



Gebr. Heinemann
Gegründet 1879

United Nations Global Compact **Communication on Progress**

Reporting Period: August 2020-2021

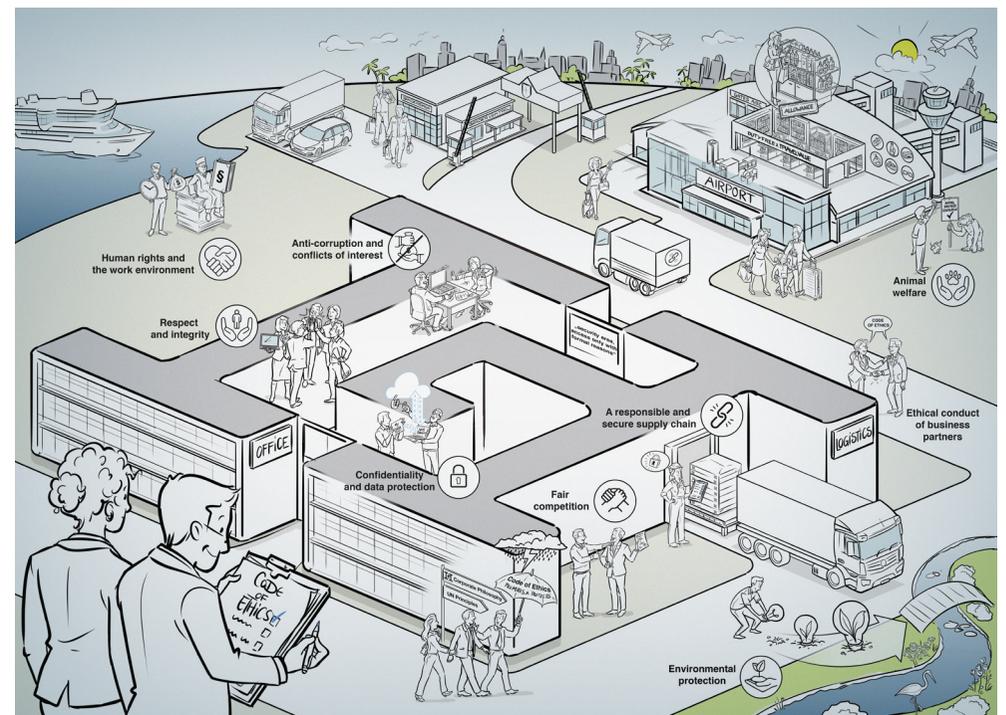
WE SUPPORT



Dear Readers,

With this year's summer, travel returned, albeit still cautiously and under various constraints. Nevertheless, the figures show us that people want to travel and want to shop. As major distributor and retailer for the international Travel Retail market with around 7,000 employees worldwide, Gebr. Heinemann values this positive development but is still facing the challenges of an unpredictable travel situation.

Anyhow, the ten principles of the United Nations Global Compact (UNGC) are an important compass for a responsible future of travel retail and for us as a family-owned company over five generations. With the Gebr. Heinemann Code of Ethics, we have presented a voluntary commitment in which we firmly interweave our corporate mission statement with the ten principles of the UNGC. In June 2021, we have started the first phase of official supplier communication on the Code of Ethics and asked 14 per cent of our suppliers to complete a self-assessment questionnaire. The remaining suppliers will be contacted successively until 2022. In any case, we will make environmental and human rights topics an integral part of our exchange.





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COO



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Owner & CEO

The Ten Principles of the UN Global Compact

Responsible businesses enact the same values and principles wherever they have a presence, and know that good practices in one area do not offset harm in another. By incorporating the Ten Principles of the UN Global Compact into strategies, policies and procedures, and establishing a culture of integrity, we are not only upholding our basic responsibilities to people and planet, but also setting the stage for long-term success.

1

Human rights

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

2

Human rights

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

3

Labour standards

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

4

Labour standards

Businesses should uphold the elimination of all forms of forced and compulsory labour.

5

Labour standards

Business should uphold the effective abolition of child labour.

6

Labour standards

Businesses should uphold the elimination of discrimination in respect of employment and occupation.

7

Environment

Businesses should support a precautionary approach to environmental challenges.

8

Environment

Businesses should undertake initiatives to promote greater environmental responsibility.

