



**Gebr. Heinemann**  
Gegründet 1879



# Think and rethink

Corporate Responsibility initiatives at Gebr. Heinemann  
2017/2018



## *Think and rethink:* **The many facets of sustainability**

**”** In a key milestone for Gebr. Heinemann, our company is about to make, for the first time in its 140-year history, a number of major, organisation-wide structural changes aimed at further increasing our global agility. The company is co-managed by members of the Heinemann family, with Claus Heinemann and Gunnar Heinemann as owners, and Max Heinemann, the son of Gunnar Heinemann, as Chief Executive Officer (CEO). Together, they represent the fourth and fifth generations, respectively, of family members at the helm. The other members of the company's executive management are Chief Operating Officer (COO) Raoul Spanger, Chief Commercial Officer (CCO) Kay Spanger and Chief Financial Officer (CFO) Stephan Ernst.

Whatever changes the company makes, the strategic foundations of our success will continue to be global growth, smart synergies and that quintessential expression of our family company's DNA: sustainability, in all of its many facets. Our aim is to be even more responsive to the market, faster and more efficient, and to be the preferred travel retail alternative wherever sustainability matters. Owning and mastering the global challenges of tomorrow is going to require a complete rethink of how we do business, as we reinvent ourselves and renew our approach to sustainability. The title of this Corporate Responsibility Report is therefore "Think and rethink." The multiple facets of our business, which brings together more than 70 different cultures in Germany alone and includes Duty Free shops in around 40 countries, represent a wealth of opportunities while, at the same time, posing special challenges in terms of corporate responsibility. We are resolved to make better use of this precious opportunity, to delight travellers from around the world with our outstanding products, and to promote an awareness of sustainability in thought and action.

So please enjoy your journey through this review of our Corporate Responsibility (CR) initiatives to date, in the world of retail, the world of work and the environment. As we all know, the destination is actually the road we travel to get there, with the new opportunities that open up along the way. And while you are "travelling" through this CR Report, we will be continuing on our chosen path, thinking and acting with the agility needed to further inspire and delight with our sustainability performance.

*Claus Heinemann*     *Max Heinemann*     *Gunnar Heinemann*

Claus Heinemann

Max Heinemann

Gunnar Heinemann

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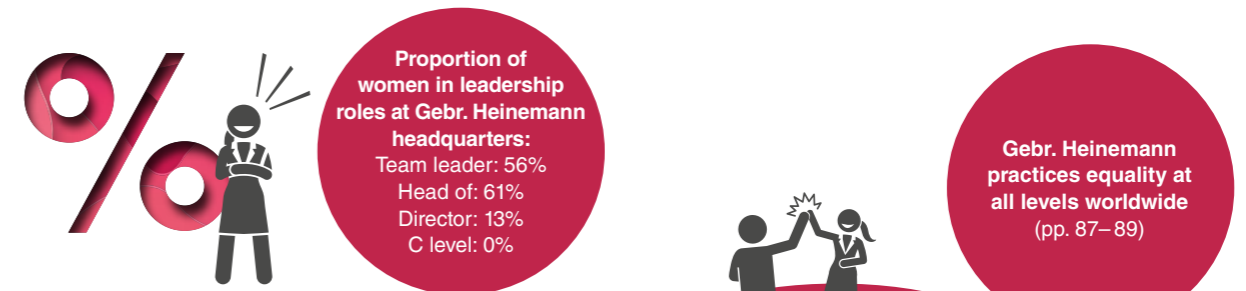
# Gebr. Heinemann – at a glance

Gebr. Heinemann Group – key figures

	2018	2017
<b>Turnover (€ billion)</b>	<b>4.6</b>	<b>4.1</b>
<b>Employees</b>	<b>8,000+</b>	<b>7,000+</b>
<b>Sales by region (%)</b>		
<i>Europe</i>	<i>75</i>	<i>84</i>
<i>Asia and Asia Pacific</i>	<i>19</i>	<i>11</i>
<i>Americas and rest of the world</i>	<i>6</i>	<i>5</i>

Further commercial key figures on page 9

# CR Highlights

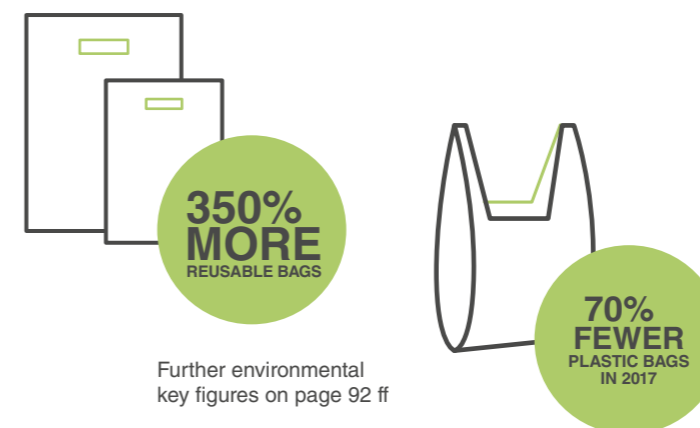


\*Expected annual savings from 2019 through conversion from conventional lights to LED at the HafenCity location

Further social key figures on page 62 ff



By using our own photovoltaic array at Allermöhe (2017: –61,223 kg)



Further environmental key figures on page 92 ff

# Combining measure with passion

Gebr. Heinemann is one of the biggest names in the international Duty Free market. It is the market leader in Europe and the only family-owned company among the global players in the industry. Gebr. Heinemann is co-managed by members of the Heinemann family, with Claus Heinemann and Gunnar Heinemann as owners, and Max Heinemann, the son of Gunnar Heinemann, as Chief Executive Officer (CEO). They represent the fourth and fifth generations, respectively, of family members at the helm. The other members of the company's executive management are Chief Operating Officer (COO) Raoul Spanger, Chief Commercial Officer (CCO) Kay Spanger and Chief Financial Officer (CFO) Stephan Ernst.

We have been based in what is now Hamburg's Hafencity district since 1879. So for Gebr. Heinemann, Hamburg has always truly been the "gateway to the world". The company today has business relationships across many countries on all five continents, ranging from our own airport shops in Oslo and Sydney and a border shop in Czechia to our subsidiaries Heinemann Asia Pacific in Singapore and Heinemann Americas in Miami.

We deliver real added value to our customers by living and breathing service in everything we do. As a vision for how to do business, this has served us well over the years, helping us to maintain our independence and our leading position in a market characterised by rapid change. It also stands us in extremely good stead for the future.

**Distribution:**

1,000 customers in over 100 countries, including airports, airlines, border shops, cruise ships and ferries

**Einzelhandel:**

Operator of over 340 Heinemann Duty Free & Travel Value Shops as well as numerous brand and concept stores at 77 international airports in 28 countries. Around 70 Travel FREE border shops. Heinemann also operates retail outlets on 17 cruise ships



Gebr. Heinemann SE & Co. KG is one of the leading players in the international travel retail market

Based in Hamburg, co-managed by members of the fourth and fifth generations of the Heinemann family

89 subsidiaries and affiliates in 39 countries

Group turnover in 2018: 4.6 billion euros\* (2017: 4.1 billion euros\*)

Long-term partnerships: agreements with an average term of more than 16 years

More than 1,500 international brands from 1,000 suppliers worldwide

Over 8,000 employees worldwide in 2018 (2017: over 7,000)

Two state-of-the-art logistics centres in Germany



**Heinemann Americas**

Our subsidiary Heinemann Americas has been our gateway to the American continent, not to mention a key success factor for our business, since 2013. Based in Miami, it is an important showcase for our offering and a flagship of our proud tradition. We will ensure that Heinemann Americas continues to leverage its comprehensive service range and business relations in ten countries and remains the partner of choice for lessors, shop operators and suppliers. Among its many successes, Heinemann has established a foothold in the world's biggest and most important cruise line market, having won a Carnival Cruise Lines tender in January 2018 for exclusive retail shops aboard four cruise liners.



**Heinemann Asia Pacific**

Heinemann Asia Pacific has been representing Gebr. Heinemann in a region extending from Indonesia to Myanmar since 2010, from its base in Singapore. In this region's highly dynamic market environment, Heinemann Asia Pacific is a reliable partner for the travel retail segment in ten countries (so far), thanks to its extensive range of solutions and services. It will continue to grow its market leadership over the years ahead. Within the Heinemann Asia Pacific structure, our subsidiary Heinemann Australia has played an especially important role since 2014 as our flagship in Australasia. The Heinemann Australia presence at the prestigious Sydney airport now consists of seven impressive Duty Free shops with a total floor area of around 10,000m<sup>2</sup>. In 2018, Heinemann Australia opened two shops at Gold Coast Airport, with a product range focused on wine, spirits, perfumes and cosmetics.



\* Group turnover of Gebr. Heinemann and affiliates. Consolidated turnover of Gebr. Heinemann according to HGB: 3.0 billion euros (2017), 3.2 billion euros (2018)

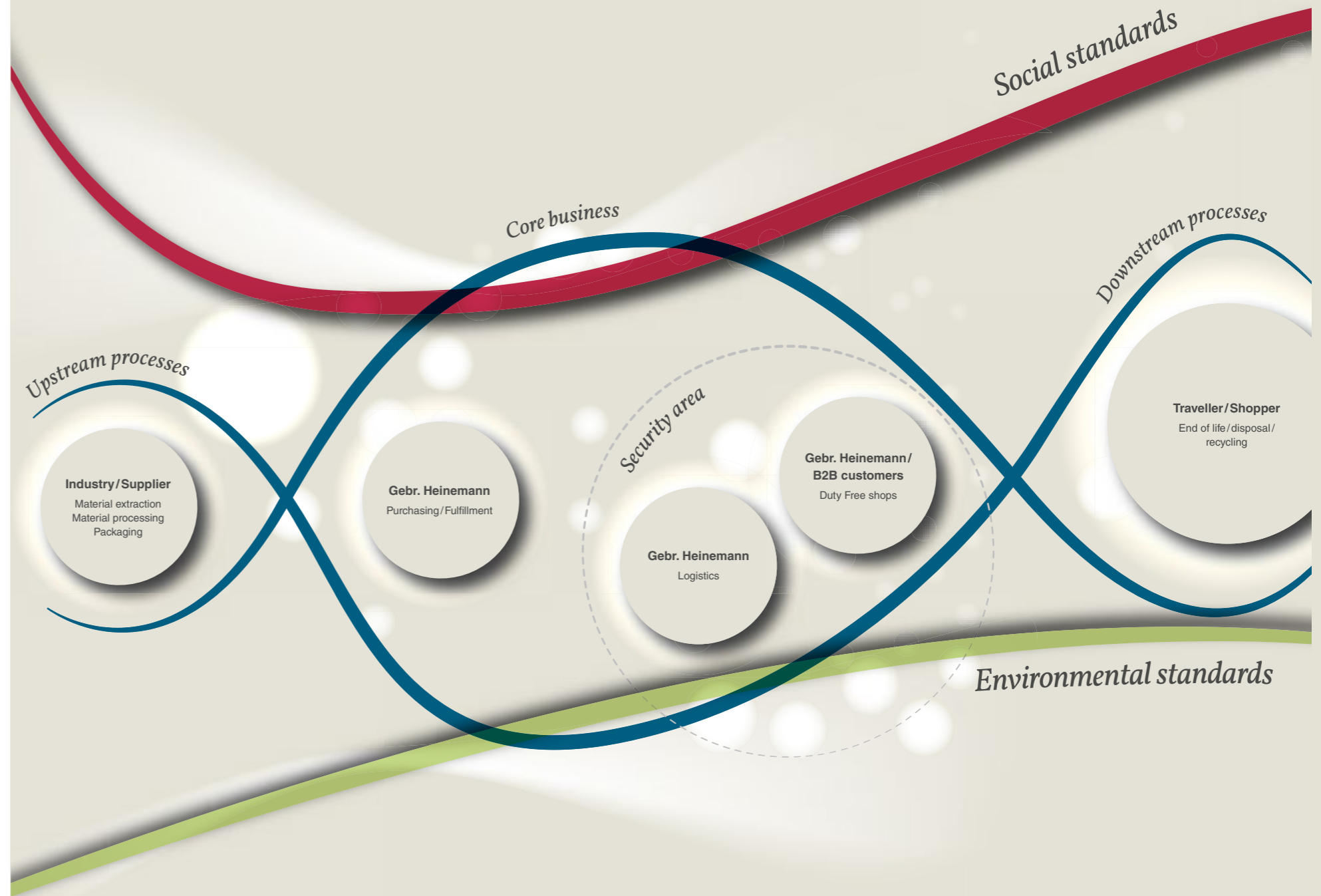
# Charting a global course: our business model

Heinemann's business is Duty Free articles, but what we sell is passion. That passion shapes every customer's experience at well over 100 Heinemann shops at airports in Europe. With their commitment to outstanding service and their intuitive understanding of customer needs, our staff are integral to the welcoming and uniquely personal atmosphere at our stores. With our ever-increasing Duty Free range of international branded products in the categories of perfume and cosmetics, wine and spirits, confectionery and delicatessen, tobacco products, fashion and accessories, and toys and souvenirs, we offer travellers a unique and varied shopping experience.

That experience is delivered by a total of over 8,000 employees, working closely with our business partners. Together, our people enable us to fulfil the Gebr. Heinemann mission of realising individualised solutions on a global scale – solutions that allow us to sustain long-term partnerships in today's constantly changing, ever-challenging market. And all of this is built on the solidest of foundations: our Gebr. Heinemann values.

Our values have been hardwired into our DNA since our company's establishment nearly 140 years ago. They are about acting at all times with commitment and thought for the future, and about building relationships with employees and customers based on trust and reliability.

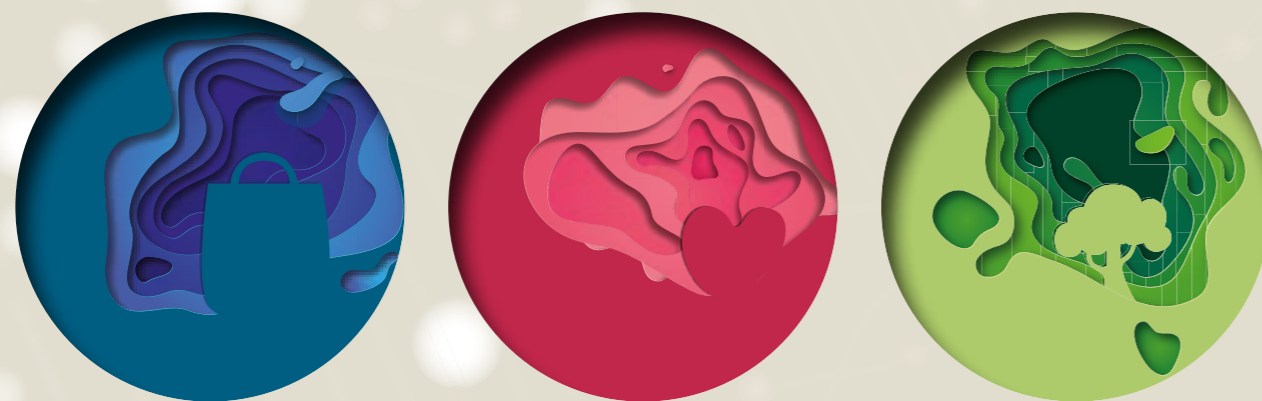
Any business that hopes to delight its stakeholders and customers has to keep reinventing itself. That is why our goal is to remain a driver of innovation in the travel retail market and to continue to surprise and captivate the travelling public with extraordinary offerings, ideas and sustainable concepts.



## A lived sense of responsibility

Corporate responsibility is the DNA of our company culture. This sense of responsibility is lived out every day in what we do. It is an ongoing dialogue with our customers, business partners and all of our people. As part of being responsible in everything we do, we assess all of our activities from social, environmental and economic perspectives. This has led us to identify the following action areas as rethinking priorities for Gebr. Heinemann: retail, the workplace and the natural environment.

These clearly defined action areas should not, however, obscure our understanding of corporate responsibility as a wide-ranging and multifaceted commitment, with many overarching themes. Our economic interests must, at all times, be consistent with the principles of responsible business practice, with the well-being of our employees always to the fore. So for us, the art of operating a successful business consists in carefully weighing up every economic decision against the associated environmental and social risks and opportunities. Only in this way can we ensure that the measures we take will boost the performance of our business while, at the same time, contributing to a healthy and safe future for us all.



*For the retail environment*

*For the work environment*

*For the natural environment*

## Purchasing means thinking globally, while taking responsibility locally

As one of the world's leading players in the international travel market and a distributor for more than 1,000 business customers in over 100 countries, we are part of a global value chain and, like our customers and partners, see it as our duty to review, document and improve the social and environmental impacts and interdependencies of our commercial activities.

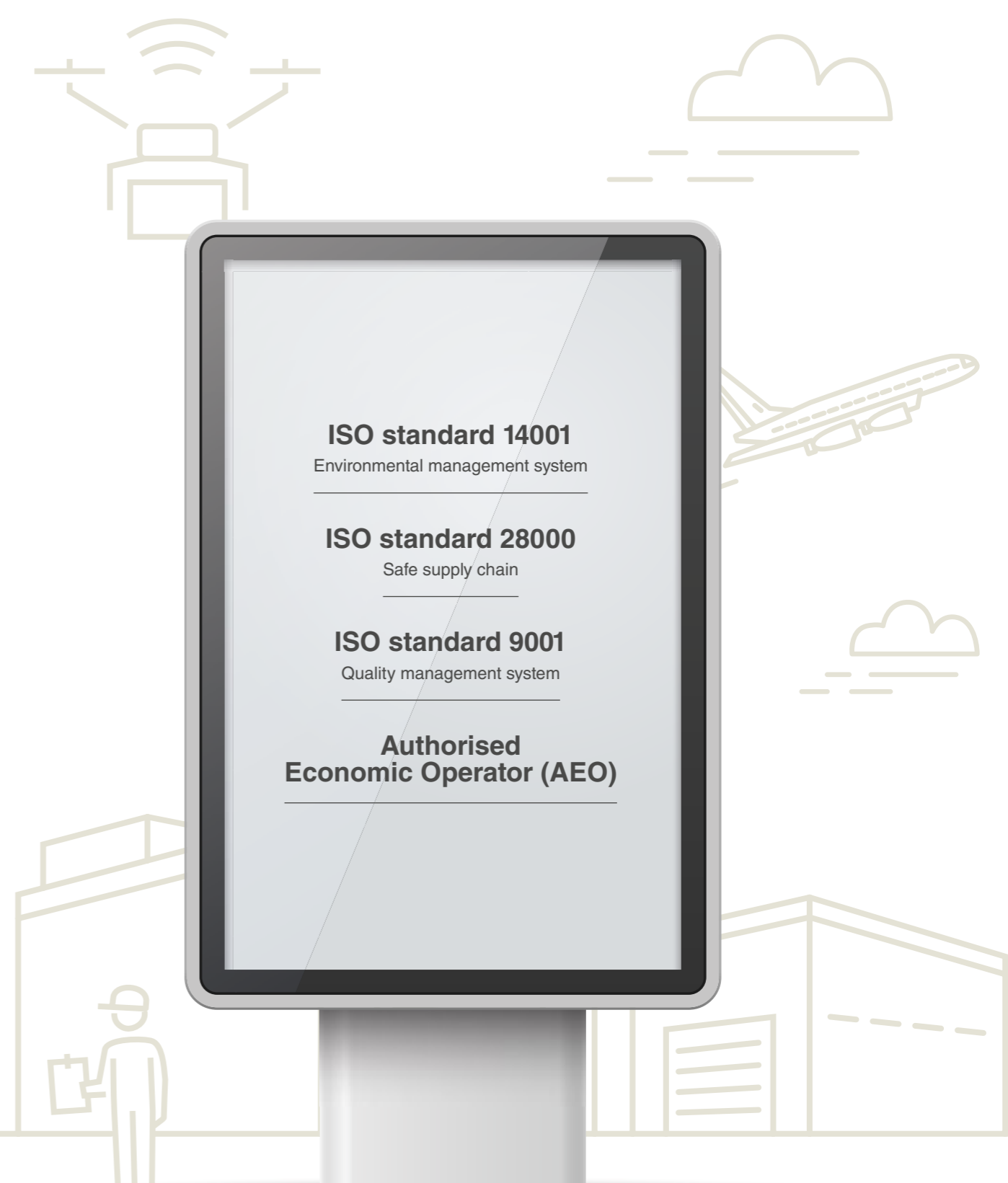
For example, we have identified room for improvement in areas where our sourcing of non-merchandise goods may have a direct impact on compliance with social and environmental standards. We have therefore been working on a list which aims to support proactive decision-making in respect to ecological criteria. In this context, Gebr. Heinemann also increasingly intends to explore the possibilities of voluntary initiatives and independent producer certifications.

