



**Gebr. Heinemann**  
Gegründet 1879

# **UN Global Compact Communication on Progress 2020**

Reporting Period: August 2019 – August 2020



# Dear Readers,

For Gebr. Heinemann, the only family-owned company among the global players in the travel retail industry with over 8,000 employees worldwide, the beginning of a new decade should have marked a big step towards greater sustainability. But like so many other companies, we have been hit hard by the corona pandemic through no fault of our own. Even though travel is now possible again in many regions, the overall consequences are yet to be seen.

Nevertheless, the aim of this progress report is to highlight the importance of responsible action, especially in times of crisis. This also means doing the right thing in an effort to keep asking new, critical questions. In that respect, the ten principles of the United Nations Global Compact serve as key points of reference for Gebr. Heinemann.

The positive exchange of ideas and the commitment of our colleagues, business partners and suppliers have reinforced our resolve to continue our journey towards greater sustainability in the travel sector through targeted actions. Even in times of reduced human and financial resources, we have largely maintained our department-wide international roundtables and exchanges in the industry, as well as associations on ecological and social topics.





Therefore, we would also like to continue to report regularly on our progress made in implementing the ten universal sustainability principles for human rights, labour standards, the environment and anti-corruption. In accordance with the comply-or-explain principle, we will therefore make clear at various points the extent to which we are currently unable to report on progress due to the corona pandemic.

For example, the publication and implementation of the Gebr. Heinemann Code of Ethics has had to be postponed as a result of the COVID-19 pandemic. The document is already complete and will be applied to the Heinemann Group and our suppliers and business partners. We have briefly presented our value chain in a model to make it easier to understand. The model illustrates that our core business takes place in the middle of the value chain. As a retailer, we are above all “influencers” when it comes to sustainability issues, but we also draw inspiration from our suppliers, customers and business partners.



