

2014-2015 Communication on Progress

A Report on BDP's commitment to the ten principles of the United Nations Global Compact



Statement from the CEO

I am proud to present BDP's annual Communication on Progress (COP) report. BDP remains committed to good corporate citizenship in the global community. This report expresses our continuing commitment to the UN Global Compact and its principles. At BDP, we strive to ensure that these principles are ingrained in BDP's business culture, operations and mission as a company. BDP's most valuable assets are its integrity and ethical commitment, which set us apart from the competition. Protecting these assets and our reputation is the duty of everyone in BDP. To that end, we also strive to influence those with whom we do business (including our agents, consultants, suppliers and customers) to adhere to and embody our guiding principles. As a member of the UN Global Compact, we will continue to promote and conform to these values within our sphere of influence.

Sincerely,



Richard J. Bolte, Jr.
Chairman & CEO

BDP Background

BDP International, Inc. ("BDP") was founded in 1966, and is now established as one of the leading privately held freight logistics/ transportation management firms in the United States. We have operations in more than 120 countries, including more than 115 offices across the world, and employ over five thousand employees worldwide. BDP People believe in delivering on the promise of service excellence, integrity, fair dealing and social commitment.

BDP provides a range of services, including ocean, air and ground transportation; freight forwarding; logistics consulting services; and state of the art web-based shipping management systems.



HUMAN RIGHTS

Businesses should support and respect the protection of internationally proclaimed human rights; Businesses should make sure that they are not complicit in human rights abuses.

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LABOR STANDARDS

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation.

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Businesses should support a precautionary approach to environmental challenges; Businesses should undertake initiatives to promote greater environmental responsibility; and Businesses should encourage the diffusion and development of environmentally friendly technologies.

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HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights;

Commitment

BDP supports the internationally recognized human rights contained within the Universal Declaration of Human Rights and seeks to avoid complicity in human rights abuses.

Processes and Systems

Equal Employment: BDP International does not discriminate in employment opportunities or practices on the basis of race, color, religion, age, national origin, gender, sexual orientation, disability, union affiliation, veteran status or any other status protected by law. We expect that all employees will be treated equally without regard to these characteristics. Consistent with this policy, BDP International strives to ensure that:

- Applicants are recruited, hired, and trained for all jobs without regard to race, color, religion, age, national origin, gender, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.
- Transfers, promotions, and lay-off decisions are made without regard to race, color, religion, age, national origin, gender, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.

- Compensation, benefits, discipline, and company-sponsored programs and activities are administered without regard to race, color, religion, age, national origin, gender, sexual orientation, disability, veteran status or any other status protected by federal, state or local laws.
- BDP employees are informed of the policy via training and have access to BDP's Equal Employment processes and mandate through the Employee handbook (given to all new employees at BDP). BDP also provides employees with anonymous hotlines and web complaint forms via the company intranet, to report any violations or complaints to Human Resources and the Legal Department.
- BDP's equal employment policy is a global policy which applies to business in all regions, in order to promote the principles of non-discrimination and equal opportunities regardless of race, religion, national origin, gender, sexual orientation, disability, veteran or any other protected status.

“We expect that all employees will be treated equally without regard to these characteristics.”

BDP Human Rights Policy: BDP maintains and enforces a Human Rights policy to ensure that all BDP employees, regardless of their region, are treated fairly and equally, without prejudice, abuse or exploitation. This includes discrimination and other forms of abuse, in regions where US laws do not apply and civil rights procedures are not entirely clear or known to BDP. We strive to maintain a universally acceptable standard for human rights, in accordance with UN principles and our global human rights policy. Employees are expressly informed about the policy, which is available to and enforceable for all levels of employees, including senior management. The policy is maintained on the company intranet, and trainings designed by BDP's Legal, Human Resources and Compliance teams are created to promulgate the policy company wide.

