

# UN Global Compact **Communication on progress**

September 2013

English version



**Duba•B8**



## COP - Communication on progress - 2013

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This Communication on Progress (COP) covers the period from 7 September 2012 until 6 September 2013, on which date this report is completed and published.

## What is the UN Global Compact

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. By doing so, business, as a primary driver of globalization, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

As social, political and economic challenges (and opportunities) — whether occurring at home or in other regions — affect business more than ever before, many companies recognize the need to collaborate and partner with governments, civil society, labour and the United Nations.

Participation in the Global Compact is a widely visible commitment to the implementation, disclosure, and promotion of its ten universal principles. A company joining the initiative is expected to:

- Make the Global Compact and its principles an integral part of business strategy, day-to-day operations and organizational culture;

- Incorporate the Global Compact and its principles in the decision-making processes of the highest level governance body (i.e. Board);

- Contribute to broad development objectives (including the Millennium Development Goals) through partnerships;

- Integrate in its annual report (or in a similar public document, such as a sustainability report) a description of the ways in which it implements the principles and supports broader development objectives (also known as the Communication on Progress); and

- Advance the Global Compact and the case for responsible business practices through advocacy and active outreach to peers, partners, clients, consumers and the public at large<sup>1</sup>.

1) Reference [www.unglobalcompact.org](http://www.unglobalcompact.org)



## The ten universal principles

### Human Rights Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses

### Labour Principles

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; and

Principle 6: The elimination of discrimination in respect of employment and occupation

### Environmental Principles

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

### Anti-Corruption Principles

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery<sup>2</sup>.

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2 Reference [www.unglobalcompact.org](http://www.unglobalcompact.org)





## What is Duba-B8?

Duba-B8 A/S is a 100% Danish-owned company and the largest manufacturer of office furniture in Denmark. Duba-B8 designs and manufactures a range of office furniture under its own name and also deals in recognised national and international brands. The company's customer base includes the largest businesses and public sector bodies in Scandinavia. Duba-B8 designs, manufactures, delivers, services and disposes of complete solutions for businesses. Many furniture concepts are tailor-made for the customer in question, and 80% of the company's own production is created for specific customers and specific layouts. Our customers typically focus on corporate identity, employee development and well-being, the environment and CSR. We work with product development from a holistic perspective, where the end product is more than just an item of furniture; it is also work enjoyment for the end user and a product that aligns with the company's goals and values. Duba-B8 is the result of a merger between two traditional Danish office furniture manufacturers: System B8 møbler and Duba Møbelindustri. Both these furniture companies were founded as family businesses by men with strong opinions and visions. These opinions and visions still exist to this day and make up a part of the Duba-B8 identity, which finds expression, for example, through Duba-B8's corporate mission:

Duba-B8's mission is to create freedom at work for ...

... Our customers' business – through a flexible and customer-oriented layout that improves conditions for deploying values, knowledge and communication throughout the company. During the work process, we involve the customer and the customer's external partners so as to ensure that the interior and exterior design of the building form a coherent entity. This working relationship helps optimise space allocation, acoustics/lighting conditions and a spatial design that supports the creation of ideas and their realisation in practice. The end product is a workplace where people genuinely want to work and develop, and where there is authentic freedom at work.

... Individual employees – through an ergonomic and flexible layout that respects the needs of the individual for development, maturity and in-depth focus, and which supports the employee's options for knowledge sharing and teamwork with others on an everyday basis. This helps boost work enjoyment for the individual.

... The environment and our surroundings – we provide solutions designed with consideration for the environment and our surroundings by applying furniture design that ensures a long service life for our products. We create modular, mobile and flexible furniture concepts that can be supplemented and thus reused in new interior layouts at the company. Working with our customers, furniture professionals and architects, we strive to create furniture concepts and interior designs that are not only sustainable but also eco-friendly.



## The Executive Board on Duba-B8 & CSR Policy

Duba-B8 has drawn up a CSR policy (the Duba-B8 Code of Conduct and Suppliers' Code of Conduct) that lays down the framework for interaction with our stakeholders. These stakeholders include: customers, suppliers, employees, public authorities and the local community. Duba-B8's CSR policy is founded on the ten principles of the UN Global Compact and is built on Duba-B8's mission to create freedom at work for our customers, our customers' employees, the environment and our surroundings. Duba-B8's mission to create freedom at work is the value base that permeates every decision and action that stems from the organisation, and Duba-B8's CSR policy is a natural extension of the same.

Both the mission to create freedom at work and Duba-B8's Code of Conduct are points of reference in everyday work and interaction with customers, suppliers and partners. They also form the foundations for our interaction with one another. Moreover, the attitudes and values expressed through our mission and policies constitute what could be termed "the company spirit".

The values, which can be expressed through words such as credibility, responsibility, profitability, sustainability and respect, should not be viewed exclusively as concepts linked to a modern company, but as firmly rooted values which, throughout the 99-year history of the business, have helped shape the Duba-B8 organisation into a modern Scandinavian company in a globalised world.

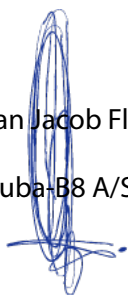
When sustainability is expressed as specific actions, whether these are initiatives which directly affect the working environment for our employees or the purchasing choices we make, sustainability ceases to be a declaration of intent and becomes a principle for actions that help drive the company forward.

Fulfilment of the goals of the UN Global Compact does not start with ten principles, but with the way in which we interact with each other on a daily basis. Social responsibility starts with the actions we take and the decisions we make on an everyday basis as people and players in the Duba-B8 company.

