

Logistics – routes to a sustainable future



2021 sustainability report

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Routes to a sustainable future

Dear reader,

For ten years, we have been informing you regularly on environmental and sustainability issues at our company through our sustainability report.

It seems as though the world faces an ever-growing list of challenges. The only way to overcome these challenges is for all of us to work as a team, and make our planet more sustainable for future generations together.

The Sustainable Development Goals, or SDGs for short, were issued by the member states of the United Nations. These 17 goals for sustainable development are intended to help make the world more just, healthy, peaceful, and socially equal by 2030.

We as a company have based our work to create sustainable structures on the 17 SDGs, and have anchored these goals firmly within our policies in order to do our part and promote sustainable development. We want our employees to live in a socially just world, to have access to good continued education, and to have the opportunity to pursue decent work. Economic growth must be designed to be ecologically sustainable.

You will encounter the three dimensions of sustainability (economy, environment, and social issues) throughout our report.

The CTO container terminal began operations in fall of 2021. We are operating this terminal alongside other major Osnabrück freight companies as the Container Terminal Osnabrück GmbH operating company (CTOS).

Our common goal is to offer shippers and recipients in the region the opportunity of switching to the railway, and to further expand the route network. Container traffic, for instance from seaports, is transported in a climate-friendly manner to Osnabrück by rail, or swap bodies are transported by rail to their destinations both nationally and internationally.

In light of the significant increase in cargo traffic, the new terminal offers a sustainable alternative to conventional road transportation. By moving containers, swap bodies and semitrailers to the rails, rail freight transport not only lessens traffic on the road network, but also significantly reduces CO₂ emissions.

The international ocean freight situation has been strained for many months. In light of this, inter-continental railway transport is becoming more and more important within globally networked supply chains. The iron silk road to China, in particular, is currently seeing increased demand. Because of this, our goal is to work with our employees to bundle freight transport and efficiently move such loads to the railways.

Being committed to sustainable business practices designed to help the planet also means investing in new technology. In mid-2021, printers throughout the company were either replaced or removed. When choosing providers and products, the company paid particular attention to the current consumption of the machines, and options for “climate neutral printing” throughout the entire contractual term.

We achieved many things for our customers in the area of digitization in 2021. We implemented web shop concepts, for instance, for our packaging shop and transport shop. There, freight prices can be calculated in real time and transportation can be booked online. We also sent out our Christmas letter digitally for the first time in 2021.

Our sustainability report is full of information on other sustainable projects our company engaged in during 2021.

We hope you enjoy reading it,
and welcome any feedback you may have.

A handwritten signature in black ink, appearing to read 'Peter Koch'.

Peter Koch
Environmental Management Officer



Company profile

Koch International



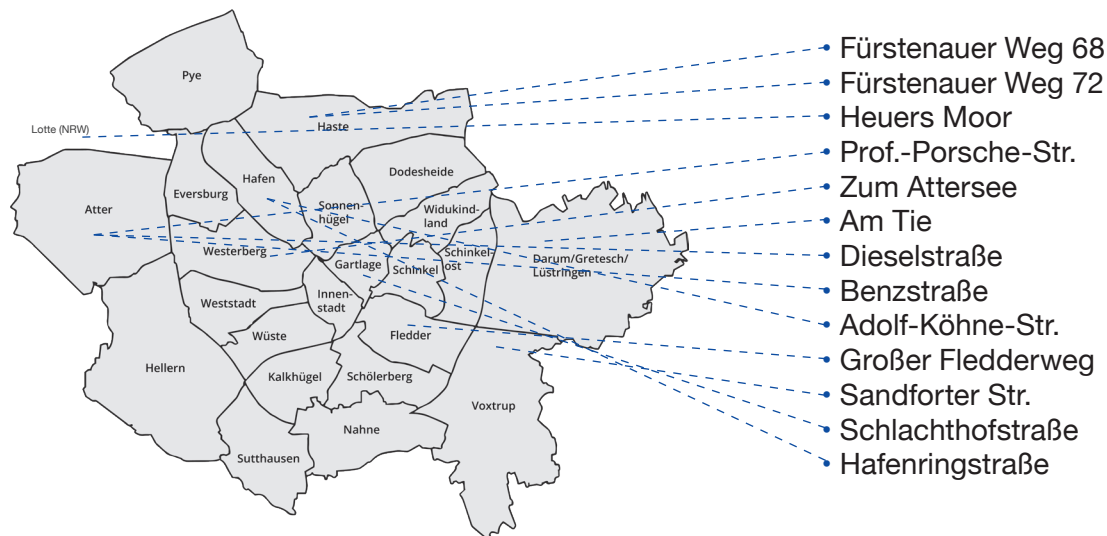
Koch International's mission has always been to be the logistics provider our customers feel understand them best, a provider with whom our employees identify, and to provide economic benefit to the Osnabrück region. This attitude has not changed since our family business was founded in 1900. Our company continues to develop toward a more sustainable future through diverse innovations. We are among the most modern logistics service providers on Europe's roads, thanks to our use of state-of-the-art technologies and digitization in dispatching and our vehicle fleet. With a fleet of trucks that meets the latest Euro standards, personnel trained on economical and ecological driving, and energy efficient building technology, we continue to reduce our CO₂ emissions. Koch International focuses on the joint, sustainable future of all of our locations. Sustainability is a core part of our strategic alignment through 2025 in our corporate policies and compliance guidelines.



Koch International by the numbers 2021:

- Over 750 employees
- 12,000 sqm transshipment area
- over 100,000 sqm logistics warehouse
- approx. 125,000 pallet spaces
- at 14 logistics sites
- over 100 of our own vehicles
- around 250 company vehicles
- 170 semitrailers
- 400 swap bodies
- € 155 million in revenue

Our locations



Launch of the new “Am Tie” pharmaceutical logistics centre

Key data

- 41,000 pallet spaces
- 24,000 m² warehouse space
- 2,300 m² mezzanine space
- 42,000 m² property area
- 26 loading gates
- 12 m maximum storage height
- Implementation of the GDP standard
- Warehouse temperature limited to 25 °C
- Storage of hazardous materials
- WGK I - III taken into consideration
- Small parts picking
- Sustainable construction
- PV system



After just ten months of construction, the “Am Tie” logistics site in the Lüstringen neighbourhood of Osnabrück on the A33 was commissioned on 15th March 2021.



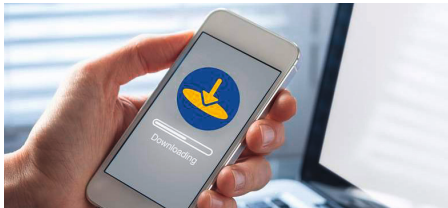
The commissioning represents an important milestone for the corporate development of our subsidiary Koch Pharmedistik. The new logistics centre allows us to expand our service to the pharmaceutical industry and our competence in contract logistics.

“We are taking the next step in the ongoing development of our pharmaceutical logistics, and are elevating our logistics services to a new level thanks to this large site and state-of-the-art warehouse technology” says Heinrich Koch, Managing director of Koch Pharmedistik.

The building was constructed according to the latest specifications, and the new building was certified “GOLD”

by the German Sustainable Building Council. A photovoltaic system on the roof, LED lights throughout the entire building, and gas condensing technology for the heating systems in the offices and warehouse underscore our sustainable commitment throughout our properties.

Certifications and awards



In order to meet our own high expectations, we engage in a continuous process of optimisation. We focus in particular on quality and sustainability in doing so. We have been reviewed in accordance with relevant standards and received corresponding certificates in the following areas:

QUALITY

- Quality management DIN EN ISO 9001:2015
- IATA certificate
- AEO-F certificate
- IT safety certificate based on ISO 27001/IT basic protection
- s.a.f.e.plus-certificate - picking
- s.a.f.e.plus-certificate - storage
- s.a.f.e.plus-certificate - general cargo/transshipment
- SQAS Summary Report 2019
- TÜV reviewed digital document archiving ScanView 2020
- WCA certificate

ENVIRONMENT

- Environmental management DIN EN ISO 14001:2015
- Environmental balance DIN EN 14064:2012
- Environmental balance DIN EN 16258:2013
- Energy audit DIN EN 16247

GDP

- GDP Compliance Audit - distribution practices for human medicines
- GDP-Logistic Service within the GDP Network Solution GmbH
- EU GDP Compliance - Hardware: Trailer Connect Unit Software: Trailer Connect Telematic Service Portal

Successful GDP pharmaceutical certifications

Koch Pharmacologistik passed three audits with outstanding quality in 2021.

The audit conducted by DQS GmbH once again confirmed that our pharmaceutical specialists conform to high GDP (good distribution practice) requirements in accordance with EU directives for good distribution practice of human medicines (2013/C 343/01).

Our subsidiary transports and stores medical products under reliable climatic conditions. In addition to quality, safety, and cleanliness, the certification also focuses on sustainability and product protection.



The following areas were audited in the GDP management system:

- “Am Tie” location: Transshipment, picking, warehouse logistics and distribution of pharmaceutical products in a temperature range of 15-25 C°
- “Fürstenauer Weg” location: Transshipment, picking, warehouse logistics and distribution of pharmaceutical products in a temperature range of 15-25 C°



The certificate is valid through October 2024, and will be regularly renewed and extended through a monitoring audit.

The second audit ordered from GDP network Solution GmbH was conducted at all locations, in order to review complete GDP conformity for the network. Compliance with EU GDP guidelines and the requirements defined for their network by GDP Network Solution GmbH were rated as “very good”.

All location and process descriptions within our pharmaceutical services, including the risk analysis, are therefore certified for one year.



