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graphic services for
international humanitarian
and development organizations



BRIEF DESCRIPTION OF NATURE OF BUSINESS

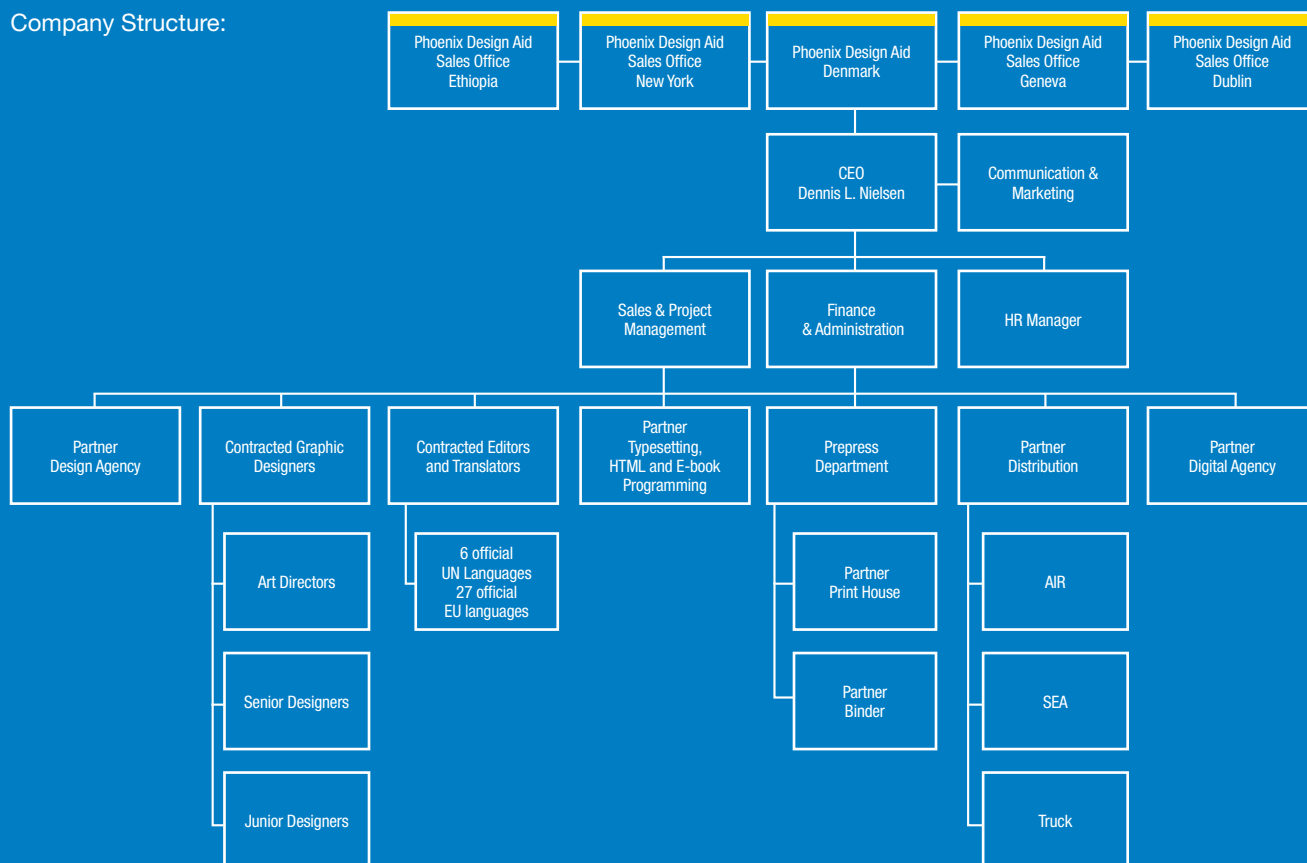
At Phoenix Design Aid we combine technology with creativity to produce unique graphic and communication solutions for clients all over the world. Our expertise covers graphic solutions for a broad spectrum of design, production and print products, from initiation and concept development to finished results and their distribution.

Phoenix Design Aid was founded in 1998 by managing director Dennis Lundoe Nielsen, who has more than 30 years of experience within the graphic industry. We are specialized in working with international and intergovernmental organisations, UN and EU Agencies, NGOs and public authorities and perform all projects in compliance with internationally recognized principles of social responsibility as well as UN requirements. Based on long-term partnerships we have gained knowledge and in-depth understanding of the culture, needs, expectations and constraints of organisations, allowing us to deliver the best value for all our clients.

