The best from nature. The best for nature.

Sustainability Report 2015

Where it all began: The farm at Ehrensberg near Pfaffenhofen in Bavaria has been farmed by the Hipp family using organic methods for decades. Today it is a biodiversity model farm where HiPP works with scientists and conservationists to research methods of protecting soil fertility and biodiversity. The baby-food manufacturer's investment in the beacon project is aimed at testing practical, low-cost methods of increasing biodiversity and soil quality in agriculture.

Sustainability is the future

HiPP is synonymous with sustainability. This was confirmed by the latest representative survey conducted for the German business journal WirtschaftsWoche, in which we were once again chosen as Germany's most sustainable company. The trust placed in us by consumers naturally inspires us to continue pursuing our ecology-driven course and applying responsibility in our day-to-day performance. A family-owned company, HiPP has committed itself to the production of baby food along ecological and organic principles for over 50 years.

Our stated mission is to treat nature and natural resources with respect. By obeying this principle, we have developed into one of the world's largest processors of organic raw materials. For us, sustainability is about making a valuable contribution to nutrition, but also about keeping the world worth living in and worth loving for the generations that come after us.

To achieve this, the quality of our climate, water and soil take top priority as an inseparable alliance for an intact environment. We know that the climate suffers not only from increasing carbon emissions, but also from careless and unsustainable treatment of our soil. Agricultural land and grassland, marshes and forests capture and store CO_2. Soil contains countless organisms that metabolise carbon dioxide and produce oxygen. These nitrogen-fixing microorganisms are vital for the creation of humus — and thus soil fertility. However, at an average depth of only 30 cm, our topsoil is an extremely limited resource — and extremely easily destroyed.

Healthy soil ecology is linked to the protection of biodiversity. Climate change, combined with increasing loss of species, is endangering soil fertility and thus presenting a long-term threat to food security. To combat it, we must 'gain ground' in the most literal sense. From this perspective, biodiversity is a form of life insurance for us all — a view now shared by the world of politics.

The UNO General Assembly declared 2015 to be the 'International Year of Soils', with the goal of increasing awareness of soil as an element of life that is as essential as water or air.

And what is HIPP doing? We are stepping up our commitment to climate, water and species protection. Our production operations in Germany, Austria and Hungary are carbon-neutral thanks to our use of renewable energy sources and support of an international agricultural project designed to create humus by applying organic farming methods. We have elevated biodiversity protection to a mission statement and thus placed it in the forefront of our entrepreneurial objectives. This report contains details of the wide-ranging actions we have taken.

We are particularly proud of one biodiversity protection project: the HiPP Model Farm. The farm is designed to educate our suppliers in methods of promoting soil fertility and biodiversity as part of an agricultural routine. For HiPP as a food producer, this aspect is every bit as important as safeguarding the availability of raw materials. If we are to stop sawing off the branch we are sitting on, we must embrace the protection of biodiversity. Monocultures fostered by industrial agriculture and 'green genetic engineering' also endanger our environment. Ecological agriculture must receive special support to safeguard healthy foods — both for us and the generations to come.

A key role is played by the high-quality raw materials that HiPP sources from organic suppliers, for the sake of nature itself and the young consumers of our products. Together with over 8,000 contracted farmers, we practise organic farming methods to protect the water, air and soil from contamination by artificial fertilisers and pesticides. The urgent need for this commitment is shown by the growing levels of environmental pollution caused by conventional agricultural methods. To take just one example, around 8 billion euros are spent on removing nitrate residues from drinking water in Germany alone.

Contamination from environmental pollution is rising, and producing safe organic raw materials is an increasingly difficult and costly process.

At HiPP, we will continue to apply the full scope of our knowledge and experience and invest in end-to-end quality management. To safeguard food quality we are taking a proactive role in calling for transparency and traceability throughout the supply chain to be anchored in EU environmental legislation.

With best wishes,

Professor Dr. Claus Hipp and Stefan Hipp

Contents

Sustainability Report and Environmental Report for the Pfaffenhofen plant

(Details of EMAS-validated pages on p 65).

HiPP Facts and figures

The best from nature. The best for nature.

- **First baby food**
  produced by the original HiPP company 1899
- **Company founded**
  in 1932 by Georg Hipp
- **Managing partners**
  Professor Dr. Claus Hipp, Paulus Hipp
- **Shareholders**
  Stefan Hipp, Sebastian Hipp and further family members
- **Corporate philosophy**
  The manufacture of products in top quality and in harmony with nature

The company founder, Georg Hipp Senior

Where the company began: Hipp confectionery in the main square in Pfaffenhofen, early 20th century.

- **Number of employees, HiPP Group** ... approx. 2,600
- **Number of employees, HiPP Pfaffenhofen** 1,095
- **HiPP Group sales (2014)** ..... approx. € 730 m
- **Of which international** ..... approx. 50%
- **Production locations**
  Germany, Croatia, Austria, Hungary
- **Main markets**
  Germany, Austria, Baltic states, Benelux, Bulgaria, Croatia, Czech Republic, France, Hungary, Italy, Poland, Russia, Scandinavia, Slovakia, Slovenia, South Africa, Spain, Switzerland, Turkey, UK, Ukraine and other Western and Southern European countries, China, Vietnam and other Asian countries

In 1956 Georg Hipp launched the industrial production of canned baby food.

- **Product ranges/Number of products**
  Baby milks/Cereals/Teas 68
  Complementary feeding/Drinks 202
  Babysanft baby care/Mamasanft mother care 26
  Nursing juices/Nursing teas 2
  Sip and tube feeding products 15
  Total **313**
- **HiPP total market share for Germany (2014)**
  Baby and children's foods ..... approx. 45%
- **Retail customer structure**
  Classic food retailers, pharmacies and general chemists
- **Number of organic farms** ..... approx. 8,000

The legendary glass jars were introduced in 1959 and still symbolise the HiPP brand today.

Sustainability as our corporate philosophy
A long-term perspective for our corporate activities

As a leading manufacturer of baby foods, HiPP has a special responsibility towards the coming generations. Sustainability in our operations is therefore the heart of our corporate philosophy. HiPP follows the key ethical principles of a long-term perspective for our entrepreneurial activities, careful conservation of our resources and our environment, and social coexistence.

The principles of entrepreneurial action

For HiPP, sustainability is no mere buzzword but represents a long-standing tradition within the company. HiPP's principles of sustainable management focus on processing healthy products to organic quality standards. Responsible treatment of natural resources, designed to prevent pollution of the soil, water and climate and protect biodiversity, is a precondition for achieving this.

Every day, the principles of sustainable management present us with fresh challenges throughout all areas of the company, regardless of the topic — be it organic raw materials, green electricity, recycled paper, waste disposal or saving water. But sustainability encompasses so much more than conservation measures or organic farming.

The goal of sustainability

The official definition goes further: as well as ecology, sustainability extends to the business and social sectors. Resources must be husbanded in all three areas; consumption must not be allowed to exceed the pace of regrowth of resources or their replacement in terms of quality and quantity.

Entrepreneurial responsibility is therefore concerned with establishing economic and social values and minimising any negative impact of business operations. For this reason, sustainability and corporate social responsibility, or CSR, are no mere add-on activities, but represent a cross-disciplinary perspective and a philosophy that forms the bedrock of our core business. Organic production, sustainability and CSR are therefore core elements in our company's mission.

The three pillars of HiPP's sustainability policy

1. **Ecological —** protecting nature, the environment and the climate
   - Organic farming
   - Careful treatment of natural resources
   - Fostering the principles of recycling economy
   - Reducing CO_2 emissions
   - Avoiding waste
   - Supporting soil fertility
   - Protecting biodiversity
2. **Economic —** placing business operations on a sound footing
   - Fair and ethical behaviour towards competitors
   - Aiming for long-term values over short-term profits
   - Growth through optimising — not maximising — profit
3. **Social —** creating a society that is fit for the future
   - Acting with credibility and building trust
   - Living and breathing social and societal engagement
   - Fostering social equity and equal opportunities

Artist Nikolaus Hipp in his studio.

Nikolaus Hipp, Cycle of Living Substance, painting, 2011.

Prizes and awards
Milestones on the road to sustainability

HiPP's commitment has been rewarded by numerous awards and prizes. This recognition is proof of the high level of trust placed in the baby food manufacturer by consumers and the public, which is both a great honour and an undertaking of responsibility. The company intends to continue meeting these expectations.

Selected awards, 2012—2015

2014 'Ehren-Querdenker-Award'
Professor Dr. Claus Hipp receives the 'Honorary Unconventional Thinkers' Award' for his role as pioneer of sustainability. Rationale: His life's work has been driven by the vision that ecology and economy need not be contradictory. In this sense, the family company with its internationally recognised HiPP brand also stands for Germany's economic success.

2015/2013/2012/2011
'Nachhaltigstes Unternehmen Deutschlands'
The representative annual image survey by WirtschaftsWoche once again selects HiPP as 'Germany's Most Sustainable Company', rewarding its commitment to environmental and social issues as well as the products themselves.

2013 'CSR-Preis' of the German Government
HiPP's outstanding commitment in the fields of environment and community, corporate management, market and employment is first in the category: 500—4,999 employees of the 'CSR Prize', as one of Germany's most responsible companies.

2012 'Deutscher Nachhaltigkeitspreis' , top three most sustainable companies
HiPP receives the 'German Sustainability Award' for exemplary entrepreneurial success, social responsibility and prudent treatment of resources. Nominees must be companies with demonstrably outstanding achievements in sustainability management that foster the idea of a future-oriented society by their entrepreneurial actions.

2012 'FAUN', category: Responsibility and Sustainability
Publishing house Deutsche Standards EDITIONEN and Ernst & Young present HiPP with the 'FAUN Award' for entrepreneurial responsibility and sustainable management.

Past awards (selection)
2011 'Deutscher Solarpreis 2011' (German Solar Prize)
2011 'Der ehrbare Kaufmann' (Honorable Merchant Award)
2010 'Pro Biokultura'
2010 'Entrepreneur des Jahres 2010' (Entrepreneur of the Year)
2009 'Deutscher Nachhaltigkeitspreis', (German Sustainability Award), category 'Most Sustainable Retailer'
2009 HiPP is 'Marke des Jahrhunderts'(Brand of the Century)
2008 1st place as Germany's most eco-friendly office
2008 CSR-Mobilitätspreis (CSR Mobility Prize)

For a list of further prizes and awards, visit www.hipp.de/ueber-hipp/unternehmen/preise-anerkennungen.

Customers' favourite 2015

HiPP wins 'Gold' in the 'Food' category to become Germany's favourite brand, according to a current study conducted by Focus Money magazine for which over one million customer responses from social media were evaluated.

500 brands in 45 sectors were analysed from January to December 2014 under the categories of price, quality and reputation.

HiPP Sustainability Guidelines

Binding principles underlying our day-to-day activities

Sustainable manufacturing and marketing of future-oriented products are a particular priority for HiPP as an international baby food manufacturer.

For this reason, HiPP relies on the use of organically farmed raw materials and on expanding its range of organic products. The company links ecological and economic actions with social responsibility, to establish a binding system of ethical principles and develop an international and cross-generational entrepreneurial strategy.

These HiPP Guidelines are the binding foundation upon which all our sustainability objectives are based. They apply to all employees throughout the Group. All processes, activities and projects must be designed along these principles.

Professor Dr. Claus Hipp

Paulus Hipp

Stefan Hipp

Sebastian Hipp

HiPP and the environment

HiPP is committed to establishing equilibrium between nature and man. The focus is on preserving the basics of human existence by carefully husbanding natural resources. HiPP goes beyond compliance with the relevant laws and regulations and undertakes to achieve more ambitious goals. Environmental management within the company is continuously advanced and improved by the development of appropriate measures, while negative impacts of entrepreneurial activities on the environment are reduced. To do this, guidelines have been established throughout the Group and continuously developed. They include high ecological standards through compliance with international environmental management systems (ISO 14001 and EMAS).

Within this context, HiPP develops appropriate measures to combat climate change, dwindling natural resources and species loss, aimed at reducing carbon emissions, avoiding the use of fossil raw materials and minimising consumption of other resources. HiPP takes a proactive stance against 'green genetic engineering' and pursues research into agricultural methods in harmony with nature, thus fostering biodiversity.

HiPP and social responsibility

HiPP's business activities are shaped by its integrated and overarching social responsibility. The company seeks to achieve credibility in its actions and makes a pledge of consistent high quality to its customers. HiPP deals with its partners on the basis of trust and respect. Innovative and future-oriented products help to promote sustainable consumption.

In addition, HiPP's commitment to society is demonstrated by a variety of non-profit activities. The company regularly documents its sustainability management activities and fosters public dialogue. HiPP is open to questions from employees, parents, consumers, politicians and other interest groups; transparency is an integral part of responsible action and responsible business.

HiPP stands by the cultural diversity of its employees, and is convinced that both society and entrepreneurial success benefit from living and breathing diversity and appreciating its richness.

HiPP and the value chain

Sustainable development can only be guaranteed by the interaction of an array of different players. For this reason, HiPP expects its partners to fulfil the same social and ecological requirements as HiPP itself does. In addition, suppliers undertake to comply with all environmental and social standards set forth by HiPP.

In the supply chain, these primarily comprise automatic compliance with human rights, exclusion of child labour and provision of appropriate working conditions and social benefits. HiPP expects employees to be fairly rewarded for their work. They should be able to lead decent lives with their families and play a part in society.

With the aim of sustainable value creation, HiPP strives to achieve profit optimisation, not profit maximisation. The company rejects a policy of cheap prices at the expense of product quality — and generally also at the expense of the environment and the consumer. In entrepreneurial terms, this involves thinking beyond quarterly reports and taking orientation from sustainable values.

HiPP as an employer

For HiPP, social responsibility is a fundamental basis of successful entrepreneurial activity.

This social interaction is founded on the Ethical Charter, which encourages all employees to participate in a corporate culture of openness, loyalty and humanity and to apply these principles to their dealings with contractual partners, customers and consumers. HiPP pays fair wages and salaries, often above collective minimum standards. Maintenance of the company's high levels of occupational health and safety is a long-term objective.

Work-life balance, lived and breathed diversity, inclusion and demographic change are the cornerstones of HiPP's human resources strategy.

HiPP Sustainability Strategy

Quality, conservation of resources and trust

Safeguarding food quality and growth

The desire to provide healthy food for babies and toddlers is growing — as is the demand for HiPP organic products. What started as a vision is today a trademark: HiPP stands for excellent-quality organically farmed produce, reliable partnership in a solid network of contracted farmers, state-of-the-art food technology, rigorous analysis of residues and increasing use of renewable sources of raw materials.

High quality is our watchword. This criterion is an inherent value in itself. Quality combined with high credibility provides opportunities for sustainable growth.

For HiPP, sustainability is a prerequisite to create quality of life and fitness for the future — for us, but primarily for the generations to come. In entrepreneurial terms, this means thinking beyond quarterly reports and taking orientation from sustainable values. It involves rejecting 'quick bucks' and 'bargain-basement prices'.

Protecting resources and the environment

By producing and processing organically farmed raw materials, HiPP protects the air, water and soil from synthetic and chemical fertilisers and pesticides. Systematic environmental management in line with EMAS and ISO 14001 improves HiPP's environmental performance at all levels throughout the company, from procurement of raw materials to waste recycling. This year HiPP will celebrate its 20th anniversary as one of the ten first companies to adopt the EMAS scheme.

The baby food manufacturer has established carbon-neutral production operations at its Pfaffenhofen location by using energy from renewable sources and supporting an international climate protection project.

To protect the forests, all office stationery and cardboard packaging is produced from 100% environmentally friendly recycled and FSC paper. To protect the oceans from overfishing, production operations and staff cafeterias use only organic or MSC-certified fish.

Responsibility for social coexistence

Ethical action is the cornerstone of sustainable success. Entrepreneurial principles are as much a part of this as responsible treatment of employees and partners. HiPP established its own ethical management system as early as 1999, which forms the basis of the company's activities on the market and within the HiPP Group and its dealings with the state, society and the environment. In HiPP's mission statement, social responsibility and successful entrepreneurial action are one and the same.

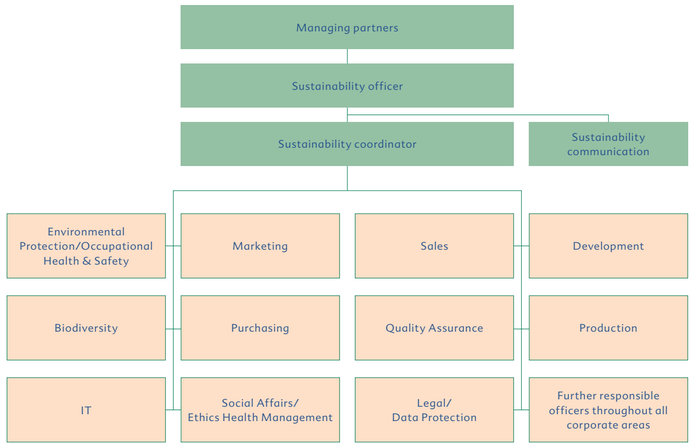
The company focuses on caring of its employees by providing optimum working conditions and healthcare management. HiPP also advances the common good by supporting charitable projects and voluntary projects for employees.

Encouragement of junior employees and regular employee training and education contribute to a corporate culture built on aspiration. To further improve this aspect, HiPP is working on establishing a systematic knowledge management scheme to ensure the experience and information amassed in the company are made widely available.