The third audit was completed by TÜV Süd Industries Service GmbH, and covered our hardware and software solution for temperature controlling in our trailers as the basis for EU-GDP compliance certification. This is a supplement to our self inspections according to the EU-GDP guidelines.

Gold medal

Koch International received the Gold 4Star Carrier Award from the chemical company DOW Chemicals.



We received the award in the form of a certificate and trophy, as recognition for our performance in the area of innovative and sustainable future strategies. DOW Chemicals evaluates companies according to the four pillars of the 4Star program:

- Safety
- Sustainability
- Social responsibility
- Service

The award was given out during a virtual event on 29th June 2021, held via video conference due to the coronavirus.

Qualification for the EcoVadis Bronze Sustainability Medal

At the request of our customers, Koch International took part in the EcoVadis Rating and fulfilled the relevant requirements. As a result of our qualification, we received the EcoVadis Bronze Sustainability Medal and a certificate. This reflects our performance in the area of sustainability, and is a recognition of our outstanding work. Unfortunately, our basic subscription with EcoVadis does not cover public presentation of this award and performance.

Partners and cooperations

Whether transporting full loads, general cargo, removals, archive and material logistics or strengthening logistics competence in the Osnabrück, Münster and Bielefeld area – together with our network and cooperation partners, we offer our customers innovative logistics solutions for your individual needs.

New partner for France

Transportation in France by Koch International is now even more attractive, as of January 2021, thanks to our new strategic partnership with our cooperating partner Heppner.



Heppner, the leading independent specialist for goods transport between France and Germany, and we, as experts in transportation and logistics solutions headquartered in Osnabrück, share a common corporate goal of further growth in the international transport area.

Together, we provide scheduled services, FTL and LTL transportation between key economic centres in France and Osnabrück as well as hub transportation. Heppner will continue to handle road freight transport through its own German branch offices.



New partner in the Baltics

As of 1st June 2021, Koch International is collaborating exclusively with GREENCARRIER for its relations with Estonia, Latvia, and Lithuania.

By making a strategic decision to have one partner for all of the Baltic states, we have succeeded in increasing our frequency of departures and offering our customers better transit times.

GREENCARRIER Freight Services offers logistics solutions and supply chain management services. In addition, the freight carrier is part of the GREENCARRIER Group – one of the largest private transportation groups in Scandinavia, with over 950 employees in a total of 11 countries. The company's headquarters are located in Göteborg. The company was founded there in 2000.

CargoLine – a strong partnership

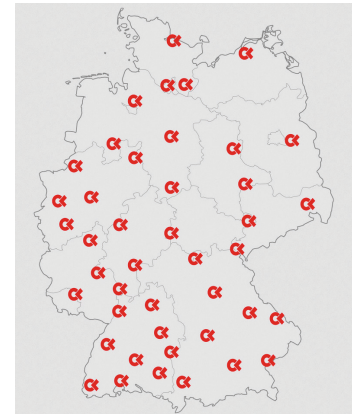
Koch International is a strong player in the CargoLine association. Its range of services includes standardised and systematic cargo traffic as well as contract logistics solutions in Germany and Europe. With 85 strong partners in Germany and Europe, 16 of them shareholders, ranging from Scandinavia to the GUS countries to Maghreb, and from Portugal to the Middle and Near East, we form a comprehensive CargoLine network.

13.2 million shipments were handled within the network in 2021, representing revenues of 1.49 billion euros.

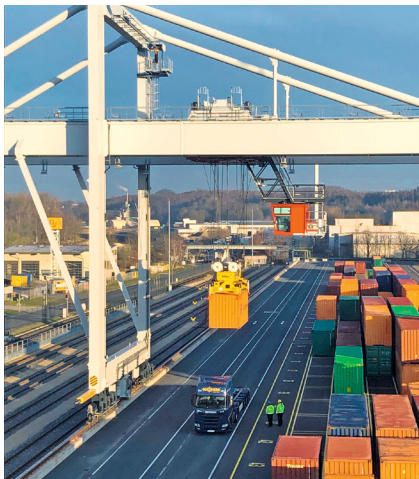
Alongside CargoLine, we are on the road with sustainability. CargoLine is the first cooperation to develop its own shipment CO₂ calculator. We have been using it since November of 2012. All CargoLine companies and their subcontractors collected basic data for it through a detailed process. The result is a greenhouse gas balance sheet in accordance with DIN EN 14064 filled with real data that reflects the geographic and structural differences between the partners,

resulting in realistic values for calculating emissions per shipment or per customer.

Data collection was repeated in 2021, so that we are always able to determine which environmental protection measures that have been taken, and which should take priority in the future. In addition, our CO₂ calculator is also one of just a few in the industry to be certified in accordance with DIN EN 16258.



New terminal for new business models



Osnabrück logistics service providers combine forces

The new Container Terminal in the Osnabrück harbour was launched in October of 2021. Koch International, Hellmann Worldwide Logistics and the NOSTA Group are combining forces in the Container Terminal Osnabrück (CTOS) operating company to handle operations.

Our joint goal is to build a stable yet versatile network that allows us to act with flexibility, even in times of crisis. This offers shipping agents and recipients from the region the option of switching to rail. To do so, the railway network will be expanded, and individual freight transports will be combined and moved to the railways for better efficiency.

The new terminal offers a sustainable alternative to conventional road transportation. By moving swap bodies and semitrailers to the rails, rail freight transport not only lessens traffic on the road network, but also significantly reduces CO₂ emissions. In light of climate protection, scarce resources, and a lack of trained personnel, in particular drivers, with this approach we are helping achieve the German federal government's climate targets.



Increasing ecological requirements placed on transportation services, and high levels of environmental awareness among some customers, mean that more cargo transport is being moved to the railways. Transportation over a distance of more than 350 route kilometres makes sense from an ecological standpoint.

CTOS' good location makes it an attractive loading point in the region that offers multiple synergies with existing terminals and routes. Because of this, the new terminal underscores Osnabrück's importance as a hub for national and international goods transportation.

“The founding of CTOS is an important milestone. We are working together as Osnabrück logistics service providers on a significant infrastructure project for the region, continuing to develop the location of Osnabrück to meet future needs” says Uwe Fieselmann, Managing Director of Koch International.

Individual logistics competence network - KNI

Koch International is part of Kompetenznetz Individuallogistik e.V., an association of different logistics companies, universities, and public institutions in the Osnabrück, Münster and Bielefeld region. As part of the KNI, we are working to promote innovative, sustainable, and environmentally-friendly logistics and offer these services in our region.



To strengthen the logistics region and get people excited about logistics, we participate as a partner in joint projects like actively supporting young professionals, and improving the industry's image in the region.

The project Logist.Plus by the University of Osnabrück was further expanded, evaluated, and presented during 2021 as well. The project deals with the topic "Resource protection through sustainable area management in the logistics industry". Koch International, a participant in the Logist.Plus working group, made a significant contribution to the project and plans to take part in further working groups in the future.



KlimaLogis - Climate-adapted logistics, is a pilot project in the Osnabrück district at the University of Osnabrück which investigates the risks posed by climate change and a lack of trained professionals. The project was concluded in 2021. We were part of the pilot project, and provided important figures for its completion.



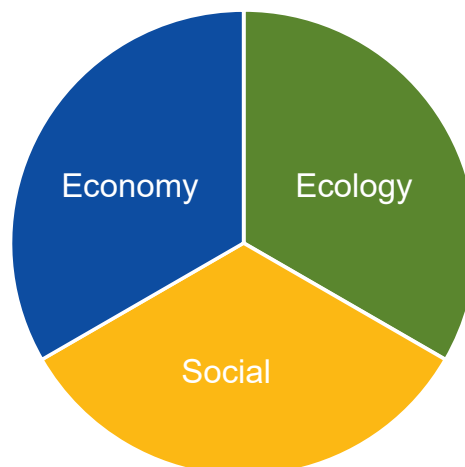
On the way to a sustainable future

Koch International is building on the principle of sustainability, with the goal of using only as many resources as can be naturally regenerated by the systems involved.

We determine our actions in line with the three pillars of sustainability, so that our goals can be implemented simultaneously and equally in all three areas.



Limitless service
Service & responsibility



On the road with sustainability
Climate & resources



Employees and company
Work & future



Limitless service



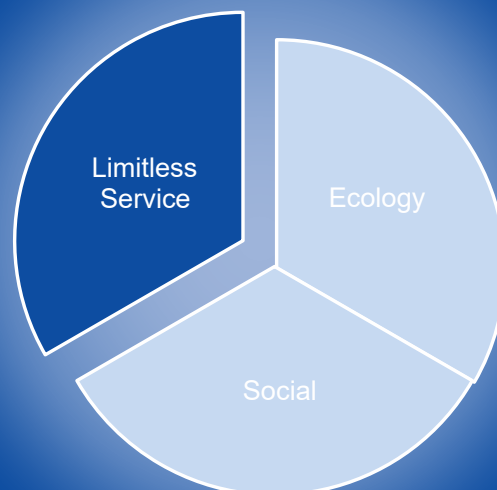
- new transport shop online
- invest in new locations - Koch Pharmalogistik
- testing alternative drive technologies



- individual packaging advising incl. packaging shop



- CargoLine partner
- Corporate Carbon Footprint – CO₂ calculator from CargoLine
- part of the KNI – Kompetenznetz Individuallogistik
- project partner to the University of Osnabrück in Logist.Plus and Klima Logis
- co-founder of the pharmaceutical cargo network GDP
- part of the CTOS – Container Terminal Osnabrück



Logistics solutions

Combined transport

Koch International has joined forces with Hellmann Worldwide Logistics and the Nosta Group as one of three logistics service providers located in Osnabrück to jointly set out on new paths and move goods to the rails through combined transportation. Shipments are handled through the Container Terminal Osnabrück (CTOS), located in the direct vicinity of our company headquarters. Our common goal is to offer shippers and recipients in the region the opportunity of switching to the railway for additional transportation options, and to further expand our own route network. Of course, the aspect of sustainability is a key concern as well.



