

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





UNITED NATIONS GLOBAL COMPACT COP 2014













- 04 HELLMANN AT A GLANCE 2014
- 06 FOREWORD KLAUS AND JOST HELLMANN

08 STANDARD DISCLOSURE

- 10 OUR STRATEGY
- 11 VALUE-BASED MANAGEMENT

12 CORPORATE SOCIAL RESPONSIBILITY

14 STAKEHOLDER ANALYSIS

16 HUMAN RIGHTS

- 19 OCCUPATIONAL HEALTH AND SAFETY
- 20 SOCIAL COMMITMENT
- 24 WHAT WE HAVE DONE AND WHAT WE ARE GOING TO DO

26 LABOR

- 29 LEARNING AND DEVELOPMENT
- 30 CONTINUOUS IMPROVEMENT PROCESS
- 31 EMPLOYEE COMPENSATION AND BENEFITS
- 32 DIVERSITY AND INCLUSION
- 36 WHAT WE HAVE DONE AND WHAT WE ARE GOING TO DO

38 ENVIRONMENT

- 40 POLICY AND TRAINING
- 42 ENVIRONMENTAL MANAGEMENT SYSTEM
- 44 ENVIRONMENTAL PERFORMANCE
- 50 ENVIRONMENTAL PROJECTS
- 54 WHAT WE HAVE DONE AND WHAT WE ARE GOING TO DO

56 BUSINESS ETHICS AND ANTI-CORRUPTION

- 59 CORPORATE GOVERNANCE
- 60 BUSINESS ETHICS
- 62 COMPLIANCE
- 64 REPORTING AND COMMUNICATION
- 66 CONTROLS AND FOLLOW-UP MEASURES
- 68 WHAT WE HAVE DONE AND WHAT WE ARE GOING TO DO

70 APPENDIX

CONTENT

Hellmann at a Glance 2014



Revenue per division in 2014 in million €

143

years of logistics

845,4 808,6 689,0 655,1 Road Others Sea



Hellmann branches worldwide

Located in countries



100%

of issues reported via whistleblower hotline were solved



facilitation payments

Find out who we are and what we do in this short video.



29%

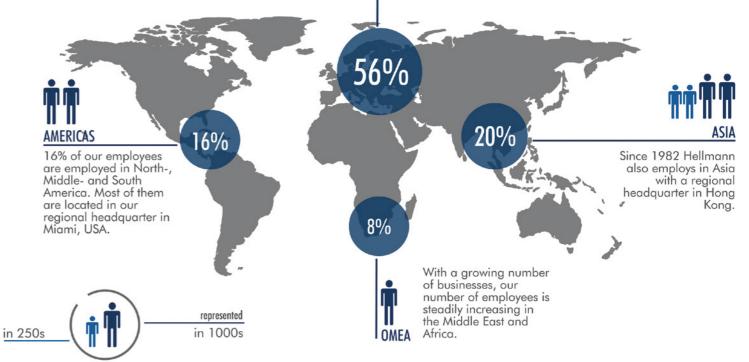
of our female employees are in key positions

Employees Worldwide

The worldwide distribution of Hellmann is devided into four geographical areas: EUROPE, OMEA, ASIA and AMERICAS.



Most of our employees are in Europe, especially in Germany where our headquarter is



Our Services



Road



We are keeping things on track, in Germany and the rest of Europe.

Thanks to Rail Eurasia, we can also offer rail transports between Europe and China. Goods are transported reliably, on-time and sustainably.



Sea

Multimodal pre- and post-carriage solutions complete our service package. In addition to conventional road transport, the use of rail and inland waterways allows us to meet the increasing demand for combining ecology and economy.



Strategically located across five continents, our airfreight teams constantly monitor direct flights, consolidations and both door-to-door and express traffic, using our powerful, state-of-the-art global IT solutions.



A t Hellmann we believe our success is determined by the consequences our actions have on the environment and communities around us. We also acknowledge that this is only an issue providing our activities are economically sustainable. Therefore, we strive to balance our economic, environmental and social goals. Since committing to the United Nations Global Compact (UNGC), we have integrated the ten universal principles regarding human rights, labor, environment and anti-corruption into our daily business.

In 2014, we continued to work according to one of our corporate values; "Live Sustainability". We promoted the ten UNGC principles among our employees worldwide through various initiatives. One of our major achievements was raising awareness by measuring our carbon emissions in our various regions. We are proud to report that we can now publish transparent Scope 1 and Scope 2 emission data for Europe and Asia. Two years ago, we were only able to provide this information for Germany. Furthermore, we are strengthening our business ethics through internal policies driven by international and national laws, including the UNGC principles. Not only do we want to cover the minimum required standards but we also want to provide all our employees with comprehensive internal policies. Through the internal Compliance Effectiveness Survey in 2014, we had the opportunity to measure the effectiveness of our compliance program and received positive feedback and suggestions from our employees. Implementing these suggestions is one of our key tasks in the area of anti-corruption in 2015.

We are aware that we do not have all the answers, solutions and know-how to answer every question asked. Corporate Social Responsibility (CSR) is not a stand-alone "project"; it needs to be integrated into our business processes and

procedures. Trying to resolve all issues and challenges on our own is unrealistic. Only through working together with our internal and external stakeholders – customers, employees, universities, NGOs governments, etc. – will we create new and even greater opportunities to help us overcome our challenges.

For this reason, we conducted a stakeholder analysis to identify essential CSR topics and to familiarize ourselves with our stakeholders' expectations, wants and needs. We are working in collaboration with other parties on our company's CSR strategy to identify our key goals for 2015.

Thinking Ahead, Moving Forward on our sustainability journey....TOGETHER.

Forward-looking Statements

This Communication on Progress (CoP) report contains forward-looking statements that are partly based on estimations as well as information currently available. These statements are in no way a guarantee of prospective corporate performance. They may be subject to risk and uncertainties, which are beyond our control and therefore may cause actual results and developments to differ from the expectations expressed in this CoP.

Report Profile

This is the third Communication on Progress Report (CoP) published regarding our commitment to the United Nations Global Compact to date. The data and information reported in this CoP cover the time period from January 1, 2014 until December 31, 2014.















We are committed to being the leading global logistics provider in terms of service excellence, quality, innovation and environmental care

We recognize that people are the foundation of our success. We make every effort to provide them with a fulfilling and engaging working environment. We carry out our commitment to customers by being responsive to their needs and providing them with logistics solutions that create value and support their success.

Thinking Ahead, Moving Forward!



NA is the abbreviation for deoxyribonucleic acid, the "building block of life", which carries hereditary codes and traits from parent to child. Like individuals, every company has its own DNA in the form of a unique culture and way of doing business.

Our Corporate DNA defines who we are and what makes us stand out. It also ensures our heritage endures through successive generations by enabling new team members from around the world to share our values. At Hellmann, we see our Corporate DNA as being far more than mere words on paper. Ultimately, our corporate genes inspire the way we think. They determine the motives behind our actions and define what we should expect of one another. Most importantly, they highlight the qualities that ensure we are, and always will be, different from other logistics service providers

Family defines not only who we are, but also forms the basis of our Corporate DNA: F.A.M.I.L.Y.

Our corporate genes and family values continue to inspire the way everyone in our global network thinks and acts - from country to country and from generation to generation. They also continue to determine the integrity and mutual trust with which we build both our business and our partners' business.

F.A.M.I.L.Y

F irst, people first

L ive sustainability

Y ou and Me!

A II about the customers, always

M aking it work better, everyday
I nnovation and entrepreneurship

























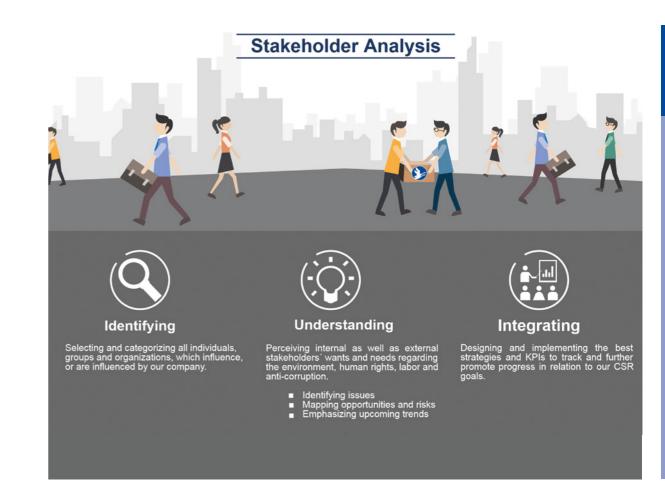
In order to explain our goals and to identify which areas need our attention, we plan to widen the scope of our Corporate Social Responsibility (CSR). Not only is it important for us to define essential KPIs and goals internally but it is also

important to include all our stakeholders in the process. Therefore, we plan to conduct a global analysis to identify topics important to our internal and external stakeholders. These topics will be used as the basis for our CSR approach and

strategy. The first step in our stakeholder analysis was to identify stakeholder groups and classify them into relevant subgroups. The stakeholder groups will be asked to rank CSR related topics according to their relevance. An analysis will

compare our corporate expectations with those of the stakeholders, to help us develop our business further whilst having a positive impact on our environment.





























"At Hellmann, we respect all human rights according to international human rights standards and instill these rights throughout all our business functions. We are also committed to respecting, promoting, and accomplishing these fundamental principles and rights in the workplace. This helps us attract and retain a highly qualified and motivated workforce as well as continuously improve relations with our staff."

>> Stephan Wimmer (Chief People Officer)



The health and safety of our employees is important to us. We consistently strive to further develop processes and procedures to ensure that a safe working environment is in place and continuously maintained. Every country has its national laws and regulations regarding occupational health and safety. Many of our countries have developed health and safety programs including frequently training employees, auditing, attaining external certifications and nominating designated contacts for health and safety issues. Internal and external health and safety audits were conducted in 64% of our countries in 2014. To create the same secure working environment for all



safety experts came together to compare regional standards and possibilities for internal global guidelines. Our branches in the United States of America are one example of a best practice. In the past two years, they were able to reduce the number of accidents by 25%. This was made possible through frequent training and auditing, and the reorganization of our warehouses.