Phoenix Design Aid is built on respect. We respect our clients, employees and the world around us. Respect makes demands on all of us, to think and act responsibly. Our company is certified in the fields of quality (ISO 9001), environment (ISO 14001), health and safety management (OHSAS 18001), social responsibility (DS 49001) and we are also certified CO2-neutral. These certifications are our guarantee to both partners and clients that we will not be content with anything less than best practices in environmental and social responsibility, both internally and within our supplier network. We operate an integrated certified management system covering all of the above. This means that our everyday lives and work conditions are entirely consistent with the principles of environmental and social responsibility and human rights and that we comply with laws and general standards of good practices within these areas.

We produce graphic solutions worldwide, and our full-time employees in Denmark serve as project managers and coordinators in a network that includes partners around the world. At Phoenix Design Aid project managers are one of the key factors for success. The project manager assigns the different tasks to members of the project team, selected from amongst our qualified collaborative partners. We have a unique international network of qualified and trusted partners on contract, local and foreign editors, UNtrained translators, graphic designers, print facilities, and logistics companies, among others. This ensures that we have the best competencies in place to bring the specific assignment to a successful conclusion. With our extensive experience in this line of work we want to contribute to increase trading between Danish companies and the UN and thereby contribute to refined quality, development of more jobs and a better environment in the third world.

Company Structure:



Phoenix Design Aid is owned by DPN Holding Aps (90%) and Malaj ApS (10%). Our company enjoys the support from a professional and experienced advisors team, who give their opinion on legal, strategic and financial matters to serve the company's best interests. The summary of the financial statement for the total company structure of Phoenix Design Aid, for the years 2010-2012, is added below. The annual results from 2012 reflects cancellation of confirmed orders amounting to 900.000 USD.

Phoenix Design Aid A/S CVR-nr. 20 77 12 91

SUMMARY OF FINANCIAL STATEMENT FOR YEAR 2010-2012

Profit and loss account

	2010 DKK'000	2011 DKK'000	2012 DKK'000
Net turnover	20.796	26.677	18.876
Gross profit	5.127	7.290	5.106
Staff costs	-3.611	-4.133	-4.375
Depreciation	-360	-177	-87
Financial items, net	303	-262	-59
	1.459	2.718	585
Corporate tax	-389	-704	-144
	1.070	2.014	441

ABOUT THIS COMMUNICATION ON PROGRESS

The Phoenix Design Aid Communication on Progress for the year 2012-2013 is available for downloading at our website and is continuously distributed among all major stakeholders. The report is written in cooperation with external experts who analyse the content for inaccuracies and to ensure that no green washing occurs. In addition, the report is a part of our system documentation in our integrated and certified management system, thus it will also be verified by our certification organisation 'Det Norske Veritas', – one of the world's leading certification bodies, who has been delivering the independent certification audits for Phoenix Design Aid.

This Communication on Progress describes Phoenix Design Aid's initiatives and actions for the past year as well as plans and goals for 2013. Our company has a very strong commitment to UN Global Compact and we make great efforts to continuously encourage and influence our stakeholders to do the same.

The report covers the period April 2012 to April 2013.



Dennis Lundø Nielsen
Managing Director

Graphic services
for global development



OVERALL CSR STRATEGY AND MANAGEMENT SYSTEM

Phoenix Design Aid has a long history of working with sustainability and CSR. We have been a member of the UN Global Compact since 2007 and environmentally certified according to ISO 14001 since 2004, working environment certified, OHSAS 18001, since 2008 and quality certified under ISO 9001 since 2008. In 2011 our company was also the world's first graphics company to be CSR-certified under the Danish standard DS 49001 which follows the guidelines of ISO 26000.

These certifications have been supported by a number of CSR initiatives with a global reach and continuous efforts to inform about and influence promotion of sustainable management and community involvement among our stakeholders.

With reference to the above our company therefore possesses extensive experience in working with policies, due diligence and control of processes. Through all the years we've had a holistic approach to our business, thus we have chosen to work within an integrated management system. In this way we are able to have a comprehensive understanding of our business and its possible impacts on human rights, working conditions, climate and environment, together with ethical business operations (such as anti-corruption). We have thus described in one system the policies, goals and actions, procedures and monitoring mechanisms for our entire business in one system. We are working beyond compliance through the continuous improvement of our management and efforts in all areas.

Phoenix Design Aid has a strategy to support initiatives and actions among international organisations, either through direct funding or through making our own skills available (such as printing, design etc.). We are also working in a number of forums and networks, as well as among our own stakeholders, to promote messages regarding respect for human rights, decent working conditions, sustainable environment and other climate and environmental initiatives as well as the development of skills and resources in the Third World. In 2012, 50% of our estimated profit was used to support relevant CSR activities. The figures below show the costs used to support, promote and execute our internal and external CSR activities. This level of engagement is not to be seen as a guideline for the future, rather it reflects a very large one-off support to the Nelson Mandela Bangles project and also the expenses covering the initiatives prior to the actual certification.

