
F. H. Bertling Logistics GmbH 2016 COP

To our stakeholders

I am proud to confirm our continued support for the 10 principles of the UN Global Compact.

This is the 3rd year that Bertling has been a signatory of the UNGC and empowered by our brand values, the company and its employees have worked diligently to uphold the UNGC pillars of human rights, labour, environment and anti-corruption.

The pillars are incorporated into our business culture alongside our commitment to honesty, integrity and the promotion of an open and diverse corporate culture.

We believe the UNGC guiding principles steer companies towards making choices that are both good for business and society.

Through the pages of this Communication on Progress we seek to communicate to our clients, our employees and the communities which we impact, the actions that we are taking to live and operate by these principles.

Sincerely yours

Matthias Oehmicke

Chief Executive Officer

INTRODUCTION

The pillars of the UNGC have been imbedded in our values and code of conduct since 2012. Our values and code of conduct and the Bertling ethical business statement remains the means by which we publicly commit and communicate the company's policies and values. Both documents are published on the Bertling website www.bertling.com.

HUMAN RIGHTS

Assessment Polices and Goals

The values and code of conduct contains the following values statement on Human Rights:

We promote human rights

Bertling is committed to promoting human rights. As such, Bertling respects employees' right to freedom of association, rejects the use of child, forced or bonded labour in any of our operations and expects the same standards from our partners and suppliers.

We promote diversity

Bertling's success over the last 150 years has been built on the promotion of shared common values that guide our daily activities. We respect our individual abilities and actively promote tolerance and diversity at every level of our business. We recognize and promote creativity and the benefits to be gained from drawing on the experience and knowledge of Bertling's people from all parts of the world. As such, Bertling is committed to providing equal opportunities and to avoiding any form of unfair discrimination in employment.

Implementation

Every employee in the Bertling organisation is required to sign a statement confirming their commitment to abide by the policies in the Bertlings Ethical Business Statement and the values and code of conduct. This commitment is also expected of our service providers.

We have reviewed the risk profile of our operations in the light of the UK Modern Slavery Act and as a result we are updating our values and code of conduct to emphasis the company's policy to combat modern slavery and strengthening our service provider procurement, selection and approval procedures to reflect this.

In 2016 a face to face training programme was initiated supporting our well established web-based training. The training is provided by a senior manager and focuses on demonstrating leadership commitment in this area and making our Ethical Business Statement values and code of conduct relevant to the business and culture of each region.

As part of this training the Bertling Helpline is promoted as a communication tool by which any breaches of policy or concerns can be raised in a confidential way.

Measurement and Outcome

The company has evaluated its policies and performance in the area of human rights alongside other risks the company is exposed to as part of its enterprise risk evaluation process. The outcome of the process is a global risk inventory that details core risks and how they are being addressed. A full risk evaluation was undertaken by the company in every region in 2015/ 2016.

Compliance with these human rights policies is the responsibility of the Regional Directors and any concerns or non-compliances are raised at the Monthly Regional Meetings held between Regional Directors and the CEO.

Oversight the business processes designed to integrate the policies and values into our business culture and operations is the responsibility of the Director of Global Risk Management, Head of Compliance and Quality Management who is current engaged in an internal audit schedule covering all regional head offices. Assurance will also be provided by third party audits of selected Bertling locations in 2017- 2018. The results of the audit programme will be evaluated by the Compliance Review Committee and corrective actions taken to ensure the efficacy and continued improvement of Bertling management systems in this area.

LABOUR

Assessment Policy and Goals

The values and code of conduct contains the following values statement on Labour Rights that gives a clear commitment to the freedom of association:

We promote human rights

Bertling is committed to promoting human rights. As such, Bertling respects employees' right to freedom of association, rejects the use of child, forced or bonded labour in any of our operations and expects the same standards from our partners and suppliers.

Bertling's values and code of conduct also gives a clear statement on the health and safety of our employees.

