

VRR

Sustainability
Report 2023



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Some interesting numbers about VRR

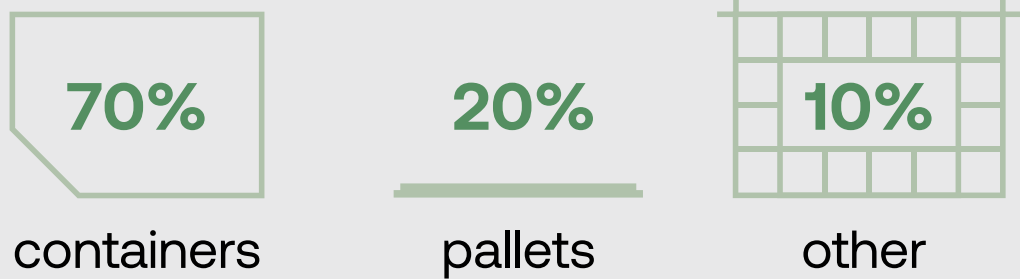


Incidents

Production employees or our products in use where involved in **9 incidents** (none of which required a doctor).



Supplied products



77 years
in business



8.7*

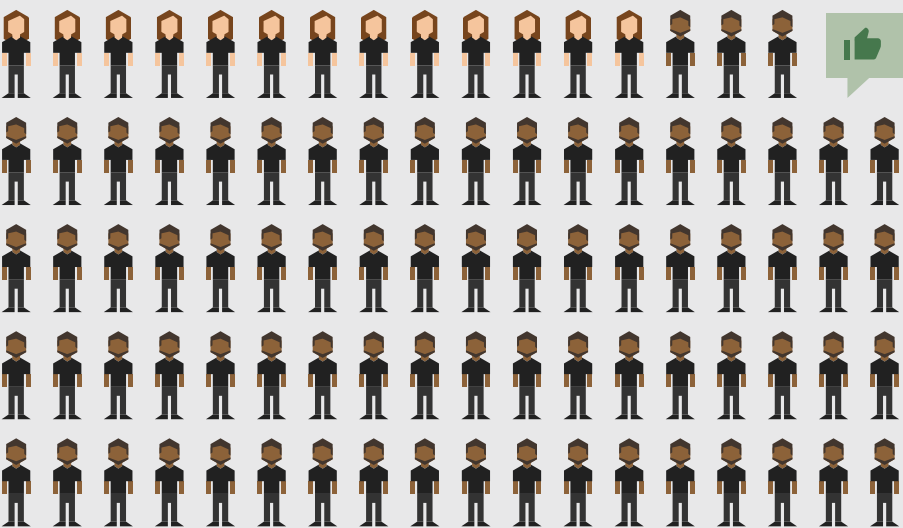
Customer satisfaction



Site of offices



88 employees



Years of service

0-2 years: 36 employees
3-9 years: 32 employees
10-19 years: 12 employees
20+ years: 8 employees

Hired 16 new employees in 2023

29

Net Promoter Score Employees*
* 2024 measurement

A word from the team

This is our first sustainability report, and we're feeling proud. When we made sustainability a part of our corporate strategy back in 2022, we told you that we would take you with us on our journey, bumps and all. Our promise, then and now, is to be entirely transparent to all our stakeholders about what we are doing and what we need to do.

progress. You'll discover we have adjusted a few ambitions and stayed on track with others. Some have been achieved ahead of schedule. After reading, we hope you will feel fully informed and totally inspired.

Rethinking the way we do business.
Team VRR

This report is part of that commitment to you. It presents the short- and long-term strategic goals we set almost two years ago and describes our sustainability





What sustainability means to VRR

At VRR, we love to challenge the status quo. Finding ways to advance the air cargo industry and never accepting anything less than excellent quality is what drives us to make the innovative unit load devices for which we're known. That makes us frontrunners, not followers.

At the heart of every product we make and every initiative we take is our genuine concern for our products, the people around us, and our beautiful planet. We really care. For us, sustainability is not a trend. It is a commitment to environmental health, social equity and economic vitality.

