any vulnerable worker, or staff member who can no longer work in their original role for health reasons, are offered reclassification within the company according to their skills and abilities.



GRI 401-2
GRI 405-1

TALENT ATTRACTION

Cargolux offers a diverse and multi-cultural work environment requiring a wide range of talented individuals. From highly specialized mechanical and engineering positions to experienced flight crew members as well as a variety of sales and administrative jobs, the airline needs a wide array of profiles to operate smoothly.

The company enjoys a solid and sustained interest on the job market, particularly at its home base in Luxembourg. Employees' positive ambassadorship and Cargolux's prime position in the Grand-Duchy's business landscape regularly position it as a leader in national employer attractiveness rankings.

The airline continues to benefit from the positive image it garnered throughout the pandemic period as an essential business, delivering vital supplies where they are most needed. This coverage allowed Cargolux to reach a population of potential employees that might have previously considered the company as an employer geared towards aviation or logistics specialists. Cargolux intends to build on this and establish itself as perennial option for people on the job market.

To do so, and as part of a vast HR transformation project, an extensive Employer Value Proposition (EVP) analysis was launched to determine what Cargolux is like as an employer and commitment it makes to its workforce. The study, conducted in collaboration with an external partner, revealed four cornerstones that will serve as foundation to both consolidate the company spirit for employees and build an external employer branding campaign.

WOMEN AT CARGOLUX	2022	2021
Women worldwide	476	449
At HQ	276	253
At the stations	192	188
Cargolux Italia	8	0
Permanent contract worldwide	457	434
Part time worldwide	63	66
Member of executive management	4	4
Member of senior management	0	0
Female pilots	24	21
Women on Board of directors	3	6
Percentage of staff is female	19%	18%

GRI 401-1
GRI 401-3



TURNOVER

	2022
2% OVER 50	6.11% TURNOVER RATE WORLDWIDE
7% 30-50	7% MEN
16% UNDER 30	12% WOMEN

	2021
5.5%	5.5%
4.5%	4.7%
10.5%	8.7%



PARENTAL
LEAVE

	2022
8 WOMEN	80 MEN

	2021
13	54

GRI 3-3
GRI 401-1
GRI 403-5

YOUNG TALENTS

As a company with a long-term vision of sustainable growth, recruiting and training young talents is a primary focus for Cargolux. The organization believes in reaching out and meeting young professionals in their own environment.

There is therefore a keen interest in taking part in job fairs, educational visits, and online events.

The strong sanitary measures in place at the beginning of 2022 adversely affected these events but Cargolux still managed to take part in several initiatives. Cargolux was present at 7 Job Days, dedicated recruitment, and awareness events that allow companies to present themselves as interesting potential employers. These open forums take place at various locations across the country and allow employers to hold stands and meet suitable candidates. They have proved a popular means of getting in touch with local jobseekers and enhance our visibility as a prime employer for young talents.

The Recruitment team welcomed 2 visitor groups from schools at the company headquarters to explain our business and generate interest from students. The airline also had a number of interns both short and long-term in different department across the company as well as several students over the summer months.

One of these visits was part of a wider initiative "Digital Challenge" launched by IMS Luxembourg (the national Sustainability network) and the CARE charity in the framework of their project to help young people define career paths. The aim was to present a challenge to a group of 5 high school students encouraging them to work together to define solutions. Cargolux's defined theme was "How to create effective synergies between experienced and younger employees?". As part of the project, the airline hosted a workshop including other companies involved in the Digital Challenge and organized a visit of the Maintenance Center.

The partnership with Jobteaser, a career network for students and alumni, that was launched in 2021 continues to be successful. The platform allows Cargolux to post its job openings on the internal websites of over 700 educational institutions worldwide opening many interesting opportunities. The endeavor has yielded both candidates and even some recruits who joined the Cargolux team.

TALENT DEVELOPMENT

As an all-cargo carrier operating on a global network, Cargolux requires a wide number of skilled individuals to operate optimally. The dedicated training departments are crucial parts of the organization that ensure employees receive the training they require to perform to the best of their ability. Corporate Training offers a broad course catalog from compulsory regulatory training to soft skills, technical, or language classes, enabling employees to develop their skills.

