

UN Global Compact
Communication on Progress
2013-2014

Reporting period: January 1st 2013 to December 31st 2013



UN Global Compact – our commitment

Dear reader,

Across our global portfolio of specialist logistics companies, we at the Hillebrand Group strive in everything we do to follow the principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption.

In this, our second annual Communication on Progress, I am delighted to confirm and restate the Hillebrand Group's continued and ongoing support of the principles of the UN Global Compact.

During the past year, we have undertaken numerous actions to ensure that these principles are integrated, not only into our daily and local operations, but into our long-term corporate strategy.

In this document, which we will share with our staff and stakeholders, we will outline these actions and report on the progress which we, as a company, continue to make.

Yours sincerely,

Mr. Christophe Bernard
CEO, JF Hillebrand Group AG.

Policy, practical actions and outcomes

This is the Hillebrand Group's second annual Communication on Progress (COP). In this document we will disclose the policies and actions the JF Hillebrand Group has undertaken during the past 12 months in order to implement the Global Compact's ten principles in each of the four issue areas: Human Rights, Labour, Environment and Anti-Corruption. We also assess and measure the outcomes within the context of the COP framework.

Human Rights

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

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

Assessment, Policy and Goals

- We recognize our responsibility to uphold human rights issues within our organisation and within our sphere of influence.
- Hillebrand Group actively supports the Universal Declaration of Human Rights. We will not carry out business in any countries, regions or regimes where human rights abuses are known.
- We have an internal Code of Conduct and Service Policy for all staff, ensuring that all employees are treated fairly and respectfully.
- We aim to create an inclusive corporate culture where our staff and employees are nurtured.

- We promote and comply with all Health and Safety regulations throughout our network of offices and manufacturing plants.

Implementation

- A statement of policy expressing our commitment to Human Rights has been approved by our Executive Board, and communicated to all stakeholders.
- Throughout our global office network, we take steps to ensure that countries or regions we are trading in comply with the Universal Declaration of Human Rights.
- We assess Human Rights risks in the sectors and countries in which we operate.
- We have implemented centralised HR procedures to reflect our stance on Human Rights, including Equal Opportunities.
- We have undertaken a number of humanitarian projects, including support for the following charities and organisations:
 - The Africa Trust
 - Pebbles Project in Africa
 - People in Context organisation in South Africa
 - Comparte project, defending rights of children in Latin America
 - Children's Welfare organization in Scandinavia
 - Children's sporting initiatives in Ireland
 - Danish Cancer Society
 - WWF in Scandinavia
 - Springsters Welfare Foundation
 - Support for local children's hospitals in Romania
 - "A Day for Africa" programme in Germany
 - Safe & Sound cancer charity in Dubai
 - Juvenile Diabetes charity in the USA
 - Philippines typhoon relief programmes, including blood donation
 - Canadian Cancer Association
 - Big Brothers project in Canada
 - The Benevolent charity in the UK
 - Caritas
 - Wine Saves Life e.V.
 - Papageno Charity, supporting Romania

Measurement of outcomes

- We have taken active steps to devote financial, human and time resource to charitable and humanitarian initiatives and activities.
- We absolutely do not trade with any organisation, or in any situation, whereby Human Rights are in any way compromised. Therefore, it follows that in the past year Hillebrand Group has not been complicit in any Human Rights abuses, and has not been subject to any investigations, legal cases or incidents involving Human Rights.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.**
- Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.**
- Principle 5: Businesses should uphold the effective abolition of child labour.**

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

Assessment, Policy and Goals

- We recognise the right to collective bargaining, and uphold the abolition of forced, compulsory and child labour, and the elimination of discrimination.
- Hillebrand Group supports and advocates the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.
- We have a clear policy stating that we do not and will not engage in activity with any organisation which who uses forced or child labour.
- All employees are issued with a contract of employment which clearly states their terms and conditions.
- All employees are issued with a Company Handbook which includes information on company rules, grievance and disciplinary procedures.
- Hillebrand Group offices comply with all global and local Health and Safety legislation, and provide safety training to staff as appropriate.
- Hillebrand Group offices comply with all local employment acts and regulations.

