

Fastened on Ongoing Progress!



Communication on progress

2011





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GRIS DECOUPAGE's commitment to the Global Compact

GRIS DECOUPAGE, founded in 1984 and based in Lesménils (department 54, France), specialises in the manufacture of mechanical components and flat or conical die-cut washers in medium or large runs.

GRIS DECOUPAGE signed up to the Global Compact in 2006, thus demonstrating its commitment to the basic values of human rights, labour standards and environmental protection. But well before then, GRIS DECOUPAGE had already espoused the ideals underlying the ten Global Compact principles.

Participation in the Global Compact was a logical step in the continuous improvement process adopted by the company a number of years ago. Continuous improvement was implemented initially in the fields of industry, quality and management and led to the ISO 9001 and ISO TS 16949 certifications obtained in 1993. It was subsequently extended in the early 2000s to cover environmental and sustainable development issues, as confirmed by the awarding of ISO 14001 certification in June 2007.

GRIS DECOUPAGE is renewing its commitment to the Global Compact for 2012. In so doing, we undertake to uphold the ten principles on a daily basis, to make sure they are shared by all employees and to bring them fully to the attention of our subcontractors and suppliers.

Francis GRIS President

Progress update from Global Compact participant

ILLUSTRATED PRINCIPLES

1. OBJECTIVES SET FOR 2011

For 2011, GRIS DECOUPAGE chose to illustrate the following 3 groups of principles:

Human rights

- 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2. make sure that they are not complicit in human rights abuses.

Labour

- **3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. the elimination of all forms of forced and compulsory labour;
- 5. the effective abolition of child labour; and
- 6. the elimination of discrimination in respect of employment and occupation.

The environment

- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. undertake initiatives to promote greater environmental responsibility; and
- 9. encourage the development and diffusion of environmentally friendly technologies.

The last principle, "work against corruption" does not concern GRIS DECOUPAGE. We are not, therefore, reporting on this subject.

2. DESCRIPTION OF ACTIONS UNDERTAKEN IN 2011

Human rights

GRIS DECOUPAGE conducts actions in the field of human rights on a daily basis. As a French company, we are obviously fully aware that France has been historically concerned by the problem of human rights since 1789 and more particularly since 1948, the date of the Declaration of Human Rights.

Hence, we prohibit our subcontractors from employing undeclared labour and young children and/or demand that they refrain from doing so. A written subcontract is drawn up between the subcontractor and GRIS DECOUPAGE. This contract includes a section concerning our Environmental Quality policy and our membership of the UN Global Compact. We emphasise that all our suppliers must comply with the basic values in the field of human rights, labour, the environment and anti-corruption. We ask for a formal commitment to the effect that no product has been made by children or makes use of undeclared foreign labour employed illegally in France. Finally, we request that they make sure that any subcontractors they may employ comply with those values too. This contract is sent systematically every year to the subcontractors we work with. It contains several ranking criteria: quality and Environmental Quality certifications, order-fill ratio and the "purchasing" part.

Concerning labour rights, the DIRECCTE (Regional Directorate of Companies, Competition, Consumption, Labour and Employment) ensures that labour rights are applied in companies on a daily basis. In addition, we have representative institutions within our company (Works Committee / Personnel Representatives) which are mandatorily consulted. Finally, the Human Resources Director is delegated by Management to be the guarantor of compliance with the legislation within the company.

Labour

GRIS DECOUPAGE upholds freedom of association and recognises the right to collective bargaining. This action is carried out on a daily basis.

In 2011, the Mandatory Annual Negotiations began in November on the following points:

- An agreement on gender parity;
- An agreement on the severity of working conditions and the definition of an action plan which will be partly carried out in 2012.

There is no discrimination in matters of employment in our company, which can be confirmed by the trade union delegates. Similarly, there is no forced or compulsory labour at GRIS DECOUPAGE

Finally, child labour is prohibited in France and the employment of young adults is strictly controlled between the ages of 16 and 25 years under apprenticeship and/or vocational training contracts.

• The environment

In 2011 GRIS DECOUPAGE undertook a carbon assessment covering the whole of its activity.

This was done as a routine part of ISO 14001 environmental certification and our continuous improvement policy. We were assisted throughout this operation by a national research organisation. A kickoff meeting was held on 15/03/2011 with the research organisation and certain members of the Executive Committee.

The kickoff meeting was followed by the data collection phase. Data were provided in particular by the Logistics, Purchasing, Technical and Human Resources Departments. The research organisation used the "Bilan Carbone" method proposed by ADEME.

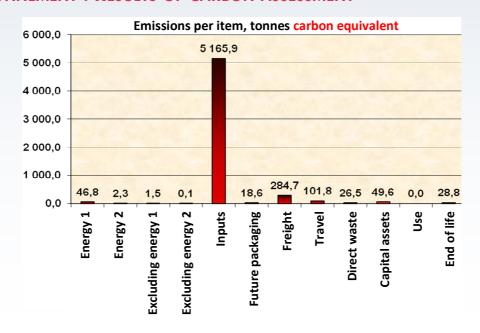
MEASUREMENT OF RESULTS OBTAINED

1. HUMAN RIGHTS AND LABOUR:

The only convincing indicator is the absence of any fines imposed on GRIS DECOUPAGE since the company was set up in 1984.

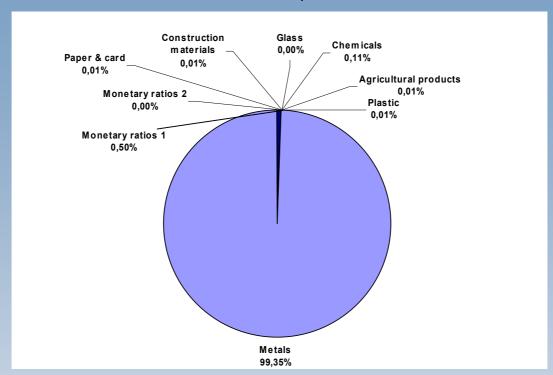
With regard to the mandatory annual negotiations, these can be considered to have been positive since the agreements on gender parity and severity of working conditions will be validated very shortly.