Sustainability management at HiPP
Close links between all specialist areas

At HiPP, implementation of systematic sustainability management at every level of the company is driven by its top management. This provides significant impetus for realising the philosophy of sustainability and protecting biodiversity in day-to-day company activities. The director of the company, Professor Dr. Claus Hipp, is a visionary entrepreneur who has designated the theme of sustainability as a corporate goal with top priority.

Sustainability Management Organisational Chart



A detailed description of the sustainability and environmental management system is set forth in the Sustainability Manual, which executives and staff can access via the Internet at any time to view work instructions or other information.

A dedicated team is responsible for the implementation and advancement of sustainability, headed by a sustainability officer who is also a member of the Management Board. Sustainability coordination and communication are likewise in the hands of the Management Board. The Sustainability team reports regularly to the Board and the shareholders.

HiPP has established a close-knit organisational structure (see Chart, left) to implement its aims. The structure is based on the actions, goals and objectives of the individual corporate divisions, each of which appoints a sustainability officer with an appropriate range of duties.

All corporate divisions receive ongoing updates on the topic. The Sustainability team works with them to agree tailored specific measures (see box on page 13 for examples) which are reviewed annually.

A regular meeting of the HiPP Sustainability team.

Sustainability officers at HiPP

Sustainability officers are the main contact for all issues relating to their specific departments. They support and present potential activities and projects on the topic and ensure the interests of their specialist departments are represented in all sustainability-related working and project groups at HiPP.

With collaboration by all responsible members of the company shown in the Sustainability Management Organisational Chart, a task profile with sustainability targets was drawn up and aligned to the specific characteristics of each specialist department.

Solar panels line the facade at HiPP's headquarters.

Environmental protection, occupational health and safety and biodiversity are constituent elements of company operations at the specialist department level.

In addition to the Sustainability Management Organisational Chart, in line with statutory requirements further officers are appointed with responsibility for specific areas, such as water protection officers, occupational health and safety officers and safety experts. Officers for waste disposal, hazardous materials and emissions protection are supplied by HiPP as a voluntary measure. Like the sustainability officers, all receive regular training and report annually to the sustainability officer according to the terms of their agreement.

HiPP sustainability training — the attendees are tested on what they have learnt.

Sustainability Campaign in 2014, where employees tested electric bicycles and pedelecs.

Our measures and activities:

- Environmental management system in compliance with ISO 14001 and EMAS validation
- Annual environmental audit and regular sustainability report
- Development of sustainability indicators and performance indicators
- Development of biodiversity indicators
- CSR activities
- Ethics management based on the HiPP Ethical Charer
- Sustainability training for staff
- Targeted career advancement for trainees
- Health management
- Quality and supply chain management
- Use of renewable energy sources – biomass cogeneration plant, green power and solar panels
- Climate protection by carbon-neutral production and support of individual international climate protection projects
- Recycling of 99.8% of all waste
- Use of 100% recycled and FSC paper
- Reduction of water consumption
- Engagement against green gene technology
- Environmental audits for individual plants
- Environmentally friendly packaging
- Fuel-saving and safe driving training courses
- Reimbursement of travel costs according to ecological criteria
- Environmentally friendly offices and business travel policies
- Organic cafeteria
- Collaborations with scientists and conservationists
- Stakeholder and consumer communication

HiPP in dialogue
Esteem and transparency

HiPP prioritises dialogue with its stakeholders because transparency is an integral part of responsible action and mutual esteem. HiPP is open to exchanges of ideas and opinions with employees, consumers, non-governmental organisations (NGOs), the worlds of science and politics, and other interest groups. The company pursues the aim of seeking out direct contact, including – and particularly – over critical topics. HiPP responds appropriately to impetus from the public and from its own in-house suggestions scheme, and has often received valuable proposals for positive advancement from these processes.

Working with opinion-shapers

Organic farming, environmental protection and conservation of natural habitats also contribute towards protecting biodiversity. They are all objectives to which HiPP commits itself in working parties and public debate, through membership of professional organisations and proactive participation.

HiPP has sought out allies for its commitment, which extends far beyond the boundaries of the company. Chief among these are the Association of Ecological Food Producers (AoeL), the international corporate initiative 'Biodiversity in Good Company', the Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (German Working Group for Environmentally Conscious Management, B.A.U.M.) and the initiatives Wirtschaft pro Klima (Business Supports the Climate) and Pro Recycling Papier.

In addition, HiPP works on specific projects with conservationists and non-governmental organisations such as, the Landesbund für Vogelschutz Bayern (Bavarian Society for the Protection of Birds) and various universities.

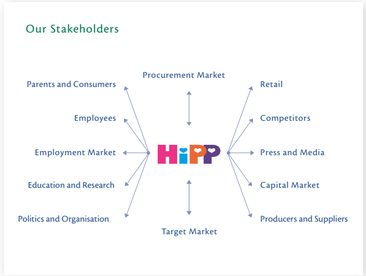
Internal and external communication

A digital information and communication platform has been developed for company-wide employee communication. The platform is currently in the roll-out phase under the working name of Mein HiPP (My HiPP).

The platform will serve as a method of rapidly sharing knowledge, structuring information and storing ideas in a transparent format both for individual departments and the company as a whole. It will provide employees with fast, easy access to information about measures, projects and topics, both ongoing and already implemented.

In addition to this digital platform, there are numerous topic-based working parties (e.g. 'Varietal Diversity in Products' or 'Sustainable Packaging Strategy') and regular inter-disciplinary meetings for proactive interested employees. Group-wide networks are fostered by the sustainability officers and by management executives and employees.

The annual International Works Workshop and International Marketing and Sales Conference promote exchange of ideas at inter-company level within the Group.



Discussing the revision of the EU Eco-Regulation in Brussels: Johannes Doms, Member of the HiPP Management Board, calls for traceability throughout the supply chain.

Communication with parents

HiPP's Baby Club service for parents has set high standards in the industry. The service can answer all kinds of questions on baby nutrition and development and is available around the clock by email, Internet, telephone or fax.

The advice given is based on nutritional science expertise and extends far beyond mere product information. As a result, the service has become a close and vital partner for parents in baby care matters.

Dialogue in online media

Parents seeking more information on HiPP products and services or on the development of their baby or toddler can take advantage of our comprehensive information portal on the Internet at hipp.de.

In addition to new products and an online shop supplying our full range of products throughout Germany, 'HiPP Baby Clubs' offer members numerous benefits. The portal contains a forum where HiPP's experts answer questions on all aspects of nutrition and care.

Facebook and YouTube pages, frequent campaigns including product tests, competitions and partnerships with bloggers complete the company's online presence.

Transparent information policy

HiPP regularly issues public announcements of all its actions on its corporate website and other Internet sites.

The Sustainability Report contains all relevant corporate figures and targets aimed at continuous improvement of the company's sustainability management processes. The report is aimed at staff, customers and suppliers, as well as interest groups such as professional associations, other companies, scientific institutions and representatives of the media and the world of politics.

Meeting the press: at public tours of his premises, Stefan Hipp explains the fundamental principles of organic farming.

Professor Dr. Claus Hipp at the State Art Academy in Tbilisi, where he lectures on abstract painting and stage design.

The managing partners and HiPP Board of Management participate in public debate, contributing to topics such as organic farming, resource and food security, and sustainability.

As Honorary President of the German Chamber of Commerce and Industry, Professor Dr. Claus Hipp takes a stance on issues of ethical business. An internationally recognised artist, he teaches painting at the Tbilisi State Art Academy (Georgia) and also lectures on business management at Tbilisi State University in his capacity as an entrepreneur. He is also a regular lecturer at the University of Eichstätt-Ingolstadt. Professor Dr. Claus Hipp is Honorary Consul of Georgia and President of the German Business Association Georgia (DWVG).

Organic farming
The heart of sustainability at HiPP

Convinced by the idea of organic farming, Claus Hipp began to convert the family's Ehrensberger Hof farm near Pfaffenhofen to organic production as early as the 1960s.

In those days 'organic' was far from the central topic it is today, and widespread use of chemical and synthetic fertilisers in farming was a matter of course.

Driven by its director's convictions, HiPP swam against the tide and continued to develop organic farming methods, setting new standards in baby food production. Organic methods are now firmly anchored as key features in the manufacture of baby food.

The focus is on farming in harmony with nature. Ecological farming guarantees species appropriate and high-welfare animal husbandry and feeding, plant conservation and natural fertilisation, and preservation of soil fertility. The foods produced in this process are sustainable and help to protect the environment.

Organic farming respects and values humanity, animals, plants and the soil.

The foundation of organic farming is soil that is rich in humus. Organic fertiliser such as compost or manure supports soil and plant life. Easily soluble mineral fertilisers are prohibited.

Weeds are kept in check by thermal, mechanical and manual procedures and by appropriate farming and cultivation methods including crop rotation, mixed cultivation, green manure and soil tillage. Measures designed to protect populations of birds and other beneficial organisms prevent pest infestation. Seeds and seedlings are sourced from organic nurseries. Dressed seeds and genetically modified seeds are both prohibited. Vegetable farming is only permitted in soil; farming using rock or mineral wool and hydroculture or similar methods are not approved.

All these principles are set forth in the EU Eco Directive. To achieve HiPP's organic quality, the production guidelines applied by the baby food manufacturer often exceed the specifications required by law.

By embracing organic farming, HiPP guarantees that its products contain 'only the best from nature'.

For all HiPP products, the quality of the raw materials is monitored right from the field by scrupulous selection of soils, seeds and produce.

Baby foods must be analysed to verify the content of natural nutritional values and eliminate the danger of harmful substances, because babies and toddlers are highly sensitive.

Parents that choose HiPP are on the safe side. The HiPP seal of organic quality is only applied to products that have passed the close-knit testing and safety system.

Understanding quality
Following nature's example

The best from nature. Vegetables for HiPP.

Organic vegetables for HiPP grow completely naturally — without chemical and synthetic sprays or fertilisers. Our contracted farmers boost the health of their plants and their soil by using green manure and well-designed crop rotation. They combat pests by preserving the balance of nature and making use of beneficial helpers like birds and insects.

This approach maintains the sensitive biological equilibrium and diversity of the agricultural areas they farm. These natural methods may result in lower yields, but protect the climate and the groundwater. The quality of the raw materials is preserved; for example, HiPP spinach is extremely low in nitrates — an essential attribute for baby food.

A HiPP agricultural engineer inspecting crops.

Healthy by nature. Fruit for HiPP.

In accordance with strict organic standards, HiPP fruit is subjected to strict supervision from blossom to harvest. Special varieties are selected for baby food; only fruit with a mild taste and extremely low acid content, which has been given enough time to ripen and develop its full fruit flavour, is suitable for HiPP products.

HiPP chooses regional raw materials wherever possible and strives for diversity of varieties. For example, pears for HiPP's juices are sourced from mixed orchards. Varieties such as the champagne pear, a rare heirloom perry pear with a full, aromatic flavour, are combined with other regional species like Speckbirne, Rote Landbirne and Hirschbirne to create the harmonious flavour of HiPP juices.

The apple harvest.

High-welfare husbandry. Meat for HiPP.

The organic meat used by HiPP is sourced from high-welfare husbandry on inspected organic farms. High-welfare animal husbandry with outdoor access is a constituent of HiPP's farming guidelines. Fattening agents, hormones or prophylactic medication are prohibited.

All animals receive organic feed. The origin of the animals is documented end to end. Chickens, turkeys, cows and pigs are kept according to strict HiPP guidelines. Free-range access for chickens and turkeys is mandatory and is regularly checked by HiPP, together with areas for scratching and sand baths. Chickens' beaks are not clipped. All animals are naturally inspected on an ongoing basis by veterinarians and by HiPP's own inspectors.

From sustainable fishing stocks. Fish for HiPP.

The fish used in HiPP products is exclusively sourced from sustainable MSC-certified catches and organic aquaculture. HiPP began to use MSC-certified fish in its production processes and company cafeterias in 2009.

Use of MSC-certified fish had risen from 30% to 84% by 2011 and reached 100% as soon as 2012, to our great satisfaction. We have been able to maintain this target to the present, and it will remain our benchmark.

By using MSC-certified fish, HiPP aims to contribute towards protecting the eco-balance of the oceans. MSC guarantees that certified fishing operations comply with its specified environmental standards, protect fish stocks and implement effective management systems.

Bananas from the Costa Rican jungle
Protecting natural habitats for people and the environment

The outstanding heirloom banana variety 'Gros Michel' is cultivated under ideal conditions in the heart of the Costa Rica rainforest. These bananas have an intense flavour and the optimum sugar content for baby food, yet are ignored by the large-scale plantations. However, the indigenous population cultivates them using their original methods, thus retaining the unique diversity of species in the upland jungle.

The bananas are cultivated by smallholders who are guaranteed a secure livelihood by HiPP's long-term contracts. In line with the 'fair trade' philosophy, around 1,000 farmers have been able to rely on guaranteed sale prices for the past two decades.

A member of HiPP works locally to oversee the outstanding quality of the raw materials which is so essential for HiPP's premium baby food.

In the years since the project was launched, a solid relationship of mutual trust has grown between HiPP and the farming families. The German baby food company has accepted social responsibility for the people involved.

In addition to the smallholders, who earn a secure income from banana cultivation, the project provides a livelihood for numerous other groups such as harvest workers, horse owners, vehicle drivers, boat owners and cargo hands.

By engaging in organic farming methods, HiPP is conserving the natural habitats of flora and fauna and protecting biodiversity. Unlike plantations, the banana plants stand singly and widely spaced, enabling any spread of disease or fungal infection to be quickly contained by simply removing any plants affected. In contrast to conventional plantation farming, no pesticides or herbicides are used.

There are no connecting roads in the upland jungle; the organic bananas are taken to the loading station by boat.

HiPP has sourced organic bananas from Costa Rica for 20 years.

The heirloom banana variety 'Gros Michel' is grown in the heart of the upland jungle using natural methods. This maintains the quality of the fruit and conserves the environment as a habitat for a wealth of flora and fauna.

Variety in baby food
HiPP signs a partnership with the German Vegetarian Association

At the BIOFACH 2015 trade show, Stefan Hipp and the Managing Director of the German Vegetarian Association (VeBu), Sebastian Zösch, signed a partnership over sustainable nutrition for babies and toddlers.

The collaboration originated in Halbzeitvegetarier (Part-Time Vegetarians), a 2014 sustainability project by HiPP's company Catering department. The initial contact and exchange of specialist ideas about vegetarianism developed into positive long-term approaches, among them the inspection and certification by VeBu of HiPP's vegetarian meals.

By introducing a range of vegetarian menus, HiPP is responding to consumers' growing interest in meatless nutrition — including for children. At the same time, HiPP seeks to raise awareness among parents and coming generations, encouraging them to treat natural resources with care and responsibility and provide more varied and nutritious food for their children.

'We are delighted to have gained HiPP — one of Germany's largest baby food manufacturers — as a partner. The company's new vegetarian menus lay the foundations of healthy eating at an early age': Sebastian Zösch, Managing Director of VeBu Germany.

Certified vegetarian variety

HiPP baby foods passed the quality control of the German Vegetarian Association with flying colours and are permitted to carry the Association's official 'V' mark. For HiPP, variety in baby food is an important topic.

HiPP aims to encourage environmentally conscious and sustainable nutrition by reducing meat consumption. In vegetarian foods for infants, particular attention must be paid to the optimum combination of foods to ensure children receive all the nutrients they need for their development.

Sufficient iron must be a priority here; baby menus designed for vegetarian diets must contain an ingredient rich in iron.

Amaranth — known as the 'miracle grain of the Incas' — is an especially valuable source of iron, with higher levels than millet or oats. With many beneficial characteristics, it is recommended by leading nutritionists. Amaranth is rich in iron, zinc, calcium and high-quality protein to support a balanced diet — also for babies and toddlers.

Innovations in HiPP's organic quality

Varied and balanced — while babies are only interested in the taste of their food, parents' primary concern is the quality. Now HiPP is helping parents to provide a healthy diet for their little ones with the addition of six varieties of vegetarian menu to HiPP's product range. These new vegetarian products provide even babies with an ideal diet. The new varieties complement HiPP's existing range with further innovative flavours in the company's hallmark organic quality.

HiPP's vegetarian menus

6 months onward
- Garden Vegetable Medley with Sweet Potato
- Couscous Vegetable Mix

8 months onward
- Colourful Potato Casserole
- Wholewheat Spaghetti with Vegetable Sauce
- Macaroni Cheese with Vegetable Medley

12 months onward
- Wholewheat Spaghetti with Carrots, Courgettes and Tomatoes
- Mild Curried Rice with Pumpkin
- Vegetable Risotto

Supply chain management
Sustainability from field to jar

HiPP's sustainability management system has the entire supply chain in view. All company units and divisions draw up definitions of their sustainability goals. For the Purchasing department, sustainable procurement is a essential constituent of the company's strategy. HiPP won the 'German Sustainability Award' in the category of 'Sustainable Purchasing' for its outstanding achievements in this area.

This requires strictly defined quality assurance methods both in agricultural produce and in other areas such as packaging.

Given this, the company is also responsible for the behaviour of its suppliers and contractual partners. HiPP can only achieve its targets if its suppliers and partners also support this commitment and also aim to establish sustainable processes in their own operations.