Owner & Supervisory Board  
Claus Heinemann

*Claus Heinemann*

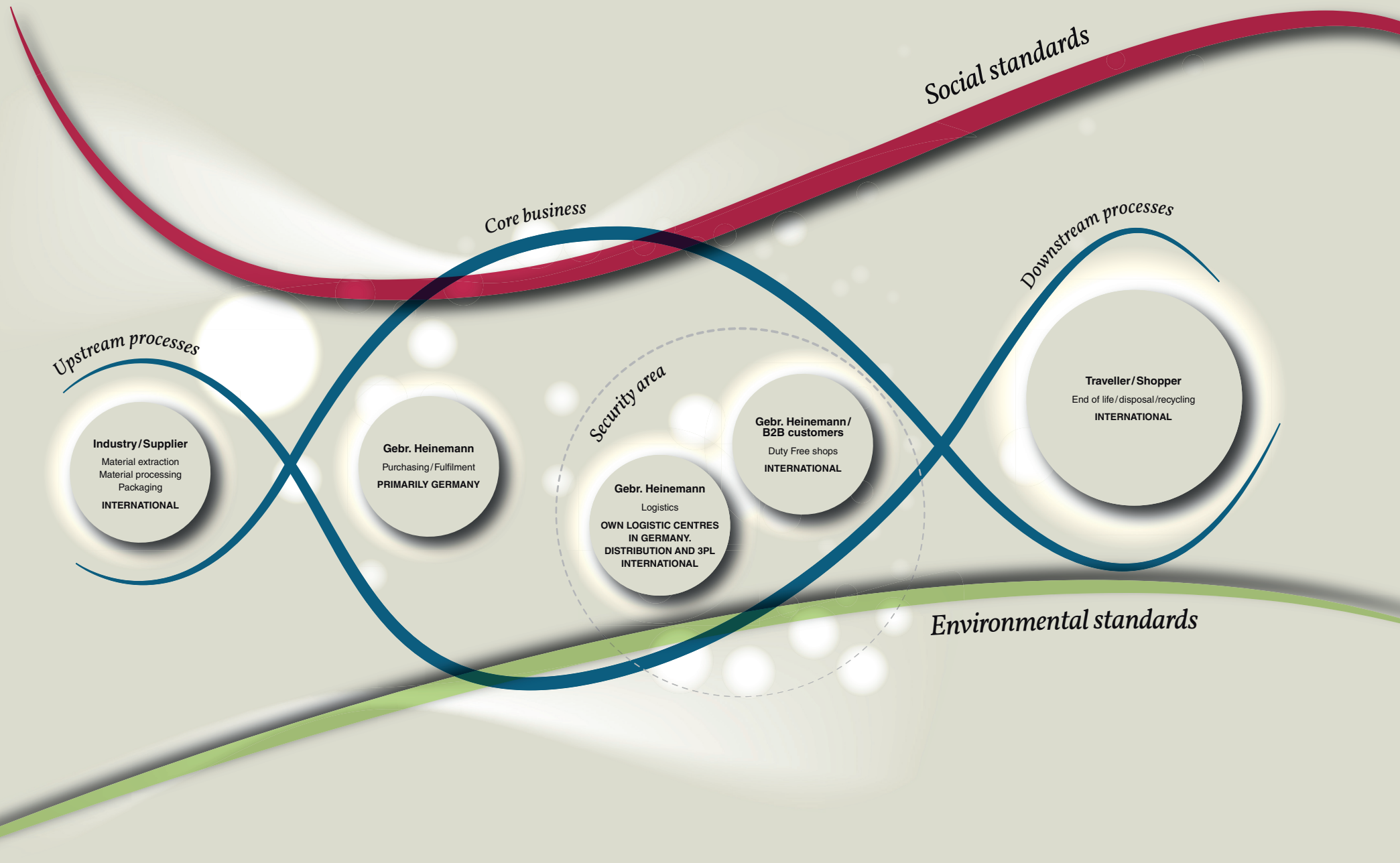
Max Heinemann, CEO

*Max Heinemann*



Owner & Supervisory Board  
Gunnar Heinemann


*Gunnar Heinemann*







Principle	Comment	Specific measures
<b>Human rights and labour</b>		
<p><b>Principle 1</b> Support of human rights</p> <p><b>Principle 2</b> No complicity in human rights abuses</p> <p><b>Principle 3</b> Freedom of association</p> <p><b>Principle 4</b> Elimination of all forms of forced and compulsory labour</p> <p><b>Principle 5</b> Effective abolition of child labour</p>	 <p><b>“We treat our employees with respect by promoting human rights and creating an appropriate work environment.”</b> Max Heinemann, CEO Gebr. Heinemann</p> <p>However, we also find it important to network with our international partners and raise questions about social standards in upstream and downstream processes. In addition to our dialogue with various stakeholders, we conducted human rights law risk analysis last year as part of the Modern Slavery Act in Australia. Our analysis is now used as a blueprint for all Heinemann Duty Free Shops and will be successively expanded. We see international ventures, such as the Modern Slavery Act and the National Action Plan, as a great opportunity to jointly shape a change in values. That is one of the reasons why we participated in the second monitoring of the voluntary execution of the NAP in Germany despite the corona crisis.</p> <p>The Dutch chocolate brand Tony’s Chocolonely shows an impressive commitment to banishing child and forced labour in cocoa production. We are delighted to support them in the next step of their mission to make 100% slave-free chocolate. The brand with the claim “Crazy about chocolate, serious about people” has successfully taken its first step into travel retail with us and is now available in numerous Heinemann Duty Free shops around the world.</p>	<p><b>Stakeholder Dialogue / SDG 17 (Partnerships):</b></p> <ul style="list-style-type: none"> <li>• Exchange on social issues on the Sustainability Panel at Gebr. Heinemann Strategy Day in September 2019 in Hamburg and at the Business Forum of the European Travel Retail Confederation (ETRC) in February 2020 in Amsterdam as well as bilaterally with business partners and suppliers</li> <li>• Constant exchange of ideas in sector associations and via UNGC events</li> <li>• Department-wide project groups</li> </ul> <p><b>Human Rights Risk Analysis / Modern Slavery Act Australia / SDG 8 (Decent Work and Economic Growth):</b></p> <ul style="list-style-type: none"> <li>• Conducted for around 24,000 products in the range of our subsidiary Heinemann Australia. Only 11% of the products were classified as „critical“ due to the country of production. We are exchanging ideas with our suppliers. As a result of the corona pandemic, we have been forced to postpone the evaluation and publication of the Modern Slavery Statement.</li> </ul>