Following the implementation of a new Learning Management System (LMS) in 2021, the focus of the year 2022 was to enhance the quality of training and develop the tool to match the needs of the company. The tool was also reviewed to enable further automation for the management of qualifications and certifications. Guidelines on use of authoring tools were developed for instructional designers to further improve e-learning modules and standardize courses across the course catalog.

In line with this philosophy of continuous improvement, some existing courses were refined while some new ones were launched to match the evolving needs of the company. The day-long induction course for new joiners in Luxembourg was adapted and the visit of the Maintenance Center was re-instated after a hiatus due to covid. A digital Employee Handbook geared towards Luxembourg-based staff was issued to provide practical and administrative information on internal

processes and procedures. A brand-new virtual classroom induction was also launched for recent hires at stations for enhanced on-boarding. These introductory courses allow new employees to better grasp the vision and mission of the company as well as operational and commercial specificities.

Given the international and unique nature of the company, there is always something new to learn and discover about the operation. A comprehensive library of optional learning resources was therefore made available to all employees offering content from across the organization in one easy-to-browse location. In an effort to increase accessibility to learning resources, a dedicated space equipped with computers and Wi-Fi was created for line mechanics in an easily accessible location.

An anti-harassment e-learning was launched to raise awareness about the issue and ensure employees are informed about the company's stance on the matter. The course was introduced at the same time as an internal campaign highlighting the topic. Critical OHS trainings were re-designed to incorporate features of the new HQ. The First Aid training was also reviewed to incorporate specific practices, procedures, and to consider the environment we work in. The response from participants was highly positive.

One area that required consideration in 2022 was the development of learning material tailored to the Sales Transformation project. To cater for changing processes, a commercial induction program was launched targeting all new joiners within the Sales & Marketing and Commercial Planning division. A dedicated Products Academy as well as a Sales Glossary were released to bolster knowledge in this critical field of business.

Another major transformation project that required the support of Corporate Training is the upcoming implementation of a new cargo management tool.

This required the department to support the project team in sourcing, organizing, and testing dedicated eLearning material on the LMS to ensure easy and user-friendly implementation ahead of the system's launch in 2023.

MANAGEMENT APPROACH

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, as well as on-the-job training. Cargolux acknowledges that this is a pillar in attracting, retaining, and developing talent, which impacts its success. It is Cargolux's belief that every person working for the company should have equal access to timely training support.

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. The dedicated Educational Leave & Sponsorship Policy allows employees to request financial sponsorship for their studies.

Cargolux is committed to ensuring that every person working for the company has the opportunity to develop their job-related skills and personal competencies both to enhance their contribution to the company and to bolster their lifetime employability.

Each employee in a managerial position considers the effective management of training activities as a fundamental part of their role and supports their team members' training requirements. Individuals share the responsibility for maintaining and developing their job-related skills and personal competencies in a changing business environment. Regular reviews of training needs will be undertaken at company and individual level.

GRI 3-3
GRI 403-1
GRI 403-2
GRI 403-3
GRI 403-4
GRI 403-5
GRI 403-6
GRI 403-7

HEALTH & SAFETY

Occupational Health & Safety (OHS) is a core component of the corporate philosophy and Cargolux strives to promote a healthy and safe work environment. The OHS team is highly active in the company, conducting inspections and gap analyses to identify areas of potential improvement. In addition to the regular OHS tasks, the team has been highly solicited since the outbreak of COVID-19 to manage the challenges of the global pandemic.

The first quarter of 2022 was still heavily influenced by sanitary restrictions especially at Cargolux's home base in Luxembourg where the government imposed stringent measures to curb the spread of the virus. In order to enter any publicly accessible building, including private companies, individuals were required to show a sanitary pass attesting either complete vaccination schema or proof of a negative test.