For this reason, all HiPP's business agreements include codes of environmental, social and ethical practice. A fundamental issue for the baby food manufacturer is the establishment of continuous, long-term and trust-based partnerships to safeguard the quality and availability of raw materials, fair prices and confirmed order volumes.

HiPP's efforts in supply chain management have included the introduction of a database collecting and collating information on all relevant criteria concerning the company, its raw materials and the quality, sustainability and biodiversity of its farming methods and processing for each individual product batch.

The fundamental challenge for end-to-end traceability from raw materials to finished products is to assemble the information from various sources in such a way that the data can be accessed automatically for evaluation and use.

This systematic traceability enables continuous supply and audit management to be pursued and supply chains to be followed right back to the field.

Thanks to this transparency, the approval process becomes simpler and more efficient. Standardised documentation of all communication between the various specialist departments and the supplier provides all stakeholders with a comprehensive overview — a clear advantage.

This documentation and inspection of farming and husbandry operations is conducted jointly by the suppliers and HiPP. This type of process-oriented quality control is endangered by plans for revision of the EU Eco-Directive. To safeguard food quality, HiPP has therefore joined the debate over this revision and campaigned actively for transparency and traceability in the supply chain.

HiPP focuses on an integrated management approach in implementing sustainable purchasing strategies and linking them with quality and supplier management systems.

Food safety
Close network of documentation and control

Comprehensive controls are in place to monitor product quality and safety. The contents of a single jar undergo up to 260 laboratory controls in our quality assurance system, from analysis of soil and raw materials to the final inspection of the finished product. This process begins at the outset of the supply chain with tests including soil and seed analysis and continuously documents the progress of the raw materials, from the farming methods used to the flows of goods delivered by the farmers to HiPP.

Before processing, raw materials are initially analysed for a wide range of parameters. The final controls are performed on the finished product.

Throughout the process, monitoring spans the raw materials and ingredients as well as aspects of flavour, consistency and shelf life. HiPP has established precise requirements for farming and processing, compliance with which is also checked.

State-of-the-art methods are used throughout the entire process of analysing raw materials and products under the quality control system. HiPP's globally accredited laboratory is among the best in Europe.

The objective is not only to meet statutory regulations, but to achieve the maximum quality and safety of the products. Statutory requirements merely represent minimum standards.

HiPP's watchword is that ecological production must always aim to achieve the very highest standards possible. Organic farming is a question of philosophy; it is a form of agriculture in harmony with the laws of nature.

HiPP's company philosophy thus focuses on providing top-quality products that are ideally suited as baby food and are manufactured with care.

Rigorous monitoring and end-to-end traceability are essential parts of HiPP's quality philosophy.

Quality management with HACCP

The HACCP system enables all factors that could jeopardise food safety to be consistently monitored and controlled. HACCP extends testing and inspection of the final product to include preventative monitoring of critical aspects throughout the entire food production process. The system thus provides for a systematically controlled guarantee of safety for the products and their manufacturing methods that is compatible with ISO 9000.

Raw materials
High standards for high-quality processing

HiPP is a traditional company that can trace its origins back over more than a century. The grandfather of the present owner, Joseph Hipp, produced the first baby cereal from rusk, milk and water in 1899 in the family confectioner's store. Today HiPP has developed into a premium brand and is one of Europe's leading baby food manufacturers. The secret of the company's success is its high standards of quality and safety.

Still consistently operating as a family company, HiPP supplies premium baby food throughout the world. Over one million jars a day leave the Upper Bavarian town of Pfaffenhofen; HiPP processes around 35,000 tonnes of raw materials a year.

The traditional company began as early as the 1950s to rely on certified raw materials from organic farming — although the risks of harmful substances in foods were nowhere near as well-known as they are today.

Today over 8,000 organic farmers grow fruit and vegetables for HiPP on a total of approximately 80,000 hectares. In processing these organically produced raw materials, HiPP takes the EU Eco-Directive as a basis and additionally safeguards the production chain from farm to shelf by applying its own strict standards.

Precise specifications apply to farming and processing methods, and compliance with these requirements is checked in meticulous inspections and analyses. In this respect an important role is played by HiPP's quality management, analysis and in-house laboratory, continuously upgraded with the most up-to-date equipment.

The laboratory is regarded as among the leaders in Europe, with the capability of identifying a pinch of salt in a swimming pool. Before ingredients are approved for processing, they are tested for up to 1,200 different pollutants.

In addition, the end-product undergoes several hundred checks and inspections to guarantee that our baby and toddler foods meet the most stringent ecological and quality standards.

The best from nature. The best for nature.

The HiPP Seal of Organic Quality stands for exceptional quality that exceeds the standard of the EU Organic label.

HiPP imposes particularly high standards on soil quality, organic farming methods, purity of raw materials and the quality of the finished product.

Human resource management at HiPP
Social and societal responsibility

HiPP's mission statement focuses on social responsibility as the primary foundation of successful entrepreneurial operations. This is expressed not only in the company's human resource management, but also in its wide range of social programmes and solidarity with those in need. For example, HiPP helps young families caring for multiple births and regularly supports the food bank charity organisation Münchner Tafel e.V. and Caritas aid convoys to war-torn areas.

Within HiPP's sustainable human resource management, the company focuses on long-term goals instead of short-term effects. HiPP regards human resource management as an investment in the future. The process focuses on recruiting the right staff, motivating them, supporting and challenging them and ensuring their employability until pensionable age. These principles are supported by an integrated concept designed to enhance the company's value creation by fostering the achievement of qualifications and a high sense of personal responsibility among its staff. With this in mind, HiPP is committed to generating staff loyalty, consolidating its reputation as a reliable employer and standing up for ethical values. By establishing high social standards and offering flexible working models and above-average pension schemes and occupational health and safety standards, HiPP promotes an optimum working atmosphere. Annual staff appraisal meetings and target agreements are further important building blocks for a solid corporate culture; in turn, staff are invited to give appraisals of executives.

A special feature at HiPP is its own Ethical Charter, which has served as a code of behaviour for the company's operations for the past 15 years.

CSR Prize of the German Government

HiPP takes corporate social responsibility (CSR) extremely seriously. In confirmation and recognition of this commitment, in 2013 the company received first place in the CSR Prize of the German Government.

In June of the same year, HiPP also received the European CSR Award, presented to companies that operate along the principles of economy, ecology and corporate social responsibility — and acknowledging the contribution of both these companies and the economy itself to sustainable development that extends beyond mere fulfilment of statutory requirements (legal compliance).

Cooperation with Rotary — as anonymous 'hidden angels', HiPP staff brought gifts to refugees living in the Caritas-run accommodation.

HIPP regularly donates to the Münchner Tafel food bank, of which Professor Dr. Claus Hipp is a patron.

Award of the CSR Prize, June 2013

'For HiPP, the CSR Prize serves as both recognition and impetus for this family-run medium-sized company that lives and breathes responsible and social management. As a company that acts with vision and adopts social responsibility, we aim to play our part in contributing towards ensuring that a future worth living is available for all – and particularly for the generations to come', said Claus Hipp.

Human resource management at HiPP
Appreciation and trust

The HiPP Ethical Charter

HiPP drew up its own Ethical Charter in 1999 and has followed these self-defined principles based on responsibility towards humanity, nature and the environment ever since. The Charter focuses on fairness in competition and respect in the treatment of business partners, suppliers, customers and employees. Its core aim is to foster awareness that long-term entrepreneurial success can only be achieved with best-quality products, sustainable conditions and constructive interaction. To ensure that we succeed, we call upon the commitment of all our stakeholders to work together on implementing the principles defined in the Ethical Charter.

HiPP's ethical management principles also take a stand against short-term profit-driven operations and promote the acceptance of social and societal responsibility, establishing a solid foundation for the company's mission statement. The principles of HiPP's Ethical Charter are continuously revised to reflect developments in our markets and in society. The most recent revision of our principles was begun in spring 2015.

The mentorship system

HiPP's workforce has grown steadily in recent years, integrating numerous new members of staff. Our mentoring system helps new colleagues to get off to a successful and positive start. All new recruits are assigned a mentor who accompanies the entire recruitment and induction phase, ensuring they get to know all colleagues in the areas they will be working with, providing initial personal contact and enhancing the new employees' understanding of their tasks.

Mentors assemble a welcome pack where the new recruits find their learning targets, a schedule and names of colleagues who will provide support. Induction into specialist tasks is supported by the recruits' own colleagues and teams from other departments. The mentorship system has been particularly useful in providing a rapid, structured introduction and helpful exchange of experiences. Its primary advantage is in establishing solid long-term relationships with colleagues, based on special responsibility and mutual trust.

The Head of Development and her team not only hold regular taste tests to examine product quality; they also designed HiPP's mentorship system and were the first department in the company to introduce it.

The core team of the HiPP Human Resources department.

Human resource management at HiPP
Optimum working climate

Additional qualifications, targeted training courses and performance-oriented assessment and remuneration are core instruments of HiPP's human resources policy. Since sustainability has been anchored in the mission statement, the topic has become mandatory for in-house training. The objective is to school staff in issues of ecological and social sustainability that they can apply in both their professional and personal lives. Over the past two years, per employee an average of € 408 per employee has been spent on training and 7.11 hours invested in in-house courses.

The Human Resources department provides the following measures for communicating knowledge and information:

- External educational events (seminars, courses, congresses, conferences)
- In-house training (e.g. including mentoring)
- In-house seminars and coaching
- Internet-based training documents
- Mentorships in individual departments

Other important information media are the intranet and the in-house magazine HiPP intern.

Flexible working models

As a family-friendly company, HiPP promotes the combination of family and career. Almost every department, including production facilities and shift-based work, has introduced flexible working hours that improve opportunities for staff — especially women — to further their professional development. Families with children, single parents and carers can arrange their working hours to suit their responsibilities. In Pfaffenhofen alone, where 222 part-time staff are currently employed, almost 200 different individual working models and a flexitime model without core period are in operation.

The relatively long average length of employment shows that staff at HiPP enjoy their work. As statistics show, employees remain at the company for an average of over 12 years. Activities designed to promote identification with the family-run company also help to continue staff loyalty. For example, staff on night shifts are paid a full week's wages for four days' work to compensate for the physical stress involved.

Emergency management

HiPP prioritises staff safety and avoidance of incidents and emergencies. Employees and assistants thus receive regular training in emergency management; routine maintenance checks are performed regularly on the necessary technical equipment.

Extensive documentation of emergency organisation procedures can be accessed by management and staff on the intranet at any time.

	2013	2014
Sickness absenteeism	3.80%	3.55%
Accidents	0.27%	0.21%
Fluctuation rate — dismissal/employees	2.18%	1.37%
Fluctuation rate — dismissal/employees/scope Plant	2.25%	1.15%
Fluctuation rate — dismissal/employer	0.66%	1.09%
Paid overtime	0.78%	0.61%
Length of employment Pfaffenhofen	12.76 years	12.00 years
Ratio m/f (executives), total	4.92	4.21
Ratio m/f (executives), by management level (MgtL)	MgtL 1: M 02 - F 00	MgtL 1: M 02 - F 00
	MgtL 2: M 21 - F 01	MgtL 2: M 21 - F 01
	MgtL 3: M 22 - F 09	MgtL 3: M 22 - F 09
	MgtL 4: M 14 - F 02	MgtL 4: M 14 - F 02
Ideas management — suggestion rate	15.58%	17.90%
Ideas management — implementation rate	22.56%	15.82%
Continuing training and education costs (external seminar fees per employee)	EURO 417/employee	EURO 398/employee
Continuing training, length (as per GRI Standard)	25.47 h/employee	27.41 h/employee
In-house training hours	7.01/employee	7.21/employee
Percentage of employees with disabilities	4.93%	4.66%
Number of nationalities	23	22

Health management
Targeted prevention

The supreme asset of a company is the health and well-being of its staff. People that are happy experience higher quality of life, have greater satisfaction and are more committed. Company health management (CHM) is playing an increasingly important role as an element of human resource, quality and sustainability management.

At HiPP, health management is not restricted to medical examinations and activities laid down by institutions for statutory accident insurance and prevention; the company primarily invests in preventative healthcare measures. In 2014, HiPP was honoured for its exemplary commitment to preventative healthcare as part of occupational health and safety improvement and for its introduction of a company rehabilitation scheme, as well as for its CHM activities, high number of first-aiders for emergencies, driving safety training and healthy organic cafeteria food: the Berufsgenossenschaft für Nahrungsmittel (Employers' Liability Insurance Association for the Food Industry) presented HiPP with a certificate as '2014 Certified Company' accompanied by a significant refund of insurance premiums.

Preventative measures

The HiPP company physician is also available for vaccinations and individual care. All workplaces are inspected regularly for compliance with medical criteria, particularly with respect to work at computer monitors, ergonomics and noise protection. Progressive muscle relaxation exercises, stress management courses and even mobile massages help to restore body/mind balance. In autumn 2014, over 100 employees underwent in-depth medical examinations on two 'Prevention Days' (blood work, cholesterol, BMI, pulmonary function, vein and foot scans, etc.). Sports are also a focus; joint leisure activities are promoted and reductions on fees for local partner gyms are available in the winter months. The annual 'Bike to Work' campaign and company triathlon always attract high participation rates.

Diet influences health

HiPP's in-house company cafeterias make an important contribution to healthy staff nutrition, providing low-cost dishes in virtually 100 per cent organic quality and focusing on seasonal regional ingredients and fish with organic or MSC certification. HiPP's own excellent well water, tea and coffee are provided to staff free of charge. An allergen management system brings transparency to the exact ingredients used in all dishes. In 2013, in partnership with the German Vegetarian Association (VeBu) and the sustainable cafeteria Catering project Gemeinschaftsverpflegung. Nachhaltig, the catering department ran the 'Part-Time Vegetarian' campaign providing daily vegetarian food without coercion or 'pointing the finger'. Its success speaks for itself: consumption of vegetarian dishes as a proportion to all main courses consumed rose to 37.8%. Today vegetarian and vegan options are permanent fixtures in HiPP's cafeteria menus.

The head of HiPP's Catering department received the German 'Catering Manager of the Year' award in 2013, the Oscar in Germany's company catering industry.

Staff health management survey

In 2013, HiPP surveyed a total of 470 employees with the aim of developing a tailored CHM system. Results showed that 84 per cent of respondents strive to take enough exercise and eat a healthy diet. Most employees wanted to see schemes encouraging exercise – including directly at their workplace.

Because health is also a leadership issue, in-depth training for executives was held in 2014. HiPP's Health working group meets regularly, with members including the company physician and Works Council as well as members from various departments. The working group is developing a joint catalogue of measures that fulfil the requirements of all areas of the company.

Targeting junior talent
Practical development of potential

Education and training are the most important investments in the future – for each individual one of us, and for society as a whole. The transition from school to career is a critical step. To provide young people at HiPP with the chance of directly entering qualification-oriented vocational training, HiPP has developed an integrated approach of practical measures aimed at encouraging previously neglected potential in young adults.

HiPP offers a variety of qualifications from classic apprenticeships to work/study courses and trainee positions. As the Pfaffenhofen-based company must compete with the regional automotive and pharmaceutical industries in recruiting qualified staff, its quota of trainees is only average for the industry, at 5.6%.

However, traineeships at HiPP are extremely practice-focused and designed to provide a high level of intensive support. In addition, the quota of trainees is set to provide all trainees with the potential opportunity of employment by the company.

Integrated approach

Integrated training plays an important role in this focus on junior talent. Harmonising company needs with personal performance profiles and social skills can be a complex process.

HiPP therefore supplies production trainees with training and education officers, 50% of whose working hours are devoted to providing vocational support as well as communicating personal skills — motivating and encouraging their young charges, exploring their personal capabilities and fostering team spirit.

In addition to in-house training, the Sustainability department organises environmental excursions and other hands-on courses where trainees also receive support from external experts such as scientists and conservationists.

Communicating personal responsibility

Part of HiPP's focus on junior talent includes development of managerial and situational competence, providing opportunities for independent projects that develop team and communication skills. Specific projects of this kind include the JuFi 'juniors' company', the AMT Trainee Marketing team and Trainee Sensory Team. As an independent team, JuFi is a 'company within the company' that primarily addresses operational issues such as sales-related tasks, e.g. procurement, retail sales, online shop, etc.Trainees are also involved in designing advertising material.

The AMT's activities are primarily in the area of school and vocational training. Work experience, company tours and in-school information events (apprenticeship fairs, etc.) are organised under the heading of 'Trainees for School Students'.

The AMT is also responsible for the intranet page of the Vocational Training department and the 'Trainee Blog' in the Careers section of the HiPP website.

The Sensory team supports its specialist department in planning and performing product tests. These three groups are also involved in charity actions such as HiPP's successful 'Hidden Angels' staff project which anonymously distributes Christmas gifts to children from disadvantaged backgrounds and young refugees.

These junior staff members represent the company at career information events and university job fairs, trade shows and exhibitions and many other events. But it's not all hard work; trainees and apprentices also get together in their leisure time for activities ranging from barbecues to visits to the opera.

Special training officers support HiPP's young trainees in career development.

Every year, HiPP trainees complete high-ranking vocational qualifications with distinction.

Protecting biodiversity
Safeguarding biodiversity from raw materials to food production

Nature is sending out an SOS, and increasingly irreparable holes are gaping in the network of life. The loss of ecosystems and of species of flora and fauna joins climate change as the greatest challenges we are facing today. The very existence of our world depends on biodiversity – yet human actions are increasingly damaging animals, plants and habitats. Our ecosystems, the natural interaction of species with their habitats, are weakened. While the problem may not be immediately visible, a system weakened in this way will some day face total collapse.

