

Communication on Progress

“2012”

Artoos Communication Group
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BELGIUM
www.artoos.be

ARTOOS **AUTOMATE**
WEB-TO-PRINT **ADVANCE**
PERSONALISATION **CREATE**
DESIGN **TYPOGRAPHY**
PHOTO **COPYWRITING**
HTML **PRINT** **PREPRESS**
OFFSETPRINTING **MANUFACTURING**
DIRECT DRIVE
PICK&PACK **SEND**

Communication on Progress (COP) - 2012

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 140 employees, our own high tech infrastructure and focusing on end-to-end automation - we offer a quite unique business model.

Over the last 17 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 in 2011, 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.

Statement of continued support for the Global Compact

Many years ago mister Artoos enlisted the Artoos Communication Group as a member of Global Compact because he and the management team strongly believed in the 10 principles Global Compact writes out. As new CEO of the company, I stand by this decision. That is why these important values keep forming the foundations in every action Artoos undertakes (commercially, production-wise, HR). 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

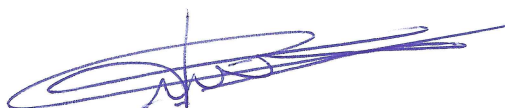
Artoos is a financially healthy company. The ambitious but realistic financial management is shown by continuous growth and a high EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization).

- 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,



Christophe Segart
CEO Artoos Communication Group
July, 10th 2013

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 e.g. to promote paper with a FSC (Forest Stewardship Council)-label for printing. Since the end of 2012 we also offer the possibility to use paper with a PEFC (Programme for the endorsement of Forrester Certification schemes Council)-label for printing. Not only environmental aspects are important within FSC and PEFC, social aspects are equally important.

In 2011 73% of all the paper used for printing was with an FSC-label. In 2012 this % was raised up to 77%.

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, PEFC 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 by 50% 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

In the past the printing business had 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. 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 2012 we renewed 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 the general usage of FSC or PEFC-labeled paper or recycled 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 2011, in 2012 we were able to reduce :

Looking at the figures of 2012 and comparing them with the figures of 2011, we can conclude that we are still making a positive progress:

- The amount of paper waste was raised with 3,46% in comparison with 2011. But we also saw that parameters who are linked with our production, e.g. new paper, printing plates augmented. Comparing the ratio waste/production of 2012 with the one for 2011 we notice a decrease of 22%

- The waste of ink increased with 15,57%. This was to be expected if you take into account the number of print jobs and also the type of print jobs we dealt with in 2012. The measurements we undertook in the past prevented a further increase.
- the amount of printing alcohol is 41,67% less than in 2011
- the consumption of electricity is 7,7% less than in 2011
- the consumption of natural gas is 46,34% less than in 2011
- the consumption of water is 54% less than in 2011

This is the result of some very important changes that were made at the end of 2011 and in the whole of 2012.

After our fire in October 2011 we no longer had a rotaty printing press in production. This had an obvious (and positive) influence on the consumption of printing alcohol, electricity, gas and water.

We had one heating system working on heating oil. As a result of some construction works decisions needed to be made regarding a company heating plan. Also the system with heating oil was then evaluated. It was decided to no longer use this environmentally unfriendly system and to make more use of the recuperation of warmth produced by the printing presses and natural gas.

In 2012 new air cooling systems were installed. A innovative system has been choosen that enables us to reduce the consumption of energy and that contains a more environmentally friendly cooling fluid.

New printing presses have been installed: these generates less paper waste and need less water in the printing process.

Also some smaller but never the less important actions have been taken: e.g. the change to cleaning products with a smaller VOS% than the products that were in use, ...

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

A CSR report 2012 is expected later this year.

ISO 26000

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

A GAP analyses was made. After deciding which of the missing points were of any materiality for us, we started several actions.

Commuting e.g. is a topic that we have put (and are still putting) in the spot lights. We have tried to motivate people to use sustainable transport to come to work. Especially the use of bikes was promoted. This resulted in the fact that the number of people using a bicycle on a daily basis to come to work, raised from 6% in 2011 up to 15,7% in 2012.