Our four pillars of sustainability

We've built our sustainability strategy on four pillars: Product, People, Emissions and Governance. Each of these pillars has specific goals, which are assigned to project groups made up of employees from across the company. What follows are our achievements so far and our ambitions for the future.

Product

Emissions

People

Governance



Product

Developing ULDs that surprise, inspire and contribute to a cleaner future.

At VRR, we thrive on developing practical and sustainable air cargo containers. All the products we make are now looked at through a sustainability lens during the design, engineering and procurement stages to make them more environmentally friendly across their lifespan.

Long term goal

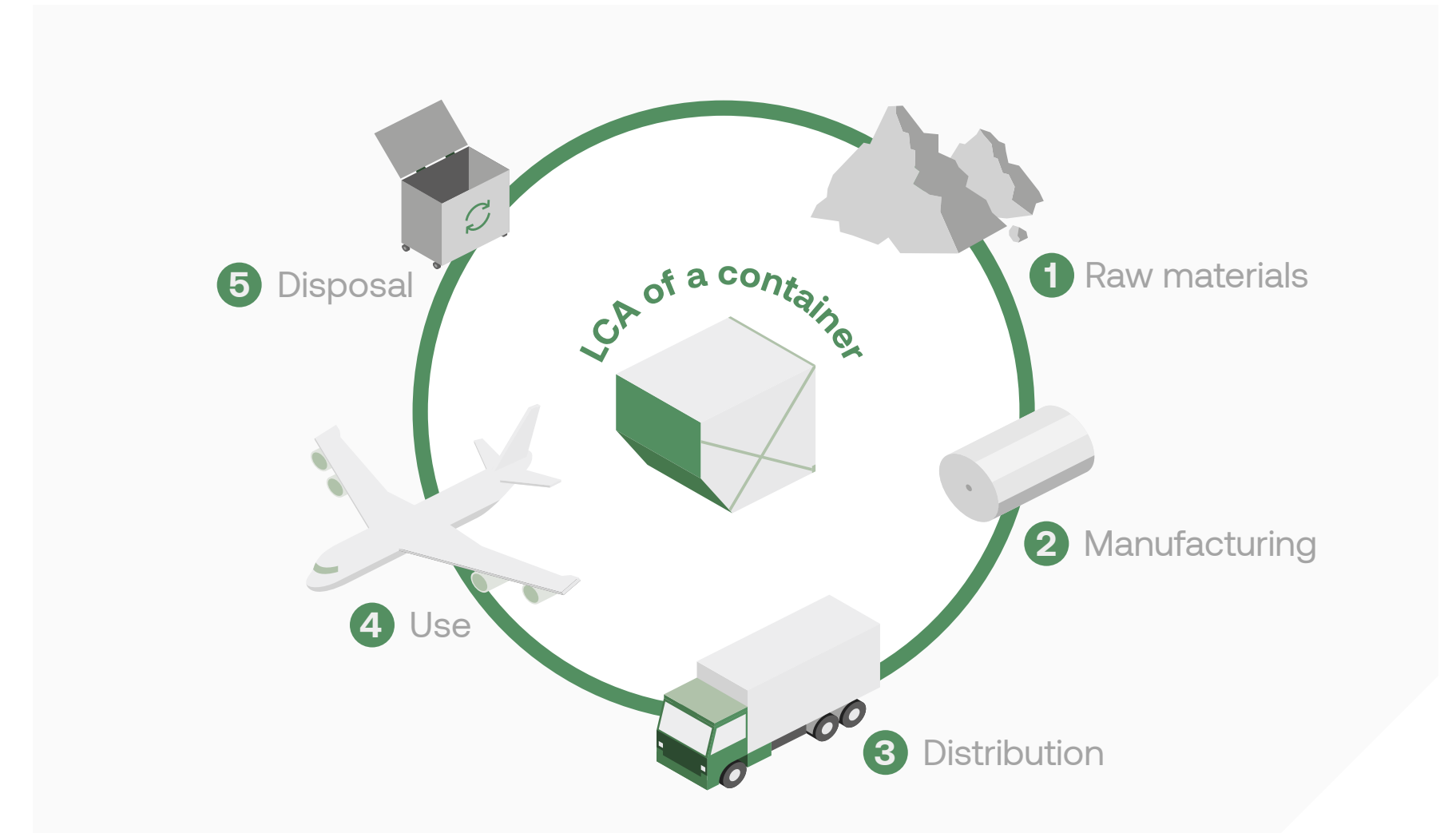
To develop air cargo solutions that use sustainably sourced materials and cause fewer CO₂ emissions in their use phase, and to plan for a product's end-of-life in the design phase.



