

CONTINEO

2021 QUARTER 4 ISSUE



THE ROYAL RESILIENCE: A VIRTUAL CHRISTMAS SPECIAL

Like the previous year, Royal Cargo held its annual Christmas party virtually for the 2nd time last December 17, 2021, with the theme of – Royal Resilience. Two (2) years into the pandemic, now we're seeing a scintilla of light in these dark times and have consistently learned to be resilient despite all the challenges brought about by the pandemic.

At 5 PM, the virtual party started with a prayer. Royal Cargo President and CEO, Mr. Elmer Francisco U. Sarmiento, opened the program, followed by a short message from Deputy COO, Mr. Andrew K. Raeuber.

It has also been a tradition of the Royal Cargo Group to give Service Awardees to honor those who have been with the company. This year, 104 Service Awardees were given, beginning with the 5-year awardees up to an employee who's been with RCI for 40 years.

There are 64 employees presented with 5-year service awards, 27 people with 10-year, and eight (8) employees 15 -year service awards. In addition, three (3) people got the 20-year service awards. Rodelrick E. Sintaco, Mobile Equipment Maintenance Manager under Mobile Equipment Maintenance Department, and Janet P. Husmillo, HR Account Manager under Functional Services, received the 25-year and 40-year service awards.

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2021 YEAR-END SPECIAL

A total of seven (7) groups competed for the group presentation. Each group presentation featured the RCI core values that showed resilience in Royal Cargo during the pandemic and inspired the audience to soldier on and gently reminded that we can always rely on our work family through all these challenges.

With a song intermission number, Irma Mira's voice transcended with the audience.

The presentation of the Star Performers and Star Managers followed immediately after. The Employee of the Year (EOY) and Manager of the Year (MOY) came from the selected ones. The annual selection and awarding of EOY and MOY are Royal Cargo's way of honoring its employees' hard work and recognizing their exemplary performance for the past twelve (12) months.

Here are the selected 2021 Star Performers:

1. **Pablito Daut Jr.** (OFD/Refrigeration and Aircon Supervisor)
2. **Catherine Delos Reyes** (CCB/Billing & Documentation Assistant)
3. **Mary Ann Olaes** (FUN/Occupational Health Officer)
4. **Manuel Eduardo Pagaduan** (IFF/Processor/Loader)
5. **Michelle Peralta** (PHL/Business Process Development & Systems Officer)
6. **Roldan Poliquit** (CLL/Checker/Processor)
7. **Jam Marielle Saria** (SYSPRO/IOR Coordinator)

While the following were selected as the 2021 Star Managers:

1. **Leo Bania** (CED/Crane Manager)
2. **Jelica Benitez** (IFF/Manager, Oceanfreight Export)
3. **Randy Cabrera** (FTD/Sr. Credit & Collection Manager)
4. **Mona Liza Canillo** (IRIS/AVP, Estimated Voyage Accounts)
5. **Kresta Marie Maglalang** (DAF/Asst. Manager, Airfreight)
6. **Roland Earl Ochoa** (CLM/Warehouse Operations Manager-Dry Chain)
7. **Larry Natero Zubieto** (OFD/Head, Royal Cargo Transport)

This year, a new category award has been introduced called Most Valuable Salesperson (MVS). The MVS is a category for the frontline sales personnel equivalent to the Employee of the Year (EOY) and Manager of the Year (MOY) awards.

**Here are the 2021 ASC All-Stars:**

1. **Samela Anotado** (NSD/Account Executive)
2. **Elaine Jocelle Batuigas** (NSD/Account Executive)
3. **Reginald Lozano** (OFD/Account Executive)
4. **Ezra Mercado** (KAM/Key Account Manager)
5. **Micaela Beatriz Ner** (NSD/Account Executive)

All these employees across all three (3) categories rose to the challenge of providing an unparalleled demonstration of compassion towards work amidst the pandemic.

The Chairman and Group Chief Executive Officer, Mr. Michael K. Raeuber, gave his message to the RCI Family right after. He stated that the pandemic has greatly affected the company, and though still reeling from the adverse effects, he remained confident of further developments for the whole Royal Cargo Group. He also announced a few changes in the organization for the coming year.