<p><b>Principle 6</b> Elimination of discrimination</p>	 <p>Ensuring equal opportunities is one of the main priorities of HR management. It is about promoting a balanced relationship between men and women at all company levels and equally about implementing our stringent company regulation that prohibits any form of discrimination on the basis of nationality, ethnicity, religion, ideology, disability, age, sexual orientation or identity. The working conditions within the entire Gebr. Heinemann Group are characterised by a common set of values comprising clear ideas about mutual respect, protection against discrimination and the option of freedom of expression.</p> <p>Some of the key aspects of our equal opportunities are the measures intended to help our employees balance their family and career. Most employees at our Duty Free Shops work in shifts. Teleworking initiatives are only possible at the corporate offices and are put into practice there. At our shops, presence in the business is a core element of employment. Therefore, we consider the requirements of each individual when planning our shifts.</p> <p>Gebr. Heinemann firmly believes in the principle of equal pay for anyone who performs the same work. None of the diversity profiles listed above (e.g. nationality and ethnicity) should give rise to differences in pay whenever the same work is performed at our company. Where necessary, we determine the equality of activities based on the respective specific requirements.</p>	<p><b>Equal Opportunities SDG 5 (Gender Equality), SDG 10 (Reduced Inequalities)</b> <i>Data has currently only been collected for Gebr. Heinemann SE &amp; Co. KG and refers to 2019</i></p> <ul style="list-style-type: none"> <li>• Expansion of further digital training opportunities in the corona crisis</li> <li>• Promotion of diversity: Gebr. Heinemann unites 74 different nationalities</li> <li>• Gender balance in the workforce: 60% women, 40% men</li> <li>• Gender balance at management level: in each case around 50% of team leaders (48%) and heads of level (53%) are women. At director level, 16% are women and only men have been appointed members of the Executive Board</li> <li>• The percentage of employees eligible for parental leave who are actually in parental leave: 9%, of which 21% men</li> <li>• No discrimination has been identified in the case of applications submitted with reference to the Remuneration Transparency Act introduced in Germany</li> </ul>