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BDP Anti-Harrasment Policy: BDP maintains an anti-harrasment policy, to prevent workplace abuse and discrimination. The Policy applies to sexual harassment as well as harassment on the basis of race, color, religion, gender or sex, national origin, veteran status, age, disability, sexual orientation, familial status or any other characteristic protected from discrimination under US law. Harassing behavior consists of discriminatory intimidation, ridicule, or insult that has the purpose or effect of unreasonably interfering with an individual's work performance or of creating an intimidating, hostile, or offensive work environment, as viewed from the perspective of a reasonable person. The policy also forbids all forms of physical, sexual or other kinds of harassing behavior. The policy is global, and provides for reporting procedures in order to ensure accountability. BDP also maintains an anonymous complaint form on the company intranet, and a reporting hotline.

Code of Business Conduct and Ethics: BDP maintains a Code of Business Conduct and Ethics (the "Code"). The Code applies to every officer, director and employee of BDP International. We also expect that those with whom we do business (including our agents, consultants, suppliers and customers) to adhere to the Code. Our Code is designed to help our employees comply with the law and maintain the highest standards of ethical conduct. All BDP International's officers, directors and employees must carry out their duties in accordance with the policies set forth in this Code and with applicable laws and regulations.

"BDP values the commitment every employee makes to the organization and as such provides many benefits to help employees achieve a greater work/life balance."

Access to basic healthcare: BDP offers access to health, dental and vision insurance. Our US based Human Resource Management System provides employees access to a wealth of health and wellness knowledge which allows employees to proactively manage their own medical history. Onsite flu vaccines are provided in several of our US locations.

Safe working environment: Through its Safety Committee, BDP aims to maintain a safe and healthy workplace by eliminating workplace injuries, identifying hazards and suggesting ways to prevent them.

The objectives of the Safety Committee are:

- Promptly review all safety-related incidents, injuries, accidents, illnesses, and deaths;
- Conduct quarterly workplace inspections, identify hazards, and recommend methods for eliminating or controlling the hazards; and
- Annually evaluate BDP's workplace safety and health program and recommend improvements to management.

Work/life balance: BDP values the commitment every employee makes to the organization and as such provides many benefits to help employees achieve a greater work/life balance, such as: vacation time, sick time, personal time, select holidays off of work, short-term and long-term disability as well as honoring any regional government laws such as Family Medical Leave Act.

HUMAN RIGHTS

Principle 2

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

Commitment

At BDP, we pride ourselves on our people, processes and technology that reach beyond simply delivering our business services. To provide the finest service experience in the world, BDP emphasizes the values of accountability, customer care and enduring relationships in all regions where we have operations. These values are consistent with our culture of supporting human rights; we uphold the internationally recognized human rights contained within the Universal Declaration of Human Rights and seek to avoid complicity in human rights abuses, and combat them however we can. BDP also maintains separate policies to reinforce our stance against child labor, harassment and human rights violations respectively.

Processes and Systems

Violation of Business Ethics, Code of Conduct, Human Rights Policy, Child Labor Policy, Equal Employment Policy or Anti-Harassment

Policy: Any violation of applicable law or any deviation from the standards embodied in the Code will result in disciplinary action, up to and including termination. Disciplinary action may also apply to an employee's supervisor who directs or approves the employee's improper actions, or is aware of

those actions but does not act appropriately to correct them. In addition to imposing its own discipline, BDP International may also bring suspected violations of law to the attention of the appropriate law enforcement personnel. BDP International encourages employees to notify Human Resources if a situation arises which the employee believes conflicts with this policy. Additionally, BDP maintains a hotline and intranet based complaint form which allows employees to report violations to the legal department anonymously. All policies operated by BDP encourage employees to report any violations to the appropriate supervising authority.

“To provide the finest service experience in the world, BDP emphasizes the values of accountability, customer care and enduring relationships in all regions where we have operations.”