9

Environment

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

10

Anti-corruption

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



Human rights and labour

UNGC Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

UNGC Principle 2: Business make sure that they are not complicit in human rights abuses

UNGC Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

UNGC Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

UNGC Principle 5: Business should uphold the effective abolition of child labour

UNGC Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

HUMAN RIGHTS RISK ASSESSMENT/DUE DILIGENCE

The blueprint we developed as a result of the Modern Slavery Act has been applied to our business in Norway. We are currently exploring how we can increase the automation of this process by evaluating potential external resources to further improve our human rights risk assessment and its reporting.

In addition, we will continue to improve our human rights due diligence through awareness-raising employee training, effective monitoring and the implementation of grievance mechanisms and risk mitigation. This is an important issue for Gebr. Heinemann, not only because of the upcoming due diligence legislations, but also as an essential part of our Code of Ethics.

We will further establish exchange and collaboration with partners on human rights issues.

HEALTH AND SAFETY MANAGEMENT

Since 2009 we succesively run a health & safety management system in the logistics centres in Allermöhe near Hamburg. This ISO 45001 standard has been recertified in January 2021. Regarding the ongoing Covid-19 pandemic, we have also further expanded our health management.

While in Asia the requirement for employees to wear a mask was implemented immediately, in Europe this was still rejected by governments in the initial stage. When this requirement came into force

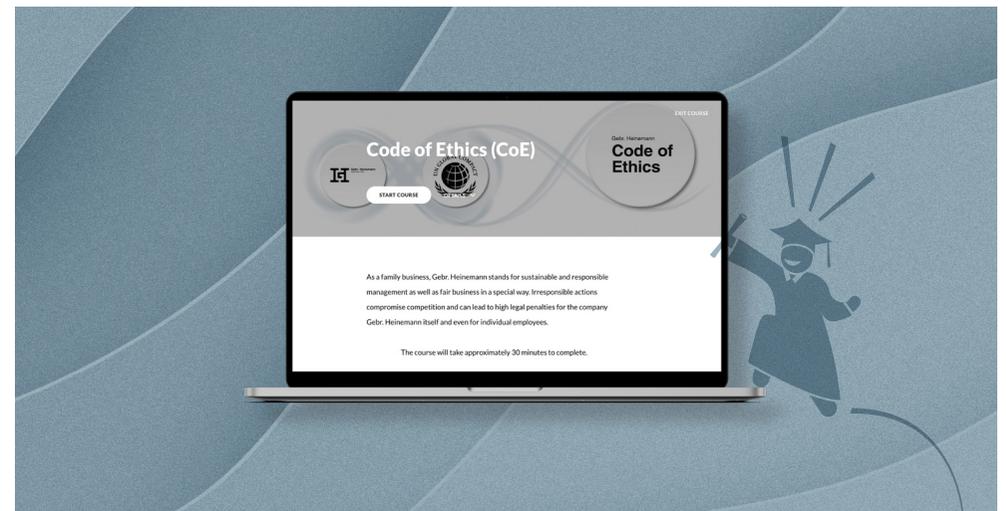
practically overnight, Gebr. Heinemann supplied its employees with medical masks. Our health management responded flexibly and quickly. With hand disinfectant dispensers for employees as well as travellers, posters reminding them of the distance requirements and more frequent cleaning, we managed to minimise the risk of infection for our employees.

Additionally, Gebr. Heinemann supported local initiatives that our retail people was considered and defined as „system relevant“ airport staff and had therefore in many cases access to early vaccination programmes. Where there were opportunities to apply as company doctors for vaccines, we provided vaccination for our employees.

In order to reduce the risk of infection for staff at all headquarters worldwide, staff were asked to work from home and were permitted to borrow monitors, printers and desk chairs for this purpose. Positive aspects have also emerged from this crisis: Health management will play a much more substantial role at Gebr. Heinemann. The need for mobile working has given an enormous boost to digitalisation in the company.

ONLINE TRAININGS

Due to the pandemic, many training offerings did not take place as usual. But where one door closes, another one opens: we have successfully extended the range of digital training courses. Together with virtual communication, virtual trainings are strong assets for the international work environment. For example the Code of Ethics online training has been created in-house and is next to headquarters in Hamburg and Singapore already rolled-out to our outlets in Italy, Malaysia, Hong Kong and Australia.