Lighter containers that deliver the same performance

Designing lightweight containers has always been part of our product strategy, but in 2023, we made it a priority because weight is the most critical factor in reducing CO₂e emissions. Updating all our ULDs with the latest lightweighting standards—without compromising their durability, recyclability and usability—is now a continuous design process at VRR.

Every new product development project includes a weight reduction phase. Progress has already been booked. In 2023, we launched a new lighter RKN container, and we're now busy lightweighting an updated version of the popular HML/HMR horse stall.



Tangible, sustainable product development standards

Our original goal was to do a Life Cycle Assessment (LCA) of all our containers. Analysing the potential environmental impacts of our containers from cradle to grave would give us valuable data and improve our product designs and manufacturing processes. Sounds simple, but countless factors are involved, and many are subjective.

To make meaningful progress as quickly as possible, we decided to change course slightly by tackling this issue in stages. In 2023, we identified the most important sustainable choices we must make during our product development process. These tangible, internal guidelines, which are based on a full LCA study, will be implemented throughout 2024 and continually refined.



Industry-wide sustainability labelling system for ULDs

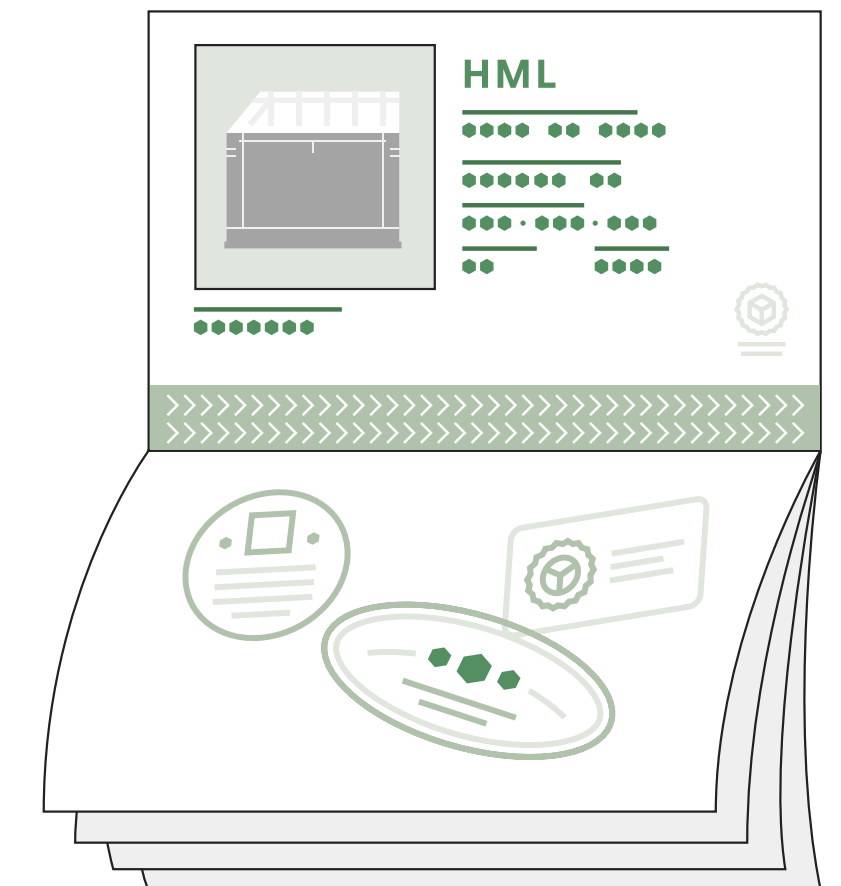
More and more customers want to know if the ULDs they are buying or leasing are meeting their green expectations, while manufacturers and leasing companies are keen to show customers their commitment to eco-conscious practices. However, sustainability labels depicting a ULD's environmental attributes are only truly useful if based on collectively agreed definitions.

