

JF Hillebrand Group

**UN Global Compact
Communication on Progress
2013-2014**

Reporting period: January 1st 2014 to December 31st 2014



UN Global Compact – our commitment

Dear reader,

In 2014 JF Hillebrand celebrated 170 years of continuous trading. Since 1844 we have upheld our corporate values of specialization, passion, and service excellence. Such longevity brings with it not only experience, but also responsibility; responsibility to our staff, to our clients, to our industry and indeed to our society.

That is why, across our global portfolio of specialist logistics companies, we at the JF 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.

The UN Global Compact serves an important purpose in providing consistent guiding principles for our company to follow. Since our first Communication on Progress in 2012, we have worked to systematically integrate the principles of the Global Compact into our core business strategy. During the past year, we have undertaken numerous actions at a global and local office level to ensure that these principles are integrated into our daily operations.

Our position on sustainability is clear. We continue to make strides in reducing our own carbon footprint and environmental impact, but there are challenges ahead. Climate change is a challenge we share not only with other companies in the transport and logistics sector, but with society as a whole.

Our aim is to be at the forefront of sustainable transport in the industries where we operate. In 2014, we welcomed Satellite Logistics Group as the latest addition to our portfolio of logistics companies. Satellite Logistics Group helps its customers in the brewing industry realize their own sustainable supply chain goals, through efficient keg management solutions, and turnkey beverage disposal services.

In this document, which we will share with our staff and stakeholders, we report on the progress which we, as a company, continue to make. We are proud of our support of the UNGC and we remain committed to making a real difference in our community.

Yours sincerely,

Mr. Christophe Bernard
CEO, JF Hillebrand Group AG.



About the JF Hillebrand Group

JF Hillebrand Group operates a number of highly specialized logistics companies, each of which is a market leader in their respective sector.

Born in Mainz, Germany in 1844, the JF Hillebrand Group's companies have offices in 45 countries around the world. Our diverse group of employees come from over 50 nationalities and speak more than 60 languages

We take pride in being an innovative group, ever changing and adapting to the needs of the markets in which we operate. As well as offering first class logistics services, our companies also lead the way in the development of leading edge products, services and IT tools for the industries in which they operate.

However, while we continue to grow and expand our horizons, we also recognize that it is our people, ideas and values that enable us to do what we do.

Our Companies



100% beverage, 100% JF Hillebrand.

JF Hillebrand is the world's leading logistics provider to the beverage trade. Since inception, the company has been dedicated solely to the efficient and cost-effective logistics of beverages. Today, we work with some of the world's leading retailers, producers and brewers to manage the global flow of beverages.

[Click here to visit www.jfhillebrand.com](http://www.jfhillebrand.com)



Supply Chain Solutions. Delivered.

Satellite Logistics Group (SLG) specializes in supply chain management for the beer industry. The company delivers innovative and efficient supply chain solutions to help clients manage their businesses more strategically and accommodate changing needs.

[Click here to visit www.slg.com](http://www.slg.com)



A solid company for liquid solutions

Trans Ocean is the largest flexitank operator in the world. Formed in 1984, the company has been providing unrivalled bulk logistics solutions and innovative flexitank products to clients across the chemical, oil, pharmaceutical and food industries.

[Click here to visit www.transoceanbulk.com](http://www.transoceanbulk.com)



Policy, practical actions and outcomes

This is the JF Hillebrand Group's third 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.
- JF Hillebrand Group actively supports the Universal Declaration of Human Rights.
- We have an internal policies to ensure 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 are an Equal Opportunities employer.
- We have implemented in 2014 a new HR structure designed to nurture, train and develop our staff and increase retention.
- We have undertaken a number of humanitarian projects in 2014, including financial and resource support for the following charities and organisations:
 - The Africa Trust
 - Pebbles Project (South Africa)
 - People in Context organisation (South Africa)
 - Comparte project, defending rights of children (Latin America)
 - CONIN project (Argentina)
 - Support for Nelson Mandela Day (Global)
 - A Bike for Africa campaign (Global)
 - Montreal Canadiens foundation for children (Canada)
 - Canadian Cancer Association (Canada)
 - Caritas (Germany)
 - Aktion Sorgenkind (Germany)
 - Children's Welfare organization (Scandinavia)
 - Children's sporting initiatives (Ireland)
 - Danish Cancer Society (Denmark)
 - Restos du Coeur (France)
 - Kids Can charity (New Zealand)
 - Singapore Cancer Society (Singapore)
 - Programme for Severely Ill Children (Switzerland/Hungary)
 - PD Centre for Cancer Hope and Healing (UAE)
 - Make a Wish Foundation (Portugal)
 - WWF (Scandinavia)
 - Institute for Disabilities (USA)
 - American Logistics Aid Network (USA)
 - The Conservation Fund (USA)
 - Habitat for Humanity (USA)
 - The Benevolent Charity (UK)