Principle	Comment	Specific measures
<b>Environment and climate</b>		
 <p><b>Principle 7</b> Precautionary approach to environmental challenges</p> <p><b>Principle 8</b> Initiatives to promote greater environmental responsibility</p> <p><b>Principle 9</b> Development and diffusion of environmentally friendly technologies</p>	<p><b>“It is our duty to protect the natural environment and minimise our impact wherever possible.”</b> Raoul Spanger, COO</p> <p>In that respect, the measurability of environmental effects is an important basis. We are still gathering relevant information to be able to state a concrete reduction plan. However, we have laid a solid foundation through the energy audit conducted at our German headquarters (Koreastraße 3-5) in 2019, our logistics centres in Allermöhe near Hamburg and Erlensee near Frankfurt, as well as selected Heinemann Duty Free Shops.</p> <p>Some locations have already determined their carbon footprint, such as our joint venture Travel Retail Norway or Tax Free in Copenhagen, and they have implemented corresponding reduction measures, such as the avoidance of bottle protectors and the improvement of waste management. Irrespective of this, we have also drawn up forward-thinking and resource-preserving shop concepts (e.g. in Retail Design), but their implementation was still in progress at the time of this report.</p> <p>In addition, we are in close contact with our business partners and industry associations to find out how our negative effects on the environment can be minimised and where cooperation might be beneficial. We are particularly focusing on reducing our carbon footprint in the following areas:</p> <ul style="list-style-type: none"> <li>• Use of packaging and processing materials</li> <li>• Use of plastics and micro-plastics</li> <li>• Greenhouse gas emissions</li> <li>• The increased use of recycled and recyclable materials</li> </ul> <p>In addition to popular international brands, we are pinning our hopes on the range and therefore on the promotion of regional and certified organic products and manufacturers at almost all our locations.</p>	<p><b>Stakeholder Dialogue / SDG 17 (Partnerships):</b></p> <ul style="list-style-type: none"> <li>• Exchange on environmental issues on the Sustainability Panel at Gebr. Heinemann Strategy Day in September 2019 in Hamburg and at the Business Forum of the European Travel Retail Confederation (ETRC) in February 2020 in Amsterdam as well as bilaterally with business partners and suppliers</li> <li>• Constant exchange of ideas in industry associations and via UNGC events</li> <li>• Cooperation with the marine conservation organisation OceanCare</li> <li>• Department-wide project groups</li> </ul> <p><b>POS / Range SDG 12 (Responsible Consumption and Production)</b></p> <ul style="list-style-type: none"> <li>• Resource-preserving retail design</li> <li>• <b>POS communication</b> to avoid single-use plastics, such as bottle protectors and plastic bags, in cooperation with OceanCare. Over 70% reduction since the introduction of surcharged plastic bags. In 2017, the proceeds - around €500,000 - went to marine conservation compensation</li> <li>• <b>Responsible cosmetic products:</b> Gebr. Heinemann offers high-quality products that are good for both the body and the environment as part of our „Clean Beauty“ concept. This initiative also allows companies to promote their sophisticated products on the international stage</li> <li>• <b>Responsible luxury foods:</b> Certified organic products</li> <li>• <b>Organic certification DE-ÖKO-006:</b> The handling of organic products is subject to strict regulation in accordance with the EG-Organic Regulation. The Gebr. Heinemann logistics centres in Hamburg-Allermöhe and Erlensee near Frankfurt have received the organic certification required to handle organic products</li> <li>• <b>Avoiding food destruction:</b> Over the course of the corona crisis, all airport shops were closed from one day to the next. Easter bunnies or goods with a limited shelf life were removed from the shops with great personal commitment by the colleagues on site and taken to food banks and other charitable organisations, and to front-line workers</li> </ul> <p><b>Energy Consumption SDG 13 (Climate Action)</b></p> <ul style="list-style-type: none"> <li>• Review of conversion to electricity supply from sustainable sources (no result at the time of the report)</li> <li>• Determining and implementing further potential savings based on the energy audit in accordance with DIN EN 16247</li> </ul>



Principle	Comment	Specific measures
Anti-Corruption		
<p><b>Principle 10</b> Anti-corruption measures</p>	<div data-bbox="331 595 421 687" data-label="Image"> </div> <p><b>“At Gebr. Heinemann, we condemn corruption as part of our duty towards society.”</b></p> <p>Stephan Ernst, CFO</p> <p>We see this procedure as part of our corporate and social responsibility. If a conflict of interest may arise, line managers or the Compliance department are involved in the situation and examine whether decision-making processes can be continued. We observe the principles of legality, responsibility and propriety when handling invitations, gifts, donations and other benefits. This sensitive topic will be addressed successively on a global scale during compulsory training courses.</p>	<p><b>Compulsory Training</b></p> <ul style="list-style-type: none"> <li>• Incorporation in the organisation has already been implemented by holding regular compliance training sessions on data protection, secure supply chains, youth protection and antitrust law. A training concept has already been drawn up for an additional training session on anti-corruption. A training session in small groups with over 300 participants from different specialist fields was planned for the start of 2020, but it has not yet been held as a result of the corona pandemic. An online training programme is currently in the works</li> </ul>

# Credits

**Publisher:**

Gebr. Heinemann SE & Co. KG, Koreastrasse 3, 20457 Hamburg · Germany

Phone +49 (40) 30 10 20

E-Mail: [info@gebr-heinemann.de](mailto:info@gebr-heinemann.de)

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

[www.heinemann-shop.com](http://www.heinemann-shop.com)

**Editors:**

Gebr. Heinemann SE & Co. KG – Corporate Affairs,  
Svenja Fischer ([s\\_fischer@gebr-heinemann.de](mailto:s_fischer@gebr-heinemann.de))

**Artwork:**

Gebr. Heinemann SE & Co. KG – Marketing

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