

## Communication on Progress

### 1) UN Global Compact - General

Awareness and promotion of UN Global Compact and its 10 principles.

In 2011 SFDS has focused on awareness of and commitment to Global Compact and its 10 principles. We put effort in making the internal organization aware of Global Compact. During local and international meetings attention was given to the 10 principles. The Company also has the so-called 11 Stork Rules of Conduct in place. Employees working and signing with our company have to support these rules. These 11 rules are in line with the 10 principles. The 11 Stork Rules of Conduct that are to be lived up are:

1. Respect the law
2. Observe local customs
3. Take care of safety and health
4. Protect the environment
5. Respect fundamental human rights
6. Apply sound business practices
7. Deal responsibly with governments and political regimes
8. Choose respectable business partners
9. Observe responsible labour policies
10. Serve vital community interests
11. Maintain full accountability

The awareness for these 10 principles as well as the 11 Stork Rules of Conduct is supported by several means:

- Management has made an official statement on supporting the Global Compact initiative; this statement has been added to our website and to our Company Manual;
- The 10 principles and 11 Rules of Conduct have been incorporated in our website and our Company Manual;
- Posters with the Rules of Conduct are hung all around in our offices;
- Internal communication messages have been sent out to the Sales and Service staff with background information on Global Compact;
- The Global Compact Endorser logo is printed on the back of the business cards of our top management;
- The Global Compact Endorser logo is printed on a placard which is attached next to the main entrance of our headquarters in Amsterdam;
- The 11 Rules of Conduct are part of the Labour Agreements with individual Employees.

These means not only help us keeping in mind and living up to the 10 principles and 11 Rules of Conduct. They also enable us to bring the existence of Global Compact and its goals to the attention of our clients. Which also is a goal of ours: promoting Global.

### 2) The 10 principles

#### Human rights

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

These principles are obvious for us that all our employees use these by nature in all their business activities and we advocate these to all our customers and suppliers.

#### Labour

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

We are as a company in the Netherlands fully supportive of collective bargaining. We have an Employee Council and good relations with Unions.

**4) The elimination of all forms of forced and compulsory labour.**

When sourcing products abroad e.g. India, we are alert on the labour conditions of our suppliers.

**5) The effective abolition of child labour.**

We started a PC-project for India. We frequently have PC's and laptops, that are obsolete due to the very CAD and PLM applications. These PC's and laptops are in perfect condition and capable for executing many functions. Dismantling according to the Cradle to Cradle principle is not acceptable in our opinion. We looked for more sustainable solutions or opportunities, where they still can be used.

We found a Dutch NGO that builds schools for the classes in India that have less opportunities in the Indian society, in cooperation with their local sister NGO and the local Indian administration. They also provide these schools with learning aids. By donating them our PC's and laptops we not only reduce unnecessary waste of materials and energy, but we also contribute to education. We believe that education is the fundament to eliminate child labour, forms of forced and compulsory labour and discrimination in respect of employment and occupation.

**6) The elimination of discrimination in respect of employment and occupation.**

We rolled out insurance policies for business travels (a.o. medical cost, kidnap, ransom, political evacuation) and personal accidents (death or permanent disability) with the same conditions for all our employees, regardless where they work and live in the world. Insured are the employees themselves and for several insurances also their family members, students and interns, and secondments.

**Environment****7) Businesses should support a precautionary approach to environmental challenges.**

SFDS is developing an Environmental Management System that should be ISO 14001 certified by mid 2012.

**8) Undertake initiatives to promote greater environmental responsibility.**

An internal organisation for Safety, Health, Wellness and Environment has been formed with members of the company

An Operational Environmental Plan for 2012 has been implemented with Key Performance Indicators and Targets for savings of electrical energy, gas, steam and paper and for the replacement of hazardous materials. Suppliers are involved with the plans for next year.

**9) Encourage the development and diffusion of environmentally friendly technologies.**

Together with Universities and Schools of Polytechnics we are constantly developing new products and production processes that employ new technologies and materials to reduce energy consumption, and consumables.

**Anti-corruption****10) Businesses should work against corruption in all its forms, including extortion and bribery.**

We emphasize on our rules of conduct in doing business with our suppliers as well as with our customers.

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