Biodiversity is enormously significant – also from an economic perspective, affecting the availability of raw materials for food production.

It is biodiversity that supplies us directly with raw materials for food or wood to provide us with energy. The genetic wealth of the natural world is also exploited for medicines or cosmetics. These 'services' are free of charge – and essential for the survival of humanity.

In Germany, agriculture accounts for around 50% of the total area. HiPP relies on ecological farming, which protects the environment by using natural, pesticide-free methods and enhances soil quality by means of crop rotation and humus creation.

As a producer of baby food, HiPP relies on the availability of especially high-quality raw materials from intact ecosystems. For this and other reasons, the company has elevated the protection of biodiversity to a top priority. In recent years, numerous measures have been implemented to contribute towards biodiversity.

The centre of these activities is Ehrensberger Hof, a model farm for biodiversity. A long-term objective is to collect data enabling the 'biodiversity-friendliness' of products to be quantified.

60% of the world's ecosystems are regarded as damaged, and 20% of mammalian species are threatened with extinction. Left: Tree-planting campaign at the model farm. Right: Nesting box for owls; Skudde sheep at Ehrensberger Hof.

Commitment to flora and fauna
HiPP's areas of influence

Nobody knows better than HiPP how natural soil fertility is linked to healthy foods. This is not a mechanical process but a complex ecological system, of which biodiversity is a part. The alarming global decline in the numbers of species, genes and habitats is impoverishing nature and threatening humanity's basis for survival. Lost biodiversity cannot be recovered; these losses are irreversible.

For HiPP as a food manufacturer, the greatest opportunity to exercise influence lies in the preliminary stages of agriculture. At its model farm for biodiversity, HiPP works with scientists and conservationists on experimental measures to integrate biodiversity into agricultural routine. The aim is to develop practical methods for our suppliers to implement biodiversity measures into their day-to-day operations. For example, the model farm is home to several heritage breeds of animals: original Braunvieh cattle, of which there are only 500 left in Bavaria, Skudde sheep (around 1,000 animals throughout Germany) and the heritage chicken breed, Appenzeller Spitzhauben. The farm also has six beehives.

Organic refuges for microorganisms

An insect hotel and homes for lizards are designed to compensate for the lack of natural refuges. 150 nesting boxes for owls, starlings, swallows and even bats help to foster a population of helpful predators to keep down pests.

To create new ecosystems, areas unsuitable for agriculture were renaturalised and the old principle of silvopasture, or forest grazing, for livestock was reintroduced. Silvopasture creates low-density, almost open forests that are particularly significant to biodiversity; they become habitats for stag beetles, numerous species of butterfly and bats. To attract beneficial insects, hedges, bushes and wild flower meadows are planted, and piles of timber and roots, stone walls and wild flower strips provide organic refuges for insects, reptiles and microorganisms.

They are not only sources of protection and food for animals, but also ensure vital protection from wind and erosion. Our trainees and other staff regularly take part in action days, which also serve as educational environmental experience. In the past three years, these days have primarily been devoted to planting new areas as our contribution to climate protection.

At the same time, trees and hedges help to prevent fragmenting of the landscape by cultivated areas, serving as travel passageways for forest animals and protecting and expanding their habitats. In 2012, HiPP introduced tours of the model farm for the public, enabling young people in particular to experience the subject of biodiversity in a hands-on way. By the end of 2014, around 100 groups had taken this opportunity to learn more about the topic. In a collaborative project with NABU (German Nature And Biodiversity Conservation Union), Professor Dr. Christina von Haaren from the University of Hanover and LBV (Bavarian Society for the Protection of Birds), HiPP produced biodiversity status analyses of Stefan Hipp's farm in Poland in 2013 and 2014. The farm proved to be particularly speciesrich, as it combines agricultural fields with many natural areas of wetland, marsh and meadow with numerous species of wild flowering plants. Rare species such as the wryneck and great bittern take up residence here and settle happily in a landscape with so many unspoilt areas.

Braunvieh cattle in the model farm's forest grazing areas.

Professor von Haaren and staff members collecting biodiversity data.

Activities and projects
HiPP activities and projects

Company/Production

- To protect the oceans from overfishing, HiPP uses only MSC-certified fish in its production operations and company cafeterias. By increasing the quota of MSC-certified fish from 30% in 2009 to 100% in 2012, HiPP reached its self-appointed target.

- The HiPP model farm project also inspired the project Firmen fördern Vielfalt (Companies Call for Diversity) project in collaboration with AöL (Association of Ecological Food Producers), other organic food producers and scientists. Like HiPP's own project, the aim is to develop practical and low-cost methods of increasing biodiversity in agriculture. The project has been expanded to include farmed fruit, vegetables and grain. The project receives financial support from the DBU (German Federal Environmental Foundation). The project results will be presented in 2016 at BIOFACH, the leading global trade fair.

- To protect the climate, HiPP makes use of the sun, water and biomass as renewable energy sources and recycles 99.8% of all waste. Specific energy consumption has fallen continuously over the past two decades; HiPP's production operations in Germany, Austria and Hungary are carbon-neutral, partly through the company's support for international climate protection.

- HiPP takes a stand against 'green gene technology' because it involves unforeseeable consequences for nature and humanity and threatens biodiversity by promoting monocultures. The company provided funding to supply the documentary Leben außer Kontrolle (Life Running Out of Control) to schools and is a member of the ecology association Saat:Gut, with aims including cultivation of open-pollinated varieties.

Staff training and involvement

- Regular training courses enable HiPP employees to learn more about the importance of protecting biodiversity and its background. Trainees in particular are involved in annual environmental action days, planting trees, digging ponds for amphibians or creating habitats for endangered species of bird.

Product packaging

- To protect the rainforests from deforestation, all the paper and packaging material used at HiPP is now recycled or FSC-certified. HiPP also uses mineral-free dyes in the majority of its packaging, thus protecting both products and the environment.

Tree-planting day with Claus Hipp at the biodiversity model farm.

Every year HiPP plants the 'Tree of the Year' on the company premises.

The model farm is home to the shrike, an indicator of intact ecosystems.

Logistics

- As logistics is also a burden to the environment, HiPP is working on decreasing its carbon emissions to protect the environment. Measures implemented include optimisation of transport runs, eco-friendly vehicles and recyclable packaging materials.

Supply chain

- HiPP is driving targeted supplier management as a method of seizing opportunities and minimising risks. To find out more about the status quo of biodiversity protection measures at suppliers and producers, in 2013 the company undertook a scientific study with the University of Hanover and surveyed its contracted partners. The data collected served as a basis to develop biodiversity-related check items for supplier audits and digital supplier management.

- Supplier audits also investigate standards of equality, ecology and social performance. A database programme collates all relevant criteria down to individual batch level.

- HiPP's environmental, social and ethical codes are constituent parts of business agreements and the company's General Terms and Conditions. HiPP aims to establish trust-based partnerships, not only to safeguard quality and the availability of raw materials, but also to ensure protection of the environment and preserve biodiversity.

Company premises

- Biodiversity in the company grounds is supported by planting native species of tree and wild flower meadows, creating nesting habitats and collecting data about bird populations, particularly endangered Red List species.

- In 2014, HiPP took part in the 'Value of Nature Study' conducted by the non-profit Institute for Ecological Economy Research (IÖW) to examine the status of biodiversity on its company grounds.

  The results showed that biodiversity management at HiPP is already excellently organised, with few areas where improvement could be achieved.

- Every year the official 'Tree of the Year' is planted in the company grounds. Grass-cutting is limited to promote species diversity among butterflies and insects.

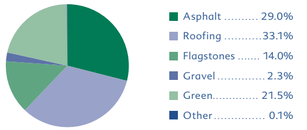
- A peregrine falcon was introduced as a natural deterrent to pigeons, and is performing this important duty in exemplary fashion.

- A cooling water basin at HiPP was stocked with fish, which remove algae in an eco-friendly way, eliminating the need for cleaning procedures several times per year.

At HiPP, a peregrine falcon is a natural deterrent for pigeons and thus an important 'member of staff'.

Types of surface – Pfaffenhofen works

Total area (m²): 61,091



Biodiversity is shown according to EMAS specifications. The 'Value of Nature' study by the Institute for Ecological Economy Research (IÖW) shows an excellent ratio of sealed to greened and water-permeable areas at HiPP.

Biodiversity
Allies for the cause

HiPP has sought out allies to support it in its commitment to preserving biodiversity. The baby food manufacturer is a founder member of the international initiative, 'Biodiversity in Good Company'.

All companies belonging to this cross-industry alliance have signed a mission statement and leadership declaration undertaking to integrate biodiversity protection into their sustainability strategy and corporate management. Member companies of the 'Biodiversity in Good Company' initiative take responsibility for the protection and sustainable utilisation of biodiversity in a political and social dialogue.

Members document their continued commitment by presenting a progress report every two years. The initiative's work, which is frequently carried out as project partnerships with governmental and non-governmental organisations and scientists, is also designed to promote the establishment of expertise and foster knowledge transfer.

The 'Biodiversity in Good Company' initiative was chosen as a flagship project in the UN Decade on Biodiversity.

Flagship project for the UN Decade on Biodiversity.

'BIODIVERSITY IN GOOD COMPANY'-INITIATIVE E. V.

LEADERSHIP DECLARATION

All signatory companies acknowledge and support the three objectives of the Convention on Biological Diversity:

- Conservation of biological diversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits that arise out of the utilisation of genetic resources.

Signatory companies furthermore commit themselves to:

1. Analysing corporate activities with regard to their impacts on biological diversity.
2. Including the protection of biological diversity within their environmental management system, and developing biodiversity indicators.
3. Appointing a responsible individual within the company to steer all activities in the biodiversity sector and report to the Management Board.
4. Defining realistic, measurable objectives that are monitored and adjusted every two to three years.
5. Publish activities and achievements in the biodiversity sector in the company's annual, environmental, and/or corporate social responsibility report.
6. Informing suppliers about the company's biodiversity objectives and integrating them accordingly.
7. Exploring the potential for cooperation with scientific institutions, non-governmental organisations (NGOs) and/or governmental institutions, with the aim of deepening dialogue and continuously improving the corporate management system vis-à-vis the biodiversity domain.

A biennial progress report is submitted to the Initiative to document continued commitment.

Consumer activities

- In 2013, HiPP launched 'A Tree for Your Baby', a campaign in partnership with Schutzgemeinschaft Deutscher Wald e. V. (German Forest Conservation Association) in which customers were invited to collect HiPP's organic seals of quality. Over 5,000 parents took part, helping to reforest storm-damaged areas with indigenous species and transforming areas with low species diversity into biodiverse, climate-friendly mixed forests. The campaign increased biodiversity and improved water storage, thus protecting the climate. A certificate with the date of planting and name of the baby was issued for every tree planted; each certificate is therefore unique.
- Stork nesting project: HiPP partners the Bavarian Society for the Protection of Birds (LBV) by financing an observation camera for a stork's nest at a secondary school in Pfaffenhofen. The images are broadcast on the Internet and used in biology lessons. The company also sponsored a transmitter and data logger which the young stork, affectionately known as 'Happy Hippi' by the students, wears on its back. The route and flight profile of the bird can now be tracked using an 'animal tracker' satellite device programmed by the Max Planck Institute, and can also be accessed on the HiPP website.

- In 2014, HiPP joined forces with Mellifera, an organic beekeepers' association, to support bee protection. The project supported the association's research and environmental education work and funded the establishment of educational bee trails and the planting of bee-friendly meadowland.
- HiPP informs customers and consumers about all its biodiversity projects on the Internet, in its retail activities, in regular publications and on Internet forums.

Sustainability management
Protection of species as a constituent of operations

HiPP's sustainability management system has incorporated biodiversity into the company's operations as a dedicated department. Biodiversity management schemes are initiated by the biodiversity officer in coordination with the Sustainability team.

To reflect the interdisciplinary nature of biodiversity and sustainability management, all departments are involved in its implementation in day-to-day operations. Continuous analyses and evaluations of the company's impact on biodiversity are conducted.

Practice-based methods

In response to the lack of standardised methods for evaluating biodiversity, HiPP took up the challenge of trialling its own practice-based approach.

Analysis methods were guided by sources including the 'Biodiversity Management Manual', drawn up by the companies of the 'Biodiversity in Good Company' initiative in partnership with Leuphana Unversity of Lüneburg, and commissioned by the German Ministry for the Environment.

HiPP also draws on the GRI Standards and on influencing factors resulting from practical collaborative projects with NGOs, particularly those related to verification of ecological audits and landscape conservation.

HiPP used a questionnaire targeted at producers and suppliers to determine the status quo and was additionally able to integrate specific audit criteria into its management software. These sustainability factors can be cross-referenced to master data and quality and approval data.

The long-term objective is to develop a specific set of indicators enabling the biodiversity performance of HiPP and its contractual partners to be assessed and incorporated into the management system as binding parameters.

Planting trees at the biodiversity model farm.

HiPP aims to increase the range of varieties in its orchards.

The rare yellow-bellied toad has found a habitat on the model farm.

Measurable targets in biodiversity protection

- **By 2017: Biodiversity indicators**
  Based on trials at the biodiversity model farm and the results of the Firmen fördern Vielfalt (Companies Call for Diversity) project, methods and indicators for biodiversity-friendly farming are to be developed for the categories of grasslands, grain, vegetables and fruit by the end of 2016.

- **By 2016: Improvement of biodiversity in the preliminary stages of agriculture**
  Progress has already been made at the Ehrensberger Hof model farm with the systems Repro (TU Weihenstephan), MANUELA (University of Hanover) and the Kulturlandplan (Bioland). In addition to increased settlement of beneficial species, this progress primarily concerns improvements to conservation measures in agriculture. HiPP will continue the analyses into 2016 and integrate the results into the Firmen fördern Vielfalt project.

- **Activities in the UN International Year of Soils 2015**
  HiPP conducted a retail campaign introducing the topic of biodiversity and focusing on soils. Information was presented in an entertaining way, with interesting competitions offered as an incentive to find out more. The campaign educated consumers that healthy soil and humus creation are essential prerequisites for biodiversity and our ecosystem as a whole.

- **The UN International Year of Soils initiative, 2015**
  HiPP is taking advantage of the 'International Year of Soils' initiative, launched by the UN in 2015, to focus a debate on soil quality among all stakeholders.

- **Biodiversity Day** (22 May 2015)
  A group of medical students visited the HiPP model farm for an informative tour given by the biodiversity officer, in which they encountered practical examples that taught them about the importance of species conservation.

  Great effects can often be created by low-key actions that can be carried out by anybody. The numerous nesting boxes set up on the model farm and in the company grounds by HiPP in collaboration with the LBV in recent years have helped to encourage increased settlement of rare and beneficial bird species. HiPP used Biodiversity Day as an opportunity to set up further habitats especially for swallows on the company grounds.

Biodiversity Officer Armin Günter puts up nesting boxes for swallows on the HiPP company premises.

Rooms to rent

To support the settlement of vital beneficial species in HiPP's company grounds, the following new habitats were created in the period 2012–2015:

- 6 beehives
- 12 insect hotels
- 150 nesting boxes
- 1 peregrine falcon nesting box
- Forest pastureland as habitat for bats

Environmental audit for Pfaffenhofen location

An environmental audit is produced for the companies HiPP Werk Georg Hipp OHG, HiPP GmbH & Co. Produktions KG and HiPP GmbH & Co. Vertrieb KG and thus also contains the 2015 Environmental Statement for the Pfaffenhofen plant. The business operations of the three groups have the purpose of production and marketing of foods for babies and toddlers and other foods produced in accordance with the Diätverordnung (German Regulation on Foods for Special Dietary Uses on Dietetic Foodstuffs). Energy and material flow management schemes are used as a basis for systematic analyses of company operations, investigating and listing potential ecological risks and weaknesses and potential areas of optimisation. Based on this inventory, the individual input and output materials are analysed and evaluated for their environmental impact. The overarching objective is to establish cycles with the maximum possible level of efficiency, naturally while also maximising the efficient use of resources and materials. Figures from the previous years of 2012, 2013 and 2014 enable percentage-based comparisons to be drawn and changes in process data to be tracked over these periods. The input/output ratio is always measured per product tonne.

The following sections provide details of this data. Total figures for individual material and energy flows were complemented by key performance indicators, enabling changes within the company to be assessed as well as benchmarking HiPP's performance indicators against those of other companies. Major percentage-based changes are annotated.

The HiPP logo was designed by New York designer Francesco Gianninoto in collaboration with Claus Hipp.

