



Submitted to United Nations Global Compact
January 17, 2011

BDP INTERNATIONAL, INC.
2010 Communication on Progress

I. EXECUTIVE STATEMENT

I am proud to present BDP's first Communication on Progress (COP) report. BDP is committed to good corporate citizenship in the global community. This report reinforces our commitment to ensuring the UN Global Compact and its principles are part of BDP's strategy, culture, and day-to-day operations. One of BDP's most valuable assets is its integrity. Protecting this asset is the job of everyone in BDP. To that end, we also expect that those with whom we do business (including our agents, consultants, suppliers and customers) will also adhere to our guiding principles, and the principles of the UN Global Compact. As a new member of the UN Global Compact, we will continue to communicate and advance these principles within our own organization and sphere of influence.

Sincerely,



Richard J. Bolte, Jr.
President & CEO

II. BACKGROUND

BDP International, Inc. ("BDP"), founded in 1966, is one of the leading privately held freight logistics/transportation management firms based in the United States. It operates freight logistics centers in more than 20 cities throughout North America and a network of subsidiaries, joint ventures and strategic partnerships in 122 countries. The company serves more than 4,000 customers worldwide.

BDP provides a range of services, including ocean, air and ground transportation; lead logistics process analysis, design and management; export freight forwarding; import customs clearance and regulatory compliance; project logistics; warehousing/consolidation/distribution; and web-based shipping transaction/tracking management systems.

III. ANTI-CORRUPTION

BDP is committed to full compliance with both the letter and spirit of the laws and regulations in all countries in which it operates. It is of the utmost importance to BDP to conduct its business with integrity in accordance with the BDP Code of Conduct and applicable laws and regulations.

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

- i. **Policy:** BDP operates under a global Code of Business Conduct and Ethics. The Code applies to every officer, director and employee of BDP. We also expect that those with whom we do business (including our agents, consultants, suppliers and customers) will also adhere to the Code.

The Code prohibits bribery in any form including extortion, facilitating payments, kickbacks, political contributions, and the offer or receipt of gifts, hospitality or entertainment. The Code also ensures that BDP maintain complete and accurate financial records and make annual antibribery training available for all principals, key employees involved in sales, marketing, and procurement.

- ii. **Appointment of FCPA Compliance Officer:** In 2010, BDP appointed an FCPA Compliance Officer who is responsible for the management and implementation of the FCPA Compliance Program. This includes the establishment, development and maintenance of the compliance program and the communication of these standards to all current and prospective business partners and employees. The FCPA Compliance Officer will also be responsible for periodic reporting on the effectiveness of the program through the implementation of a monitoring and auditing system to detect criminal conduct.
- iii. **Training:** BDP's Legal Team is in the process of a global FCPA (Foreign Corrupt Practices Act) training initiative. The training consists of a webinar accompanied by a detailed PowerPoint presentation on the anti-bribery provisions of the Act and BDP's compliance program. Employees are then tested on their knowledge of the FCPA compliance, and must score at least an 80% to pass the training. Certifications are then sent to employees for their signature that states that they have completed the

training, and will adhere to BDP's compliance program. All original certifications are kept in our legal files.

Our goal is to have all principals, key employees involved in sales, marketing, and procurement certified in FCPA compliance by the 2nd quarter of 2011.

- iv. **Hotline:** In conjunction with the company-wide issuance of the BDP Code of Conduct and Anti-Bribery Policies, BDP has implemented a telephone hotline to be used in the event that someone becomes aware of any facts surrounding a transaction that might be suspicious and give rise to a violation of our Code of Conduct. Calls can be made anonymously and directly to BDP Management. The hotline number is posted in the policies as well as the BDP website.
- v. **Due Diligence:** Included in BDP's Code of Business Conduct and Ethics is a section on Due Diligence in Selecting International Consultants, Intermediaries and Joint Venture Partners. This section provides executives and employees with information on identifying proper business partners, required disclosures and the final approval process.
- vi. **Contract Provisions:** The Code also holds a section detailing contract provisions and certification requirements for our consultants, intermediaries and joint venture partners. The provisions require that all parties involved are fully compliant with both the Foreign Corrupt Practices Act ("FCPA") and the Organization for Economic Cooperation and Development ("OECD") Convention along with all other laws and company's compliance procedures. They also list out accounting and financial provisions, reporting requirements, disclosure information and termination information for non-compliance.

The certification terms require each consultant, intermediary and joint venture partner periodically certify that he or she:

- Understands the FCPA (and OECD Convention)
- Has not violated or caused the company to violate the FCPA (and/or OECD Convention) since the date of the prior periodic certification
- Does not know or have reason to believe that any other person retained by the company has violated the FCPA (and/or OECD

Convention), or caused the company to violate them since the date of the prior certification

- Will immediately advise a named official of the company if the certifying person should learn of or have reason to believe there has been any violation of the FCPA (and/or OECD Convention) in connection with the company's business

IV. ENVIRONMENTAL PROTECTION

BDP recognizes that the world's natural resources are limited and fragile. BDP considers environmental protection to be consistent with its overall goals and values and an important consideration in its total activities. This commitment to environmental protection is reflected in our policies, programs and practices for conducting operations in an environmentally, as well as economically responsible manner.