Endorsing the UN Global Compact is a specific way to tell the world around us that we are willing to shoulder our social responsibility. At the same time, it constitutes a hand extended to our suppliers, customers and partners: "come and join us – together we can make a difference". I hope that this global network of commercial companies will grow both in size and in influence over the coming years. One thing is for sure: Duba-B8 will also be a part of it in 2014.

Christian Jacob Flarup

CEO, Duba-B8 A/S





## Human Rights Principles and Labour Principles

Duba-B8 operates production in Denmark and sales offices in Denmark and Norway. A total of 140 people are employed at the company's facilities in these countries. Our customers are primarily Scandinavian companies that operate at global level, and we service these customers' overseas departments through a network of partners. In the following sections, we therefore differentiate between how we work with the principles of the UN Global Compact internally at Duba-B8, and externally through our suppliers and partners.

The countries of Scandinavia have a long tradition of implementing legislation to regulate the behaviour of both citizens and companies. This legislation covers all areas: fundamental rights of freedom, employer and employee rights, the environment and occupational health and safety.

### Rights and obligations

In Denmark conditions related to working hours, wages, maternity leave, gender equality, holidays and time off, occupational health and safety, environmental impact and waste disposal are all determined by law. The legislation in all of these areas designates minimum requirements.

In a range of areas, however, we work more intensively and more broadly than we are obliged to by law. We have agreements with several of our employee groups and have set up a collaboration committee to deal with any conflicts that may arise. Provisions in the collective agreements that apply to some groups of employees are, by tradition, extended to apply to all our employees, including those who are not covered by a collective agreement. This means that all monthly-paid workers work under the terms of the Industrial Agreement (the collective agreement for salaried employees in industry). The hourly-paid employees are covered by the Industrial Agreement and the Collective Agreement for the Danish Woodworking and Furniture Industries.

### Working time

The European Working Time Directive and the collective agreements provide the framework for the maximum number of hours that may be worked.

In the collective agreements, working time in Denmark is fixed at an average of 37 hours a week. Working time in excess of 37 hours is recompensed at a predetermined higher rate of pay or time is taken off in lieu. Some groups of employees have to accept overtime and this is reflected in their salary. In pursuance of the Danish Working Time Act, the average working week must not exceed 48 hours a week over a period of four months. According to the Danish Working Environment Act, an employee has the right to 11 hours of rest in any working day. A working week may comprise of maximum 6 (7) days and 1 (2) rest days.

Duba-B8 employees work flexible working hours, which means that the individual employee cooperates with their superior to plan work so that both workplace requirements and the individual employee's needs are taken into account. If working conditions allow, salaried workers are permitted to work from home. The flexihours and work from home schemes should be seen in the light of a desire to give Duba-B8 employees the opportunity to create work-life balance.





## Child labour

In Denmark children are required to attend school for nine years, and children and adolescents under the age of 15 who attend school are not permitted to take normal work. However, from the age of 13, children may do a limited number of hours of light work after school. Figures from 2005 show that 48 percent of boys and 44 percent of girls aged 13-15 years have a job in addition to their schooling. When children and young people have jobs, they do so to earn money for their own use, i.e. to fund leisure pursuits and entertainment. Children and adolescents who are covered by the obligation to attend school must not work more than two hours a day on school days and not more than 12 hours a week. Children and adolescents are not allowed to work between 20:00 and 06.00. Children and adolescents may only do light work, and their duties must not include heavy lifting, contact with hazardous substances, or operating heavy machinery. Pay conditions for children and adolescents are typically established under the collective agreement. Duba-B8 employs two children/adolescents under the age of 18 (two in administration and one in production). Their work includes light office tasks and light odd jobs in the assembly department.

The same working conditions apply to apprentices as to other employees. The working conditions for apprentices must be the same as for any other group of employees. If an apprentice is under 18 years of age, the regulations for child and adolescent work are applicable. Duba-B8 currently employs 2 adult apprentices. It is an integral part of the Duba-B8 values that Duba-B8 as a company has a social responsibility to train people who want to work in the furniture industry.

## Maternity leave

According to the Danish legislation, a mother is entitled to hold four weeks of maternity leave prior to the birth and 14 weeks after her child is born, as well as 46 weeks' parental leave. In pursuance of the Danish Maternity Leave Act, the mother is entitled to a maternity allowance during maternity leave. However, as Duba-B8 complies with the collective agreements mentioned and belongs to the Industrial Maternity Fund, our employees receive full pay for a period of 18 (4+14) weeks and thereafter full pay for 11 weeks of their parental leave.

## Holiday entitlements

According to the Danish Holidays Act, paid employees are entitled to five weeks holiday, three of which they must be allowed to hold consecutively. At Duba-B8, employees also accrue five extra days of holiday a year after nine months' employment at the company. This too is covered by the collective agreement. Holiday pay is calculated as 12.5% of the employee's salary, which is paid out when the employee takes holiday.

## Days off and Public Holidays

For employees in production the following are days off: 1 May, Danish Constitution Day (5 June) and Christmas Eve (24 December). For monthly paid employees, 1 May is not a day off. There are also a number of Public Holidays which will usually be days off. These are Palm Sunday, Thursday and Friday in Easter week, Easter Sunday and Monday, Ascension Day, Prayer Day and Whit Sunday and Monday. These are all public holidays for which employees receive pay.