As a CargoLine partner, we are convinced that this new service will also be of interest to other network members. Simply moving main runs to the railway offers significant transportation potential, both nationally and internationally. It also offers significant added value for improving companies' CO₂ footprints.

LogiVisor - logistics services provider exchange



Koch International has been part of the logistics services provider exchange LogiVisor.com since 28th October 2021. Similar to the exchanges on Wall Street or in Frankfurt, the page offers a marketplace – for logistics services providers and shipping agents, instead of buyers and sellers.

We offer our warehouse capacity on the page. In addition, it is a place we can react to requests that are made through the platform from many different sectors. LogiVisor offers digital access to new customer groups and an additional sales and marketing channel. Our team receives all information needed to place an offer directly.

We offer the following services, with a combination of logistics and real estate expertise that is unique within our industry:

- brokering logistics services and capacities of all kinds
- different logistics solutions for shipping agents – up to a complete operator concept
- access to nationally and internationally renowned clients for logistics service providers
- it combines the speed of a start-up with the experience of a mid-sized company



Launch of Cargo Digital World

CargoLine presented its subsidiary Cargo Digital World (CDW) to the public in April of 2021. The cargo network pools all digital activities of CargoLine within the subsidiary, which combines its operational strengths with the innovative capacity and technological expertise of logistics start-ups.

The purpose of CDW is to identify interesting ideas and use them to develop forward-thinking digital business models, in order to adapt to the changing needs of customers and receivers, and to profit from innovation.

The digital forwarding agent CargoBoard was created based on this premise. Two other start-ups are also ready to launch: The CargoNative brokerage platform, which intelligently combines storage space capacity with partial and full loads, and CargoCast, which uses AI (artificial intelligence) and predictive analytics to improve load and resource planning in the transportation and logistics sector.

The CDW is headed up by Dr. Tim Brühn, an expert in digital industries and platform-based business models. He worked with CargoLine when the CargoBoard was launched in his position at “garage33”. CargoLine holds 15% of the shares in the CDW, while the other 85% are held by 22 individual CargoLiners – including Koch International. We are supporting the young co-founders with professional expertise, and are establishing guard rails for development of the start-up.

Web shop concepts

All-around packaging service

We added packaging advising to our portfolio as a new service in January of 2021.

Now, we are supplementing our services in the “packaging” area with a packaging shop. There, our customers can purchase packaging materials (such as pallets, boxes, tension straps, non-slip mats, hazardous goods labels) and moving materials (like book boxes, screen packaging, etc.).

With the packaging shop, we are able to offer our customers a platform where they can order packaging products quickly, easily, and conveniently. Customers can find the items they need, along with all relevant product information, in just a few clicks. Our goal in providing this service is to avoid excessive packaging and ensure the safety of goods, in line with our commitment to “less is more”.



Online shipping

Koch International reacted to the economic recovery and the shift towards online shopping in 2021. More and more sellers are distributing their product portfolios through online shops. Particularly due to the coronavirus pandemic, many consumers have switched to buying online. Now, we offer use of our online shop as a simple option. By doing so, we are helping our customers reliably plan all of their upcoming activities. In addition, through our digital shipment tracking, we offer the option of tracking shipments at all times during transportation for both national and international shipments. Our services range from next-business day delivery to delivery on a requested date. These options are available for package shipment and for transportation of larger and bulky goods, except for hazardous materials. Our online shop offers the perfect blend of individuality through technology and personal contact with our service team.



Knowledge transfer

KochForum:Wissen

At this varied event, experts inform attendees on current topics the logistics sector. We broadcast the “KochForum:Wissen” exclusively as a video live stream for the first time in 2021. This idea was highly popular among our customers. Events were held on the topics of “Transportation insurance” and “The new silk road” in 2021.



“Transportation insurance”

Regardless of how much care is put into delivering a shipment, goods can sometimes be damaged in transit. What then? What is to be done when recipients report damage? What is the purpose of a so-called “clean receipt”? Who is liable – and in what amount? What documents must be submitted, when, and to where?

To get answers to these and many other questions, over 85 guests accepted our invitation to the KochForum:Wissen video live stream on 28th April 2021. Hans Kuckels, Key Account Manager for the Central Region and authorised representative of Oskar Schunck GmbH & Co. KG, which is headquartered in Düsseldorf, provided detailed background knowledge to virtual guests on the topic of “transportation insurance”, and explained what to take into consideration when handling damage claims.

“The new silk road”

Goods were transported between China and Europe over 2000 years ago over the ancient silk road. Today, this road is being revived as new trading routes are established via road, rail, and ship. What impacts does the “Belt and Road Initiative” (BRI) have on German companies?

We were glad to welcome Lisa Flatten and Lukas Latz, both from Germany Trade & Invest, as speakers on this topic. These experts reported on issues such as transit goods transport in Central Asia, the EU's connectivity strategy, and the indirect effects of the BRI from which German companies can profit.

Afterward, Björn Tiemann, Managing Director of Container Terminal Osnabrück (CTOS), reported on the options the new terminal offers to the shipping industry in the Osnabrück/Münster/Bielefeld region.



Customer service

Quick customs clearance despite Brexit

Since the end of the Brexit transitional period, there are many different issues shippers need to take into account. Koch International has created a comprehensive, high-performing service for transportation to and from Great Britain specifically for this purpose.

We have established a website with all relevant steps and information on transportation handling. Our portfolio includes continuously tracking changes in shipment processing, both for cargo and for partial and full loads.



Customer CO₂ survey

Our customers are also increasingly interested in and tracking the development of environmental issues.

As part of moving closer to our goal of becoming a climate-friendly, sustainable transportation service provider, Tobias Melzer – our colleague from the Northern/Western Europe team – addressed the issues of CO₂ disclosures and CO₂ compensation in his Master's thesis. In collaboration with environmental management and sales, he conducted and evaluated a customer survey on CO₂ accounting. The result was presented to the general management, to help them prepare to respond to customer requirements and requests. This thesis reflects the commitment of our colleagues.

Digital Christmas letter

At the end of each year, we work with an advertising agency to prepare a layout for the purpose of printing 1,200 Christmas cards with 1,200 envelopes. Costs for shipping these Christmas messages are over 1,500 euros each year. Of course, these Christmas cards also represent a significant amount of work for the company. We felt this approach was no longer sustainable, nor a good way to handle resources.



We do want to thank our customers for their collaboration and wish them a restful Christmas season, and do so as sustainably as possible. Because of this, in the future we will be sending our Christmas greetings digitally. Over the last two years, we created a digital Christmas card that all employees could use to send greetings to their contact persons. The idea was well-received by both our own employees and our customers.



Indulgence workshop

Our customer service team had a great idea in 2021. Due to the coronavirus, many customer visits were subject to restrictions. This meant that we lost some personal contact with our customers. A small package of treats, sent to customers in advance by mail, helped our sales professionals and customer service invite them to a friendly digital coffee break.



On the road with sustainability



- drinking water dispensers offer tap water to employees free of charge
- use of rain water in the truck washing facility
- water-saving sinks in the sanitary area
- minimisation of land sealing



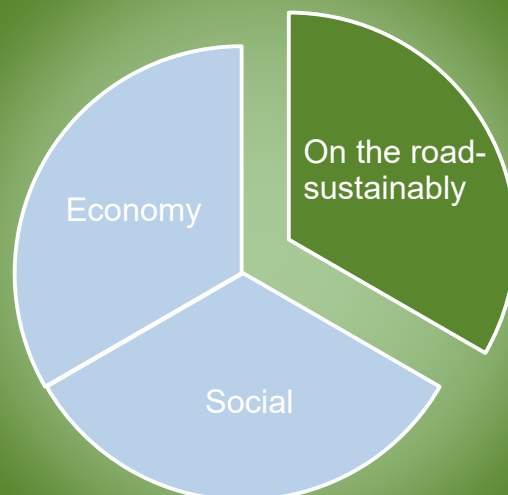
- saving energy using the latest technology
- smart LEDs in our warehouses
- training sessions on reducing power consumption



- taking ecological aspects into account when purchasing office accessories, auxiliary and operating materials
- focus on repair and reuse of materials
- handouts with sustainability focus, like fruit and vegetable bags



- promoting the use of local public transportation and company bikes
- climate protection campaigns like “Stadtradeln” and garbage collection campaigns
- natural design used in company facilities
- supporting biodiversity through beehives and nest-ing boxes



The logistics industry bears a high level of responsibility. Over the last few years, supplying consumers with groceries, medications and aid supplies has become more and more important, as has online commerce. Due to policy changes and because of the changing climate, we are expected to act in a sustainable manner and hold ourselves to ever-higher standards. As a logistics company, we are responsible for meeting these standards and increasing our focus on the environment. Therefore, Koch International considers our internal environmental guidelines and environmental targets to be our first priority.

Our company sustainability policy has been created based on the 17 Sustainable Development Goals (SDGs).

To address the issues of sustainability, environmental awareness and climate protection, we have formulated seven strategic environmental goals with which we assume long-term responsibility for our environment. With our environmental goals, we meet the ecological requirements of our customers, employees and the region both now and for the future. We review the goals annually and adjust them to developments as necessary.

