

Global responsibility Communication on Progress July 2011







Statement

Danimex Communication A/S joined the United Nations Global Compact in 2008, and the Danimex team is proud to confirm Danimex' continued support of the ten principles of the Global Compact as we present our progress to date.

Joining the UN Global Compact reflects the goals and values of Danimex: We take responsibility for our work and our actions, and conduct our business in a socially responsible and ethical manner.

This second annual report reflects our work throughout the year 2010, our continued progress within *the ten principles* and our planned actions for 2011.

This year I would like to focus the report particularly on our progress in the following areas:

- 1. Anti-corruption
- 2. Environment

In these areas progress has inspired us to raise the bar even further. Some actions are already planned, whereas others emerge as we carry on the good work inspired by the mindset of the United Nations Global Compact.

We present no further developments regarding *Human Rights* and *Labour* in this report. These topics are extensively proclaimed in our rules of conduct, thoroughly implemented in the very foundation of our company and evident in everything we do. We are, however, embedding them even deeper in the DNA of our company, as we let our ethical codes be reflected in our ISO9001 handbook.

We proudly state our values in the following pages, but focus our actions on the two other areas, where there are still battles to be won.

Yours sincerely

Hans Becker

Managing Director Danimex Communication A/S



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Danimex Communication in short

Danimex Communication A/S is a global distributor of communication equipment with more than 30 years of experience in deliveries to humanitarian organizations, NGO's, defence, security and government organizations as well as modern industry.

Danimex' head office is located in Denmark, with subsidiaries in UAE, Afghanistan, Iraq, Nigeria and USA.

Danimex aims to be our customers' one stop shop for *Information- and Communication Technology* (ICT). We work around the world, often in underdeveloped countries, where people trust us to deliver sound communications solutions. We are committed to building good and lasting partnerships with our customers to provide communication solutions matching local needs and ressources.

As a result of these goals and values, an outstanding customer support is essential to the way we conduct our business. We extend this support by offering:

- Fast and reliable customer service
- Large stock of equipment for rapid delivery
- High level of technical service by manufacturer-approved technicians
- On-site support via field engineers and local offices
- Technical training in the field or at one of our offices

Danimex' mission is to offer a level of service unmatched in the radio and satellite communication business. That is why we are well organized to respond quickly and effectively to our customers' needs everyday and anywhere. Danimex offers to assist our clients in all phases of setting up advanced communication systems; from idea to implementation.

Danimex has two main distribution channels – a wide dealer network and direct sales to UN/NGO's, military and government organisations as well as private contractors.



UN Global Compact

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Launched in July 2000, the UN Global Compact is a both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices.

The 10 Principles

Human Rights

Principle 1:	Businesses should support and respect the protection of internatio- nally proclaimed human rights.		
Principle 2:	Make sure that they are not complicit in human rights abuses.		
Labour			
Principle 3:	tiple 3: Businesses should uphold the freedom of association and the effec- tive recognition of the right to collective bargaining.		
Principle 4:	The elimination of all forms of forced and compulsory labour.		

- Principle 5: The effective abolition of child labour.
- Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmen tal challenges.
- Principle 8: Undertake initiatives to promote greater environmental responsibility.
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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



About "Communication on Progress"

One of the commitments that Danimex made when we joined the UN Global Compact was to prepare an annual Communication Progress report. Preparing a report on our progress both demonstrates our commitment to the UN Global Compact and its principles, as well as reflects our transparency and openness towards our stakeholders regarding our activities within the areas of human rights, labour, environment and anti-corruption.

Core Values of Danimex Communication

We take responsibility for our work and our actions, and conduct our business in a socially responsible and ethical manner.

Customers

We are committed to being a good partner, focused on delivering the expertise and solutions that support our promise of enabling people to communicate without limits, and strive to build collaborative, trusting relationships with institutions and customers.

Communication and Learning

There are two great equalizers in Danimex: Communication and learning. Our employees have the knowledge and skills critical to achieving our goals and providing customer solutions. We are committed to constant learning and communicating new ideas about communication for the benefit of customers.

Diversity

We work around the world and often in underdeveloped countries where people trust us to deliver sound communications solutions.

One of our most important values is respecting the diversity of cultures in which we work and the way in which they enrich our lives professionally and personally.