Environmental audit

Input	2012	2012 Unit/t	Change in % year-on-year	2013	2013 Unit/t	Change in % year-on-year	2014	2014 Unit/t	Change in % year-on-year	
Raw materials (t)	32,507	0.5632	-8.76	34,382	0.5634	5.77	34,161	0.5773	-0.64	↘
Operating supplies (t)	141	0.0024	-4.20	149	0.0024	5.71	126	0.0021	-15.66	↘
Cleaning agents (t)	138	0.0024	12.87	167	0.0027	21.05	142	0.0024	-15.20	↘
Energy (MWh)	43,475	0.7532	-4.46	45,597	0.7472	4.88	43,075	0.7280	-5.53	↘
Water (m³)	466,160	8.0761	-3.49	500,631	8.2042	7.39	505,674	8.5461	1.01	↗
Packaging (t)	29,608	0.5130	-7.42	31,108	0.5098	5.07	30,756	0.5198	-1.13	↘
Output										
Products (t)	57,721	1.0000	-10.24	61,021	1.0000	5.72	59,170	1.0000	-3.03	↘
Waste water (m³)	400,308	6.9352	-3.05	442,455	7.2508	10.53	451,334	7.6277	2.01	↗
Waste (t)	13,364	0.2315	-8.59	14,595	0.2392	9.21	14,906	0.2519	2.14	↗
Emissions (t)	2,517	0.0436	-17.40	2,262	0.0371	-10.10	2,151	0.0364	-4.91	↘

Environmental performance indicators Quantifiable success for humanity and nature

Environmental performance indicators are a central pillar of sustainability management. They play a key role in HiPP's management of all energy and material flows with direct or indirect environmental impact. The performance indicators for Pfaffenhofen were determined on the basis of the environmental audit for 2012 to 2014, with the previous year's figures serving as a forecast for the following year in each case. In this way, deterioration in specific areas can be pinpointed rapidly and clarified in annotations.

Improvements were seen in virtually all performance indicators; the only increases seen were in water consumption and, as a result, waste water, and in waste volumes. The rise in water consumption was due to unforeseen production-related cleaning processes. Differences in volume resulted from factors including systematic changes in waste recording methods in SAP, and are explained in more detail in the text.

Thanks to the systematic environmental management scheme in place at HiPP for the past twenty years, the company's environmental audit has largely shown consistently good results for many years. Any deviations are subjected to meticulous analysis and targeted actions developed to counteract them. Although the majority of potential areas of savings have already been exploited to the full, HiPP continues to work on further improvements, however minor their effects.

Environmental performance indicators

Key figures	2012	2013	Target 2014	Actual 2014	Change in % year-on-year	Forecast 2015
Operating supplies (kg/t)	2.60	2.00	2.00	2.13	6.31	2.13
Cleaning agents (kg/t)	2.40	2.70	1.90	2.40	-11.23	2.40
Energy (kWh/t)	774.60	767.20	728.20	727.99	-5.11	727.99
Water (m³/t)	8.10	8.20	7.50	8.55	4.22	8.55
Packaging (kg/t)	513.00	509.80	497.30	519.79	1.96	519.79
Waste water (m³/t)	6.90	7.30	6.40	7.63	4.49	7.63
· Cooling water Ilm	2.70	2.80	2.50	2.92	4.45	2.92
· Waste water, sewage plant	4.20	4.50	3.90	4.70	4.52	4.70
Waste, total (kg/t)	234.40	240.40	229.60	251.92	4.79	251.92
Non-recyclable waste (kg/t)	5.50	5.70	5.30	5.87	3.07	5.87
Carbon dioxide (kg/t)	42.37	38.07	31.70	36.21	-4.89	36.21
Sulphur dioxide (g/t)	4.11	4.31	4.30	3.89	-9.82	4.00
Nitrogen oxide (g/t)	5.34	5.66	5.70	5.13	-9.29	5.30

The headquarters of baby food manufacturer HiPP at Pfaffenhofen an der Ilm, Upper Bavaria.

Energy
Power and heat from renewable sources

The HiPP plant in Pfaffenhofen has been connected to the local biomass-fuelled combined heat and power plant (CHP) since 2002. The plant converts untreated wood biomass into energy. HiPP covers its entire heating, hot water and steam requirements from this source. Heating oil is used only for downtime maintenance of steam boilers and for heating the on-site company shop; this is located in a historic villa which is not connected to the main heating system.

To conserve natural resources, HiPP consistently uses only renewable energy sources for its electricity, and promotes sustainability further by choosing 'green power' generated 100% from hydropower.

Six solar power plants convert solar energy into eco-power; a total collector area of 432 m², together with a solar facade and solar roof installations, generate a total of approximately 40,000 kWh of solar energy every year — equal to the power consumed by ten three-person households.

Infrastructure for 'green gas' from biomass

HiPP makes every effort to save on fossil fuels. A natural gas-powered shrink tunnel for the packaging department was introduced in 2013 for reasons of efficiency, based on evaluations of all sustainability criteria. The tunnel's annual power consumption is 286,000 kWh over 5,000 operating hours, making this gas-powered solution by far the most cost-effective method of operation.

As the tunnel had to be in continuous operation in 2014 for production-related reasons, the audit accordingly documented an increase in natural gas consumption. The resulting carbon emissions were fully compensated for by the purchase of carbon credits. HiPP has already established the infrastructure necessary to power this system with 'green gas' from biomass in the future.

Saving energy

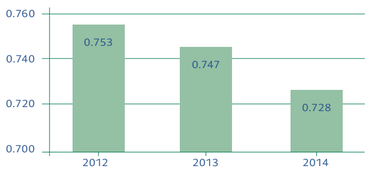
Targeted measures have enabled the company to reduce electricity consumption; conventional lighting elements were replaced with LED and numerous movement sensors for lights were installed in cold stores, halls and outdoor areas, amounting to total savings of over 100,000 kWh from 2012 to the present.

Replacement of four transformers also helped to lower electricity consumption; the new models use 95,000 kWh less energy per year compared to their predecessors.

Key indicator: energy efficiency

In MWh	2012	2012 MWh/t	Change in % year-on-year	2013	2013 MWh/t	Change in % year-on-year	2014	2014 MWh/t	Change in % year-on-year	
Fuels	4,197	0.0727	-0.31	3,838	0.0629	-8.55	3,800	0.0642	-0.98	↘
Electricity	7,601	0.1317	-3.72	7,722	0.1265	1.60	7,506	0.1269	-2.80	↘
Heating oil	93	0.0016	1.01	106	0.0017	14.63	78	0.0013	-26.25	↘
Biomass CHP	31,584	0.5472	-5.17	33,816	0.5542	7.07	31,249	0.5281	-7.59	↘
Natural gas	0	-	-	115	0.0019	-	441	0.0075	284.90	↗
Total	**43,475**	**0.7532**	**-4.46**	**45,597**	**0.7472**	**4.88**	**43,075**	**0.7280**	**-5.53**	↘
Of which renewables	79.02%			82.39%			87.80%			

Energy consumption [MWh/t Product]



Protecting the climate
Certified carbon-neutral production

Protection of the climate and the atmosphere is among the most important tasks of our time. At HiPP's plant at Pfaffenhofen, the company powers its production operations from renewable energy sources, resulting in carbon-neutral production. An area of forest equal to around 5,000 football fields would be required to sequestrate the volume of CO_2-eq that the company avoids by these actions. The remaining emissions are partly accounted for by exhaust gases produced on business travel, and by energy generation on peak days requiring additional natural gas combustion in the biomass CHP.

These emissions totalled roughly 1,600 tonnes in 2014. They are balanced out with the support of global climate protection projects such as Sekem Farm in Egypt, which received the United Nations' 'Land for Life Award'. Its ecological composting project is designed to avoid carbon emissions. HiPP is also a member of Germany's Wirtschaft pro Klima (Business For the Climate) initiative for companies that proactively support climate protection.

Eco-friendly logistics and transport

HiPP's Logistics department continuously monitors the use of transport methods and manages goods flows with the aim of maximising transport utilisation. Retail deliveries are handled as combined shipments from central warehouses. While 5% of retail customers were supplied from local or regional sources in 2011, this figure has now fallen to under 2%. Small-scale shipments such as break-bulk cargo are outsourced to parcel services; products to the UK and Scandinavia are transported by rail and sea.

HiPP's vehicle fleet comprises 135 vehicles. To ensure economical and low-emission operation, high-efficiency diesel vehicles are used wherever possible. Regularly held courses in economical driving have also helped to reduce fuel consumption. Emissions from company cars are compensated for with carbon credits. As these vehicles are also used for personal purposes, HiPP includes total kilometres driven — thus also providing carbon compensation for private journeys by employees — in its compensation calculations.

Emissions

In t	2012	2012 kg/t	Change in % year-on-year	2013	2013 kg/t	Change in % year-on-year	2014	2014 kg/t	Change in % year-on-year	
CO_2-eq energy consumpt.	2,507.3	43,4381	25.21	2.252,5	36.9136	-10.16	1,631.4	27.5707	-27.58	↘
CO_2-eq coolants	NA	0,0000	0.00	NA	0.0000	0.00	511.1	8.6381	-	
SOx	4.1	0,0712	-4.42	4.3	0.0706	4.87	3.9	0.0657	-9.82	↘
· BHKW	3.3	0,0580	-5.17	3.6	0.0587	7.07	3.3	0.0560	-7.59	↘
· HiPP plant	0.6	0,0109	-0.01	0.6	0.0095	-7.51	0.6	0.0097	-1.40	↘
NOx	5.3	0,0925	-4.64	5.7	0.0928	5.99	5.1	0.0868	-9.29	↘
· BHKW	4.6	0,0804	-5.17	5.0	0.0815	7.07	4.6	0.0776	-7.59	↘
· HiPP plant	0.5	0,0088	-0.04	0.5	0.0081	-2.77	0.5	0.0091	8.89	↗
Emissions	**2,516.7**	**43.6018**	**-17.40**	**2,262.5**	**37.0769**	**-10.10**	**2,151.5**	**36.3612**	**-4.91**	↘

Explanations for 'Emissions' table: Since 2011, different units have been used for energy indicator data as a result of adjustment of the conversion factor for steam from t to MWh. Energy consumption in MWh is thus lower than in the preceding report. The formula 'MWh multiplied by emission factor' also gives lower carbon emission values than in previous years. All indicators published in the report were calculated on the basis of the new conversion factor. 2014 was the first year that coolant emissions were included, with a CO_2-eq of 511.1 tonnes (t).

Klima-freundlich
Aus einem HiPP-Werk mit CO_2-neutraler Energiebilanz.
Durch Einsatz erneuerbarer Energien und Unterstützung weltweiter Klimaschutzprojekte.

Wirtschaft pro Klima

HiPP's seal of climate-neutral production.

The biomass CHP at Pfaffenhofen.

IT and eco-friendly offices
Efficiency at every level

So much more than technology – IT at HiPP

HiPP's IT Service aims to enhance employee satisfaction and productivity. To achieve this, the service is extremely user-focused, conducting internal surveys and training courses to continuously analyse opportunities for improvement and close knowledge gaps.

Workplace training has proved particularly effective, allowing for continuous optimisation of technical working conditions on an individual basis. Any new equipment purchases must be more environmentally friendly and technologically advanced than the equipment they are designed to replace.

Consistent implementation of these principles has enabled an excellent energy balance to be maintained for office equipment. In 2014, 103 printers were replaced by models with lower power consumption, achieving further energy savings of 47%.

554 desktop computers and 228 notebooks were also replaced. In addition to lowering power consumption, the new devices deliver more computer performance, a particular benefit given the system requirements of advanced applications.

IT projects

Searching is time-consuming! As HiPP grows from year to year, its increasing numbers of employees and rising data volume are confronting filing systems and storage locations with ever more complex requirements. To streamline day-to-day operations while enhancing their efficiency, the IT department has set up or redesigned secure virtual workspaces based on SharePoint since 2013.

An example is the modernisation of contract management processes that has been ongoing since 2014. With the target of 'one-click contract creation', improvements ranging from filing and authorisation concepts to automatic notification of contract expiry are being implemented and will benefit all departments equally. Completion is scheduled for 2016.

220 contract types have already been recategorised; common access to over 6,000 documents was introduced for the various HiPP locations.

Eco-friendly office and advertising materials

All HiPP's office supplies purchases are chosen on the basis of their eco-friendliness. Consumables with Germany's Blue Angel environmental certification are used wherever possible. 96% of the paper used at HiPP is FSC and recycled paper.

70% of writing implements such as pencils and marker pens are and 90% of ballpoint pens are made from renewable resources, with refillable pens and pencils used where possible. The use of materials sourced from Europe involves short transport routes that benefit the eco-balance.

HiPP's highest priority is to manage requirements. Unnecessary new purchases are avoided; used envelopes and cardboard packaging are employed for inter-office mail.

Colleagues in other offices may be glad of files, storage boxes and other office materials that are in good condition but currently surplus to requirements, for reuse or even multiple use. Even small actions like these help to protect the climate!

Optimised power consumption – PCs and notebooks

	Desktop new	Desktop old	Notebook new	Notebook old
CPU power (benchmark)	4,578	4,056	4,149	3,744
Power consumpt. OFF (W)	0.3	0.8	0.2	0.2
Power consumpt.ON (W)	11.5	20.0	13.8	15.0

Paper consumption at Pfaffenhofen (internal)

Input	2012	Change in % year-on-year	2013	Change in % year-on-year	2014	Change in % year-on-year
Total paper consumption/sheets	**2,700,000**	**-2**	**2,573,500**	**-5**	**2,618,000**	**2**
Of which virgin fibre paper	539,500	3	354,500	-34	205,000	-42
Percentage of recycled paper	80.00%		86.20%		92.17	
Number of employees	1,029	1	1,053	2	1,092	4
Consumption per employee	2,624	-2	2,444	-7	2,397	-2

96% of the paper used at HiPP is FSC and recycled paper; unnecessary printing is avoided, enabling annual paper consumption per employee to be continuously reduced. Packaging material is recyclable.

Water
Wellspring of life and natural asset to be protected

Water is essential for people and animals, the earth and the climate. Although our 'blue planet' has enormous reserves of water, very little of it is potable. Almost 98% of the earth's water is in the form of saltwater and can neither serve as drinking water nor be used directly in agriculture.

As a natural resource, water must therefore be used sustainably. Drought-stricken countries in Africa and Asia in particular, where 90% of the world's population lives, often do not have basic access to drinking water and sanitation. Although Germany does not (yet) suffer from water shortages, EU countries on our doorstep such as Italy and Spain are increasingly confronted with the problem of drought.

Saving water

HiPP's water management follows the principle of using as much water as necessary, as little as possible. The company declared its objective of saving water as early as 1971, when water consumption was still 22.8 m³ per product tonne.

Since then, consumption has successfully been reduced to an average of less than 8 m³ per product tonne. Production operations offer particular areas of potential savings.

Optimisation of water cycles and recirculation systems for cleaning-in-place (CIP) procedures were introduced; multiple water recycling in CIP means that clean rinse water is recirculated as pre-wash water in the next cleaning cycle.

In addition, compressed air is used for preliminary cleaning of product-carrying pipelines to remove residues of processed raw materials before they are thoroughly rinsed with water. HiPP generally aims for multiple recycling of water wherever possible.

Heated clean water from sterilisation processes is captured in buffer tanks. As it is still at high temperatures at this stage, it can be used for heating. Extremely hot water regularly enters the system, so that the stored water can also be used for cooling. A system that saves both energy and water!

Well water directly from the Alps

Although water is plentiful in our region, pollution from fertiliser nitrates or pharmaceutical residues is proving an increasingly serious problem. Clean water is a valuable resource and, like all finite resources, is worthy of protection.

The HiPP plant at Pfaffenhofen has its own deep well. The Georg Hipp Spring has its geological source in Tertiary strata and is an exclusive source of pure, fresh water in premium quality, supplying spring water directly from the Alps from up to 154 metres below HiPP's premises.

This natural mineral water supply is a true natural treasure of supreme quality and purity. To prevent the groundwater table from falling, HiPP ensures that its daily consumption of water is always less than the supply.

The well water at HiPP has been officially verified as being of 'natural purity' and outstandingly suitable for the production of baby foods.

Water

In m³	2012	2012 m³/t	Change in % year-on-year	2013	2013 m³/t	Change in % year-on-year	2014	2014 m³/t	Change in % year-on-year	
Artesian water	3,997	0.0692	-60.23	2,103	0.0345	-47.39	0	-	-100.00	↘
Public water supply	8,168	0.1415	344.40	3,041	0.0498	-62.77	50,982	0.8616	1.576.49	↗
Well water	453,995	7.8653	-3.63	495,487	8.1199	9.14	454,692	7.6845	-8.23	↘
Total	**466,160**	**8.0761**	**-3.49**	**500,631**	**8.2042**	**7.39**	**505,674**	**8.5461**	**1.01**	↗

Waste water
Free from adverse effects on nature or environment

Around one-third of HiPP's waste water volume comprises water which is uncontaminated — for example, roof run-off water, cooling water from sterilisation cycles or recycled water for the water softening unit. This water can be directed into the nearby River Ilm without impacting on the natural environment. To provide official documentation of water safety, HiPP keeps an operating log with a complete list of regular measurements.

These include waste water volumes, chemical oxygen demand (COD), pH values, sedimentation and temperature. The waste water from HiPP's product processes that is processed in the municipal sewage plant almost exclusively contains organic particles and thus provides an excellent nutrient-rich basis for the vital bacteria in the clarifying tanks used for water treatment.

Waste water

In m³	2012	2012 m³/t	Change in % year-on-year	2013	2013 m³/t	Change in % year-on-year	2014	2014 m³/t	Change in % year-on-year	
Fed directly into River Ilm	155,161	2.688	-3.02	169,670	2.780	9.35	173,042	2.924	1.99	↗
Fed into sewage plant	245,147	4.247	-3.08	272,785	4.470	11.27	278,292	4.703	2.02	↗
Total	**400,308**	**6.935**	**-3.05**	**442,455**	**7.251**	**10.53**	**451,334**	**7.628**	**2.01**	↗


Rainwater and clean water from sterilisation processes also count as waste water.