The key to working together with our international partners in this way to drive responsible growth in our sector and ensure the ongoing sustainability of our business model is to have clearly defined criteria for sustainability and shared objectives along the entire value chain. Looking ahead, we will be engaging more closely with our partners, particularly our suppliers, to make this happen.

# Logistics in action as a core competence – about 680,000 times a day

We have a stunning product range, in terms of both quality and quantity. Every day, we ship approximately 680,000 sales units all around the world, comprising a total of around 50,000 different products, from our logistics centres at Hamburg-Allermöhe and Erlensee near Frankfurt. To keep this amazing logistics operation running smoothly, we have created a superbly organised state-of-the-art supply chain management system. We work with around 1,500 international manufacturers of branded goods, so we have quality logistics management systems in place to ensure their premium products always get to travel first class.

Safety and responsibility remain top priorities for Gebr. Heinemann, which is why all of our logistics processes fully meet the strict safety requirements of ISO standard 28000 (safe supply chains). In addition, our logistics centres are certified to ISO standards 9001 (quality management) and 14001 (environmental management) and are regularly audited to confirm our status as a “known supplier of airport supplies” and a “known airfreight supplier”. Gebr. Heinemann has also been an Authorised Economic Operator (AEO) since January 2019. AEO is a quality mark recognised throughout the EU and in some third countries (currently including Switzerland, Norway, Japan, the USA and China). This status has major benefits for customs clearance processes, such as simplified inspection of incoming goods by German customs (which in turn means faster availability of the goods for Gebr. Heinemann), and less frequent inspections of export consignments.





## Rethinking retail design with sustainability in mind

Every customer is special, and every location has its own special requirements – so each and every one of our shops also has to be something special. We believe that the design of a retail outlet has to be more than just attractive. It must also reflect the specific character of the location, and that means expressing what makes the location unique and telling the customer a story. In the area of design, as elsewhere, we are determined to continue the Gebr. Heinemann philosophy of engaging our consumers with surprising and innovative ideas – because new, fresh ideas have always been our driving force and point of difference. To make these ideas a reality, we must embrace the challenge of walking new paths and dare to leave conventional thinking behind. This is the only way to arrive at exciting solutions – the kind of pioneering innovations which may seem counterintuitive at first glance, but which on closer examination prove to be well thought through. This philosophy is what motivates our retail design team to keep looking for new design concepts – all while ensuring consistency with sustainability considerations. Accordingly, for every design project, the use of materials must be carefully scrutinised from the perspective of environmental responsibility and opportunities to conserve resources.



# Our leadership philosophy: act for today, with tomorrow in mind

Corporate responsibility at Gebr. Heinemann means taking our management's hardwired commitment to sustainability and responsibility and applying it systematically to all of our processes.

We believe in sustainability as a key means of securing the future, and we see innovative ways of working and sustainable products and services as drivers of economic growth, helping us to retain our existing market share and capture new markets. This view of sustainability has informed our business approach ever since our company was first established. Respect for people and our planet's finite resources is the cornerstone of the values on which our lasting success is built. Effective and robust corporate governance structures also play an important role in ensuring Gebr. Heinemann's long-term competitiveness. It is thanks to these structures that we are able to face the challenges of globalisation and future trends on the goods, capital and labour markets with calm and equanimity.

We believe that, whatever challenges the international regulatory environment may bring, it is ultimately up to us to lead the company on a path of sustained performance and long-term viability. And that means not just meeting the regulatory standards, but exceeding them by entering into voluntary commitments and embracing a holistic sense of responsibility.



## Advisory Board

Claus Heinemann



Gunnar Heinemann

**CEO***Chief Executive Officer*

Max Heinemann

**COO***Chief Operating Officer*

Raoul Spanger

**CCO***Chief Commercial Officer*

Kay Spanger

**CFO***Chief Financial Officer*

Stephan Ernst

The management and governance structure of our business operations is focused on the well-being of all relevant stakeholder groups and on building the foundation for sustainable competition.

Compliance and corporate responsibility issues and the associated action areas, goals, initiatives, management systems and company-wide rules are the responsibility of Corporate Affairs. Corporate Affairs was created as a new entity in autumn 2018 and is led by Dr Jennifer Cords. She reports to Chief Executive Officer Max Heinemann, who assumed responsibility for sustainable development at Gebr. Heinemann at the end of 2018.

*Svenja Fischer*

*Corporate responsibility at Gebr. Heinemann has many faces, and one of those faces belongs to Svenja Fischer. Since returning from parental leave in January 2019, Ms Fischer has taken on the newly created Corporate Responsibility Manager role within the Corporate Affairs department.*

*Dr Jennifer Cords*

*Dr Jennifer Cords has been heading the newly created Corporate Affairs department since September 2018. Dr Cords has made it her mission to champion the cause of corporate responsibility.*

*Julia Knors*

*In 2018, Corporate Communications Manager Julia Knors looked after sustainability issues on a transitional basis, during which time she initiated and progressed many important projects.*



## Corporate Affairs structure



# Clear guidance for thoughts and deeds

Any company aiming to be globally successful in the long term needs to operate on the basis of a robust and healthy values culture and a strong and practical set of compliance rules. Compliance means much more to us than just acting in accordance with the law. It also denotes the wider obligation to act on the basis of our company values of commitment, trust-based leadership, customer delight and social responsibility.

Along with the prevention of unlawful conduct and violations of the law, Gebr. Heinemann sees compliance as including effective early warning systems and reasonable and appropriate responses and penalties in the event of breaches of compliance rules. The rules include not only international legal requirements (hard laws) and contractual obligations, but also industry agreements and voluntary undertakings (soft laws). We therefore see compliance as an integral part of CR management. The associated duties and obligations apply in areas such as human rights, labour norms, environmental protection and anti-corruption.

## Compliance has many faces

An integral component of our compliance management system (CMS) is close coordination and ongoing dialogue between the various stakeholder departments. This ensures effective risk analysis and continuous refinement and updating of the system.

But a compliance system is only as good as the people who operate it. The challenge is to generate employee “buy-in” in support of these ambitious and demanding processes. Regular staff information briefings and training courses on compliance-related topics have therefore been standard business practice at Gebr. Heinemann for some years. The focus at all times is on the effectiveness and long-term sustainability of all of our compliance measures.

# UN Global Compact: ten principles for a shared journey

In 2018, Gebr. Heinemann signed up to the United Nations Global Compact (UNGC), one of the largest-scale initiatives for responsible corporate leadership the world has ever seen. In doing so, we committed ourselves to integrating the UNGC’s ten universal sustainability principles on human rights, labour standards, the environment and anti-corruption into our own corporate strategy.

For us, joining the UNGC was the logical next step in the further development of our CR management system. We plan to explore the possibilities for implementing the UNGC sustainability principles within the scope of our existing CR management system. The measures we implement will be documented in our annual UNGC Communication on Progress and in our CR communications.

- |  |   |
|--|---|
| <p><b>1</b> <i>Human rights</i><br/>Businesses should support and respect the protection of internationally proclaimed human rights.</p>                             | <p><b>6</b> <i>Labour standards</i><br/>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p> |
| <p><b>2</b> <i>Human rights</i><br/>Business should make sure that they are not complicit in human rights abuses.</p>  | <p><b>7</b> <i>Environment</i><br/>Businesses should support a precautionary approach to environmental challenges.</p>                          |
| <p><b>3</b> <i>Labour standards</i><br/>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> | <p><b>8</b> <i>Environment</i><br/>Businesses should undertake initiatives to promote greater environmental responsibility.</p>                 |
| <p><b>4</b> <i>Labour standards</i><br/>Businesses should uphold the elimination of all forms of forced and compulsory labour.</p>                                   | <p><b>9</b> <i>Environment</i><br/>Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>      |
| <p><b>5</b> <i>Labour standards</i><br/>Business should uphold the effective abolition of child labour.</p>  | <p><b>10</b> <i>Anti-corruption</i><br/>Businesses should work against corruption in all its forms, including extortion and bribery.</p>        |

**WE SUPPORT**



## Clearly stated expectations and strong action drivers

The main purpose of having a CR management system is to secure our “licence to operate.” We need to demonstrate the legitimacy of our business activities to our stakeholders in a clear and coherent manner – because in a business like ours, values such as trust, reliability and reputation are the foundation for success. That’s why we invest significant resources in creating robust internal compliance processes, which in turn are critically dependent on the skills and integrity of our employees.

From all the above it follows that CR and compliance go hand in hand, each supplementing the other, with many synergies between them. By sustainably integrating CR into our management systems, we are also seeking to implement a code of conduct which will, in turn, reinforce our commitment to compliance. That is because the only way to truly respect the high dictates of CR and compliance is to build an awareness of our values into everything we do, at every hierarchical level.

## From risk mindset to global performance mindset

This also forms the context for our determination to create an environment at Gebr. Heinemann in which CR and compliance are seen as management systems that encompass every link in our value chain. As part of this process, we will also insist that the goods and services provided by our international business partners and suppliers meet the minimum social and environmental standards that we are committing to. This is driving an ongoing transition from a risk-based approach to a global performance approach. We are determined to hold our position as the “first choice in sustainable business” in our sector. To an increasing extent, this also means standing shoulder to shoulder with our partners on key sustainability issues, at all points along the value chain.

In order to achieve these ambitious goals, we need to state very clearly what we are expecting from our partners and suppliers. These expectations will be based on international Duty Free standards, on the one hand, and national rules, on the other – a balancing act that will only be possible in dialogue and close consultation with our partners and suppliers.

## Safety first? Absolutely!

We have been in business for more than 100 years and now do business in over 100 countries. During this remarkable corporate journey we have built up a treasure trove of experience in managing risk, which we are now drawing on in aligning our business model with current requirements in the global market.

The compliance risks our business faces are not limited to the standard areas of concern, such as anti-trust law, human rights and anti-corruption. Many other aspects are also relevant, such as export controls, customs law, tobacco product regulation, money laundering, data protection and competition law. Our suppliers are also subject to the strict guidelines we are successfully implementing in our everyday business relationships. We also regularly verify the effectiveness of our own management processes and those of our partners.





# Thinking and creating the future

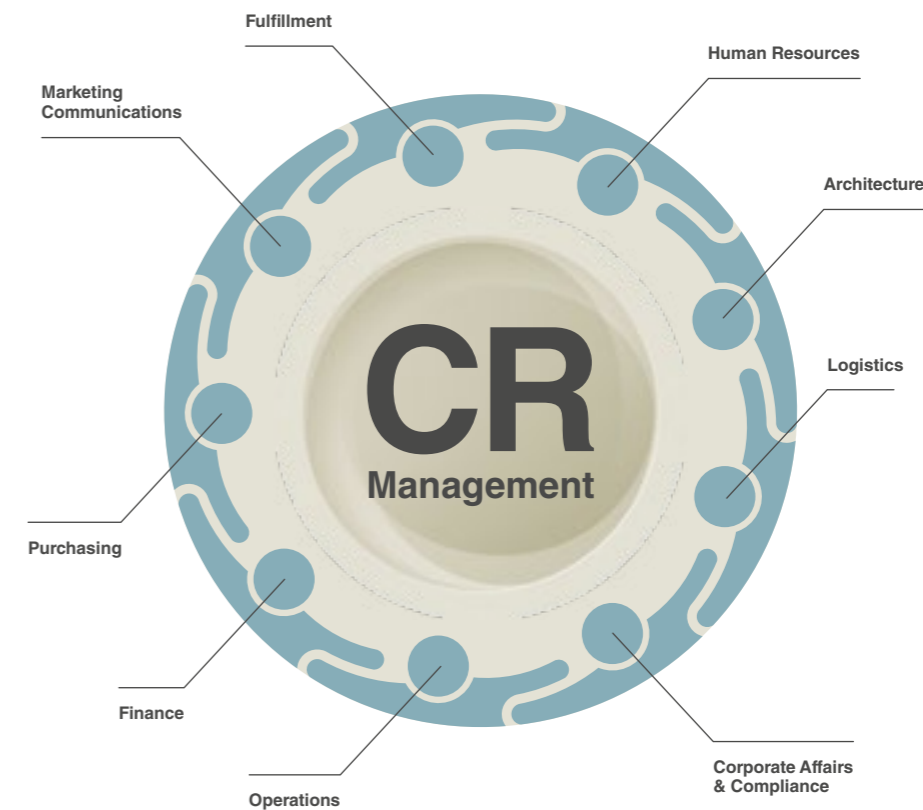
CR management is a very demanding discipline, mainly because it cuts across many different areas, such as HR, compliance, environmental management, purchasing, logistics, finance and controlling. It is therefore a multidisciplinary endeavour par excellence, requiring a prudent approach and the ability to see the big picture.

## Identify, analyse and optimise

Our CR management function operates in essentially the same way as a standard management approach. The first step is to survey the status quo and identify the issues to be addressed, and then put in place effective and practical measures for implementation. This is followed by an evaluation process, whose results form the basis for optimisation through further implementation processes. We are still at the early stages, in the phase of learning and finding our bearings – yet the way ahead is clear. The approach over the next few years will be one of continuous optimisation to develop and further extend an efficient CR management system.

## Holistic and sustainable

The holistic and systematic approach we are taking to implement our CR management system will deliver real added value for the company, above and beyond reputational benefits. For example, we intend to become more profitable through savings on our use of natural resources. We see similar opportunities in the environmental management context. Another goal is to harness latent potential in the areas of company valuation and risk reduction, with the associated cost savings.



## Starting at the centre and working outwards

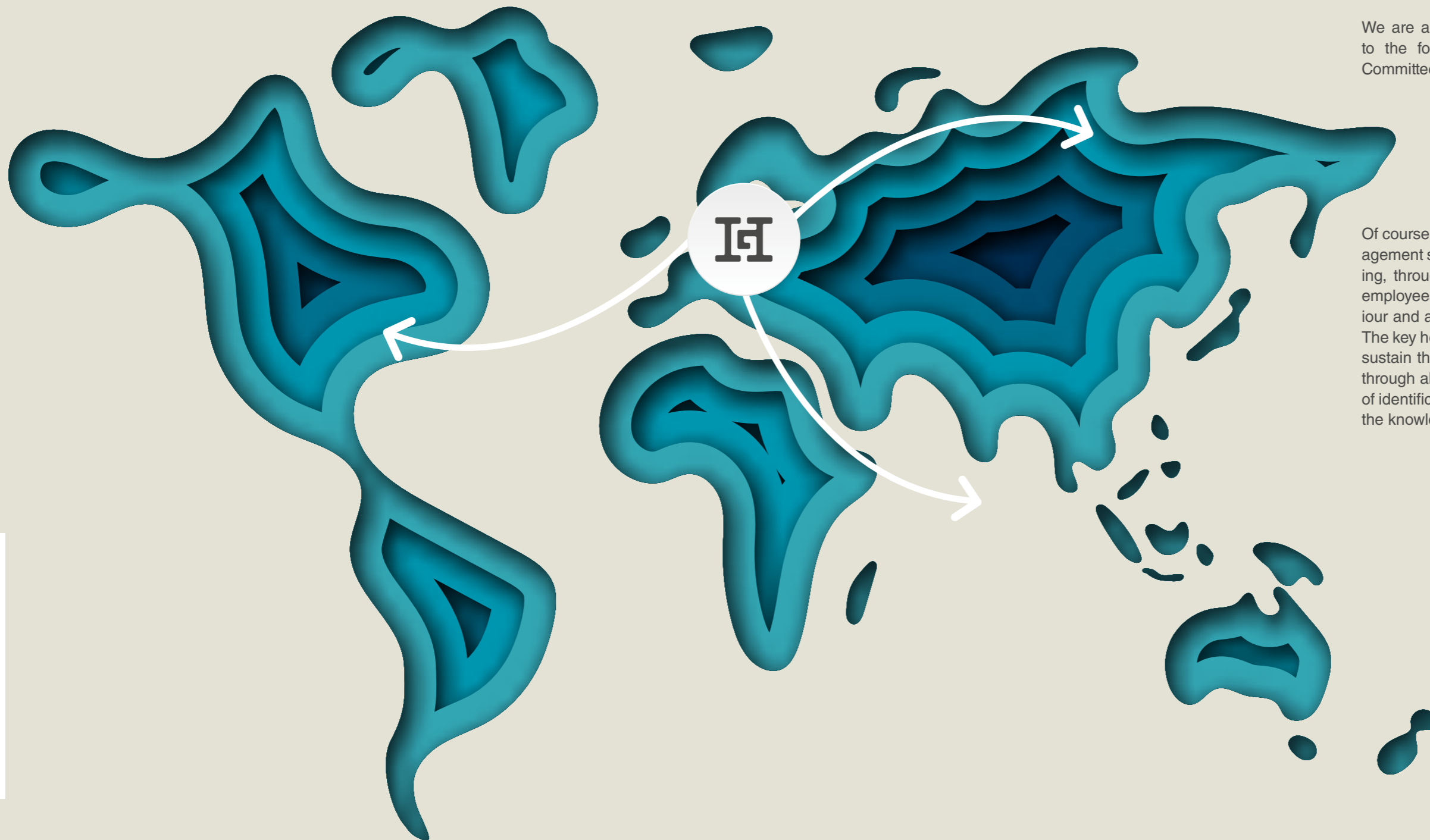
As part of establishing and further developing a CR management system at Gebr. Heinemann, we will have to put our own house in order, as regards the collection of CR-related environmental and human resources data, for example. Only then can we also encourage and require our external partners to collect their CR data and document their sustainability performance. The international nature of our business model makes this a particularly demanding challenge.

## International opportunities, complex challenges

The meaning of the term “sustainability” varies from one country to another, as indeed do environmental and social standards and legislation in general. Our fundamental challenge here is to steer the ongoing globalisation of Gebr. Heinemann’s business through all these differences. This will require an integrated management system and a culture based on thinking holistically and seeing the big picture.

We are also taking an integrative, inclusive approach to the formation of our interdisciplinary global CR Committee.

Of course, CR is not just a matter of implementing management systems – it involves a whole new way of thinking, throughout the entire company. This requires our employees to critically examine their patterns of behaviour and attitudes and adapt them to the new situation. The key here is to ensure that our employees are able to sustain their sense of identification with their company through all these new challenges. Only with that sense of identification will they be able to successfully embody the knowledge and values of Gebr. Heinemann.