- optimising fuel consumption for our vehicle fleet
- increasing the use of the latest, resource-saving technologies within the company
- optimising electricity, water, and gas consumption at our properties
- reducing the use of paper
- minimising noise pollution
- focus on transparency and authenticity
- expanding the sustainability reporting system

Because of our certification in accordance with DIN EN ISO 14001:2015 Environmental management system, we are obligated to conduct internal and external audits. By doing so, we ensure that we can achieve the environmental targets we have set for ourselves and continuously improve our environmental performance.

The calculated KPIs are reviewed during annual meetings of the departmental heads, and options for improvement are discussed. Employees are encouraged to play an active role in environmental protection, and supported by members of the “Arbeitskreis Grün”.

With the DO SOMETHING for the environment poster, we remind our employees each day that everyone can do their part to protect the environment.



Commitment

Arbeitskreis Grün

Environmental protection throughout the company. Environmental protection only works if everyone takes part! This is why our “Arbeitskreis Grün” meets with representatives from all specialist departments four times a year. The working group discusses environmental protection projects, and identifies measures for implementing them in the individual departments. The members

of our “Arbeitskreis Grün” inform the departments about current developments and are the channel for communication between the departments and environmental management. Due to ongoing pandemic-related restrictions, not all projects were implemented as planned in 2021. The annual spring cleaning event, for instance, was unfortunately cancelled for 2021.

Participation in the 2021 Lower Saxony Climate Innovation Prize

Over 40 applications were submitted to the prize competition, including one from Koch International. The conclusion from the Lower Saxony Sustainability Alliance was as follows: [What a great force of innovation Lower Saxony companies have already shown when it comes to protecting the climate!](#)

The Lower Saxony Sustainability Alliance is a cooperation among the state government, corporate associations, trade unions, and chambers. The goal is to promote sustainable development from ecological, economic and social standpoints in companies in Lower Saxony.



Unfortunately, the jury did not select Koch International this year. Even though we did not win an award, we will continue our commitment to sustainability and climate protection.

Honeycomb logistics



Koch International locations now host a total of twelve beehives. Around 600,000 bees live at Koch International. By expanding our beehives, we want to increase our commitment to regional species diversity, and make a statement in support of sustainability.

In 2020, Koch International worked with a bee-keeper to move seven beehives and 350,000 bees to its company headquarters in Osnabrück for the first time. The idea, proposed by the Arbeitskreis Grün, continues to grow each year.

Three new hives were added to the “Am Tie” logistics site, in addition to the nine hives which now reside at the Fürstenauer Weg location.

[“The total of twelve hives are now well-established, and will certainly continue to increase next year” Peter Koch says. “This is an important step and contribution to maintaining biological diversity, and coming closer to our goal of developing into the most sustainable logistics service provider in our region”.](#)



Now, our two bee-keepers manage all twelve hives. The surrounding area offers perfect conditions and sufficient food for honeycomb logistics thanks to its natural meadows, a forest, a road lined with chestnut trees, and the fruit cultivation program at the Osnabrück University of Applied Sciences.



All honey is sold or given to our employees and customers as a gift shortly before Christmas, for them to enjoy or as a way to say thanks. All sales proceeds are given to the bee-keepers, so they can continue to make an active contribution to species diversity and biodiversity in close collaboration with us.

Nesting boxes



Of course, nesting boxes are primarily intended as nesting aids for birds to use in the spring. Fewer people are aware that they have an important role to play in the winter as well. Titmice like to use the nesting boxes as a place to stay on cold nights during the winter. However, nesting boxes are not only a feathered friend and a warm place to stay – they also offer a suitable nesting spot to remember for the next breeding season.

Because of this, in the fall the Arbeitskreis Grün cleaned the nesting boxes and got them ready for the winter.

All four nesting boxes housed animals and their young last year.

Company site close to nature

Koch International takes the issue of sustainability seriously, and is in particular interested in maintaining and further expanding its natural company site. We have committed to the city of Osnabrück to care for the body of water directly adjacent to our company facility, which is ecologically important as a home for amphibians.



“By doing so, we are creating new habitats for animals continuously, through small measures” says Peter Koch.

Innovations

Recycling access cards

Koch International also re-uses chip cards. To grant access to different locations, all employees, company owners, and suppliers are issued chip cards containing their own individual access authorisations. The chips can be reloaded again and again, but what about the picture?



A new adhesive technology makes it possible to exchange photos and re-program the chip to re-assign the card. Cards are re-used at least three times.

KPIs

Fuel consumption



Optimizing fuel consumption is one of Koch International's environmental goals. The latest telematics systems provide us with precise figures to monitor our own fleet of trucks. We receive our environmental KPIs for passenger cars and vans via refuelling data from fuelling station management. This allows the vehicle fleet to provide targeted driver training sessions and identify vehicles that consume more fuel. The goal is to expand digital options to allow the system to automatically calculate optimal loads and

route plans, as well as CO₂ emissions.

Total fuel consumption	Unit	2019	2020	2021
Diesel fuel**	Litre	2,909,213	2,963,305	2,578,462
Petrol fuel	Litre	10,169	10,447	10,732
LNG fuel	kg	No LNG vehicles		407,394
Adblue trucks	Litre	182,551	201,733	179,387
Adblue company cars*/vans	Litre	376	379	403
Average fuel consumption		2019	2020	2021
Company cars*	l/100km	6.78	6.69	8.85
Vans	l/100km	11.78	11.87	10.49
Shunting	l/100km	78.07	73.89	77.81
Shunting / shuttle	l/100km	55.44	65.66	59.24
Pharma NV	l/100km	23.83	25.65	26.85
Pharma FV	l/100km	26.22	25.72	25.64
NV / Sprinter	l/100km	13.99	14.51	13.94
NV	l/100km	24.16	24.27	24.01
FV	l/100km	28.23	28.06	27.6
Driving performance		2019	2020	2021
Company cars*	km	725,321	542,932	543,780
Vans	km	160,844	154,673	161,142
Shunting	km	77,395	75,161	95,990
Shunting / shuttle	km	62,917	48,504	59,153
Pharma NV	km	197,620	227,652	298,883
Pharma FV	km	1,504,671	1,727,085	1,961,716
NV / Sprinter	km	74,497	51,977	29,277
NV	km	537,220	509,457	570,109
FV	km	7,947,872	8,036,834	7,702,772

CO ₂ emissions from diesel vehicles (WTW)		2019	2020	2021
Shunting	kg CO ₂ /100km	247.48	234.23	246.66
Shunting / shuttle	kg CO ₂ /100km	175.74	208.14	187.79
Pharma NV	kg CO ₂ /100km	75.54	81.31	85.11
Pharma FV	kg CO ₂ /100km	83.12	81.53	81.28
NV / Sprinter	kg CO ₂ /100km	44.35	46.00	44.19
NV	kg CO ₂ /100km	76.59	76.94	76.11
FV	kg CO ₂ /100km	89.49	88.95	87.49

* Company cars passenger cars/hybrid passenger cars ** Diesel CO₂ emissions factor 3.17 kg/l

Vehicle fleet

By using the latest technology for our vehicle fleet, we are not only reducing CO₂ emissions, but also reducing our use of resources. Our heavy cargo fleet consists entirely of EURO 6 trucks, with 12 LNG vehicles added this year which significantly reduce our emissions.

Pollutant classes	2019		2020		2021	
Number of vehicles in our own vehicle fleet	110		106		106	
Koch / Pharma	pc.	%	pc.	%	pc.	%
EURO 1	-	-	-	-	-	-
EURO 2	-	-	-	-	-	-
EURO 3*	2	1	2	1	2	1
EURO 4	4	4	4	4	4	4
EURO 5	2	2	2	2	4	4
EURO 6	102	93	98	93	96	91

Pollutant classes	2019		2020		2021	
Number of company vehicles in our own vehicle fleet	37		37		35	
Company car / van	pc.	%	pc.	%	pc.	%
EURO 1**	1	1	-	-	-	-
EURO 2	-	-	-	-	-	-
EURO 3	4	11	4	11	3	9
EURO 4	5	14	4	11	3	9
EURO 5	3	8	5	13	5	13
EURO 6	24	66	24	64	24	69

* only shunting / shuttle vehicles ** vans

Energy consumption

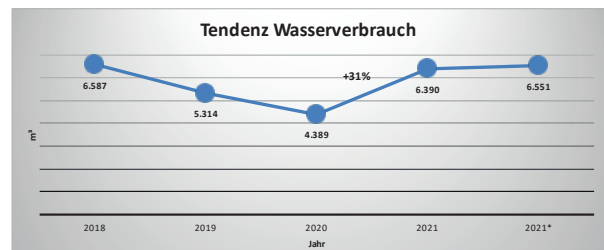
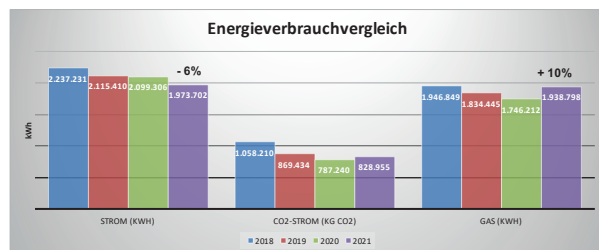
Compared to last year, our consumption of gas increased by 10% and our consumption of water increased by 31%. Employees returned from their home offices, and the logistics industry reacted to inquiries from customers who had to close their doors during the pandemic. This means that these developments are positive, however the increases are not representative of actual trends. Increasing consumption in our hotel and restaurants at the “Zum Attersee” location reflects an increase in the number of guests. Converting to LED lighting at other locations helped reduce

power consumption by 6%. In 2021, generating one kilowatt hour of electricity resulted in an average emission of 420 grams of CO₂ in Germany, calculated using the specific greenhouse gas emissions for the German energy mix. The commissioning of the new “Am Tie” location will make the figures for the next year interesting, thanks to the site’s use of PV power.