Virtual water

'Virtual water' describes the volume of water 'contained' in a product or service that is consumed by its production or performance.

Although daily water consumption in Germany has fallen to less than 130 l per capita, this water makes up only a very small proportion of our actual sdaily water consumption.

Our consumption of 'virtual water' is many times high – at almost 4,000 l per person per day!

This is the volume of water required to manufacture the products we use every day, from a microchip to a cup of coffee.

Operating supplies
Further potential for savings

Total consumption of operating supplies at HiPP fell significantly in 2014 as a result of the mild winter, requiring 24 tonnes fewer of gritting salt than the previous year. The audit for solvents and dyes shows the full purchase and inventory volume, not actual consumption.

A water revitalisation system for water processing brought significant improvements. By replacing the remaining metal conveyor chains in production operations with plastic, HiPP was able to continuously reduce the volume of chain lubricant required. In addition, benzene is now used only sporadically as a machinery cleaning agent, likewise resulting in a decrease in consumption.

However, consumption of liquid nitrogen required for filling PET bottles rose slightly for technical reasons. In 2014, the purchase of a used process engineering system required large volumes of oils and lubricants for the thorough testing, cleaning and maintenance procedures performed before the system could be placed into service. Coolant consumption soared in 2014 after leakages necessitated complete replacement of pipelines.

After completion of the process and replacement of the original service provider, consumption for 2015 is already scheduled to fall. After a rise in fault rates, the label printers in the production facility had to be replaced. The new machines are now in operation, and are proving reliable and efficient.

Operating supplies

In kg	2012	2012 kg/t	Change in % year-on-year	2013	2013 kg/t	Change in % year-on-year	2014	2014 kg/t	Change in % year-on-year	
Water treatment agents	40,171	0.6960	0.68	37,579	0.6158	-6.45	35,721	0.6037	-4.94	↘
Adhesives	22,041	0.3819	1.07	21,195	0.3473	-3.84	19,230	0.3250	-9.27	↘
Neutralisation (waste water treatment)	4,430	0.0767	-5.14	4,830	0.0792	9.03	4,310	0.0728	-10.77	↘
Chain lubricants	9,108	0.1578	4.38	8,118	0.1330	-10.87	7,516	0.1270	-7.42	↘
Gritting salt (winter road treatment)	14,000	0.2425	-61.11	26,400	0.4326	88.57	3,200	0.0541	-87.88	↘
Lubricants and oils	323	0.0056	26.67	58	0.0010	-82.04	87	0.0015	50.60	↗
Gas (laboratory/metalworking)	1,620	0.0281	31.17	1,397	0.0229	-13.77	1,406	0.0238	0.67	↗
Liquid nitrogen (PET bottles)	36,367	0.6300	-27.72	39,635	0.6495	8.99	41,789	0.7063	5.43	↗
Inks (label and lid/cap printing)	463	0.0080	328.70	448	0.0073	-3.24	581	0.0098	29.69	↗
Benzene (machinery cleaning agent)	0	-	-100.00	30	0.0005	-	30	0.0005	0.00	
Coolants (refrigeration/cooling systems)	131	0.0023	-54.51	147	0.0024	12.21	223	0.0038	51.84	↗
Solvents	4,907	0.0850	30.40	3,524	0.0578	-28.18	4,531	0.0766	28.58	↗
· Halogen-free	4,617	0.0800	31.05	3,324	0.0545	-28.01	4,291	0.0725	29.09	↗
· Halogen containing	290	0.0050	20.83	200	0.0033	-31.03	240	0.0041	20.00	↗
Dyes	2,653	0.0460	44.81	2,293	0.0376	-13.57	2,654	0.0449	15.74	↗
Total	**141,121**	**2.4449**	**-4.20**	**149,178**	**2.4447**	**5.71**	**125,810**	**2.1262**	**-15.66**	↘

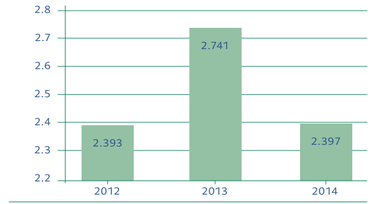
Cleaning agents
Ecological agents and sparing use help the environment

Compliance with strict hygiene regulations is of the utmost importance at HiPP. The agents required in production processes for floor, CIP and manual machinery cleaning operations must be used in such a way that complete cleanliness is guaranteed.

To protect the environment, HiPP ensures that cleaning agents are used in the correct dosages and that ecological products are used wherever possible. Closer inspection intervals and better differentiated plans maximise cleaning efficiency. In 2014, the volume of pure cleaning agents used fell after the introduction of a high-performance cleaning machine that cleans and disinfects in a single pass.

Ecological cleaning agents are now used virtually exclusively for sanitary facilities at HiPP. The increase in soap use resulted from the increased number of employees. While the use of dishwashing agents appeared to increase year-on-year from 2012 to 2013, optimisation of inventory procedures in 2014 relativised the figures. Automatic dosage of detergents used for laundering work clothing also enabled their consumption to be continually reduced.

Cleaning agents [kg/t product]



Cleaning agents

In kg	2012	Öko	2012 kg/t	Change in % year-on-year	2013	Öko	2013 kg/t	Change in % year-on-year	2014	Öko	2014 kg/t	Change in % year-on-year	
Cleaning agents													
· Production	128,172	0%	2.2205	15.92	154,932	0%	2.5390	20.88	132,789	0%	2.2442	-14.29	↗
· Administration	1,840	41%	0.0319	31.90	1,637	45%	0.0268	-11.03	1,681	66%	0.0284	2.69	↗
Hygiene requirements													
· Disinfectants (Prod.)	2,955	0%	0.0512	4.05	3,645	0%	0.0597	23.35	1,050	0%	0.0177	-71.19	↘
· Disinfectants (Admin.)	344	0%	0.0060	10.26	518	0%	0.0085	50.58	488	0%	0.0082	-5.79	↘
· Soap	701	0%	0.0121	-13.03	878	0%	0.0144	25.25	901	0%	0.0152	2.62	↗
Sanitary cleaning agents (WC)	589	86%	0.0102	8.27	624	88%	0.0102	5.94	528	84%	0.0089	-15.38	↘
Other cleaning agents													
· Dishwashing agents	1,848	0%	0.0320	-3.20	3,309	5%	0.0542	79.06	2,770	8%	0.0468	-16.29	↘
· Detergents	1,705	0%	0.0295	-57.63	1,689	0%	0.0277	0.94	1,604	0%	0.0271	-5.03	↘
Total	**138,154**	**0.90%**	**2.3935**	**12.87**	**167,232**	**0.90%**	**2.7405**	**21.05**	**141,811**	**1.25%**	**2.3967**	**-15.20**	↘

Packaging
High standards of use and recyclability

Packaging for food products must meet particularly strict requirements. It must protect the product from all environmental impacts, survive transport to retailers and from there to the consumer without damage, and ensure optimum handling in daily use.

In addition, disposal is naturally playing an increasingly important role as avoiding waste becomes a key issue.

Eco-friendly, safe and secure packaging

Packaging in the baby food manufacturing industry must fulfil even more rigorous standards of hygiene and structural integrity than that for other foods.

HiPP makes every effort to optimise the packaging it uses on an ongoing basis while simultaneously making careful and sparing use of resources. The company's watchword is that every new type of packaging introduced must have more ecological benefits than its predecessor.

An in-depth analysis by the Freiburg Institute for Applied Ecology has shown the disposable jars and plastic pots used by HiPP to be a more environmentally friendly solution than alternative packaging types. However, the company continuously strives to improve the environmental footprint of its packaging, in particular, by further reducing packaging weight in the interests of the consumer.

Products which come into direct contact with food are packaged using glass, plastic foils and FSC-certified virgin fibre packaging to eliminate any risk of residues in recycled paper, such as traces of mineral-oil-based inks, from contaminating the products.

In addition, HiPP uses mineral-oil-free vegetable inks in the majority of its packaging, such as that for premium milk cartons. Packaging without contact to food products is manufactured exclusively from recycled cardboard.

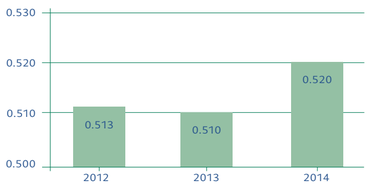
Packaging materials vary depending on the product portfolio. Packaging weights naturally also vary depending on the packaging size and material. The figures are calculated by multiplying the packaging weight by the number of units produced. Taking HiPP jar lids as an example, the fluctuation in the figures was explained by a decrease of 8% in the percentage of PET packaging and an 0.4% rise in the use of jars.

The HiPP Eco-Comfort-Pack® is significantly better for the environment than tin can packaging, generating only one-tenth of the CO_2-eq emissions.

Packaging

In t	2012	2012 kg/t	Change in % year-on-year	2013	2013 kg/t	Change in % year-on-year	2014	2014 kg/t	Change in % year-on-year	
Glass	25,278	0.4379	-7.17	26,566	0.4354	5.10	26,305	0.4446	-0.98	↘
Lids/caps	1,459	0.0253	-4.77	1,530	0.0251	4.87	1,536	0.0260	0.38	↗
Cardboard trays	1,490	0.0258	-7.17	1,564	0.0256	4.97	1,550	0.0262	-0.88	↘
Labels	260	0.0045	-9.09	275	0.0045	5.77	268	0.0045	-2.43	↘
Shrink wrap	292	0.0051	-7.89	308	0.0050	5.48	303	0.0051	-1.57	↘
PET	829	0.0144	-18.00	865	0.0142	4.34	793	0.0134	-8.29	↘
Total	**29,608**	**0.5130**	**-7.42**	**31,108**	**0.5098**	**5.07**	**30,756**	**0.5198**	**-1.13**	↘

Packaging [kg/t product]



Waste
Meticulous recycling of waste

In 2014 almost 100% (99.8%) of the approximately 15,000 tonnes of waste produced by HiPP was recycled. Only 0.2% had to be disposed of as landfill waste, e.g. building rubble.

Biogas plants can generate climate-friendly power and heat from organic production waste. Meat-containing waste increased in 2014 on paper after changes to data collection methods in SAP. The system now records them as a single category together with condemned animal material, meat-containing retention samples and laboratory waste.

Changes to the product portfolio also caused an increase in waste volumes; while consumers in Germany are increasingly turning to HiPP's vegetarian menus, demand for meat dishes has increased in Southern European countries. In response, new technical procedures became necessary; the numerous tests, retention samples and additional laboratory samples involved in these new processes caused an increase in meat and laboratory wastes.

A rise in used glass was caused by technical updates, while the fall in scrap metal volume was due to the fact that fruit puree is now increasingly supplied in environmentally friendly 'BigPack' cartons, reducing the number of metal barrels accordingly.

The difference in waste oil volumes from 2012 to 2014 is due to the scrapping of obsolete transformers; oil consumption has fallen as the new machines function without oil top-up.

Deliveries of PET bottles create additional amount of waste in the form of cardboard and the sheet paper used as padding. The proportion of total waste accounted for by waste paper thus varies depending on delivery volumes.

Waste

In t	2012	2012 kg/t	Change in % year-on-year	2013	2013 kg/t	Change in % year-on-year	2014	2014 kg/t	Change in % year-on-year	
Recyclable waste										
Mixed waste	317	5.4937	-7.82	349	5.7160	10.00	348	5.8749	-0.34	↘
Waste glass	165	2.8603	-6.78	223	3.6594	35.25	242	4.0951	8.51	↗
Waste paper	318	5.5106	-3.21	495	8.1178	55.73	436	7.3645	-12.03	↘
PE foil	106	1.8364	-19.33	87	1.4306	-17.64	107	1.8050	22.34	↗
Sheet metal	57	0.9910	-7.29	58	0.9521	1.57	42	0.7027	-28.43	↘
Solid vegetable waste	1,251	21.6783	-1.09	1,119	18.3403	-10.56	1,161	19.6290	3.78	↗
Liquid vegetable waste	9,707	168.1780	-13.18	10,271	168.3129	5.80	9,838	166.2671	-4.21	↘
Meat-containing waste	989	17.1393	57.63	1,578	25.8581	59.50	2,390	40.3975	51.45	↗
Fat separator waste	48	0.8316	-15.04	48	0.7866	0.00	48	0.8112	0.00	
Waste wood	13	0.2304	-35.75	10	0.1622	-25.56	13	0.2278	36.16	↗
PET bottles	24	0.4175	23.59	11	0.1819	-53.94	13	0.2160	15.14	↗
Scrap metals	311	5.3875	-7.00	309	5.0580	-0.75	230	3.8857	-25.51	↘
Waste oils*	3	0.0520	172.73	2	0.0262	-46.67	1	0.0221	-18.13	↘
Solvents *	4	0.0728	104.18	6	0.0918	33.33	4	0.0693	-26.79	↘
Non-recyclable waste										
Laboratory waste*	1	0.0121	-28.57	1	0.0180	57.14	3	0.0439	136.36	↗
Iron sludge	6	0.1057	-32.22	-	-	-	5	0.0845	-	↗
construction waste	42	0.7294	-18.73	18	0.2901	-57.96	18	0.3032	1.36	↗
Asbestos-containing*	-	-	-	10	0.1714	-	8	0.1352	-23.52	↘
Total	**13,364**	**231.5266**	**-8.59**	**14,595**	**239.1735**	**9.21**	**14,906**	**251.9248**	**2.14**	↗

Hazardous waste is marked with an asterisk.

Pfaffenhofen Sustainability Programme
Many roads lead to the same goal

The current sustainability programme covers the period 2013 to mid-2015 and all current measures, goals and targets from HiPP's sustainability management system, which were drawn up in collaboration with the various company divisions and departments.

The main measures were successfully implemented during the reporting period. Many of the numerous activities are designed to preserve biodiversity and soil life as well as environmental protection. Company health management is particularly worthy of note as a new feature in the social sector.

Stork project in cooperation with LBV and Schyren Gymnasium secondary school.

Sustainability programme

Measures	Period	Status
Nature, Environment, Social 2013		
Approval of 'Companies Call for Diversity' application by German Federal Environmental Foundation (DBU). Diversity protection project in upstream agricultural activities by companies	2013	Done
Introduction of systematic health management	2013	Done
Organisation of lid collection campaign for customers (recycling percentage: HiPP 100%, customers 69%)	2013	Not carried out
Campaign 'A Tree for Your Baby' with Schutzgemeinschaft Deutscher Wald e. V. (German Forest Conservation Association)	2013	Done
Collection campaign for used office material and old mobile phones	2013	Done
Collaboration with Bavarian Society for the Protection of Birds (LBV): installation of insect hotels and nesting boxes on the company grounds. Regular bird counts (especially Red List species)	2013	Done
Technical, Legal, Organisational 2013		
Water saving by reusing kitchen coolant water in the CIP system	2013	Done
Lower tube feeding production losses by installation of closed-loop circulation in tech. faults	2013	Done
Lower energy consumption by installation of new fruit processing production line	2013	Done
First applications for wood-based organic plastics	2013	Done
Saving ingredients and cleaning agents by water revitaliser for coolant water	2013	Done
Optimisation of compressed air: lower pressure, leak detection, adjustment to requirements, waste heat utilisation	2013	Done
Waste heat from refrigeration plant utilised for room heating	2013	Done
Energy consumption optimisation for deaerators	2013	Done
Thawing screw conveyor: energy saving by use of steam instead of heated water	2013	Done

Measures	Period	Status
Nature, Environment, Social 2014		
Biodiversity: planting activities and nesting boxes on company grounds	2014	Done
Environmental education: bee trails and planting of flower meadows in collaboration with Mellifera e.V.	2014	Done
Electric vehicles: testing of electric vehicles and electric bicycles	2014	Done
Participation in IÖW Naturwert study: biodiversity analysis of grounds	2014	Done
Vegan workshops for company catering chefs	2014	Done
Introduction of daily vegetarian and regular vegan weekly menu choices in cafeteria	2014	Done
Membership of Saat:Gut e.V., association for ecological seed protection	2014	Done
Collaboration with LBV: installation of nesting boxes in company grounds, bird counts	2014	Done
Technical, Legal, Organisational 2014		
Change of insulation material from mineral wool to hemp	2014	Done
Raw material comminution: saving of process steps and reduction of water and steam use in production	2014	Not carried out
Energy saving by hot filling of jars	2014	Done
Reduction in ink use by introduction of videojet systems	2014	Done
Insulation of CIP room on fruit production line	2014	Done
Introduction of process optimisation software: sustainability from upstream agricultural activities recorded	2014	Done
Nature, Environment, Social 2015		
Environmental education: stork project for school students in partnership with LBV and Schyren Gymnasium Pfaffenhofen/Ilm	2015	Done
Health management: mobile massage and exercises, diet and health tips, staff duathlon	2015	Done
Collaboration with LBV: installation of nesting boxes for peregrine falcons and swallows. Bird counts	2015	Done
Technical, Legal, Organisational 2015		
Investigation of option of organic plastics for packaging	2015	Done
Compressed air optimisation in production	2015	Done
Energy/water saving: use of coolant water for CIP room on fruit production line	2015	Open
Blancher replaced by thawing tunnel	2015	Open
Heating system for Reisgang storeroom overhauled	2015	Open
Energy saving and noise reduction: steam peeler replaced	2015	Open
Investigation of application of eco-friendly 'green' inks	2015	Open
Utilisation of waste heat from waste water channels	2015	Open
Projects 2016		
Project: Legal Compliance with Environmental Law	2016	Open
Integrated concept for material flows – energy, water, waste	2016	Open
Introduction of in-house energy management scheme	2016	Open
Forward-looking concept for sustainable innovative packaging strategy	2016	Open
Underground piping leak tests	2016	Open

Ongoing projects

- 'Firmen fördern Vielfalt' (Companies Call for Diversity) – biodiversity project by companies in collaboration with AöL, with funding from the German Federal Environmental Foundation (DBU)
- Promotion of extensive varieties of vegetables, fruit and grain and of various animal species
- Research into sustainability measures at the HiPP model farm
- Tours of the HiPP model farm for stakeholders
- Project collaboration with LBV
- Regular bird counts (with special attention to Red List species)
- Environmental education action days for trainees and staff
- Staff training courses in sustainability and biodiversity
- Change to LED lighting
- Reduction in batch numbers by optimisation in production planning
- Participation in AOK (health insurance) campaign 'Bike to Work'
- Participation in 'Secret Angels' Christmas gift campaign for refugee and disadvantaged children

Environmental costs
Green power pays off over the long term

While environmental costs fell by almost 1% year-on-year in 2014, these costs rose in terms of costs per tonne of product. Lengthy conversion works on a deferrisation system for HiPP's well water were a major factor.