215 work-related accidents occurred at our facilities worldwide. Every accident is taken seriously. We classify accidents in different categories for which specific prevention training courses are developed and conducted for employees.



64% ur countries were internally or mally audited in the area of 82% of our countries with a warehouse or CLC have a nominated Health and Safety Officer

employees, we started to develop internal Health and Safety Guidelines for all our branches worldwide. In an initial workshop, internal health and













elping those in need is something we have pursued since the early days of our company. As a F.A.M.I.L.Y we do our best to care for the environment and the communities around us. As a global operating company, we have the responsibility to provide support in emergency situations. In line with this, the Hellmann Disaster and Humanitarian Logistics Services initiative was created. It supports humanitarian efforts of governmental, non-governmental and charitable organizations, which handle a wide range of local and regional emergencies. We offer expertize in coordinating short and long-term projects and providing strategic solutions during unforeseen humanitarian crises. Our worldwide network offers global presence which can meet the most demanding requirements in times of need.



n November 5, 2014, our branch in Charlotte, USA, organized a 747 aircraft loaded with personal protection equipment, buckets, gloves, a forklift and other supplies to be used in the relief efforts of our client Samaritans Purse, in fighting the Ebola virus in Liberia. Twelve hours later, the flight arrived in Monrovia where the supplies were distributed using a special US Marines Osprey aircraft to reach remote areas.



Our company is engaged in various social initiatives around the world through the special dedication of our employees. They support and initiate programs in order to solve social and environmental issues through donations, community programs and other actions taken in their country – our F.A.M.I.L.Y. knows no boundaries.



Our employees are actively committed to social and environmental initiatives. This year, together with the residents of the "Gerhard-Uhlhorn-Haus", our interns in Germany helped maintain the garden of the pedagogic-therapeutic institution for children and adolescents.

As shown in the following illustration, numerous initiatives took place in 2014. One of the most impressive was an initiative introduced by our South African colleagues who started the social project "More with Less". The purpose of the project was to give back to people, employees and customers alike, living in South Africa.



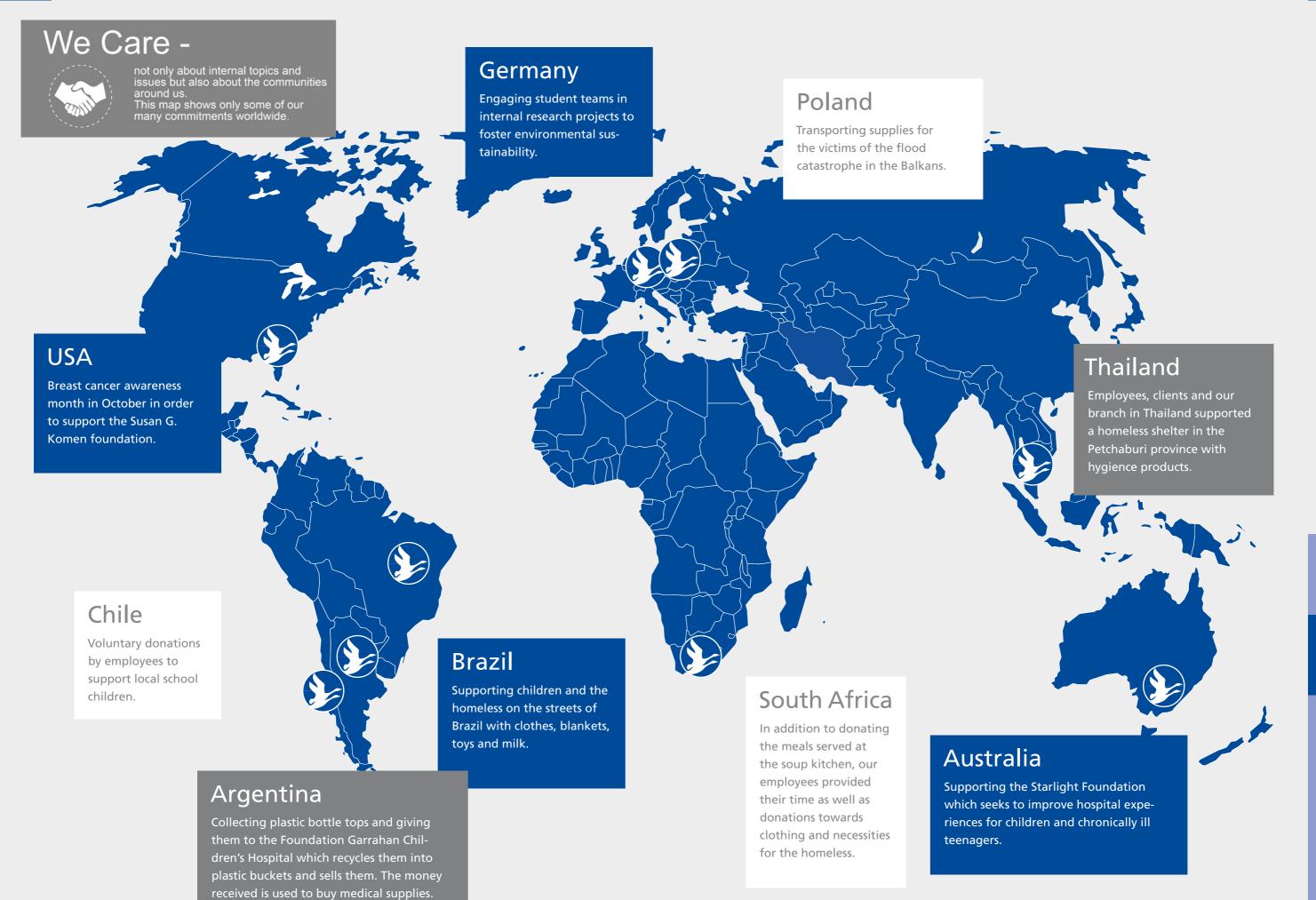












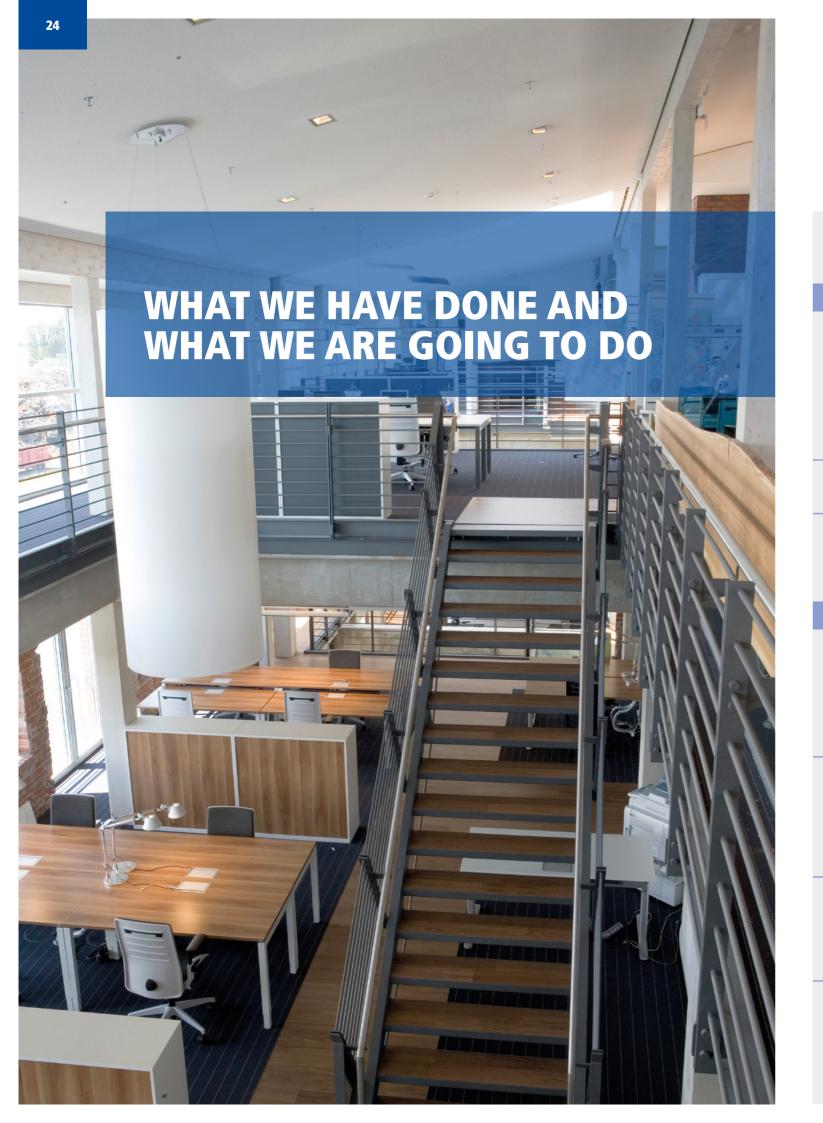












Activities in 2014

Progress

Activities in the upcoming years

Principle 1

- Integrating a Corporate Volunteering Initiative,
 "Perspektivwechsel" in our Learning and Development Program
- Exploring options for creating a foundation, which supports and coordinates the charitable work of our employees (in cooperation with other organizations/companies)
- Exploring the options to support building and rebuilding houses in developing areas
- Participating in further UNGC-related events on the subject of best practice sharing



- Refining and further developing our Corporate Volunteering Initiative, "Perspektivwechsel" and make it available in other countries
- Integrating the "Perspektivwechsel" initiative in the Hellmann Learning Experience (HLE)
- 100%
- 0%
- Creating awareness about sustainability and corporate citizenship, internally and externally
- Collaboration with schools and universities
- Guest lectures

Principle 2

Global Employee Opinion Survey (EOS)