## Sickness

According to the Employers' and Salaried Employees' Act, which applies to all employees in Sales and administration, an employee is entitled to pay during a period of sickness. For the hourly-paid employees, after nine months' employment, the employer may grant up to nine week's absence with pay in connection with sickness, corresponding to the hourly rate of pay the employee would have received if he or she had worked. This too is included in the collective agreement.

According to the collective agreement, parents are entitled to one day off work with pay if their child is sick. This applies equally to salaried employees and hourly-paid employees who have nine months' seniority.

## Staff benefits

We place great emphasis on developing the potential of the individual employee and on retaining staff at our company. As a company, we are committed to ensuring that Duba-B8 is a good place to work with regard to both physical and social working environments. This commitment permeates all areas of the organisation – from owners, board members and managers to individual employees – in shared efforts to promote a good, enjoyable working environment on an everyday basis.

Duba-B8 employees are offered a variety of staff benefits. All our employees have free coffee and tea, chilled drinking water and fresh fruit. At the Bjerringbro facility we have a staff cafeteria, where employees can buy healthy and nutritional meals. The ingredients are mostly organic. From autumn 2012, employees will also be able to order meals to take home. In Søborg and Oslo, there is a lunch scheme for everyone. Regardless of how they are run, all our lunch schemes offer our employees healthy and nutritional food. Duba-B8 meets 50% of the costs of the lunch schemes. The remainder is paid by the employees.

For a long time now, it has been possible to take out health insurance via a joint Duba-B8 insurance scheme. However, from 2012 the value of this health insurance has become taxable. Employees have therefore been offered the chance to continue the health insurance under the new conditions. The health insurance provides fast and professional medical assistance in different situations, including surgery at a private hospital, physiotherapy, and all our employees will continue to enjoy these benefits. The health insurance covers employees in Denmark. At present it is not possible for us to offer health insurance to employees in our Norwegian sister-company Duba-B8 as.



## A safe and healthy workplace

According to ILO Convention No. 187, Promotional Framework for Occupational Safety and Health Convention, 2006, Duba-B8 is obliged to work to create a safe and healthy working environment for its employees. In this Convention, working environment is defined as covering not only the physical aspects of the work, but also the mental aspects too. This chapter will consider issues that concern both the physical and the mental working environment. Common to problems in the physical working environment is the fact that they are relatively easy to identify and find operational solutions for. Problems with the mental working environment are often more difficult to relate to causes and a change in behavior is more frequently required in order to rectify the problems. This chapter therefore makes a clear distinction between measures aimed at bringing about improvements to the physical environment and those targeted at the mental working environment.

Duba-B8 is certified according to the OHSAS 18001 standard for occupational health and safety. This confirms that Duba-B8 works purposefully and systematically to improve occupational health and safety on an ongoing basis. We have drawn up a range of safety policies and contingency plans, which are openly available on the company intranet. Moreover, we have established a working environment committee that deals with occupational accidents and near-accidents and implements measures to prevent the recurrence of similar incidents.

Over the past six years, systematic records have been kept of sick leave, accidents and near-accidents. These records form part of the fulfilment of our objectives in accordance with the OHSAS 18001 standard.

*Tabel: Registeringer af sygefravær, ulykker og nærvædulykker*

Financial Year	Incidents (for which notification is mandatory)	No. of "Near-Misses"	Ratios (rounded figures)	No. of employees	Index = No. of incidents/employee expressed as a percentage	Index = "Near-misses"/employees expressed as a percentage	Absenteeism
<b>2008</b>	7	3	2:1				
<b>2009</b>	3	0					6,9%
<b>2010</b>	3	4	1:1	118	3%	3%	4,0%
<b>2011</b>	4	3	1:1	126	3%	2%	2,6%
<b>2012</b>	2	25	1:12	135	1%	19%	3,0%
<b>2013 (until 1/7-13)</b>	1	1	1:1	173	0,6%	0,6 %	3,1%





## Measures to improve the physical working environment

Duba-B8 is a workplace where many different departments operate side by side. Sixty employees are employed to handle administrative or management tasks. These are tasks that rarely result in occupational accidents or injuries. A total of 110 employees work in our production department. This work often involves the use of large machinery which has the potential to cause serious occupational injuries if the work is performed incorrectly or inappropriately. The very different working conditions of these two groups of employees mean that it is appropriate to describe working environment measures for the physical working environment separately for the two groups.

## Recording of near-accidents

The table shows that the number of recorded near-accidents rose dramatically from 2011 to 2012. This was the result of a campaign that was aimed at focussing on the importance of recording all near-accidents. Near-accidents are recorded in order to prevent near-accidents from becoming actual accidents involving personal injury. All near-accidents are recorded and investigated, and preventive measures are instigated.

From 2012 to July 2013, only one near-accident was recorded. During the same period, the number of employees rose from 135 to 173 and, as it is well-known that injuries often occur because of a lack of experience or practice, rushing or negligence, it must be assumed that the number of recorded near-accidents does not reflect the actual number of near-accidents. As all employees have been informed of the importance of recording near-accidents, the low number must be interpreted as an indication of a lack of understanding of risk. This means an understanding of the events which could potentially result in occupational injuries, but which have not done so entirely as a result of chance. In early 2014, a training process concerning the understanding of risk will be initiated for a selected group of employees, who will subsequently act as ambassadors within the field. It is hoped that this will result in an increase in the number of recorded near-accidents.

## Too late to shut the stable door when the horse has bolted

A safe and healthy working environment is created by preventing, identifying and reducing or eliminating the risks that exist. Three examples are given below of how conclusions from near-accident reports are used in practice to initiate measures that will prevent accidents and improve the working environment.