Total energy consumption	2018	2019	2020	2021	2021*
Electricity (kwh)	2,237,231	2,115,410	2,099,306	1,973,702	2,370,614
CO ₂ electricity (kg CO ₂)	1,058,210	869,434	787,240	828,955	995,658
Gas (kwh)	1,946,849	1,834,445	1,746,212	1,938,798	2,177,227
Water (m ³)	6,587	5,314	4,389	6,390	6,551
Heating oil (l)	53,011	59,704	49,392	67,142	67,142

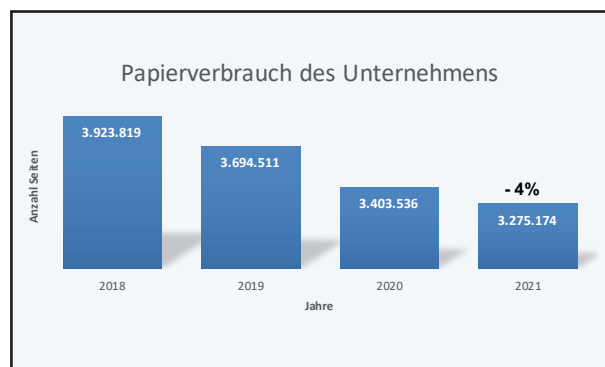
* incl. new “Am Tie” location · electricity emissions factor 2021: 0.420 kg/kWh (average German electricity mix)

Electricity emissions factor 2020: 0.375 kg/kWh (average German electricity mix) · electricity emissions factor 2019: 0.411 kg/kWh (average German electricity mix) · electricity emissions factor 2018: 0.473 kg/kWh (average German electricity mix) · Source: UBA emissions factors · www.umweltbundesamt.de



Paper consumption

Digitization, a positive effect of the pandemic, continues to have a significant influence on our paper consumption. Employees benefited from the security and advantages of the new tools. The use of MS Teams, use of the scanner functions on the new printer units, and the digital availability of documents for working from home offices all increased. Compared to the previous year, we reduced the number of pages printed by 4%. This corresponds to a savings of 642 kg CO₂ over the previous year.



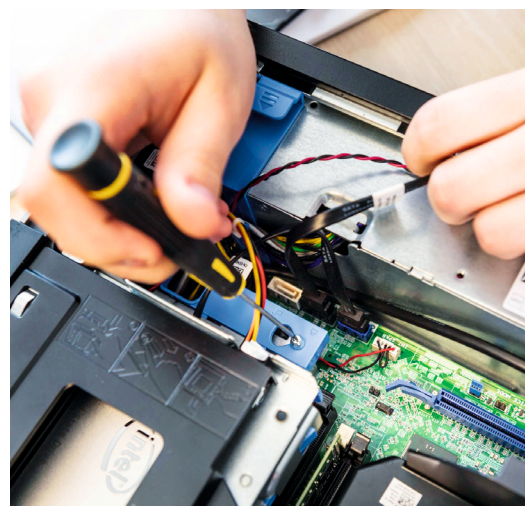
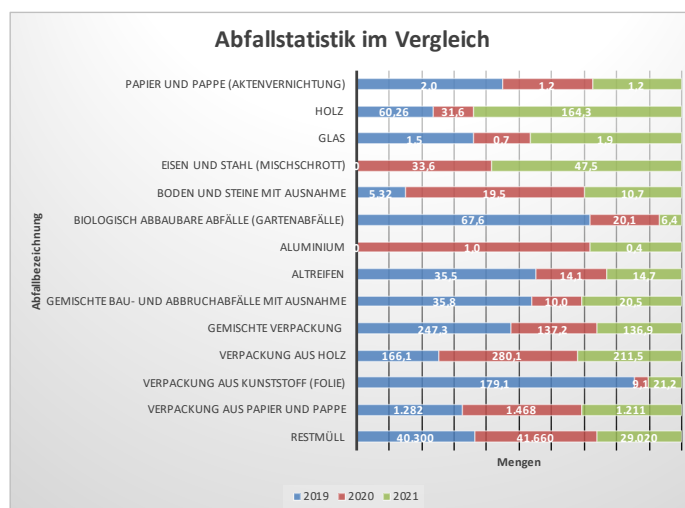
Paper consumption	2018	2019	2020	2021
Pages	3,923,819	3,694,511	3,403,536	3,275,174
kg CO ₂ emissions*	19,619	18,473	17,018	16,376

* 5 g CO₂ per page for 80 g/qm paper

Waste statistics

The circular economy is a major topic within the logistics industry. Packaging materials make up the largest share of waste in waste statistics. The quantity of wood-based waste products has grown fivefold. One explanation for this is a shortage of EURO pallets on the market, which have been replaced by disposable pallets.

Waste designation	Unit	AVV	2019	2020	2021
Other waste materials	kg		40,300	41,660	29,020
Paper and cardboard packaging	m³	15 01 01	1,282	1,468	1,211
Plastic packaging (film)	m³	15 01 02	179.1	9.1	21.2
Wood packaging	t	15 01 03	166.1	280.1	211.5
Mixed packaging	t	15 01 06	247.3	137.2	136.9
Mixed construction and demolition waste with exception	t	17 09 04	35.8	10.0	20.5
Used tires	t	16 01 03	35.5	14.1	14.7
Aluminium	t	17 04 02	0	1.0	0.4
Biodegradable waste (yard waste)	t	20 02 01	67.6	20.1	6.4
Soil and stones with exception	t	17 05 04	5.32	19.5	10.7
Iron and steel (mixed scrap)	t	17 04 05	0	33.6	47.5
Glass	m³	17 02 02	1.5	0.7	1.9
Wood	t	17 02 01	60.26	31.6	164.3
Paper and cardboard (document shredding)	t	20 01 01	2.0	1.2	1.2



Our refurbished equipment is a sustainable alternative to new equipment. In 2021, we purchased approx. 67 devices from our business partners. The majority of these were laptops, followed by PCs and monitors, scanners, and cell phones. Our focus in terms of sustainability is primarily on repair and reuse of such equipment.

Note: Date of record for all data 31st December 2021

Emissions

Cycling to avoid emissions

Around 7.5 million tons of CO₂ could be avoided in Germany alone if approximately 30% of short trips of less than six kilometres in urban centres were taken by bike instead of by car. This is why Koch International has been part of a campaign by the Climate Alliance for many years, taking part in the Stadtradeln Osnabrück city biking programme with its team, “LosKochOS”.



Our team reached 32nd place out of 122 teams in 2021. With 3,747 kilometres ridden, they saved 551 kg CO₂. Koch International rode 5x the distance to our partner Heppner, which is located near Paris (France). This year, the Osnabrück region rode a total of 378,418 km, thereby avoiding 55,627 kg CO₂.

STADTRADELN is based on a competition, during which as many everyday trips as possible should be taken by bike over the course of 21 days, for the good of the environment. Whether participants cycle everyday, or only occasionally, does not matter. Every kilometre counts – especially if they would otherwise be driven by car. This benefits the environment, our climate, and the individuals who take part. Less traffic, lower tailpipe emissions, and less noise all improve quality of life.

Job ticket for local public transit and bicycle leasing

Since 2019, Koch International has offered its employees a JobTicket for public transport, as well as the opportunity to take advantage of attractive bicycle leasing options. Employees who choose to lease a company bike can choose from high-quality bicycles or pedelecs at attractive conditions. 35 employees took advantage of bicycle leasing through the end of 2021. By taking part, employees help reduce CO₂ throughout the company and reduce their own individual footprints as well.

E-bike charging stations at Busch Atter

Nine e-bike charging stations have been installed at our Hotel Busch Atter. By doing so, the restaurant (owned by the Koch family) aims to promote mobility in the region and make the hotel a more attractive destination for outings. This new feature makes the beer garden and large adjacent playground more appealing to cyclists, inviting them to take a break with us. We consider e-bike charging to be part of our contribution to a “cleaner” world.



Climate-neutral printing

In 2021, we either replaced or removed all printers throughout the company. Thanks to new technologies and default settings, we are now able to further reduce paper usage and advance digitization. Lexmark and Konica Minolta now bear all costs for compensating for CO₂ emissions produced by printing, in the form of climate protection projects in 2021 and throughout the entire contractual term.

Our paper is chlorine-free, PEFC certified, and bears the EU Ecolabel.



New generation of SAN mass storage

Using state-of-the-art technologies to reduce energy consumption is a key point in Koch International's environmental guidelines. To advance digitization and to store and transfer the increasing quantities of data associated with that digitization sustainably, we replaced our SAN (storage area network) memory. The old generation of SAN storage had a maximum current consumption of 4 kW in our computing centres, with a storage capacity of 30 terabytes. With the new generation, we have been able to increase the usable storage volume to 49 terabytes, and minimize maximum current consumption to 1.4 kW. This reduces energy used in the form of electricity three-fold. By doing so, we are creating a stable network for the future.

LNG trucks contribute to environmental protection

We are working continuously to reduce the CO₂ emissions of our vehicle fleet. By purchasing LNG trucks (liquefied natural gas), we have taken the next decisive step toward sustainability. This alternative drive offers enormous advantages for the environment. LNG trucks emit 15% less CO₂ than diesel vehicles, as well as 90% less nitrogen oxide and 99% less fine dust. By making the switch, we are saving around 135 tons of CO₂ each year.

As a responsible logistics service provider, we have been working to reduce our environmental impact to a minimum for many years.

“As part of our commitment to environmentally-friendly mobility, we have always tracked the development of alternative drives. We have focused on investing in our own LNG fleet. We are glad that the infrastructure now allows us to use these vehicles. This allows us to reduce our harmful emissions while maintaining performance and ranges” says Environmental Management Officer Peter Koch.

