

United Nations Global Compact COP



This is our **Communication on Progress**
in implementing the principles of the
United Nations Global Compact.

We welcome feedback on its contents.

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Foreword by Karl Engelhard

Since its early beginnings as a family owned enterprise in 1871, Hellmann has been doing business with strong consideration of the impact of its actions on the following generations. Taking responsibility for our employees, the society and the environment we live and work in have therefore been our core corporate values for many decades.

By joining the United Nations Global Compact (UNGC) we emphasize our deliberate and public commitment to following and supporting the ten UNGC principles, which focus on human rights, labor standards, environmental protection and anti-corruption, and which are to be embodied in our management strategy, culture and daily operations. As signatory of the UNGC, the largest corporate citizenship and sustainability initiative in the world, we acknowledge our responsibility to actively contribute to protecting our planet and make this world a better place - for us and for our future generations. For us at Hellmann, preserving internationally recognized human rights and creating socially acceptable working conditions therefore goes without saying. We care about people and respect and value the diversity of our staff members in all its forms. We consider it our task and obligation to be a responsible employer and to offer our employees attractive working conditions.

Being a logistics service provider with a global presence, protecting the environment in all our business activities is one of our central goals and values. We are well aware that reducing our global carbon footprint is one of our most important challenges. For years now, we have pioneered in innovative and climate friendly transport solutions. Our initiatives regarding environmental protection have increasingly included responsible waste, energy and water management. It was therefore natural to us, to support the UNGC Business Meeting as sponsor for logistics at the UN conference on sustainability, "Rio+20" in Brazil in June 2012.

Also, we choose to be an active player in the global anti-corruption movement and take all necessary measures to promote responsible, transparent and sustainable business practices.

We have successfully established our Hellmann Ethics Portal that shall allow our employees to freely get in touch with all matters of vital concern related to integrity, compliance and transparency, and thereby help our company to thrive by lowering its risks and further improving the quality of our processes and outcomes.



Our public commitment to the ten principles of the UNGC underlines the way we have been thinking and doing business for years; the principles confirm and manifest our long-term approach of the past decades, and they encourage us to continue in this direction.

We are proud to be a member of the UNGC, and we believe that shaping our business with a focus on fairness, sustainability and transparency will result in an increasingly important competitive advantage.

We look forward to doing sustainable business within the frameworks of the UNGC, and we are convinced that this will be the key to our and our clients' success in the future. We will keep you updated on the developments at Hellmann in our yearly Communication on Progress (COP)... stay tuned!

Your sincerely

A handwritten signature in blue ink, which appears to read 'Karl Engelhard'.

Karl Engelhard

Managing Director, Hellmann Worldwide Logistics GmbH & Co. KG



THINKING AHEAD – MOVING FORWARD

Founded in 1871, our company started with one man, Carl Heinrich Hellmann, using a horse-drawn cart to deliver parcels in and around the town of Osnabrueck, northern Germany. Four generations later, Carl's great-grandchildren, Jost and Klaus, own and run the company with an active network in 157 countries. Today we operate a truly global organization while remembering our humble beginnings: we continue to value every customer and understand that each project requires a unique solution. This powerful combination of an individual approach within an international framework ensures that we deliver top-quality customized logistics solutions, every time.

We constantly strive to develop better, more efficient ways to do business, whether it is by implementing cutting-edge technology, increasing the number of services we provide, or expanding our network of branches and warehouses. This dynamic mind-set is reflected in our motto "THINKING AHEAD – MOVING FORWARD" and demonstrates a tradition of innovation which is intrinsic to every part of the Hellmann company.

Our adaptability has been and continues to be possible because of the quality of our people. We actively seek to hire capable and committed employees, and to create a working environment in which they can fully realize their potential while delivering results which guarantee our success and your satisfaction.

Hellmann's transition from a one-man company to one of the world's leading logistics providers is a result of all these factors. They are the cornerstones of our business and are the reason for past achievements, the foundation for future success and the values which make Hellmann the right choice for you today.

Facts & Figures 2012



- Hellmann employees 10,742 worldwide
- Turnover approx. 2.7 billion EUR
- 16.5 million consignments p.a.
- 65,600 consignments daily
- 235 Hellmann branches in 54 countries
- Network: 19,300 people in 443 branches in 157 countries

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Therefore, we commit ourselves...