We have reviewed the risk profile of our operations in the light of the UK Modern Slavery Act and as a result we are updating our values and code of conduct to emphasis the company's policy to combat modern slavery and strengthening our service provider procurement, selection and approval procedures to reflect this.

We promote a safe working environment and employee security

Bertling is committed to providing all employees with a safe working environment and protecting their well-being. We will take all possible steps to reduce the risk of injuries or incidents at our places of work, based on our health and safety policies and procedures which, in turn, are informed by local risk evaluations.

Violence and threatening behaviour in the workplace will not be tolerated. Likewise, working under the influence of alcohol or other legal and illegal drugs and substances undermine our efforts to promote a safe working environment and will not be tolerated at any time. By the nature of our business, we need to be present in some of the more challenging and politically unstable parts of the world. Through monitoring, regular risk assessments Bertling will ensure that appropriate measures are taken to protect the security of its employees.

Bertling's values and code of conduct gives a clear commitment to the elimination of discrimination in respect of employment and occupation and commitment to equal opportunities.

All Bertling employees receive a written statement setting out their terms and conditions of their employment and a set of human resources policies are deployed to guide the interaction between Bertling and its people across the globe.

Implementation

Every employee in the Bertling organisation is required to sign a statement confirming their commitment to abide by the policies in the Bertlings Ethical Business Statement and the values and code of conduct. This commitment is also expected of our service providers.

Human Rights

The Company records gender diversity within the business across the globe. As the business operates in 50 countries globally it does not monitor cultural diversity.

Employee Safety and Security

We conduct regular drills, awareness programs, and anomaly reporting exercises, and measure and report regularly on our health and safety performance.

Measurement of Outcomes

The company has evaluated its policies and performance in the area of labour rights and employee safety and security alongside other risks the company is exposed to as part of its enterprise risk evaluation process. The outcome of the process is a global risk inventory that details core risks and how they are being addressed. A full risk evaluation was undertaken by the company in every region in 2015/ 2016.

Compliance with the labour rights and employee safety and security policies is the responsibility of the Regional Directors and any concerns or non-compliances are raised at the Monthly Regional Meetings held between Regional Directors and the CEO.

Incidents affecting the health and safety of employees are recorded and reported globally. All incidents are investigated, their root cause identified and corrective actions communicated and implemented globally to ensure continuous improvement.

Oversight the business processes designed to integrate the policies and values into our business culture and operations is the responsibility of the Director of Global Risk Management, Head of Compliance and Quality Management who is current engaged in an internal audit schedule covering all regional head offices. Assurance will also be provided by third party audits of selected Bertling locations in 2017- 2018. The results of the audit programme will be evaluated by the Compliance Review Committee and corrective actions taken to ensure the efficacy and continued improvement of Bertling management systems in this area.

ENVIRONMENT

Assessment Policies and Goals

The values and code of conduct contains the following values statement on the environment:

We promote concern for our environment

Bertling is committed to minimizing the adverse environmental impact of all its activities and will comply with the laws and regulations for environmental protection in the countries where we operate. We shall continuously evaluate our activities to deliver our services with the minimal environmental impact possible. We encourage our suppliers and partners to adopt good environmental practices.

The environmental footprint of Bertling is largely the movement of Cargo by 3rd party subcontractors by road, sea and air and is covered by our corporate objectives including, “Reductions of Risks and Impacts to the Environment” and “Reductions in CO2 emissions through strategic route planning including reductions in air and road freight volumes”. The Bertling quality system contains the following policies on the environment:

- Written company policy on environmental issues, including prevention and management of environmental risks
- Written Corporate Environmental Policy.
- Policy requiring business partners and suppliers to adhere to the environmental principles
- Written procedure requiring suppliers to adhere to requirements by returning a completed pre-supply questionnaire.

Bertling’s Environmental Policy Statement

Bertling is one of the leading providers of Global Freight Management and Logistics Services, and will maintain its commitment towards achieving continuously improved performance in Environmental Management and in the Sustainability of Services provided globally to its Customers by measuring and monitoring input and output throughout all levels of our organisation and will measure the achievement of the aims and objectives of this policy.