Capping off the event is the announcement of winners for the EOY, MOY, and MVS awards:

- **2021 Employee of the Year (EOY):** Michelle Peralta
- **2021 Manager of the Year (MOY):** Larry Natero Zubieto
- **2021 Most Valuable Salesperson (MVS):** Micaela Beatriz Ner

And of course, the winners of the group presentations:

- **3rd place:** CTD, FTD, Legal, FUNS (HR, Procurement, Properties, QHSSE), ICTS, BPM, GCC, IAD, RCPFI, OVM / EXO (OGCEO, OP, OCOO, ODCOO)
- **2nd place:** CCB / Pharma Logistics
- **1st place:** Own Fleet / MEMD

Indeed, the resiliency of RCI employees was instrumental in enduring the challenges caused by the pandemic and rising above for the years to come.



CAPPING OFF 2021

A YEAR-END MESSAGE BY EFUS

written by Mr. Elmer Francisco U. Sarmiento

The end of the year is the quintessential time for us all to look back, reflect on what we have been through, where we are headed, and what we are thankful for.

2021 has been a year like no other. We are still facing one of the biggest health crises we have ever known. Although vaccines have already been made available to many, Covid-19 is still prevalent and constantly evolving. In contrast, our countrymen suffered heavily to the wrath of *Typhoon Odette*, a very unfortunate event that marked our Christmas' festive mood.

I appreciate our co-workers who acted with dispatch to help our co-employees in Cebu and our other branches who were adversely affected by the strong typhoon.

Throughout this pandemic, Royal Cargo has been relatively fortunate, given that we are an essential industry. While other companies have been brought to a halt, we continue to stand front and center, responding to the changing needs and requirements of the market. In many ways, we rise to the challenge and show how strong we are as a company – even in the toughest of times. The tough got tougher.

Indeed, the Covid-19 pandemic neither slowed us down nor stopped us from growing and soaring to new heights. **Last May 2021, we inaugurated our newest facility, the Vaccine Depot.** It is a \$1M investment that aims to provide a pharma-grade storage facility for Covid-19 and other types of available vaccines.

On September 23, 2021, our very own MV “Iris Paoay” embarked on its maiden voyage to the U.S., the first Philippine-flagged containership to sail directly to the U.S. in about 35 years. The voyage is in response to calls from Filipino exporters and importers to ease the burden of shipping their products to and from the USA in these trying times.

Another highlight is **Royal Cargo's P1.4B investment to develop its South Hub in Canlubang, Laguna.** This will enable our company to handle pharmaceutical and food products, dry goods, and liquids. **Full operation of the entire facility is set in the later part of 2022.**

These and so much more have been achieved despite adverse circumstances.



As we navigate towards 2022, it is good to look ahead with optimism and hope for better days to come. Let us celebrate the end of the year and the beginning of another.

Starting in 2022, it will be the beginning of a new succession plan that will start with the designation of our new President as I will be retiring ending my employment with Royal Cargo after working almost 42 years.

I would like to express my gratitude to Mr. Michael Raeuber, our Group Chair and CEO for the opportunities he has given me over the years and the hard working and supportive colleagues and co-workers who did not mind pushing themselves to the limit to attain the objective of a job well done.

I wish the new President, Mr. Andrew K. Raeuber all the best and I hope and pray for his success and the continuous growth and prosperity of our Company.

On behalf of the Royal Cargo management team, I would like to thank you all for the hard work and commitment you have shown over the past years. Our combined strength is what truly makes us formidable.

Mabuhay, Royal Cargo!



WHAT'S NEW: ORGANIZATIONAL CHANGES

A MESSAGE FROM THE NEW PRESIDENT OF AFFILIATE COMPANIES

Dear RCI Family,

I'd like to take this chance to express my utmost gratitude to our top management for giving me this amazing opportunity to pave the way as President of our affiliate companies, **Iris Logistics**, **TMW Express Worldwide**, and **Syspro**, as well as **COO of our Contract Logistics – Cold department**.

These integral segments of our group are being headed by people for whom I have nothing but great respect and very much look forward to working with. I also want to thank the rest of my RCI family as I've learned a lot from everyone around me these last eight years. With the unwavering dedication of our group, I have no doubt in my mind that we will continue to carry out our vision of being the preferred partner of choice in the supply chain and logistics industry.