- Conducting follow-up meetings with Managing Directors and Country HR Managers
- Monitoring implemented corrective action plans





Global Employee Opinion Survey (EOS)

- Measuring progress of KPIs by conducting the EOS in all our branches worldwide every other year
- Conducting follow-up meetings with 100% of our Managing Directors and Country HR Managers
- Defining corrective action plans per country by Q4 in 2015

Global Employee Induction Survey

- Requesting feedback from new employees regarding their induction process
- Developing follow-up workshops and action plans aligned with individual country results

 Developing global health and safety principles to serve as an internal corporate standard



Corporate Health and Safety Program

- Developing a concept for our Global Health and Safety approach by August 2016
- Implementing 90% of our Global Health and Safety program by Q1 in 2017

 Analyzing the corporate health management programs in all of our countries













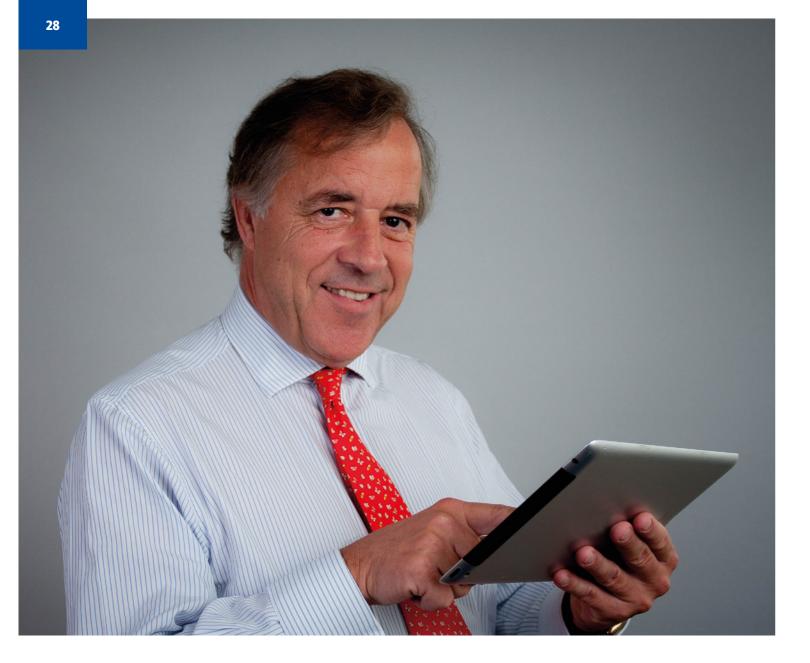












"As a family-owned business, the entire company is committed to the very meaning of family. Through our corporate DNA, we encourage all of our employees worldwide to build strong global networks based on respect, integrity, understanding and mutual cooperation. We behave responsibly towards the people, societies and environment in all areas in which we are active."

>> Jost Hellmann



Due to the current employment market situation, we are in the war for talent. It is becoming increasingly difficult to recruit, develop and retain the right people for our organization. To address these issues and act according to our Corporate DNA, we must increase the recognition of our employer brand to attract talent around the world. It is also necessary to retain new talent by creating and implementing development programs to support and nurture their full potential.

Graduate Programs

The Hellmann International Logistics Management (ILM) program is established amongst senior-level talent. Its aim is to develop talent at all levels of the organization. Based on the success of the ILM, we introduced a second initiative: the "Hellmann Graduate Program", despite challenging economic conditions. The Graduate program aims to give entry-level talent the opportunity to learn about the core of our business, to become part of a global talent network, and to become one of our future specialist or leader.

The "Hellmann Graduate Program" is 30-month long and consists of six three-month long "Foundation Modules" which rotate through each of our core business units (Airfreight Export and Import, Sea Freight Export and Import, Road Freight, Contract Logistics and Sales). After completing the first

18 months of job rotations - which also include an international placement - our graduates have the opportunity to decide between following either a 12-month Specialist or Management career path. The entire program is structured around competency-based and on-the-job training where all candidates participate together in one location. In addition, they work on projects and assignments, individually and in virtual groups. Participants are reviewed regularly to assess their development throughout the program and are given support where necessary.

We are happy to share that the first group constitutes a truly global group of participants from: United Kingdom, Poland, the United States of America, Mexico, and South Africa. In January 2015, we began the recruitment process through online applications via our graduate website http://grads.hellmann.net, and we received more than 200 applications.

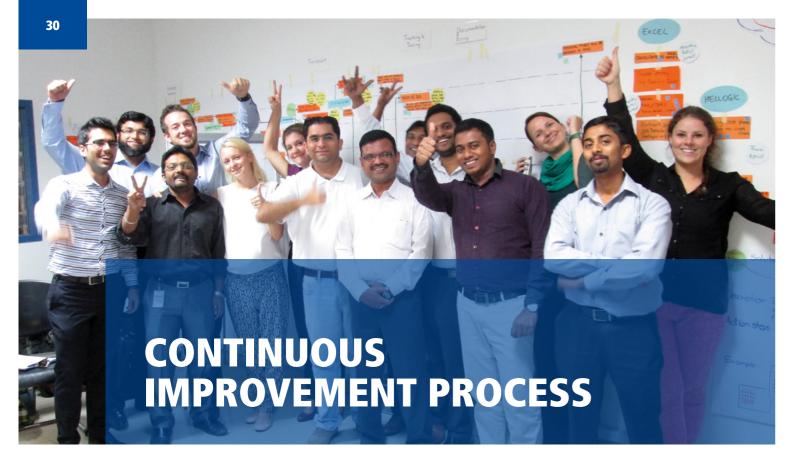












ur Continuous Improvement Process (CIP) provides sustainable and comprehensive logistics solutions for our customers. CIP is a management philosophy that focuses on improving frequent and simple activities. The goal is not only to create lean processes but also to reinforce people's dedication. The CIP helps to develop innovative processes and leadership capabilities internally and provides opportunities for sustainable working relationships with our customers by delivering a transparent and stable supply chain.

Optimization projects, in the form of workshops, allow us to analyze our operation processes in a structured and effective manner and identify waste and inefficiencies in our warehouses and offices.

Training our operational workforce is a priority in our company. The Hellmann Academy focuses on their development and training. A detailed training plan is created for all new employees to familiarize them with our customer-related processes. This ensures that employees know how to be flexible in routine operational tasks. Moreover, each of our new hires is mentored by an experienced employee. Statutory requirements, such as forklift training (for warehouses) and general product training, are regularly carried out and documented. Hence, this assures that only qualified employees are assigned to a specific task, department or area in compliance with customer requirements.



"The improvements made are reflective of the INNO-VATION trait, which is part of our Hellmann DNA. This has not only allowed the team and myself to complete our tasks efficiently, but has also opened our minds to finding different methods of doing a particular job and leading innovation ourselves."

◀ Rahul Tirthani (Senior Accountant)

We put significant importance on ensuring that our employees have a good understanding of customer procedures and products and are able to perform key processes in all operations. CIP enables employees to become knowledgeable in upstream and downstream processes. Every blue-collar worker is trained in all operative functions, e.g. inbound, picking, packing and outbound Allowing for the necessary flexibility to handle absenteeism and to facilitate job rotation.

EMPLOYEE COMPENSATION AND BENEFITS

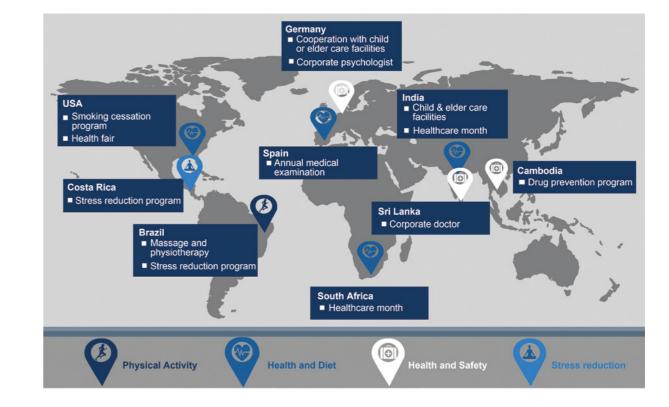
We aim to align our internal compensation and benefit programs with national and local market practices in each region and country. We monitor related data on a regular basis. In 88 % of countries in which we operate, the national

minimum wage is determined by local authorities. According to this year's data, the remuneration we offer is above the minimum wage in 69 % of these countries.

As an employer, we offer a wide range of different benefit programs, which can be divided into three major groups.



These benefits vary according to region and country, adapted to the local wants and needs of our employees.















"We live in a globalized world and we are a global company. There is a wide variety of people in our world; all are unique and full of ideas. It is very beneficial for the world and for companies to embrace diversity. Change is driven by the views of others. Different perspectives are never wrong. We must work towards understanding others' and include them into our considerations. Diversity drives our company, at all levels."

>> Klaus Hellmann



our Corporate DNA defines who we are, our culture and our way of conducting business. Our brand describes how we distinguish ourselves from our competitors, and how we want to be perceived in our markets and communities. It is the individuality and diversity of our employees that ultimately bring our Corporate DNA and our brand to life. At Hellmann, we are committed to supporting diversity in a constantly changing environment shaped by globalization, changes in values and demographics, and continuously increasing complexities.

Our Corporate DNA supports a diversity management policy. We have already reported on the measures undertaken to date, such as cooperating with the Christophorus-Werk and hiring Spanish interns to be become professional truck drivers in Germany. As part of our diversity initiative, Klaus and Jost Hellmann signed the Diversity Charter at the beginning of May 2014. This is our public commitment, along with 1,750 other German companies, to actively value and recognize diversity in our company.