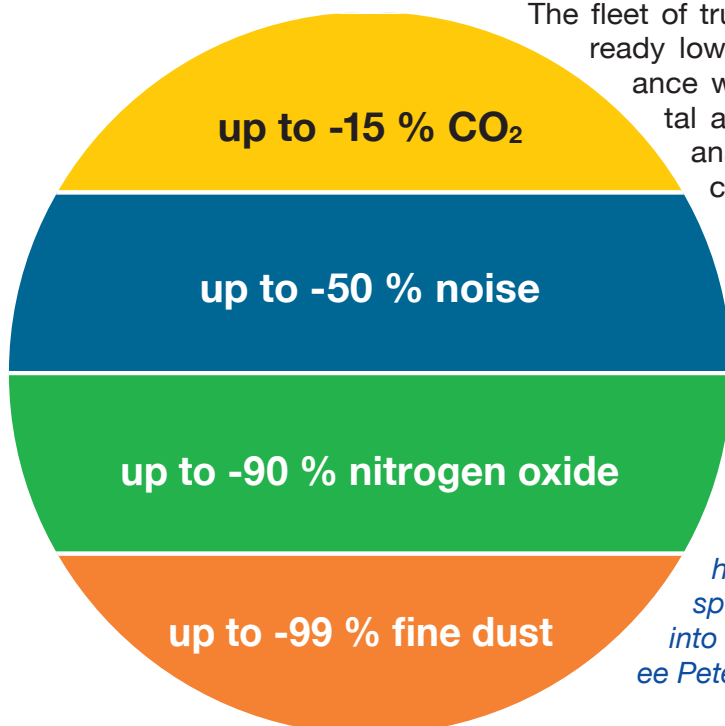
Now, around 13% of the total heavy cargo fleet is LNG operated in accordance with the Euro 6 standard. The vehicles are used for both local transportation and on night-time routes. In addition, the trucks are only half as loud as the vehicles they replaced, allowing us to reduce our noise emissions by half. Another important factor



in using LNG trucks is that drivers are not prohibited from driving in urban centres and congested areas, due to the very low nitrogen oxide emissions.

LNG vehicles fulfil the environmental requirements of the EURO 6 exhaust standard. Overall, therefore, they offer an environmentally-friendly alternative in terms of performance and range on the road.

“Blue fleet - Green heart”



The fleet of trucks used by Koch International is already low-noise and low-emissions, in accordance with the latest safety and environmental aspects. Driving style and deployment analyses have succeeded in reducing fuel consumption and CO₂ emissions.

The company plans to further expand its use of alternative drive technologies like electric or hydrogen trucks.

However, getting all of our LNG vehicles to the road did take some work.

“Before we sent professional drivers out on the road with an LNG truck, we had to train them - as there are some special considerations they need to take into account” explains vehicle fleet employee Peter Hayn.

The challenges

Before the vehicle can be fuelled, drivers must ensure that the tank is under the right pressure. This pressure level is eight bar. Drivers have to wear protective equipment during fuelling, such as CRYO cold protection gloves and safety glasses.

LNG is liquefied natural gas, which becomes liquefied at a temperature of less than -161 C° at atmospheric pressure.



Therefore, all professional drivers received theoretical and practical training on the fuelling process from a driving instructor.

The poor LNG fuelling infrastructure is a challenge. Although the network is being expanded continuously, both dispatchers and drivers need to plan routes so that fuelling is possible while on the go.

In addition, the workshop team needed to familiarise itself with the new drive technology, to provide support in case of a defect.

Feedback from drivers on LNG trucks has been positive thus far. The trucks are more quiet to drive, deliver almost identical performance, and have a lower torque than diesel trucks.

LED for more locations

To achieve better lighting performance and save around 14% of electricity compared to the previous year, exterior headlights at the logistics site and truck service area at Prof.-Porsche-Straße were converted to LED.



The conversion at the transshipment warehouse conducted two years ago saves 124 tons of CO₂ annually. Discussions are being held at other locations.

New gas heat pumps for sustainable building technology

Our administrative building at Fürstenauer Weg was equipped with new gas heat pumps this year. In addition to their classic use to produce heat on cold days, they help keep the climate comfortable in the summer as well. Gas heat pumps combine the consumption of fossil fuel with heat generated from the environment; this improves our energy efficiency and our CO₂ footprint.

CO₂ certificates



TX Logistics Certificate 2021 – With TX Logistics, we made a conscious choice for inter-modal routes in order to save CO₂ – in 2021, we were able to save 8,331 kg CO₂.

GLS KlimaProtect 2021 – Between April and July, we took part in a GLS programme to compensate for all or our CO₂ emissions through forest conservation and reforestation projects.





Employees and company



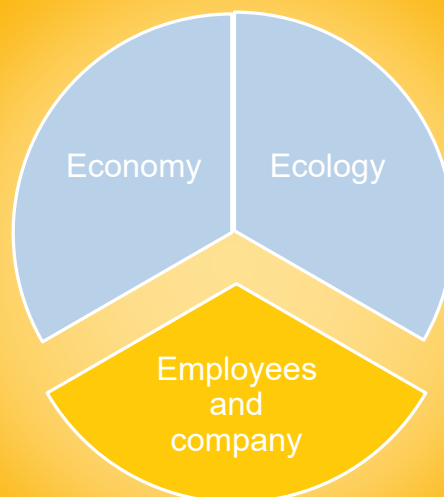
- annual health bonus
- company health management with individual services, such as vaccines
- free apples from September to June
- annual day of movement



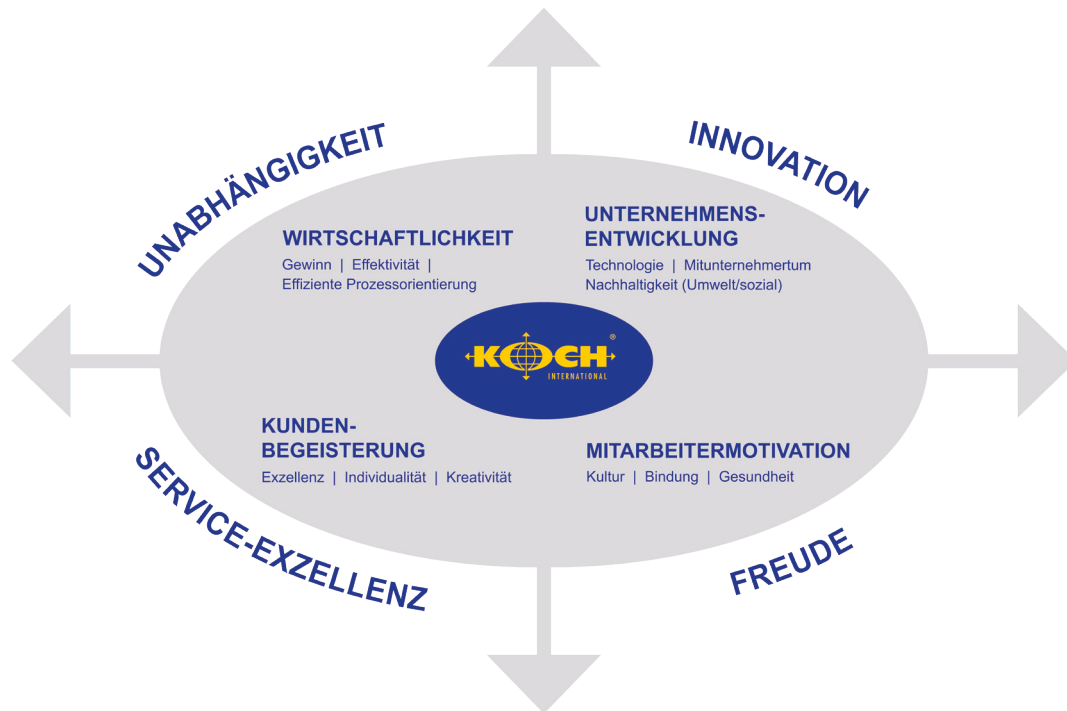
- IHK seal of quality for training quality
- German course for employees
- Erasmus + training partner
- KochForum:Wissen – presentations for customers and stakeholders
- e-learning courses
- training ambassadors
- cooperation with regional educational institutions



- emergency childcare
- “Family-friendly employer” award
- option for mobile work - flexible work time models
- Trailblazer – employment for people with special support needs
- regular employee surveys
- support for people from migration backgrounds (such as training support and EQJ)



Koch International is building its future with over 750 employees at 14 logistics locations. Together, we offer our customers from all industries custom transportation and logistics concepts and solutions for specialised requirements. Our employees are actively involved in shaping our corporate mission.



They are supported by our employee representatives at Koch International. We offer career opportunities for young professionals, experienced specialists, and people moving to a new professional field. Our training strategy has been confirmed by the following awards for training and education:



Trailblazer 2020/2021

This award honours our social commitment to employing people who need special support services.

Erasmus and training partners

We are making it possible for trainees to complete an internship in other European countries, and are thereby qualifying as an Erasmus training partner.



IHK top training

The IHK Osnabrück-Emsland-Grafschaft Bentheim has once again honoured us for the quality of training offered at our company.

Awards

IHK Seal of quality

In 2016, Koch International received the IHK Seal of quality for “TOP TRAINING”. We have once again confirmed this performance through a certification process.

“We are very proud of the award. It honours the commitment of our team, and confirms that we are on the right path with our approach to training young people” said Managing Director Uwe Fieselmann at the award ceremony.



IHK CEO Marco Graf praised the additional qualifications offered to trainees, like English language courses or the option of working abroad. The facts that trainees are involved in interviews for new trainees, and that they independently maintain social media channels like Instagram, are also notable.

by the IHK training advisor, and an audit at the company. The process focused on questions like how training is designed, organised, and developed within the company.