HUMAN RIGHTS

Global Talent Management Team: BDP's Training, Education and Development (TED) demonstrates that BDP is committed to investing in its most important asset, our people, by having global responsibility for the education and development of all employees. BDP was recently honored by the Corporate University Best-in-Class Awards (CUBIC™), established to recognize internal training organizations and corporate universities that set standards of excellence. BDP University is used to administer global awareness programs such as:

- *Hazardous Material*
- *Industry Regulations*
- *Anti-Dumping procedures, Environmental obligations*
- *Regulatory and Legal Compliance*
- *Government Security Programs*
- *Anti-Corruption Compliance*
- *Managing Office Politics*
- *Business and Ethics Risk Management*
- *Effective Emergency Management*

Local Leadership Globally: BDP has experienced local leadership in every BDP location and staff who thoroughly understand local laws, cultures, business practices and regulations.

Industry Thought Leader: As a sought after industry thought leader, BDP encourages clients and employees through our various trade communications, Trendwatch, TradeAdvisory, and Gateway, to maintain ethical best practices in all regions of the world. BDP also participates in and hosts events geared towards industry issues, externalities and ethics. For example, in 2014 we participated in the Ethisphere Global Ethics Summit in London, England; in 2015 we will Co-Organize the Ethisphere Oil and Gas Ethics Summit in Houston, Texas; and in 2015 we will also host the Export/Import Regulatory Seminar in Houston, Texas; among other conferences we are involved in.

“Small enough to care, large enough to leverage value”: Privately held and family owned, we never lose sight of what matters most, which is our integrity based and ethically driven business model. BDP is nimble to changing business, economic, political and legal conditions, and we can react swiftly and efficiently in any market. However, we cannot and will not allow our economic flexibility to compromise our familial and social values, which remain firm in the face of economic uncertainty because of our structure. We strive to avoid violations of human rights within our realm of responsibility, whether it be our own organization, our service vendors, suppliers or clients.

Hotline: In the event that employees become aware of any facts surrounding a transaction that might be suspicious and give rise to a violation of the Code of Conduct, they may anonymously advise BDP by calling +1 (866) 631-2807.

Anonymous Complaint Form: Employees may also inform the company with regards to potential violations via an anonymous complaint form, available on the company's intranet site.

LABOR STANDARDS

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Commitment

BDP strongly encourages all employees to own their personal career development through a variety of policies and programs within our organization. Every employee has the right and ability to improve their status within the organization. Through our performance based processes, every employee has the ability to re-negotiate their positions and wages during the review period. Performance reviews and internal job postings are used to incentivize career development and personal growth for all BDP personnel. Further, BDP maintains assistance programs, such as relocation assistance, and policies for accommodating emergencies or other employee needs, for example in the case of a disability. “Flexitime” or flexible working hours are also available upon necessity and management approval, and performance reviews are conducted with employees every six months, to allow for the discussion of any employment related issues.

Processes and Systems

Pay: BDP follows minimum pay requirements in each location we operate and offers competitive industry compensation.

Performance Management: Each year, BDP publishes Key Performance Indicators for the entire global organization. These indicators are communicated clearly and swiftly throughout the organization, and each employee is assigned personal Key Performance Indicator by their manager. Through a semi-annual review process, each employee has the opportunity to discuss their progress towards meeting these goals within the annual

timeframe and communicate their expectation for increased responsibility and/or salary requirements.

Employee Classification: BDP classifies employees under applicable employee categories for the region in which they operate (ex: exempt/non-exempt). All employees have a service date associated with their date of hire that governs their eligibility for various benefits such as vacation accrual rates, service recognition and participation in retirement plans. Further, employees have the opportunity to apply for internal job postings, transfers and promotions within BDP.