# From milestone to milestone: our CR journey 2019–2021

1  
↓  
Internal dialogue and discussion with our international Gebr. Heinemann colleagues on their requirements, expectations and concerns in terms of corporate social responsibility

2  
↑  
Creation of a global CR compass for Gebr. Heinemann and its subsidiaries, and identification of SDGs where we can make a difference

3  
↓  
Designation of responsible managers for specific action areas and company departments

4  
↑  
Establishment of the CR Committee, with regular meeting dates

5  
↓  
Revalidation of the CR action areas identified to date

6  
↑  
Coordination of sustainability criteria and topics from the various action areas and company departments, and formulation of KPIs

7  
↓  
Development of measures and initiation of implementation within the company

8  
↑  
Integration of social and environmental criteria into the supply chain management system; analysis of environmental and social risks in the supply chain; support measures: training courses for buyers and suppliers

9  
↓  
Development of a systematic CR reporting system

10  
↑  
In the medium and long term: performance measurement on the basis of standard tools (e.g. S-BSCs) and assessment of sustainability achievements through increased dialogue with relevant external stakeholders



## A long journey ahead: from the UNGC's ten principles to the SDGs

By signing up to the United Nations Global Compact, Gebr. Heinemann has committed to integrating the UNGC's ten universal sustainability principles on human rights, labour standards, the environment and anti-corruption into its own corporate strategy.

The next step is to create a global CR compass for our company. This will involve further refining our impact assessments along the entire value chain and, on that basis, identifying the sustainable development goals (SDGs) where we can make a difference.

Our decision to reduce the use of plastic bags in partnership with OceanCare has already been identified as a measure that contributes to SDG 14: "Conserve and sustainably use the oceans, seas and marine resources." As a UN special ambassador for ocean protection, OceanCare has further noted that reducing plastic waste also has an impact on many other SDGs.

Our work with OceanCare shows in a very practical, concrete way that every company, every employee and every customer can make a contribution to major UN development goals by making even small changes, such as deciding not to use plastic bags. We will therefore continue to align our strategy with UN goals and to identify, develop and implement measures to implement those goals in our business activities.



# International stakeholder dialogue

The ability to involve our stakeholders in changes of perspective and strategy has always been one of our major strengths as a business. The increasing requirement for dialogue with our stakeholder groups is therefore a welcome prospect for Gebr. Heinemann. Rather than merely reacting to circumstances imposed on us, we have always taken a proactive approach in the sense of taking the expectations, concerns and positive ideas of our various stakeholders seriously and, indeed, often anticipating them. For us it is self-evident that an examination of the impacts of our business activities is going to take us out of our comfort zone.

Along with an internal assessment of the impact of our business activities in specific CR action areas, we also need to carry out a business relevance assessment and maintain credibility by examining our operations from an external perspective. The best and most authentic source for such an external viewpoint is clearly the stakeholders affected.

So as part of our CR management system, as from 2020 we are planning to engage in systematic dialogue with relevant international stakeholders with regard to our sustainability successes and challenges.

## Many expectations – one overarching attitude

Relevant stakeholder groups of Gebr. Heinemann at a glance



## Our product range: inspired by our customers

Conflicts inevitably arise when expectations from one quarter clash with different expectations from another, but we are determined to take such challenges in our stride. This can be illustrated by an example from our everyday business. Where some see sweets as an ideal gift to take back to those at home, or even as a consolation when times are hard, others see them as a product containing far too much sugar, prompting criticisms along the lines of “Why don’t you stock healthier products?”

We take these concerns seriously, treating them as positive suggestions, or indeed opportunities, and incorporating them into our strategy discussions. Consequently, in 2018 Heinemann started trialling a new “healthy snacks” range. The new products were initially trialled from July 2018 at the newly refurbished Tax Free by Heinemann shop at Copenhagen Airport – and were such a success that they are now also available at airports in Amsterdam, Budapest, Frankfurt and Vienna. This example highlights the many and varied expectations that we encounter in our business activities every day. Our approach is to take all feedback seriously, because genuine, honest and timely engagement with our stakeholder groups is vital to maintaining our licence to operate, particularly in the digital age, where news travels so quickly.



## Seeing the big picture, and keeping our partners in the loop

While our approach to CR management clearly transcends departmental boundaries, we also remain attentive to the sustainability challenges arising within individual company departments. A good example is the stakeholder management system at our Hamburg-Allermöhe logistics site. Around 500 employees work at the centre, directing logistics processes and product flows. Various external partners are also involved in ensuring smooth and reliable logistics operations. To determine the strategic relevance of these partners, we developed an assessment matrix, which encompasses standard metrics such as turnover amount, turnover frequency and the number of staff. Thanks to this matrix, we have now identified a group of 36 strategic suppliers in the following industry sectors:

Relevant Gebr. Heinemann logistics stakeholder groups at a glance



- 16.5% → **No CR communication**  
*(Not all companies examined provide CR information on their website.)*
- 53% → **CR communication via website only**  
*(Fewer than one half of the companies have a separate CR sustainability report.)*
- 30.5% → **CR report provided**  
*(Many companies include certificates with their CR communication.)*

This information sourced from our partners on their attitude towards sustainability issues provides the basis for open, two-way dialogue with a view to arriving at shared goals for the future.

# Sift, test, calibrate: our material topics

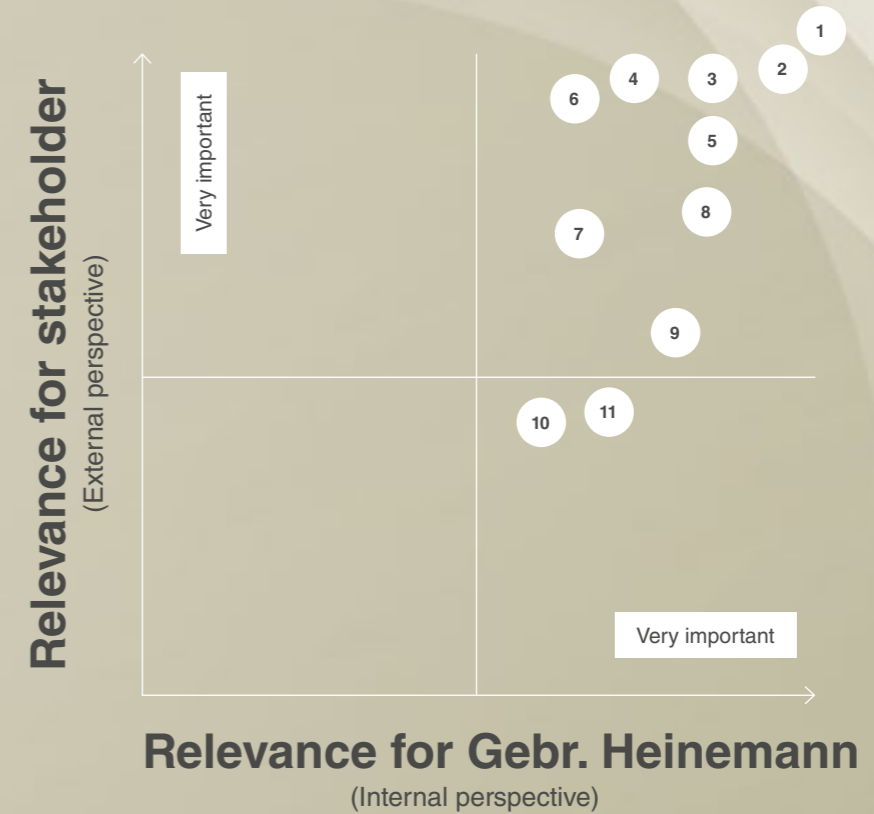
We see materiality analysis as a key prerequisite for successful CR management. At the core of the process is a critical examination of the various impacts of our value chain on society and the environment, and on the well-being of our internal and external stakeholders (i.e. some 8,000 employees and countless loyal customers and partners worldwide).

To continue to operate successfully, we must clearly identify those sustainability topics that are of material importance in the context of our business processes, and assess them in an intelligent and balanced manner. We define our material sustainability topics by reference to our core business and then systematically use them to identify areas along our value chain that show room for improvement. We identify areas both within our organisation that we can tackle directly and external areas where we can exert some influence on our partners and/or other social developments. Our materiality analysis will therefore continue to look at both internal and external stakeholder groups.

The material topics determined in this way are also critical for our future in a broader context, in that they provide the core content and indeed foundations for the strategic sustainability management system that we are in the process of developing at Gebr. Heinemann. The only secure and lasting foundation for such a complex structure is an accurate assessment of the status quo.

## An ongoing process: our materiality analysis

The impact assessment process has so far been conducted by selected in-house CR managers of organisational units within the company, while the relevance assessment has been based on individual interviews with relevant stakeholder groups. We have also examined the significance of particular topics from an external perspective by asking internal CR managers to put themselves in the shoes of a stakeholder group. In the medium term, stakeholder feedback on the topics identified in the company and external environment analysis will play a greater role in the materiality process.



- |   |  |
|---|--|
| 1 Product safety and labelling  | 7 Plastics /waste reduction  |
| 2 Diversity and equal opportunities   | 8 Extending our product portfolio to include fair trade products         |
| 3 Sustainable standards for non-merchandise goods                           | 9 Increased dialogue with policymakers and involvement with associations |
| 4 Innovative and resource-conserving shop design and architectural concepts | 10 Advancement of international high potentials                          |
| 5 Professional development and training                                     | 11 Social commitment   |
| 6 Energy efficiency and CO <sub>2</sub> emissions reduction                 |  |



# *Think and rethink –* **FOR THE RETAIL ENVIRONMENT**

Our sales locations are where all the material elements and aspects of our business model come together. This is the crucial sensitive point in the value chain, where our customers survey the range and make their choice, where we display our products and fulfil our customers' desires, where the assortment increasingly consists of products that meet clearly defined sustainability criteria, where regional products start their journey from the local manufacturer into the world and where we offer millions of travellers a treat to speed them on their way, or help them pick the perfect gift for their loved ones back at home.

Gebr. Heinemann Group – key sales figures

	2018	2017
<b>Sales (by category, in %)</b>		
<i>Perfume &amp; Cosmetics</i>	34	32
<i>Liquor, Tobacco, Confectionery</i>	56	57
<i>Fashion &amp; Accessories</i>	8	9
<i>Other categories and rendered services</i>	2	2
<b>Sales (by channel, in %)</b>		
<i>Airports*</i>	80	77
<i>Border Shops</i>	12	14
<i>Cruise Liners &amp; Ferries</i>	3	4
<i>Airlines &amp; Catering</i>	2	2
<i>Other</i>	3	3

\*Total sales floor area of all Duty Free & Travel Value Shops: approx. 160,000 m<sup>2</sup>

## Leveraging the global travel retail market for local business

A regional focus is a key part of our global business model. Along with international luxury articles, travellers are looking for local products as gifts to take home on their return. In many cases these are products with special attributes unique to their region of origin and are often available exclusively from our shops. Their regional origin therefore becomes a unique selling point for our product portfolio. And since business is always a matter of give and take, we in turn support local communities, making a valuable contribution to the regional economy through our purchasing decisions. A frequent challenge when working with regional suppliers is the issue of environmental and social standards. Small-scale local suppliers often have no clear understanding of these issues, or indeed the resources required to address them. So we have to help them get up to speed. It's a very different situation when it comes to municipalities and their local business development policies. In Copenhagen, for example, the regional authorities put a high priority on sustainable urban development. We are happy to support this concept with sustainable shop designs that give travellers an all-embracing cocoon of relaxation and luxury amid the hustle and bustle of the airport environment.

### International shops – local design

Another aspect of Gebr. Heinemann's regional focus is our policy of working with local tradespersons, service providers and suppliers of non-merchandise goods. These partnerships have proved so productive and efficient that we have decided to make even more use of this approach in future. A good example is the outfitting of our shops. In Eastern Europe we have now introduced a special "tender committee" mechanism for selecting suppliers of shop furniture. This brings some real benefits, and not only for us. It enables us to identify the best local suppliers; any potential corruption problems are eliminated by means of transparent tender procedures; we get to shape best practice in our sector; and, of course, we contribute to the regional economy.



**Vilnius.**  
**Showcasing Lithuania's gourmet diversity on 120 m<sup>2</sup>**

Our portfolio of regional products offers customers exactly what they are looking for, as well as complying with local regulations. For example, in the airport of the Lithuanian capital, Vilnius, we have set aside an area of 120m<sup>2</sup> exclusively for regional products. This was based on an agreement reached with the airport operator to allocate around 15% of our display area to local products.



### Moscow. Where regional bestsellers fly international

At Sheremetyevo International Airport in Moscow, around 15% of our product range likewise consists of regional products. These include a selection of leading vodka brands, caviar and of course “matryoshka” Russian dolls as the classic Russian souvenir, available in all styles and sizes. The regional purchasing policy for Sheremetyevo is ideal for customers, and is also welcomed by policymakers as they strive to boost the local economy. In addition, these positive relationships with regional suppliers mean we are able to continue to offer a comprehensive and attractive range of products at Sheremetyevo, despite the current economic embargo against Russia. Partly in recognition of these benefits, the regional area of the shop is set to get a facelift as part of the innovative shop concepts we are planning to integrate in the new terminals at the end of 2019.





### Budapest. Where gourmet high-flyers take off

Numerous regional products are also a feature of the assortment in our shop at Budapest Airport. The wealth of products available from the region and their superb quality make it particularly easy to put together a great product range at this particular location – especially in the “fine food” and “confectionery” departments. So it comes as no surprise that the Heinemann Duty Free Shop at Budapest Airport is now famous for its Hungarian specialties – especially wine, salami and chocolate. In 2018 we staged our first “Gourmet Festival” event, attended by numerous invited dignitaries, to celebrate in grand style the rich diversity of this outstanding product range and the contribution it has made to the success of this shop over the past 20 years.



## THINK AND RETHINK

GRI 102-4, 102-6, 413-1

### Copenhagen. Close to nature, and to shoppers

As well as being a key sales performer for Gebr. Heinemann, Copenhagen Airport embodies the Danish capital's role as a style metropolis for design, fashion and beauty. That set the bar very high indeed when it came to the refurbishment of our main shop at the airport. Even the timeline broke all the records – with the concept created by the Danish star designer Johannes Torpe successfully implemented in just four months, while the outlet continued to operate! The aim of the new design was to enable all customers to experience the famed feeling of “hygge” – that unique blend of hospitality, cosiness and contentment that instantly wins over every visitor to Denmark (there's a reason Denmark consistently ranks among the top three countries in the World Happiness Report!).

The new look explores every aspect of “local” – with a sense of closeness to the natural environment, and the “rethink” motif and is an exuberant celebration of colour, modernity and palpable excitement.



## Responsible consumption starts with sustainability

As an important part of meeting our corporate commitment to safeguard the health and safety of our customers, we apply the most rigorous audit and verification standards to all products we sell. For Gebr. Heinemann, this means verification and audit processes that go far beyond merely complying with current legislation and regulations around the world.

In addition, we consult with industry to identify examples of best practice for products that set particularly high sustainability standards. And we see international human rights advances such as the Modern Slavery Act as key opportunities to be part of a fundamental values shift.



## P stands for product information

As well as complying with regional and international product labelling guidelines and laws, we are involved in voluntary initiatives such as those of the European Travel Retail Confederation (ETRC). This organisation (cf. "Our involvement in initiatives and associations", p. 116) assists member businesses by offering needs-based programmes to ensure compliance with the highest standards and by promoting responsible business practices in the travel retail sector.

## Ingredients: compulsory and discretionary information

Anyone who has ever tried to decipher the fine print on product packaging in 24 languages to find out about a particular ingredient is bound to love the "off-pack" solution to this problem. This is an initiative introduced by the European Travel Retail Confederation (ETRC) and actively supported by Gebr. Heinemann.

Under a pilot project covering ten Duty Free articles from categories such as confectionery, spirits and perfume, travellers are now able to view comprehensive product information, including nutritional details, ingredients, allergens and details of the manufacturer, simply by scanning barcodes using their mobile phones. The ETRC labelling website is currently limited to three European languages, but there are plans to extend it to include all 24 official languages of the EU. And to give even more travellers easier access to important product information, consideration is even being given to extending the range to non-EU languages such as Chinese.



*"The digital off-pack solution, which is actively supported by Gebr. Heinemann, not only meets our customers' need for more comprehensive and transparent information, it also fulfils the product information requirements under EU directives (such as the EU Food Information Regulation)."*

**INKEN CALLESEN**  
 Director Fulfillment, Head Office, Hamburg

# 100%

## RESPONSIBILITY

### Our Alcohol Code of Conduct

A good whisky needs to be of a certain age, and so does the person drinking it – 18 years is defined as the minimum age for the consumption of alcoholic beverages and use of tobacco products – legally, in moderation and responsibly. We therefore regularly conduct training courses for the sales staff at our German locations on all aspects of protection for minors. Our retail staff are also taught how best to respond when confronted with inappropriate requests from underage customers.

One of the resources used to ensure this issue is addressed with the appropriate level of care at Gebr. Heinemann is the ETRC Code of Conduct. The ETRC has also developed training courses for promoters and voluntary guidelines for our marketing activities, to help us do our part in fostering the responsible use of alcohol and tobacco.

### Responsible consumption

As a member of the ETRC, Gebr. Heinemann is a signatory to the “Alcohol Code of Conduct” for the retail sector. As part of our involvement in this initiative, we are putting increased emphasis on responsible drinking through a comprehensive range of measures in Gebr. Heinemann shops. These include product placement, product access and pricing. They also encompass strict rules for promotions. Alcohol may not be served to pregnant women or customers who are already intoxicated, for example, and no alcohol may be left at unattended promotion stands. Regular staff training courses are held to ensure these measures are successfully implemented. The importance of drinking responsibly is highlighted by the “Enjoy Responsibly” icon on all advertising visuals. The icon was developed specifically for in-store communication.



**ENJOY**  
RESPONSIBLY

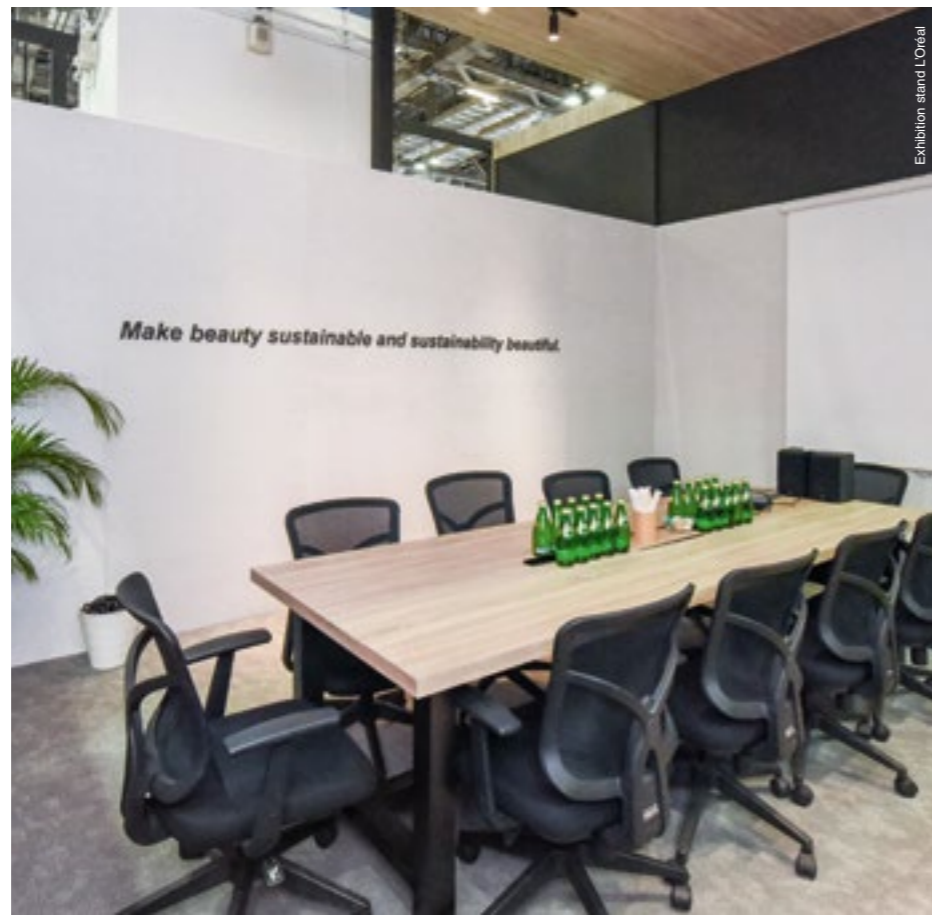


## Demand determines supply ...

The consumption patterns of travellers are constantly – and rapidly – changing. New customer requirements, new fashions and new tastes are emerging all the time, which for us means new target groups. The market then responds to the increased demand with more product innovations.