“Family-friendly employer” award

We received the “Family-friendly employer” award in early November 2021. We were honoured for our family-friendly services, which are anchored as part of our corporate culture and implemented in operation.



With the “Family-friendly employer” certificate, the family alliance made up of regional business- and family-friendly players honours companies from the city of Osnabrück and surrounding area for their employee-oriented corporate values. The purpose of the award is to foster broad acceptance and more commitment to family-friendly policies, as well as advantages for the region as a whole.

Koch impressed the jury with its personal and family-based climate. The company offers options for flexible working hours and mobile work, support re-entering the workforce after parental leave, and family obligations are taken into account in deployment and vacation planning. In addition, financial support is provided for births and weddings, in the form of monetary bonuses for employees.

The company's social engagement in the region was another positive factor. This engagement includes regular donations and campaigns, like blind spot training sessions at schools or events like the door opener day from the TV show “Die Sendung mit der Maus”, which allows families to look behind the curtains and find out what makes Koch International tick. In addition, employees and their family members are invited to the Koch movement day, a day of health campaigns. Our goal is to make our company even more family-friendly. We will be exchanging ideas with regional companies in the family association as part of this work.

Continued training



Naming authorised representatives

Effective as of 1st January 2021, Koch International named Mr Patrick Leue, Head of Contract Logistics, and Mr Spasko Nikolov, Head of International Services, as new authorised representatives for the management.

Mr Leue has successfully continued the development of the contract logistics area for the past several

years. Alongside his team, he launched operations of the logistics warehouse at Fürstenauer Weg 72 in the spring of 2019, gained important new customers for Koch International, and expanded the company's business with existing customers. All of these measures have helped contract logistics grow into a very profitable area. Granting Mr Leue the status of authorised representative gives him the freedom to continue this outstanding development. In addition, his team is coordinating and handling the new “Am Tie” logistics site.

Mr Nikolov is responsible for one of the largest areas at Koch International. As of spring 2020, his varied duties include heading up European overland transport. The areas of ocean and air cargo, including customs, were added as well in late 2020. Even during this time, Mr Nikolov brought new inspiration to the departments and continued the restructuring processes. The teams are very well-equipped to handle the increasing demand for international transportation and individual customer requirements. In addition, he optimised international partner structures and expanded the existing LTL and FTL business. As an authorised representative, he is prepared for a future of continuing the sustainable growth of the international department.

Seminar on “Corporate energy”

A manager workshop on the topic of corporate energy was held in 2021, for the purpose of continuing our corporate development. Even during the coronavirus pandemic, the general management felt it was important to continue training employees so they would be equipped to handle current and future challenges.

They developed the corporate mission statement and code of conduct together as part of this initiative. Its results also include holding employee reviews and conducting employee and customer surveys. The “Communication” project team developed campaigns during the seminar like the “Truck Stop” event or a “Stammtisch” for employees.

The 25 participants who took part were departmental and team leaders from many different business and commercial areas, who learned more about corporate and manager energy during the two-day event. This is a system composed of controlling (understanding), strategy (goals), management (organisation) and leadership (energy), with which Koch International intends to guide its development in the future. Participants also addressed period-based target planning, an approach that defines goals through 2027, and received a personal HBDI profile (thinking style analysis tool) at the end of the event.



Cambridge Business English certificate



The Business Certificates are a series of tests, consisting of three language qualifications for international business English. They are designed to help professionals gain English fluency to allow them to communicate confidently in an international business environment. The tests cover participants' language skills based on everyday professional tasks.

Our trainees refreshed their skills with the company Lexis Languages for several months, with successful results. Participants in the English course passed

the test, and have received the "Cambridge Business English certificate".

Career focus with Koch International



We have been cooperating with the Osnabrück school system for many years, with the goal of giving secondary school students insight into the business world early on, and making it easier for them to start their own careers.

We joined as a partner in March of 2021, with the goal of adding more practical instruction to everyday schooling. We are supporting the Thomas-Morus-Schule in its business instruction, by explaining our business processes and structures. Young people can gain insight into logis-

tics through visiting our operations, internship at the company, or simulated customer meetings. In addition, their parents can get involved by attending an informational evening where we present training professions at Koch International.

New officers named

Our colleagues Stephanie Vallo und Sebastian Pilger were named as authorised officers for the “Contract logistics area management” area in recognition of their personal performance. After being named authorised officers, the two employees have the rights and obligations of authorised representatives for their respective areas of responsibility.



With this step, we are able to document and reinforce ongoing development within our company.

Teamwork

Project teams

We are implementing project teams for different areas, which are designed to actively and creatively take part in shaping the direction of the company with their interests and ideas.

The following teams exist at Koch International:

- Communication
- Arbeitskreis Grün
- Instagram
- Facebook
- Intern mentors
- Ideen@koch
- Football team



Sustainable packaging concept a product of teamwork

KEMPER GmbH & Co. KG, a company rich in tradition from the Münster region, produces rotary headers and chopper attachments in Stadtlohn with over 300 employees. Because of this, the weeks of the corn harvest are some of the most important of the year for the machine maker’s customers. Our logistics team supported the company during the season with replacement parts logistics. Together, we developed an on-call service for supplying replacement parts. This service made it possible for us to ship replacement parts any day of the week (including Sundays and holidays) into the late evening hours.

And, as if that weren't enough, based on our suggestions and developments, Kemper has introduced a whole range of new shipping boxes in the last few years. These include, for example, die-cut boxes based on the familiar principle of a pizza box (folds to create stability). This conversion alone allows the company to save more than 15,000 meters of tape annually. In addition to having a positive impact on their environmental footprint, this also reduces the work involved in handling.



Both of these projects are good examples of the collaboration based on trust that our employees engage in.

Training

Into the future together

In 2021, Koch International welcomed 22 new trainees, including

- 12 trainees as freight forwarding and logistics services agents
- 5 trainees as specialists in warehouse logistics
- 4 trainees as professional drivers
- 1 trainee as an IT specialist

In addition, four one-year interns and one dual student started their careers at Koch International. After they were officially welcomed, the trainees attended different training sessions, engaged in group work, and visited the Osnabrück trampoline and leisure park "UrSprung" for a team building event.



For many trainees, ending their training means the start of their professional careers. This was the case for the 7 graduates who were granted permanent positions with us. They began working in the following departments:

- Freight forwarding and logistics services agents
- Professional drivers
- Specialists in warehouse logistics

However, not only our former trainees are glad to see our collaboration continue – we are also overjoyed that these young professionals have decided to stay with us.

First digital day of welcome

Normally, new colleagues are welcomed to Koch International with a day of welcome. This is a morning event, put on by Uwe Fieselmann, Managing Director, Tanja Steinigeweg, Assistant to the general management, and Kristin Tegeler, HR. New employees not only receive information on different topics relevant to the company, they also have the opportunity to get to know one another in a pleasant atmosphere.



Due to the coronavirus, things were a little different in 2021. Many events could not be held as usual. Nevertheless, we did not want to eliminate the day of welcome entirely, as it helps new employees integrate into our company. Our solution was to hold the day of welcome in a digital format.

New employees received an MS TEAMS invitation to the day, with a request to purchase a webcam for the event. The goal was for participants to not only learn one another's names, but to see one another's faces as well.

The event started with brief introductions. Participants quickly overcame any initial shyness, and were glad to tell one another about their different hobbies. Then the new colleagues were informed on different topics, such as the Koch International corporate structure or the company's strategic alignment through 2025. Likewise, they were introduced to company representatives and the corporate mission statement. All in all, they gained extensive insight into processes and procedures at Koch International, and lots of information on organisational matters as well.

The day of welcome ended with a round of feedback.

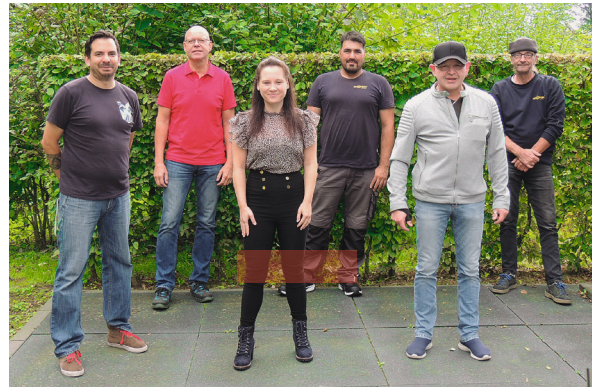
Communication

Our employee representatives

Employee representatives at Koch International represent the interests of our employees to the general management, and promote the positive development of the organisation as a whole. A new representative is elected every three years. The representative elections were held in May of 2021, through a secret online vote. The newly elected employee representative was introduced in June, and is now part of regular video messages from the general management.

Our employee representative is involved in the following areas:

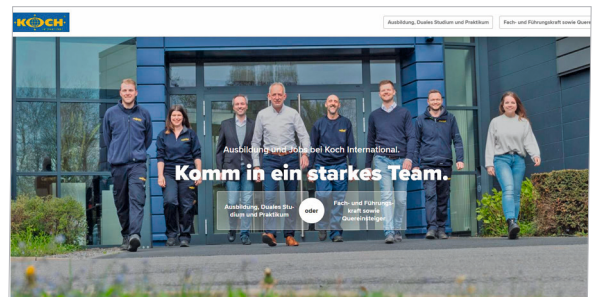
- Health protection
- Accident prevention
- Social matters
- Workplace design
- Personnel matters
- Suggestions for improvement



New career website online

The new career website went live in July of 2021, as a companion to the training website published in March.