Bertling’s strategy is ‘To deliver sustainable growth in shareholder value by becoming the Logistics Partner of Choice.’

Bertling will achieve high performance standards for energy use and environmental impact throughout our organisation and will measure the achievement of the aims and objectives of this policy.

In implementing this policy Bertling recognises that our operations have the potential to impact adversely on the environment.

Bertling believes that every one of our people should have a personal and collective responsibility to protect the environment, to promote the use of sustainable resources and to improve process efficiency.

Our central aims and objectives are:

To manage corporately and at business level the effective use of resources to prevent the generation of wastes and pollution and to ensure sustainability.

To comply with, and where practicable exceed, the requirements and targets set by existing environmental legislation and regulations and to plan ahead for future compliance.

To use impact assessment to minimise any adverse effects of our operations on the environment and where possible to improve the environment.

To, so far as reasonably practicable, use transport means that minimise pollution and the consumption of non-renewable resources.

To embrace Client and internationally recognised objectives when setting internal targets and preparing procedures to monitor energy use in offices, waste recycling in offices and material disposal in warehouses.

To provide and maintain so far as practicable a pollution free environment for our personnel and the wider community in which they interact.

To take into account the environmental impacts of our raw material sourcing and operations on habitats, species diversity and natural beauty

To provide a common framework, which adopts and supports best practice, for energy and environmental management at all levels within our company.

To allocate appropriate resources to ensure the effective implementation of this policy.

To encourage the development of similar policies within our supply sources.

The aim of this policy will only be achieved through leadership, responsible management, commitment and ownership of these issues by Bertling personnel.

Implementation

Every employee in the Bertling organisation is required to sign a statement confirming their commitment to abide by the policies in the Bertlings Ethical Business Statement and the values and code of conduct. This commitment is also expected of our service providers.

By the continued implementation of Corporate Integrated 9001/14001/18001 system globally through all offices, which have achieved certification in 2 regions of 5 regions across the globe.

- Through e-learning programme
- Implementation and reporting of Key Performance Indicators on waste reduction
- Implementation of Corporate level objectives
- Implementation of Corporate Management system globally
- Appointment of HSE manager and HSE representatives

Measurement of outcomes

Bertling environmental policies are managed through the implementation of an environmental plan covering incident reporting and corrective and preventive measures including:

- Investigations, legal cases, rulings, fines and other relevant events related to environmental principles of which there have been no incidents to-date
- 6 monthly management reviews covering environmental management results.
- External audits of environmental performance
- External audits conducted on 14001 management system resulting in certification in 2 Regions.

ANTI-CORRUPTION

Assessment Policy and Goals

The Bertling ABC Compliance Programme is based upon clearly defined policies endorsed by Bertling Shareholders and Senior Management. The key policies are the Ethical Business Statement and the values and code of conduct.

The values and code of conduct contains the following value statements on anti-bribery and corruption:

We promote responsible interaction with government bodies

Bertling operates mostly in unregulated markets and therefore only occasionally has interactions with governments in the countries where we operate. We are committed to openness and honesty in all dealings with governments and support constructive dialogue with regulators. We will never make any political payments, and where we need to raise an issue with a government we will do so with our relevant trade body in an open and transparent way.

We comply with international laws

Bertling does business globally, which means we are subject to, and uphold, the laws and regulations of many different countries. Whilst this code establishes our global principles of business conduct, where differences occur as a result

of local customs, norms, laws or regulations, we apply the code principle or legal requirement which sets the highest standard of behaviour.

We comply with bribery and anti-corruption laws/regulations

Bertling completely rejects all forms of bribery and corruption and adheres to the relevant laws of the countries where

we operate in this regard, such as the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. We will not offer

or accept gifts or hospitality of more than token value. We expect our staff and those we do business with such as customers,

suppliers and any intermediaries to adhere to the same standards.