Amid all this diversity and variety there is one constant trend that is playing an ever more important role in the marketplace: sustainability. We are responding to this clear trend by continuously extending our product portfolio in a way that takes increasing responsibility for society and the environment.

We also asked ourselves the question: Who is responsible for ensuring sustainable and responsible consumption? The manufacturer, the retailer or the traveller? And we came to a simple conclusion: all of them. For our part as a major retailer, we will use our influence to encourage all of our internal and external stakeholders to get together and think about how we can help shape sustainability in the travel retail sector.



## ...and supply determines demand

Duty free shops are windows to the world for travellers of all nationalities, cultures and age groups. As such, they are ideal platforms for raising awareness of the need for greater sustainability. In our ongoing quest to meet this need we are inspired by the initiatives of many of our suppliers, with whom we are working to provide our shared customers with a growing portfolio of sustainable products.

An excellent example of this is the world-leading cosmetics company L'Oréal. L'Oréal has defined sustainability as a key strategic pillar of its business model and is putting increasing emphasis on socially and environmentally responsible production methods and sustainable product characteristics.

Working with partners with such clearly defined strategies puts us in an excellent position to build a successful and sustainable future.

*“For us, sustainability will clearly play a key role in our future success. As I like to say, it is our ‘licence to operate’, and we need to communicate it loudly and clearly.”*

**VINCENT BOINAY**  
Managing Director L'Oréal Travel Retail



## A healthy addition to our range

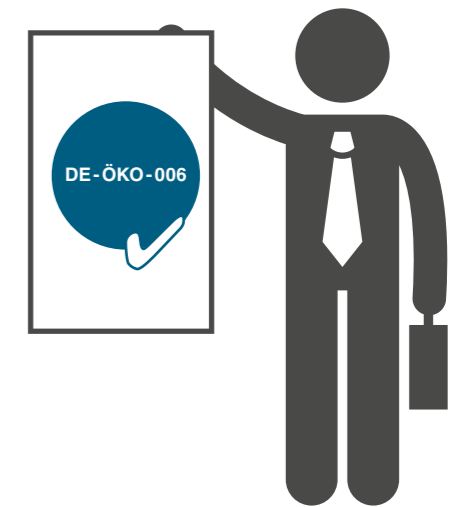
The (non-)sweet taste of success: in 2018, Gebr. Heinemann launched a new “Healthy Snacks” segment, with brands such as “Organic Human” and “The Beginnings”. Following a trial run in Copenhagen, these products are now also available at the airports of Amsterdam, Budapest, Frankfurt and Vienna, with plans for further extensions to the range. Healthy Snacks cater for the increased demand from our customers for healthy food with natural ingredients, as reflected in the “Snack to go” range.

So for this new segment, we selected suppliers “whose products contain unprocessed, nutrient-rich ingredients and no refined sugar or chocolate,” says Anne Keller, Head of Buying Confectionery, Fine Food & Regionals. We also tailored the visual merchandising design to the product range by using a green colour palette with natural tones and plant elements that underscore the “The Healthy Choice For Travelling” message and makes the design stand out for the customer.



## Special protection for fine foods

For many products there are specific certifications in place, requiring strict compliance. A good example is the DE-ÖKO-006 organic certification, designed to encourage environmental responsibility on the part of producers. For Duty Free wholesalers and retailers, the rigorous checking of freight documents and packaging, at airports for example, is part of the daily routine. So carefully checking all documents and labelling of organic-certified products – delivery note, freight document and invoice – is standard operating procedure at Gebr. Heinemann. If the goods are transported in closed containers (cartons, for example), then these must show precise details of the supplier, the exact product identification and “organic” label, plus the code number of the supplier’s organic inspection body. This applies particularly to wine and delicatessen products.



## Sheer indulgence, big responsibility

To ensure the finer things in life don't leave a bitter aftertaste, we are putting increased emphasis on considerations of fairness, sustainability, environmental protection and responsibility when putting together our confectionery assortment. That's why in our Duty Free shops, the customer will find carefully selected products such as "Tony's Chocolonely" chocolates alongside "Ritter Sport" chocolates, manufactured using environmentally and socially sustainable production processes. Along with their outstanding quality, each of these products has a unique story to tell in terms of the manufacturers' motivation for committing to sustainable business practices.

The Dutch investigative reporter Teun van de Keuken began his new career as a sustainable chocolate manufacturer after writing one article too many on exploitative practices in the chocolate business. He started "Tony's Chocolonely" so that he could make his own chocolates and source the raw materials directly from farmers in Ghana and Cote d'Ivoire. Now that he has influence over the supply price, he is able to eliminate any possibility of the exploitation of cocoa farmers and their workers. In this way, "Tony's Chocolonely" takes an uncompromising stand against child and slave labour and works only with sustainable suppliers. So the company's slogan "Crazy about chocolate, serious about people" is more than a catchy piece of advertising – it is a mission statement.

The well-known Ritter Sport chocolate brand is also charting a clearly defined course into a future where sustainability and commercial success go hand in hand. In recent years, the Cannstatt-based family business, with its long tradition and outstanding record of success in the international marketplace, has realised that in the

area of sustainability, every decision it makes has global consequences. Mindful that even such a fine and wondrous thing as making chocolate has environmental ramifications, Ritter Sport has taken steps to place its commercial success on an environmentally and socially responsible footing. These include fair supply contracts, operating the world's largest single cocoa plantation, in Nicaragua, purchasing raw materials from sustainable sources and environmentally friendly packaging.



## LOOKING AHEAD: areas where we aim to raise our game

- The addition to the product portfolio of healthy products made using fair and environmentally friendly production methods
- Product safety and labelling
- Innovative and resource-conserving shop design and architectural concepts
- Dialogue with suppliers on sustainable projects and greater transparency regarding social and environmental standards along the value chain



# *Think and rethink –* **FOR THE WORK ENVIRONMENT**

Gebr. Heinemann is proud to be the only family business among the global leaders in the travel retail sector. This is our point of difference, and it shapes the way we work, each and every day. It is also reflected in our corporate principles, including our commitment to treat each other with respect and appreciation. Our leadership style is built on trust, through good times and bad. Worldwide, at all our locations and in our interactions with partners, we accept our responsibility for our work environment, with a strong values culture and relationships built on trust. Our key priorities in terms of HR management include diversity and equal opportunities, training and professional development for our employees, and occupational health and safety.





As Duty Free retailers, our mission is clear: to delight travellers all around the world. And with employees who share our passion for the travel market and are constantly exploring new paths to keep our customers delighted, we are ideally placed to deliver on that mission.

Our commitment to our employees therefore has many different facets. For example, we provide ample opportunities for personal and professional development, and any employee looking to extend his or her personal or geographical horizons is able to apply for job vacancies within the company all around the world, thanks to our new digital job vacancies portal. Another important component of our commitment to keeping our employees satisfied is building a family-friendly workplace, with flexible working hours and active support for young families at many of our locations. The same applies to our occupational health and safety programme, which is constantly being optimised for the well-being of our employees.

## The cornerstone of our success: our employees

The key to our success is our employees – employees who enjoy working at Gebr. Heinemann, identify with the company and are always there for the team, just as the team is always there for them when the need arises. And who knows, maybe our employees' positive attitude to their workplace has something to do with the fact that our product ranges are all about the finer things in life!



**Our new employer brand:  
Gebr. Heinemann & You**

To enhance the public profile of Gebr. Heinemann as an employer and make us even more attractive to potential employees, in 2018 we started a project for the strategic development of our employer brand. The resulting new brand is now in place and will be communicated across multiple channels in 2019.

The core concept of the new employer brand, as distilled from our corporate principles by means of market research and a series of internal workshops, is described by the project manager, HR Marketing Manager Christina Poulourtzidou, as follows: *“The core concept of the new brand is Gebr. Heinemann & You: we are a family business, with relationships based on appreciation, respect, trust and openness. We offer our people opportunities to develop their skills and make a difference. And everything we do is focused on the aim of delighting our customers.”* This is the mission we live by within the company. The task now is to communicate it externally even more strongly than before.



In line with our corporate mission, we were determined to involve our employees in both the development and the implementation of our new employer brand. Staff from many different departments and areas accepted the invitation to sign up as brand ambassadors for our company. This included taking part in a large-scale photo shoot, attended by everyone, from apprentices through to senior management.

The project team’s aim is to leverage the new employer brand to highlight the strengths of Gebr. Heinemann as a family business. With more than 8,000 employees worldwide, Gebr. Heinemann is one of the leading players in the global travel retail sector. So from the outset, we were looking for a concept that could be implemented internationally – *“obviously while still respecting cultural differences and the requirements of specific labour markets”*, as noted by Dr Wolfgang Thiele, Global Director HR. With its new employer brand, Gebr. Heinemann will now be able to position itself all around the world to impress potential applicants and clearly differentiate itself from the competition.



*“I was honoured to be able to take part in the campaign. The photo shoot was great fun and showed me yet again what a great team of colleagues I work with.”*

**”** **CHERYL CHAN-GORGS**  
Head of Sales Fashion & Accessories, Head Office, Hamburg

## International team spirit that puts family first

A company with more than 8,000 employees worldwide, of many different nationalities, is nothing out of the ordinary in today's world. What is out of the ordinary is when a company of that size seeks to preserve the cohesion and "feel" of a family business. Our approach to this challenge is to foster a special team spirit that transcends national borders and time zones.

One of the key success factors in maintaining this sense of international cohesion is our commitment to show respect and consideration not only to our employees, but to their families as well. Because as we all know from personal experience, to be relaxed, productive and creative at work, you need to feel happy and fulfilled at home.

8.000+  
PEOPLE

There are plenty of stories to be told about active support for young families at our locations around the world. Take Denmark for example. To highlight the priority Gebr. Heinemann Retail ApS gives to supporting its employees and their families, company management stages an annual "family day," with a full and varied programme of activities. At these events, employees' family members have the chance to get to know one another, which further consolidates trust and understanding, and the children find out what their parents do at work and who they work for. And for some of them, this may even be the first step towards their own career with Gebr. Heinemann...

Obviously there is much more to family support at Gebr. Heinemann than this – such as our commitment to ensuring a smooth, stress-free return to work for new parents who have been on parental leave. Carefully considered models for the return to work, with due allowance for individual needs and requirements, play an important part in creating a family-friendly workplace.

### Statistics on family-friendly arrangements:

At the locations of Gebr. Heinemann SE & Co KG, the proportion of employees on parental leave was 8.3% in 2018 and 7.3% in 2017\*.

Key figures on parental leave and maternity protection (Gebr. Heinemann SE & Co. KG only)

	2018	2017
Employees on parental leave or maternity protection	217	183
Proportion of employees on parental leave (in % of total workforce)	8.3	7.3
<i>of which males taking parental leave (in %)</i>	19.4	22.4

\* Not including apprentices and interns; single count method, i.e. couples splitting the parental leave entitlement between them are only counted as one; for the list of Gebr. Heinemann SE & Co. KG locations see p. 118.

The best employees are the ones who stay

All businesses today work hard to keep staff turnover as low as possible, not just because it is always sad to lose good people, but also because of the costs involved.

At the same time, we have to accept that there is a certain natural level of turnover in the business we are in, with fluctuations often occurring for no apparent reason. The turnover rate at the German locations of Gebr. Heinemann SE & Co. KG for 2018 was 9.4%, slightly up on the 8.5% figure for 2017. While this is still a low level for our sector as a whole, we take this as a clear signal that we can do better in this area. To form as clear a picture as possible of the satisfaction levels of our employees, annual employee interviews are conducted at the German locations of Gebr. Heinemann SE & Co. KG. These are opportunities for frank and open feedback, and a chance to discuss career aspirations and opportunities.

Key figures on staff turnover (Gebr. Heinemann SE & Co. KG only)

	2018	2017
New appointments*	300	302
Total turnover (in %)**	9.4	8.5
Voluntary turnover (in %)***	5.6	4.9

\* Not including apprentices and interns

\*\* Total departures/employee headcount in the calendar year (not including apprentices and interns) x 100

\*\*\* Turnover on employee's own initiative: number of employee resignations/employee headcount in calendar year (not including apprentices and interns)



”

To keep your employees, sometimes you have to give them some space

*Dr Wolfgang Thiele, Global Director HR, is well aware of the importance of sabbaticals for retaining valued employees over the long term.*

# Healthy employees, healthy company

Occupational health and safety is a complex and multi-faceted topic – and a key element for our company’s success. Healthy employees enjoy their work and are able to perform to their full potential. We therefore take a holistic approach to occupational health and safety issues. We do everything in our power to make the physical working conditions of our employees as healthy as possible, and we also encourage them to maintain a healthy lifestyle, with plenty of exercise and a healthy diet.

HR Manager Health & Safety Alexandra von Hobe is working to constantly enhance the measures already in place, as part of an ongoing process to further improve the well-being of our employees.



Alexandra von Hobe, HR Manager Health & Safety

## Setting an example: our health promotion measures in Hamburg

The wide spectrum of health promotion measures in place reflects the holistic and sustainable character of our company philosophy.



**Workplace ergonomics** *Setting up physical workstation conditions customised to each employee’s specific requirements is the first step towards ensuring a correct sitting position, suitable design for repetitive movements and general employee well-being. So at our Hamburg location, the health management programme provided for all interested employees includes an ergonomics consultation carried out on-site at the employee’s workstation. On a doctor’s recommendation, employees can also be given a height-adjustable work desk.*



**Eye tests** *Through occupational health preventive tests at screen workstations, any vision weaknesses can be picked up early, and appropriate low-vision aids can be arranged. For employees requiring glasses for screen work, we pay the cost up to a specified amount.*



**Regular staff medical clinics** *As from this year, we are running free quarterly staff medical clinics on-site at our corporate headquarters. This is a chance for employees to ask questions on any aspect of health at the workplace, including diet, stress management, blood pressure, etc. Flu vaccines are also offered each year in autumn.*



**Fitness programmes** *Our employees can train at selected fitness studios in Hamburg at specially discounted rates.*

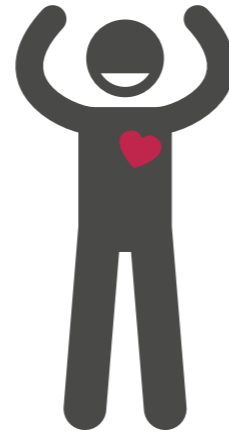


**Diet** *Daily meals at our cafeterias at our corporate headquarters and in Allermöhe are free of charge to our employees and include vegetarian dishes and a well-stocked salad buffet. To ensure staff get plenty of vitamins, fresh fruit is regularly served as the dessert course, and fruit baskets are put out on each floor of the building every two weeks.*

This comprehensive package of health measures, including workplace health management solutions, is being developed in collaboration with an external service provider, who is already also conducting activities such as ergonomics consultations at employees’ workstations.

## Welcome back: our occupational reintegration management scheme

This is a success we are particularly proud of: for many years now, our multi-location occupational reintegration management scheme has been helping employees get back to work following illness or health issues. The programme is not limited to managing a smooth reintegration at the workplace after an extended absence for sickness reasons – through rehabilitation programmes or workstation adjustments, for example. Equal importance is given to preventive measures to forestall any future health problems. The scheme is also available to employees wishing to take proactive steps to prevent the occurrence of health issues.



## Leaving nothing to chance: occupational health and safety

In summer 2018, our Head of Facility Management, Karl Heinz Vincze, working with Alexandra von Hobe, started running a newly designed OHS programme at our Hamburg headquarters. This programme goes far beyond the legally required training content. Employees are given the chance to get up to speed on first aid and fire safety using e-learning modules. They also receive individual, job-specific training on special topics such as hazardous substances and the safe use of equipment. Training courses at our headquarters in Hamburg's Hafencity district also cover the safe handling of electronic equipment and safety issues with regard to the use of steps and ladders, baling presses, hand-operated small machines, industrial trucks and forklifts, and the classification and safe handling of hazardous substances.



## Getting things moving at Heinemann Asia Pacific and Heinemann Americas

**Heinemann Asia Pacific has a wide range of measures in place to promote the health of its employees.**

- **Wellness days in the office:** Employees are taught a range of exercises they can do each day, right at their workstations, in order to stay healthy.
- **Sports activities outside the company:** Walking groups, football matches and games of snooker are all used to promote mental and physical well-being and harmonious relations at the workplace, and indeed after the work day is over.
- **Health screening tests:** All employees are offered diabetes and cholesterol tests and BMI calculations.
- **Exercise incentives:** In partnership with the AIA insurance company, employees can have their own personal electronic exercise profile analysed; anyone passing the magic figure of 12,500 steps receives shopping vouchers of 15 Singapore dollars per week.
- **Insurance benefits:** Family members of employees who have been with the company for more than three years get supplementary medical and dental insurance cover.
- **Healthy diet:** Healthy foods such as fruit, breakfast cereals, wholemeal bread, healthy snacks, etc. are available at the workplace.
- **Safety training courses for OHS and health management:** Regular safety drills are conducted in Heinemann Asia Pacific buildings, such as practice in using the fire and evacuation exits.

**Heinemann Americas also has a package of health promotion measures in place, with more planned for the future.**

- **All-round cover:** All employees at Heinemann Americas (HAI) are entitled to special insurance benefits as from one month after their appointment. For example, the company offers supplementary medical and ophthalmological cover via private health insurers.
- **Favourable insurance conditions:** Along with special rates for medical insurance cover, we fund employees for up to 100% of their life insurance policies and short-term and long-term work disability policies.
- **Healthy diet:** Healthy food is served at all employee functions and events. Naturally, this includes catering for any special dietary needs of individual employees.
- **Sports activities:** Colleagues regularly meet up after work to play football and basketball.

# Top-quality training, top-notch performance

We aim to make our customers happy, but to do that, we also need happy employees. So we put a lot of effort into making sure people enjoy working for us. Through an extensive range of personal and professional development offerings, for example, we try to make our employees more confident about the work they do and give them all the tools they need to master their daily challenges. This is important, because the varied and exciting work they do at Gebr. Heinemann brings its own special demands. In the work we do each day, we constantly encounter challenges that we can master only by functioning as a learning organisation. That's why we run regular training courses on new legislation and regulations, as well as function-specific professional development programmes. We need to have employees with motivation and integrity and the ability to readily meet the ever changing expectations the market places on our business model.

