



Ch. Dahlinger

Communication on Progress of Ch. Dahlinger GmbH & Co KG to the Global Compact of the United Nations, Lahr, Germany – December 2012

Ch. Dahlinger GmbH & Co KG (CHD) is one of the world's leading manufacturers of luxury packaging and display products for jewellery, watches, writing implements, champagnes, spirits and other items from the luxury and lifestyle sector. Since 1871 CHD has been renowned for its very high quality and innovative products made from cardboard, plastic and wood featuring a variety of cover materials.

We documented this fact by signing up to the United Nations' Global Compact on 13 June 2005. The ten principles of the Global Compact cover human rights, health and safety standards, environmental protection and fighting corruption and are recognised and applied by our management and staff. Consideration is given to observance of these principles whenever we make decisions and take actions impacting on the present and future.

The principles form part of all contracts that CHD negotiates with its main suppliers. These are made accessible to business partners and our partners are made aware of the importance of compliance. Since 2012 all of our suppliers receive a questionnaire regarding the compliance with the 10 principles. You can find the complete questionnaire in attachment 1.

CHD continues to monitor and conduct regular checks on principles 4 and 5 ("**the elimination of all forms of forced and compulsory labour and the effective abolition of child labour**"). Employee passports are checked regularly, especially in Southeast Asian countries. If even a vague suspicion of child labour occurs, the existing business relationships are discontinued and, as the case may be, new business relationships are not initiated. All of our current suppliers have been advised that a violation of the principles 4 and 5 of the Global Compact will result in immediate termination of the business relationship.

Approximately 30 million product units are manufactured annually at CHD. They are mainly packaging and displays made of cardboard, plastics and wood and are coated with different substances. The wise use of these resources enables CHD to have a strong influence on environmental protection.



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The "Innovation Work Group" was launched in 2007 in order to urge compliance with Principle 9 ("**Promote the development and expansion of environmentally friendly technologies**"). In this work group, employees from different departments work on new designs and look for new and environmentally friendly materials. In 2011 a newly introduced project was the intense examination on the topic "bioplastics" which deals with biodegradable plastics. During production tests, applicability has been optimized. However no serial production on the basis of bioplastics has been introduced yet.

REACH, a chemical regulation authority, has officially been in effect since 1 July 2007. REACH stands for Registration, Evaluation (rating), authorisation (approval) and restrictions of chemicals (substances). Since CHD is not a manufacturer or importer of chemicals, we merely considered as downstream users and are therefore only affected to a limited extent.

What we, as a packaging manufacturer, have to pay attention to in compliance with the current REACH regulations, has already been explained in the communication on progress for 2011.

CHD has a standard which exceeds the REACH regulations for large customers with a correspondingly large volume of orders. In doing so, we are inspecting our products for a wider range of chemicals in much lower concentrations than required by law.

In the last year the quality control of used materials and finished products on-site in China has continued on a very advanced level. The staff at our CHD-China service office are still at the high level of 7 persons.

We also place a strong emphasis on the clean environment of our Chinese partners. We see this as beneficial to the product quality as well as immensely important for the well-being of the workers. As a result, all rooms that are connected to the production are equipped with modern sanitary facilities and hot water.

Our Chinese partner companies communicate the principles of the Global Compact strongly and raise staff awareness through introduction of information blackboards. A sample of such informational signage with the translated contents can be found in attachment 2.

The increased demand for varnished wooden packaging from 2011 has continued in 2012. The wood used for this purpose comes from renewable sources. The focus on people and the environment is also very important in production. Our carpenter's workshop is fitted with a special dust extraction which enables us to collect the sawdust and recycle it. Furthermore, an activated carbon filter technology which exceeds national requirements and is aligned to high international standards is used in the paint line. In addition to the



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use of conventional coatings for the costly painted wooden boxes, paint tests with water-based coatings are still being conducted. Unfortunately these eco-friendly coatings are currently not able to compete with the gloss and brilliance of conventional varnishes. Therefore we are still working on an alternative solution in favour of the environment as well as quality.

Bernd Dahlinger
Managing Partner

Valerio d'Adamo
Managing Director



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Attachment 1

to Communication On Progress 2012

Since 2012 all of our suppliers receive a questionnaire regarding the compliance with the 10 principles.
This is the complete questionnaire.