The implementation of this measure throughout company premises was a colossal logistical enterprise. Employees who were in a position to work from home were required to do so whereas those whose presence was needed on site had to submit to the sanitary check every day. Testing options had to be implemented for those requiring them on a daily basis, so a new dedicated testing center was built up and opened outside the cargo warehouse in addition to the facility at the HQ and at the airport. The testing center was open not only to Cargolux employees but also to the Ground Handling Agents to ensure business continuity during this busy and challenging period. The new structure was also active 24/7 to cater for shift workers and required the hiring of additional nursing staff from 15 January to 31 March.

The situation continued to be monitored worldwide to ensure minimal exposure and risks for crew members and adapt crew layovers if required. The presence of a nurse at the airport was increased to allow pilots to test before or after a rotation. PPE and self-tests were also made available in this dedicated facility to ensure maximum protection for crew during their trips abroad. The OHS team also coordinated closely with Global Logistics to provide assistance in stations across the globe when needed.

To ensure maximum protection for employees, the testing center at the HQ also remained open throughout the year to provide anti-genic and PCR test upon request. Self-tests for personal use were also distributed both at the home base and in stations worldwide to ensure staff could monitor themselves and their families. Surgical masks were also available for employees to pick up at the end of the year as part of a dedicated Covid kit. A large number of surgical masks were also donated to organizations in Luxembourg and the Greater Region.

As of March, the measures were eased, and employees returned to the workplace which was still subjected to a series of sanitary rules. Following an intense covid-related first half of the year, all remaining sanitary measures applied at the home base were lifted mid-June. Cargolux was one of the only companies in Luxembourg that applied sanitary measures longer than the government recommendation.

One of the key issues highlighted by the pandemic, not only in the workplace but throughout society, is the importance of mental health. Following the implementation of psychological support at the HQ, the company decided to go one step further and integrate mental health support at the core of its mission. This initiative ensures certain key employees in the company are trained to recognize, directly or indirectly, any risk behavior among their peers and take appropriate action to prevent mishaps.

GRI 403-9
GRI 403-10

The goal is to promote preventive action and create a trustworthy network to address any mental health related concerns in the organization.

As a champion for health and safety awareness and proactive / preventive actions, Cargolux takes an active role in the new airport community OHS committee that includes all airport stakeholders. The aim of this working group is to better identify and mitigate any risks in the airport area and consolidate actions to limit risk as much as possible throughout the premises. As a major player in airport operations, Cargolux is intent on contributing its expertise and provide transparency about its activities to ensure optimal safety for airport community employees.

As part of this transparency effort, following a request from the government's workforce in relation to the use of hazardous substances, Cargolux welcomed inspectors on its premises to certify that it is compliant with the use of hazardous substances in our risk areas.



23,804
LOST DAYS
FOR SICKNESS

878
LOST DAYS
FOR ACCIDENTS

2022

2021

14,528

467

GRI 403-8
 GRI 403-9
 GRI 403-10

MANAGEMENT APPROACH

The OHS team works in close collaboration with departments across the company to ensure optimal working conditions throughout the organization. OHS follows ISO 45001 guidelines which include hazard management throughout the organization for Luxembourg-based employees. The OHS management system is fully detailed in the OHS manual which is available on the intranet for all employees to consult. The management system was developed in alignment with the ISO 45001 standard which is applied to all processes and explains the scope of the department's activities.




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 issues is based on meaningful dialogue informed by the Cargolux focus on staff and asset safety.

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. Employees are actively encouraged to report any potential risk area, near-miss, incident, or area of potential improvement.

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

	2022	2021
Number of incidents	63	54
Internal	48	35
External	15	19
Lost days	878	467
Accidents	7,134	2,654
Sickness	23,804	14,528

COVID-RELATED FIGURES

		2022	2021
	Rapid tests done on-site	7,013	13,700
	PCR tests done on-site	4,095	10,000
	FFP2 masks distributed	24,000	12,000
	FFP2 masks donated	95,000	0
	Surgical masks distributed	178,000	1.1 million
	Surgical masks donated	377,000	1.2 million
	Sanitizers distributed	3,300	16,000
	Sanitizers donated	56,700	0
	Packs of wipes distributed	12,000	54,000
	Covid kits	1,500	6,000
	Self-Tests distribution to staff	105,170	33,020
	Self-Tests distribution for the operation	14,330	0



