

Communication on Progress

“2011”

Artoos Communication Group
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BELGIUM
www.artoos.be

ARTOOS **AUTOMATE**
WEB-TO-PRINT
PERSONALISATION
CREATE
DESIGN
PHOTO
HTML
OFFSET
DIRECT
PICK & PACK
TYPOGRAPHY
COPYWRITING
PRINT
G
PREPRESS
ADVISE
HANDLING

Communication on Progress (COP) - 2011

Introduction

Artoos Communication Group is a vertically integrated one-stop communication partner for direct marketing offering the whole process for developing, producing and distributing marketing communication projects : design - production - fulfillment. Both for graphic (printing) and on line communication.

In carrying out our customers' projects completely by ourselves - with our 142 employees, our own infrastructure and focusing on end-to-end automation - we offer a quite unique business model.

Over the last 16 years this business model has shown to really being sustainable, the 'final' proof being the fact that also during the economic recession and a fire on the company grounds, our figures remained positive.

However, since 2008 Artoos has sustainable entrepreneurship ingrained as a main principle in day to day management and development of this business model. Consequently, this means that when it comes to strategic decisions we always take into consideration three things: economics, environment and society.

COP

Statement of continued support for the Global Compact

For many years the Artoos Communication Group has been a member of Global Compact because we strongly believe in the 10 principles Global Compact writes out. In every action Artoos undertakes (commercially, production-wise, HR), these important values form the foundations. We support public accountability and transparency.

Therefore we publish a CSR report and organize meetings with a representation of our stakeholders in order to discuss our actions on :

- **People**

Artoos is known to be technically progressive, through state-of-the-art production equipment. However, even more so than technology, it is people who constitute the heart & soul of our company, our employees who enter into a true partnership with our clients.

- **Profit**

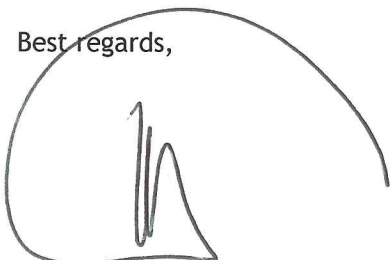
Artoos is a financially healthy company. The ambitious but realistic financial management is shown by continuous growth and a high EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization).

- **Planet**

Artoos shows how environmental awareness and the pursuit of optimal price/quality ratio go together in harmony. We undertake to guarantee quality and clean printed matter at a competitive price.

By writing this COP we would like to further confirm our continued support to the 10 principles of the Global Compact.

Best regards,



Jos Artoos
General manager Artoos Communication Group
July, 10th 2012

Principle 1: An organization should support and respect the protection of internationally proclaimed human rights

Principle 2: An organization should make sure that they are not complicit in human rights abuses

Principle 4: An organization should support the elimination of all forms of forced and compulsory labour

Principle 5: An organization should support the effective abolition of child labour

Our commitment or Policy

As a Belgian company, we are subject to Belgian social law. Protection of human rights, prohibition of compulsory labour & child labour are fundamental principles of the Belgian and European social law.

We operate according to Belgian rules and regulations, and are liable to official inspection by the Belgian government.

We take these principles also into account in our business affairs. That is why we decided f.i. to use mainly paper with an FSC (Forest Stewardship Council)-label for printing. Not only environmental aspects are important within FSC, social aspects are equally important. In 2010 65% of all the papier used for printing was with an FSC-label. In 2011 this % was raised up to 73%.

Principle 3: An organization should uphold the freedom of association and the effective recognition of the right to collective bargaining

Our commitment or Policy

Our employees are free to establish and join organizations of their own choice, given these do not violate the law or pursue unethical goals.

Trade unions are represented in our organization. Membership is generally accepted, as is non-membership. Consultations between trade unions and the organization's management are organized on a regular basis. These meetings happen in all openness and with mutual respect.

Principle 6: An organization should support the elimination of discrimination in respect of employment and occupation

Our commitment or Policy

As stated by Belgian law, Artoos does not discriminate on the grounds of ethnic or social origin, gender (including pregnancy or maternity), age, sexual orientation, politics, religion/belief, trade union membership or non-membership.

Principle 7: An organization is asked to support a precautionary approach to environmental challenges

Principle 9: An organization should encourage the development and diffusion of environmentally friendly technologies.

Our commitment or Policy

CO₂ emissions are amongst the most important factors causing global warming, and the decline of our environment and its biodiversity. This is exactly why we go through great lengths in order to reduce CO₂ emissions.

The next step after reduction was to ask Climate Partner, a specialized German engineering firm, to measure and calculate the remaining greenhouse gases produced by our machinery and printing work, and convert them into its CO₂ equivalent. Once calculated, we neutralized our production site and our own printing work. We stimulate our clients to do the same, and neutralize the leftover CO₂ emissions of their printed matter.

1. Design & set up

During the design processes, we advise our clients how to make it as “green” as possible. We look at the design, recommend FSC or recycled paper, determine which printing press is the most energy efficient etc.