Implementation

- We have undertaken and supported humanitarian projects to provide local communities with education and health programmes, including:
 - The Pebbles Project, supporting disadvantaged and special needs children in South Africa
 - The Comparte project, defending the rights of children in Latin America
 - The Children's Welfare organization in Denmark
- We have developed local HR Policies throughout our network of offices and manufacturing plants to promote best practice in employment.
- We have implemented risk management and disaster recovery programmes at each of our sites, for the protection and safety of our staff.
- We have implemented a formal and comprehensive training and development programme, encouraging staff to develop and build on their existing skills base. All personnel are encouraged to develop their skills by attending appropriate training courses.
- We have introduced Health Management and Assessment programmes across a number of offices.
- We have implemented special programmes for female employees in the Philippines, including women's health and social programmes.
- We have achieved numerous local accreditations which are testament to our commitment to staff development and best practice, including:
 - Investors In People accreditation (UK)

Measurement of outcomes

- We have not been subject to any investigations, legal cases, rulings, fines or other relevant events related to Labour or Health and Safety prosecutions.
- We have actively encouraged staff development throughout our local office network.
- We have actively supported local community projects education and health programmes, aimed at eliminating child labour and discrimination.
- We have gained external Quality audits which encompass our commitment to labour, quality and staff development, namely:
 - ISO 9001 (Quality)
 - ISO 14001 (Environmental)
 - ISO 22000 (Safety)
 - Healthy Working Lives
 - AEO (Authorised Economic Operator)
 - IIP (Investors in People)

Environment

- Principle 7: Businesses should support a precautionary approach to environmental changes.**
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.**
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.**

Assessment, Policy and Goals

- As a logistics provider, Hillebrand Group is fully committed to undertaking initiatives to promote environmental responsibility. We aim to reduce the environmental impact of our operations and activities.
- Hillebrand Group supports a precautionary approach to environmental challenges through centralised and local risk assessment and risk management policies.
- We accept our responsibilities and recognise our obligation to contribute to the resolution of global and local environmental issues by reducing our environmental impact and by promoting environmental best practice.
- As such, we have undertaken environmental initiatives throughout our global network to ensure both we, and our partners, minimise our carbon footprint.
- We use our best endeavours to maintain environmental awareness and responsibility among our staff in daily operations, management of our facilities and in new project implementation.
- We will, whenever reasonably practicable, mitigate possible impacts to the environment during planning, design and execution of our operations.
- We have actively invested in the development and usage of environmentally friendly technologies.
- We have actively communicated our Environmental policies and actions to staff, clients and stakeholders.
- We have published a transport sustainability white paper, available to staff, clients and stakeholders.
- We encourage our suppliers and agents to adopt and develop similar environmental policies.
- We aim to remove 50,000 tonnes of CO2 from the European road network by 2017.

Implementation

- Hillebrand Group fully considers and supports environmentally friendly initiatives when managing business on behalf of our clients. Our expertise and extensive market knowledge enables us to meet customer requirements with bespoke solutions and initiatives which can help lower carbon emissions throughout the world.
- We continuously strive to improve our environmental performance, through initiatives and best practice, either alone or in partnership with others.
- Strategic involvement in non-profit forums such as the Container Owners Association (COA) with the objective to minimise industry-wide pollution risks through constant analysis and reporting on incidents.
- Existing logistics initiatives within the Hillebrand Group are:
 - Increased use of “Short-Sea” shipping – we use feeder services into smaller regional ports, as close as possible to the final delivery point. Utilising feeder options minimises road miles and eases congestion at ports and container terminals.