What I promise you all is a compassionate leader, one who supports an environment where openness and innovation may thrive. As quoted by one of the most intelligent people in history, ***“Logic will get you from A to B. Imagination will take you everywhere.”***

Differentiation is what has always set us apart from competition and it is what will maintain our lead this year and in the years to come. 2022 will be fantastic and I am both honored and humbled to take part in it through my new role.

Yours sincerely,
Sebastian K. Raeuber



SEBASTIAN K. RAEUBER

PRESIDENT

IRIS LINES, TMW EXPRESS WORLDWIDE, SYSPRO



SYSPRO





WHAT'S NEW: ORGANIZATIONAL CHANGES

NEWLY APPOINTED PRESIDENT OF ROYAL CARGO & LIMA GROUP

Originally released by Ms. Loida Tasis via email last Dec. 31, 2021

Andrew Kurt Raeuber has been appointed as President of Royal Cargo, Inc.

In his new role, **Andrew will lead the parent company that owns a controlling stake in the various businesses of the RC Group.**

Specifically, he will handle Contract Logistics – Dry, Pharma Logistics, IFF Operations, Customs Clearance & Brokerage, Group Revenue Management, and the various Support Groups: Functional Services, Information & Technology, Comptrollership and Tax, Finance & Treasury, Legal & Corporate Affairs, RC Transport/Owned Fleet and Mobile Equipment Maintenance Department (MEMD).

NEWLY APPOINTED MANAGING DIRECTOR FOR GLOBAL NETWORK

Mark Bosco Khambatta has been appointed as Managing Director for Global Network.

In his new role, **Mark will establish the overall global network strategy, lead, direct, and control the activities of the Group's branch offices in Southeast Asia (Thailand, Indonesia, Malaysia, and the re-establishment of Singapore) and the US.**

Supporting Mark in his new role in the Global Network is Matthew Adams who has been appointed as Global Network Head for East Asia (China, Hong Kong, and the re-establishment of Taiwan), Vietnam, and the UK. Mark will continuously manage the Domestic Freight and Customer Service of RCI.



ANDREW K. RAEUBER

PRESIDENT
ROYAL CARGO GROUP & LIMA GROUP

As President of RCI, Andrew will set the short and long-term goals, plans, and strategies of the Company, and ensure compliance by its various Business Units. Andrew will continue his leadership role as President of Lima Logistics Corporation.



MARK BOSCO KHAMBATTA

MANAGING DIRECTOR
GLOBAL NETWORK

He will also continue to lead the **sales operations of Global Sales, National Sales, and Key Account Management** and ensure that these groups work, coordinate and collaborate to meet the sales targets for both the Philippines and Global operations and improve the market zone shares of these countries.



FROM THE GROUP CEO'S DESK:

2022 OUTLOOK

2022 will be a promising year, like 2021, with many challenges, which will bear many opportunities. The more volatile the economy is, the more chances we will excel in, given our flexibility and short venues to arrive at critical entrepreneurial decisions quickly.

Our base at the beginning of this year is vital, unlike the slow start last year.

More invested infrastructure is in place, and more such as the South Hub will be finished in a few months.

While developing new international structures and a shipping line from scratch has been costly for the initial years, both are now significantly profitable and strengthen our Group.

This is good news for all of us. It does give us the chance to reward all. Shareholders and staff, not only in the form of dividends and salary increases but bringing back some of our employee-focused features of doing business, such as sports, outings, and festivities, anticipating the present pandemic will soon be history.

Good news for a new generation of leaders, too, succeeding experienced leaders who have created the base and jump-off point to even more considerable success soon.

Past leaders will neither leave us empty nor will they stop supporting us in their own ways and functions.

I am confident that with good advice from the old and the determination of the new leadership to succeed, we can look forward to a promising future for our Group of companies and all of us.

MICHAEL K. RAEUBER
Group Chief Executive Officer





DID YOU KNOW?

THE HISTORY OF ABACA

BY COLIN VAN ROON

The abaca plant was originally and for several centuries used primarily to make rope and was one of the attractions of the Spanish who invaded and colonized the Philippines from 1565 after first landing and apparently discovering the plant being used to make twine/rope in 1564.

The use of Abaca to make a strong rope ideal for the world's main power navies, especially as wooden galleons of the time, needed several kilometers of rope on each vessel, was immediately recognized.