As from last year, we have therefore been offering our apprentices the opportunity to include stints abroad as part of their apprenticeships in retail, wholesale, international trade or logistics. Apprenticeships are currently offered in the following occupations: retail business administrator, wholesale/international trade business administrator, specialist store-person and warehouse logistics specialist. Apprentices are also recruited for other occupations as required, for example hospitality specialists and marketing communication administrators. The portfolio also includes trainee programmes and our International Leadership Program – Retail Airports as well as dual-track student programmes in business administration, often with a major in commerce, though not necessarily so, and occasionally also business informatics.

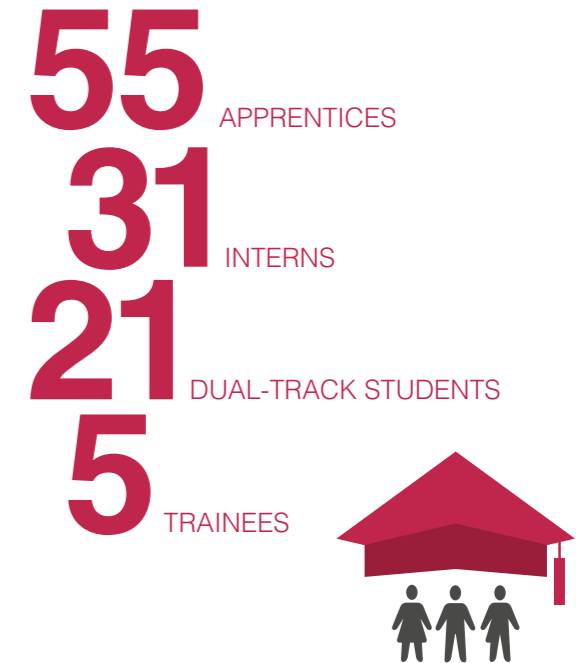
Key figures for training and professional development (Gebr. Heinemann SE & Co. KG only)

	2018	2017
Training and professional development component of staff costs (in %)	1.1	1.0
Number of apprentices	55	57
Number of dual-track students	21	22
Number of trainees	5	5
Number of training courses conducted via HR (in %)	48.6	50.9
Number of participants attending training courses via HR	1,189	861
Average professional development costs per employee (in €)	770	635

## Training for the future

We can never truly know what the future holds for our business. But there's one thing we do know for sure: the future rests with the young staff we employ today. So wherever possible, we encourage, and indeed challenge, our younger employees to play an active part in creating the future. By drawing in this way on the ideas contributed by our 55 apprentices, 31 interns and 21 dual-track students in Germany, along with our 5 trainees, we are developing a structure for the Duty Free retail business of Gebr. Heinemann that will carry our model for success forward into the coming decades. Our confidence in the potential of our young talent is borne out by the fact that in 2017 and 2018, all trainees successfully completed their programmes and have now been placed in suitable positions. This tells us we are definitely on the right track.

### Young talent in 2018



## Better equipped for the job – and for life

Many of our employees tell us they would like to have more targeted ways of developing the skills they need to cope with their often very demanding daily tasks. We have therefore set up a number of programmes to meet this need.

These include:



### Internal training courses

The seminar programme at headquarters includes courses on all aspects of work methods, communication, personal growth and development, and leadership. Enrolment is by arrangement with the employee's manager. Also included are product training courses (basic level) for our extensive product range, and foreign language and IT courses.



### Funding support for external training and professional development programmes

Gebr. Heinemann offers support for employees wishing to undertake part-time university studies. Applications for funding support are considered on a case-by-case basis.

## A bigger talent pool for a brighter future

In line with our principles of diversity and equal opportunity, the 2018/19 intake of the Gebr. Heinemann Talent Management programme has been more international than ever before. For the first time, applications have also been invited from colleagues at our subsidiaries Heinemann Americas and Heinemann Asia Pacific. The final selection of 18 applicants for the programme was made by means of an assessment centre.

Another change adopted for this fifth edition of the Talent Management programme is a stronger focus on leadership and management. The talents are now expected to engage more intensively with individual topics and challenges, with help from their mentors – all top-level managers at Gebr. Heinemann. A series of modules, each lasting several days, provides the ideal “finishing school” for the young high potentials as they prepare to embark on their international careers. And to add an extra touch of direct practical relevance, they then take part in a series of virtual meetings, where they work on a business case developed personally by company management. This is a demanding programme, aimed at meeting the highest standards. In the words of HR Manager Global Julia Breuer: *“We are looking for people who have the business, analytical and strategic skills needed to one day be directors, plus the will and commitment needed to make that happen.”*

At the end of February 2019, the four dynamic young women from the 2017/18 Talent Management programme successfully presented their business case to the company owners, management, project sponsors and HR. The audience was deeply impressed and plans to put the ideas into practice.

*“I am really motivated by new tasks and more responsibility, because I genuinely believe in the family values of Gebr. Heinemann. My team has literally become a second family for me! The talent programme will give me deeper insights into the company’s strategies and ideas – plus the opportunity to learn from real experts in their field. It’s amazing! I am hoping for big things from the programme, for both my personal and professional development!”*

Mirjana Renic, Financial Controller, Heinemann Americas



*“As a real team player, I quickly forget about my typical north German reticence and get down to work with my colleagues on analysing and solving the challenges we are given. I especially like Gebr. Heinemann’s values and informal, collaborative culture. The talent programme is going to take me out of my comfort zone! I always enjoy broadening my horizons and skills. That also applies on the cultural level, because intercultural sensitivity is going to be more important than ever in the world of tomorrow!”*

Laura Moser, Project Manager Fulfillment, Head Office, Hamburg

*“I think that everyone has something special that you can learn from. Instead of taking myself too seriously, I prefer to focus on enjoying what I do. So the open and inclusive atmosphere at Gebr. Heinemann is ideal for me! Everyone is happy to help you. My aim in the talent programme is to develop my full potential. This is a really unique opportunity! I am hoping to get a clearer overall picture of our company and refine my leadership skills. At the end of it I will be better equipped for my everyday work responsibilities.”*

Federica Rossi, Cruise Operations Manager, Heinemann Australia



*“Because I am naturally curious, I always want to see and understand the big picture. That’s why I like my job here at Gebr. Heinemann – because of the international and dynamic work environment and the amazing people I meet every day. The talent programme gives me a chance to continue on this path and take it to a new level. New people, new places and new environments – I am looking forward to finding fresh inspiration for our business!”*

Juliane Stehr,  
Category Sales Manager LTC, Eastern Europe & Central Asia, Head Office, Hamburg

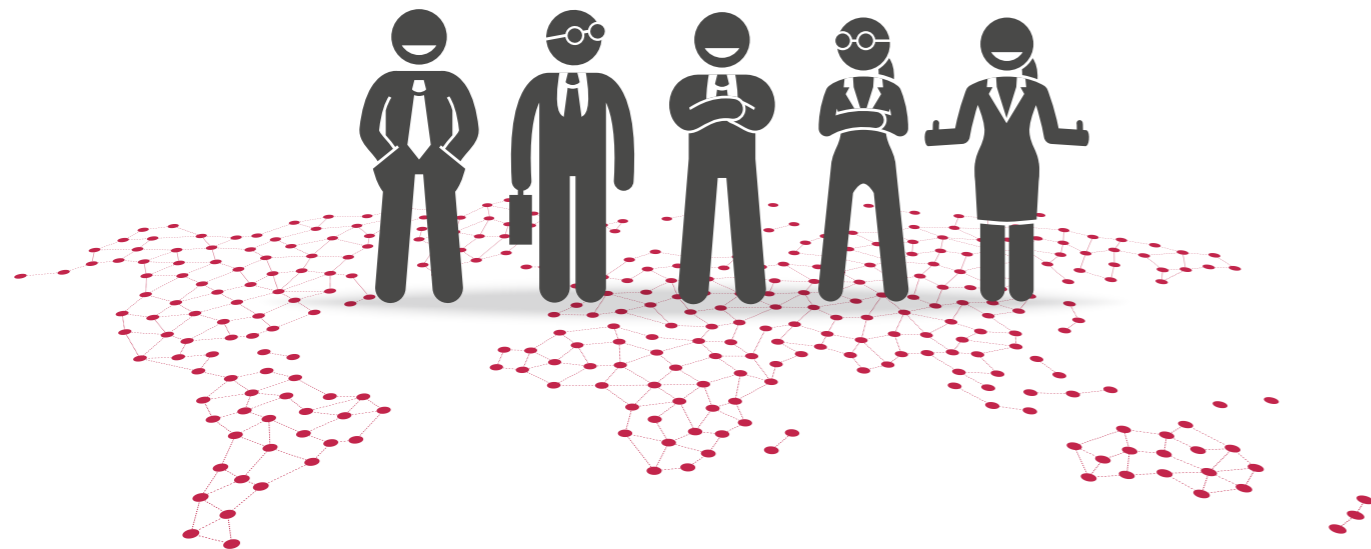


## Staying connected with cross-border dialogue and exchange

The “think global, act local” principle also applies to training and professional development. Our international locations are expected to operate according to their individual needs and opportunities, but always in line with the Gebr. Heinemann corporate mission.

This is our recipe for maintaining an individual and friendly style in our interactions with customers and partners on the international level. As Janina Stucke, Head of HR Partners Global puts it: *“International knowledge exchange is a crucial component of the global success of Gebr. Heinemann. This applies not just to supporting international careers and helping new employees at Heinemann sales outlets to find their feet, but also to cooperation between corporate offices around the world.”*

The most recent example of this is the new onboarding programme at Heinemann Australia, and consideration is now being given to rolling out the ideas developed in Sydney to other retail locations. Another best practice example is the Five Star Host programme at Gebr. Heinemann Retail ApS in Denmark.



### Ready for take-off: our onboarding programme at Heinemann Australia

Even down under in Australia, onboarding is an issue that’s right at the top of the agenda. In order to attract and retain high potentials, the HR team at Heinemann Australia has started an ambitious and extensive onboarding programme. During their first six months on the job, new team members at locations in Australia have a “buddy” working alongside them. The buddies are experienced employees who help their new colleagues at our corporate office and 10,000m<sup>2</sup> sales floor at Sydney Airport and at Gold Coast Airport to find their way in their new work environment. As well as getting a general introduction to the world of Heinemann Australia and its administrative processes, the new employees are brought up to speed on diversity and inclusion issues. With the help of their buddy, each new staff member works his or her way through an “onboarding passport”, through to completion of the six-month programme and the associated graduation celebration. Key elements of the programme, along with the buddy system, include:

- an interactive onboarding portal
- a practical training course on applying new skills and meeting compliance requirements
- regular interviews on the performance and satisfaction levels of the new employees



A career as a round-the-world journey

Curiosity about the world is encoded in Gebr. Heinemann's DNA. Our employees are always looking to broaden their outlook and learn new things. They are up for new experiences and new challenges, and for many, this is exactly why they like working at Gebr. Heinemann. One giant step towards a more diverse range of opportunities is the internal global job market developed by Janina Stucke, Head of HR Partners Global, in partnership with colleagues from Recruitment and IT. "The aim of our international job market is to keep our best employees excited about working for Heinemann," Ms Stucke says.

And indeed, for many employees with the right mix of expertise and language skills, the in-house job market is a great way to develop their skills abroad, explore new countries and cultures, and generally broaden their horizons, without having to leave the company. Following a successful trial at our Hamburg headquarters and in Sydney and Vienna, the virtual job market is now up and running and available to all employees. The online application process is fast, efficient and hassle-free. There has also been a welcome side effect from the new solution: "It provides an attractive new recruitment channel for locations that still do not have a high profile on the local job market", says Bianca Stockhausen, Team Lead Talent Acquisition. So according to Global Director HR Dr Wolfgang Thiele, the jobs market has been a winner for everyone concerned: "For the increasing global challenges that lie ahead, Gebr. Heinemann needs employees who feel at home in the international context and who have the required intercultural awareness and global mindset."



Janina Stucke, Head of HR Partners Global

"My journey with Gebr. Heinemann started in Amsterdam. The next stop was Hong Kong. I speak Cantonese, so I was really excited at the prospect of getting to know the Asian business environment. But now I also feel right at home here in Berlin. In my current role as Assortment Manager I am extending my knowledge of retail, learning a new language and getting to know more great members of the Gebr. Heinemann family!"

Wing Chee Chau, Berlin Schönefeld/Berlin Tegel airports



"During my time with Gebr. Heinemann I have continually expanded my areas of responsibility – and I have had the pleasure of working with many different colleagues and exploring the wealth of diversity within the company. I started as a Sales Assistant at Bologna airport. After a few months, the company offered me a position as Back Office Assistant. Then came an opportunity to extend my knowledge in the Logistics and Forecast area, as a Stock Manager. After that I became Head of Accounting, and now I am a Business Financial Analyst at our Hamburg headquarters. So you certainly get around when you work for Gebr. Heinemann!"

Oleg Pantelei, Head Office, Hamburg

"From Hamburg-Allermöhe to Malaysia... this has been an incredible opportunity for me to get to know this multifaceted country, which truly is a melting pot of many different ethnicities, cultures and languages, with historical influences from Chinese, Indian, Persian, Arab and British cultures. And it has been really stimulating to make the links between the processes at our logistics centres in Germany and the requirements and expectations here on the ground in South-East Asia, to get a complete picture of Heinemann as a company."

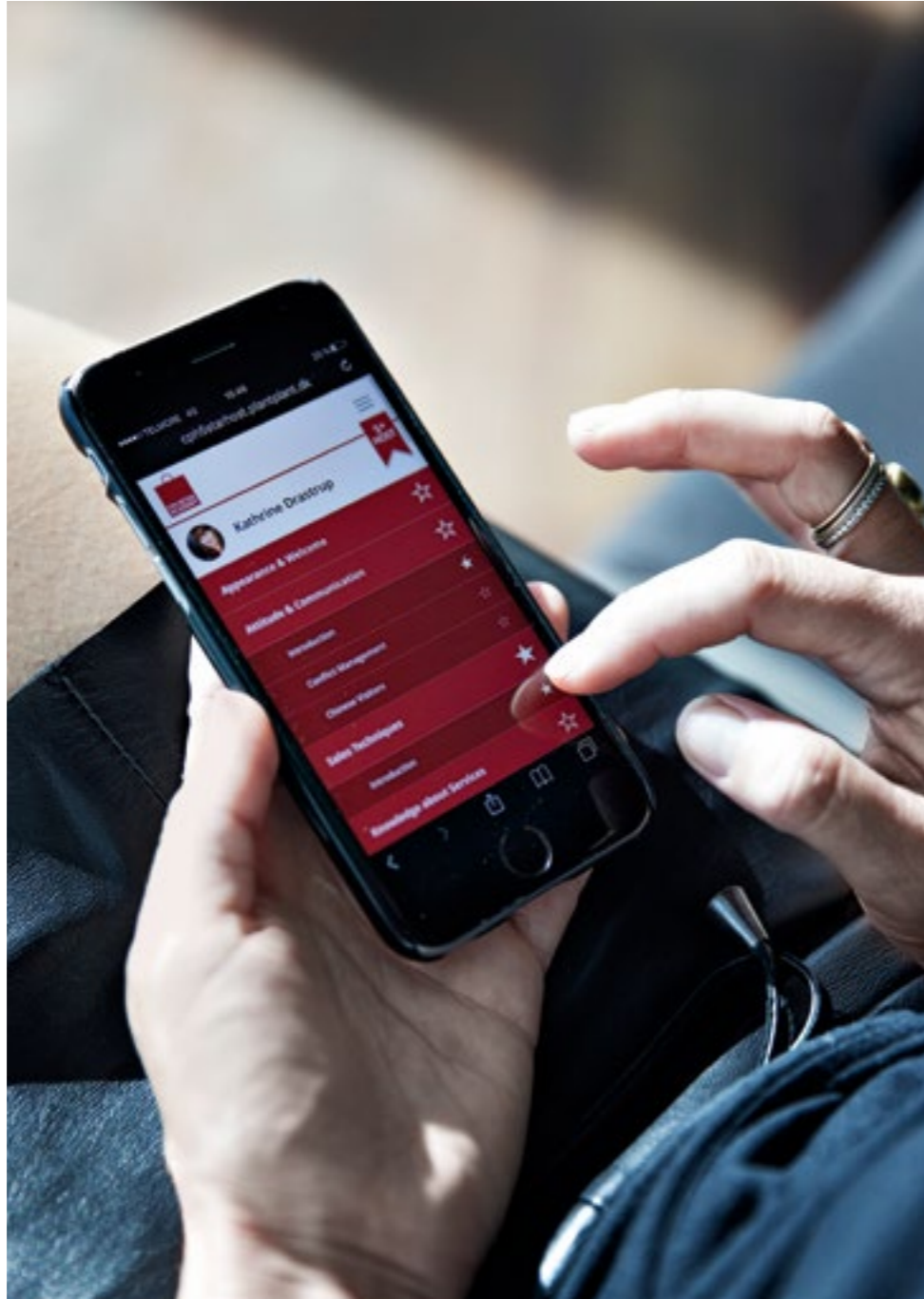
Felix Weber, expat in Malaysia



## Five-star competence in Denmark

What is the secret to giving your customers a world-class shopping experience? Providing world-class professional development for your employees! The ongoing success story of Gebr. Heinemann Retail ApS is based on constantly developing the knowledge and skills of our people.

For example, over the last few years a number of employees in Denmark have completed a leadership programme at the well-known Niels Brock Business School. And in 2017, a total of 219 employees graduated from the Five Star Host programme at CPH Retail Academy – with a “five star” grade, of course! CPH Retail Academy is an innovative sales and service training course provided by Copenhagen Airport, covering mystery shopping, e-learning using a special smartphone app, and practical on-the-job training.



## Heinemann Speakap: diversity and dialogue in action

Heinemann Speakap is a mobile social communication platform, used since 2018 to connect our employees around the world and enable the rapid sharing of news and ideas. The news updates function on Heinemann Speakap gives all employees access to information directly relating to their location or to the company as a whole. They can choose between the app, web or tablet version. The aim is to encourage global mobile communication across national borders and time zones. *“Heinemann Speakap gives us a contemporary solution for keeping our employees connected internationally. Particularly for sales or logistics employees who do not have a workstation with a monitor, this app gives them access to the latest news on the company or their location in real time, right on their mobile phone,”* says Project Manager Retail Pia Schlottmann, who saw this project through to completion.

Heinemann Speakap is the perfect technological expression of our tried and proven corporate principle of being a family business with interactions built on trust and openness. The platform is closed and secure, and fully complies with all data protection requirements.

*“In Italy we are spread out over the whole of the country with three outlets and one main branch. It used to be really difficult to get information out quickly and reliably to all our employees. Now we feel much more connected, because we immediately get all the news on our regional activities here in Italy, and feel part of the international Heinemann family much more than we used to. Our individual employees have a much stronger sense of engagement with that family, which is just great, more than we ever expected.”*

**” PAOLO MAZZANTE**  
Human Resources, Heinemann Italy



# What sets us apart from the rest: diversity, equal opportunities and equal treatment

Diversity has many different facets, each of which we regard as a special strength that we can systematically build on. Diversity is also reflected in our HR management objectives: to fill key decision-making roles from the broadest possible range of nationalities, to promote the appointment of women to leadership roles and to offer our experienced older employees a work environment appropriate for their individual work capabilities. We are also committed to doing even more to promote fair and uniform working conditions at our international locations, across all regions and areas of activity.