cargo





LUXAIR

SPOT 2



APPENDICES



GRI 2-7
GRI 2-8
GRI 401-1
GRI 401-3

NUMBER OF STAFF		2022	2021	2020
	Worldwide**	2,539	2,477	2,382
	Female	476	N/R*	N/R*
	Male	2,063	N/R*	N/R*
	Permanent contract	2,428	2,363	2,286
	Newly hired	231	220	222
	CWA (LUX)	1,594	1,553	1,457
	Turnover	6.11%	5.5%	N/R*
PARENTAL LEAVE (LUX)				
	Parental leave entitlement	494	466	397
	Parental leave started in the reporting year	88	67	49
WOMEN AT CARGOLUX				
	Women worldwide	476	449	434
	At HQ	276	253	N/R*
	at the line stations	192	188	N/R*
	Cargolux Italia	8	N/R*	N/R*
	Permanent contract worldwide	457	434	420
	Part time worldwide	63	66	64
	Member of executive management	4	4	3
	Member of senior management	0	0	0
	Female pilots	24	21	20
	Women on Board of directors	3	6	4
	Percentage of staff is female	19%	18%	18%



* Metric has been changed from previous reporting years

** As of 2021, the headcount of Luxembourg based staff includes reclassified employees. The figures in the column for previous years have been updated to include reclassified staff as well

GRI 401-3
 GRI 403-9
 GRI 403-10
 GRI 404-1

		2022	2021	2020
ABSENTEEISM 	Lost days for accidents	878	467	383
	Lost days for sickness	23,804	14,528	15,331
	Maternity leave	5,416	7,206	5,316
OCCUPATIONAL HEALTH & SAFETY 	Workers covered by an H&S management system	1,827	N/R*	N/R*
	Number of injuries (accidents)	63	54	49
	Internal	48	35	30
	External	15	19	19
TRAINING 	Number of training hours per employee	49	55	53

ENVIRONMENT




		2022	2021	2020
GRI 301-1	GRI 305-1			
GRI 301-2	GRI 305-2			
GRI 301-3				
MATERIALS				
	Wood (in tons)	2,312.6	2,611.2	2,050.3
	Cargo plastic (in tons)	174	N/R*	N/R*
	Paper (DIN A4) (in tons)	12.8	16.59	13.80
EMISSIONS				
DIRECT EMISSIONS: (SCOPE 1)				
	CO ₂ emitted by aircraft (tonnes)	4,639,145	4,743,200	4,308,983
	CO ₂ emitted by GSE vehicles (tonnes)	61,3	62	62
INDIRECT EMISSIONS: (SCOPE 2)				
	Facilities	2,169**	2,604***	2,524

* Metric has been changed from previous reporting years

** The scope 2 emissions calculation has been expanded to include an additional diesel fueling station for 2022

*** The scope 2 emissions calculation has been expanded to include diesel fueling station heating for 2021 to ensure the consistency with the methodology

GRI 302-1 GRI 302-4 GRI 306-4
 GRI 302-2 GRI 302-5 GRI 306-5
 GRI 302-3 GRI 306-3

		2022	2021	2020	
CONSUMPTION					
	Water (m ³)	10,007	9,367	9,947	
	Electricity (kWh)	6,197,109	6,058,824	6,107,273	
	Compressed air (m ³)	771,797	1,055,324	1,227,533	
FUEL					
	Jet A (tonnes)	1,472,745	1,505,778	1,367,937	
FACILITIES					
	Natural gas (heating; paint cabins; BHKW)	953,825	1,132,363	1,034,443	
	Fuel (Heating systems for Lorang building)	na	27,500	76,274	
	Fuel (sprinkler pumps)	4,696	5,900	3,999	
GSE VEHICLES					
	Industrial Fuel (ltrs)	62,485	55,709	56,469	
	Diesel (ltrs)	18,174	18,844	17,674	
	Unleaded Gasoline 95 (ltrs)	5,398	5,098	6,125	
WASTE					
HAZARDOUS MATERIAL					
	Composted	168,010	134,500	164,250	
	Other	96,829	289,192	142,466	
	Recycled	3,444	7,945	378	
	Recovered	66,093	-	-	
	TOTAL	334,375	431,637	307,094	
	NON-HAZARDOUS MATERIAL				
	Landfilled	2,320	-	-	
	Other	151,572	141,151	63,783	
	Recycled	115,822	123,242	93,888	
	TOTAL	269,714	264,393	157,671	

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.