...to ensure that all processes are inside each country's principles and legislations. "It is our company's policy to act with integrity and fairness and treat all employees and persons

with dignity, decency and respect by providing a healthy, safe and secure work environment."

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

How we implement our commitment

Actions

- Integrating UNGC principles in the Hellmann Code of Conduct, Global Employee Handbook (distributed to all employees globally since 2008), UNGC-commitment

What we plan for 2013

Actions

- Participating in at least one human rights-related event
- Training of all employees globally on the UNGC and its 10 principles via Learning Management System
- Liaising with at least one UNGC-member in order to share best practice
- Participating in an initiative in which the management supports local communities by taking care of those in need of help ("Seitenwechsel")

Performance (KPI's)

- Number of events in which Hellmann Worldwide Logistics participated
- Number of trained employees on the topic of UNGC
- Number of managers who participated in this initiative

Principle 2: Businesses should make sure they are not complicit in human rights abuses.



Therefore, we commit ourselves...

...to guarantee that human rights in the internal work environment are respected. "Hellmann views active violations, as well as passive violations of human rights to be intolerable and a violation of this Code of Conduct that may lead to the appropriate disciplinary actions."

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

How we implement our commitment

Actions

- Integrating UNGC principles in Hellmann Code of Conduct, Global Employee Handbook (distributed to all employees globally since 2008), UNGC-commitment
- Health and Safety Trainings in major countries (in order to avoid accidents at work and to ensure safe workplaces)

Performance (KPI's)

- Number of Health and Safety Trainings

What we plan for 2013

Actions

- To conduct a global employee opinion survey
- To analyze Health and Safety-Audits
- To review roles and responsibilities of Health & Safety-Officers / persons in charge

Performance (KPI's)

- Overall response rate
- Level of satisfaction and commitment of the employees concerning work environment
- Number of Health and Safety-Audits
- Measurements based on audit results
- Number of Health and Safety-Officers / persons in charge

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Therefore, we commit ourselves...

"...to ensure not only that employees have a right to collective bargaining (in accordance with all rules, laws and regulations), but also that Hellmann cooperates and communicates regularly with local labor boards, work councils, and associations."

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

This open dialogue ensures continuous awareness of employees' expectations.

How we implement our commitment

Actions

- Developing codetermination in Germany

Performance (KPI's)

- Number of collective agreements with employee-organizations / representatives
- Number of branches with a works council, operational union representatives or employee representatives

What we plan for 2013

Actions

- To establish constant dialogue with unions etc., who represent the rights of the employees
- To train all employees globally on the UNGC and its ten principles via Learning Management System

Performance (KPI's)

- Existence of a list of employees organizations / unions with which Hellmann Worldwide Logistics cooperates (number and names)
- Number of the official meetings with employee organizations / unions who represent rights of the employees
- Number of trained employees on the topic of UNGC

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

Therefore, we commit ourselves...

"...to prohibit any form of forced or compulsory labor , or child labor (not only in our facilities, but also those of our service providers)."

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

We assess labor related, environmental and safety risks and will continue to refine our labor policies that clearly state employee rights and responsibilities.

How we implement our commitment

Actions

- Prohibiting and abolishing forced or compulsory labor

Performance (KPI's)

- Prohibition of forced or compulsory labor in relevant documents (Compliance Manual etc.)

What we plan for 2013

Actions

- Stocktaking of written work contracts, employment policies, employment confirmation letters and the integration of the prohibition of forced or compulsory labor
- Establishing global reporting about the above-mentioned

Performance (KPI's)

- Number of employees without written confirmation of employment conditions (either in employment contracts or employment policies or employment confirmation letters)



Principle 5: Businesses should uphold the effective abolition of child labor.

Therefore, we commit ourselves...

...to not support, encourage or endorse any form of child labor throughout all branches. "It is our policy to employ only those individuals with a minimum age of sixteen (16), despi-

te the International Labor Organization's (ILO) minimum age of fourteen (14)."

