

Communication on Progress

of Ch. Dahlinger GmbH & Co KG
to the Global Compact of the United Nations,
Lahr, Germany – November 2007

Ch. Dahlinger GmbH & Co KG (ChD) is one of the world's leading suppliers of high-quality packaging, decorations and presentations for jewellery, watches, writing instruments, spirits and other luxury items. 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.

Social and environmental responsibility have always been important to ChD. 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.

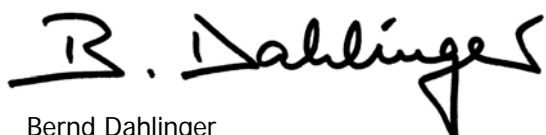
The principles form part of all the contracts that ChD takes out with its main suppliers. These are made accessible to business partners and we make our partners aware of the importance of compliance.

ChD carries out regular checks of compliance with principles 4 and 5 in particular ("**the elimination of all forms of forced and compulsory labour and the effective abolition of child labour**"). Staff in south-eastern Asian countries in particular are subject to regular passport checks. One potential supplier was suspected of employing minors during one of these checks. Although this could not be proven without any doubt, our suspicions prevented us from entering into business with this supplier. The attention of current suppliers is also drawn to the fact that an infringement of principles 4 and 5 of the Global Compact will result in business relations being terminated with immediate effect.

ChD manufactures 28 million product units a year. These products, most of which are packaging and displays, are made from cardboard, plastic and wood, and are covered using a variety of materials. By making responsible use of these resources, ChD can have a major impact on environmental protection. In 2007 we ran our first production tests using bioplastics. These plastics are made from renewable sources and are a 100-percent natural product. They allow 'liquid wood' to be made from valueless lignin – a waste product of the paper industry. The lignin is mixed with spruce, beech, hemp, sisal or flax fibres and processed with additives, also produced from renewable sources, to make granulate. We can then use the same injection die moulding tools that we originally bought for use with plastic. And last but not least, the bioplastic also cuts down our fuel bill because it is processed at just 140 degrees Celsius – standard plastic usually only melts at 200 degrees Celsius or higher. The methods of disposing of wood-based plastic are yet another benefit: it can be composted like natural wood.

In reality, ChD products are very rarely thrown out as rubbish. The luxury and storage function of the packaging and carrier bags means that the end customer usually keeps and reuses them.

To ensure compliance with principle 10 ("**encourage the development and diffusion of environmentally friendly technologies**") we have this year established an "innovation working party". Staff from different areas meet here to swap experiences, work on new designs and use lab tests to investigate new and environmentally friendly materials.



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Managing Partner



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