Mentoring Program: Being a privately held, family owned company that values personal relationships, BDP has historically used informal mentoring and networking throughout the organization. BDP’s structured Mentoring Program varies vastly from informal mentoring as it is focused solely on the leadership development of a small group of high potential employees identified by management. The purpose of the Mentoring Program at BDP International, Inc. is to foster career development and share career experiences between BDP management and high potential employees. The long-term goals of the Mentoring Program are specifically to:

- *Identify and reward high potentials within the organization by providing them with personal attention and guidance from BDP management;*
- *Lay the foundation for a succession plan throughout the organization;*
- *Improve morale and job satisfaction of high potential employees;*
- *Establish a culture that values career development and networking while fostering trust throughout the organization; and*
- *Aid in retention and recruitment of high potential employees.*

Development Opportunities

- *Behavioral competencies;*
- *Individual development tools;*
- *Succession planning; and*
- *Performance development.*

LABOR STANDARDS

Leadership Development Program: The goal of BDP's Leadership Development Program (LDP) is to cultivate the next generation of leadership at BDP through a series of leadership development courses, networking opportunities and educational classes. The LDP includes four major components:

1) Leadership Boot Camp Week;

One week consisting of intensive leadership development training delivered at the Global Corporate Headquarters, with training designed by Dale Carnegie.

2) Leadership Development Specific BDP University Courses;

A series of courses and presentations conducted by Senior Management designed to help enhance the skill sets of BDP's future leaders as they prepare for the next level of responsibility at BDP. These courses are available on BDP's online learning platform, BDP University.

3) Capstone Project

Employees identify an opportunity to better BDP, and then develop a business case study to implement that project.

4) Networking.

A strong network is essential for all leaders. All participants in this program meet with the executive leadership of the company in both formal and informal settings in order to discuss their path within the company.

BDP University: BDP's Corporate University helps keep employees up-to-date on the latest transportation and logistics issues, regulations and best practices. A personalized curriculum with live classroom sessions, online webinars and self-paced "on demand" courses assists staff in professional and personal development. Training is available for legal, technical, industry specific and other educational topics, which will be of use in assisting employees on the job.

Principle 4

the elimination of all forms of forced and compulsory labor;

BDP adheres to all social and labor obligations to support its employees globally. These obligations include, but are not limited to, employee medical benefits, family and medical leave, term disability benefits and paid vacation, consistent with requirements of each jurisdiction. Also see Principles 2 and 3. BDP also offers employees flexible working hours upon management approval, safety policies at the work place, sick leave, personal leave, and other social/life insurance benefits for eligible employees.

Further, to combat exploitation and abuse at home and abroad, BDP maintains a global ethics code. BDP also maintains an Equal Employment Policy, a Human Rights Policy, a Policy against Child Labor and an Anti-Harrassment Policy. All staff are notified and trained with regards to these policies, and are accountable for adherence to them and the code of conduct. Violations can lead to disciplinary action such as probation, suspension, and other penalties, up to termination. BDP encourages all agents, customers and subcontractors to follow these policies as well.

BDP maintains an anonymous complaint form on its intranet website to ensure accountability with our ethical mandate, as well as a complaint hotline.

LABOR STANDARDS

Principle 5

the effective abolition of child labor; and

Commitment

BDP International fully complies with the Child Labor provisions of the Fair Labor Standards Act and applicable state statutes, which govern the employment of minors.

Systems and Processes

Policy: BDP requires that all its employees and representatives shall recognize the U.N. Convention on the Rights of the Child, and that its business partners comply with all relevant national and international laws, regulations and provisions applicable in the country of operation. Employees and partners are obliged to take the appropriate measures to ensure that no child labor occurs at their places of operation.

Background checks: BDP conducts background checks prior to hire to ensure minimum age requirements are met for all employees.

BDP maintains an active policy against child labor. All staff are notified and trained with regards to the policy, and are accountable for adherence to it, as well as the code of conduct. Violations can lead to disciplinary actions such as probation, suspension, and other penalties, up to termination. BDP encourages all agents, customers and subcontractors to follow these policies as well.

Principle 6

the elimination of discrimination in respect of employment and occupation.