Despite the presence of external specialists, biological contamination resulted and production operations were switched to the municipal water supply for safety's sake.

Numerous microbiological test series, disinfection, cleaning and rinse cycles were necessary to ensure the usual water purity had been restored.

This accounts for the rise in water consumption and waste water and thus the increased costs for these two items.

Energy costs

At 75%, energy accounts for the major part of environmental costs at HiPP. Despite the higher price, HiPP has used 'green power' in the form of hydropower from a certified provider since 2002. This eco-power generates neither emissions that harm the climate, nor radioactive waste as nuclear power plants do — and thus makes a key contribution to environmental protection.

Reducing energy consumption offers a further possibility of helping the environment while reducing costs. Continuous optimisation of batch changeovers, replacement of older energy-intensive machinery, transformers and various lighting and luminaires contributed towards lower energy consumption in 2014. Further measures are in the planning stage.

Waste disposal

Although HiPP recycles or reuses almost all waste, with a quota of 99.8%, waste disposal costs nevertheless rose during the reporting period. This is due to more detailed recording of costs and allocation in SAP, in addition to changes in the product portfolio in response to increased demand for meat-based meals in Southern European markets.

Disposal of meat-containing waste is governed by more rigorous regulations and statutory provisions and is thus significantly more expensive than disposal of meatless waste. As a result, significantly higher waste disposal costs accrued in the reporting period.

Environmental costs

In Euro	2012	2012 EUR/t	Change in % year-on-year	2013	2013 EUR/t	Change in % year-on-year	2014	2014 EUR/t	Change in % year-on-year	
Water	199,466	3.46	-3.40	207,934	3.41	4.25	270,669	4.57	30.17	↗
Waste water	424,103	7.35	-3.08	585,153	9.59	37.97	651,492	11.01	11.34	↗
Waste	99,188	1.72	-14.14	123,211	2.02	24.22	151,617	2.56	23.05	↗
Energy	2,942,082	50.97	6.78	3,353,217	54.95	13.97	3,161,456	53.43	-5.72	↘
- of whichEEG Levy	273,077	4.73	-	377,104	6.18	38.09	468,386	7.92	24.21	↗
Total	**3,664.839**	**63.49**	**4.27**	**4,269.515**	**69.97**	**16.50**	**4,235.233**	**69.41**	-0.80	↘
Environm. costs/t product	63.49			69.81			71.58			

HiPP uses 'green power' from hydropower.

Fish protection is a priority in hydropower plant operation; fish ladders enable unimpaired up- and downstream movement of the fish.

The HiPP plant at Glina
Vivera

Vivera has been part of the HiPP Group since 2001. Located in the rural countryside of Croatia's green heart, it manufactures and processes cereals and dried products sourced from carefully selected raw materials, with end-to-end quality control throughout the manufacturing process to provide a solid basis for HiPP's hallmark top quality. VIvera products are extremely successful; during the period covered by this report, capacity had to be increased to cope with demand. Over the past five years, a total of approx. EUR 6.6 million has been invested in expanding the product portfolio, recruiting new staff and optimising general production conditions.

Human resource management

The company's greatest asset is its local workforce, now 190 strong. Their knowledge, creativity and innovative strength are a major contribution to the success of the company. Targeted education and training are a special focus. Staff development driven by the management team is complemented by individual provision of vocational training and qualifications. Overarching areas of expertise such as computer and language courses are particularly popular at Glina. In addition to annual performance review meetings and target agreements, the management team is also regularly evaluated by the staff.

Healthcare and occupational safety

Occupational safety is a priority at Vivera, with rigorous compliance with all standards and statutory provisions. All members of staff are insured against accident. Free preventative health examinations, relaxation courses and a wide range of sports activities to promote staff health are integral parts of the company's operations.

Staff can strongly identify with Vivera, as is shown by the popularity of team-building activities such as widely varied leisure pursuits and special activities organised for employees' children.

View of the administration headquarters of Vivera — HiPP's Croatian plant.

Managing Director Darko Baljak (fourth from r.) with his core team.

The HiPP plant at Glina
On the way to climate-friendly production

Although the number of products manufactured at Vivera fell in 2014, diversification of the product range led to increased batch changeovers and thus to more cleaning cycles. This is reflected in virtually all input/output figures. The amount of cleaning agents used thus rose likewise.

However, technical improvements to a drying system resulted in savings of 33% in industrial water.

A move from petroleum to biogas, the installation of a pellet heating system for the main premises and the use of electricity from 100% renewable sources have also succeeded in significantly reducing emissions in recent years.

These activities at Vivera are stepping stones along the way to climate-friendly production to HiPP's standards.

Company environmental audit

Input	2012	2012 in t	Change in % year-on-year	2013	2013 in t	Change in % year-on-year	2014	2014 in t	Change in % year-on-year	
Raw materials (t)	4,937.0	1.1179	5.2	6,172.0	1.1115	25.0	6,131.0	1.1140	-0.7	↘
Operating supplies (t)	11,3	0.0025	7.6	14,3	0.0026	20.4	11,6	0.0021	-18.4	↘
Cleaning agents (t)	3,3	0.0008	57.1	2,9	0.0005	-12.1	3,1	0.0006	7.1	↗
Energy (MWh)	9224,1	2.0888	5.1	10,627.0	1.9138	15.2	10,060.6	1.8279	-5.3	↘
Water (m³)	20,021.0	4.5333	-1.5	30,230.0	5.4441	51.0	20,030.0	3.6393	-33.7	↘
Packaging (t)	1162,5	0.2632	2.6	1,376.0	0.2478	18.4	1,356.4	0.2464	-1.4	↘
Output										
Products (t)	4,416.0	1.0000	3.4	5,552.8	1.0000	25.7	5,503.8	1.0000	-0.9	↘
Waste water (m³)	14,000.0	3.1700	0.0	21,161.0	3.8109	51.1	14,210.0	2.5819	-32.8	↘
Waste (t)	164,4	0.0372	-16.6	271,5	0.0489	65.1	240,3	0.0437	-11.5	↘
Emissions (t)	2,711.2	0.6139	-11.3	2,596.7	0.4676	-4.2	1,996.2	0.3627	-23.1	↘

HiPP's 'Fine Millet' is a source of valuable minerals and trace elements including silicon, iron and magnesium.

Members of Vivera's production staff.

Glina Sustainability Programme
Commitment to environmental protection

Sustainability is an integral part of Vivera's management system; HiPP's sustainability principles apply throughout the HiPP Group. Glina, too, has appointed a sustainability officer for each department with the task of supervising and coordinating the development of goals and targets and their implementation in the specialist departments. Vivera works in compliance with defined standards of quality, environmental protection, employment conditions, pay, and an ethical and fair basis of social interaction. Contractual partners and suppliers must guarantee compliance with these standards by agreeing to HiPP's terms and conditions of business. Protection of biodiversity is an integral part of company management and is communicated in training activities and in staff activities and campaigns.

Sustainability programme

Measures	Period	Status
Change from light heating oil to liquid gas	2012	Done
Construction of a waste disposal point	2012	Done
Installation of waste containers	2012	Done
Installation of a press for paper and cordboard	2012	Done
Changeover to biodegradable cleaning agents in office	2012	Done
Premises settlement of owl population in company grounds	2012	Done
Installation of heating thermostats in production	2013	Done
Facility change to pellet heating for main building	2013	Done
Change to 100% renewable energy sources	2014	Done
Organic waste combustion in biogas plants	2014	Done
Updating of sustainability training courses	2014	Done
Settlement of falcons in the grounds as natural deterrent to pigeons	2014	Done
Pilot study for water processing plant	2014	Done
Updating of waste plan, now valid to 2018	2014	Done
Updating of emergency exit plan	2014	Done
Establishment of an organic orchard	2014	Not carried out
Recirculation of water in the drying system	2014	Not carried out
Revision of environmental plans to take envir. protection measures into account	2015	Open
Staff training in ISO 14001 standard	2015	Open
Provision of IT courses for staff	2015	Open
Introduction of company health management	2015	Done
System waste water separation	2015	Done
Change to 100% recycled paper	2015	Open
Change to energy-saving lighting and luminaires	2015	Done
Improvements in energy consumption monitoring	2016	Open
Use of solar energy for heating potable water	2016	Open
Installation of a waste water treatment system	2017	Open

Ongoing projects

- Reduction of water use in cooling drying machinery
- Health management
- Environmental education activities for children and school students
- Free activities for staff (sports, culture)
- Sustainability training for staff including environmental excursions
- Occupational safety training for staff
- Use of biodegradable cleaning agents
- Participation in/support of humanitarian and voluntary projects
- Noise protection: regular measurement of noise levels
- Logging environmental data in the government's database
- Optimisation of chemical input for water cleaning of steam generating plants
- Optimisation/reduction of amount of cleaning agents used

The HiPP plant at Glina
Environmental and social issues

The infrastructure at the Glina production location is growing in step with the popularity of its products on the market. Particular care is taken to ensure this growth is on a sustainable basis; production is designed to be environmentally friendly, and staff welfare is a key priority for the management team. The company was awarded the CSR Prize of the Croatian Chamber of Commerce and Industry for these activities.

In the coming years, Vivera aims to continue implementing improvements to emission levels and water consumption. The company has already drawn up targets, defined standards and planned activities that are set forth in the sustainability programme. Top priorities are the construction of an in-house sewage system and further technical measures to reduce industrial water consumption.

To measure energy consumption more precisely, electricity meters will be installed at consumption points. Energy-saving measures, such as replacement of high-energy machinery and luminaires and the use of solar power, can thus be managed more precisely in future.

Social issues

Vivera is committed to supporting the common good. This spans a variety of in-house and external environmental training courses for staff and involvement in environmental education for schools — but also active participation in social activities. The company supports a range of social and humanitarian projects, not only with funding but with the personal efforts of volunteers from the staff. This special commitment is admired and recognised throughout Croatia and has already received numerous prizes and awards. In 2013, Vivera received the CSR Prize ('Small and Medium-Sized Companies' category) for its exceptional achievements in 2012. In and around Glina, sports and leisure activities organised by the Glina plant are particularly appreciated as a particular benefit to the staff there — and their children!

Environmental indicators

Indicator	2012	2013	2014	Forecast 2015
Operating supplies (kg/t)	2.5	2.6	2.1	2.0
Cleaning agents (kg/t)	0.8	0.5	0.6	0.5
Energy (kWh/t)	2,088.8	1,913.8	1,827.9	1,800.0
Water (m^3/t)	4.5	5.4	3.6	3.5
Packaging material (kg/t)	263.2	247.8	246.4	242.0
Waste water (m^3/t)	3.2	3.8	2.6	2.4
Waste, total (kg/t)	37.2	48.9	43.7	40.0
Sulphur dioxide (kg/t)	1.3	0.7	0.01	0.01
Nitric oxide (kg/t)	0.5	0.2	0.01	0.01
Carbon monoxide (kg/t)	0.002	0.007	0.02	0.02
Carbon dioxide (kg/t)	612.1	466.8	362.6	350.0

Community counts: several times a year Vivera organises events for the families of employees, focusing on activities for children.

Vivera was presented with the 2012 CRS Prize ('Small and Medium-Sized Companies' category) by the Croatian President.

The HiPP plant at Gmunden
Top quality from Austria's Salzkammergut region

The former Theresienthaler worsted yarn spinning mill has been home to the baby food production facility since 1967. The heritage-protected, well-restored building is located in the countryside outside the town of Gmunden in the Austrian region of Salzkammergut. At the plant, around 150 employees produce infant menus and fruit pouches. Thanks to the use of 'green power' and the plant's involvement in climate protection projects, production here has been carbon-neutral since 2011.

After almost half a century, production of HiPP baby food jars at Gmunden was terminated in July 2014. Well over one billion jars had left the production lines at Theresienthal over these 48 years — from a relatively modest 6 million in 1968 to almost 100 million by 2008, the year when jar production was at its height. After heart-shaped trays and pots had proven their value as an additional pillar of the plant on the River Traun, production took a further step towards specialisation in the form of pouches.

From jars to pouches

After the complex work of dismantling the jar production lines and installing the new production equipment, production of HiPP pouches was launched in September 2014. The extensive construction works, new workflows and challenges arising from the new product were handled with ease thanks to the dedication and commitment of the staff at Gmunden. They were actively involved in the optimisation of production systems and contributed many suggestions for improvement, a large number of which were implemented.

One enormous benefit from the new facility is that production processes are now significantly quieter. The constant clattering of jars is gone from inside the facility, and the noise of glass waste disposal from the outside. In addition, the number of vehicle transport runs has fallen as considerably more units of finished products and empty packages can now be transported per run — saving 22,770 pallets per year.

The first sod is turned for the pouch production facility project. Left: Max Hageneder (company management), right: Gerhard Moser (Technical Manager).

The last jars leave the yard and are given an appropriate send-off by the staff.

HiPP Produktion Gmunden GmbH & Co KG received the Austrian award Staatspreis Knewledge (category: 101–500 employees) in 2014 for its exceptionally dedicated and innovative human resource development.

HiPP's 'perfectly designed human resource development concept', which is credibly integrated into the company's overall strategy, was singled out for praise. The description justifying the award stated: 'It is obvious that the motto of human resource development – the "development of hearts and minds" – is genuinely lived and breathed. The concept is a convincing combination of tried-and-tested classic educational and training approaches with state-of-the-art findings.'

A focus at Gmunden is on short-burst learning at the workplace in small groups, an approach which enables the learnt material to be tried out rapidly and consolidated in the form of direct practical implementation. In keeping with HiPP's ethical philosophy, problems can be addressed openly and exploited as an impetus for advancement.

Gmunden Sustainability Programme
Improvements that benefit people and nature

A certified environmental management system was introduced at Gmunden as early as 1996. The system undergoes a continuous improvement process, with regular contact between the sustainability officers of the individual HiPP locations, an annual life cycle assessment, internal and external audits and cross-location meetings.

A key element of the sustainability programme is the environmental management system, listing all improvement measures and documenting their current status. The programme is drawn up annually and agreed by all department heads.

Environmental indicators

Indicator	2012	2013	2014	Forecast 2015
Operating supplies (kg/t)	8.9	8.9	12.3	14.4
Cleaning agents (kg/t)	4.6	6.3	6.9	6.5
Energy (kWh/t)	1,339.6	1,301.1	1,423.7	1,485.0
Water (m^3/t)	29.9	30.4	30.6	29.7
Packaging (kg/t)	436.8	445.9	392.6	403.0
Waste water (m^3/t)	28.3	28.5	28.6	27.9
Cooling water Traun (m^3/t)	23.3	23.3	23.9	22.4
Indust. waste water (m^3/t)	4.9	5.2	4.7	4.9
Total waste (kg/t)	79.4	68.1	81.1	83.4
Non-recyclable waste (kg/t)	5.7	4.9	7.1	5.6
Carbon dioxide (kg/t)	285.1	278.6	298.8	296.8
Sulphur dioxide (g/t)	113.7	112.7	120.2	119.3
Nitric oxide(g/t)	0.8	5.2	4.0	3.9

Sustainability programme

Measures	Period	Status
Pallet capacity optimisation for packaging deliveries	2012	Done
Reduction of paper use and printed copies	2012	Done
Installation of a screw compressor with heat recovery system	2012	Done
Reduction of raw material losses by high-accuracy weighing	2013	Done
Reduction of raw material losses by changes to recipes	2013	Done
Definition of standards for menus in company cafeteria • GMO-free products • Meat from mother-reared animals • Use of MSC fish • Seasonal salads at the salad bar • Wholegrain pasta	2013	Done
Testing electric vehicles for use in production operations and by staff	2013	Done
Reduction of temperatures in all warehouses (to max. 15°C).	2013	Done
Optimisation of empty pallet returns	2014	Done
Status check before standard oil changes instead of automatic change	2014	Done
Reduction of steam pressure from 13 bar to 9–10 bar	2014	Considered and rejected
Reduction of compressed air pressure	2014	Done
Optimisation of pouch packaging deliveries	2014	Done
Screw compressor for low-consumption uses	2014	Done
'HiPP Bikes to Work' campaign	2015	Ongoing
Annual environmental excursion for trainees and apprentices	2015	Ongoing
Motion sensor-triggered lights for areas where continuous light is unnecessary	2015	Ongoing
Lye recycling in pot production	2015	Ongoing

The HiPP plant at Gmunden
Highlights from the sustainability programme

HiPP's priority is to foster awareness of the need to treat resources with care among even the youngest members of the company. Trainees and apprentices learn about environmental topics by regularly attending events and excursions. For example, in 2014 a group toured a local sewage treatment plant and received an introduction to its processes and functions. The annual exercise campaign 'HiPP Bikes to Work' is always very popular.