Inspired by the residential energy labelling programmes used by many governments, we've initiated a project with stakeholders to create an industry-wide scheme for ULD sustainability categorisation labels. A labelling system shared across the air cargo industry is a practical way to encourage sustainable product choices. We aim to launch this scheme in 2025.

Digital product passports for VRR containers

When you travel abroad, you take your passport with you. We're aiming for all our products to do the same by 2025. These digital data sets will give our customers and other stakeholders required and voluntary information like use, performance, recycling and service history. They may even disclose the materials and components we used and where they came from.

In 2023, we researched the characteristics of an effective ULD passport, how they can encourage circular practices, and the data we would want for our own products. Impressed with the sustainability potential on offer, we are now developing a digital product passport. The first version should be ready by the end of 2024.





Emissions

Reducing VRR’s environmental impact to help protect the planet’s health.

The air cargo industry is taking concrete steps to tackle carbon emissions. In the meantime, there’s a lot we can do as a company to reduce our own greenhouse gases. We believe every effort will make a difference, no matter how small. It’s a matter of looking critically at our operations and being honest about our measurements and reporting.

Long term goal

To improve our energy efficiency by reducing operational CO₂ emissions, using more sustainable options for business travel, and becoming net zero in line with our sustainability objectives.

Gas and electricity consumption Scope 1 and 2 (2023)

To count and report our CO₂ emissions in 2023, we first need to know the emission factor (EFs) of our internal gas and electricity consumption. Emissions factors are used to estimate the rate at which an activity releases greenhouse gases into the atmosphere. However, locating and identifying the most representative and up-to-date EF is a little challenging because they come from various sources and are calculated in multiple ways.

While we wait to obtain the EF most relevant for VRR, we have decided to publish our gas and electricity consumption (at least those that fall under Scopes 1 and 2). It seems even that is not so easy. We discov-

ered that our 2022 calculations did not include the gas consumption of three locations: one of our offices in Rotterdam, our office in Wieringerwerf and our maintenance and repair shop in Badhoevedorp. That omission makes comparisons a bit difficult, of course. The upshot is that we will include these missing locations in our consumption calculations from this year onwards, avoid a direct comparison with the year before, and use the 2023 measurement as a baseline from now on. (Still with us?)

When we finally receive our EF for 2023, we will get out our calculators again, measure our CO₂ emissions, and update this report.



The numbers for 2023

Our use of electricity increased significantly in 2023 compared to 2022 (+62.5% kWh), while our use of gas decreased significantly (-23.6% m³). The reason is the installation in the Rotterdam factory of our new heating and air-conditioning system, which runs on electricity instead of gas.