A. PRINCIPLE 7: *Businesses should support a precautionary approach to environmental challenges.*

i. Policy: In 2010, BDP established a Corporate Environmental Policy which outlines the responsibilities of all BDP employees and procedures to be followed by all BDP offices worldwide.

ii. BDP Go Green Program: In conjunction with an initiative to support the growth of our next generation of leaders within BDP, the Go Green BDP program was formed in 2010 by employees who are looking to make BDP more environmentally friendly. The Go Green BDP program was designed to motivate employees to recognize and take responsibility for their environmental impact in the workplace. This team works together to create programs and initiatives that will help employees be more environmentally conscious, in the areas of energy conservation, paper reduction, recycling, reusable glassware and utensils, and transit. Currently, we are pleased to report the following achievements:

- Developed and launched an Environmental Awareness Plan in all of our US offices
- Secured an e-signed commitment from 324 US employees to recognize and participate in our energy conservation program
- Eliminated paper waste by 2-3% as a result of paper recycling, double sided printing, electronic billing and increased utilization of DMS

- Decreased paper cup usage by 50% in each office
- Provided all US employees with public transit and bike commuter information for their respective city/state

B. PRINCIPLE 8: *Businesses should undertake initiatives to promote greater environmental responsibility.*

i. Memberships and Responsible Care Partnership: As a logistics service provider, BDP is committed to managing its supply chain effectively to promote increased sustainability. BDP is an active member of the American Chemical Council (ACC) and the Chemical Distribution Institute (CDI), a European-based global source for data, information and advice specific to marine transportation and storage of chemical products. In 2008, BDP became a member of the American Chemistry Council's Responsible Care Partnership Program, which is the chemical industry's global voluntary initiative under which companies, through their national associations, work together to continuously improve their health, safety and environmental performance, and communicate with stakeholders about their products and processes in the manufacture and supply of safe and affordable goods that bring real benefits to society. As a Partner in the American Chemistry Council's Responsible Care initiative, BDP pledges to operate our business according to the following guiding principles:

- To lead our companies in ethical ways that increasingly benefit society, the economy and the environment;
- To design and develop products that can be manufactured, transported, used and disposed of or recycled safely;
- To work with customers, carriers, suppliers, distributors and contractors to foster the safe and secure use, transport and disposal of chemicals and provide hazard and risk information that can be accessed and applied in their operations and products;
- To design and operate our facilities in a safe, secure and environmentally sound manner;
- To instill a culture throughout all levels of our organizations to continually identify, reduce and manage process safety risks;

- To promote pollution prevention, minimization of waste and conservation of energy and other critical resources at every stage of the life cycle of our products;
 - To cooperate with governments at all levels and organizations in the development of effective and efficient safety, health, environmental and security laws regulations and standards;
 - To support education and research on the health, safety, environmental effects and security of our products and processes;
 - To communicate product, service, and process risks to our stakeholders and listen to and consider their perspectives;
 - To make continual progress towards our goal of no accidents, injuries or harm to human health and the environment from our products and operations and openly report our health, safety, environmental and security performance;
 - To seek continual improvement in our integrated Responsible Care Management System to address environmental, health, safety and security performance; and
 - To promote Responsible Care by encouraging and assisting others to adhere to these guiding principles.
- ii. **Responsible Supply Chain:** Collaborating with both the ACC and CDI, BDP helped align and apply the two organizations' management system standards to its global headquarters to assess existing protocols and identify opportunities for improvement. The audit covered a wide range of policies with specific performance goals, including use of qualified contractors and vendors throughout the supply chain; risk analysis of business processes for priority-setting; and an organizational structure that provides for top-down ownership of the safe, secure movement of hazardous materials.
- iii. **REACH:** BDP is also active in promoting compliance with REACH (Registration, Evaluation and Authorization of Chemicals) which is the European Union's single regulatory system for chemical management. As an Only Representative, BDP is qualified to aid its customers, clients and suppliers. In this role BDP can:
- Evaluate risks and exposure associated with REACH;

- Maintain all communications and negotiations with ECHA and all relevant Member State governmental bodies;
- Identify and communicate with all importers, distributors and downstream users;
- Prepare and submit the technical registration dossier;
- Make the filings, register the chemicals, and pay all attendant fees;
- Coordinate data exchange and testing strategies with SIEF group and Consortium members;
- Create and submit safety data sheets and chemical safety reports; and
- Audit and train internally as well as our customer base where needed;
- Prepare notification of substances of very high concern;
- Address classification and labeling; and
- Perform any other obligations resulting from authorizations or restrictions.

C. PRINCIPLE 9: *Businesses should encourage the diffusion and development of environmentally friendly technologies.*

- i. Electronic Document Management:** The newly implemented application, Document Management System (DMS), is an important initiative within BDP to become entirely paperless. DMS allows systems users to schedule documents to be delivered by email, FTP, or fax. Many documents that once were printed on a daily basis can now be automatically sent and seen by customers in a virtual folder.
- ii. Paperless Marketing Communications:** In addition to the execution of our DMS application, all of our marketing communications are now being transmitted electronically. Our customers can register to receive weekly newsletters and business updates via email, rather than in paper form. Our electronic marketing newsletters and our new paperless document application, DMS, enables BDP to move in the right direction in becoming a more environmentally conscious company.