Company Name
Date

Dear Key Partner,
Ch. Dahlinger has adhered to the Global Compact and is using its principles as guidelines. The UN Global Compact's principles include areas of human rights, labour, the environment and anti-corruption.
We kindly ask you to check and fill in this questionnaire.

Human Rights

Principle 1

Business should support and respect the protection of internationally proclaimed human rights;

Principle 2

and make sure that they are not complicit in human right abuses.

Labour

Principle 3

Businesses should uphold the freedom of association and the effective 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.

Does the company ensure that its workers are afforded safe, suitable and sanitary work facilities?

Comments

--

yes	<input type="checkbox"/>
no	<input type="checkbox"/>
in process	<input type="checkbox"/>

Does the company supply its employees with the protective equipment and training necessary to perform their tasks safely?

Comments

--

yes	<input type="checkbox"/>
no	<input type="checkbox"/>
in process	<input type="checkbox"/>



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Does the company ensure that the workweek is limited to 48 hours; that overtime is infrequent and limited; and that employees are given reasonable breaks and rest periods?

Comments

yes ☐
no ☐
in process ☐

Does the company provide a living wage that enables workers to meet the basic needs of themselves and their dependents?

Comments

yes ☐
no ☐
in process ☐

Does the company grant employees paid holiday leave, sick leave, and parental leave in accordance with international minimum standards?

Comments

yes ☐
no ☐
in process ☐

Does the company protect workers from workplace harassment including physical, verbal, sexual, or psychological harassment, abuse, or threats?

Comments

yes ☐
no ☐
in process ☐

Does the company respect the privacy of its employees whenever it gathers private information or monitors the workplace?

Comments

yes ☐
no ☐
in process ☐

Does the company have a mechanism for hearing, processing, and settling grievances of employees?

Comments

yes ☐
no ☐
in process ☐



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Does the company have a procedure to assess and address the environmental and social impact of its operations on the human rights of local communities?

Comments

yes
no
in process

☐
☐
☐

Before buying, renting, acquiring or otherwise accessing land or property, does the company ensure that all affected owners and users of the land or property, have been adequately consulted and compensated?

Comments

yes
no
in process

☐
☐
☐

Does the company take steps to ensure that company security arrangements are in accordance with international human rights principles for law enforcement and the use of force?

Comments

yes
no
in process

☐
☐
☐

Does the company take steps to prevent risks to human rights arising from product defects or improper use or misuse of company products?

Comments

yes
no
in process

☐
☐
☐

Does the company seek to avoid involvement in human rights abuses owing to government or societal practices in its country or countries of operation?

Comments

yes
no
in process

☐
☐
☐

Does the company promote international human rights standards in its interactions with suppliers and business partners?

Comments

yes
no
in process

☐
☐
☐



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Does the company recognise the rights of its workers to freedom of association and to bargain collectively?

Comments

yes ☐
no ☐
in process ☐

If independent trade unions are either discouraged or not allowed in the area of operation, does the company enable employees to gather independently to discuss work-related problems?

Comments

yes ☐
no ☐
in process ☐

Does the company take all necessary measures to ensure that it does not participate in any form of forced or bonded labour?

Comments

yes ☐
no ☐
in process ☐

Does the company comply with minimum age standards?

Comments

yes ☐
no ☐
in process ☐

Does the company ensure that employment-related decisions are based on relevant and objective criteria?

Comments

yes ☐
no ☐
in process ☐

Does the company promote international labour standards in its interactions with suppliers and business partners?

Comments

yes ☐
no ☐
in process ☐

Do you have a policy in place that prohibits physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation?

Comments

yes ☐
no ☐
in process ☐

Are all workers paid at least the minimum legal wage (or industry benchmark standards, if minimum wage does



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not exist)?

Comments

yes ☐
no ☐
in process ☐

Do all employees receive all the benefits they are entitled to under law?

Comments

yes ☐
no ☐
in process ☐

Do you operate a formal health and safety management system? A management system is a standard framework such as the "PLAN, DO, CHECK, ACT" cycle, with defined objectives, performance that is measured and reviewed and actions to respond to performance.

Comments

yes ☐
no ☐
in process ☐

Do you provide workers with personal protective equipment appropriate for the work they do?

Comments

yes ☐
no ☐
in process ☐

Do you have written procedures for each machine or tool giving details of how to use it safely?

Comments

yes ☐
no ☐
in process ☐

Do you have a health and safety policy that complies with the law in your country?

Comments

yes ☐
no ☐
in process ☐

Do workers receive health and safety training relevant to their job?