1) Duba-B8 is one of a limited number of furniture manufacturers that still has manufacturing facilities in Denmark. There is considerable interest among customers and stakeholders in experiencing furniture production at close hand and listening to furniture-makers talk about their work. However, the large number of guests constitutes a safety risk, as these guests cannot be expected to be familiar with the potential hazards that exist when moving around the production department. Yellow safety vests have therefore been introduced which guests will wear for safety reasons.

2) The corridors that link the various production departments are very busy at times with both pedestrians and fork-lift trucks and pallet lifters. The high-risk areas consist of the roller doors between the various departments, where pedestrians and drivers can collide unexpectedly. In 2013, on the basis of the conclusions



of near-accident reports, windows were installed here so that pedestrians and fork-lift truck/pallet lifter operators could see whether there is anyone in the way on the other side.

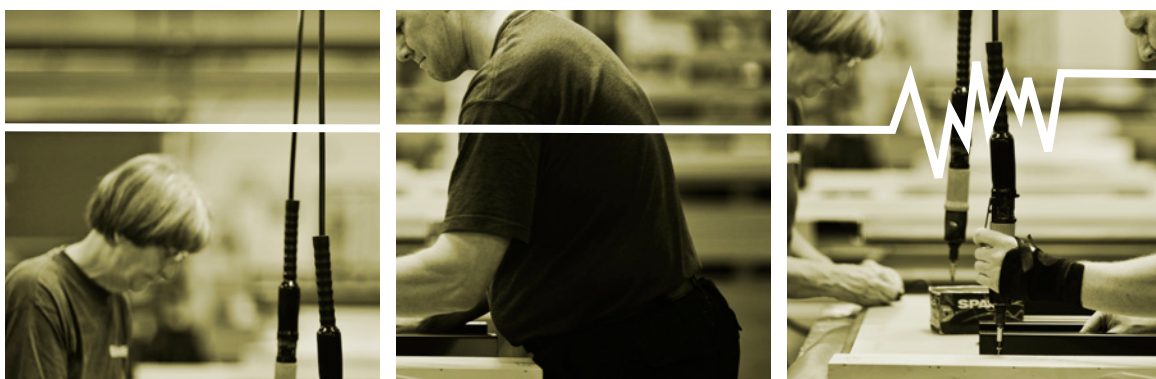
3) It was concluded that picking from the lowermost pallet drawers in the warehouse constituted a potential risk, as this task is often performed manually, i.e. without the use of a pallet lifter or fork-lift truck. The warehouse shelves consist of many levels separated by steel girders. When picking components from the bottom level, it is easy to hit your head on the steel girder. At the most frequently used warehouse locations, roller drawers were installed on the bottom storage levels in 2013. Pallets and pallet drawers are placed on top of the roller drawer, which is pulled out when items are picked from the warehouse. This avoids head injuries and, as the pallet drawers have also been raised slightly, back strain injuries have also been avoided.

## WPA - Workplace Assessment

In Denmark, it is a legal requirement to carry out a survey of the physical and mental workplace every three years: Workplace Assessment, WPA. The most recent survey was conducted in Duba-B8 in 2010. The next WPA will be carried out in autumn 2013. The WPA will be carried out for all employees in Duba-B8.

During the most recent WPA carried out in 2010, odours originating from the varnish department were identified. These odours were being drawn down through the varnish department and out into the production department. External consultants measured the evaporation levels and concluded that insufficient pressure was being created by the extraction system. A new wall was then erected, which enables the extraction system to create a higher pressure. The new wall has completely solved the problem for the employees in the other production departments, but following a period of evaluation, it was discovered that the employees in the varnish department were still experiencing odour problems when non water-based varnishes were used. Non water-based varnishes are used for varnishing the edges of veneered table tops. Non water-based varnishes are used to increase the durability and strength of table edges where wear is greatest. For many years, Duba-B8 only used UV-based varnishes to varnish large surfaces, but it found it necessary for strength reasons to use non water-based varnishes for varnishing edges.

The varnish is applied in a special section of the varnishing department with the statutory extraction systems and safety aids for the employee who performs the varnishing. However, it was concluded that odours from the varnishing room were being sucked out towards other employees in the varnishing department. Although the application and use of the varnish type complies with all working environment rules and no harmful effects from the odours from the varnishing department could be measured, Duba-B8 still decided to completely stop using this type of varnish and now only uses UV-based varnishes on its furniture. Three coats of UV-based varnish are applied to table edges. Only using UV-based varnishes on veneered furniture results in faster degassing of the furniture and thereby also a shorter period with a "new furniture" smell for the customer





## Employees are wild about saving each other

In the event of an accident, it is absolutely vital to stop the accident from developing and spreading, so that help can be given to the injured quickly. Dub-B8 has a contingency plan. All new employees are taught about the contingency plan and all employees must be familiar with the contingency plan and know what they should do in the event of a fire for example. The contingency plan is subject to audits in accordance with the guidelines for OHSAS 18001.

During the most recent fire drill, it was concluded that insufficient first aid contingency was available. A number of employees had received training in giving first aid, but this was not found to be sufficient. If an accident were to occur, it would not be much help if ten employees can provide first aid if those ten employees are sitting in a meeting room away from the company's premises. Voluntary first aid courses were therefore offered to all employees. A total of 53 employees have so far signed up for these courses, equivalent to four teams. This must be considered to be a broad and excellent back-up measure to strengthen the contingency provision within the company

## Project Health & Well-being – Year 2

*"Health is a condition of an individual or group of individuals characterised by  
physical, mental and social well-being."*

## Project background


In September 2011, an internal project called Health and Well-being was initiated with the aim of improving the employees' health and well-being generally, preventing stress and retaining any employees on long-term sick leave. Duba-B8's board and shareholders were behind the initiative for the Health and Well-being project. The project was duly concluded in June 2012. The table below presents the project's content and schedule.