	2011	2012
Total costs for CSR initiatives	USD 44,200	USD 73,200

Phoenix Design Aid's policy on CSR is as follows:

Together with our employees and partners Phoenix Design Aid will always:

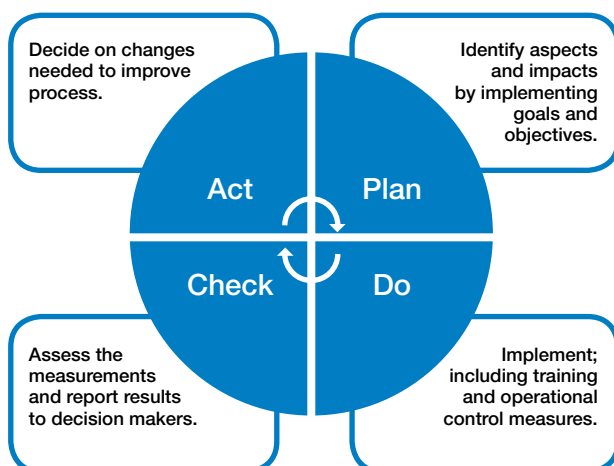
- o Demonstrate respect for people, animals and nature in any action we undertake
- o Respect human rights and recognize labor standards wherever we do business.
(Universal Declaration of Human Rights, Guiding Principles on Human Rights and ILO Convention)
- o Set ambitious goals for social responsibility, environmental impact, quality and safety
- o Comply with laws and regulations in all countries where we work
- o Inform, involve, engage and provide ownership for our policy

The policy has been continuously developed since the first certifications and adapted to our business development, standards requirements and our stakeholders focus areas. Phoenix Design Aid's CEO, Dennis Lundoe Nielsen, has been the one responsible for the policy and has incorporated staff's, external stakeholders' and external experts' input, with special insight into CSR issues.

The policy is thus well implemented among Phoenix Design Aid's employees and is executed in our value chain through dialogue and contract renewals. Finally, but equally important, we have a Code of Conduct, which is our primary communication tool when working with our stakeholders. This Code of Conduct is available on our website and is the foundation of all our work regarding processes of due diligence.

Due Diligence and Basic Structure of the integrated management system

Phoenix Design Aid's management of CSR initiatives is very robust and fulfills the requirements of the standards it is based on. There is an on-going due diligence process that addresses respect for human rights, working conditions and environmental issues, anti-corruption and a number of other conditions. As known from the structure of management systems, a so-called PDCA methodology is followed to ensure effective management and continuous improvement.



We operate an integrated certified management system

A cornerstone of this process is our company's action plans for the different areas covered by our management system. These plans are incorporated in this report under the relevant section.

Before new types of projects or collaborations are launched a thorough risk assessment is carried out. Here significance, risk and potential threat/damaging effect is assessed for a wide range of topics based on a standardized methodology and tool box. An assessment is made for the following topics:

Organization Management

Dialogue with stakeholders
The management's composition and organizing
Risk management and due diligence
Decision-making processes and structures

Human Rights

Civil and political rights
Economic, social and cultural rights
Discrimination and exposed groups
Complaint management, and avoidance of accomplice
Situations of risks regarding human rights
Fundamental employee rights

Working Conditions

Terms of employment
Work conditions and social protection
Social dialogue
Health and safety at work
Development opportunities at work

Environment

Prevention of pollution and promotion of cleaner technology
Sustainable use of resources
Fight against and adjustments regarding climate changes
Protection and re-establishment of the nature
Animal welfare

Good Business Practice

Anti-corruption
Responsible participation in politics
Fair competition
Promoting social responsibility in the value chain
Respect for property right

Consumer Conditions

Responsible marketing, information and contractual terms
Protection of the consumers' health and safety
Sustainable consumption
Customer support and complaint management
Protection of consumer information and privacy
Access to basic benefits
Education for conscious consumers

This risk assessment is carried out by Phoenix Design Aid's CSR group in which CSR Coordinator, CEO and frequently external expertise are represented. Relevant employees and external stakeholders are involved in the risk assessment to the extent that it enriches the process.

For each subject that is essential to be risk-managed, we evaluate whether our existing procedures and action plans are sufficient to avoid risks - or whether to take further action, typically as additions within our system manual which is available to and discussed with all employees.

In daily life, due diligence is a process coordinated by our CSR coordinator, but all employees have an explicit responsibility to comply with procedures and instructions in the management handbook.

Similarly, Phoenix Design Aid sets a number of mechanisms to monitor management system efficiency and prevent adverse incidents:

1. Every member of the staff has defined responsibility for compliance with the manual and reporting on adverse incidents. A well-functioning system for the treatment of deviations from the manual has been established.
2. Our CSR coordinator follows on deviations, action plans and incidents that may give rise to reassessment of the risks. This is reported directly to the CEO.
3. At least once a year an internal audit of all system components is carried out. Phoenix Design Aid has chosen to use external expertise to get the most out of audit activity.
4. Our CEO annually undertakes a thorough analysis of the effectiveness of the system and follows up on action plans and goals of the company. Based on this management evaluation, new goals and action plans are determined.
5. The authority 'Det Norske Veritas' audits the integrated management system at least once a year, and reports back whether the system meets the standard requirements for risk assessment, management, resources, external communication (COP, website, Code of Conduct), etc.