Within the framework of the Diversity Charter, we are committed to:

- Fostering a corporate culture of mutual respect and appreciation for every single individual. We seek to create conditions in which all employees respect, practice and acknowledge these values with the support of leaders and supervisors.
- Overseeing and ensuring that our human resource processes are compatible with the existing competencies, abilities and talents of our employees, as well as with our own performance standards.
- 3. Recognizing the internal and external diversity of our organization, appreciating its potential and opportunity for our business.
- 4. Ensuring that the implementation of the Charter is recognized by communicating it internally and externally.
- 5. Publicizing our efforts and achievements in promoting diversity on an annual basis.
- Keeping our employees and colleagues informed and actively involved in the implementation of the Charter.













Irco Hoehne is a trainee of the Christophorus-Werk, which is one of the partners in our diversity initiative. Christophorus-Werk offers young adults with disabilities an apprenticeship at this institution. During the first six weeks of his internship at our company, Mirco worked in the truck garage gaining knowledge in scheduling regional transport.

Human Resources: Mirco, we are glad to have you here at our company. Would you be so kind as to introduce yourself briefly?

Mirco Hoehne: I have nearly finished my apprenticeship as an office clerk at the Christophorus-Werk. Since I always wanted to work in the area of logistics, I am glad to have the chance to work here. It is important for me to gain various insights into different departments and to understand how this business works.

Human Resources: How were your first days at Hellmann?

Mirco Hoehne: At the beginning I was skeptical as to whether everything would work out in regard to the organization, but I am impressed that everything worked out so well. In the first few weeks, I was working in the truck garage where I had the chance to slowly get used to the different work-

flows and processes. From the first day on I felt comfortable working at Hellmann because I was warmly welcomed by everyone. In upcoming weeks I will be working in the regional dispatching department where I will be announcing, checking and redeeming delivery notes. It is amazing how much I was able to do and see during this internship. Compared to other companies, it is much more.

Human Resources: Apart from getting to know the day-to-day business, what were the "highlights" of your internship?

Mirco Hoehne: Definitely accompanying a truck on a tour! It was interesting to experience Hellmann's daily business. Plus, I would like to add that I recognized that this work requires a lot. The prejudice that most truckers are reckless drivers is completely subjective. Also, I had the chance to take part in the CIP Program (Continuous Improvement Process) for youngsters at Hellmann.

Human Resources: Could you name some areas for improvement?

Mirco Hoehne: In the past, I gained experience with other companies where I was just allowed to sort and handle simple tasks. Before I came here, I did not have any expectations. It is important that everyone understands they need to have plenty of



time and patience. In the departments in which I have worked here, this initial situation was given and everyone took the time to include me. It is always about the individual person and their good intentions, and not so much about the result.

Human Resources: One last question, Mirco. Could you imagine working at Hellmann?

Mirco Hoehne: Yes, definitely!

Human Resources: Thank you very much for your time.

nother initiative we wish to develop further is our Employees with Disabilities Council. Since its foundation in 2010, the representatives of the council are continuously working on improving the situation for employees with disabilities at Hellmann, whether work related or private.

One of our largest projects was to facilitate the application process for potential candidates with disabilities. Therefore our Employees with Disabilities Council contacted several job agencies to ensure that disabled applicants with the same qualifications as non-disabled applicants would be preferred. We received positive feedback from the job agencies regarding this initiative. According to them, most companies would rather pay fines than make efforts to hire employees with disabilities.

"The attitude and dedication of affected as well as non-affected employees has developed in a positive direction. In particular the trust and confidence of our disabled employees in the Employees with Disabilities Council has increased tremendously over the past years."



◄ Alexander Lülf (Representative of the Council of Employees with Disabilities)

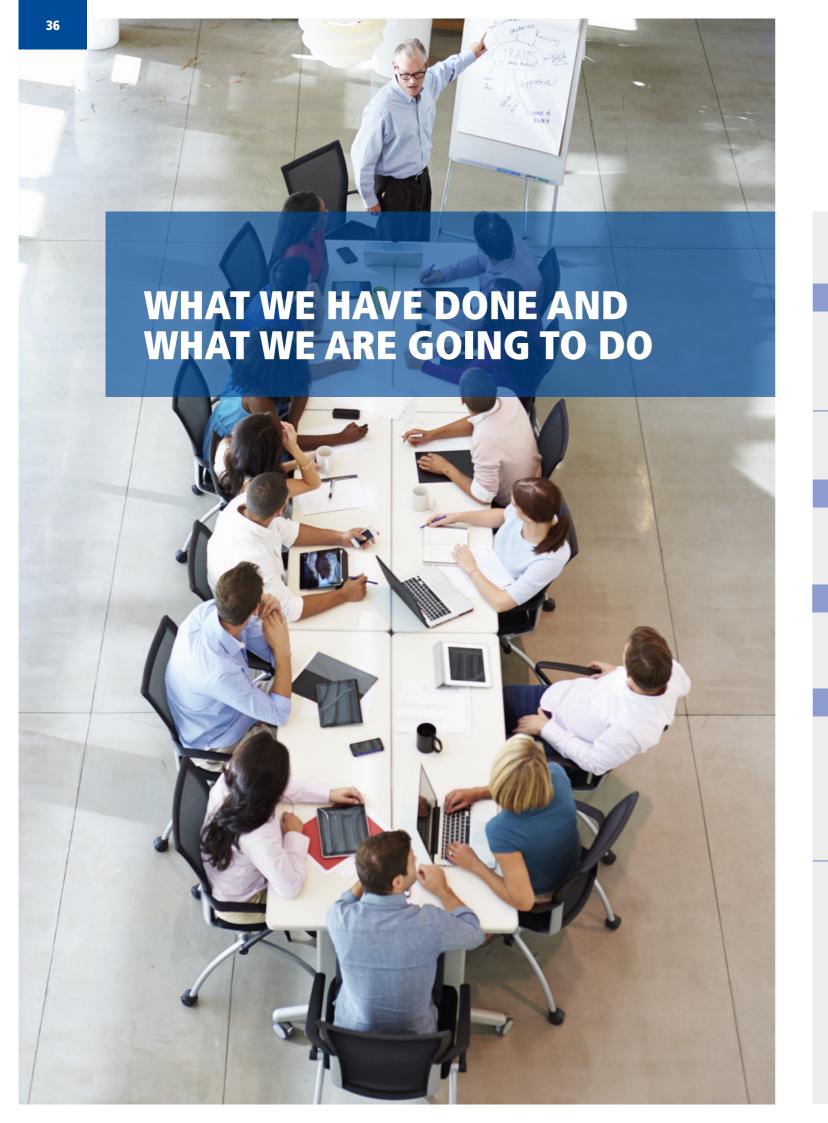












Activities in 2014

Progress

Activities in the upcoming years

Strengthening relationships in more countries by

engaging in a continuous dialogue with trade unions

Evaluating laws and regulations for collaboration

with trade unions or work councils in all countries

Principle 3

ongoing

ongoing

- Strengthening relationships in more countries by engaging in a continuous dialogue with trade unions Evaluating laws and regulations for collaboration with trade unions or work councils in all countries
- Implementing the Hellmann Business Code of Conduct as a mandatory training for all our employees

80%

 Achieving a 90 % training / acknowledgment level for our Business Code of Conduct among employees

Principle 4

 Global roll-out of the Business Code of Conduct as well as the ten UNGC principles



 Promoting the Business Code of Conduct in more countries

Principle 5

 Analyzing and setting standards for employment contracts and policies (applicable internally and externally i.e. temporary labor agencies)



■ See Principle 10

Principle 6

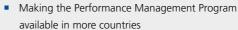
- Exploring the options for rolling out our Diversity
 Management in the US
- (Inclusion) Offering apprentices with disabilities internships at our company (cooperation with Christophorus-Werk Lingen)



Fostering the development of our Diversity Management Program in Germany



- (Inclusion): Offering internships to people with disabilities and young foreigners
- Number of people with disabilities and young foreigners hired





- Implementing our new Performance Management
 Program and competency model globally
 - 70 % of HWL employees will be evaluated based on the new Performance Management Program by the end of Q4 in 2016

























We need to create awareness for the environmental issues which can be improved by changing technical equipment, logistics processes or personal habits. Besides having support from top management through their commitment, training is also an important tool for increasing awareness. But to do so globally would incur significant emissions due to travelling. We developed online e-learning modules although online training is not as effective as classroom training. Because of this, our training courses go through multiple stages of quality assurance which is carried out by our development experts and the Hellmann academy.

Statement from Kirsten Bahr: "As part of my education at Hellmann, I was able to take part in the new environmental e-learning course. It explains, in an easy to understand manner, what we can do for our environment, as a company and as individual employees, to reduce waste. It also increases our awareness of the effects our behavior have on the environment. In particular, the topic of emissions was very interesting to me and reminded me of the unique responsibilities a logistics company has. I really liked how the subject was presented, because it is interactive and gives an overview of all environmental aspects at our company."

German trainees were chosen for the initial rollout of our environmental awareness training. Completing the environmental training is mandatory in their 3-year development plan. A few weeks after the initial release of the training, it was completed more than a hundred times and helpful feedback was given to further improve the program.

The next steps include rolling-out the training for all German employees. Following this, the training will be translated into other languages and made available in other Hellmann countries. We will keep track of the development and use the number of "completed trainings" as a KPI for our CSR program.

"I was given the opportunity to participate in this training as part of my Hellmann trainee program. I was impressed by the areas and tools our company uses to positively influence the environment. I learned a lot of important things, which I can apply to my daily work."

◀ Niklas Paetzold (Working Student)

Spill-response trainings

Transporting hazardous goods such as chemicals or oil poses a severe risk to the environment. We have identified the risks involved and responded by developing a training program for offices which handle these goods in their daily operations.

In 2014, we conducted a mix of scheduled and unscheduled training courses, some of them in cooperation with the local fire brigades, to continuously improve our collaboration. The courses are planned and executed by our health, safety and environmental specialists and are conducted on a regular basis. As well as evaluating the training, these specialists also take care of preventive and corrective actions for our environmental management system.

Spill-response training is also part of the OHSAS (Occupational Health and Safety Assessment Series) program, which is part of our health and safety management system in North America and the United Kingdom. The efficiency of these spill-response and work safety training courses is monitored on a regular basis by internal environmental, health and safety, and fire protection audits.

