

HiPP - manufacturer of organic baby food



SUMMARY HiPP is a German manufacturer of baby food that was founded in 1932. The production occurs primarily in Europe, while the products are sold globally. For over 60 years, the family run business has sought to protect nature. It aims to use resources responsibly and to preserve biodiversity as well as assume social responsibility for their employees and suppliers. HiPP relies only on the use of organically farmed raw materials and it seeks to expand its range of organic products. To establish and maintain a sustainable value chain, HiPP expects its partners to fulfil the same social and ecological requirements as they do themselves.

Contract Type



Value-chain

Public Goods

SOIL

WATER

BIODIVERSITY

Location

Markets



Herford



Headquarter
Pfaffenhofen an der Ilm

Basis of Payment



- Action-based
- Result-based

Involved contract takers



Individual

OBJECTIVES

Ecological objectives: Preserving nature, environment and climate

- careful use of resources, minimisation of the company's CO₂-emissions, preservation of soil fertility, protection and promotion of biodiversity and conservation of cultural landscapes

Economic objectives: Working on a solid basis

- fair and ethical behaviour in competition, create sustainable values as opposed to short-term profit orientation

Social objectives: Creating a society which is worth living in

- create trust and act credibly, actively participate in social and societal commitments, promote social balance and the equality of opportunities

CONTRACT DETAILS

Participation & involved parties About 8000 organic farmers supply products to HiPP. HiPP either cooperates directly with farmers or via trusted intermediate suppliers. The raw materials are processed at production sites in Germany, Croatia, Austria, Russia, Switzerland, Ukraine and Hungary. The end products are packaged and forwarded to traditional food retailers, health and beauty retailers as well as pharmacies or made available online.

Key stakeholders: Company family, employees, farmers, packaging manufacturers, the German Federation for Food Law and Food Science, the Research Association of the German Food Industry, organic certification bodies, retailers, customers (parents)

Requirements for participation The contract partners need to grow according to ecological standards or supply organic ingredients that need to fulfil not only the strict legal regulations for baby food but the high HiPP organic quality standards. The quality depends on: soil, water and climate of the growing area as well as the cultivation methods. Furthermore, partners must comply with all environmental and social standards set out by HiPP.

Nature of payments and their structure On the one hand, HiPP pays farmers or intermediaries for the delivered raw material. In addition, HiPP provides financial support to the farmers for environmental measurements. Furthermore, farmers or stakeholders can make special arrangements for financing actions that support biodiversity such as tree planting, sowing of buffer strips, etc. in their regions. This results in a ‚package‘ of production-related payments and voluntary payments for the improvement of the environment by HiPP.

Advice & support Raw material suppliers get support from the company’s farm management team, including control from specialists and financial help for environmental measurements on site. The HiPP producer guidelines specify the requirements of the EU-Eco-regulation regarding organic farming and animal welfare. HiPP also helps its suppliers improve their natural environment by issuing a guide that describes the measures they can take to encourage biodiversity on their own farms.

Moreover, HiPP organises events that offer practical advice to producers and suppliers about daily farming issues, for example that focus on animal welfare.

Environmental monitoring & control The HiPP experts work together very closely with the organic farms where the ingredients are produced; starting with the choice of cultivation land, soils and seed. This special monitoring mechanism continues through the growing process all the way to the harvest and delivery. Before a HiPP product can be sold to the customer, a wide range of tests (depending on the product) are conducted to ensure high quality. HiPP inspects the raw materials and products in its accredited in-house laboratory, but tests are also made by independent external laboratories. Only products that pass through residue checks will be sold.

SUCCESS FACTORS

- Long-term supply relationships, ensuring long-term quality and a strong basis of trust as well as safety for all stakeholders
- HiPP brand has a positive influence on the end consumer, promoting a higher appreciation of food resulting in education and training of customers
- Enables higher producer prices and therefore creates a sustainable value chain that is also economically stable and independent of subsidies

Information/contact: www.hipp.com