*Tabel: Projekt Sundhed & trivsel*

What	When	Participation
Jobcenter Viborg – Absenteeism project	Start June 2011	All
One Company event on the theme of well-being	15 Sept 2011	All
Well-being talk by Hans Erik Folberg	End of Sept. 2011	All
Pulse Packs	Start Dec 2011	Interested parties
Management course in employee welfare and retention	6 June 2012	Management team
LEAN and communication	June 2012	Production, Internal Sales, logistics and purchasing







Every year, sick leave costs Denmark DKK 56 billion. Every time an employee falls ill, it affects the bottom line - both that of the company and that of society in general. Although sick leave within Duba-B8 is below the national average, the global financial crisis has put greater pressure on the employees and therefore resulted in a greater risk of stress-related disorders. In particular, the management group and key employees have been exposed in relation to stress-related sick leave. Project Health and Well-being has therefore been followed up by a series of well-being initiatives in 2013. These are described in more detail in the following sections.

## Stress is something we talk about

Stress is not a disease, but a series of mental, cognitive and somatic symptoms which manifest themselves in different ways from one individual to another. Stress enables us to cope with difficult or dangerous situations or to make deadlines. The effects of long-term stress make us ill. It is therefore important to discover and identify the dangerous stress which can manifest itself as an illness before it breaks out. The causes of stress disorder are similarly diffuse and individual. This makes it difficult to detect stress disorders before they develop - both among other people and in many cases even in oneself, as a lack of self-awareness is a common symptom. Dangerous stress that is detected too late often leads to long-term illness and is therefore costly for both companies and society.

It is difficult to combat and prevent stress disorders if they are invisible. During 2012, the management group went on a course on stress management as part of the health and well-being project. One of the key points of this course was to learn how to recognise and identify symptoms of stress disorders among the employees. In 2013, the management group attended a follow-up course. The follow-up course was aimed at maintaining a focus on this important management area and on updating the management group with the latest knowledge.

## Corporate stress policy

As a result of the complex nature and potential scope of the problem, it was considered appropriate to formulate a stress policy. The stress policy forms part of the retention policy and the task belongs under HR organisationally. The aim of the stress policy is to provide the management with the tools they need to prevent stress disorder from occurring in the first place and to act at an early stage in relation to an employee who is suffering from stress. Experience shows that the earlier a stress disorder is detected and treated, the shorter the illness will last. At the same time, openness and acknowledgement of the problem is an important aspect of the organisational and managerial contingency, as experience within the field shows that even talking about the problem is important in determining how early stress is detected and how effectively the employee can be retained.

The stress policy also sets out a number of obligations that apply to all employees:

- 1) Employees are obliged to contact their immediate superior if they experience symptoms of stress disorder.
- 2) Colleagues are obliged to respond if they find that a colleague is showing signs of stress disorder.





First to the person suffering from stress, then to the immediate superior.

- 3) A manager is obliged to react if they are notified by either an employee or an employee's colleague.

## The Stress barometer

The stress barometer was introduced as an important identification tool for the management. The stress barometer is also part of the stress policy's toolbox, as it provides guidelines to distinguish between different degrees of stress, from positive, performance-enhancing stress to negative, debilitating stress. Virtually everyone experiences stress from time to time, but only a few people become so stressed that it leads to sickleave.

The preventive measures consist of recognising and identifying the symptoms and then instigating corrective action before the stress becomes an illness. The corrective actions are instigated on the basis of a specific assessment of the individual case. It may be that the employee needs to be given the chance to "unwind" for a while. It may also be that duties need to be reassigned or redefined, or that the employee needs to be assigned other duties for a period of time.

As a result of the greater pressure on a particular group of employees, the organisation chart has been revised, so that those who could potentially be exposed to stress have been given clearer roles and responsibilities, and duties have been reassigned. All the employees concerned have returned to work and on this basis it must be concluded that the retention policy is working

During the weekly information meetings, CEO Christian Jacob Flarup has on a number of occasions addressed the topic of stress and outlined the guidelines in the impending stress policy and how to recognise the symptoms of stress. The aim of this was to emphasise the importance of ensuring that all employees work together to prevent the problem.

## One Company event with the theme of well-being

The aim of the One Company events is to strengthen the collaboration between the departments and to underpin the company's core values. In September 2008, the first One Company event was held with the participation of all Duba-B8 employees.

In 2011, all employees again attended a joint event, this time under the title of "Health and Well-being". In August 2013, the success was repeated - again with the theme of health and well-being and with a special focus on preventing stress disorders by strengthening the social bonds between the employees and thereby activating the social preparedness.

## From Bjerringbro to Munich

In December 2011 the pulse package project was initiated. The purpose was to highlight the importance of exercise to well-being and to encourage employees to use exercise as a way of building a sense of community and turning exercise into a regular activity. The pulse package project remains in force in 2013. The pulse package scheme receives financial support from Duba-B8 and employees wishing to participate in





races or other sporting activities receive contributions towards their participation fees. There has been great support from employees and Duba-B8 employees have participated in numerous local races. Examples include the Busbjerg race, the Århus City Marathon, the Femina race, the Grejsdal race (cycling race), the Tangesø race and the 24-hour race in Viborg. Despite the weather not being at its best in Viborg, there were 16 participants from Duba-B8 who completed 46 5.6 km laps in the space of 24 hours.