GRI CONTENT INDEX



Statement of use Cargolux has reported in accordance with the GRI Standards for the period 01/01/2022 to 31/12/2022.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standard(s) NA

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

GENERAL DISCLOSURES

GRI 2: General Disclosures 2021	2-1	Organizational details	p. 24	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	2-2	Entities included in the organization's sustainability reporting	p. 10			
	2-3	Reporting period, frequency and contact point	p. 10			
	2-4	Restatements of information	p. 10			
	2-5	External assurance				
	2-6	Activities, value chain and other business relationships	p. 24			
	2-7	Employees	p. 73, 86			
	2-8	Workers who are not employees	p. 73, 86			
	2-9	Governance structure and composition	p. 34, 35, 36, 41			
	2-10	Nomination and selection of the highest governance body	p. 41			
	2-11	Chair of the highest governance body	p. 41			
	2-12	Role of the highest governance body in overseeing the management of impacts	p. 41			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE		LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
	2-13	Delegation of responsibility for managing impacts	p. 41				
	2-14	Role of the highest governance body in sustainability reporting	p. 10				
	2-15	Conflicts of interest	p. 62				
	2-16	Communication of critical concerns	p. 62				
	2-17	Collective knowledge of the highest governance body	p. 34				
	2-18	Evaluation of the performance of the highest governance body	p. 34				
	2-19	Remuneration policies		Not reported for confidentiality reason			
	2-20	Process to determine remuneration		Not reported for confidentiality reason			
	2-21	Annual total compensation ratio		Not reported for confidentiality reason			
	2-22	Statement on sustainable development strategy	p. 6, 7				
	2-23	Policy commitments	p. 62, 65, 66, 74				
	2-24	Embedding policy commitments	p. 65, 66, 74				
	2-25	Processes to remediate negative impacts	p. 63				
	2-26	Mechanisms for seeking advice and raising concerns	p. 63				
	2-27	Compliance with laws and regulations	p. 62				
	2-28	Membership associations	p. 28-31				
	2-29	Approach to stakeholder engagement	p. 42-43				
	2-30	Collective bargaining agreements	p. 74				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

MATERIAL TOPICS

GRI 3: Material Topics 2021	3-1	Process to determine material topics	p. 10-17	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.		
	3-2	List of material topics	p. 18-19			

LOCAL COMMUNITY INVESTMENT

GRI 3: Material Topics 2021	3-3	Management of material topics	p. 70				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	p. 56, 70				

ETHICAL PRACTICES IN BUSINESS RELATIONSHIPS

GRI 3: Material Topics 2021	3-3	Management of material topics	p. 62-65				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	p. 67				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	p. 62				
	205-2	Communication and training about anti-corruption policies and procedures	p. 62-63				
	205-3	Confirmed incidents of corruption and actions taken	p. 63				
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 64				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

WASTE MANAGEMENT

GRI 3: Material Topics 2021	3-3	Management of material topics	p.56			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	p.88			
	301-2	Recycled input materials used	p.88			
	301-3	Reclaimed products and their packaging materials	p.88			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	p.54,55			
	306-2	Management of significant waste-related impacts	p.55,56,58			
	306-3	Waste generated	p.58,89			
	306-4	Waste diverted from disposal	p.89			
	306-5	Waste directed to disposal	p.89			

FUEL EFFICIENCY

GRI 3: Material Topics 2021	3-3	Management of material topics	p.54-55			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	p.89			
	302-2	Energy consumption outside of the organization	p.89			
	302-3	Energy intensity	p.89			
	302-4	Reduction of energy consumption	p.89			
	302-5	Reductions in energy requirements of products and services	p.89			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