Should any of these subjects be found to threaten respect of human rights, working conditions, environmental conditions, or anti-corruption, this will be sorted out immediately. This means that negative effects are minimized in case the subject cannot be removed completely. At the same time it is determined how our company can avoid any recurrence of the same situation.

We consider our system to be very robust, which is demonstrated by very good evaluations by 'Det Norske Veritas' visits. Below are the results of our three recent audits:

Date	Audit type	Deviations	Observations
6 March 2013	Re-certification audit	0	3
17 September 2012	Periodic audit	0	1
17 June 2011	Periodic audit + new DS 49001	0	4

"Observations" are conditions that 'Det Norske Veritas' suggests could be further improved. Observations are not binding for the company, but Phoenix Design Aid has incorporated the vast majority of them.

"The certification according to DS 49001 proves that Phoenix Design Aid has integrated corporate social responsibility into all management processes and practices and is committed to work with continual improvements in the years to come. The company is a true pioneer and a role model in this respect"

Jens Peter Høiseth, CSR Manager at DNV, Business Assurance.

CEO's and the Board of Directors' involvement

Since Phoenix Design Aid's foundation, Dennis Lundoe Nielsen has been the CEO. Dennis Nielsen has a strong personal commitment to sustainability and CSR and has spent years publicly advocating for sustainable business management and supporting the Global Compact program and other sustainability programs. Through his efforts, a number of partners and suppliers have joined the program.

At the same time Dennis Nielsen is working closely with local businesses, the graphic industry and Danish educational institutions to promote sustainability and CSR. Please see the list of achievements and plans in the section on community development.

Phoenix Design Aid enjoys great support from a professional and experienced advisors team comprised of legal, financial and management consultants, all with impressive business know-how. Together with company management this team assumes responsibility and oversight for long-term corporate sustainability strategy and performance. Through all the years Phoenix Design Aid has endorsed sustainable business as the primary value in the long-term strategies.

Stakeholders Involvement

The DS 49001 certification demands that we influence our business partners and thereby make them think and act in compliance with the principles of CSR.

Both internal and external stakeholders are involved in system activities, as Phoenix Design Aid recognizes its influence on them and wants to work with its stakeholders based on a partnership approach.

The employees are considered the internal stakeholders and are in a regular dialogue with management on risk assessments, changes in the handbook and other relevant information. As part of the management system Phoenix Design Aid updates a list of key external stakeholders divided into segments:

Assessment and selection of major stakeholders

Completed by company management February 2013

	Phoenix Design Aid's influence			Assessment of stakeholder's potential influence on PDAid's:			
	Small	Medium	Large	Reputation/ profiling	Deliveries/ quality	Economic situation	Final score
Partners							
Scanprint			x				
Strait Air	x						
Textminded	x						
Toptryk Grafisk		x					
KLS	x						
Arab Print			x				
Authorities							
Co2 Fokus Norway	x						
Randers municipality	x						
UN Global Compact	x						
the Danish Working Environment Authority	x						
Clients							
UNEP	x						
UNDP	x						
AFDB	x						
UN WOMEN	x						
UNAIDS	x						
UNFPA	x						
Organisations/NGO's							
StateofGreen	x						
Climate Change signatories		x					
World's Best News	x						
Rotary		x					
Århus University	x						
Coutts 46664 Bangles Limited - the Nelson Mandela 46664 Bangle project	x						
Randers Rainforest		x					

Appointed major stakeholders are marked in bold writing

■ Small/medium influence
 ■ Some influence
 ■ Much influence

We are trying to influence all key stakeholders to integrate and also to further promote CSR and sustainability in light of the individual nature of cooperation.

Our CEO also ensures that key stakeholders - customers, suppliers and partners - are regularly informed about the Phoenix Design Aid's management system that includes social responsibility, quality, working environment and environment. This is accomplished by handing over and walking stakeholders through our presentation materials and profile brochure together with Code of Conduct and Communication on progress.

VALUE CHAIN

Phoenix Design Aid sets the same high standards to our suppliers and partners, as we do to ourselves. We have therefore established the prior mentioned Code of Conduct and programs for monitoring and following up on our most important suppliers.