2. Calculation

Artoos calculates the CO₂ emissions of the printed matter. For this we use a computational model that has been built by Climate Partner in accordance with the “Greenhouse Gas Protocol” from the WBCSD (World Business Council for Sustainable Development). Wherever we write CO₂ we mean greenhouse gases expressed as their CO₂ equivalent in accordance with recommendations from the IPCC.

Climate Partner calculated for us:

- The direct CO₂ emissions from our production site in Kampenhout (transport, cooling installations, printing presses, air-conditioning, etc.). Once measured and calculated, we neutralized this
- The CO₂ emissions from our energy resources (which is nil, because we purchase from a completely green, climate neutral source)
- All other indirect CO₂ emissions relating to the printing work that we as a printer have no control of, e.g. the CO₂ emissions for the paper manufacturer and the supplier

We add the specific parameters relating to our client’s printed matter to this model, such as:

- The print run;
- Dimensions;
- Paper selected;
- The weight of the inks and dyes as used;
- Which printing press is used;
- How long this printing press is used
- How many printing plates are used.

The module uses the above information to calculate the exact amount of CO₂ emissions produced by the printed matter.

Since the start of the calculation of our CO₂ emissions we were able to reduce these emission because of several actions that have been taken.

3. Neutralization

Knowing the amount of CO₂ emissions produced by the print job, our clients are stimulated to neutralize these emissions through voluntary purchasing of green emission rights in a project of

their choice. They can choose from a portfolio of projects that are strictly selected and carry the “Gold Standard” label. The Gold Standard is an NGO which was partly founded by the World Wide Fund for Nature. It only awards its certificates to projects that represent an ideal mix of CO₂ emissions and sustainable development. It officially confirms that the emissions have been compensated for by purchasing premium CO₂ credits.

The use of Gold Standard carbon credits is also an example of practicing the 10 Global Compact principles.

Principle 8: An organization should undertake initiatives to promote greater environmental responsibility

Our commitment or Policy

The printing business has a negative image when it comes to environmental issues. That is why we - at Artoos - have committed ourselves to protect the environment in any way we can. In the printing industry, the limitations of environmental protection are mostly determined by technology. Nearly all technological progress also means environmental progress. Artoos is aware of this and has the most modern and energy-efficient infrastructure from prepress to finishing.

In 2011 a heavy fire destroyed an entire department of our production site. All the machines that went up in smoke were replaced with new highly advanced machines. Not only is it possible to produce high quality products with these machines but they are also very energy efficient, use less raw material, make less noise, are more ergonomic to work with, ...

But we do much more than offering an environmentally friendly infrastructure. We also created an environmental management system in accordance with the ISO 14001:2004 standard. In June 2009 we obtained our ISO 14001 certificate. Our environmental policy is published on our website (www.artoos.be)

Since we started our environmental management system, the phrase “measuring is knowing” is the basis of our environmental policy/way of thinking. We noticed that the more precise measurements are performed, the quicker we can take action to prevent or improve the things that need our (urgent) attention.

Within our management system we have set ourselves goals. These are evaluated yearly. Based on this evaluation and new situations in our company we set new goals or adjust our existing goals for the year to come.

We work on 6 domains. One goal depends on the result of most of our other goals: this is our climate neutral theme. Other goals include reducing waste streams (especially paper and ink waste), reducing and/or controlling solvent usage, reducing and/or controlling usage of water, reducing our energy consumption. And last but not in the least we promote the general usage of FSC-labeled paper.

To make the necessary calculations, statistics, ... we need to obtain all the figures. To be able to do so we ask our employees for example to weigh the baskets with paper waste, to monitor the usage of printing alcohol, to save on electricity in the office,

We tell them about our progress on several occasions: at team meetings, at our annual meeting, in a monthly company newsletter, in our company brochure, CSR report, ...

We also inform our clients, suppliers, ... of our goals and work efforts in theme magazines, on our website, in external meetings, on seminars, CSR report, ...

Compared with 2010, in 2011 we were able to reduce :

- the amount of paper waste with 13,5%
- the amount of ink waste with 25,8%
- the amount of printing alcohol with 7,7%
- the consumption of heating oil with 38%
- the consumption of electricity with 9%
- the consumption of gas with 26,8%

COP

To be able to do this we took several actions: changing a paper format, installing pump installations for ink, replacing heating systems, relighting, isolating an old building, ...

But some reductions can also be described as a consequence of the fire. For example since the fire we no longer have an offset rotation press. This means less use of alcohol, gas, electricity, ...

Because we had a lot of cleaning up to do after the fire, the water use went up with 14%.

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

Our commitment or Policy

Corruption, extortion and bribery are prohibited by Belgian law. We are subject to Belgian law and act as such.

We are transparent in our financial dealings and have external auditors to oversee our accounts. On a yearly basis, our intentions for the future are explained and documented to all employees.

CSR reporting

In May 2011 our first CSR report was available. This report covers a period of 3 years (2008-2009-2010) and is made up in accordance with the indicators in the GRI G3 Guidelines. Our CRS report is available on our website www.artoos.be.

In September 2012 a CSR report concerning 2011 will be published. Focus in the report will be the influence that the heavy fire had on the Artoos Communication Group (workers, management, production, machines, ...).

ISO 26000

Since 2011 we started to implement the principles of ISO 26000.