Duba-B8's running club, which was formed in connection with the pulse packages in 2011, remains in operation in 2013, with a handful of regular employees meeting up once a week to go running training together.

In 2012, the Relay for Life was held for the first time in Bjerringbro. The Relay for Life is organised by the Danish Cancer Society and aims to raise money for cancer research and to highlight cancer patients' battle against the disease. The Relay for Life is organised at 25 locations in Denmark and is part of an international collaboration with 4 million annual participants and races in 20 countries. At the Relay for Life in Bjerringbro in 2012, Duba-B8 participated with a 76-strong group consisting of employees and their families. In 2012, DKK 25,000 were raised.

100 employees and family members participated in the Relay for Life in Bjerringbro in 2013. The participants ran or walked 1,360 km or 3401 laps during the 24 hours of the race. This is the same as the distance between Bjerringbro and Munich. Duba-B8 has chosen to support the race again this year and will pay DKK 5.00 per lap as well as the participation fee for each runner. So far a total of DKK 27,000 has been raised for Relay for Life. The fundraiser will end at the end of the year.

The "well-being events" have been a great success, both overall and individually. A significant part of the success is due to the great support from employees when it comes to participating in the events and the invaluable work many employees have volunteered for these events.

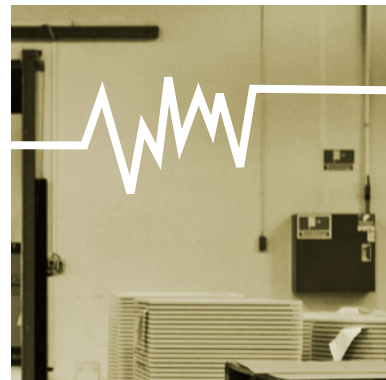
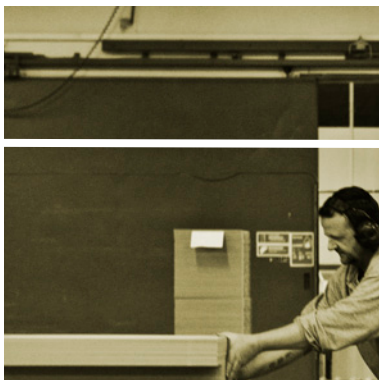




## Duba-B8's collaboration with suppliers

Duba-B8 makes use of an extensive range of external suppliers that supply components for furniture manufacturing or finished furniture where the product has been engineered by Duba-B8 and is subsequently manufactured by subcontractors. Duba-B8's policy is to commit to long-term collaborations with these suppliers. This is reflected in the selection of suppliers and, prior to entering into a collaboration, the way in which the suppliers work and their attitudes with regard to the environment and occupational health and safety issues are evaluated.

This means that the collaboration is not simply a business transaction but that the subsequent aim is to develop the area of environmental and occupational health and safety for our suppliers, so that their occupational health and safety and environmental efforts reflect the internal development at Duba-B8. In order to become a Duba-B8 supplier, you will need to sign Duba-B8's "Supplier's code of conduct" (SCOC)



## Our suppliers' working environment

Duba-B8 acts in accordance with the legislation of the countries in which we operate. And we expect our subcontractors to do the same. This is one of the provisions in the collaboration agreement signed between Duba-B8 and the individual subcontractor. Failure to comply with this part of the collaboration agreement may affect the working relationship between the parties. (cf. the Duba-B8 Suppliers' Code of Conduct)

We support and respect the protection of internationally recognised human rights and employee rights and we play our role in ensuring that we do not contribute to the infringement of these rights. We do this primarily by demanding that our suppliers abide by national legislation. In fact, our suppliers sign a document to this effect as a part of their contractual relationship with us and breach of this provision may result in our terminating the contract.

Duba-B8 acts in accordance with and respects the ILO "Declaration on Fundamental Principles and Rights at Work", which is an integral part of the UN Global Compact.

Duba-B8 and the company's subcontractors must play a part in ensuring the freedom of association and the effective recognition of the right to collective bargaining, in assuring effective elimination of all forms of forced or child labour, and in working actively to eliminate discrimination in respect of employment and occupation.

We recognise that the Scandinavian method is just one way of doing things, that major cultural differences exist, and that these may have an effect in the field of labour. We make our suppliers aware of our expectations with regard to observing human rights and employee rights, child labour, the environment and occupational health and safety – particularly when such issues are not unambiguously regulated through national legislation.

We make sure to visit our suppliers in the Baltic region and the Far East before establishing working relationships with them. An agreement will not be entered into if the conditions do not meet our expectations. In order to assess conditions in the Far East, we have also employed our own quality controller, who is responsible for auditing our suppliers so as to ensure that we are in no way associated with child labour, forced labour and the like.

Moreover, as a part of our contract negotiations, our suppliers are required to state whether they apply ethical and social guidelines, and whether they have any outstanding issues with the public authorities before we accept them as suppliers.

The supplier evaluation and the signed collaboration agreement contain numerous parameters, of which the Suppliers' Code of Conduct is one.

## Suppliers' code of conduct - Status

The majority of our end product suppliers are located in Scandinavia or north-western Europe and are therefore subject to EU legislation which is in line with the 10 UN Global Compact Principles. In the first instance, we have therefore chosen to focus on component suppliers in Asia and then the Baltic region





*Tabel: Komponentleverandørtilslutning til Suppliers Code of Conduct*

Year	2011/2012	2012/2013
Active suppliers	186	178
Component suppliers	102	95
End product suppliers	83	83
Component suppliers who have signed the SCOC	18	19

In 2011/2012, the proportion of procurements covered by SCOC totalled 71% of the procurement volume for components. For 2012/2013, 78% of our procurement volume for components is covered by SCOC.