Accountability

We are accountable - as individuals and as a company - for our work and our actions.

We will be transparent, develop clear, measurable objectives and be responsible for the results we set out to achieve.

Growth

Through constant innovation and by delivering the best customer support in the markets we serve, Danimex will meet its goals for growth and competitive advantage.

Code of Conduct for Danimex Communication

Equal rights of women and men

It is the responsibility of Danimex Communication to work for equal rights to women and men.

Valuing multicultural influence

Danimex Communication values the every day influence we get from other cultures and respects the rights of all individuals regardless of ethnic, cultural, religious or sexual background.

Child labour

Danimex Communication do not use, nor approve of the use of child labour.

Environment

Danimex Communication is committed to work in a way that does not harm the environment.

International laws

Danimex Communication is committed to fulfill our obligations to local as well as international laws, regardless where we operate.

Working against fraud and corruption

Danimex Communication is committed to avert fraud and corruption.

Freedom of association and protection of the right to organise

Danimex Communication is committed to respect the individual right of labour protection.

Occupational health and safety

Danimex Communication is committed to avoid risks on occupational health and safety.

Working against forced labour

Danimex Communication will work against forced labour and slavery of all kinds.

Human rights

Danimex Communication is committed to work in accordance with the UN Human Rights Declaration.

Global Compact Principle 1 and 2:

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

"Make sure that they are not complicit in human rights abuses."

The principles 1 and 2 are, in our view, interconnected. Danimex has embedded both firmly in the ethical foundation of the company itself as well as in the guide-lines for the offices worldwide.

As we perceive the world around us, we can only be succesful and maintain our pride by being a role model in troubled parts of the world. Danimex makes an effort to accomplish this by displaying good ethics, trust and accountability.

This has all been carved in stone by the Danimex ownership, the management and all employees in the following exerpts from the "Core Values" and the "Code of Conduct" of Danimex:

Excerpt from our Core Values - Diversity:

One of our most important values is respecting the diversity of cultures in which we work and the way in which they enrich our lives professionally and personally.

Exerpt from our Code of Conduct - Valuing multicultural influence

Danimex Communication values the every day influence we get from other cultures and respects the rights of all individuals regardless of ethnic, cultural, religious or sexual background.

In conclusion, we believe a thriving diversity of cultures and individuals is necessary for us to become a strong and competitive business in the world market of today. This also applies to diversities across genders, as stated here:

Exerpt from our Code of Conduct - Equal rights of women and men

It is the responsibility of Danimex Communication to work for equal rights to women and men.

All the above - and more - is summed up in our general pledge to honouring human rights universally:

Exerpt from our Code of Conduct - Human rights

Danimex Communication is committed to work in accordance with the UN Human Rights Declaration.

Having stated this, it should be noted, that there have not been any complaints filed against Danimex to suggest, that these principles are not honoured in every respect by Danimex employees and business partners,

Goal for the year ahead:

Danimex has initiated an ISO9001 certification process, which is planned to be concluded within the year 2011. The above beliefs, attitudes and general principles will all be reflected in the guidelines produced for this project.

Global Compact Principle 3 though 6:

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

"The elimination of all forms of forced and compulsory labour."

"The effective abolition of child labour."

"The elimination of discrimination in respect of employment and occupation."

The principles # 3, 4 and 5 are all addressed explicitly in the Danimex Rules of Conduct, from which the following is extracted:

Freedom of association and protection of the right to organise

Danimex Communication is committed to respect the individual right of labour protection.

Working against forced labour

Danimex Communication will work against forced labour and slavery of all kinds.

Child labour

Danimex Communication do not use, nor approve of the use of child labour.

The principle # 6 regarding discrimination has been addressed in the Danimex Code of Conduct chapter on multicultural influence:

Danimex Communication values the every day influence we get from other cultures and respects the rights of all individuals regardless of ethnic, cultural, religious or sexual background.

This goes beyond unbiassed treatment of staff members and potential employees. It deals with the general attitude towards all people the company deals with.

In general, human ressources are valued and appreciated for who they are and for what they are able to contribute with, counting both professional qualifications and social skills.

Ethnic and cultural background is of no crucial importance, although some diversity is favoured, especially when relevant for staff working in regional markets requiring local insight.