Anti-Harassment Policy: An important aspect of BDP International's Equal Employment Opportunity Policy is to ensure that all individuals have the right and opportunity to work in an environment that is free from harassment of any nature. Harassment in any form including that of employees, applicants for employment, temporary employees, temporary agency workers, vendors, maintenance workers, or customers is unacceptable conduct that is not tolerated by BDP International. This policy applies to harassment on the basis of race, color, religion, gender, national origin, veteran status, age, disability, sexual orientation, familial status or any other characteristic protected from discrimination under law. Employees are notified about the policy and trained about its requirement through courses and the employee handbook. The policy is also revised and updated periodically.

Anti-Harassment, Diversity and Cultural Sensitivity Training: BDP conducts on-going training for all employees to ensure that BDP maintains a workplace free from all forms of harassment.

Harassment Complaint Procedure: BDP encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. All allegations of harassment are investigated promptly and in as confidential a manner as is consistent with effective investigation. BDP will take appropriate corrective action when warranted. BDP encourages all employees to assist in maintaining a harassment-free workplace. Anonymous reporting is possible through BDP's intranet site or hotline.

ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

BDP is committed to being an industry leader in corporate sustainability. BDP seeks to operate in an environmentally responsible manner through education and compliance, with sustainability at the forefront of daily business practices.

The global shipping industry is responsible for approximately three percent of the world's greenhouse gas emissions¹. These emissions will continue to rise unless action is taken. BDP realizes the impact that the industry has on the environment and continually looks for new ways to reduce emissions. As a non-asset based company, BDP works with suppliers, customers, and all stakeholders to ensure its environmental, health, and safety standards are of high priority.

To support BDP's environmental commitment, a structure has been established to ensure all initiatives are completed effectively and successfully. BDP's Sustainability Manager is responsible for maintaining, improving, and communicating all of BDP's sustainability initiatives. BDP's Sustainability program is comprised of internal, external, and global community initiatives. The Sustainability Manager stays current on all industry developments to keep BDP and its stakeholders informed and prepared for any regulatory or industry changes that may occur.

To further reinforce our environmental commitment, BDP has an environmental policy that is approved by all board members and

management. In addition, BDP's Chief Executive Officer is fully supportive and influential in shaping our environmental endeavors. This policy is communicated to all employees and conveys our promise to operate in an environmentally conscious manner. Echoing this policy are several of BDP's programs; BDP Sustainability Program, Responsible Care, and the BDP Green Team.

BDP Sustainability

BDP's Sustainability program encompasses all of our policies, programs, and practices for conducting operations in an environmentally, as well as fiscally-responsible manner. The BDP Sustainability program focuses on internal and external initiatives; including an interactive training program for all employees, along with programs focused on energy conservation, paper reduction, recycling, reuse, and transit. To strengthen our external presence, BDP has become a member of the Clean Cargo Working Group (CCWG). The CCWG is a global business to business initiative comprised of carriers, shippers, and logistic providers. This membership allows BDP to collaborate with peers and business partners, calculate our customer's carbon footprint, along with the ability to review ocean carrier environmental data. Each of these areas further shape and define BDP's commitment to society, the economy, and our responsibility to protect the environment.

BDP Green Program

The BDP Green Program is in its fifth year since inception and continually spreads the mission of environmental awareness and responsibility. The BDP Green Program has made significant strides in the past year as an extension of the BDP Sustainability Program. BDP Green is a vital component within the sustainability program in continuing to support our corporate sustainability goals. The BDP Green Team continues to motivate employees and work to create initiatives to support all of BDP's environmental goals. These goals include increased environmental consciousness across the company and the global community, in the areas of energy conservation, recycling, reduction of waste, reusable items, and ecofriendly transit.

The BDP Green team has made several advances in establishing environmental standards in the workplace. The Green team has appointed eco-leaders within each region of the United States. These eco-leaders

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support all initiatives and facilitate these in the BDP offices within their region. Toward the end of 2013 and beginning of 2014, the BDP Green program expanded to include the Antwerp, Belgium office. There are plans for further global expansion of the BDP Green team in 2015.