Extract of our Code of Conduct:

- We expect our suppliers and partners to comply with applicable legislation and international standards for best business practices
- We expect an open and honest dialogue with our partners on CSR-related issues – also when there are issues that have to be resolved
- We accept neither corruption nor fraudulent activities
- We do not work with organizations or companies which cannot comply with applicable legislation and human rights conventions
- We prefer to work in long-term, mutually fruitful partnerships
- We prefer suppliers and partners who have a proven CSR track record. Their track record may include:
 - CSR, environmental, labor or climate certification
 - adherence to the UN Global Compact initiative
 - specific improvements in the CSR area
 - environmental labeling of products or services, e.g. FSC, Nordic or European eco-labels
- We assess our subcontractors' performance in the CSR area on an ongoing basis through open and appreciative dialogue
- We are willing to assist our regular partners, providing inspiration and know-how about CSR with a view to encouraging continued sustainable development
- We encourage all our stakeholders to work with CSR and to take part in CSR-related networks, such as the UNEP Climate Neutral Network



thinking global
with local responsibility



Our control- and development program is divided into the following parameters:

1. Incorporation of Code of Conduct requirements in cooperation agreements and suppliers' standard contracts

This is an on-going process that has been underway since mid-2012. We incorporate the requirements in the natural pace when existing contracts expire or new ones are drawn up. As of April 2013, we have introduced Code of Conduct requirements in all present contracts.

2. Dialogue with partners and suppliers about our Code of Conduct

Our Code of Conduct is available both as a download from our website and in a printed version. It has proven to be a good and debate-generating communication tool. Our partnership- and principle approach arouses interest, as well as our ability and willingness to share knowledge and therefore building up the know-how about sustainability and CSR.

A good example of the partnership approach is our long-standing cooperation with Arab Printing Press. With the guidance, help and support from Phoenix Design Aid, Arab Printing has been FSC-certified. Also our Danish printing partner, Toptryk Grafisk, has applied for and been awarded the FSC certification at our initiative.

3. Supplier assessment

As a part of our system activities a continuous screening of new collaborative partners and a routine annual screening of our key suppliers is performed.



Criteria for positive assessment of the supplier's social responsibility:

- Certification of DS 49001 or equivalent
- Membership of the Global Compact program
- Certifications in areas that have a positive impact - e.g. environment, EMAS, climate or working environment
- Ability to provide eco-labeled goods or services, for example Nordic Eco label or EU Eco label
- Appears without bad publicity or reputation in key CSR issues in a way that may harm Phoenix Design Aid's reputation as a socially responsible company

Steps in evaluation process

Our System Coordinator is responsible for carrying out the assessment of major suppliers by for example research on the internet, telephone interviews or actual visits at the suppliers. From this documentation a recommendation are developed for our CEO to finalize a decision. He complements with his personal knowledge of the supplier and decides – in cooperation with our System Coordinator – whether any changes must be initiated.

Recommendations based on our supplier evaluation are communicated to the supplier and an agreement about taking potential actions before the next assessment is made.

Where it is considered appropriate to determine a possible cooperation, screening is – of course – always supplemented with visits to the supplier. However, this has not yet been necessary.

Processes for remedial action

Despite a solid implementation of due diligence, complaints may occur. United Nations Guiding Principles require that companies have processes in place for dealing with complaints as well as for implementing remedial measures. For these processes to be effective, the following specifications are set. This description is also included in the manual for DS 49001 – Phoenix Design Aid's standard for human rights.

- Legitimate. This includes clear, open, transparent and sufficiently independent management structures to ensure that there are no parties in an appeal process that can prevent a fair trial.
- Available. It should be made public that repair mechanisms exist, and there should be an appropriate assistance given to the wronged parties if access to the mechanisms can be hindered by for example language, illiteracy, lack of insight or financing, physical distance, disability or fear of reprisals.
- Foreseeable. There should be clear and written procedures, a clear time frame for each stage of complaint and clarity in terms of the types of processes and results that can be provided and that cannot be provided, and a way to monitor the implementation of each result.
- Fair. Wronged parties should have access to the sources of information, advice and expertise that is necessary to engage in a fair appeal process.

- Processes should in accordance with internationally recognized standards for human rights with regard to outcomes and remedies.
- Clear and transparent. Although confidentiality is sometimes appropriate, the process and the result should be sufficiently open to public scrutiny and should balance the public interest properly.
- Based on dialogue and mediation. The process should aim for solutions to be agreed in reciprocity through the involvement of the parties.

If conviction is desired, the parties should seek this through separate, independent entities.

Phoenix Design Aid is certified and found complying with these rules, but we want to make the process even more distinct and have therefore contacted the Danish mediation and complaint institution (Mægling og klageinstitutionen i Danmark) for responsible business conduct in order to establish the possibilities of involving a separate and independent body in any future complaints process.

Over the next year we will look at our internal procedures and communication to identify further needs for specification of the process and facilitating redress.