- We have introduced a new service for the shipping of wines from Iberia to northern Europe using sea transport as opposed to road transport. This saves 1 kg CO2 per case of wine shipped in Europe.
- Use of domestic coastal shipping – we utilize feeder services where appropriate to reduce the use of road transport.
- Inland waterways – where possible, we use barges and inland canal routes to cut down on road miles.
- Green haulage procurement - where possible, we will seek to use low-emission road transport (in Europe, Euro 4 or Euro 5 trucks).
- Use of rail networks - in the UK, we have set up a dedicated rail transportation service which removes around 6000 HGV movements from the congested motorways network. In France, we are one of the primary users of the train service between Bordeaux and Le Havre port, further reducing CO2 emissions.
- Development of technologies and solutions to minimise environmental impact:
 - Bulk transport solutions via our flexitank systems. Bulk transportation allows shippers to significantly reduce transportation costs, and dramatically reduce the associated carbon emissions - in some cases by up to 50%. Furthermore, importing liquids in bulk and bottling them at destination using recycled, lightweight glass or other materials further reduces carbon emissions. In addition, we have addressed the carbon footprint of the flexitank itself.
 - Development of our own VinLiner thermal liners as an environmentally friendly alternative to shipping in temperature controlled reefer containers (which require 30% more energy to refrigerate).
 - As of October 2013, VinLiner is produced from a fully recyclable material.
 - Development of VinLiner recollection/recycling programme, with a target that 100% of VinLiner Pallet Covers will be produced from recycled VinLiners.
 - Development of a Carbon Calculator tool on the JF Hillebrand website, enabling shippers to calculate and compare their carbon emissions via different transport modes. Providing innovative tools such as the carbon calculator helps to foster a culture of environmental awareness amongst our customers and staff, in every country in which we operate. The calculator was fully updated during 2013.
 - Development of facilities to recycle our flexitank products, taking over 1000 tonnes of plastic out of landfill in Germany.
 - Development of a global programme for the recovery and reuse of our engineered steel bulkheads, used for flexitank shipments.
 - Moving our IT servers to a next generation, carbon neutral data-centre in the Netherlands.
- Development of a best practice “How to go green at work” document with guidelines to be implemented in each Hillebrand Group office and manufacturing plant, including:
 - Waste separation.
 - Recycling waste paper and sourcing paper from renewable sources.
 - Recycling plastic.
 - Reducing printing.
 - Conserving energy.
 - Switching energy supply to renewable sources.
 - Constantly searching for new ways to limit environmental impact.
- Implementation of local office initiatives across our entire network, including:
 - Recycled VinLiners used for low-cost housing roof insulation, or for charitable donation to third world countries and regions affected by natural disasters.
 - Introduction of electric company cars and provision of charging points at our offices in the Netherlands.
 - Provision of transport alternatives to discourage staff from using cars in France.
 - Environmental enhancements to our office building in Mainz, Germany, including installation of solar panels to produce electricity and installation of new insulating windows to reduce CO2 emissions.
 - Use of motion sensor and/or low energy lighting in our offices to reduce electricity usage.
 - Support of the Bee’ah Green Middle East project in the United Arab Emirates.
 - Support of the CONIN recycling charity in Argentina.
 - LEEN certification for our offices in Canada
 - Use of hybrid cars in Portugal
 - Tree planting initiative in the Philippines

- Support of the FEV (Federacion Espanola del Vino) project “Wineries for the Climate Protection” which promotes sustainable development for the Spanish wine industry.
 - Support for the Ökoproofit - corporate environment consultancy program in Germany
 - Implementation of solar panels at our warehouse in Livorno, Italy
- We are active members of industry environmental bodies and organisations including the Clean Cargo Working Group (CCWG, a B2B initiative managed by BSR/Business for Social Responsibility) and Sedex.

Measurement of outcomes

- We received independent ISO 14001 (Environmental) accreditation for environmental initiatives.
- We have received independent ISO 22000 and HACCP (hazard analysis critical control points) accreditation, adopting a systematic approach to reducing physical, chemical, and biological hazards/risks in production processes.
- We have actively encouraged environmental best-practice throughout our network and have invested in technologies for environmental benefit. This has improved energy efficiency in all offices as a result of local initiatives and measures.
- We removed over 5,000 tonnes of CO2 from the European road network through the use of rail services.
- We removed over 10,000 tonnes of CO2 from the European road network through the use of Short Sea Shipping and inland waterways.
- We recycled 55% of our LLDPE flexitanks, across our top 11 import destinations.
- We recovered and reused 47% of the steel bulkheads used in flexitank transportation, thanks to our worldwide bulkhead recovery program.
- We have successfully developed environmentally-minded logistics services for our customers and clients.
- We centrally monitor, collate and disseminate information relating to our Environmental initiatives.

Anti-Corruption

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

Assessment, Policy and Goals

- Hillebrand Group does not tolerate toward bribery, corruption and extortion in any form whatsoever.
- We are totally committed to compliance with international and local anti-bribery and anti-corruption standards, laws and legislation.
- We aim to create a corporate culture where an ethical and moral code is upheld by our staff.
- We are transparent in all company transactions and operations.

Implementation

- As a member of various trade and industry bodies in the sectors in which we operate, we work with peers, partners and independent organisations to create transparent and level playing fields.
- Our internal Code of Conduct and Service Policy are made available to all staff, to foster an ethical culture based on our corporate principles.
- We do not, and will never do business with any organization dealing in counterfeit products or parallel market transactions, or with any organizations/vendors that are on local or international trade blacklists.
- We fully support anti-terrorism processes including the C-TPAT and AEO.

- We have actively engaged in the Nationwide Integrity Summit in the Philippines, aimed at promoting transparency and integrity in business.

Measurement of Outcomes

- Hillebrand Group has not been implicated in any cases or incidents of or related to extortion, corruption or bribery.
- Our financial reporting is verified by external auditors to ensure transparency and accuracy of accounting practice.