BIODIVERSITY AND NATURE PRESERVATION

GRI 3: Material Topics 2021	3-3	Management of material topics	p.57				
GRI 304: Biodiversity 2016	304-2	Significant impacts of activities, products and services on biodiversity	p.57				

CARBON FOOTPRINT

GRI 3: Material Topics 2021	3-3	Management of material topics	p.50				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	p.50,51, 88				
	305-2	Energy indirect (Scope 2) GHG emissions	p.50,51, 88				

EMPLOYEE WELFARE

GRI 3: Material Topics 2021	3-3	Management of material topics	p.74,78				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	p.72,77, 78,86				
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p.73,76				
	401-3	Parental leave	p.77, 86,87				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

OCCUPATIONAL HEALTH & SAFETY

GRI 3: Material Topics 2021	3-3	Management of material topics	p. 80-81				
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	p. 80				
	403-2	Hazard identification, risk assessment, and incident investigation	p. 80				
	403-3	Occupational health services	p. 80				
	403-4	Worker participation, consultation, and communication on occupational health and safety	p. 80				
	403-5	Worker training on occupational health and safety	p. 78, 80				
	403-6	Promotion of worker health	p. 80				
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 80				
	403-8	Workers covered by an occupational health and safety management system	p. 82				
	403-9	Work-related injuries	p. 81, 82, 87				
	403-10	Work-related ill health	p. 81, 82, 87				

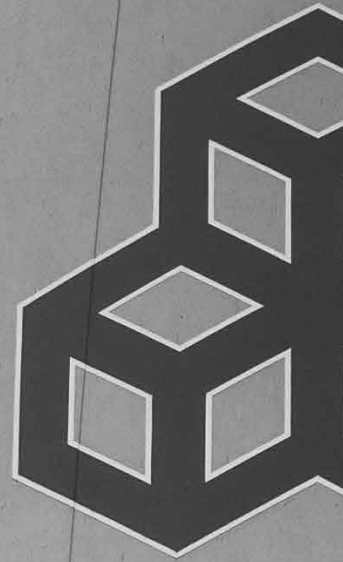
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	

TRAINING & DEVELOPMENT FOR STAFF

GRI 3: Material Topics 2021	3-3	Management of material topics	p.78				
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	p.87				
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	p.76				

AIRCRAFT NOISE

GRI 3: Material Topics 2021	3-3	Management of material topics	p.56				
GRI 413: Local Communities 2016	413-2	Operations with significant actual and potential negative impacts on local communities	p.56				



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INDEPENDENT AND LIMITED ASSURANCE REPORT



Ernst & Young
Société anonyme

35E, Avenue John F. Kennedy
L-1855 Luxembourg

Tel: +352 42 124 1

www.ey.com/luxembourg

B.P. 780
L-2017 Luxembourg

R.C.S. Luxembourg B 47 771
TVA LU 16063074

Independent practitioner's assurance report

To the Management of
Cargolux Airlines International S.A.
Luxembourg Airport
L-2990 Luxembourg

Scope

We have been engaged by Cargolux Airlines International S.A. ("Cargolux" of 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 Sustainability Report (the "Subject Matter" or "CSR Report") as of 31 December 2022.

The sustainability information, narratives and indicators presented in the 2022 Sustainability 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 2022 Sustainability Report, Cargolux Airlines International S.A. applied the Global Reporting Initiative 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.

Cargolux Airlines International S.A.'s responsibilities

Cargolux Airlines International S.A.'s management is responsible for selecting the Criteria, and for presenting the Sustainability 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 (Revised)'), and the terms of reference for this engagement as agreed with Cargolux Airlines International S.A. on 24 May 2023. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be 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 management

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 Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 Sustainability 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
- Interview 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 2022 Sustainability 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 2022 Sustainability 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 2022 Sustainability Report with regard to consistency and plausibility.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Sustainability Report as of 31 December 2022, 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 2022 Sustainability Report and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young
Société Anonyme
Cabinet de revision agréé

Luxembourg, 25 September 2023

A handwritten signature in blue ink, appearing to read 'Olivier Lemaire'.

Olivier Lemaire
Partner

A handwritten signature in blue ink, appearing to read 'Jerome Weicker'.