Goal for the year ahead:

Danimex has initiated an ISO9001 certification process, which is planned to be concluded within the year 2011. The above beliefs, attitudes and general principles will all be reflected in the guidelines produced for this project.



When crisis strikes

HUL









In times of need, we work around the world, creating efficient communication lines for relief workers and human aid organisations.

Global Compact Principle 10:

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

Policies, programmes and management systems to support our commitment

As stated in the Danimex Code of Conduct (ref. page 7), rule no. 6, Danimex works against fraud and corruption:

Working against fraud and corruption

Danimex Communication is committed to avert fraud and corruption.

Danimex complies with all applicable laws and regulations in all parts of the world where we have offices. Furthermore, Danimex complies with the anti-corruption treaties and laws of the countries in which we do business.

Corruption is unfortunately more common in some of the areas, where Danimex conducts business. Consequently it is even more important for us to have focus on anti-corruption and we are fully committed to work for elimination of corruption in all its forms.

Work in progress

All employees in the head office in Denmark have signed an anti-corruption clause in connection with their employment contract.

Moreover, all employees in Danimex subsidiaries worldwide have signed an anticorruption clause in 2010.

Furthermore, starting from January 2011, all Danimex certified dealers had to sign an anti-bribery pledge in order to become a certified Danimex channel partner. Each certification is valid for a year, where after the dealer has to renew the anti-bribery pledge.

	Performance indicators	Achieved/progress
1	Number of incidents relating to anti-corruption	0
2	All employees at the Danish office have signed an anti- corruption clause in connection with their employment contract	Yes
3	All employees at Danimex' offices have signed an anti- corruption clause in connection with their employment contract	Yes
4	All Danimex certified dealers have signed an anti-bribery pledge	Yes
5	Identify and support organisations in the area where our offices are located, that support the work against corruption	No
6	Evaluation of policies and results at the annual board meeting	Yes

Actions implemented or planned for the next year

The following actions have been taken:

- Policies have been defined, as stated in our code of conduct.
- All employees at the Danimex offices <u>worldwide</u> have signed an anti-corruption clause as a required part of their employment contract.
- Our polices have been evaluated by the board of directors at the annual board meeting.
- All Danimex certified dealers have signed an anti-bribery pledge which has to be renewed once a year in order to keep in their top-of-mind.

For next year we have planned:

- New Danimex certified dealers must sign an anti-bribery pledge before the cooperation is initiated.
- Continued instruction of our leadership team to follow the policy.
- Implement yearly formal meetings between employees and their managers in our offices in the Middle East and Africa.
- Cooperation with our suppliers in our effort to work against corruption.



Global Compact Principle 7

"Businesses should support a precautionary approach to environmental challenges"

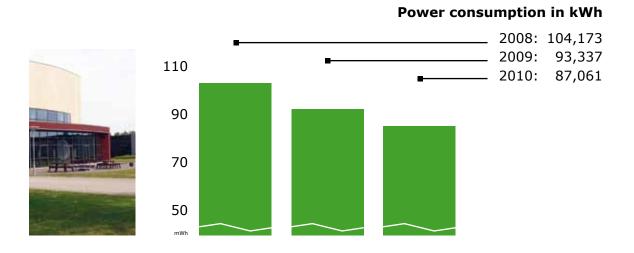
Danimex has taken measures to lessen the environmental burden we put on the shoulders of Mother Nature. We have saved electrical power, we recycle more waste, and our waste management is one to be proud of.

Getting a greener profile has brought us other advantages. It slowly changes the mindset of all employees, and promotes good behavour on a broader scale. There is not far from practicing good behaviour towards nature to practicing good behaviour in general - towards each other.

This way, our efforts have not only resulted in cash savings, but also improved the consciousness of energy consumption and the impact on the environment.

Power saving achieved at Danimex

- 1) Installed timers on most electrical equipment like copying machines, printers, coffee-makers, the PCs, screens and printers of the warehouse.
- 2) Installed motion sensors in the warehouse and workshop, controlling the electric light in local areas on a need-to-see basis. Before this change was implemented, a person entering the premises would switch on all lights in the entire area.
- 3) Installed a lightswitch for the last row of lights in the warehouse, since these lights are only necessary on rare occasions.
- 4) Light sensors controlling the outdoor lighting were installed. Since then, the operation time of the outdoor lighting was reduced by three hours daily.