And, as goes without saying, equality of opportunities is a mandatory requirement. We have a strict rule that the classic diversity dimensions – gender, nationality, ethnicity, religion and world view, disability, age or sexual orientation and identity – must never be used as the basis for any form of discrimination at Gebr. Heinemann. Rather, they must be seen as opportunities for the company to grow through diversity and in mutual respect. We are particularly proud of the fact that people who were living in conditions of conflict in their home country can work alongside their colleagues in peace and harmony here at Gebr. Heinemann.

Key figures on workforce numbers and mix (Gebr. Heinemann SE & Co. KG only)

	2018	2017
Base workforce (without apprentices and interns)	2,603	2,507
<i>of which women (in %)</i>	57.2	56.8
Average age	40.7	40.3
Nationalities	71	70



**Proportion of women in leadership roles at Gebr. Heinemann headquarters:**  
 Team Leader: 56% | Head of: 61% | Director: 13% | C level: 0%

# 71 Nationalities

**A** Afghan, Algerian, American, Armenian, Austrian **B** Bangladeshi, Belarusian, Bosnian/Herzegovinian, Brazilian, British, Bulgarian **C** Cameroonian, Canadian, Chilean, Chinese, Colombian, Croatian, Cuban, Czech **D** Danish, Dutch **E** Ecuadorian, Estonian **F** Filipino, Finnish, French **G** Gambian, Georgian, German, Ghanaian, Greek **H** Hungarian **I** Indonesian, Iraqi, Iranian, Irish, Italian **K** Kazakh, Kenyan, Korean, Kyrgyz **L** Latvian, Lithuanian, Luxembourgish **M** Moroccan, Macedonian, Mexican, Moldovan, Monegasque, Mongolian **N** Nepalese, Nigerian **P** Polish, Portuguese **R** Rwandan, Romanian, Russian **S** Swedish, Solomon Island, Swiss, Serbian/Montenegrin, Serbian, Slovak, Spanish, Syrian **T** Taiwanese, Thai, Togolese, Turkish **U** Ukrainian, Uzbek

## Equal pay for equal work

Gebr. Heinemann takes the principle of “equal pay for equal work” very seriously. We take it as self-evident that in our company, none of the above-mentioned diversity dimensions may ever provide the basis for differences in remuneration where people are doing the same work. Where necessary, we determine equivalences between different activities on the basis of the specific job requirements in each case.

The strength of our commitment, and just how well our unwritten rules work in practice, is demonstrated by a zero statistic exactly where we want one: over the reporting period, there has been not been a single case of discrimination in terms of remuneration at Gebr. Heinemann SE & Co. KG. Where submissions have been made on the basis of the transparency of remuneration legislation introduced in Germany, no evidence of discrimination has been found. It goes without saying that the remuneration structures at all Gebr. Heinemann locations around the world comply with the relevant national minimum wage laws.

The company does not have a blanket collective labour agreement policy for its locations outside Germany. Within Germany, Gebr. Heinemann has voluntarily adopted the collectively agreed remuneration rates of the logistics and retail sectors. Going forward, the Gebr. Heinemann “Clear Career” transparent career and remuneration system will provide the basis for fair and transparent processes for HR development, remuneration and career planning.



## Joining forces for a better world (and workplace)

It goes without saying that no global player can staff its entire value chain with its own employees. Hence in logistics, for example, we work mainly with external freight forwarders and waste disposal service providers (cf. “Seeing the big picture, and keeping our partners in the loop”, p. 37), and we also feel a sense of responsibility for their safety and well-being, not least at the point when they drive their vehicles up to the loading bays in our logistics centres. Needless to say, at these locations we are certified under the Occupational Health and Safety Assessment series standard (OHSAS).

But in many cases, certification requirements on their own are not enough to ensure effective protection for our internal and external personnel, so in these situations our precautions exceed the relevant legal requirements and standards. Another example relates to compliance with social standards by our suppliers, particularly manufacturing firms. To ensure that our partners meet the international guidelines on social justice and rules and standards on human and labour rights such as those promulgated by the International Labour Organisation (ILO) or by industry initiatives such as the BSCI, we require them to hold the relevant certifications, which we subject to strict verification checks. Particular attention is paid to these issues for non-merchandise goods, with rigorous processes in place for verifying documentation on social compliance by potential and existing suppliers. If no audit is available, or if there are unsatisfactory audit results in critical areas, we refrain from working with the manufacturer in question.



## LOOKING AHEAD: areas where we aim to raise our game

- Diversity and equal opportunities: higher proportion of women in top management and filling leadership positions in the company with employees from different nationalities
- Training and professional development: further extension of professional development programmes and targeted annual training programmes
- The roll-out of our existing support and development programmes in Germany to our other locations around the world
- The systematic review of social standards at our international locations and at strategic partners (based on OHSAS, ISO and ILO standards and the use of industry-standard audit schemes for social compliance)
- Expansion of the data management system for the collection of HR management-related and controlling-related KPIs

The background is a vibrant green with various shades and organic, layered shapes that resemble foliage or a stylized landscape. In the lower right, there is a circular icon containing a white line-art tree with a cloud above it, symbolizing nature and environmental protection.

# *Think and rethink –* **FOR THE NATURAL ENVIRONMENT**

Our activities in the environmental protection arena cover a wide spectrum – from office materials procurement according to environmental criteria and discouraging the use of plastic bags, through to high-tech solutions at our logistics locations that contribute to energy and emission savings. But here too, as elsewhere, we need to be constantly rethinking our approach and taking decisive action. The coming years will therefore see increasing efforts focused on the task of identifying, quantifying and measuring the material impacts of our business activities on the environment. Only then will we have the tools and information we need in order to reduce our environmental footprint. This will call for considerable effort and focus on the part of our employees and external partners, not to mention the allocation of specially earmarked resources.

## We measure ourselves by our goals, and our numbers

We are already aware of the key issues and areas where we can make a difference in terms of environmental protection at our numerous international locations. But in order to develop a systematic environmental management structure, we need to start at the centre and work progressively outwards. That means first “putting our own house in order” at our central locations, such as our headquarters in HafenCity, Hamburg, and our logistics site in Allermöhe. Only then, in subsequent years, can we proceed with the systematic integration of further international locations into our environmental management system and environmental strategy. In the medium term, our goal is to have consolidated data records for our international locations so that we can analyse the year-on-year trends and take action accordingly.

During the reporting period, we commenced work on the systematic determination of environmental indicators and environmental management reference values. This involves closely examining the numbers, avoiding arbitrary interpretations, and starting to measure ourselves and our partners on the basis of concrete facts and figures. That’s because over the next few years we are planning a number of big steps to achieve a small environmental footprint. Our efforts towards these goals started in 2018 at two locations: our company headquarters in HafenCity and our logistics center in Allermöhe. Both of these sites are now using environmental management systems that were certified by independent experts in 2018.

Of course, our focus is not on the certificates as such, but on concrete analyses that enable us to plan and develop targeted and effective actions. Careful analysis is important because it is already clear from these two locations just how different the environmental challenges will be in each specific context.

## Profiting the environment at our HQ

In 2018, we put the ECOPROFIT environmental management system into operation at our headquarters in Hamburg. Throughout that year, we were supported by our in-house environmental experts and had the opportunity to attend nearly a dozen events, specialist presentations and workshops. We were thus well equipped with the skills and expertise needed to implement the system at our headquarters in partnership with our highly motivated environmental team. The training and information provided covered all the standard environmental topics, such as energy and emissions, waste, water and wastewater, hazardous substances and environmental law, as well as purchasing, stock management and occupational health and safety.

The purpose of participating in the ECOPROFIT programme was not just to obtain certification, but to become familiar with the tools it provides, with a view to using some of them for the organisation, management and controlling of environmental data at our Hamburg site, and in the medium term also at other Gebr. Heinemann locations.

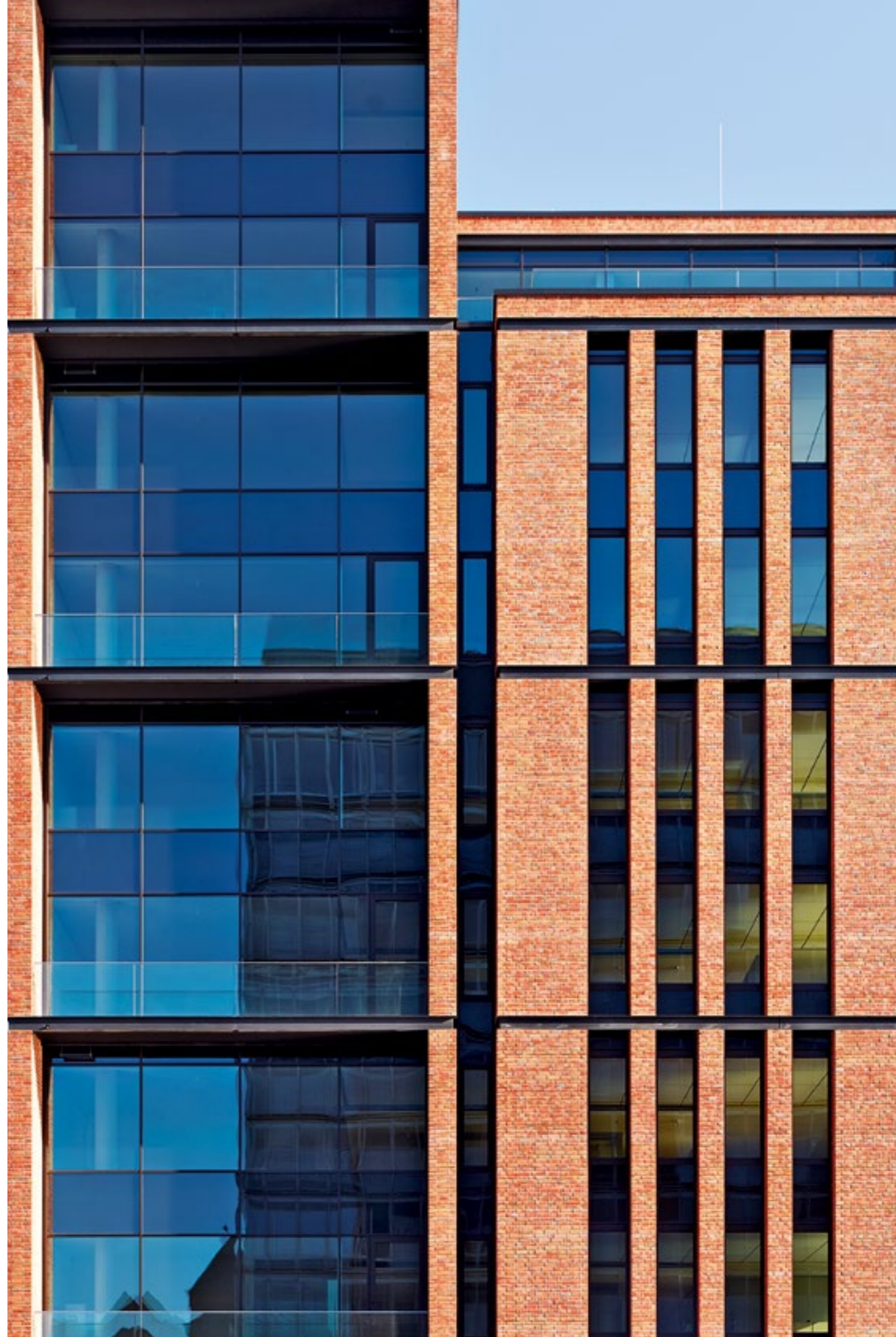




### Environmental indicators and consumption data at our HQ in HafenCity, Hamburg

Our headquarters in HafenCity, Hamburg, consists of two administrative and office buildings: a new structure erected between 2014 and 2016 with state-of-the-art architecture and technology and occupying an area of approximately 9,700m<sup>2</sup>, and an existing building, constructed in 1978 and altered and refurbished in 2009 to state-of-the-art standards. The heated area of the building complex is 17,298m<sup>2</sup>. A total of 970 and 1,060 employees were employed at the location in 2017 and 2018, respectively.

	2018	2017	Δ
<b>ENERGY CONSUMPTION</b>	<b>4,147,559</b>	4,065,449	112,280
Electricity (kWh) <i>Resulting CO<sub>2</sub> emissions (kg)</i>	2,573,547 1,454,054	2,514,566 1,420,730	58,981 33,324
District heating (kWh) <i>Resulting CO<sub>2</sub> emissions (kg)</i>	504,522 112,508	494,742 111,497	9,780 1,011
Natural gas (kWh) <i>Resulting CO<sub>2</sub> emissions (kg)</i>	939,197 188,910	920,391 185,127	18,806 3,783
Petrol (litres) <i>Resulting CO<sub>2</sub> emissions (kg)</i>	53,101 12,957	43,473 10,607	9,628 2,350
Diesel (litres) <i>Resulting CO<sub>2</sub> emissions (kg)</i>	77,192 19,144	92,277 22,885	15,085 3,741
<b>CO<sub>2</sub> EMISSIONS (TOTAL)</b>	<b>1,787,573</b>	1,750,846	36,727
<b>WATER (m<sup>3</sup>)</b>	<b>7,434</b>	7,136	298
<b>WASTEWATER (m<sup>3</sup>)</b>	<b>7,434</b>	7,136	298



**New ideas for a new energy future**

Ongoing efforts to optimise our energy consumption and thereby reduce harmful climate emissions have been underway for some years in our office and administration complex in Hamburg’s HafenCity district. The new building at the complex is heated by district heating, and the refurbished older building is heated by a gas-fired boiler plant. The district heating energy is supplied under an innovative energy-supply model which the Hamburg city administration has been developing specifically for the HafenCity district in partnership with utilities and adjacent industrial businesses over a period of around ten years. A large proportion of this district heating energy is now generated via a waste heat system. The guaranteed maximum CO<sub>2</sub> figure for purchased district heating energy is only 70 grams per kilowatt-hour.

We also continue to take every opportunity to optimise the gas-fired heating system in the older of the two buildings. By optimising the plant’s operating times and switching the boiler off in the summer months, daily consumption was reduced by about 800 kWh. Consumption in 2010 was 3,333 kWh per day, but by 2018 this had fallen to an average of just 2,520 kWh per day. That translates to savings of just on 300,000 kWh per year – a pleasing sight at meter-reading time and a major plus when our energy bills arrive.

Further measures to boost energy efficiency in recent years include the refit of the air-conditioning control mechanism in one of our main server rooms, resulting in annual savings of around 25,000 kWh, and the replacement of conventional lights with low-energy LEDs. Nonetheless, the consumption data in the table above still points to a lot of untapped improvement potential, which is why we plan to continue our resource conservation efforts.



Energy efficiency measures through modernisation of lighting (HafenCity location, Hamburg)

	Expected electricity savings p.a.	CO <sub>2</sub> saving in kg (calculation basis: federal German electricity mix)
#1: Replacement of 480 halogen recessed lights (35 W) with 480 LED lights (5 W)	62,853 kWh	35,512 kg
#2: Replacement of 291 fluorescent lamps (downlights, 58 W) with 291 LED lights (18 W)	50,983 kWh	28,850 kg
#3: Replacement of outside lights with LED lights	3,654 kWh	2,065 kg
#4: Replacement of garage lights with LED lights	5,333 kWh	3,013 kg

## Rethinking office materials from the environmental perspective

We are also giving greater attention to environmental responsibility considerations in the purchasing of our office materials. To this end, we compared the products and solutions offered by various alternative office material manufacturers and eventually opted for an office supplies catalogue that we can continually develop and tailor to our requirements. The catalogue features sustainable products, including several that are slightly more expensive than their less sustainable equivalents.

Purchase orders are, for the most part, organised via our in-house post room. The products selected on the basis of environmental criteria currently include writing implements such as highlighters, correction rollers, glue sticks and filing accessories made of bio-based and recycled materials.



Kirsten Warnsholz (Buyer Material Supply) and Diana Kusen (Assistant Post Office)

## Architecture and building management: a gold-medal achievement

We take special pride in having received the gold Hafencity Ecolabel environmental mark for our new building on Koreastrasse. Buildings are awarded this distinction for their outstanding environmental performance, following a rigorous certification process. One of the strictest criteria for being awarded the Ecolabel was the requirement to be at least 30% below the permitted values stipulated by the German Energy Conservation Regulations. The external, independent experts who examined our building in 2018 in the second monitoring round, looking at its consumption figures and comparing the calculated values against the regulations, found that we had met and surpassed this ambitious target. Certification also required the building to meet further criteria, for which the developers/owners had given undertakings. At least three of the following five criteria had to be met, exceeding the legal requirement in each case:

- Sustainable use of energy resources in the building (mandatory category)
- Sustainable use of public assets
- Use of environmentally responsible construction materials
- Special consideration of health and comfort
- Sustainable building operation and accessibility



# Good ideas drive environmental protection in logistics

We operate a state-of-the-art logistics centre at Hamburg-Allermöhe. Logistics is necessarily an energy-intensive process, but here, too, we are able to make continuous improvements to our environmental balance sheet, particularly through the use of the latest technologies.

Other key environmental issues at Allermöhe include materials consumption, the generation of waste and the handling of hazardous substances. In the medium term, we also plan to engage with our partners, including freight operators and providers of waste management services, with a view to agreeing on common environmental targets. This is part of the reason why communication is so important in our logistics operations. And by “communication” we mean: (1) verifying the sustainability actions already communicated by our partners; and (2) engaging in respectful two-way dialogue with our partners to set benchmarks in areas such as energy and fuel consumption and route and load-capacity optimisation.

Further action areas have already been defined, and the next step is to formulate the necessary implementation measures.



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Think and rethink – for the natural environment

## Environmental indicators and consumption figures from the Allermöhe logistics centre

Our logistics centres at Hamburg-Allermöhe and Erlensee near Frankfurt are among the most advanced of their kind in the global travel market. The Allermöhe facility alone has a workforce of around 500 employees to manage the logistics processes. It holds some 50,000 articles permanently in stock, enabling us to ship our many international customers exactly what they need, exactly when they need it, each and every day. The building has a footprint of about 19,700m<sup>2</sup>, with a total floor area for goods handling operations of 46,000m<sup>2</sup>.

Consumption of resources, particularly energy, at these logistics centres is of course significantly higher than at our headquarters in HafenCity, a fact due mainly to the differing building uses involved. For example, at our logistics centres, materials handling operations accounted for a full 50% of total energy consumption. The comparatively high energy consumption at these locations during the 2018 reporting period is the result of increased handling volumes. At the Allermöhe logistics centre, for example, about 8 million more sales units were picked in 2018 than in the previous year. Another contributing factor was the record summer heatwave, which resulted in higher-than-normal energy consumption for climate control at the location.