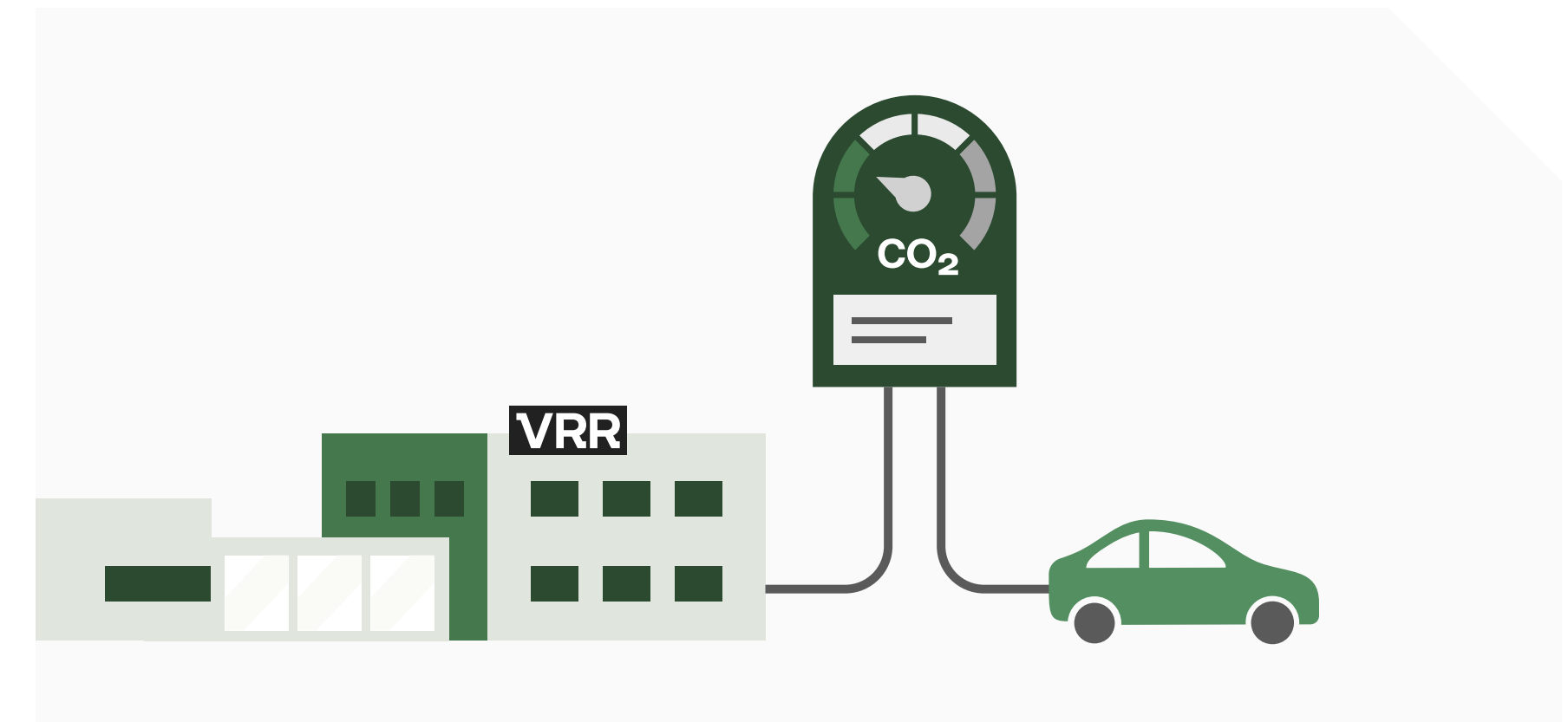
While this reduces our gas usage in the winter, the introduction of air conditioning means we use more electricity in the summer. The good news is that this combination results in lower emissions overall.



Reducing the carbon footprint of our energy consumption

If we reduce the energy we consume and introduce more energy-efficiency measures to all our premises, we reduce our emissions. That's logical. The impact should be direct and indirect: fewer emissions from our manufacturing processes and fewer emissions from electricity generation.

This year, we installed motion sensor devices to activate the lights in all our facilities (no more empty offices with the lights on), and we added insulation materials to the roof of our sewing factory. Next on our list is finding more smart ways to reduce our energy consumption.



Measuring the sustainability of our organisation

In 2023, we published our first CO₂e measurement of scope 1 emissions (those we own or control directly) and scope 2 emissions (those generated on our behalf).

To successfully reduce our emissions, we need to understand and measure where those emissions come from. To help us do that, we'll define a continuous measuring framework for all scope 1 and 2

emissions in 2024. This will give us real-time insight into the environmental impact of our business operations and help us engage with our value chain partners.

In the long term, we'll research how to measure our scope 3 emissions (those we're indirectly responsible for along our value chain).



A more sustainable approach to business travel and commuting

How do you encourage employees to use more sustainable options for their business trips and daily commute? At VRR, we've established a sustainable travel policy to do just that. Our eventual goal is to decrease mobility-related CO₂ emissions by 50% by 2030 compared to 2016, per our public commitment to the City of Rotterdam.

So far, the policy has led to an electric pool car, a bike-to-work plan, and new or extra charging stations at two of our sites. The Sales dept is now measuring all its business travel, and 12 employees have bought a tax-free bike. Next steps: measuring business travel across the entire company in 2024.



Swapping fossil fuels for more eco-friendly alternatives

One way to make a positive impact on the environment is to reduce our dependency on petrol, diesel and other fossil fuels. By using vehicles and equipment that are more efficient and less polluting, we aim to lower our greenhouse gas emissions significantly.