PROMOTING DIVERSITY

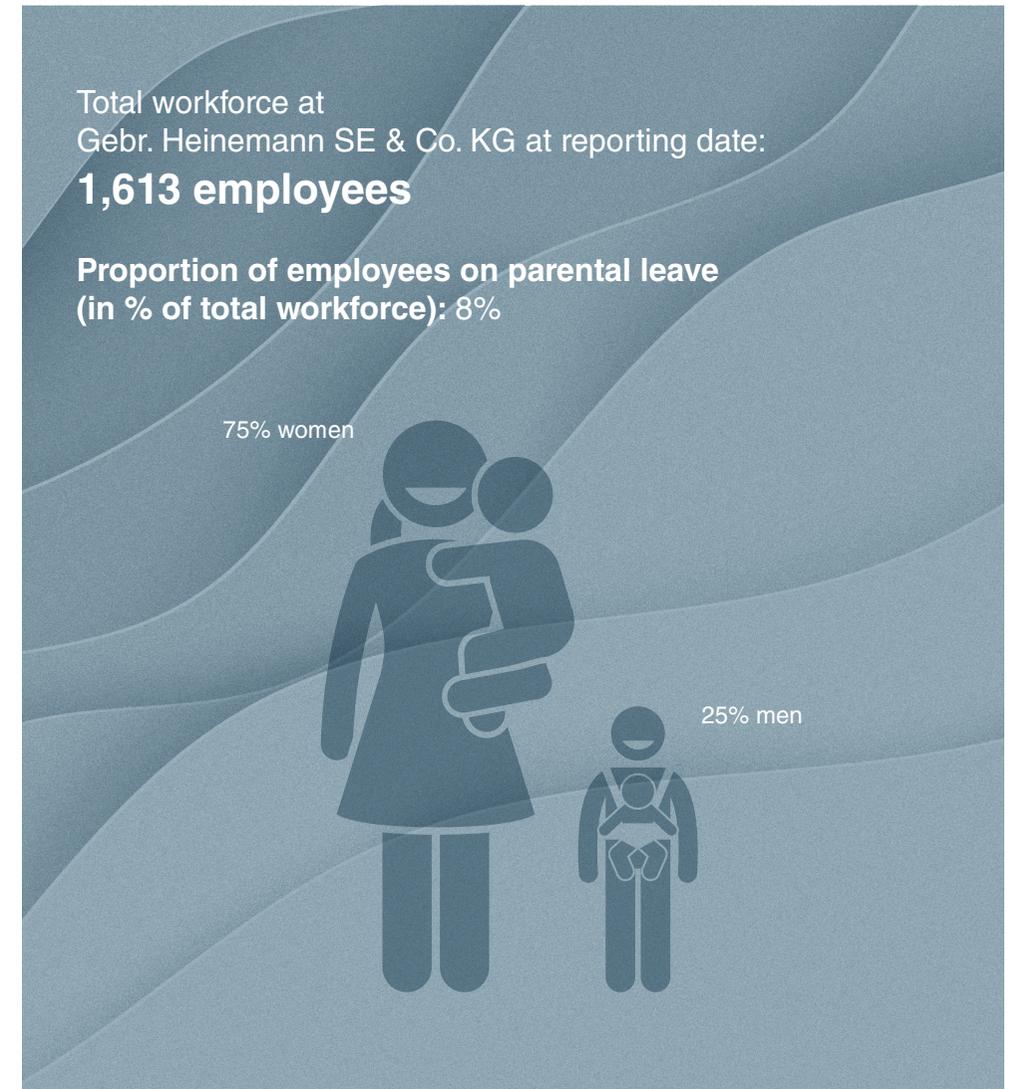
In an international environment, equality of opportunities is a mandatory requirement which is also a central element of our Code of Ethics. We have a strict rule that the classic diversity dimensions - gender, nationality, ethnicity, religion and world view, disability, age or sexual orientation and identity - may never be used as a basis for any form of discrimination at Gebr. Heinemann. On the contrary, for the company they are an opportunity to grow through diversity and mutual respect.

With reference to the Remuneration Transparency Act introduced in Germany to promote diversity, no discrimination has been identified in the case of applications submitted.