## Environmental Principles

### A mission centred on freedom at work for the environment and our surroundings

We expect a lot of our furniture. We will never be satisfied by simply meeting legal requirements. We consistently strive to identify the most eco-friendly alternatives without making the end product more costly for the customer. We do this because we believe that, as a supplier of workplaces, we have a responsibility to protect the environment, occupational health and safety and our climate.

We at Duba-B8 have focused on our environmental impact for many years, and we have been certified to the ISO 14001 environmental standard since 1998. This means that Duba-B8 works purposefully and systematically to improve its environmental performance on an ongoing basis. Duba-B8's environmental management system is assessed yearly by external auditors who evaluate Duba-B8's actual environmental performance in relation to the procedures in the environmental management system.

Every year, we map the environmental impact generated by our operations, and on the basis of this mapping process we prepare a plan intended to reduce the most significant impacts. When making new investments, we analyse the best technology available and we focus on environmental aspects in connection with product development, concept development and choice of materials.

As mentioned above, Duba-B8 is certified to the ISO 14001 standard, which means that we critically appraise the way in which our activities impact the environment. In addition, we are a member of Danish Furniture-makers' Quality Control association, which obliges us to meet a range of environmental and quality requirements. This ensures that we live up to the applicable EU standards. Office furniture must meet a range of requirements concerning durability, strength and content of environmentally hazardous substances, for example. The Danish Technological Institute carries out tests to check that our furniture abides by the applicable standards.





Duba-B8 strives purposefully to design, manufacture and supply the company's products in a way that makes the least possible impact on the environment, and thus consistently to reduce the environmental impact of our production activities. Sustainability and environmental concerns are integrated into our product development processes and choice of materials.

We provide our customers with solutions designed with consideration for the environment and our surroundings by applying furniture design that ensures a long service life for our products.

However, there is no denying the fact that every item of furniture affects the environment during its life cycle. This applies to everything from materials and product development, through production, transportation and fittings, to use, maintenance and disposal.





## Waste management and recycling

The manufacturing process is traditionally considered as a chain of closed processes that starts with a raw material and ends with a product and perhaps some remnants in the form of waste. If you consider the manufacturing process with a cradle-to-cradle vision, all parts of the chain become resources that can be processed and managed in a more or less sustainable manner.

A cradle-to-cradle mindset is about reusing and recycling to the greatest extent possible to ensure that resources do not lose value during the process by being disposed of. In a cradle-to-cradle philosophy the manufacturing remnants of a product are not simply considered waste, they are considered resources that can be either down-cycled or up-cycled. Down-cycling would normally mean that the remnants are incinerated and perhaps used for heating homes and other buildings. Up-cycling involves sorting the remnants at source and reusing or recycling them to turn them into new raw materials that can be included in the cycle.

A large proportion of the waste that is incinerated in Denmark is suitable for recycling. For a number of years, Duba-B8 has sent cardboard packaging and plastic film made from PE back to the supplier for recycling. As of 2013, Duba-B8 has introduced new procedures for waste management. The goal is to reduce the volume of incinerable waste and send a greater proportion for recycling. Facilities have therefore been established for further waste sorting, so that incinerable waste from both manufacturing and administration is sorted into cardboard, paper, PE plastic, organic waste and burnable waste. The field engineers even bring their packaging back from customer sites for sorting.

From January to July 2013 this has resulted in a reduction of incinerated waste of 8 tonnes compared with the volume from the same period last year.

*Tabel: Reduktion af brændbart affald*

Year	2011	2012	2013 (Jan - July)
Incinerable waste in tonnes	47.53	45.65	17.63

The goal is to reduce the volume of incinerable waste by 10% in 2013.

## Climate-friendly fuel & developments in heating consumption

Duba-B8 is committed to ensuring that the heating of the administration and manufacturing facilities in Bjerringbro is achieved in the best possible way with regard to energy and CO<sub>2</sub>. In other words, by eliminating the use of fossil fuels. The goal was reached at the end of 2011/beginning of 2012 when we switched to exclusively using our own fuel furnace for heating the facilities in Bjerringbro. The facilities are heated using whole-tree chips in a wood-fired fuel furnace. Whole-tree chips are made using thinned-out trees, i.e. trees that have no other use. It should be noted that fuel oil is used for heating in exceptional circumstances when the fuel furnace needs to be cleaned.

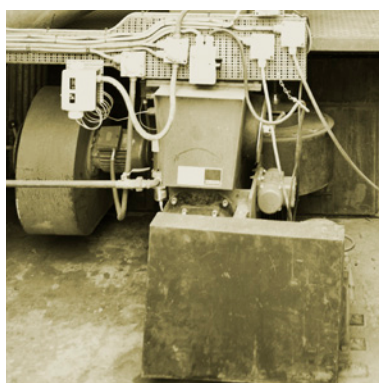


3. Waste is additionally sorted into metal, plastic types other than PE, wood, electronic waste, remnants from the painting department and the materials are recycled where possible.

With regard to the actual heating consumption, this will largely depend on the length and severity of the winter in Denmark. Fluctuations in the megawatt consumption will therefore depend on the time of year and temperature. The whole-tree chip consumption in 2013 YTD measured in MWH is the same as the consumption at the same time in 2012 and the overall consumption for 2013 is therefore not expected to change markedly.