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

How we implement our commitment

Actions

- To prohibiting and abolishing child labor

Performance (KPI's)

- Prohibition of child labor in relevant documents (Compliance Manual etc.)


What we plan for 2013

Actions

- To analyze the prohibition of child labor in all employment policies and employment standard contracts
- To review employment policies / standard contracts in all countries with ILO conventions

Performance (KPI's)

- Finalized document with reference to the ILO conventions in employment contracts or policies



Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Therefore, we commit ourselves...

...to not only preserve mutual respect between employees, but also value the differences and diversities that each individual owns. "Hellmann does not discriminate nor does it tolerate any discrimination (or any other form of unfair treatment) in employment opportunities or practices on the basis

of race, ancestry, color, religion, gender, sexual orientation, marital status, national origin, age, disability, citizenship, veteran status, military service obligation, or any other characteristics "...".

(Excerpt from UNGC principles, Hellmann Code of Conduct, 2013)

How we implement our commitment

Actions

- Compliance with local anti-discrimination law
- Global rollout of Hellmann's Compliance website (Hellmann Ethicspoint.com)
- Existence of a Performance-Management-Program, which covers performance-oriented remuneration and career opportunities in all major countries

Performance (KPI's)

- Number of edited and finished complaints from employees concerning job discrimination
- Global reporting of all violations of the Hellmann Code of Conduct (Hellmann Ethicspoint.com)
- Number of performance appraisals conducted and agreed personal development plans (PDP)

What we plan for 2013

Actions

- Respecting differences of employees through the development of a Diversity-Management-Program in Germany
- Rollout of a Performance-Management-Program, which covers performance-oriented remuneration and career opportunities in all major countries

Performance (KPI's)

- Number of female/male employees
- Number of employees with foreign nationalities
- Number of employees with disabilities
- Number of women, employees with foreign nationalities and employees with disabilities in key positions
- Number of performance appraisals conducted and agreed performance development plans (PDP)

Principle 7: Businesses should support a precautionary approach to environmental challenges.



Therefore, we commit ourselves...

...to building a proud and lasting legacy for future generations. We see environmental sustainability as an extension of this ideal and believe that environmental responsibility is not so much a choice, but a necessity. We continue to strive for increasingly environmentally-friendly practices across the Hellmann network so that we can provide for the generations to come and do our part to ensure that there are sufficient resources to safeguard their health, prosperity and quality of life.

(Excerpt from Hellmann Code of Conduct, 2013)

In 1996, Hellmann was one of the first logistics service providers in Europe, and the first logistics company in Germany, to receive the ISO 14001 certification. Ever since, Hellmann has pioneered in environmental management.

Environmental audits shall help us to maintain a desired standard for preventing accidents, which may harm people and the environment.

How we implement our commitment

Actions

- Applying an Environmental Protection Policy
- Conducting Environmental Management System Audits

Performance (KPI's)

- Established since 1996 and implemented into new corporate DNA: F.A.M.I.L.Y
- At least one Audit in each ISO 14001 certified branch Actual = 25

What we plan for 2013

Actions

- Active communication of Environmental Policy as part of a new training program
- Establishment of a comprehensive emission report based on the Greenhouse Gas Protocol for Germany (including all business units)

Performance (KPI's)

- Number of completed environmental trainings in the Hellmann Learning Experience

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.



Therefore, we commit ourselves...

"...to altering attitudes about how we use our planet's natural resources and then showing determination and imagination in implementing the necessary changes in our business practices. [...] For a globally active company such as Hellmann Worldwide Logistics, the development of economic interests is inherently connected to our responsibility for the environment, and the idea of sustainable development has long been our focus. At Hellmann, we are committed to working within a structured system of environmental management using task-oriented methods, continuous self-monitoring and regular external auditing."

(Excerpt from Hellmann Code of Conduct, 2013)

Certified management systems shall ensure responsibility on all levels of our activities. The Environmental Management System (EMS) outlines the legal requirements, which are seen as minimum standard. The systems are established as integrated management systems with a global approach, keeping in mind the local needs, cultures and expectations. Our employees are integrated into the EMS and its activities by comprehensive training and regular communication with different internal and external media.