In 2023, we've installed (extra) solar panels on the roofs of all three sites. We also installed electric HVAC units to replace gas heating in our Rotterdam site and switched from diesel to Hydrotreated Vegetable Oil

(HVO) to test our air conditioning units. HVO emits up to 90% less "well-to-wheel" emissions than traditional diesel. Looking ahead, we'll be installing heat pumps in all our offices in 2024 and have replaced all our petrol fleet cars with EVs by 2026.

Our longer-term ambitions are to move almost entirely from grey to green energy. The ultimate goal is to increase our share of renewable energy to 95% by 2030.



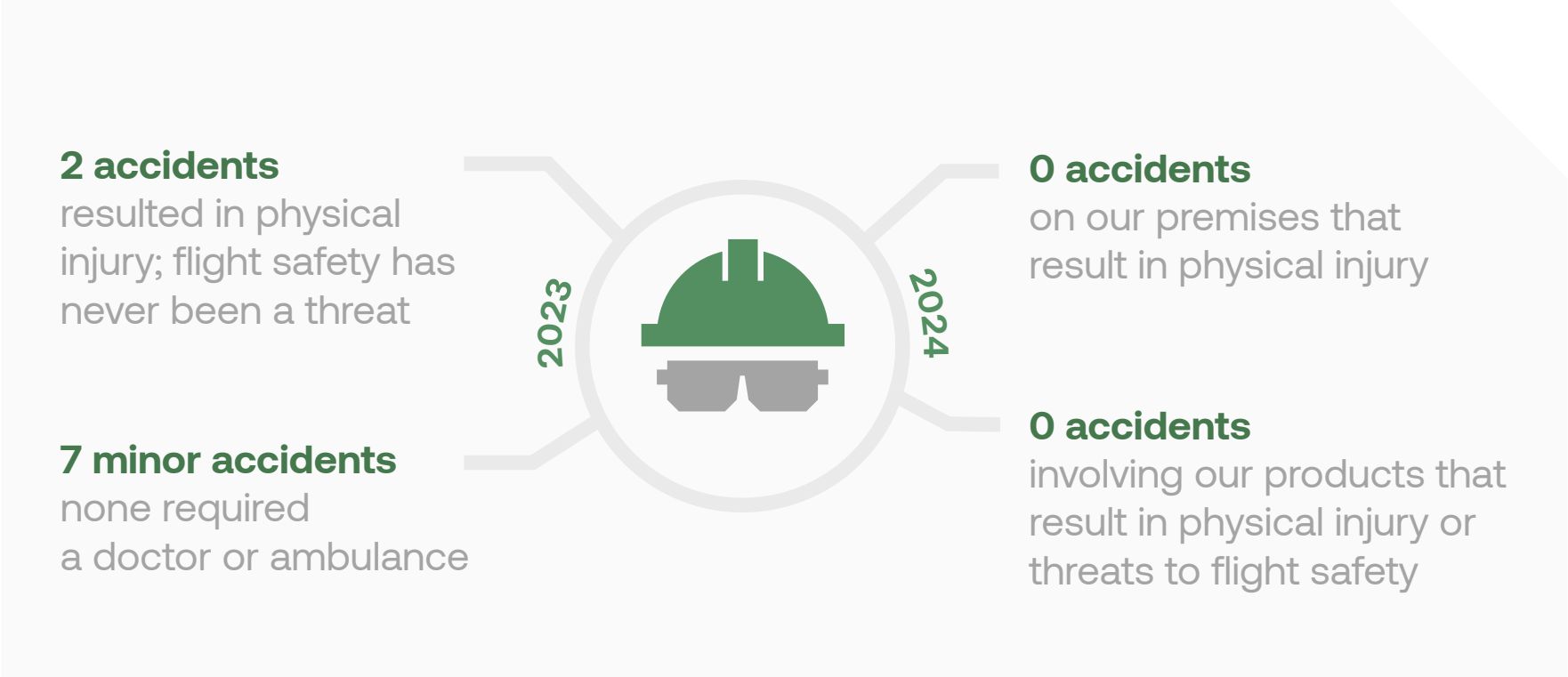
People

Driven by the happiness and success of our employees, customers, business partners and neighbours.