In the annual 'HiPP Bikes to Work' project, every kilometre 'saved' by employees by cycling instead of driving is recorded. The 13 colleagues in the 2013 team cycled a total of 3,738 kilometres; in 2014 this figure was almost equalled by an 11-strong team, who notched up 3,580 kilometres between them. The activity is aimed at saving emissions while promoting the beneficial effects of exercise. In each of these years, the teams succeeded in avoiding the production of approximately 640 kg of CO_2 (based on a mid-range car producing an average of 180 g CO_2/100 km). Almost 2,000 m² of forest would be required to sequester the volume of CO_2-eq that the company avoids by these actions.

Staff catering

The staff cafeteria has also taken action with sustainability in mind. In the 'Part-Time Vegetarians' project, launched in October 2013, sales of vegetarian meals rose by 52%.

HiPP's intention is to raise awareness of balanced, environmentally friendly nutrition among its staff without adopting a dogmatic approach; instead of introducing a 'veggie day', the company deliberately chose the term 'part-time vegetarians' to underline its employees' freedom of choice.

Vegetarian cuisine

Over the project period, 46% of all main dishes consumed were meatless – an excellent result given that company catering in general shows an average figure of 20–25% vegetarian dishes.

Although the project is officially over, demand for vegetarian dishes has remained constant because the cafeteria offers tasty meatless alternatives. To promote seasonality, in 2014 the salad bar switched over to typical vegetables of the season.

Technical and logistical progress

Technical progress is particularly beneficial to the environment. Improvements to compressor use saved several 10,000 kWh in power per year.

In addition to a screw compressor with thermal recovery, a smaller compressor for low-consumption technical systems was purchased to meet demand outside production periods.

Delivery of pouch packaging was significantly optimised. Pallet weights were adjusted to reflect the maximum shelf load, enabling more packages per palette to be transported and saving 690 truckloads per year.

Proudly in the forefront of 'HiPP Bikes to Work'.

The company cafeteria focuses on seasonal dishes.

In 2013, HiPP staff had the opportunity to trial electric vehicles.

The HiPP plant at Gmunden
From jars to pouches

HiPP's heart-shaped tray menus and HiPP pots have been successful sellers for many years. Now the Gmunden plant is also producing HiPP pouches.

A lengthy period of downtime was necessary for the new production lines to be installed and placed into service; as a result, the number of product units manufactured in 2014 fell.

The changes to the product range from the familiar HiPP jars to the innovative, fun fruit pouches caused a slight decline in production volume. The lower fill weight of the pouches also led to a reduction in raw materials.

As in the production of trays and pots, pouch production requires nitrogen for product protection; this additional nitrogen consumption caused a corresponding rise in operating supplies. Cleaning agents were reduced even though an increased number of batches required more cleaning cycles as part of quality control measures.

Consumption of packaging material was reduced significantly, as pouches have a more favourable package weight compared to glass jars. In addition, production of this new product group consumes considerably less water and natural gas.

However, high volumes of waste were an unavoidable consequence of conversion works at the plant, causing a short-term peak in this indicator.

Environmental audit

Input	2012	2012 in t	Change in % year-on-year	2013	2013 in t	Change in % year-on-year	2014	2014 in t	Change in % year-on-year	
Raw materials (t)	8,425	0.5935	-18.71	8,444	0.5889	0.22	7,135	0.6105	-15.50	↘
Operat. supplies (t)	126	0.0089	-29.49	128	0.0089	1.41	144	0.0123	12.63	↗
Cleaning agents (t)	65	0.0046	-45.85	90	0.0063	37.74	81	0.0069	-10.42	↘
Packaging (MWh)	6,200	0.4368	-20.82	6,394	0.4459	3.12	4,589	0.3926	-28.24	↘
Water (m³)	424,533	0.0299	-11.17	436,146	0.0304	2.74	358,042	0.0306	-17.91	↘
Energy(MWh)	19,015	1.3396	-6.99	18,654	1.3011	-1.90	16,638	1.4237	-10.81	↘
Output										
Products (t)	14,195	1.0000	-17.61	14,338	1.0000	1.01	11,687	1.0000	-18.49	↘
Waste (t)	1,126	0.0794	-15.13	977	0.0681	-13.27	947	0.0811	-3.04	↘
Waste water (m³)	401,604	0.0283	-10.60	408,956	0.0285	1.83	334,811	0.0286	-18.13	↘
Emissions (t)	4,048	0.2852	-7.18	3,997	0.2788	-1.27	3,494	0.2989	-12.59	↘

The German Packaging Directive describes the pouch as an 'environmentally friendly' disposable beverage package with the same environmental footprint as a returnable package under German law.

A truck with a cargo of pouches can transport an average of 30% more product, thus significantly saving on transport fuel. The lower packaging weight per gram of content has a major positive impact on the pouches' life cycle assessment.

The HiPP plant at Hanságliget
Entrepreneurial success and environmental protection go hand in hand

Production at the plant in Hungary has been carbon-neutral since 2012. The plant is one of the biggest employers in the region and is celebrating its 20th anniversary this year. Products manufactured at the plant are exported to 38 countries, the majority in Eastern Europe, where there is high demand for HiPP's sustainably produced, premium-quality organic baby foods.

Production volumes at Hanságliget have risen accordingly, from 14,369 tonnes in 2013 to 16,419 tonnes in 2014.

Precisely optimised batch volumes and flawlessly coordinated product changeovers are essential for the company to respond to market needs.

In addition, the environmental footprints of all production processes are continuously analysed to allow smooth, efficient workflows and save on energy, water and cleaning agents.

Employees and social issues

HiPP is also a popular employer in Hungary, with employees remaining at the company for an average of 15 years.

To support the common good, staff do voluntary work, collect donations and hold bake sales and coffee mornings; proceeds go towards local hospitals and disadvantaged children.

Information events on ecological foods and sustainable production — always including a programme of entertainment for children — are always extremely popular with local residents.

To foster preventative health awareness among the staff, a company health management scheme is being set up, starting in 2015 with the launch of company sports. Further activities and services will follow.

Hanságliget primarily manufactures products for Eastern European markets.

Marianna Fejes and Ferenc Beck are in charge of production operations.

The entrance to the plant with its statue of John of Nepomuk, patron saint of bridges.

The HiPP plant at Hanságliget
Energy efficiency and sparing use of resources

As in other HiPP plants, minimising or preferably avoiding emissions is a key sustainability objective at HiPP Kft Hanságliget.

An array of sustainability measures were successfully implemented during the reporting period. For example, by changing from heating oil to liquefied petroleum gas (LPG) in the first six months of 2015, the plant already saved 22.8% of emissions year-on-year.

In future, HiPP is planning to reduce fuel consumption by approx. 20% annually, which could save 30% of costs. LPG has both a more favourable carbon footprint and a more efficient heating value at low cost.

The new logistics concept is also contributing to reducing greenhouse gases; planning has been streamlined to virtually eliminate empty journeys.

HiPP staff conduct regular water analyses.

View of the Hanságliget plant

View of the sewage works at the Hanságliget plant.

Environmental audit

Input	2012	2012 in t	Change in % year-on-year	2013	2013 in t	Change in % year-on-year	2014	2014 in t	Change in % year-on-year	
Raw materials (t)	6,066	0.5819	-18.6	9,073	0.6314	49.6	10,301	0.6274	13.5	↗
Operat. supplies (t)	52,7	0.0051	39.9	62,8	0.0044	19.2	75,5	0.0046	20.3	↗
Cleaning agents (t)	40,8	0.0039	-10.9	45,4	0.0032	11.3	38,1	0.0023	-16.0	↘
Packaging (t)	6,604	0.6335	-17.9	8,802	0.6126	33.3	10,200	0.6212	15.9	↗
Water (m³)	127,331	12.2152	-10.9	158,669	11.0425	24.6	171,426	10.4407	8.0	↗
Energy (MWh)	13,704	1.3147	-4.0	18,489	1.2867	34.9	19,960	1.2157	8.0	↗
Output										
Products (t)	10,424	1.0000	-20.2	14,369	1.0000	37.8	16,419	1.0000	14.3	↗
Waste (t)	565	0.0542	-5.5	627	0.0436	11.0	904	0.0551	44.2	↗
Waste water (m³)	58,341	5.5968	-7.2	73,799	5.1360	26.5	63,250	3.8522	-14.3	↘
Coolg. water (m³)	61,290	5.8797	-11.3	74,565	5.1893	21.7	75,672	4.6088	1.5	↗
Emissions (t)	3,689	0.3539	-21.3	5,182	0.3606	40.5	6,113	0.3723	18.0	↗

The HiPP plant at Hanságliget
Energy and water

Water is a precious natural resource. As Hanságliget does not have a municipal sewage system, HiPP has operated its own sewage works since the plant there opened. From its construction at the end of the 1990s, meticulous care was taken to ensure the water processed here was cleaner than required by law. Tolerance levels are always significantly below the statutory specifications. Thanks to far-sighted modernisation measures, the sewage works is able to keep pace with the plant's significant growth in capacity.

Hungary became a member of the European Union in 2004. Drinking-water quality has been subjected to particular attention ever since. HiPP has analysed water quality from the outset and implemented various measures to minimise water consumption in production operations.

By investing in state-of-the-art technology for the plant's own sewage works, organic material in waste water can be clarified without overloading the biological clarification tanks.

The capacity of the sewage works was increased and a sludge press installed to buffer the waste water. With recycling in mind, the pressed sludge is composted and can then be reused as garden soil.

A new heat recovery system saves resources in heating water and buildings. An increase in total waste volumes was due to a rise in the number of vegetable-based products.

93% of the waste produced at the Hungarian plant is now recycled. Plastic foils and paper for packaging are selected on the basis of their full recyclability.

Environmental indicators

Indicator	2012	2013	Target 2014	Actual 2014	Change in % year-on-year	Forecast 2015
Operating supplies (kg/t)	5.1	4.4	4.0	4.6	5.2	4.9
Cleaning agents (kg/t)	3.9	3.2	3.5	2.3	-26.5	2.3
Energy (kWh/t)	1,314.7	1,286.7	1.200	1,215.7	-5.5	1215
Water (m³/t)	12.2	11.0	11	10.4	-5.4	10.4
Packaging (kg/t)	633.5	612.6	612	621.2	1.4	620
Waste water. sewage plant (m³/t)	5.6	5.1	5.2	3.9	-25.0	3.9
Cooling water (m³/t)	5.9	5.2	5.3	4.6	-11.2	4.6
Waste total (kg/t)	54.2	43.7	43	55.1	26.1	60
Non-recyclable waste (kg/t)	0.9	0.6	0.6	0.7	11.3	0.6
Carbon dioxide (kg/t)	353.3	359.9	370	371.9	3.3	370
Sulphur dioxide (g/t)	283.4	290.0	220	190.6	-34.3	120
Nitrogen oxides (g/t)	386.3	398.7	380	258.8	-35.1	240

Hanságliget Sustainability Programme
Tailored to a location at the heart of the countryside

HiPP's environmental protection is pioneering in Hungary and has become an integral part of the management system. From sorting and separation of waste to installation of nesting boxes, many ideas for conservation are contributed directly by the staff themselves. HiPP Kft Hanságliget aims to foster and encourage this proactive involvement.

The plant is located in an agricultural region rich in different species and bordering a forested nature reserve with rivers and streams. The grounds of the plant offer a natural habitat to numerous species of indigenous birds, insects and bees. To protect biodiversity, HiPP ensures that beneficial species are provided with flowering meadows and nesting boxes, plentiful trees and lush vegetation. HiPP staff regularly analyse the water quality of the River Hanság, which flows past the plant and into which clean water processed in HiPP's own sewage plant is discharged; this care ensures that intact conditions for fish, reptiles, amphibians and insects are preserved.

In harmony with HiPP's company philosophy, the Hanságliget plant introduced an ISO 14001-certified environmental management system as early as 2002. The successful implementation of the scheme was once again demonstrated in the 2015 environmental audit, in which the plant was certified free from non-conformities.

Sustainability programme

Measures	Period	Status
Installation of sludge press	2014	Done
Expansion of filter bed buffer capacity	2014	Done
Boiler changeover from heating oil to gas	2014	Done
Reduction of emissions and greenhouse gases for all waste gases	2014	Done
Emission measurements in plant environs	2014	Done
Heat recovery from condensation	2014	Done
Logistics: optimisation of truck capacity utilisation	2014	Done
Installation of a defibrillator (first aid)	2015	Done
Installation of additional nesting boxes in grounds	2015	Open
Fencing around recycling yard	2015	Open
Provision of company sports activities	2015	Open
Introduction of company suggestion scheme for environmental issues	2015	Open
Review of areas using solar power generation	2015	Open
LED modernisation of exterior lighting	2015	Open
Optimisation of overhead lighting in warehouse	2015	Open

HiPP aims to continue fostering and encouraging active involvement by the plant's employees in improving sustainability management. The introduction of a plant suggestions scheme for environmental protection will provide a method of rewarding particularly dedicated employees in future.

Attention to staff health will also receive greater focus in future. Expansions to technical first-aid equipment have already significantly improved emergency care for staff at the premises.

Long-term preventative health measures in the form of plant sports activities will be introduced for the first time in 2015.

Environmental management and sustainability
Consistent development

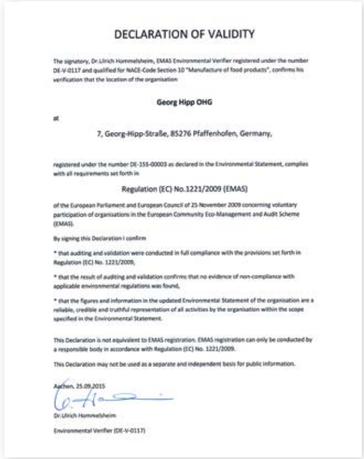
20 years ago, the first companies throughout Europe introduced EMAS, the Eco-Management and Audit Scheme. HiPP was one of the first food manufacturers in Europe to receive EMAS certification as early as 1995.

EMAS is the hallmark of systematic environmental protection to high standards. The European Union regulation supports companies and organisations throughout the world in improving their environmental performance above and beyond statutory requirements.

Milestones achieved by HiPP were the company's increased use of energy from renewable sources from 0% (1995) to almost 90% (from 2002), reduction of water consumption by over 70% (1990 to the present) and increase in percentage of recycled waste to its present level of 99.8%.

Companies that pass the EMAS audit are authorised to bear the EMAS logo and must publish regular sustainability reports. The Environmental Statement for the Pfaffenhofen plant is included in this report. Its accuracy is examined by an impartial state-monitored environmental expert.

Florian Schmidt is HiPP's EMAS officer.



DECLARATION OF VALIDITY

The signatory, Dr Ulrich Hommelsheim, EMAS Environmental Verifier registered under the number DE-V-0117 and qualified for NACE-Code Section 10 "Manufacture of food products", confirms his verification that the location of the organisation

Georg Hipp OHG

at

7, Georg-Hipp-Straße, 85276 Pfaffenhofen, Germany,

registered under the number DE-155-00003 as declared in the Environmental Statement, complies with all requirements set forth in

Regulation (EC) No.1221/2009 (EMAS)

of the European Parliament and European Council of 25 November 2009 concerning voluntary participation of organisations in the European Community Eco-Management and Audit Scheme (EMAS).

By signing this Declaration I confirm

* that auditing and validation were conducted in full compliance with the provisions set forth in Regulation (EC) No. 1221/2009,

* that the result of auditing and validation confirms that no evidence of non-compliance with applicable environmental regulations was found,

* that the figures and information in the updated Environmental Statement of the organisation are a reliable, credible and truthful representation of all activities by the organisation within the scope specified in the Environmental Statement.

This Declaration is not equivalent to EMAS registration. EMAS registration can only be conducted by a responsible body in accordance with Regulation (EC) No. 1221/2009.

This Declaration may not be used as a separate and independent basis for public information.

Aachen, 25.09.2015

Dr. Ulrich Hommelsheim

Environmental Verifier (DE-V-0117)

Pages 5, 8, 12, 13, 24, 27 – Emergency Management section, 33, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52 were certified in line with EMAS.

20-year anniversary: at the ceremony, Hubertus Doms (right), Managing Director of the plant, accepts the certificate on behalf of HiPP.

At the ceremony to mark '20 years of EMAS – Successful and sustainable operations' in June 2015, the German Federal Ministry of the Environment (BMUB), the German Association of Chambers of Commerce and Industry (DIHK) and the Environmental Verification Committee (UGA) pay tribute to the first ten companies from the beginnings of EMAS: HiPP is the only medium-sized food producer in this group.

Secretary of State Gunther Adler and Dr. Martin Wansleben awarded certificates to these ten pioneers, now looking back on 20 years of European environmental management while ensuring their fitness for the future. Around 1,900 company locations currently make this voluntary contribution towards corporate environmental responsibility in Germany.

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The best from nature. The best for nature.

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