"Spill-response training helps us to increase our employees' awareness in the case of emergency accidents with hazardous goods. The training courses



are conducted regularly in collaboration with HSE specialists and the local fire brigades, to improve the emergency processes in our warehouses. To protect the environment and the health and safety of our employees, it is important to maintain our internal processes and create a pleasant and safe work environment. With a mix of scheduled and unscheduled training courses the management is able to reflect the actual measurements and identify training needs."

◀ Michael Brockmeyer (Head of Crossdocks, Osnabrück)













"As a global logistics service provider, we are obliged to take care of the environment, which we do by developing and maintaining an environmental management system. "Live Sustainability" is a key aspect of our corporate DNA and a clear statement regarding the importance of, and our commitment to, ecological and social sustainability. Due to this, a strong commitment from our employees is essential in achieving our objectives in this area. The ISO 14001 certification underlines our company's environmental orientation and our employees' sustainable use of resources. Apart from that, our company-wide standard ensures the implementation of ecological and social standards in our customers' supply chains. It also guarantees control of major risks and hazards in our daily business."

>> René Stoecker (Director Operations Germany)



New branches

Ecological responsibility is an integral part of our philosophy and firmly anchored in the F.A.M.I.L.Y. DNA. To satisfy these requirements, we were the first logistics company in Germany to be ISO 14001 certified in 1996. The first branch office to be certified was the company's headquarters in Osnabrück. Other locations, such as our regional headquarters in Miami and Hong Kong followed soon after. Today, environmental management system is becoming an internal global standard for Hellmann.

In 2014, the environmental management system included 32 branches globally. Most certified branch offices are in the European region, where the external demand for certification is highest.

Three new branch offices have passed the external certification audit conducted by the independent certification institute, DEKRA. The European warehouse branch in Oelde was successfully certified as was the airfreight office in Kelsterbach, located close to the Frankfurt airport. The latter is our first airfreight office to be part of environmental audits and the certification process.

Last but not least, the first joint-venture subsidiary of Hellmann East Europe, Hanau, and the road freight branches in Mannheim became part of the certification process. In 2015, we are planning to include our warehouse branch in Bor Tachova, Czech Republic, as well as the road freight branch office Anroechte in the certification process.

The ISO 14001 process requires that each certified office is frequently audited in line with their standard, company management and legal requirements. The auditing processes are implemented by trained specialists from the Global Quality and Environmental Management department located in our headquarters in Germany. Besides auditing the branches, the Global Quality and Environmental Management department offers support in implementing the environmental management system. Local employees are responsible for fulfilling and carrying out local requirements and operational implementation of the ISO norm.



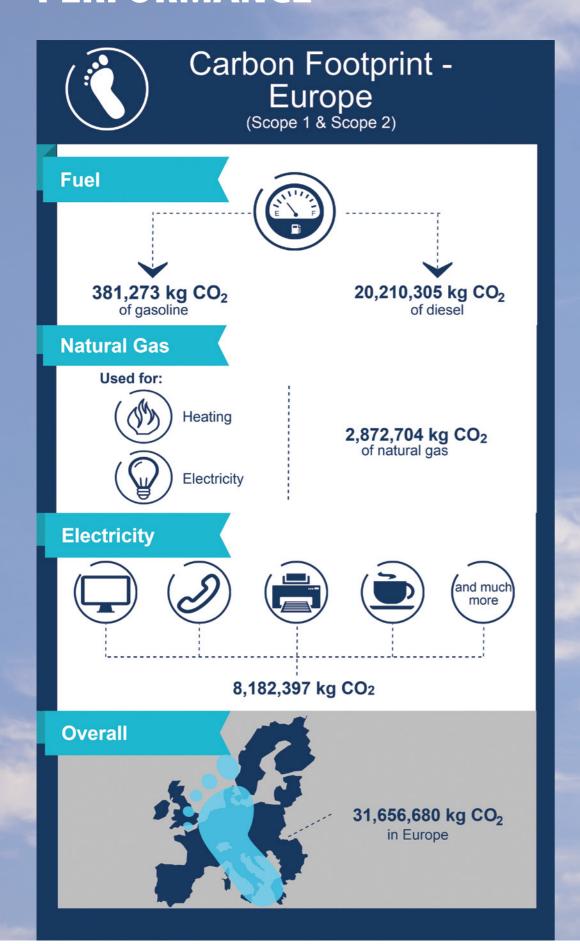


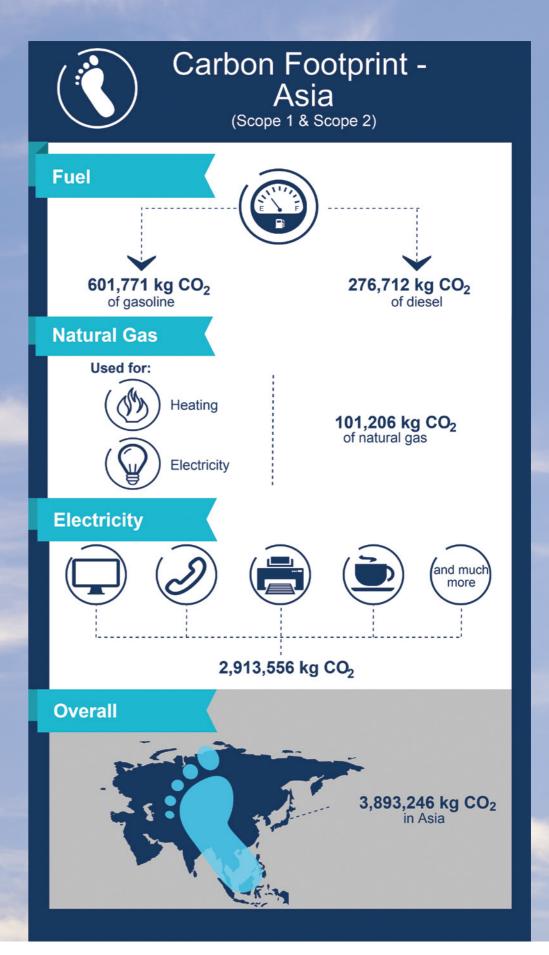






ENVIRONMENTAL PERFORMANCE















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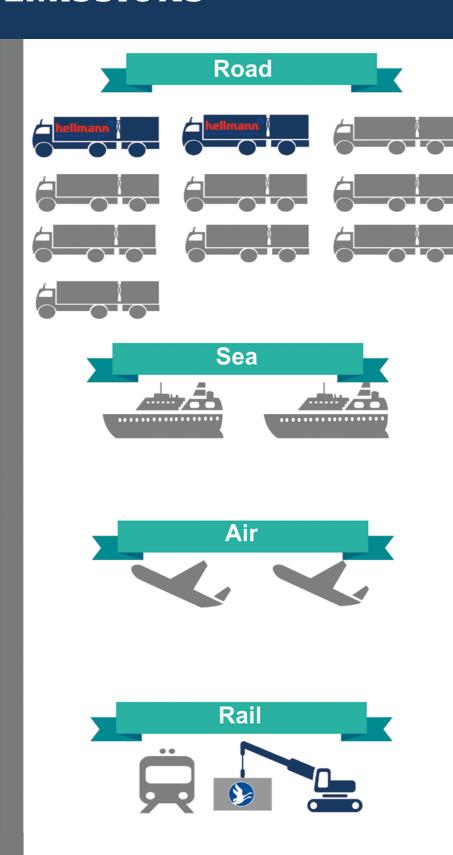
SCOPE 3 EMISSIONS

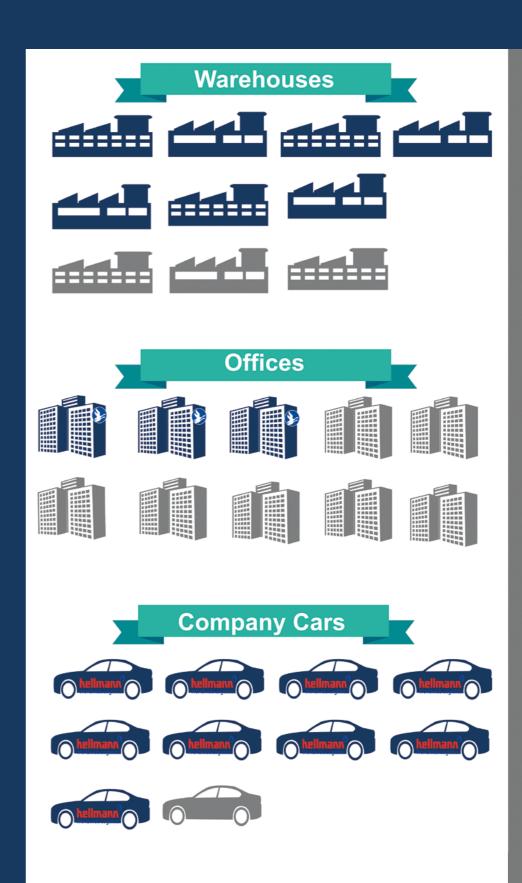
In general, our road freight business is outsourced. In Germany where the largest road freight branches are located, more than 90% of the trucks used are owned by subcontractors. Our Hellmann trucks use telemetric data to support carbon-emission reduction programs.

Our sea freight business operates as a NVOCC (Non Vessel Operating Common Carrier) using shipping lines consequently we do not have any influence on fuel consumption.

In our airfreight business, the environmental impact is limited to packaging shipments and containers. We use certified partners to provide a high level of aviation security.

Using rail as opposed to road reduces the daily European carbon footprint by more than 70%. Pre-carriage processes including container packing and train loading is carried out using our own trucks and stacks while our main transport is operated by our partners. These emissions are therefore allocated to Scope 3.





Our warehouses and cross-docking stations are mainly company owned. We measure our environmental impact based on KPIs for fuel and energy consumption using resource-friendly processes. Rented buildings provide all-inclusive rent making it impossible to extract water and electricity consumption data.