Currently, we are proud to report the following achievements and essential goals for 2015:

- *Increased communication and awareness in all US offices regarding recycling, paper reduction, and energy conservation;*

Employee engagement via monthly internal newsletters, social networking sites, and in person to enhance BDP's goal of corporate-wide awareness of sustainability.

- *Environmental events in 2015 included:*

Earth Day celebration with awareness events for all employees focusing on less waste and reusable items;

Composting event to share information with employees about the importance of composting, and local and organic foods;

Contest engaging employees to share what they love about BDP, as it relates to environmental practices.

- *The BDP Sustainability training has continued to expand globally, after its first year. By the end of 2014, twenty-eight percent of employees had taken the Sustainability training. This training highlights areas in the workplace and at home where employees can be environmentally conscious. BDP strives to have 50 percent of employees take and pass this training in 2015.*

- *In 2014, over forty-five percent of BDP's office and paper supply purchases were environmentally friendly products. These products are either made from recyclable materials or can be recycled.*

- *In 2014, BDP responsibly disposed of electronic waste through a third party contractor who ensured proper recycling of the e-waste.*

- *Distributed reusable mugs to all employees in the US and European offices were supplied with reusable water bottles.*

http://ec.europa.eu/clima/policies/transport/shipping/index_en.htm

LABOR STANDARDS

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility; and

Memberships and Supporting Partnerships:

Clean Cargo Working Group: Supporting BDP's sustainability initiatives, BDP became a member of the Clean Cargo Working Group (CCWG) in 2013. The CCWG is a global business to business initiative comprised of carriers, shippers, and logistic providers. This membership provides BDP with several benefits:

- *The ability to calculate our customer's carbon footprint using data and tools provided by the CCWG;*
- *The ability to review and compare ocean carriers' environmental performance across a broad range of data;*
- *Collaboration with peers and business partners to improve BDP's environmental performance; and*
- *Help influence the development of tools, standards, and methodologies for improving environmental performance across the intermodal value chain.*

BDP Responsible Care®: BDP has been a Partner of the American Chemistry Council's (ACC) Responsible Care® initiative since 2003. Responsible Care is a global, voluntary initiative where Member companies that manufacture chemicals and supply chain Partner companies work together to continuously improve and support the overall health, safety, environmental quality, and community awareness of chemicals throughout their life cycle. As a Partner practitioner in the Logistics Management Sector, BDP pledges to operate business according to the ethics, values, and principles set forth in these Responsible Care program elements:

- Endorse the Guiding Principles of Responsible Care;
- Measure and publicly report performance on annual basis;
- Implement the Security Code within a specified time frame;
- Implement the Responsible Care Process Safety Code of Management Practices;
- Implement the Responsible Care Management System (RCMS®); and
- Obtain independent certification that a management system is in place and functions according to professional specifications.

BDP is pleased to report a robust agenda of Responsible Care activities in 2015. BDP employees at ALL levels and departments within each BDP region, country, and office will be engaged in Responsible Care education.

The Responsible Care journey is strategically built into the 5-Year BDP Strategic Plan. Chemical Brand Dominance is one out of five “Pillars” for BDP growth and development. Progress and successes with Responsible Care initiatives in 2015 and beyond will be internally measured against our Strategic Plan to support our company’s vision of Delivering the Best Global Logistics Solutions. BDP Responsible Care communications, education, and activities will be customized by region to ensure the highest level of employee engagement and content relevant in these focus areas:

1. BDP Responsible Care Global Charter Campaign: The Global Charter was developed by the International Council of Chemical Associations (ICCA) in collaboration with select ACC Responsible Care Member companies. A revised Global Charter has been rolled out to the Responsible Care network of North America-U.S. headquartered Members and Partners. BDP has declared our support as a multinational company with global activities. Our organization will embrace and uphold the six (6) key elements to the Global Charter within our local business cultures and practices. As such, BDP is developing a campaign to:

