



Communication on Progress in implementing the principles of the United Nations Global Compact

Dantrafo, January 2012

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Introduction

Dantrafo A/S is the mother company for Dantrafo Group which was established in 1979. Dantrafo Group has developed to become one of the leading Northern European producers of transformers, coils and other inductive components.

Dantrafo Group has a total of approximately 200 employees divided between the Danish mother company in Lemvig, the Swedish subsidiary in Åmål and the Chinese subsidiary in Suzhou.

During 2010 and 2011 Dantrafo A/S has implemented a major re-organisation project to increase efficiency in Danish factories by closing a factory in Horsens and transferring all Danish activities to the factory in Lemvig.

The subsidiary in Sweden has a strong growth and is during 2011 and 2012 undergoing a program of re-organisation and company development.

The subsidiary in China also has a strong growth and is being managed by a Danish General Manager. For the Chinese subsidiary there will be a special and dedicated set of projects during 2012 to focus on CSR activities which will be supported by IFU.

Dantrafo supports the ten principles of the UN Global Compact and is committed to align activities with the ten principles within the areas of human rights, labour, environment and anti-corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely Yours,



Ivan Gam

Managing Director

Human Rights

All companies within the Dantrafo Group respect Human Rights with special focus on local requirements in the country of operation.

All employees has the freedom to be organised and select representatives which will be the point of contact for issues, projects and programmes to be discussed with the management.

Each company has developed an Employee Handbook which describes a number of relevant policies and guidelines for local employees. The Employee Handbook is being revised regularly in cooperation between company employees and company management.

Regular meetings are scheduled to provide employees information about company initiatives, news and changes. Also, this meeting has the purpose of providing an open dialogue between employees and management.

Labour

Dantrafo A/S is member of Danish Industry and is committed to comply with the regulations for labour management as set forward by Danish Industry.

Dantrafo Group is committed to work in a structured way to ensure a good and healthy work environment. It is a goal to achieve a high degree of employees which stay in the company for many years (10+ years). As part of this we also focus on employee absence to analyse root cause to be able to reduce absence and increase the employee satisfaction.

Improving daily operation is a major area of focus to make sure that Dantrafo Group can offer employment for our employees also in the years to come. Many of the initiatives within improvement activities are based on the principles of Lean.

Especially for the Chinese subsidiary there will be a comprehensive set of activities during 2012 which will be related to CSR. During the setup of these projects we have been supervised by IFU and IFU will also be engaged in the conduction of the activities.

Environment

Dantrafo Group will conduct all business activities in a responsible manner which ensures the preservation of the internal and external environment.

Each company is subject to formal audit by the local Municipal Authorities with respect to environmental aspects. A number of preventive actions are being implemented and in case an issue occurs, this will be solved quickly and efficiently in cooperation with the local Municipal Authorities.

Separate areas will be established to store chemicals and we will constantly strive to replace harmful substances.

All our products comply with the EU Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS).

Internally we have established a forum to handle activities related to employee environment to ensure that all activities are conducted in a responsible manner related to health, safety and wellbeing of all employees. The forum has representatives from both company employees and company management.

Anti-Corruption

Dantrafo Group is a private held company operating on market conditions.

Dantrafo Group has a long standing anti-corruption policy stating that corruption or bribery is not acceptable in any form or under any circumstances.

All activities are conducted with a high degree of ethics and moral.

Especially for activities in the Chinese subsidiary there will be a set of specific activities related to anti-corruption.