If we are operating as an NVOCC, we only make use of offices close to airports or harbors, which are mostly rented. Environmental data such as energy or water consumption is requested but not always offered by landlords. These utilities are mentioned in our Scope 2 emissions but are limited to cost saving possibilities.

Our company cars are either leased or company-owned (Scope 1). We use hybrid or electric cars when possible to reduce the environmental impact.



"Implementing an electronic airway bill is a win-win situation for all parties involved; allowing all of us to be more efficient. The quality of data that we exchange with our partners can be greatly enhanced using eAWB, which improves costs and time efficiency. Switching to eAWB has helped us to standardize our processes, a positive experience which motivates us to spread e-freight globally."

Mark Hellmann (Regional Director Asia)



New heating system in our largest warehouse in Osnabrueck

As reducing carbon emissions have become increasingly important in logistics, we are constantly looking for new technologies to cut our consumption of fossil fuels and carbon dioxide emissions. It is for this reason that we equipped our largest warehouse based in Osnabrueck with a new heating system.



30%

reduction of natural gas from 2.1 million kWh to 1.5 million kWh

The new heating system reduces the use of natural gas by 30%, from 2.1 million kWh to 1.5 million kWh by producing heat only when required. It is computer operated thus allowing for transparency which helps us optimize operating times in order to minimize the natural gas requirements.

eAWB

Our impact on fuel saving programs or carbon-emission reduction for airplanes and/or ships is limited due to the fact that we operate as a Non Vessel Operating Common Carrier (NVOCC).

We developed specialized airfreight packaging in collaboration with Lufthansa which reduced the weight of shipments and consequently the fuel consumption of airlines, reducing the carbon emissions of our airfreight shipments.

Another opportunity to reduce our environmental impact is by becoming paperless. Because of security and customs clearance standards, a large number of shipping documents are necessary. The air waybill in particular is often required, which leads to a high consumption of paper per shipment. Electronic air waybills (eAWB) save paper, because the documents are sent electronically. Our first eAWB shipment took place in Hong Kong, in collaboration with Lufthansa Cargo in April 2013. Today it has become part of our day-to-day business.

Introducing the eAWB has not only saved us time and money but has also rendered the process more efficient and reliable by making the documents immediately available at destination.

Handling airfreight documents requires a high level of data quality and standardization. The use of electronic documents enforces compliance with globally recognized requirements. In addition, it allows more information to be exchanged between freight forwarders and airlines. As a member of IATA "Cargo2000", we are implementing their leading standards and taking the next step to fully implementing "efreight".













"The use of electric vehicles will have a positive impact on our carbon footprint. It also represents our corporate values "innovation" and "sustainability". Sure, the vehicle has a limited distance range and recharging takes some time, but we will make smart use of this concept. Besides, many people often forget that driving an electric car is great fun!"

▶ Tobias Juechter (Global Quality and Environmental Representative)

sing alternative mobility concepts is a key factor in reducing our Scope 1 emissions. While we concentrate on LNG-technology for our trucks, it is now our goal to test and expand e-mobility in the company car fleet.

We conducted a survey in collaboration with the University of Applied Sciences in Heilbronn amongst all employees who drive a company car in Germany and asked them about their mobility needs and their use of the cars. The result highlighted the potential for the use of 10-20 electric vehicles keeping in mind the limited range of electric cars.

Following the survey results, we replaced a conventional diesel car with a BMW i3to test the daily usage of an electric vehicle in the Environmental Management department. Because electric vehicles cannot travel as far as conventional vehicles, we decided to add an optional mileage extender that can charge the car battery like a mobile gen-

erator. A 22 KW charging station was installed at our headquarters in Osnabrueck and one of the first steps in this two-year testing phase is to identify other charging station possibilities within our European offices and warehouses.

A review of the BMW i3 will be published in our next CoP.















In 2014, our company participated in an ecological development project initiated by the United Nations. In collaboration with several schools (middle, high and vocational), we supported initiatives to create awareness of the impact logistics companies have on the environment.

Although the project was scheduled to finish at the end of 2014, we decided to continue. Now, for example, school classes can visit our headquarters to explore the impact logistics companies have on the environment. Educating children about waste separation, carbon emissions, and informing them about green solutions, are all important parts of the learning activities we provide.



HWL on Fashion Recycling

During the Hong Kong fashion week, our company was invited to join the Redress Forum, a panel of leading fashion industry experts, to discuss the problem of mounting textile waste. With the increased consumption of clothing, the clogging of landfills and the diminishing natural resources, the fashion industry is under pressure to address these issues. Jil Hellmann Regouby, Director of Business Development - Fashion Americas, presented her case study of post-consumer clothing recycling, alongside Charles Dickinson from Esprit and Woo Pat-Nie from the Sustainable Fashion Business Consortium.

Our company is recognized in the sustainable fashion sector for its collaboration with the textile recycling company I:CO and for providing the reverse logistics for I:CO's fashion take-back program in over thirty countries. This program is one of the largest post-consumer collection projects in the industry. It gained awareness when H&M announced their cooperation with I:CO in all of H&M's 48 countries. During the panel discussion, Jil Hellmann Regouby explained that: "Rising natural resource costs for virgin fibers are driving

the development of clothes-recycling technology, which in turn aims to make used textiles a viable production resource. As a consequence, new infrastructures and services are being created to facilitate the collection and recycling of used textiles and clothes". She concluded that: "We are excited to participate in the creation of fashion recycling services and believe that they will have a tremendously positive environmental and economic impact. Also, our first-mover advantage in this new market has been an opportunity to develop best practices that can be applied to new customer projects".

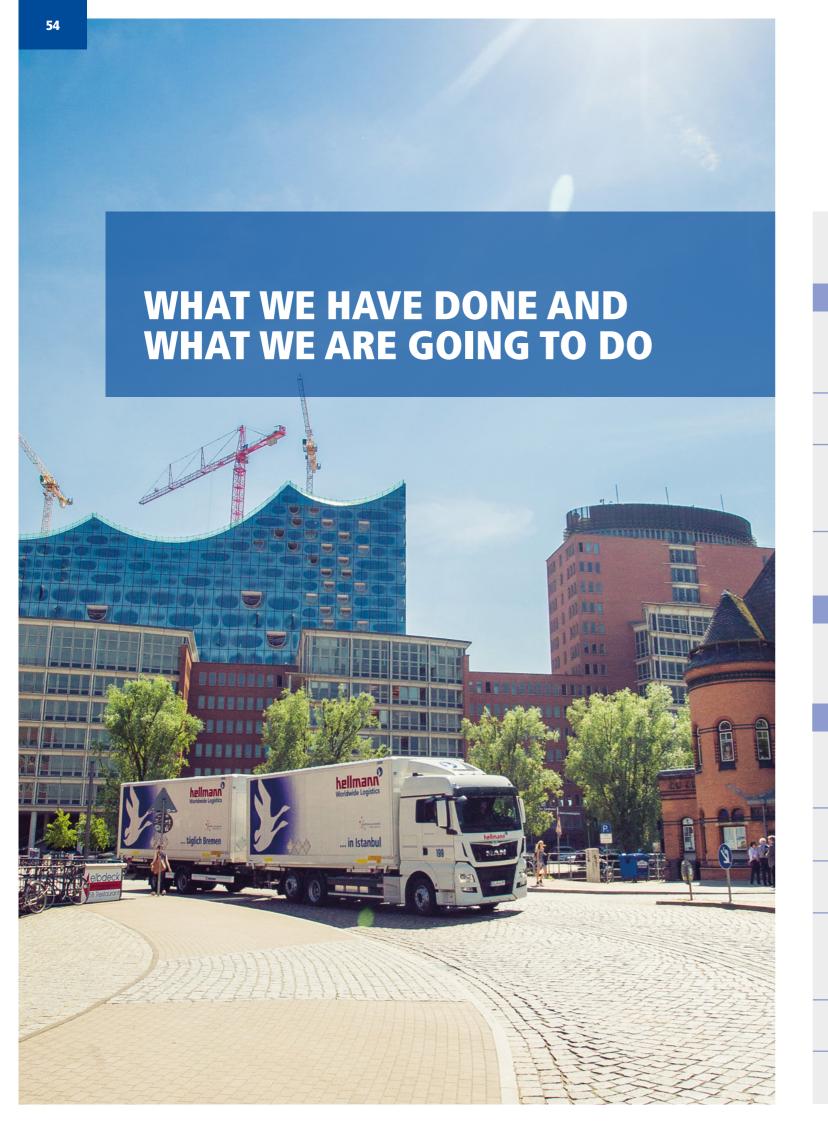












Activities in 2014

Progress

Activities in the upcoming years

Principle 7

- Integrating our Environmental Protection Policy into our new Hellmann Business Code of Conduct
- Ensuring that 90 % of our employees worldwide are trained on our Hellmann Business Code of

 Conducting at least one audit in each of our 31 ISO 14001 certified branches



 Auditing each of our 33 ISO 14001 certified branches in 2015

mental training course

 Implementing a new environmental training in Germany and in at least two other European countries Number of completed environmental training



 Completing more than 1,000 environmental training courses in Germany Finishing and launching an international environ-

courses in our online learning management platform

Creating more emissions reports based on Scope 1

+ 2 of the Greenhouse Gas Protocol to Europe



 Creating emissions report based on Scope 1 + 2 for two additional regions by Q1 in 2016

Principle 8

- Certifying 31 branches according to ISO 14001 standard
- Including Hanau, Kelsterbach and Oelde in the certification process



- Certifying 33 branches according to ISO 14001
- Including Bor in CZ and Anroechte in DE, in the certification process by Q4 in 2015

Principle 9

- Installing Germany's first LNG truck filling station
- Acquiring 5 LNG trucks



- Facilitating the installation process of the first LNG truck filling station in Germany
- Acquiring 5 LNG trucks in the coming years

■ Transporting approx. 300-400 swap-body type containers with Hellmann Rail Solutions on a daily basis



 Transporting approx. 300-400 swap-body type containers with Hellmann Rail Solutions on a daily basis

Increasing the number of e-bookings to further our environmental development and to save paper



Increasing the number of e-bookings by 5 % to further our environmental development and to save paper





- Increasing the number of containers handled by Hellmann Rail Solutions to China by 7 %
- Conducting an emissions report for Hellmann Rail Solutions and comparing it to an air and sea freight emissions analysis

• Facilitating further implementation of new lighting systems with LED-technology



- Facilitating further implementation of new lighting systems with LED-technology in 2015 if applicable
- Purchasing the first fully electric company car























"As with any modern and progressive company, at Hellmann, compliance has been anchored in all aspects of our corporate culture and DNA. What differentiates us from other companies is how far we are willing to take our commitment. Where most companies simply come up with a policy and have limited vision as to how that company enforces compliance, we have partnered with and/or purchased tools from several software providers to enable us to take compliance to a new level. We are currently developing our own protocols and practices that best showcase our software capabilities. I am confident that in the near future, Hellmann's compliance program will be a gold standard in the freight forwarding community."