We respect our clients,
employees and the world around us.
Respect makes demands on all
of us, to think and act responsibly



RESPECT FOR HUMAN RIGHTS

Focus Areas and Compliance

Respect for human rights is a cornerstone of our values and policies, and we are determined not to cooperate with stakeholders who do not comply with requirements. Our customers are very much engaged in the field and we influence our suppliers and business partners for active support, for example of Global Compact.

Phoenix Design Aid’s due diligence processes regularly assess risks of lack of respect for human rights in our own operations and among our stakeholders. In the reporting period there have been no adverse events identified in Phoenix Design Aid or in our supply chain.

As a company acting globally, Phoenix Design Aid employs people from a variety of regions with diverse ethnic, religious and cultural backgrounds. We have therefore an in-house focus on respecting the human right of non-discrimination. This focus translates partly into a zero tolerance attitude toward discrimination and harassment, and partly into an on-going education and training of staff toward a broad mindset and respectful communication.

Phoenix Design Aid has established partnerships globally; also for execution of our services. Therefore, we have a specific and non-tolerant focus on child labor and other compulsory-like conditions as described in the Global Compact principles. As previously described, this is monitored in our supply chain management and - assessment. Here, we focus not only on making demands, but also on offering guidance in respect for human rights.

Beyond Compliance

Phoenix Design Aid has over the years implemented our influence rate in relation to our stakeholders and the general public. We influence them to implement programs within social responsibility and also to communicate diligently about various UN-based organizations’ initiatives and to support their mission and messages. This influence is occurring through network meetings, our website and company publications as well as through articles in the media. The point of reference is our CSR log in which all major activities are listed. Also information from meetings plans and activity calendars is used to document the following activities. To get a more detailed and immediate overview, a decision has been made to log all future activities in a separate file.

Articles	Network meetings	B to B meetings	NGO meetings
6	15	40	69

Title of article	Media published in	Date
Randersfirma er medsponsor på ny Nelson Mandela bog	http://dinavis.lokalavisen.dk/randersfirma-er-medsponsor-paa-ny-nelson-mandelabog/20120918/artikler/120919156	18 September 2012
Danish Responsibility – Phoenix Design Aid	http://danishresponsibility.dk/industry/147/companies/149	Fall, 2012
Faa styr på leverandoerne	http://www.green21.dk/faa-styr-paa-leverandoerne/cases/phoenix-design-aid-as-(1)	8 November 2012
Graphic services for Global Development	CLIMATE CHANGE, The New Economy: http://view.digipage.net/?id=climatechangecop18	November 2012
CSR as a way of business	http://www.dnv.com/resources/publications/dnv_forum/2012/forum_03_2012/csr_as_a_way_of_business_sustainability_in_every_link_at_phoenix_design_aid.asp	13 December 2012
Randers-virksomhed udgiver eksklusiv bog om Mandela	http://ipaper.ipapercms.dk/RandersKommune/Magesiner/Pendlermagasin/PaavejHjem42012/	December 2012

Through these activities during the year 2012, we have achieved the following results:

- Randers Rainforest is seriously considering committing to the Global Compact
- We have established cooperation with Aarhus University about knowledge sharing and teaching students, tomorrow's leaders, about putting CRS into practice
- We paid our support to the State of Green and PRME Leaders programs in 2012, which aims at sustainable management and strives to shape the leaders of tomorrow to include human rights and sustainability into their core values.
- Phoenix Design Aid has provided resources available for students who wanted to use our CSR efforts and conditions as a case study in their (undergraduate) curriculum.
- We have re-launched our website with a more clear and central location of CSR and our company attitudes and values.
- We have been proudly supporting the Nelson Mandela 46664 Bangle project and their on-going and indefatigable engagement in far-reaching social issues. Robert Coutts, CEO of the 46664 Bangle initiative has designed a coffee table book in order to raise awareness about the story of Nelson Mandela and the fight against AIDS/HIV. To show our unconditional support to the project, Phoenix Design Aid has sponsored the full production of the book. The funds generated from the project are allocated to build school libraries for junior schools in South Africa. The 46664 Library Schools project's hopes are to be able to deliver at least 100 units in the next twelve months.

Goals

- To influence and help Randers Rainforest to qualify for UN Global Compact membership.
- Expand cooperation with Danish higher education institutions to further share our knowledge on CSR
- Continue to influence our partners in Lebanon, and eventually in Vietnam, to participate in the Global Compact.

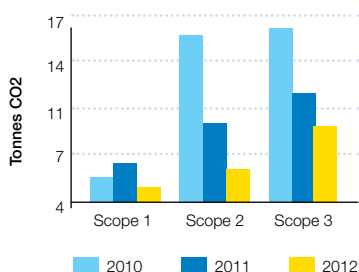
IMPROVING THE ENVIRONMENT AND CLIMATE

Focus Areas and Compliance

Phoenix Design Aid focuses strongly on environmental and climatic conditions. We take responsibility for our own impact, place demands on our suppliers' operating conditions and products while we motivate our customers to make environmentally and climate-friendly products selection. Our own position is guided by the ISO 14001 standard, which requirements are included in the integrated management system. There have been no adverse events in the area during the reporting period. Our essential impact in this sector is CO2 Emissions, primarily from travelling, while electricity and heat consumption in our offices play a minor role. Our CO2 accounts from 2012 are included hereunder.