We comply with export regulations and trade embargoes

Given the nature of our business, Bertling continuously monitors export regulations and trade embargoes around the world.

Due diligence on 'who', 'what' and 'where' we are moving freight, together with license and eCustoms checks, are crucial steps we take to ensure that we comply with all relevant trade regulations across the globe and provide peace of mind for our customers, as well as ourselves

Implementation

The Bertling programme is implemented through the framework of business principles that are contained in the Bertling Assessment Framework on Bribery and Corruption and were developed with expert consultants. The framework contains 73 management principles that align with the UK Bribery Act 2010 and FCPA requirements.

The business principles within the Bertling Assessment Framework on Bribery and Corruption can be grouped into 6 key areas of activity:

1. Top-level Commitment
2. Communication and Training
3. Risk Assessment
4. Due Diligence
5. Policies and Procedures
6. Compliance and Monitoring

Supporting the above compliance framework is a number of services provided by specialist 3rd party organisations.

- ABC Induction Training
- Ethical Business Statement sign off
- Values and code of conduct sign off
- Conflict of Interest notification
- ABC Case Study Training
- Trade compliance (who/ where)
- Whistleblower hotline

Every employee in the Bertling organisation is required to sign a statement confirming their commitment to abide by the policies in the Bertlings Ethical Business Statement and the values and code of conduct. This commitment is also expected of our service providers.

In 2016 a face to face training programme was initiated supporting our well established web-based training. The training is provided by a senior manager and focuses on demonstrating leadership commitment in this area and making our Ethical Business Statement and values and code of conduct relevant to the business and culture of each region.

As part of this training the Bertling Helpline is promoted as a communication tool by which any breaches of policy or concerns can be raised in a confidential way.

In 2016 there have been a number of initiatives aimed at increasing our service providers and their employees awareness of our anti-bribery and corruption policies. We are holding a supplier forum in 2016 to communicate our values and expectations and engage in a dialog to focus on achievable improvement.

Where we interface with drivers we issue fliers explaining Bertlings policy on anti-bribery and corruption particularly its prohibition of the giving or receiving of bribes of any value. This initiative has been well received especially by our clients.

Measurement and Outcome

The company evaluates its policies and performance in the area of anti-bribery and corruption alongside other risks the company is exposed to as part of its enterprise risk evaluation process. The outcome of the process is a global risk inventory that details core risks and how they are being addressed. A full risk evaluation was undertaken by the company in every region in 2015/ 2016.

Compliance with these anti-bribery and corruption policies is the responsibility of the Regional Directors and any concerns or non-compliances are raised at the Monthly Regional Meetings held between Regional Directors and the CEO.

Oversight the business processes designed to integrate the policies and values into our business culture and operations is the responsibility of the Director of Global Risk Management, Head of Compliance and Quality Management is current engaged in an internal audit schedule covering all regional head offices. Assurance will also be provided by third party audits of selected Bertling locations in 2017- 2018. The results of the audit programme will be evaluated by the Compliance Review Committee and corrective actions taken to ensure the efficacy and continued improvement of Bertling management systems in this area.

For the communication and recording of the acceptance of key anti-bribery and corruption policies and training in the same, a number of web-based distribution channels and progress tracking services have been established for employees and subcontractors. They record the following:

1. Employee acceptance to abide by the Bertling values and code of conduct
2. Employee registration of Conflict of Interest (Col)
3. Employee and subcontractor ABC Trace Training
4. Subcontractor agreement to follow the Bertling Ethical Business Statement
5. Gifts and hospitality register
6. Whistleblowing Hotline

Bertling has twice under gone 3rd party audits against the Bertling Assessment Framework on Bribery and Corruption principles, in 2012 and 2013, the last achieving an upper second quartile benchmark and is scheduled to be audited again in 2017.

Chris Brooks

Director of Global Risk Management,
Head of Compliance and Quality Management

3rd of October 2016