▶ Manfred Fischer (Managing Director)



As with all companies that focus on integrity and ethics, corporate governance plays an integral role in managing and driving our corporate culture. All essential functions within our company are represented throughout our various boards: Finance, Controlling, Operations, IT, Sales, Products and Services, Human Resources, as well as our Co-Chief Executive Officers (our owners).

Our corporate governance dictates that our boards are diverse and dynamic, allowing us to focus from a broad global perspective (our Main Board of Directors), to an international cross-section (International Executive Board), to geographically specific boards (European Executive Board). Each board focuses on the most pressing issue and ensures seamless communication throughout the organization. This allows all of our corporate leaders to gain visibility, and adopt and enforce key initiatives that are crucial to the success and longevity of our company. Initiatives such as compliance, F.A.M.I.L.Y. DNA and operational commitment to excellence are given the focus, attention and communication needed to drive our future.

"Transacting and facilitating business on a global basis means that we have to adhere to the strictest and highest standards for compliance issues. From antitrust to anti-corruption issues, we ensure that our people and F.A.M.I.L.Y. members understand and adopt our corporate culture by conducting themselves and our services according to our rigorous ethics standards. Although our company's compliance program is relatively new, it is robust. The Compliance Team has worked diligently in training all employees on a variety of topics, implementing a whistle-blowing hotline (EthicsPortal), conducting risk assessments, and creating policies, manuals and procedures. We are confident that our compliance program will be able to respond to the ever-present compliance risks and challenges of today's business demands."



◀ Steve Lee (Global Chief Compliance Officer)



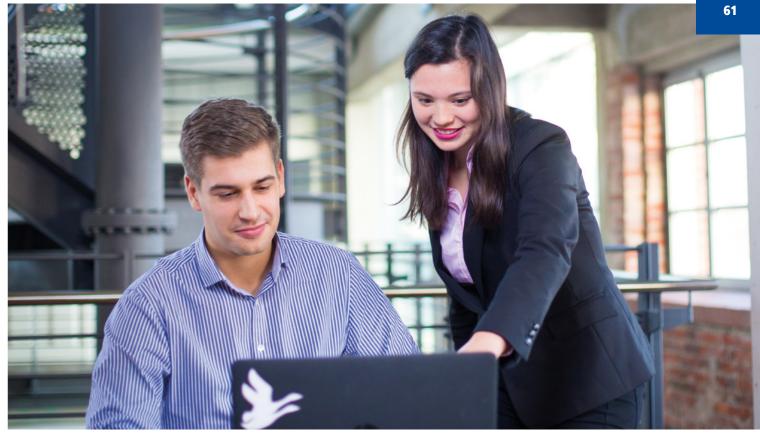












Policies & Procedures

In order to foster a strong foundation of business ethics, our internal policies are driven by international and national laws including the United Nations Global Compact principles. We not only want to cover a minimum required standard but provide a complete and robust basis of internal policies for all our employees.

One of these new policies is our Hospitality and Entertainment guideline. At Hellmann, we believe it is beneficial and necessary for our business to develop strong relationships with our customers and service providers. Relationships take effort and time. We are aware that some of the most effective ways to strengthen business ties involves interacting with our business partners outside of work.

Exchanging infrequent gifts of nominal value can also be an important aspect of a business relationship and mutual respect.



The aim of the policy is to ensure that the business decisions we make as well as those made by our business partners are based on the merits of the products or services

provided rather than in response to inappropriate business courtesies provided or received.

Supplier Code of Conduct

Having focused primarily on our employees through our Business Code of Conduct and a global Antitrust and Anti-Bribery training initiative in the past, we developed a Supplier Code of Conduct to include our suppliers in our fight against corruption.

As a global logistics service provider, we rely on the services of thousands of suppliers worldwide. As those suppliers are an integral part of our dayto-day business, we feel that they also need to be part of our value system and our F.A.M.I.L.Y. DNA.

With our Supplier Code of Conduct, we convey our values to our suppliers and ensure that we fight for the values of the United Nations Global Compact together.

The Hellmann Supplier Code of Conduct will be available to all our business partners in 2015 and will be another key building block in our upcoming



supplier third party due diligence approach.

As a first step it will be communicated through our homepage (www.hellmann. net), internally through direct communication

with our global entities, intranet, as well as our partner network.

In compliance with our Hellmann Business Code of Conduct and our commitment to the United Nations Global Compact, the Supplier Code of Conduct covers the following topics:

 Reporting mechanism and policy against retaliation

- Conduct towards employees
- Occupational health and safety
- Environmental protection
- Conduct in business environment
- Confidential or proprietary information



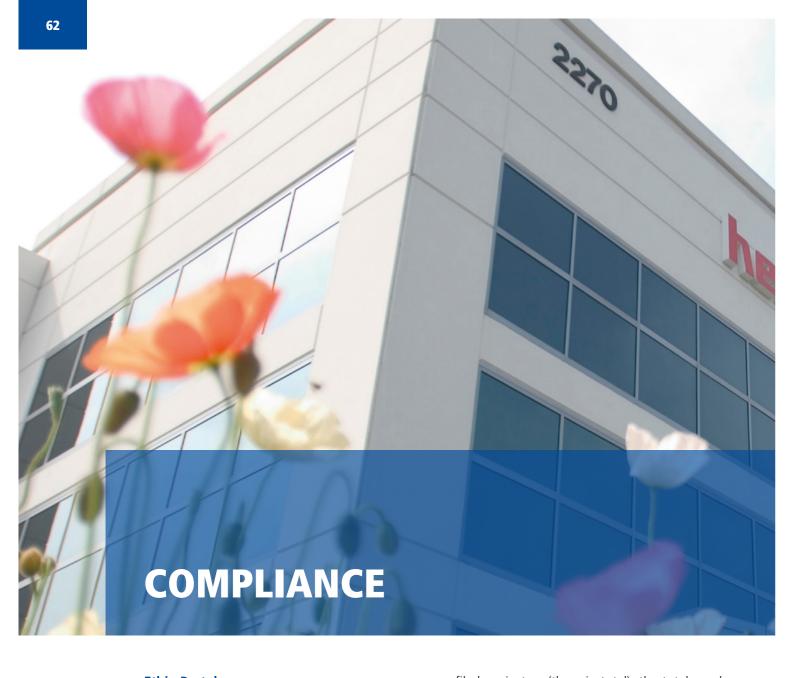








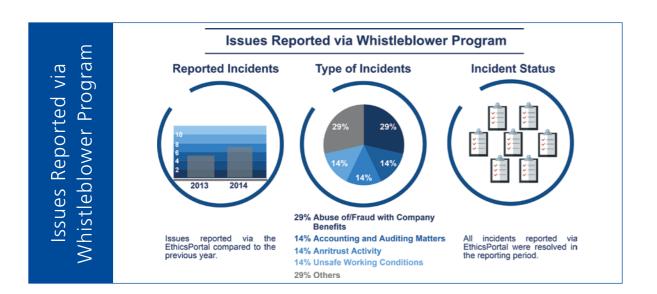




EthicsPortal

Compared to 2013 the number of reports raised via our EthicsPortal has increased by 100% from 5 to 10 reports in 2014. When adjusted to discount the issues where a claimant mistakenly

filed against us (three in total), the total number of issues resulted in seven. All other reports have been duly evaluated by the Chief Compliance Officer and detailed investigations have been initiated, where necessary.



The EthicsPortal has not only been used by our employees but also stakeholders that raised concerns. Due to the evaluation and investigations



100%

of issues reported via our EthicsPortal were resolved

conducted, all reports filed in 2014 were closed by the beginning of 2015.

We will continue to take all reports raised on the EthicsPortal seriously and treat them confidentially. In order to increase the awareness of not only our employees but also our stakeholders we will further promote the platform through diverse channels, globally.

Continuing the fight against facilitation payments

Facilitation payments have always been a concern within the logistics industry. Not only have regulatory changes and authorities increased the focus on this topic – which we highly appreciate – but also our own efforts against this conduct have increased greatly. Our Antitrust and Anti-Bribery Manual, our Business Code of Conduct and Supplier Code of Conduct make a strong statement in regard to facilitation payments. In addition our Internal Audit Department has been sensitized to the topic and constantly ensures that issues are identified, discussed with local and top management, and that the appropriate corrective measures are taken where necessary. Our target is not only to minimize such payments in the short-term, but in the long-run eliminate them completely.











c etting up a structured Compliance Management System has been our focus in the past years. Based on our Business Code of Conduct and Global Anti-Corruption and Antitrust Compliance Manual we have created training courses for our employees. We continuously strive to improve our program and the awareness of our employees.