PARENTAL LEAVE

We are committed to ensuring a smooth and stress-free return to work for new parents who have taken parental leave. Carefully thought-out models for returning to work that take individual requirements into account play an important role in creating a family-friendly workplace.





Environment and climate

UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges

UNGC Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

UNGC Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

ENVIRONMENTAL DATA

The measurability of environmental effects is an important basis for greater environmental protection. We have laid a solid foundation through the ISO-14001-certified environmental management system which we run at our logistics centres in Allermöhe near Hamburg since 2009.

We also gathered important data through the energy audit conducted at our German headquarters (Koreastraße 3-5) in our logistics centres in Allermöhe near Hamburg and Erlensee near Frankfurt, as well as selected in Heinemann Duty Free Shops in 2019. Some locations have already determined their carbon footprint, such as our joint venture Travel Retail Norway.

RESOURCE SAVINGS

Several locations are also working on avoidance or alternatives of plastic 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 had not yet been completed at the time of this editorial deadline. At logistics centres, the NEWMIND (SAP Extended Warehouse Management System) is also intended to further improve logistics processes and energy consumption. In the area of emissions reduction, we are currently looking into the introduction of an energy management system.

Since January 2021, the logistics centres in Allermöhe near Hamburg and Erlensee near Frankfurt as well as headquarters in Hamburg Ha-

ficiency are supplied with green energy from renewable sources. This results in significant reduction of Scope 2 emissions (own emissions).

We are also gathering data and implement measures with regards to scope 3 emissions (up-and downstream) like carbon neutral fuel cards for company cars.

PROMOTING GREATER ENVIRONMENTAL RESPONSIBILITY

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.

As mentioned in the editorial, together with the update on our Code of Ethics we have asked our suppliers to complete a self-assessment questionnaire which queries amongst others information on environmental performance and especially on packaging attributes „reusable, recyclable, recycled or plastic free“. Anyhow, we will make environmental protection a regular topic in our exchange and promote it at the point of sale and in our webshop.

CERTIFICATIONS AND AUDITS

As part of regular audits, the certifications for environmental protection (ISO 14001) and occupational safety (ISO 45001, formerly OH-SAS 18001) and ISO 28000 (Secure supply chain) were confirmed for a further year for the Gebr. Heinemann logistics centre in Hamburg-Allermöhe at the beginning of 2021.

Additionally, the Allermöhe logistics centre holds the organic certification DE-ÖKO-006: the handling of organic products is subject to strict regulation in accordance with the EC-Organic Regulation.



Anti-Corruption

UNGC Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Gebr. Heinemann condemns corruption and perceives doing so as part of its 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.

In the course of the Code of Ethics rollout, we have implemented e-learnings and guidelines on the topics of preventing corruption, fair competition and antitrust law as well as data protection in the first half of 2021 at Hamburg headquarters and are gradually introducing it at our locations worldwide.

The e-learnings provide employees with the most important information on corruption, antitrust law and fair competition as well as data

protection. This includes explaining how corruption manifests itself in daily life and how employees can protect themselves as well as the company from corruption and violations.



Global Goals for people and planet

Gebr. Heinemann contributes to UN Sustainable Development Goals

This progress report highlights that we are successfully implementing the ten principles of sustainable business in our corporate strategy. From this, we have determined that our activities can bring meaningful change, particularly with regard to four out of seventeen United Nations Sustainable Development Goals (SDGs).



Gebr. Heinemann's translation of the UN sustainable development goals into our business model

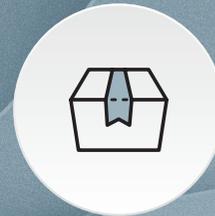
We are committed to achieve the following sustainable development goals by 2030:

Specific measures are currently being developed with a cross-departmental team and will become more ambitious each year.



Energy and Emissions:

By 2030, we will be carbon neutral by avoiding CO2 emissions primarily through the reduction of energy consumption at headquarters and in logistics centres. (UN SDG 13)



Waste and Packaging:

Preventive measures such as reduction, circularity and recycling will apply for every part of our value chain. (UN SDG 12, 13)



Product Portfolio:

We generate more than 50per cent of our sales with sustainable products and responsible suppliers. (UN SDG 12, 13)



People:

We guarantee a fair, safe and non-discriminatory working environment through global health and diversity standards. (UN SDG 8,12)



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Credits

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