The abaca fiber was also used to make rope in Europe, merrow hemp fiber grown in southern Russia, and imported to the U.K. through the Baltic ports, such as Riga. As a result, the Hemp was often known as Riga hemp, and the Baltics became an important supply route for key raw materials shipbuilding the age of sail, such as hemp and fir tree logs, to be made into ships' masts and spars.

As a result of the British Navy being so dependent on Abaca Fiber for ropemaking, **abaca fiber was declared a strategic raw material, which was only withdrawn on the invention of synthetic ropes**. However, abaca rope is still used to this day on the world mine sweeping vessels, as, unlike the synthetic rope, Abaca does not carry a static charge.

The only other country producing Manila hemp is Ecuador, and this also followed the occupation of the Philippines by Japan. When the USA forces removed the Japanese occupational forces from the Philippines, high-ranking Japanese officers escaped capture, stole Abaca plants, and went initially to Brazil in South America, but the plants would not grow in Brazil, and so they continued northwards in South America and discovered that the Abaca plant would grow very successfully in Ecuador.

Now Ecuador produces Manila Hemp from Abaca trees grown in plantation-style, which give much greater yields than the Philippine practice.



Filipinos assorting manila hemp fibers in the early 20th century



Abaca fibers



Ropes made of Manila hemp / Philippine Abaca

The Philippine Abaca trees have recently suffered an infestation, and FIDA, the DOA department specifically for Abaca, also the official abaca grading authority, distributed a treatment to remove the infestation, but it is claimed also removed some of the properties, making the Ecuadorean Abaca a better quality fiber.

More recently, due to environmental pressure in end users paper making countries (Germany and USA), Abaca Pulping Mills has opened in the Philippines as a value-added service, primarily but not only based on Leyte.



IN THE SPOTLIGHT: THE FIRST-EVER MVS

In 2021, we launched the Most Valuable Salesperson (MVS) as a new addition to our sought-after Employee of the Year (EOY) and Manager of the Year (MOY) awards. This new award category goes each year to the cream-of-the-crop, not only because they are the highest sales performer but also exemplifies RCI values.

After thorough deliberation, the most anticipated MVS award unveiled its very first awardee, **Ms. Micaela Beatriz “Miki” Ner**. Now let's get to know more about her as she answers some of the questions we've asked.

ALL ABOUT MIKI:

One of her talents is playing the piano in the classical genre. When she was a young girl, her biggest dream was to be a professional pianist someday. She took up Mass Communication at St. Scholastica's College, and she's currently taking up her Master's Degree at De La Salle University with the course of Masters in Science in Marketing.

Miki's dad influenced her by working in the logistics industry; her first job was at another logistics company as a sales executive. She then joined the Royal Cargo Group.

Miki joined the company because of its great reputation in the logistics industry. She believes that Royal Cargo perfectly suits her area of expertise. From her early career in freight forwarding, Miki always wanted to be part of this company.

Her motivation:

“Working with passionate and dedicated people is one of the factors that motivated me to achieve my target. Having a hard-working team around me indeed inspired me to work hard.”

Most significant challenges faced:

“The major challenge I have faced, especially during this pandemic season, is building customer relationship and trust through online. I had to establish my credibility with an online barrier between my prospective customers and me.”

Nowadays, there are several meeting restrictions and protocols that we have to follow. Some clients prohibit having face-to-face meetings. Thus, we need to create other solutions in keeping in touch with customers.”



As the First-ever MVS:

“Winning as the first-ever MVS is surreal. I still feel emotional when I think about it now, as it's one of the best highlights of my 2021. I am very grateful that the company recognized my passion, hard work, and dedication to my craft.”

Her Message:

“First of all, I would like to recognize the immense hard work of all my team who supported me along the way. Without your exceptional work, I wouldn't be where I am right now. Big thanks to my Sales Manager – Mr. Dennis Tolentino – for always believing in me and pushing me to give 100% of my work.”

The cooperation among my teammates was phenomenal for 2021. Looking forward to your continuous support this 2022.

Winning as the 1st ever Most Valuable Sales will always be dear to me. This will serve as a reminder of the hard work that we all have put together. Moreover, this award will indeed motivate me to achieve more success in the future.”



2021 YEAR-END SPECIAL



CONTINEO

Contineo is the official newsletter of the Royal Cargo Group of Companies produced by Marketing and Communications



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Ecozone and Freeport Logistics • Moving and Storage • Vaccine Depot