Having built a solid foundation for compliance, we conducted an anonymous Compliance Effectiveness Survey in order to measure the impact of our compliance program. This would drive us towards developing a



of our employees were trained regarding anticorruption and anti-bribery

robust compliance department that would identify our strengths and weaknesses. The survey was distributed to all employees in our four geographic regions and consisted of 25 questions: As shown below, more than 2,200 employees gave us valuable feedback on how they feel about the program and what needs to be further improved.

Compliance Effectiveness Survey









IMPROVE

Awareness of Policies and Guidelines

92%

Ethical Behavior

One of our topics of interest was how our employees assess ethical behavior at work. 93% are of the opinion that their peers live and encourage ethical behavior. Regarding the management level 89% agree that this topic is of importance for them.

Compliance Communication Channels

In any case of violation of compliance policies or regulations, our employees prefer open communication with their trusted contact person, listed in the graph below:

Training

Communication

Awareness



OF IMPROVEMENT

AREAS







Repeating training courses

Due to the diverse feedback of our employees we were able to identify areas for improvement and further explore general perceptions and the experiences of our

At Hellmann, we encourage our employees to alert their immediate superior to any kind of non-compliance with our Business Code

of Conduct, or any other internal policies. We are glad to announce

that most of our employees are

more likely to participate in an open communication process than

via other channels like EthicsPortal. Nevertheless, our employees and other stakeholders are also invited to report issues via our EthicsPortal.

employees.



the induction program for newly hired employees



Specialized training course







Officers and improving visability of contact points





mproving information bout usability and landling with incoming ssues on our EthicsPortal



compliance and CSR newsletter to keep















Annual Compliance Acknowledgment and Certification

We consider our dedication to the UNGC not only as a commitment from our Board of Directors but also that of all our countries, managers and employees – ultimately, everyone at our company fully supports the ten principles.



100%

of our Managing Directors agreed to our Annual Compliance Acknowledgment and Certification and provide feedback on local projects to a central Global Compliance Officer.

By signing our Annual Compliance Acknowledgment our local managing directors renew their commitment to our Hellmann Compliance Program including the UNGC principles. Both measures ensure that our commitment to the ten principles is truly global.

Audit

In 2014, our Internal Audit Department increased the focus on compliance and especially the fight against corruption. Apart from the general audit procedures conducted, a specialized compliance questionnaire has been established. The questionnaire, conducted with top management and key sales and operational functions, helps to increase general awareness with our employees on the one hand, and on the other helps to gain a deeper understanding of the situation allowing us to take the appropriate action if needed.



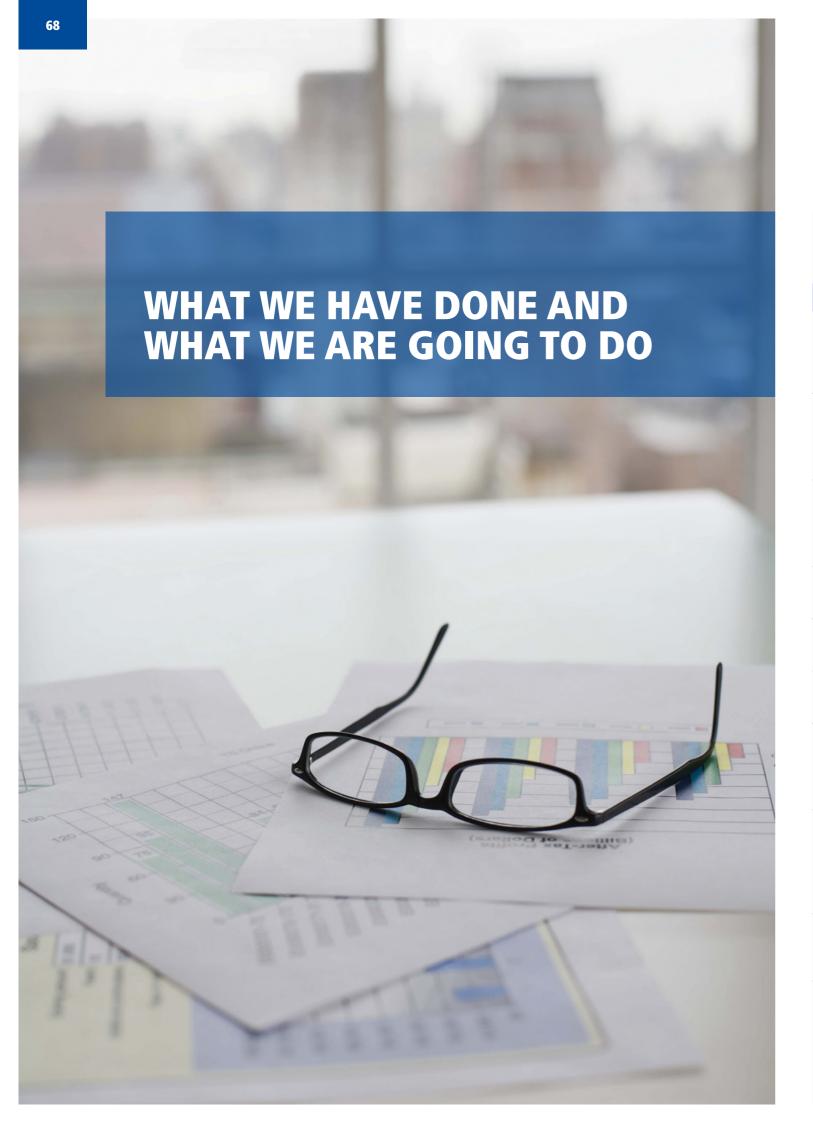








All our entities have therefore nominated UNGC contacts that support and facilitate our group efforts at a local level. These contacts also measure



Activities in 2014	Progress	Activities in the upcoming years
	Principle 10	
 Getting written commitment of Managing Directors regarding the Antitrust and Anti-Corruption Manual 	100%	 Ensuring the annual commitment of Managing Directors regarding our Hellmann Compliance Program and UNGC commitment
 Conducting Business Code of Conduct training 90 % of employees worldwide trained on our Business Code of Conduct 	30%	 Ensuring that 90 % of our employees worldwide are trained on our Hellmann Business Code of Conduct
 Conducting Anti-Bribery and Antitrust training 90 % of our employees worldwide trained in Anti-Bribery and Antitrust through the online learning management platform 	ongoing	 Ensuring that 90 % of our employees worldwide are trained on our Anti-Bribery and Antitrust Guidelines.
 Conducting and completing the online Anti-Cor- ruption and Anti-Bribery Risk Assessment in 2014 	15%	 Conducting Compliance Risk Assessments on a regular (at least) bi-annual basis.
 Analyzing reported violations and actions taken against our policies on the Hellmann EthicsPortal 	100%	 Analyzing reported violations and actions taken against our policies on the Hellmann EthicsPortal
 Integrating the Global Internal Audit function into the Global Compliance Team (goal from 2012) 	100%	
 Rolling out our Hellmann Supplier Code of Conduct Number of countries in which our Hellmann Supplier Code of Conduct has been rolled out 	15%	 Communicating our Hellmann Supplier Code of Conduct and making it an integral part of our business relationships
 Rolling-out our Hospitality and Entertainment Guideline globally Number of employees trained in Hospitality and Entertainment Guideline through the online learning management platform 	15%	 Ensuring that 90 % of our employees worldwide are trained on our Hospitality and Entertainment Guideline
Developing a global employee compliance survey	100%	 Performing annual compliance surveys to measure effectiveness and take corrective measures where necessary
		 Implementing a global Third-Party-Due-Diligence process by Q4 in 2017











APPENDIX

	UNGC Principles	Our Commitment	Stated in Hellmanns Policies and Regulations
Human Rights	P1: Businesses should support and respect the protection of internationally proclaimed human rights. P2: Business should make sure that they are not complicit in human rights abuses.	Hellmann firmly believes in adopting and embracing respect of human rights (as articulated in the United Nations Universal Declaration of Human Rights) all around the world and therefore, compliance with the UNGC principles and the Business Code of Conduct is mandatory for every employee and office.	Business Code of Conduct (p. 13)Corporate DNA
Labor	P3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. P4: Business should uphold the elimination of all forms of forced and compulsory labor. P5: Businesses should uphold the effec-	It is our company's policy to act with integrity and fairness and treat all employees and persons with dignity, decency and respect by providing a healthy, safe and secure work environment.	 Diversity Charta Business Code of Conduct (p. 6, 13, 23) Employee Handbook Corporate DNA
	tive abolition of child labor. P6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Environment	P7: Businesses should support a precautionary approach to environmental challenges. P8: Businesses should undertake initiatives to promote greater environmental responsibility. P9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	For a globally active company such as Hellmann Worldwide Logistics, the development of economic interests is inherently connected to our responsibility for the environment and the idea of sustainable development has long been our focus. At Hellmann, we are committed to working within a structured system of environmental management using task-oriented methods, continuous self-monitoring and regular external auditing.	 Corporate DNA Business Code of Conduct (p. 7, 15) Environment Protection Policy
Anti- Corruption	P10: Businesses should work against corruption in all its forms, including extortion and bribery.	One key element of our success is our dedication and commitment to integrity and ethics which serve as our foundation when interacting with customers and vendors. Our compliance policies and commitments are the embodiment of the highest level of ethics practiced every day and serves as a constant reminder to all our employees of the importance of maintaining our standards for ethics and excellence.	 Global Anti-Corruption and Antitrust Compliance Manual Business Code of Conduct (p. 16-22) Hellmann's Commitment to Compliance Annual Compliance Acknowledgment and Certification Hospitality and Entertainment Guideline Supplier Code of Conduct



Photo: UNGC Working Group

Contact Point

We value your feedback!

As a valued stakeholder, we welcome your feedback, concerns and suggestions regarding the content of this report as well as our commitment to the United Nations Global Compact.

Please provide us with your feedback by writing to our Hellmann UNGC Working Group ungc@hellmann.net or by addressing the topic to the person directly responsible:

Stefan Wimmer

71

Tobias Juechter & Daniel Huelemeyer

Stephan Schnitzler

Pia Stein