Performance indicator:

By these measures we have reduced the CO2 emission by 8.3 metric tonnes during the period.

Recycling at Danimex

- 1. Our warehouse recycles and re-uses almost all packaging which we receive from our suppliers. Additional packaging materials are environmental friendly and made of recycled materials.
- 2. Only ECO-labeled printing paper is used (www.eco-label.com).
- Only ecological cleaning agents are used (www.cleancare.dk/Miljoe/Svane-produkter.aspx).

Waste Management

In Denmark we have a close alignment between EU regulation and national regulations on waste. EU regulations lay down overall frameworks and principles, whereas the Danish Parliament decides on organization and legislation in the area of waste. In contrast to common practice in many other countries, Denmark has chosen to manage industrial and commercial waste in a comprehensive waste management system, covering both packaging waste and hazardous waste.

The principle of source separation at Danimex is a key element of the Danish model. For some types of waste, e.g. paper, cardboard and glass, metal, wood, etc. we have collection systems with source separation. This scheme enjoys widespread acceptance and is used extensively, also by our employees.

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Planned improvements for the next year

Saving energy and conducting business in an environmentally responsibe way has become part of our corporate culture. Not only does it feel good, it also offers a good return on investment (ROI). For the next year we shall optimize within the areas mentioned above, as well as improve our documentation of all results achieved by collecting and presenting statistical material.



Campaigning to improve awareness

Danimex supports a Danish campaign called "The World's Best News" (in Danish: "Verdens bedste nyheder") to communicate to the public, that human aid projects do make a great difference for the people targeted.

The object of this campaign is:

- To publish the many results achieved by human aid programmes.
- To offer factual knowledge and insight in the work, which is being done to improve conditions for the less fortunate part of the world's population.
- To communicate the many results achieved.

The news is that the many efforts in various aid programmes have created significant and lasting results and progress. A wide range of programmes have helped fight hunger, poverty and lack of education. The message is, that it does help to make an effort.

The campaign visualises the results and conveys them across the Danish nation in contexts which make sense. Largely populated by unpaid volunteers, the campaign draws public attention through a string of popular events.

The campaign is a result of the UN Millennium Development Goals.

The eight Millennium Development Goals – which range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – form a blueprint agreed to by all the world's countries and all the world's leading development institutions.

Supporting this Danish campaign relates well to global efforts to help the poor and needy people in the world. It is our belief, that by lifting people out of hunger, illiteracy and sickness, we also help ourselves. By improving the basic conditions for people in need, they become human ressources capable of handling challenges on a higher level, thus relieving us.

Bike to Work 2011

With more than 100,000 participants from 6,000 workplaces across Denmark, Bike to Work is the largest exercise campaign in Denmark and an environmental campaign as well. In May 2011 the campaign is held for the 14th time.

Danimex has been participating in this campaign for some years. This year, Danimex is registered with two teams and a total number of 11 cyclists.

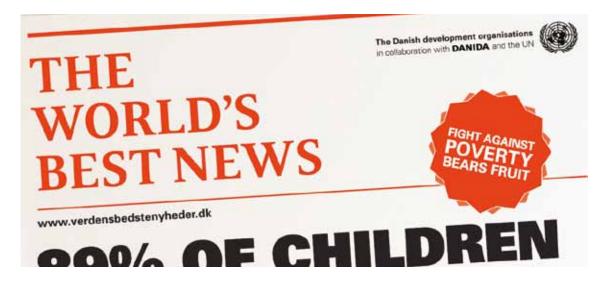


The total number of teams in the 2011 campaign is 9109 with a number of 93,178 participants, and the number is still rising.

In the city of Sønderborg, where Danimex HQ is situated, 120 teams of companies or organizations throughout the whole industry are registered with a total of 1,148 participants.



Picture: Politicians - members of parliament from opposing parties - join forces, as they hand out bakery bags containing free pastry and a progress report under this headline: "Now more than 90% of the children in under-developed countries can have a fun day at school". Danimex supports the campaign.





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Danimex Communication A/S Elholm 4 DK-6400 Sonderborg Denmark

www.danimex.com

Contact: Phone:	Hans Becker, Managing Director +45 73 42 56 00
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