- Voluntarily implement the Global Charter to employees outside the U.S.;
- Generate awareness of Responsible Care initiatives and what the supply chain value membership brings to our workforce and our customers;
- Demonstrate how and where BDP employees at every level are invested both in practice and mindset:

We work as One BDP, One Team

Responsible Care is the right thing to do

Engage our customers and supply chain vendors

- Engage employees through a strategic communication plan including internal webinars, training through BDP University, Town Hall meetings with local leadership, Social Networks, and idea sharing; and
- Engage employees in a celebration signing of a BDP Global Charter poster to signify their role as an integral component in the Responsible Care initiative worldwide.

2. Responsible Care Process Safety Code of Management Practices: Beginning in 2014, BDP North America U.S. is implementing the Process Safety Code of Management Practices set forth by the requirements defined in the Responsible Care Management System (RCMS®):

LABOR STANDARDS

- RCMS implementation is required for supply chain Partner companies during a 3 Year certification cycle from 2014–2016;
- BDP's Process Safety Code implementation focuses on U.S. operations and departments at this time;
- The Process Safety Code includes seven Management Practices: Leadership and Culture; Accountability; Knowledge, Expertise and Training; Understanding and Prioritization of Process Safety Risks; Comprehensive Process Safety Management System; Information sharing; and Monitoring and Improving Performance;
- BDP U.S. operations and departments expect to have all seven Management Practices documented and implemented by December 31, 2015;
- BDP practices and documentation will be sampled by an external auditing firm in March 2016 to determine RCMS certification;
- Many of the policies and processes documented under the Process Safety Code are standard operating practices for BDP U.S. operations. Formal implementation provides excellent opportunities for our organization to:
 - Evaluate and refine existing processes and operating systems,*
 - Identify and close process gaps for continuous improvement,*
 - Create opportunities to identify, reduce, and manage process safety risk,*
 - Develop, customize, and roll out training to support, and*
 - Enhance teamwork and communications among BDP U.S. departments and BDP Centers of Excellence.*

3. BDP Responsible Care Committee: The 18-member Committee represents BDP U.S. personnel and hosts four annual meetings, one meeting each Quarter, to introduce trending topics and discuss progress and challenges with BDP Responsible Care initiatives. The Committee strives to continuously improve BDP U.S. operating practices and systems while seeking new opportunities and education. The Committee has BDP CEO-level leadership and commitment along with engagement in internal / external events:

- Participates on monthly conference calls and webinars hosted by the U.S. ACC Responsible Care Team;

- Includes designated members that attend annual conferences and expos hosted by the U.S. ACC Responsible Care Team;
- Collaborates with the BDP U.S. Safety Committee and BDP Centers of Excellence to integrate Responsible Care education into BDP's EHS initiatives and vice versa; and
- In 2015 and beyond, the Committee will expand to include members from BDP locations in Asia Pacific, Canada, Europe, Middle East, and Latin America.

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 our ;
 - 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;
 - Audit and train internally as well as with 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

ANTI-CORRUPTION

Principle 9

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

BDP's IT Center of Excellence has a commitment, supported by a corporate policy, to ensure BDP's technology purchases and endeavors to minimize environmental impact. BDP's main environmentally friendly technology initiatives include:

"BDP continues its efforts to become entirely paperless via its Document Management System (DMS)."

Electronic Document Management: BDP continues its efforts to become entirely paperless via its Document Management System (DMS). DMS has been fully executed in all US offices. In 2015, all 29 European offices have either begun or are scheduled to transition to DMS. DMS will continue to be implemented in all other offices around the globe.

– An example that demonstrates our paper waste reduction goal is the efforts from BDP's Rotterdam office. Through utilizing digital archiving, they have reduced significant waste of documents, file folders, and archive space within the office. Paper waste was reduced by over 50 percent by the end of 2013 and continued to reduce each year thereafter into 2015.