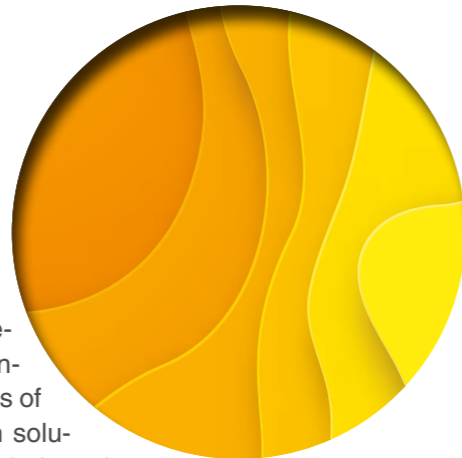
	2018	2017	Δ
<b>ENERGY CONSUMPTION (KWH)</b>	<b>8,699,879</b>	8,146,064	553,815
Electricity (kWh)	3,839,872	3,763,024	76,848
Resulting CO <sub>2</sub> emissions (kg)	2,169,528	2,126,109	43,419
Natural gas (kWh)*	4,860,007	4,383,040	476,967
Resulting CO <sub>2</sub> emissions (kg)	1,001,161	902,906	98,255
<b>CO<sub>2</sub> EMISSIONS (TOTAL)</b>	<b>3,170,689</b>	3,029,15	141,674
<b>WATER (m<sup>3</sup>)</b>	<b>6,283</b>	6,224	59
<b>WASTEWATER (m<sup>3</sup>)**</b>	<b>6,283</b>	6,224	59
Including cooling water for absorption cooling system (m <sup>3</sup> )	763	733	30
<b>WASTE (t)***</b>			
Cardboard packaging****	405	403	2
Soft plastic packaging****	71	75	-4
Other waste for recycling	101	112	-11
Expired luxury food items	86	85	1

\* The natural gas is used, among other things, in our combined heat and power plant; electric output (in kWh): 993,607 (2018) / 1,197,065 (2017)

\*\* The cooling water is by definition wastewater, but is not charged as such by utility providers.

\*\*\* The waste figures reported here account for 90% of all waste generated at this location. The remaining 10% relates to separately classified or declared waste or to one-off instances of waste, such as that generated when upgrading to new PCs, etc.

\*\*\*\* This is collected for recycling by external providers.



**Energy savings across the spectrum – including solar**

Intelligent warehouse management systems at our logistics centres help us to save large amounts of energy each year. The high-tech solutions used to conserve energy include optimised planning for shorter transport routes and regenerative braking.

Some of the energy needed for our logistics centres is generated using our own gas-fired combined heat and power plants and photovoltaic arrays. We have a 2,000m<sup>2</sup> photovoltaic array at our Allermöhe site that was installed back in 2011. Its average peak power generation is 168 kW.

We are also considering the possibility of switching to an alternative energy supplier because we see that as a particularly effective way to reduce our CO<sub>2</sub> footprint.

Energy generation at Allermöhe (in kWh)

	2018	2017	Δ
<b>ENERGY GENERATION</b>			
Combined heat and power plant	888,494	813,179	75,315
Photovoltaic array	124,191	108,359	15,832
<b>Total</b>	<b>1,012,685</b>	<b>921,538</b>	<b>91,147</b>

**70tCO<sub>2</sub> SAVINGS IN 2018**

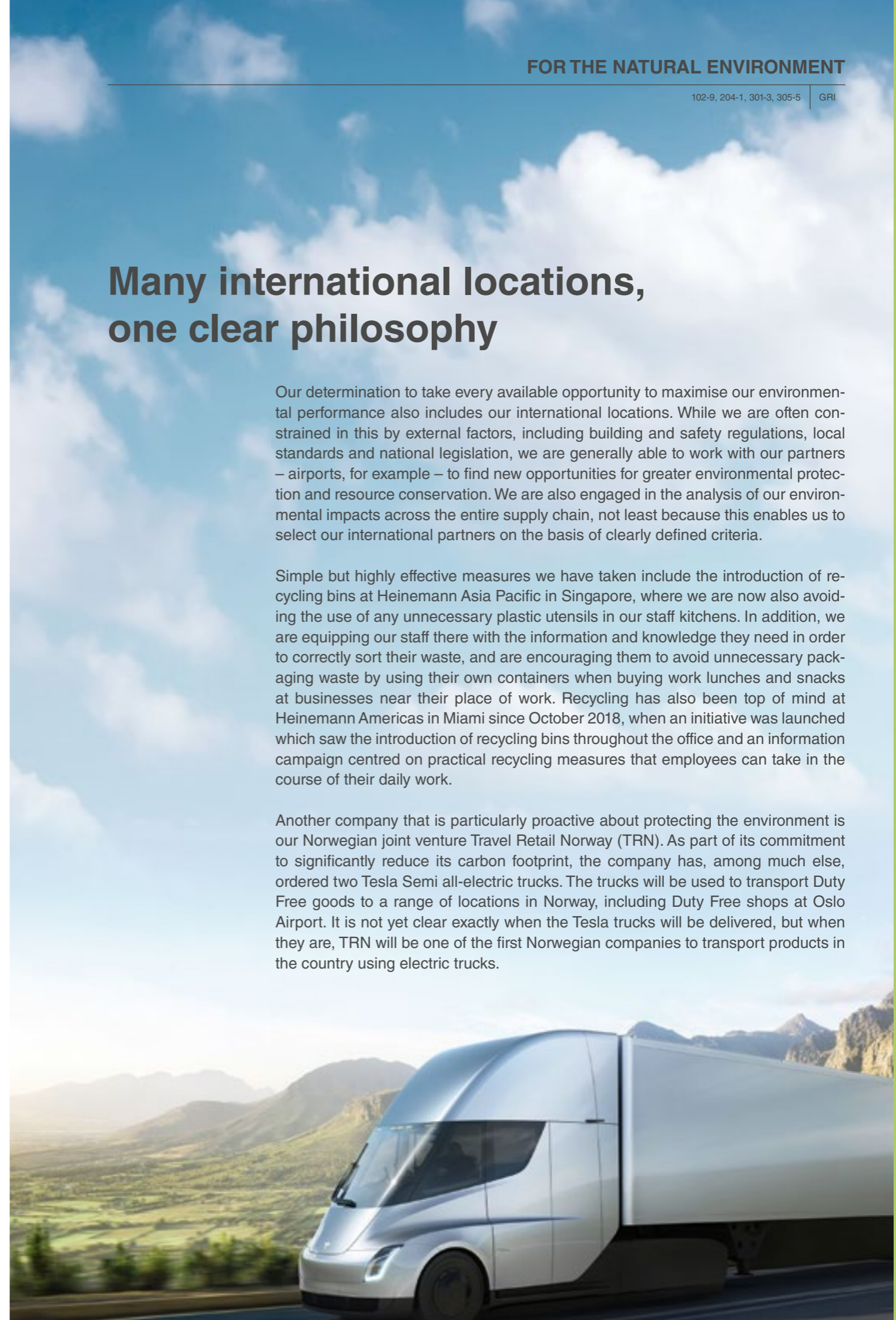
By using our own photovoltaic array at Allermöhe, we achieved CO<sub>2</sub> savings of more than 70 tonnes (70,168 kg) in 2018, up from 61,223 kg in 2017. The reference basis for the savings calculation is the CO<sub>2</sub> emissions indicator for the German national electricity mix. The energy payback period is now well and truly over, given that the plant was put into service back in 2011.

**Many international locations, one clear philosophy**

Our determination to take every available opportunity to maximise our environmental performance also includes our international locations. While we are often constrained in this by external factors, including building and safety regulations, local standards and national legislation, we are generally able to work with our partners – airports, for example – to find new opportunities for greater environmental protection and resource conservation. We are also engaged in the analysis of our environmental impacts across the entire supply chain, not least because this enables us to select our international partners on the basis of clearly defined criteria.

Simple but highly effective measures we have taken include the introduction of recycling bins at Heinemann Asia Pacific in Singapore, where we are now also avoiding the use of any unnecessary plastic utensils in our staff kitchens. In addition, we are equipping our staff there with the information and knowledge they need in order to correctly sort their waste, and are encouraging them to avoid unnecessary packaging waste by using their own containers when buying work lunches and snacks at businesses near their place of work. Recycling has also been top of mind at Heinemann Americas in Miami since October 2018, when an initiative was launched which saw the introduction of recycling bins throughout the office and an information campaign centred on practical recycling measures that employees can take in the course of their daily work.

Another company that is particularly proactive about protecting the environment is our Norwegian joint venture Travel Retail Norway (TRN). As part of its commitment to significantly reduce its carbon footprint, the company has, among much else, ordered two Tesla Semi all-electric trucks. The trucks will be used to transport Duty Free goods to a range of locations in Norway, including Duty Free shops at Oslo Airport. It is not yet clear exactly when the Tesla trucks will be delivered, but when they are, TRN will be one of the first Norwegian companies to transport products in the country using electric trucks.



**Only the best for the environment:  
purchasing of non-merchandise goods**

Retail and distribution in the travel value and Duty Free market are Gebr. Heinemann’s core business, which is why so many people associate our name with premium-quality merchandise. But as part of running that business, we also need to purchase non-merchandise goods, often in very large volumes: packaging materials, uniforms for our staff and electronic cash registers for the more than 300 retail outlets we operate, for example. Our central purchasing department in Hamburg works with suppliers all around the world, many of them in Asia, where compliance with social standards has been subject to monitoring by independent auditing bodies for several years. Now, however, the spotlight is increasingly on environmental aspects. We are therefore carrying out a close and critical assessment to determine which of these aspects are the most relevant for our operating environment. The team responsible for the purchasing of non-merchandise products is drawing up a list of criteria that will be used to support forward-looking decisions in this area. Already on the list are some of the key environmental criteria that suppliers of significant quantities of non-merchandise products will be expected to meet. These include:

- Meeting national environmental standards
- The storage and disposal of hazardous substances
- The use of environmentally friendly materials for production operations
- Waste disposal and water treatment, and the application of appropriate measurement methods

In this regard, we also intend to focus more attention on opportunities for voluntary industry initiatives and independent certification processes on the part of producers along the lines of the social standards already applied by many of our partners under the Business Social Compliance Initiative (BSCI) (cf. “Joining forces for a better world (and workplace);” p. 90).

**Less (material) is more (future)**

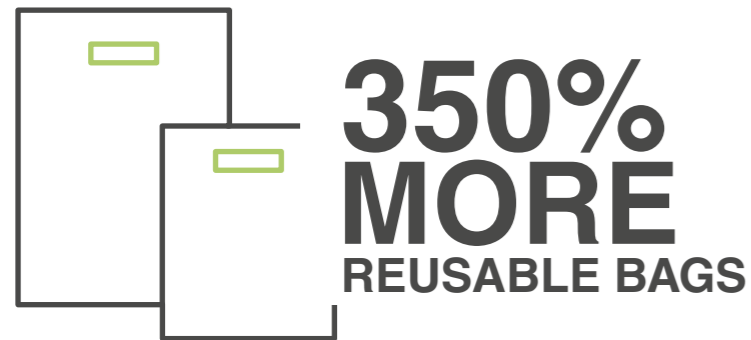
Gebr. Heinemann also applies sustainability considerations to shop design and the construction of our outlets around the world. “The team is generally expected to take sustainability aspects into account in all new developments,” says Head of Design Bébé Branss. This includes the types and quantities of materials used, and also their flexibility and modularity. “This approach is leading to some exciting new solutions,” says Bébé Branss.

To create a visual and physical link between two Heinemann shops in the plaza at Hamburg Airport, for example, a tubular-grid stage design was used, reminiscent of structures seen at trade fair stands and at public events. These prefabricated structural components are easy to erect and dismantle, and can even be leased out to other operators if desired. A test phase is also planned for a floor made of lemon rind waste. As well as upcycling waste material, this unique flooring material does not give off any harmful substances, which is a major plus for allergy sufferers. Another example of our sustainability approach to shop design can be seen in the material and cost savings realised at our “tattooed shop” in Hamburg. Rather than demolishing and rebuilding the entire structure, we decided just to carry out alterations on three bearing pillars, leaving the back wall and central space untouched. All the back-wall furniture is “tattooed on,” resulting in savings of up to 80% on the overall build budget. Just 6% of the budget was used for remodelling the back walls.

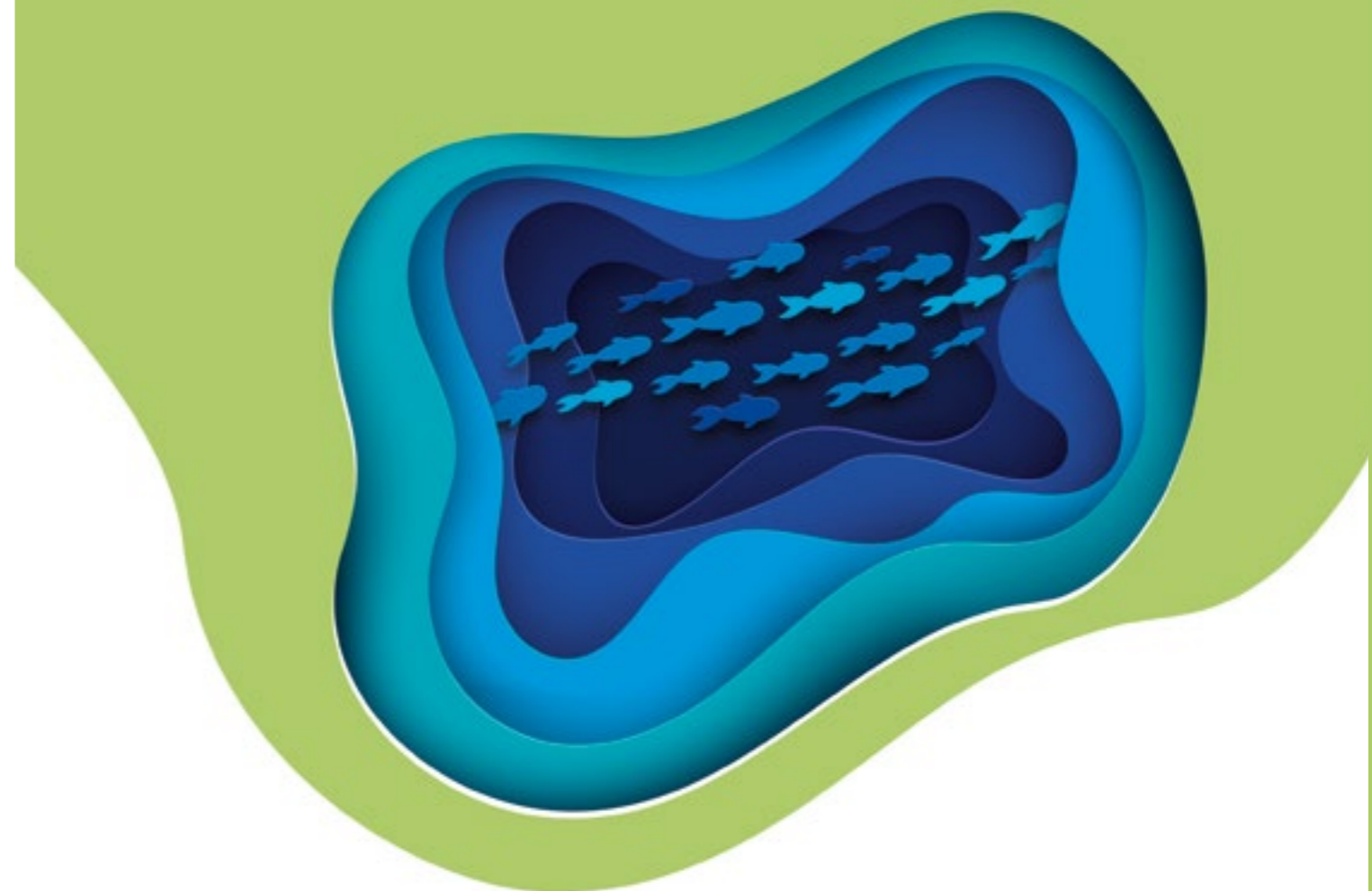
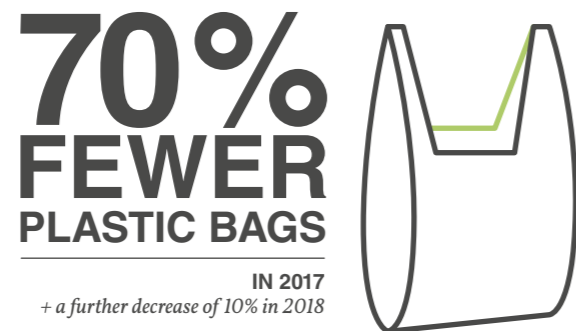


**Cutting down on plastic bags at our POS; partnership with OceanCare**

At the first United Nations Ocean Conference in 2017, 190 member countries signed up to measures for the protection of the oceans. This prompted Gebr. Heinemann to make a contribution towards reducing plastic waste in the world's oceans, in partnership with the OceanCare marine protection organisation. Since then, we have been helping to make passengers from all around the world aware of the environmental pollution issue by charging 30 euro cents per single-use plastic bag at all 14 of our Heinemann Duty Free locations in Germany and Austria. From the time of its inception in 2017 up until the end of the first quarter of 2019, our partnership with OceanCare raised approximately 300,000 euros in donations. As an environmentally friendly alternative, travellers are now invited to purchase reusable bags for two euros. Robust and made from 50% recycled material, the bags are ideal as carry-alls for travellers and holidaymakers.

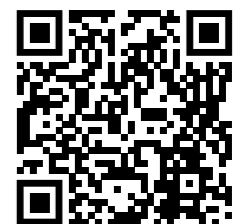


The changeover to the new bag system at Heinemann Duty Free shops has been very well received by the travelling public. In 2017, the number of plastic bags decreased by around 70%, and sales of reusable bags shot up by approximately 350%. Following the successful pilot phase in Germany and Austria, the programme was extended to further Heinemann Duty Free locations in 2018. Since January 2018, the airport shops in Bratislava (Slovakia) and Ljubljana (Slovenia) have also been charging 30 euro cents for all single-use plastic bags. This makes us a clear front runner in the struggle against the use of plastic bags, protecting the environment and empowering our customers worldwide.



**“I Care”: joining forces against single-use plastics**

OceanCare uses the money donated by Gebr. Heinemann to fund projects aimed at reducing plastic waste in the world's oceans and rescuing marine wildlife from marine debris entanglement. Another important part of OceanCare's work revolves around environmental education and awareness activities and research projects on plastic waste reduction. In its capacity as an UN special advisor for marine issues, OceanCare took part in the 12th Conference of the Parties to the UN Convention on the Conservation of Migratory Species of Wild Animals (CMS) in Manila last October. OceanCare used the conference to present “I Care”, a campaign in which it is joining forces with multiple partners to get ordinary people all around the world to rethink their relationship with single-use plastics. Gebr. Heinemann co-owner Claus Heinemann is among the citizens of the world expressing their commitment to clean oceans in the “I Care” campaign video.



Find out more in the official “I Care” campaign video.

## LOOKING AHEAD: areas where we aim to raise our game

- No further purchasing of diesel vehicles
- Readiness for electric road trucks
- Greater focus on the environmental performance of our freight forwarders
- More attention to environmental considerations in purchasing (particularly for non-merchandise goods)
- In logistics: consumables: analysis of the feasibility of fully replacing our currently used PP/PVC-based adhesive tape with paper-based tape in order to reduce plastic waste and contamination of recycling flows
- Further progress on the reusable container concept for logistics mentioned in the 2016 CR report



**Big brain**



**Brainless**

Plastic waste is polluting our oceans, which are at risk of becoming a gigantic rubbish tip, with fatal consequences for their inhabitants.  
Join our clean oceans campaign at [oceanare.org](http://oceanare.org)





# Social commitment— inspired by humanity

As a global company operating as a family business, Gebr. Heinemann applies a strong values culture as the basis for successful interactions built on mutual trust. This philosophy is clearly reflected in our commitments both within our core business and beyond. Our employees demonstrate an impressive ability to find ways to help their fellow man (and woman). All around the world, they are constantly coming up with ideas for supporting children, the socially disadvantaged and people in need of assistance, with monetary donations or by helping out in person. Where there is work to be done on giving people a better life, our people at Gebr. Heinemann are more than ready to roll their sleeves up and get busy.