Measurement of outcomes

- We have taken active steps to devote financial, human and time resource to charitable and humanitarian initiatives and activities.
- JF 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.
- The JF 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 uses forced or child labour.
- All employees are given information on company rules, grievance and disciplinary procedures.
- All JF Hillebrand Group offices comply with all global and local Health and Safety legislation, and provide safety training to staff as appropriate.
- All JF 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 are an equal opportunity employer with a zero tolerance policy on workplace discrimination.
- 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 developed Corporate Health Management in certain offices, promoting healthy lifestyle to staff.
- We have introduced Health Management and Assessment programmes across a number of offices.

- We comply with all minimum wage regulations.
- 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)
- We have supported the Randstadt Foundation (Spain) aimed at ending social exclusion in the labour market.

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, the JF Hillebrand Group is fully committed to undertaking initiatives to promote environmental responsibility. We aim to reduce the environmental impact of our operations and activities.
- The JF 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.
- We aim to reuse a significantly higher % of our VinLiners during 2015.
- We aim to increase the number of our flexitanks recycled and steel bulkheads collected and reused.

Implementation

- The JF 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 JF 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 (including LNG trucks where possible).
 - 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.
 - We have proactive and long-term Equipment Recovery Management plan to leverage recycling opportunities for our flexitank products. We have invested in recycling facilities and actively assist our clients in the design and implementation of local flexitank recycling solutions
 - The flexitank material is shredded, baled for granulation and cleaned before being pelletized and manufactured into new products.
 - We actively manage the collection of steel bulkheads (used for flexitank shipments), which are refurbished and reused throughout our network.
 - We aim to reduce to zero the number of flexitanks used in landfill.
 - We have developed our own VinLiner thermal liners as an environmentally friendly alternative to shipping in temperature controlled reefer containers (which require approximately 30% to 40% more energy to refrigerate on the basis of the same transported tonnage).
 - Our VinLiner product is produced from a fully recyclable material. We also have a 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.
 - Development of IT tools Kegspediter, LogiTrax and EcoBev, designed to help clients manage supply chains as efficiently as possible.
 - EcoBev beverage disposal service is the only green solution for beverage disposal in the USA.
 - Kegspediter solution increases efficiency of keg usage and helps brewers minimise their environmental impact.
- Development of a best practice “How to go green at work” document with guidelines to be implemented in each JF 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.
 - Use of lower emission company cars.
 - Use of energy efficient office and IT equipment.
 - Constantly searching for new ways to limit environmental impact.
- Implementation of local office initiatives across our entire network, including:
 - Housing our IT servers in a carbon neutral data-centre in the Netherlands.
 - Recycled VinLiners used for low-cost housing roof insulation, or for charitable donation to third world countries and regions affected by natural disasters.
 - Use of motion sensor and/or low energy lighting in our offices to reduce electricity usage.
 - Use of cardboard as opposed to polystyrene packaging in mailrooms.
 - Collection of electronic waste in offices for safe disposal, recycling and, where possible, re-use.
 - Our SLG Division is a SmartWay Logistics Company Partner since 2009, partnering with SmartWay certified carriers whenever possible, sharing their dedication to reducing emissions and increasing fuel efficiency.
 - 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.
 - 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
 - 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 Ökoprofit - corporate environment consultancy program in Germany.
 - Implementation of solar panels at our warehouse in Livorno, Italy.
 - Promotion of online meetings and conferencing to reduce business travel.
- 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 are a SmartWay® Logistics Company Partner (applicable to our SLG division).

- We have been recognised as “2014 Top Green Provider” by *Food Logistics* magazine, and “2014 Green Supply Chain Award” from *Supply & Demand Chain Executive* magazine (applicable to our SLG division).
- 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 6,000 tonnes of CO2 from the European road network through the use of rail services.
- We removed over 12,000 tonnes of CO2 from the European road network through the use of Short Sea Shipping and inland waterways.
- We recycled 59% of our LLDPE flexitanks, across our top 11 import destinations (up from 55%)
- We recovered and reused 61% of the steel bulkheads used in flexitank transportation, thanks to our worldwide bulkhead recovery program (up from 47%)
- 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

- The JF 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 is made available to all staff, to foster an ethical culture based on our corporate principles.
- We have local anti-corruption policies in place across our office network, in line with local legislation.
- 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 local initiatives aimed at promoting transparency and integrity in business.

Measurement of Outcomes

- The JF 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.