Paperless Marketing Communications: All marketing communications are now distributed electronically. Customers can register to receive weekly newsletters and business updates via email, rather than in paper form. Electronic marketing newsletters and BDP's new paperless document application, DMS, enables BDP to move in the right direction in becoming a more environmentally conscious company.

Green Conferences: In 2014, BDP hosted a conference utilizing a web based application to decrease its carbon footprint. All conference information and presentations are housed on the web application. This significantly reduces BDP's paper waste, as over one hundred attendees were present at this conference and could access all presentations and conference information on the application instead of BDP printing this information. This year, BDP will be using this web based application for 8 conferences; increasing environmental consciousness. BDP has also procured environmentally conscious giveaways for all conference attendees; distributing recycled pens and notebooks.

Video Conferencing / Webinars /Conference Calls: BDP has continued to increase the utilization of webinars and conference calls to cut down on travel costs. BDP has installed video conferencing capabilities into the corporate office so that employees can have global meetings without having the environmental and economic effects of travel. BDP has also transitioned to Google email, allowing easier access to web conferencing via Google Hangout.

ANTI-CORRUPTION

Principle 10

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

Commitment

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 all applicable laws and regulations.

Systems and Processes

Policy: BDP operates under a global Code of Business Conduct and Ethics (the “Code”). The Code applies to every officer, director and employee of BDP. BDP also expects 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 maintains complete and accurate financial records and make annual anti-bribery training available for all principals, and key employees involved in sales, marketing, and procurement.

BDP also maintains a stringent anti-corruption policy, which prohibits any form of corrupt practices, whether it is bribes or other forms of illicit payments. Anonymous complaint hotlines and web forms have been created to prevent any such activity, and hold perpetrators accountable. Those caught committing corrupt acts are subject to termination.

Appointment of FCPA Compliance Officer: BDP maintains an FCPA Compliance Office 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 is also responsible for periodic reporting on the effectiveness of the program through the implementation of a monitoring and auditing system to detect criminal conduct.

Training: BDP’s Legal Team conducts ongoing global FCPA (Foreign Corrupt Practices Act) training through BDP University. The training consists of a webinar accompanied by a detailed PowerPoint presentation on the anti-bribery provisions of the FCPA and BDP’s compliance program. Employees are then tested on their knowledge of the FCPA and BDP’s compliance program, and must score at least an 80% to pass the training. Certifications are then sent to employees to be signed, and state that they have completed the training, and will adhere to BDP’s compliance program. All original certifications are kept in our legal files.

“We aim to insure that all principals and key employees involved in sales, marketing, and procurement are certified in FCPA compliance globally.”

We aim to insure that all principals and key employees involved in sales, marketing, and procurement are certified in FCPA compliance globally. In addition, all new employees are required to undergo anti-corruption training.

ANTI-CORRUPTION

BDP also conducts leadership and board training with reference to corruption and ethical risks, and the need for FCPA compliance, so executive and board level staff understand the intricacies of the law and practice involved in anti-corruption efforts.

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. BDP also maintains a vetting process for selecting subcontractors and agents.

All partners need to certify that they are FCPA compliant.



TRACE Certified: In 2015 BDP has become a certified agent of TRACE International. TRACE is a non-profit organization that provides all members with anti-bribery compliance support. TRACE members include thousands of enterprises throughout the world that work

together to increase transparency in international business transactions. Through TRACE, BDP is provided customizable due diligence, training and advisory services along with one complete anti-bribery and third party compliance solution.

Contract Provisions: The Code also holds a section detailing contract provisions and certification requirements for BDP's 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 applicable laws and compliance procedures. All contracts also set out accounting and financial provisions, reporting requirements, disclosure information, and termination provisions for non-compliance.

The certification terms require each consultant, intermediary and joint venture partner to 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; and*
- *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.*

"Through TRACE, BDP is provided customizable due diligence, training and advisory services along with one complete anti-bribery and third party compliance solution."