Energy and carbon indicators	2010	2011	2012	% change from previous year
Total corporate CO2 emissions	37.3	27.8	20.5	- 26.5%
Total energy consumption scope 1 and 2 (MWh)	94.9	140.2	141.9	1.2%
Total tCO2e/FTE	4,7	3.5	2.6	-26.5%
Total tCO2e/Revenue	1.9	1.1	1.1	1.6%
Sum locations KWh/m2	289.6	305.6	328.4	7.5%

Annual GHG emission per scope



Provided by CO2focus AS

Reporting according to the Greenhouse Gas Protocol

Scope 1: Mandatory reporting includes all direct emission sources where the organisation has operational control. This includes all use of fossil fuels for stationary combustion or transportation, in owned, leased or rented assets. It also includes any process emissions, from e.g. chemical processes, industrial gases, direct methane emissions etc.

Scope 2: Mandatory reporting includes indirect emissions related to purchased energy; electricity or heating/cooling where the organisation has operational control. The electricity emissions factors used in CEMAsys is based on national gross electricity production mixes on a 5 year rolling average (IEA Stat). The Nordic electricity mix covers the weighted production in Sweden, Norway, Finland and Denmark, which reflects the common Nord Pool market area. Emission factors per fuel type are based on assumption in the IEA methodological framework. Factors for district heating/cooling are either based on actual (local) production mixes, or average IEA stat.

Scope 3: Voluntary reporting of indirect emissions from purchased products or services in the value chain. The scope 3 emissions are a result of the company's different activities, which are not controlled by the company, i.e. they're indirect.

Beyond Compliance

Activities and achievements during the reporting period:

- We have achieved a decline in our CO2 emissions pr. turnover of 26.5%
- We have introduced and put into service videoconferencing equipment as alternatives to external meetings requiring travel
- We have been instrumental in our cooperative partner, the print house Toptryk Grafisk, becoming FSC Certified
- We have neutralized 20 tons of CO2 from our operations

Goals

- In 2013, we will prepare an environmental assessment of paper qualities in order to give our customers the best possible advice on the matter.
- CO2 from travel activities, heating and electricity will be reduced from 1.1 ton per million kroner, to below 1 ton per million kroner.

IMPROVEMENT OF THE WORKING ENVIRONMENT

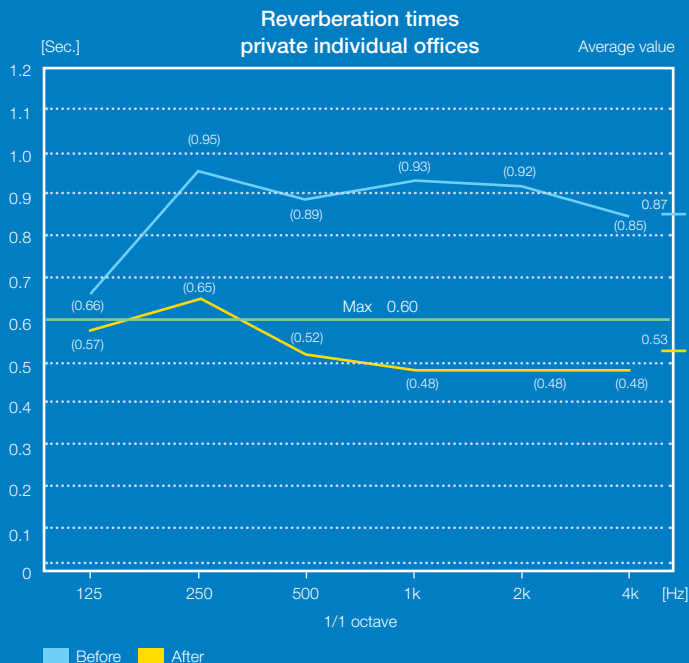
Focus Areas and Compliance

Phoenix Design Aid employs highly skilled staff; they are our greatest asset and we want to take good care of them. Therefore, we have among others included the requirements of the international safety standard OHSAS 18001 in our integrated management system. On a daily basis the requirements are complemented with a continuous risk assessment in relation to for example workload. This is done in a close dialogue with employees. We focus on employees' well-being and health, and this translates into a number of initiatives. We meet all requirements set for the working environment and safety and also actively support health promotion.