## Making a difference in our local communities

The spectrum of our social commitment ranges far and wide, but remains focused on the real needs of real people where we live and work. In Hamburg, for example, our employees have shown a real sense of commitment to the needs of refugees, by offering language training and homework assistance, or by operating a cycle workshop near our corporate headquarters in Hamburg's Hafencity district. Every Thursday, we assist the "Hilfspunkt e.V." organisation in a project where we provide freshly cooked meals directly from our cafeteria for people in need. We also regularly stage bingo evenings at the organisation's reception centre.

Every year, we enjoy getting involved in the "Wi mook dat" ("Let's do it!") collective action day, where Hamburg companies join forces to help out on a range of projects. Our employees draw on their DIY skills to provide assistance to the socially disadvantaged, for example by renovating canoes for a youth centre, helping local school children build a handrail for their "Wilhelmsburger Stadtmodell" miniature model city project or building a sandbox for a local school. Over the last few years, we have also been donating funds to a range of organisations, such as the "Wings of Help"

association, or the Altona Children's Hospital, where we run a major Christmas fundraising sale to buy Christmas presents for the young patients. Another Christmas initiative was the "Freddy the Teddy" project in Frankfurt, aimed at bringing some joy and laughter into the lives of the young patients in the cancer ward there, as well as providing financial support. These cute, cuddly teddy bears brought a smile to many faces, and the funds collected from sales to our customers in our shops also resulted in a tidy sum of money as a donation. Regular blood donation campaigns are also held at our headquarters in Hamburg.

Another important issue is the appropriate reuse of merchandise goods that for one reason or another are no longer suitable for sale. Wherever possible, we organise donations of these goods from our logistics centres in Hamburg-Allermöhe and Erlensee near Frankfurt. Since this often involves a certain amount of logistics overhead, we are always careful to ensure the goods are going to a good home. Examples of partnerships now dating back many years include our relationship with the Hamburg and Hanau "Tafel" food charity organisations. In this case the donations consist mainly of confectionery that is about to reach its sell-by date. Other recipients of merchandise goods surplus to requirements include well-known regional and national charitable organisations, such as Hamburger Leuchtfuehrer and the St John Ambulance service.



## Our values guide us in everything we do

Jan Richter's daily work routine mainly involves selecting the product range for international sales locations such as Moscow, Sydney or Istanbul. As Director Purchasing Fashion & Accessories for Gebr. Heinemann, he regularly visits Heinemann outlets and manufacturers of luxury goods all around the world. But under our "job shadowing" scheme, he had the opportunity to get to know a very different kind of work – by accompanying Pastor Anne Arnholz on her daily rounds. And in return, Ms Arnholz spent a day with Gebr. Heinemann.

This exchange took place as part of an ongoing process of dialogue between the church and the Hamburg business community. Undertaken in a spirit of common purpose, it helped us to further hone our sense of social responsibility and revealed some important parallels between two such seemingly very different spheres as travel retail and the church. For instance, in both cases the focus is on the needs of the target group, coupled with a strong value system that gives the organisation moral credibility and assures its continued viability.



© Michael Raute (Hamburger Abendblatt)

## Setting a global example: our international activities

The world is wide, as is the spectrum of our social commitment activities. The following are just a few examples. For the fourth year in succession, Heinemann Americas took part in the "MS Bike Race" against multiple sclerosis. Employees have now earned a total of around 20,000 US dollars from sponsorships by their friends and acquaintances. Heinemann Australia got a whole programme of charitable measures up and running to give people a better life. These included fundraising at Sydney Airport for charitable donations, with water sales, the Runway Run event and collection boxes. Donations from charity sales are also made on a regular basis to UNICEF and to Dress for Success, a not-for-profit organisation that provides women on low incomes with appropriate clothing for job interviews.

Runway Run events were also organised by employees at the airports in Budapest and Salzburg to raise funds for charitable donations. The Salzburg race in 2018 collected the impressive total of 10,000 euros in registration fees and donations. Since 2016, our employees in Vienna have been helping to fund the Schwechat football club in the form of vehicle advertising, while the "Mission Hoffnung" (Mission Hope) initiative supported by Gebr. Heinemann Regionalflyhäfen, Travel Retail Slovakia and Regal GH Slovenia helps children with cancer and their parents.



## Our involvement in initiatives and associations

For Gebr. Heinemann, memberships of national and international sector organisations and commitments to selected initiatives are not just an end in themselves. *“We often use our involvement with these initiatives and organisations to contribute to the debate on key issues within our industry and beyond. Participation in associations can also provide indirect leverage for the attainment of sustainable development objectives,”* says Director Corporate Affairs and Compliance Dr Jennifer Cords. For example, one of the objectives of the German Aviation Association (BDL), which Gebr. Heinemann has supported for many years as an active member, is to improve energy efficiency and climate protection in air travel. As a member of the European Travel Retail Confederation (ETRC), we also helped draft an Alcohol Code of Conduct, which we have since adopted. The code was prepared in close coordination with the Duty Free World Council (DFWC). In addition, these associations are increasingly becoming involved in public campaigns calling for the responsible consumption of alcohol. They are also increasingly working together on constructive proposals for supporting the activities of the World Health Organisation (WHO) in its efforts to control the illegal tobacco trade, as well as on the WHO-inspired “EU Action Plan Against Alcohol”. The ETRC has also created the “off-pack” solution, with active support from Gebr. Heinemann. This provides important information on food ingredients in digital form. Together with other sector representatives, Gebr. Heinemann is also engaged in ensuring pragmatic and practicable solutions for the application of EU directives, for example in the ever-stricter transparency requirements for the traceability of products in the supply chain.

*“Consultations at association level are an important mechanism for representing the interests of the sector to policymakers and regulators, and for setting industry standards. By the same token, decision makers must remain suitably impartial in their activities within associations for the sake of healthy competition,”* says Gunnar Heinemann, co-owner of Gebr. Heinemann, who is involved in many of the above associations as an active board member.

The complete list of our memberships in sector organisations is as follows: German Airports Association (ADV); German Association of the Aviation Industry (BDL); Airports Council International – Europe (ACI EUROPE); European Travel Retail Confederation (ETRC); Central & Eastern European Travel Retail Association (CEETRA); German Travel Retail Association (DTRV); Nordic Travel Retail Group (NTRG); Middle East & Africa Duty Free Association (MEADFA); Travel Value Association; Asia Pacific Travel Retail Association (APTRA); Australian Duty Free Association (ADFA).

Gebr. Heinemann’s involvement as a member of cross-sector initiatives during the reporting period included the Fair Company Initiative, and since October 2018 the United Nations Global Compact. We are also members of over one hundred not-for-profit organisations and initiatives by virtue of providing financial assistance for their activities. These additional memberships are not listed here.



# About this report

This Corporate Responsibility Report (CR Report) provides details of the sustainability activities of Gebr. Heinemann in the 2017 and 2018 reporting years, and the strategic direction of its CR management system.

Our CR report has a two-yearly publication cycle. This report therefore covers the calendar years from January 2017 to December 2018. Since the cut-off date for contributions was June 2019, the report also contains some interim information on the first two quarters of 2019. Further information on the company can be found in the Gebr. Heinemann Annual Report.

Many of our international locations have designated persons for specific CR reporting areas, and work is in progress throughout the group on developing systematic data collection procedures, particularly for quantitative performance indicators. Staff and environmental statistics refer mainly to the Germany-based entity Gebr. Heinemann SE & Co. KG. This covers the following locations: Duty Free & Travel Value Shops in Berlin-Schönefeld, Berlin-Tegel, Dortmund, Dresden, Hahn, Hamburg, Hannover, Cologne, Leipzig and our corporate headquarters, along with the logistics locations in Hamburg-Allermöhe and Erlensee near Frankfurt.

CR reporting is an integral part of our CR management. For the purposes of the report, we identify and assess those sustainability issues that are of material significance for our business model. This report has been prepared with reference to the internationally recognised Sustainability Reporting Standards of the Global Reporting Initiative (cf. GRI Content Index, pp. 120–123). This report has been prepared in accordance with the GRI Standards' "Core" option. The target group for the report largely overlaps with our company's major stakeholders (see "International stakeholder dialogue", p.34 ff).

In preparing this report, Gebr. Heinemann received advice from an external consultant. Apart from that, the report did not undergo any external audit. This CR report is available in both German and English. It is published in printed form as well as in PDF format online at:

[www.gebr-heinemann.de/en/Philosophy#csr](http://www.gebr-heinemann.de/en/Philosophy#csr)

Personnel numbers are generally given as full-time equivalents (FTEs), calculated as an average from all full-time and part-time employees. Any use of masculine pronouns referring to groups of individuals is solely for ease of legibility, and refers to all genders.

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# GRI Content Index

This CR report, for the 2017/18 reporting cycle, is our first such publication to be based on the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards' "Core" option. All references to GRI Standards in the content index below relate to the GRI Standards 2016. For the GRI Content Index Service, GRI Services reviewed that the GRI content index is clearly presented and the references for all disclosures included align with the appropriate sections in the body of the report. The service was performed on the German version of the report. The GRI's internationally recognised sustainability reporting standards define the topics to be used for documenting a company's economic, social and environmental performance, and the impacts of its business activities. This framework provides transparency and comparability with regard to the sustainability challenges a company faces in its various areas of activity.



GRI Standard	Disclosure	Page number(s)
<b>GRI 101: Foundation 2016</b>		
<b>GRI 102: General Disclosures</b>		
	<b>Organisational profile</b>	
	102-1: Name of the organisation	9, 126, back cover
	102-2: Activities, brands, products and services	8, 9, 40, 42–43
	102-3: Location of headquarters	9, 126, back cover
	102-4: Location of operations	8, 9, 40–50
	102-5: Ownership and legal form	8
	102-6: Markets served	8, 9, 40–50
	102-7: Scale of the organisation	8, 9
	102-8: Information on employees and other workers	62–91
	102-9: Supply chain	10, 11, 13, 14, 24, 25, 31, 37, 42, 43, 55, 58, 61, 90, 105, 106, 116
	102-10: Significant changes to the organisation and its supply chain	8, 9
	102-11: Precautionary principle or approach	22–29, 94, 95, 102, 107–111, 125
	102-12: External initiatives	23, 54, 59, 116, 124, 125
	102-13: Membership of associations	23, 116
	<b>Strategy</b>	
	102-14: Statement from senior decision maker	3
	<b>Ethics and integrity</b>	
	102-16: Values, principles, standards and norms of behaviour	23, 54, 59, 116, 124, 125
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	102-18: Governance structure	18, 19
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	102-40: List of stakeholder groups	34, 35, 37–39
	102-41: Collective bargaining agreements	89
	102-42: Identifying and selecting stakeholders	34, 35, 37
	102-43: Approach to stakeholder engagement	34, 35, 37
	102-44: Key topics and concerns raised	34–39
	<b>Reporting practice</b>	
	102-45: Entities included in the consolidated financial statements	118
	102-46: Defining report content and topic boundaries	28, 29, 38, 39, 119
	102-47: List of material topics	38, 39
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	102-49: Changes in reporting	119
	102-50: Reporting period	118
	102-51: Date of most recent report	118
	102-52: Reporting cycle	118
	102-53: Contact point for questions regarding the report	119
	102-54: Claims of reporting in accordance with the GRI Standards	119, 120
	102-55: GRI content index	118, 120–123
	102-56: External assurance	119
	<b>GRI 103: Management Approach</b>	
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	103-2: The management approach and its components	22 (compliance), 26–31, 94, 95 (environmental management)
	103-3: Evaluation of the management approach	26, 27, 28, 119

GRI 102:  
General  
Disclosures

GRI 103:  
Management Approach  
(This reference to GRI 103:  
Management Approach and  
Disclosures 103-1, 103-2 and  
103-3 thereunder applies to all  
material topics included in this  
content index.)

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
			Part omitted (reason/explanation)
<b>Material Topics</b>			
<b>GRI 200: Economic Standard Series</b>			
<b>Economic Performance</b>			
GRI 201: Economic Performance	201-1: Direct economic value generated and distributed	6, 9 (www.gebr-heine-mann.de/en/Facts)	
<b>Procurement Practices</b>			
GRI 204: Procurement Practices	204-1: Proportion of spending on local suppliers	13, 14, 24, 25, 31, 37, 42, 43, 58, 60, 90, 105, 106	
<b>Anti-corruption</b>			
GRI 205: Anti-corruption	205-1: Operations assessed for risks related to corruption	22, 25, 27, 90, 91	
	205-2: Communication and training about anti-corruption policies and procedures	22, 24, 81, 125	
<b>GRI 300: Environmental Standards Series</b>			
<b>Materials</b>			
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	301-2: Recycled input materials used	16, 102, 103, 106, 107, 111	
	301-3: Reclaimed products and their packaging materials	100, 101, 103, 105–108, 111	
<b>Energy</b>			
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<b>Effluents and Waste</b>			
GRI 306: Effluents and Waste	306-1: Water discharge by quality and destination	96, 103	
	306-2: Waste by type and disposal method	103, 107	
<b>Supplier Environmental Assessment</b>			
GRI 308: Supplier Environmental Assessment	308-1: New suppliers that were screened using environmental criteria	13, 25, 31, 37, 42, 55, 60, 61, 106	

GRI Standard	Disclosure	Page number(s) and/or URL(s)	Omission
			Part omitted (reason/explanation)
<b>Material Topics</b>			
<b>GRI 400: Social Standards Series</b>			
<b>Employment</b>			
GRI 401: Employment	401-1: New employee hires and employee turnover	70	
	401-3: Parental leave	69	
<b>Occupational Health and Safety</b>			
GRI 403: Occupational Health and Safety	403-2: Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	72–75	No quantitative information available. Owing to data processing limitations it has so far not been possible to compile consolidated quantitative information on injuries, occupational diseases and work-related accidents at group level. The necessary systems are currently being developed and provision of consolidated quantitative information is planned for the next reporting cycle.
	403-3: Workers with high incidence or high risk of diseases related to their occupation	74	
<b>Training and Education</b>			
GRI 404: Training and Education	404-1: Average hours of training per year per employee	76	
	404-2: Programmes for upgrading employee skills and transition assistance programmes	76–85	
<b>Diversity and Equal Opportunity</b>			
GRI 405: Diversity and Equal Opportunity	405-1: Diversity of governance bodies and employees	78, 82, 86–88, 91	
	405-2: Ratio of basic salary and remuneration of women to men	89	
<b>Non-discrimination</b>			
GRI 406: Non-discrimination	406-1: Incidents of discrimination and corrective actions taken	89	
<b>Local Communities</b>			
GRI 413: Local Communities	413-1: Operations with local community engagement, impact assessments and development programmes	32, 40, 42–44, 46	
<b>Supplier Social Assessment</b>			
GRI 414: Supplier Social Assessment	414-1: New suppliers that were screened using social criteria	13, 24, 25, 31, 42, 60, 61, 90	
<b>Customer Health and Safety</b>			
GRI 416: Customer Health and Safety	416-1: Assessment of the health and safety impacts of product and service categories	52–61	
<b>Marketing and labelling</b>			
GRI 417: Marketing and labelling	417-1: Requirements for product and service information and labelling	39, 53, 55	

# UN Global Compact Communication on Progress 2019

Gebr. Heinemann uses the ten principles of the UN Global Compact as reference points for its CR management system. By joining the UNGC, we also committed ourselves to integrating the ten universal sustainability principles for human rights, labour standards, and the environment and anti-corruption into our corporate strategy. The measures we implement and our progress towards meeting our goals will be documented in a regular progress report. In the following list, we document for the first time the current status of efforts to implement and integrate the ten principles in all areas of the value chain where we are directly or indirectly involved. Some of the Global Compact principles are not readily applicable to our core business, however. Therefore, in accordance with the “comply or explain” rule, we will in the case of certain principles explain why, and to what extent, those principles are currently not applicable to our routine business activity.



Principle	Comment	Pages in the 2017/18 CR report
<b>Human rights and labour</b>		
<b>Principle 1</b> Support of human rights	<p>The Gebr. Heinemann business entails very little direct risk of human rights abuses. The support of international human rights is not therefore an essential issue we need to address in the context of our day-to-day business operations. Accordingly, to date we have not made any systematic assessment of opportunities, risks and impacts with regard to human rights. On the other hand, given our relationships with international partners and the resulting issues of social standards in upstream and downstream processes, this is becoming an increasingly important area for the Gebr. Heinemann group. This includes questions of due diligence on human rights in all areas of the value chain in which we are involved. We are therefore currently working on developing a specific methodology for the systematic verification of a number of criteria across a wide range of human rights and labour issues. Our discussions with industry will be used to identify best practice examples for specific products – from the cocoa cultivation sector, for example, which has particularly high standards in this area.</p> <p>We also have a clear and unambiguous position on forced and compulsory child labour. This position is directly communicated to external partners at every available opportunity. As Duty Free retailers with a window on the world, we see international advances such as the Modern Slavery Act as an outstanding opportunity to be part of a fundamental values shift. Ensuring equal opportunities is one of our top HR management priorities. This includes promoting balanced ratios of women and men at all levels of the company, and the strictly applied rule that nationality, ethnicity, religion and world view, disability, age and sexual orientation and identity must never be the basis for any form of discrimination at Gebr. Heinemann.</p> <p>Working conditions across the whole of the Gebr. Heinemann group are defined by a canon of shared values, setting out clear expectations in terms of mutual respect, protection from discrimination and freedom of opinion.</p>	22, 23, 25, 32 (principles 1 and 2); 22, 86–89 (principle 6)
<b>Principle 2</b> No complicity in human rights abuses		
<b>Principle 3</b> Freedom of association		
<b>Principle 4</b> Elimination of all forms of forced and compulsory labour		
<b>Principle 5</b> Effective abolition of child labour		
<b>Principle 6</b> Elimination of discrimination		
<b>Environment and climate</b>		
<b>Principle 7</b> Precautionary approach to environmental challenges	<p>Gebr. Heinemann sees environmental protection as a task for each and every employee, with management bearing a special responsibility for the implementation of environmental protection objectives. In addition, an in-house environmental team at our corporate headquarters liaises with all relevant entities throughout the company and reports to the Director Corporate Responsibility. Gebr. Heinemann expects its business partners to meet environmental standards in their respective value chains and thus influences them to act sustainably. Sustainability criteria such as energy efficiency and environmentally responsible production processes are increasingly becoming essential factors in our partner-selection decisions. There are many ways in which we can exert our influence in favour of greater environmental protection – and we use them all: from office supplies procurement according to environmental criteria to eliminating plastic bags at our points of sale, to high-tech solutions for energy and emissions savings at our logistics locations. Gebr. Heinemann actively promotes the development and deployment of environmentally friendly technologies throughout its business model, giving it the opportunity to make real savings on its use of natural resources.</p>	92, 94, 95 (principle 7, 8); 98–111
<b>Principle 8</b> Initiatives to promote greater environmental responsibility		
<b>Principle 9</b> Development and diffusion of environmentally friendly technologies		
<b>Anti-corruption</b>		
<b>Principle 10</b> Anti-corruption measures	<p>All Gebr. Heinemann employees are expected to comply strictly with all legal provisions and regulations. We also take active measures against corruption and unfair competition as part of our corporate and social responsibility obligations. Our rules regarding the acceptance of hospitality, gifts and other business courtesies are based on the principles of compliance, responsibility and appropriateness. Acceptance must not be concealed by the recipients, and the recipients must not incur any obligation as a result. We therefore actively follow principle No. 10 of the UN Global Compact at all our international locations and wherever we are able to have an impact through measures against corruption.</p>	22 ff., 32, 43

# Credits

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