2. THE ENVIRONNEMENT: RESULTS OF CARBON ASSESSMENT

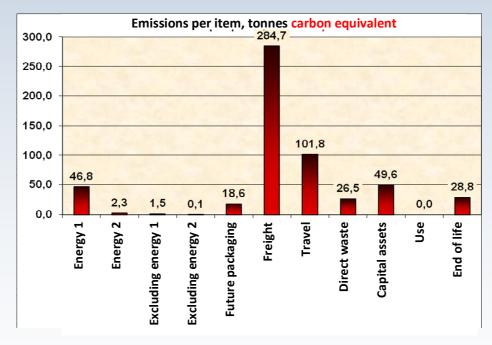


In all, emissions amounted to 5.726 tonnes carbon equivalent (i.e. 20.997 tonnes CO_2 equivalent). This corresponds to 1.5 kg carbon equivalent per kilogram of parts produced. The inputs item is the major source of emissions and accounts for over 90% of total emissions for the site. "Inputs" should be understood as "incoming materials and services (transformed, incorporated or discarded)".

Detail of "inputs"



For a more readily understandable picture of the relative proportion of the other items, the carbon equivalent emissions graph was replotted without the "inputs" item. The result is as follows:



DEFINITION OF ACTION PLANS:

On the basis of the results obtained, action plans or lines of development were defined with the research organisation wherever possible. In addition, by taking part in a collective "Bilan Carbone" operation conducted by the Regional Chamber of Commerce and Industry, we were able to define other lines of development. The action plans are presented below per emissions item. The actions adopted will be incorporated into the Environmental Management Programme followed as part of ISO 14001 certification. These actions will be carried out in the shorter or longer term.

Inputs item:

Inputs account for 90% of GRIS DECOUPAGE's greenhouse gas emissions. One way to reduce greenhouse gas emissions would be to work upstream with suppliers to improve the amount of recycled material included in the material inputs, particularly steel for washers.

→ Increasing the amount of recycled material from 35% to 40% would result in a reduction of 213.7 t carbon equivalent, i.e. more than 4% on the steel – washers item and 3.7% on total emissions.

However, it is difficult to have any leverage on the amount of recycled material used, as this depends on the suppliers and all those involved in the metal manufacturing chain, including scrap metal merchants.

Freight item:

- Actions at subcontracting level would reduce greenhouse gas emissions from the freight item. The company STAMPEO, a subsidiary more than 90% owned by GRIS DECOUPAGE, was created in 2010 to replace an activity that until then had been subcontracted. Carrying out this activity in house avoids one weekly truck journey to and from the Paris area. The complete transfer of the double side surface grinding activity to the STAMPEO site will be effective in early 2012.
- → This operation will produce a saving of 3.7 t carbon equivalent.
- Another line of improvement could be to expand heat treatment activity on the STAMPEO site. This would eliminate the need for journeys to and from sites spread across the whole of France.
- → Expansion of this activity in house could yield a saving of 39.7 t carbon equivalent.
- Finally, the rewards and penalties system put in place by the Purchasing Department with the main carriers could include an incentive to "smooth driving".
- Adoption of smooth driving by the main carriers would provide a 10% saving in greenhouse gas emissions (according to feedback on this subject), i.e. 2.6 t carbon equivalent and 0.05% of total emissions.

Future packaging item

It would be possible to deliver washers to two customers in small reusable plastic containers instead of single-use

The savings from this operation would amount to 430 kg carbon equivalent and would eliminate the need for 20 600 cardboard boxes.

Personnel transport item

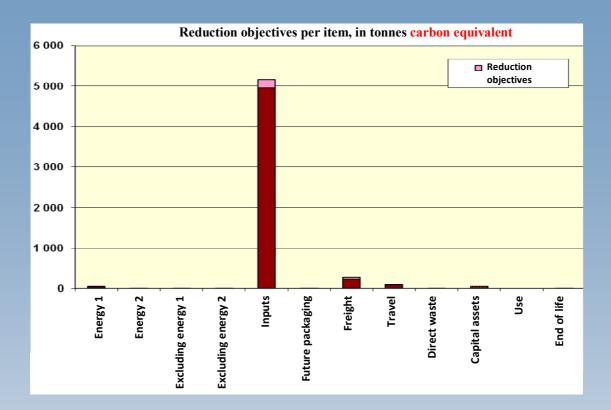
- An initial line of improvement would be to encourage car sharing by employees. A survey carried out among the personnel showed that certain people would be able to travel together. Car sharing is especially feasible for people working shifts.
- A second line would be to give smooth driving training to staff with company cars. This type of driving is safer and could also reduce fuel consumption by approximately 15%.
- Finally, it would be a reasonable idea to encourage the use of videoconferencing and conference calls whenever possible in order not only to limit greenhouse gas emissions but also to minimise the "road safety risk" on business trips.
- → Together, these actions would reduce emissions by 12.3 t carbon equivalent, i.e. 0.2 % of total emissions.

Direct use of energy

A heat pump has been installed to replace the HVAC system in the offices.

This operation represents a saving of 1.6 t carbon equivalent, i.e. 0.03% of total emissions.

Conducting the previously defined actions would lead to a reduction of 5% of total emissions compared with the situation in 2010.



This carbon assessment provides some figures on the greenhouse gas emissions currently generated by our activity. As training in the "Bilan Carbone" tool was included in the research organisation's services, an update of the results obtained will be possible in future years.