Comments

yes ☐
no ☐
in process ☐



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Do you maintain a record of the national and international health and safety legislation that your business must comply with?

Comments

yes ☐
no ☐
in process ☐

Do you have a formal fire evacuation procedure?

Comments

yes ☐
no ☐
in process ☐

Do you have copies of the relevant local regulations on working hours?

Comments

yes ☐
no ☐
in process ☐

Do you have a formal grievance procedure that allows employees to raise employment issues with management?

Comments

yes ☐
no ☐
in process ☐

Can you confirm that you ensure the freedom of association and effective recognition of the right of collective bargaining?

Comments

yes ☐
no ☐
in process ☐

Can you confirm that workers are permitted to join a trade union if they wish?

Comments

yes ☐
no ☐
in process ☐

Can you confirm that no workers work in excess of 48 hours per week (or 60 hours including overtime) on a regular basis?

Comments

yes ☐
no ☐
in process ☐

Do workers receive pay slips clearly showing wages, hours worked, piece rate (if applicable) and deductions?



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Comments

yes
no
in process

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☐

Are all workers free to leave your employment at any time, upon giving reasonable notice?

Comments

yes
no
in process

☐
☐
☐

Can you confirm that no workers work in excess of 12 hours per day (including overtime) on a regular basis?

Comments

yes
no
in process

☐
☐
☐

Can you confirm that you do not use any forms of forced or compulsory labour?

Comments

yes
no
in process

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☐
☐

Can you confirm that you do not employ any children under 16 years old?

Comments

yes
no
in process

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☐
☐

Do you have records that specify the date of birth of all workers with a copy of documentary evidence (e.g. ID card, birth certificate, medical certificate)?

Comments

yes
no
in process

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☐

Can you confirm that no child workers (under 18) perform hazardous jobs or work at night (between 22.00 and 06.00)?

Comments

yes
no
in process

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☐
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Can you confirm that workers receive equal pay for equal work, regardless of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?

Comments

yes ☐
no ☐
in process ☐

Can you confirm there is no discrimination in the recruitment process on the basis of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?

Comments

yes ☐
no ☐
in process ☐

Environment

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies.

Do you carry out your activities in accordance with international/national laws and regulations relating to the protection of the environment?

Comments

yes ☐
no ☐
in process ☐

Do you have a documented environmental policy signed off by a senior director or executive?

Comments

yes ☐
no ☐
in process ☐

Do you operate a formal environmental management system? A management system is a standard framework such as the "PLAN, DO, CHECK, ACT" cycle, with defined objectives, performance that is measured and reviewed and actions to respond to performance.

Comments

yes ☐
no ☐
in process ☐

Do you maintain a record of the national and international environmental legislation that your business must



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comply with?

Comments

yes
no
in process

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Do you monitor your environmental performance? (For example do you collect statistics on areas such as energy consumption, waste disposal, recycling, discharges and emissions of pollutants? Do you measure your performance against any improvement targets you have set?)

Comments

yes
no
in process

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Do you have a programme of environmental initiatives intended to improve your environmental performance?

Comments

yes
no
in process

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☐

Does the company comply with all relevant environmental legislation?

Comments

yes
no
in process

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☐

Does the company manage environmental issues to ensure appropriate and continuous improvements?

Comments

yes
no
in process

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Does the company assess and address environmental impacts of its operations before these operations start?

Comments

yes
no
in process

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☐

Does the company have emergency procedures in place to effectively prevent and address industrial accidents affecting the environment and human health?

Comments

yes
no
in process

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☐

Does the company promote international environmental standards in its interactions with suppliers and business partners?



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Comments

yes ☐
no ☐
in process ☐

Does the company support a precautionary approach to environmental challenges?

Comments

yes ☐
no ☐
in process ☐

Does the company take measures to reduce energy consumption and emissions of greenhouse gases?

Comments

yes ☐
no ☐
in process ☐

Does the company take measures to reduce water consumption?

Comments

yes ☐
no ☐
in process ☐

Does the company prevent, reduce and treat waste water discharges?

Comments

yes ☐
no ☐
in process ☐

Does the company take measures to reduce the production of waste and ensure responsible waste management?

Comments

yes ☐
no ☐
in process ☐

Does the company prevent, reduce and treat air emissions?

Comments

yes ☐
no ☐
in process ☐



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Does the company prevent and minimise impacts on the surrounding environment from noise, odour, light and vibrations?