How we implement our commitment

Actions

- ISO 14001 certification
- Environmental Training

Performance (KPI's)

- 25 branches certified
- E-Learning in development
- Number of completed environmental trainings in the Hellmann Learning Experience

What we plan for 2013

Actions

- ISO 14001 certification in Istanbul
- New ISO 14001 certification in at least one European branch

Performance (KPI's)

- Number of certified branches (to be increased)

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.



Therefore, we commit ourselves...

...to changing business practice to a more environmental friendly basis.

"This might seem impossible to accomplish without compromising on quality of service but we are fortunate that our company prides itself on finding creative new solutions to combat potential problems. Today, we harness our tradition of innovation to maintain and enhance our excellent range of products and services while actively seeking ever-better ways to improve our environmental legacy."

(Excerpt from Hellmann Code of Conduct, 2013)

Carbon emissions are the most significant environmental aspect for logistics companies. Therefore, it is our goal to minimize the output of carbon emissions by using alternative fuel and transport concepts.

How we implement our commitment

Actions

- Test of LNG trucks in Germany
- Change of transport mode from road to rail

Performance (KPI's)

- Two trucks successfully tested over four weeks
- Daily transport of approx. 300-400 swap bodies with Hellmann Rail Solutions

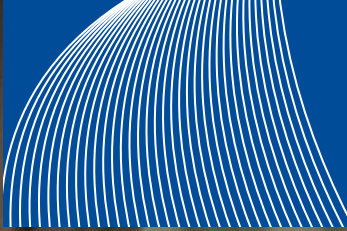
What we plan for 2013

Actions

- Further development of E-Booking to save paper
- Extension of rail transports to another European countries
- Roll-out of new lighting systems with LED-technology in Europe
- Acquisition and implementation of the first LNG gas station in Germany

Performance (KPI's)

- Number of E-Bookings
- Number of countries with Hellmann Rail Solutions access
- Number of warehouses equipped with LED-lighting systems



Anti-Corruption



Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Therefore, we commit ourselves...

...as a truly global F.A.M.I.L.Y business and through our Hellmann D.N.A. to value integrity and transparency as important cornerstones of our relationship between our subsidiaries, affiliates, partners, vendors, customers, subcontractors and employees "Hellmann Personnel". This commitment has been clearly stated by the owners and published on the company's website.

We strive to prevent bribery and corruption by:

- Creating awareness with Hellmann Personnel
- Following company policies related to giving and receiving gifts and entertainment
- Never offering, promising or giving anything of material value to a government official or to anyone else, in order to gain an unfair business advantage
- Not offering or accepting bribes of any kind
- Not using a third party to make improper payments that we cannot make ourselves
- Recording all payments and receipts completely and accurately

The Hellmann Code of Conduct as well as the Antitrust and Anti-Corruption guideline prohibits Hellmann Personnel from using fraud or accepting or offering bribes or kickbacks as a means to conduct business or to influence or compromise either our conduct or the recipient's. Both documents have been translated into the most common company languages and are accessible through our Hellmann Ethics Portal: www.hellmann.ethicspoint.com

In addition, three Regional Compliance Officers have been announced by the Main Board of the company to support employees and all other business partners in regard to compliance topics and to assist the Board in regard to its responsibility for compliance.

Any Hellmann Personnel receiving, accepting, facilitating, offering or condoning a bribe, kickback, or other unlawful payment, or attempting to initiate these types of activities will be subject to the appropriate disciplinary actions.

How we implement our commitment

Actions

- Global rollout of Antitrust and Anti-Corruption Manual
- Rollout of Hellmann Code of Conduct
- Employee live and online training on Antitrust and Anti-Corruption
- Global Compliance Risk Assessment including Anti-Corruption
- Implementation of Hellmann Ethics Portal
- Global Internal Audit Function integrated as part of the global compliance team

Performance (KPI's)

- % of employees confirming Antitrust and Anti-Corruption Manual
- Rollout of Hellmann Code of Conduct
- % or number of countries of employees trained in Antitrust and Anti-Corruption through the Online Learning Management System
- Number of countries where Hellmann Online Ethics-Portal & Hotline are activated

Your documents...



THINKING AHEAD – MOVING FORWARD