Beyond Compliance

Activities and achievements during the reporting period:

- We have a very low absenteeism and there have not been work related accidents during the reporting period
- We offer lunch arrangement and fruit for our employees.
- We have conducted measurements of acoustics and noise ratios in our offices. They are within the statutory range, but as employees in some rooms indicated that unwanted noise might disturb their concentration, we chose to do something about it. Therefore acoustic damping material was installed, taking into account our building's aesthetics, and the results have been very positive, both in factual readings - measurement of reverberation has shown a decline of almost 40% and is better than the statutory requirement - and in employees' perception of noise and acoustics. A graph of the measurements of the acoustics can be viewed below:



When we observed a strong correlation between stress prevention and employees skills, in 2012 we initiated an ambitious internal staff development effort that targets quality / service and prevention of stress. This takes place in form of internal seminars conducted by a highly competent consultant and has the purpose of optimizing the balance between work demands and skills. The first internal seminar has already been conducted and the next is to follow during the summer of 2013.

Goals

- Internal staff development will be continued.
- HR processes will be strengthened.

ANTI-CORRUPTION AND UNETHICAL BUSINESS PRACTICES

Focus areas and Compliance

Phoenix Design Aid works globally and meets different approaches to ethical business operations. Therefore, we have a focus on ensuring that our values on anti-corruption and credible and transparent business operations must be implemented both internal and among our stakeholders. We do not tolerate corruption or corruption-like conditions and we want full clarity on the issue of copy-right.

There have been no reports of corruption-related events or ambiguity of copyright in the period. Anti-corruption is an issue which is discussed in our CSR standard DS-49001, and our current three external certifications and audits in this area haven't resulted in any negative observations.

Phoenix Design Aid has taken a big step in 2012 with the preparation of the Code of Conduct and the integration of requirements and attitudes from then on in all contracts with major suppliers.

We've had a positive response to our Code of Conduct from our stakeholders and the outside world. This is because we have designed it as a communication tool that lists the same requirements for our employees as for our external stakeholders.

The Code of Conduct comprises Phoenix Design Aid's guidelines for corporate social responsibility



OTHER ACTIONS AND PLANS THAT SUPPORT THE COMMUNITY DEVELOPMENT

The philosophy behind the selection of initiatives, which Phoenix Design Aid supports:

We focus on supporting projects that are a natural extension of our own core competencies and values - we provide such support with both the know-how, publicity and economic means, including:

- Communication and marketing
- Graphical layout and production
- Use of the network within the United Nations and organizations that support human rights, environment / climate, working conditions and anti-corruption.
- International trade and relationship building
- Project management

This allows us to give our support most effectively, and such organisations and initiatives will derive from this support the best possible benefits.

Activities during the reporting period:

Nelson Mandela Bangles Project:

Economic and marketing support for the project, which establishes libraries (in containers) in Africa with materials to educate children and adolescents.

Phoenix Design Aid has sponsored production of a book published in limited edition. The books are numbered 1-300 and mention the project and its many supporters. We have also promoted the project on the web, via newsletter among all our customers and provided a financial contribution to help with the establishment of another library container. Moreover, there is, as mentioned earlier, support for the PRME leaders; an initiative designed to strengthen the knowledge and awareness on sustainable management in Denmark. Here Phoenix Design Aid donated financial resources to deserving projects in the program.

We support the Nelson Mandela Bangles 46664 project



World's Best News under the auspices of UNDP

PDA promotes the message that multi-national development aid is both necessary and beneficial.

We convey this message through:

- Web site
- E-mail signatures
- Sales materials
- Documents

WED

We supported the Danish-initiative ARTDOORS project, through which the proceeds from the sale of wooden doors, treated by artists, is used for afforestation and other forest-preservation activities. The ARTDOORS project is supported through its inclusion in relevant social networks and other media.

CSR in an educational context

Phoenix Design Aid puts its knowledge and experience at the disposal for any students or other stakeholders working with corporate social responsibility. Thus we have established cooperation with a MBA student conducting qualitative interviews with a representative cross section of the client base. By collecting firsthand information from our clients we are now aware of both commendable initiatives and improvement opportunities within our company structure, while the MBA student gained experience from our way of doing business with a strong focus on CSR. The knowledge gained has formed the basis of a series of internal seminars focusing on how to further improve our service and production processes and information level towards partners and clients. We have also contributed to a Danish University BA project (Aarhus University) sharing our knowledge and practices in relation to our CSR certification.

Phoenix Design Aid recommends its partners to continuously work on improving their way of doing business and we readily put our expertise at partners' disposal when any new environmental or CSR steps are to be initiated. Also, we participate in different networks, round table discussions and conferences sharing our knowledge and experiences on the subjects. As examples, we can mention www.stateofgreen.com and www.danishresponsibility.dk.

Goals

- The Nelson Mandela Bangles project continues
- World's Best News under the auspices of UNDP continues
- Overview of funded projects in the period 2007-2012

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graphic services for global development

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