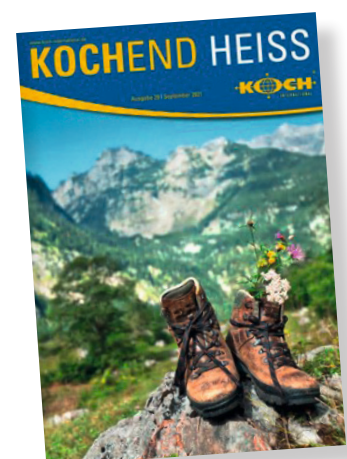
It offers specialists and managers insight into the different kinds of work carried out within the company, under “<https://karriere.koch-international.de/>” and helps guide applicants to the information they need. Quotes from and images of employees provide authentic insight into the company. The goal is to present our company as an attractive regional employer, and benefit from the advantages of a data-supported page.



Digital internal communication

During the pandemic, Koch International had to come up with new ways to reach and include all of our employees. Because of this, we expanded our digital internal communication with the following options:

- KochendHeiss, an internal employee newsletter
- KochKompass, an internal SharePoint page for everyday exchange of information
- Video messages from the general management
- Team videos “Who is working where and on what”
- Email address for every employee
- Access to MS Teams for every employee
- New driver smartphones
- Info screens
- Homepage
- Newsletter
- Koch Management System (KMS), an internal representation of operational processes, including relevant documents
- Social networks



By introducing MS Teams and equipping our drivers with new smartphones, we are now able to handle documents, work instructions and annual training sessions, etc. fully digitally. This has significantly improved availability and the flow of information.

Our customers, partners, and stakeholders all benefit from the new media. Our employees are both actively involved and informed as well of happenings throughout the company. We offer the option of getting in touch with us and learning more about Koch International through the following platforms:

Facebook, Instagram, LinkedIn, Xing and kununu

All roads lead to social media – including the road of recruiting. Today, potential applicants routinely research employers in advance through social networks. We also use these channels to look for suitable applicants.

To generate interest, we regularly post news on Facebook, Instagram, LinkedIn, Xing and kununu.



www.facebook.com/kochinternational



www.instagram.com/kochinternational/



<https://www.linkedin.com/company/37456535/admin/>



www.xing.com/pages/heinrichkochinternationalespeditiongmbh-co-kg



www.kununu.com/de/heinrich-koch-internationale-spedition1

Transparency and authenticity are important to us. Our communication via social media is an important part of publicising our corporate mission statement and our values. Through this channel...

- ... we provide an initial impression of our company as an employer, and allow applicants to look behind the scenes even before their first day at work.
- ... we get potential candidates excited about Koch International.
- ... we reach potential candidates who are not looking for a job or doing so only passively, and who do not read job advertisements.

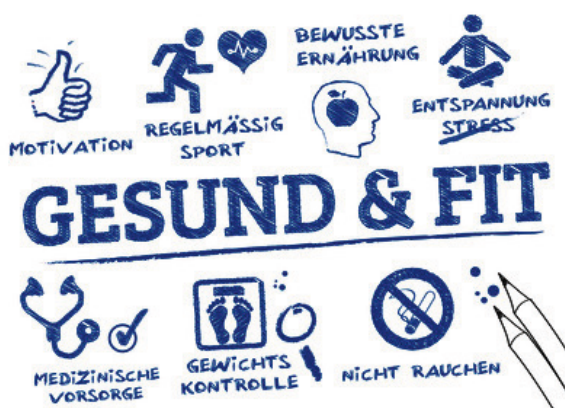
We evaluate ratings on kununu or Facebook. Both platforms offer interesting insight into our corporate climate, development opportunities, and employee services.

All of our profiles are public, meaning that users can view content even without having an account.

Health

A win for your health

Since 2015, Koch International employees have received bonuses for healthy behaviour. In the spirit of preventative healthcare, employees receive points for movement, nutrition, stress management, and health services, which are then converted into “bonus booklets” at the end of the year. Currently, bonuses are booked as gifts on the “TicketPlus” card, and are not subject to taxes or social insurance contributions. Participants with 10 points or more qualify automatically to take part in a drawing. There were 122 entries in the drawing for the main prize in 2021. The general management, management, and BGM traditionally do not participate.



151 bonus booklets were issued in 2021, with an average of 11.2 points.

The lucky winner for 2021, Tobias Melzer, enjoyed an exclusive personal training session. This is a “two-fold” prize with a positive impact on his health – a personal fitness programme gives him his first points for 2022 as well.

Health campaigns

Last year, the company held its first code of conduct workshops on the topic of health, with the goal of reinvigorating the code of conduct

and helping employees experience its values. Colleagues from different departments and employee representatives took part. The project group developed five suggested health campaigns, after which each department selected one suggestion to implement.

- Recipes for healthy meals
- Relaxation exercises
- Joint cooking course
- Movement breaks
- Pedometer competition

Departments began to implement these campaigns in early 2021. The results were presented in our employee newsletter, KochendHeiss.



One positive example: Exercises in the warehouse

Vaccines, tests, and masks a continuing issue in 2021



Our employees were offered the option of advising on vaccines from the company physician as part of our coronavirus vaccination activities. Consultation hours were offered in September 2021 specifically for this purpose.

Most regular vaccines were provided by the company physician, with prior appointment.

Social engagement



Day of remembrance

Koch International held a “Day of remembrance” on 18th November 2021.

A candle was set up in the reception area for the occasion, a day when we remember our deceased colleagues. After all, a family is made up not only of the members we see everyday, but those who are no longer with us as well. These people supported us for many years, in some cases decades, and we keep them in our memory.

Transportation for the Catholic congregation of Belm



In September of 2021, we transported a complete set of camping equipment from Belm to Haselünne for the Catholic congregation of Belm. The transport route was 150 km long. We were happy to handle the job free of charge.

Reading mentors

We launched cooperations with general schools in 2021 as well. We are acting as reading mentors for the Realschule Wallenhorst and the Thomas-Morus-Schule to provide access to the NOZ - Neue Osnabrücker Zeitung. We will now pay annual costs for the daily newspaper for both schools.

Saving lives together

Blood is a vital fluid: It transports oxygen from our lungs to our cells, and brings nutrients to their final destinations.

As essential as blood is to our bodies, so are logistics essential to our society. Both systems create stability, and ensure ongoing supply and disposal of materials. But what if one of these systems no longer functions? Within our industry, we develop a variety of strategic solutions to handle supply bottlenecks – and we want to do the same for vascular system disorders.

The “Blood transports” initiative is an association of companies in the logistics industry, with one common goal: We want to support efforts to fight leukaemia and other blood-related disorders by taking action ourselves.

We have been a partner in the initiative since January of 2021 – all part of our goal to always put people in focus. As part of our engagement, we organised blood typing campaigns for the DKMS, where Koch International employees can register as stem cell donors to help people suffering from illnesses.



DKMS typing week at Koch International

In Germany, one out of every ten leukaemia patients is not able to find a suitable stem cell donor. Worldwide, this figure is four out of ten. For many people with diseases, a stem cell transplant is their last and only chance at recovery. To receive the transplant, they need a “genetic twin” whose tissue markers are as close as possible to their own. Around one third of sufferers find a donor within their own family. But most of them – almost 70,000 people each year – are forced to try and find a “match” somewhere else in the world.

As a member of the “Blood transports” logistics initiative, we want to help people suffering from leukaemia, and held a typing campaign for the DKMS for our employees on World Blood Cancer Day on 28th May.



From 21st to 28th May 2021, information was provided to colleagues in the main administration office, on the bulletin boards at logistics locations, and via e-mail with a link/QR code that allowed interested employees to directly access the Koch International website of the DKMS. After they entered their personal information, the registration set was sent to their private address. Potential donors could then use the enclosed Q-tip to swab their cheek, and return the swab and signed

declaration of consent to the DKMS laboratory. After registration, relevant tissue markers were evaluated in the lab. The results of the sample were then made available for the global patient search.

As part of the campaign, Koch International agreed to pay the costs for laboratory testing (35 euros for each sample) for 30 potential donors. Koch International not only paid laboratory costs for the actual typing, but also paid DKMS the difference up to the 1,050 euros we had originally planned to donate, in order to support its important work.

Osnabrück residents help in flood zone

After the catastrophic flooding in North Rhine Westphalia and Rhineland Palatinate, heavy equipment was needed for the clean-up.

Companies from Osnabrück and the surrounding region worked together to provide rapid aid. Koch International also took part in these campaigns.

We moved specialised excavator equipment to the flood region to support Mr Ansgar Frommeyer's aid campaign.



We also handled other aid transport within the region. We moved IBC containers used to dispose of water contaminated with heating oil.

Blind spot training

Due to the coronavirus, we were not able to carry out some of our projects. Because of this, we were all the more glad to be able to hold our traffic safety training on blind spots at the Paul-Gerhardt Grundschule in Mettingen.

During the bicycle test, the 4th grade class allowed 20 students to take part in the campaign. Our goal is to make participants aware of the dangers of blind spots. Every child, and the teacher, got behind the wheel to change their perspective, and gain insight into what drivers can and cannot see. The children learned what a truck driver can see in their mirrors, and how large their blind spot truly is. This allowed young road users to learn in practice how they can be safer in traffic. They learned that, to be safe, they should never stand beside a truck at a traffic light – as it could turn right and fail to see any cyclists nearby.



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The contents of this document have been prepared with the greatest possible care. We accept no liability for ensuring the content is complete or correct, nor for any omissions or errors.

Gender

As a general principle, Koch International stands for the equality of all genders. To simplify communication, we have used gender-neutral pronouns in this sustainability report. We expressly reject any gender-specific preference or bias.

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