People ensure the success of VRR. Not just our employees but also our customers, supply chain partners and collaborators. Even our local communities play an important part in our story. When the people we care about thrive, we thrive. That's why we want to do our best to make them happy and keep them safe.

Long term goal

To care for people—not just those at VRR but all our stakeholders—by offering a safe, motivating workplace, making employees and partners feel valued and giving back to the community.



Enhancing our proactive approach to safety

Nothing is more important than the safety of our people. It is, and will always be, our number one priority. In 2023, our goal was no safety incidents during production or the use of our products. We logged 2 **personal** accidents that resulted in physical injury, although neither represented a threat to flight safety. We also logged 7 minor **personal** accidents on our premises. All were attended to promptly by first-aiders; none required a doctor or ambulance.

In 2024, we’re making our safety ambitions more specific by setting

ourselves two goals: **1** zero accidents on our premises that result in physical injury and **2** zero accidents involving our products that result in physical injury or threats to flight safety.

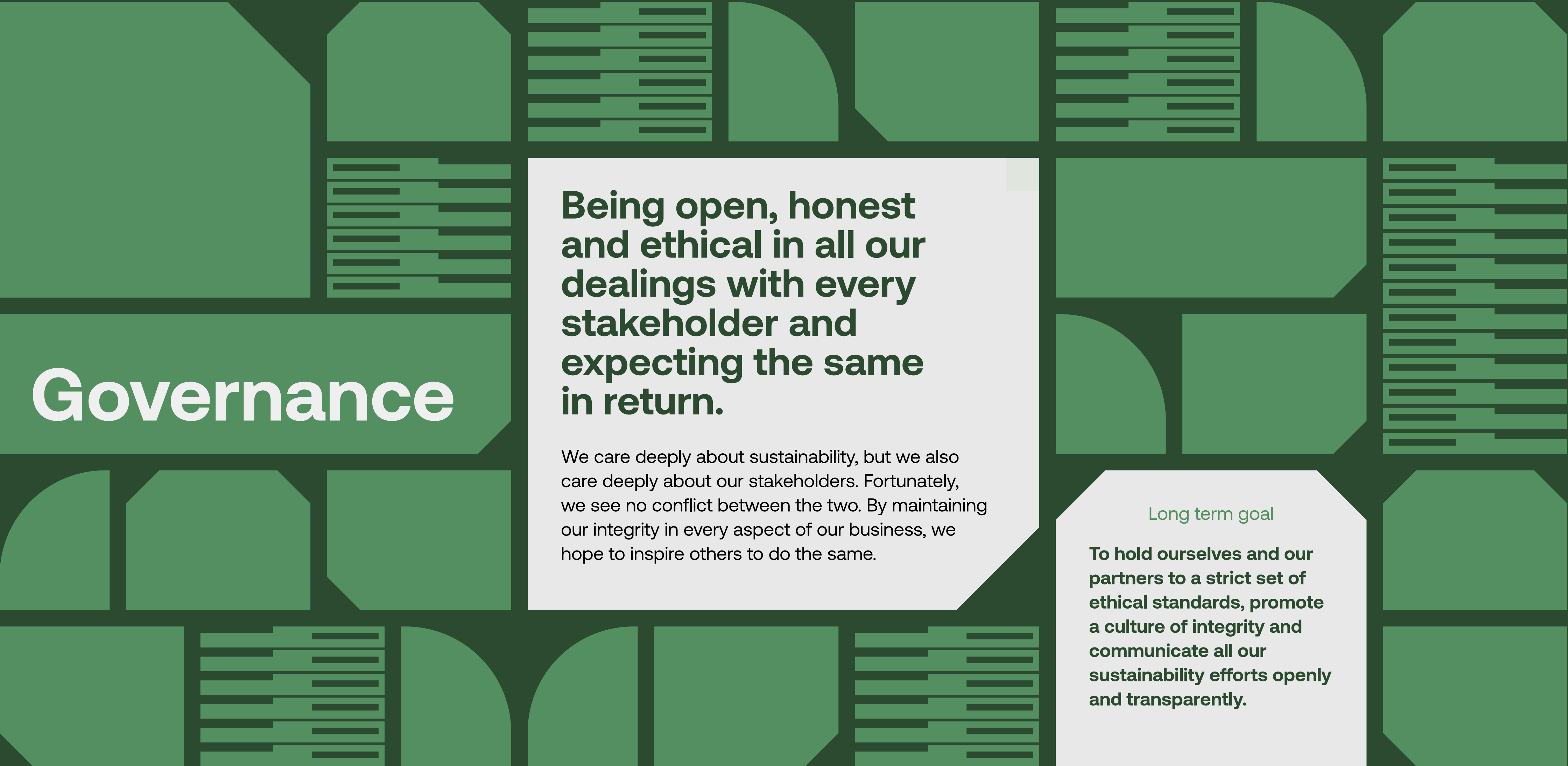
To help us meet these goals, we will be implementing a Safety Management System in 2024 to log incidents, record actions, and track progress and changes. This system will help us identify, assess, and eliminate risks, adapt our safety policies and procedures, and be more transparent in our reporting.