Comments

yes ☐
no ☐
in process ☐

Does the company minimise the use of chemicals and other dangerous substances and ensure safe handling and storage?

Comments

yes ☐
no ☐
in process ☐

Does the company remedy soil and water contamination at the site and the surroundings?

Comments

yes ☐
no ☐
in process ☐

Does the company prevent, minimise and remedy significant impacts on biodiversity?

Comments

yes ☐
no ☐
in process ☐

Does the company ensure that natural resources are used in a sustainable manner?

Comments

yes ☐
no ☐
in process ☐

Does the company encourage the development and diffusion of environmentally friendly technologies?

Comments

yes ☐
no ☐
in process ☐



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Environment

Principle 10

Business should work against corruption in all its forms, including extortion and bribery.

Do you have a policy or code of conduct in place that prohibits the payment or receipt of unlawful incentives in the course of business?

Comments

yes ☐
no ☐
in process ☐

Can you confirm that there are no circumstances where facilitating payments are made in the course of business?

Comments

yes ☐
no ☐
in process ☐

Is training provided to employees in relation to your approach to preventing bribery and corruption (e.g. as part of training on your code of conduct)?

Comments

yes ☐
no ☐
in process ☐

Do you have a mechanism in place, for employees or other third parties to report incidents of bribery or corruption?

Comments

yes ☐
no ☐
in process ☐

Does the company take a clear stand against corruption?

Comments

yes ☐
no ☐
in process ☐

Does the company evaluate and assess the risk of corruption when doing business?

Comments

yes ☐
no ☐
in process ☐



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Does the company ensure that employees know the company's anti-corruption commitment and that relevant persons are properly trained?

Comments

yes
no
in process

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Does the company forbid corrupt behaviour and monitor its anti-corruption initiatives?

Comments

yes
no
in process

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Do the company's internal procedures support its anti-corruption commitment?

Comments

yes
no
in process

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Does the company's anti-corruption initiative cover agents, intermediaries and consultants?

Comments

yes
no
in process

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Does the company promote its anti-corruption commitment in its interactions with suppliers and business partners?

Comments

yes
no
in process

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Does the company take joint actions with others to engage in and promote anti-corruption initiatives and level the playing field?

Comments

yes
no
in process

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☐



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1. What are our key supplier do in addition to the China local government requests?
2. What are our key supplier do in addition to do more than REACH?
3. Which kind of training program we and our key partner participate and what are the topics in this training course?
4. How do we sensitizing our own as well as our key partner in regards of
 - a. environment protection
 - b. economical handling of our resources, recycling of raw material
 - c. job safety
 - d. others
5. Use of bio plastic or renewable resources
6. Environment protection with raw material focus
 - a. Will all raw material be recycled?
 - b. Wood dust recycled 100%? How is this done? Which party does support this progress?
 - c. Handling of lacquer and recycling?
 - d. Active carbon filter for spraying room? How often do we exchange the carbon filter? As often as necessary?
 - e. Status of the test with lacquer based on water. Which lacquer could be replaced? How are the tests proceeded? What is the result? What are the next steps?
 - f. Others
7. Any other important point to be reported



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Attachment 2 to Communication On Progress 2012

Our Chinese partner companies communicate the principles of the Global Compact strongly and raise staff awareness through introduction of information blackboards. Here is a sample of such informational signage with the translated contents.



General content (excerpts):

- Water Protection: Use water more than once, use phosphate-free detergents to reduce water pollution.
- Power Savings: Minimize the use of electrical appliances. Use energy saving light bulbs.
- Use CFC-free devices to reduce the greenhouse effect.
- Take part in environmental protection activities. Be committed to being environmentally friendly, as a volunteer and as an inspector.



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- Recycle paper. Use less disposable products. Avoid light pollution.
- Waste separation: no disorderly disposal, recycling of waste batteries, light bulbs, fluorescent tubes and other resources.
- Sustainable food: reduce the consumption of meat, refuse products from wild animals, protect the biodiversity, buy organic produce, promote sustainable consumption.
- Introduce environmentally friendly behaviour to family and friends.

Working notes (excerpts):

- Please check on your work, that water, electricity and gas are turned off.
- Use rechargeable batteries.
- Please wash and reuse gloves.
- Sort all injected plastic parts which are rejected for recycling.
- Filtrate the used hydraulic oils for recycling.