Jerome Weicker
Partner

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 2022 subject to the Directive 2018/101/EC (EU ETS) and flights operated in 2022 subject to ICAO's Carbon Offsetting & Reduction Scheme for International Aviation (CORSA).

Type of checks performed during the verification and its results

As the operator uses Method A to calculate and report emissions, the following checks were performed:

1. The logical sequence of consecutive flights was verified to ensure that there were no breaks. This serves to ensure the completeness of the dataset.
Results: 0 break was identified.
2. The dataset provided was compared against the Eurocontrol records on a comparable scope. This check is aimed at verifying the completeness of the dataset provided to the verifier.
Results: For the EU ETS and UK ETS, no mismatch was identified. For CORSA, some discrepancies were identified but were all justified by Cargolux Airlines International S.A.
3. The fuel in tank values (block off/block on) were checked to ensure that they were in no instance equal to zero.
4. The fuel in tank values (block off/block on) were checked to ensure that they were in no instance above the tank capacities of the aircraft in question.
5. The fuel consumption calculated based on the operator's block fuel values was compared against the average fuel consumption on the route for that type of aircraft.
6. The fuel consumption calculated based on the operator's block fuel values was compared against the SET estimated fuel consumption on the route for that type of aircraft.
7. The calculated fuel consumption of all flights as per VEDAS (Verifavia Emissions Data Analysis System) was compared against the calculated values submitted by the operator.
8. The aggregate international CO₂ emissions was compared against the SET estimates.

In order to prepare its 2022 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



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

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

Independence statement

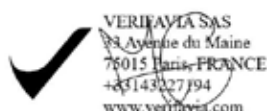
We confirm that Verifavia SAS and the verification team are independent of Cargolux Airlines International S.A. and Cargolux Italia and have not assisted in any way with the development of the emissions report, with the exception of this Assurance Statement.

Opinion

We conducted a verification of the 2022 emissions by Cargolux Airlines International S.A. and Cargolux Italia in its emissions reports dated 20 February 2023 and 23 February 2023 respectively. 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: 4,639,145 tCO₂ (with an emissions factor of 3,15)

Paris, 3 April 2023



Mathias Grossmann, Aviation & Airports Director, VERIFAVIA SAS

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

D

CISM
Critical Incident & Stress Management

CITES
Convention on International Trade
in Endangered Species

CO₂
Carbon Dioxide

CORSIA
Carbon Offsetting & Reduction Scheme
for International Aviation

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

EFB
Electronic Flight Bag

F

EMS

Environmental Management System

eMOBILITY TRAX

Electronic mobility

ePMO

Enterprise Project Management Office

EPPSI

European Pilot Peer Support Initiative

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

G

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

H&S
Health & Safety

HAWB
House Air Waybill

HCM
Human Capital Management

HQ
Headquarters

HR
Human Resources

I

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

K

KM
Kilometer

L

LAPB
Live Animal & Perishables Board

LCL
Luxembourg Center for Logistics

LCSB
Luxembourg Center for Systems
Biomedicine

LED
Light-Emitting Diode

LIDO
Lufthansa Integrated Dispatch Operation

LOIC
Luxembourg Open Innovation Club

LTF
Lightning Training Flight

M

M&E
Maintenance & Engineering

MHP
Mental Health Professional

N

NASI
Cargo Door Venting Systems

O

OHS
Occupational Health & Safety

OPS/OPS
Operations

P

OSSA

Open Secure Storage Area

PBN

Performance Based Navigation

PET

Polyethylene (plastic)

PSP

Peer Support Program

R

RCS

Ready for Carriage

RFID

Radio Frequency Identification

RSB

Roundtable on Sustainable Biomaterials

S

SAFUG

The Sustainable Aviation Fuel Users Group

SDG

Sustainable Development Goals

T

TMS

Trucking Management System

TTTF

Time & Temperature Task Force

U

UFW

United for Wildlife

ULD

Unit Load Device

V

UN

United Nations

US

United States

VAT

Value-Add Tax

VP

Vice-president

**CORPORATE
SOCIAL
RESPONSABILITY**

2022



cargolux

you name it, we fly it!