A team of healthy, happy and fit employees

At VRR, we believe a balanced life-style promotes physical and mental health, supports creative thinking and boosts overall productivity. Accordingly, we’ve formed a dedicated Vitality team. So far, they’ve organised boxing lessons, a kitchen garden, tri-weekly chair massages, a system of gym buddies, and weekly healthy lunches.

Moving forward, we’ll continue to find ways to help coworkers improve their vitality and establish an excellent work-life balance. By the end of 2024, vitality will be a natural part of our daily routine.





Governance

Being open, honest and ethical in all our dealings with every stakeholder and expecting the same in return.

We care deeply about sustainability, but we also care deeply about our stakeholders. Fortunately, we see no conflict between the two. By maintaining our integrity in every aspect of our business, we hope to inspire others to do the same.

Long term goal

To hold ourselves and our partners to a strict set of ethical standards, promote a culture of integrity and communicate all our sustainability efforts openly and transparently.



Focusing on data risk management and cyber-resilience

Safeguarding the data we own and handle to ensure it does not fall into the wrong hands is a responsibility we take seriously. To reinforce our data security efforts, improve our IT structure and prepare ourselves better for emerging threats, we will start working through the entire ISO/IEC 27001:2022 certification process in 2024. At this stage,

certification remains an option, not a goal. Even so, we remain committed to preserving the confidentiality, integrity and availability of all and any information in our company.



Formulating and disclosing our policies and processes

Good governance is crucial to our corporate sustainability strategy, and it requires having up-to-date processes and documents in place at all times. To date, we have set up a quality and safety policy, a sustainability policy, and a supplier code of conduct. We aim to publish all three in 2024.

And, for the first time, we have published a sustainability report. (Yes, you're reading it.) We've tried to keep it brief while giving you a complete and transparent account. Your [feedback](#) would be greatly appreciated.

Next steps for VRR

Our sustainability strategy certainly kept us busy in 2023. It's early days, so the full impact of our various projects won't be felt for some time. But I have no doubt that we are laying a solid path to a more sustainable future for our company and our stakeholders.

As research showed, the most direct environmental impact we can exert as a manufacturer is to make our products lighter. Reducing the weight of a ULD by just 1kg has a major effect on the CO₂ emission of a flight. So the introduction of in-house lightweighting standards and sustainable product development guidelines was really a no-brainer. We will continue to lightweight our containers.

However, we recognise that some sustainability challenges are simply better faced together, which is why we pitched the idea of an industry-wide sustainability label for ULDs last year. I was delighted to see so many industry partners enthused about the potential benefits, and I'm looking forward to seeing this project develop.

Let's not forget our people, who are instrumental to our success and represent one of our four sustainability pillars. We have several projects in the pipeline, including an onboarding system, focus on personal safety and mutually beneficial partnerships with schools and universities.

There's lots in store for us in 2024 and beyond. This is just the beginning. I can't wait to come back to you this time next year and report on our sustainability progress.

Geert van Riemsdijk
Managing Director of VRR

Read about all our 2024 goals on our [website](#).



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