*Tabel: MWh-forbrug og forbrug af skovflis*

Year	MWH per year	MWH per year (whole-tree chips)	Proportion of whole-tree chips as a percentage
<b>2009</b>	2758.8	383.63	14%
<b>2010</b>	3228.5	2040.81	63.2%
<b>2011</b>	2491.6	1950.825	78.3%
<b>2012</b>	2523.8	2523.8	100%
<b>2012 (until july 2012)</b>	1547,5	1547,5	100 %
<b>2013 (until july 1203)</b>	1609,5	1609,5	100%





## Electricity and electricity consumption initiatives

Since 2008, Duba-B8 has been collaborating with the electricity supplier Energi Midt with the aim of achieving savings in electricity consumption. The savings projects have been selected based on a number of criteria including repayment period and benefits measured in KWh so that the closest goals are attained first. The table below demonstrates the development of electricity consumption from 2008 up to and including 2012. That the drop in electricity consumption and thus also the benefits of the electricity saving projects have become less and less visible in the electricity accounts is a result of the abovementioned savings strategy for the electricity area, since the most effective initiatives were implemented first. As shown in the consumption table, the drop was greatest between 2008 and 2009.

The electricity consumption will naturally reflect the number of manufacturing hours. Several factors affect the number of manufacturing hours - partly demand, partly the product composition - as the composition of process-intensive materials and the number of outsourced products will affect the number of manufacturing hours and the electricity consumption without necessarily reflecting a drop in revenue. The increase of 10,000 KWh from 2010 to 2011 can be explained by a greater number of manufacturing hours. Despite this inherent uncertainty in the figures, the many improvement initiatives in the area of electricity can be seen in the table as a steadily descending electricity consumption curve. If the figures are compared, they show that the electricity consumption has reduced by 47% from 2008 to 2012, which corresponds to the annual consumption of 294 average households.

In 2012, energy optimisation projects corresponding to an annual saving of 71,900 KWh were implemented. 71,900 KWh corresponds to the annual consumption of 18 average households.

*Tabel: Elforbrug, Bjerringbro*

Year	2008	2009	2010	2011	2012
Kwh	2.480.489	1.693.073	1.447.228	1.458.117	1.302.524

8 energy optimisation projects were implemented in 2012. The projects with the greatest energy optimisation will be described in detail below. At the end of 2011, when Duba-B8 switched to heating exclusively using whole-tree chips, an agreement was also entered into with the wooden plate supplier to purchase the residual materials for the purpose of recycling. Until then, some of the wood chips had been used for heating the manufacturing facilities.

The system for extracting wood chips from the manufacturing facility into the chip silo was subsequently changed so that chips are sucked up to the suction system on the roof and from there to an collecting container on the ground from where they are transported to the plate supplier. The closure of the three suction systems that transported the chip material to the chip silo has resulted in an annual saving of 35,400 KWh.

The project is an example of how a cradle-to-cradle mindset calls for a holistic view of the life cycle of the raw materials and how it can be used to create environmental measures that provide multiple benefits at once. -In this case, 100% recycling of residual materials and a permanent energy saving in the manufacturing process.





## Office furniture from sustainable wood

Wood is the primary component material of the furniture produced at Duba-B8. Wood is a natural, CO<sub>2</sub>-neutral material and a renewable resource.

Over the years, we have also placed requirements on our suppliers to ensure that the wood we purchase comes from forests that operate replanting programmes. That is why it was a natural next step to require documentation of the origin of the wood – i.e. a guarantee of sustainable forestry – that we can pass on to our customers. It is for this reason that we have been FSC® and PEFC™ certified since the start of 2011.

The two marking schemes both guarantee the origin of the wood but have slightly different interpretations of sustainability. The FSC® requirements are more extensive and include ecological and social aspects as well as financial aspects and also demand sustainable, long-term forestry. PEFC™ sets out requirements for forest owners to comply with ILO objectives and employee rights in accordance with the "Declaration on Fundamental Principles and Rights at Work" and follow the guidelines set out in the 10 UN Global Compact Principles.

Since the certification, the focus has been on replacing non-certified materials with certified materials. The aim is for all wood-based materials to be certified, i.e. 100%. One of the ways in which we aim to achieve this is by choosing components made from certified rather than non-certified materials, but from the same supplier. Where suppliers are not FSC® or PEFC™ certified, we have asked suppliers to investigate the possibility of obtaining certification and where this has not been possible we have chosen new suppliers. Based on this, two of our suppliers chose to become certified in 2011.

A further two suppliers have chosen to become certified in 2012. The aim was to achieve 100% by the end of 2012. At the end of 2012, 98.38% of our wood material was certified. As shown in the table, the target has not fully been reached as 1.63% of the wood components are of a non-certified origin.

*Tabel: Udvikling i andelen af certificerede trækomponenter*

Year	2010				2011				2012			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4
No certification	99,72	99,92	99,96	99,99	78,38	26,67	17,70	6,80	7,68	3,2	2,02	1,63
FSC®	0,00	0,00	0,00	0,00	20,08	41,97	58,38	46,30	63,96	57,81	54,66	50,34
PEFC™	0,28	0,08	0,04	0,01	1,54	31,36	23,91	46,90	28,36	38,98	43,32	48,04

The reasons for not reaching the goal result from the challenges associated with finding suitable suppliers for small components such as dowels. As these small components are used in a lot of furniture, some furniture cannot yet be supplied with FSC® certification.

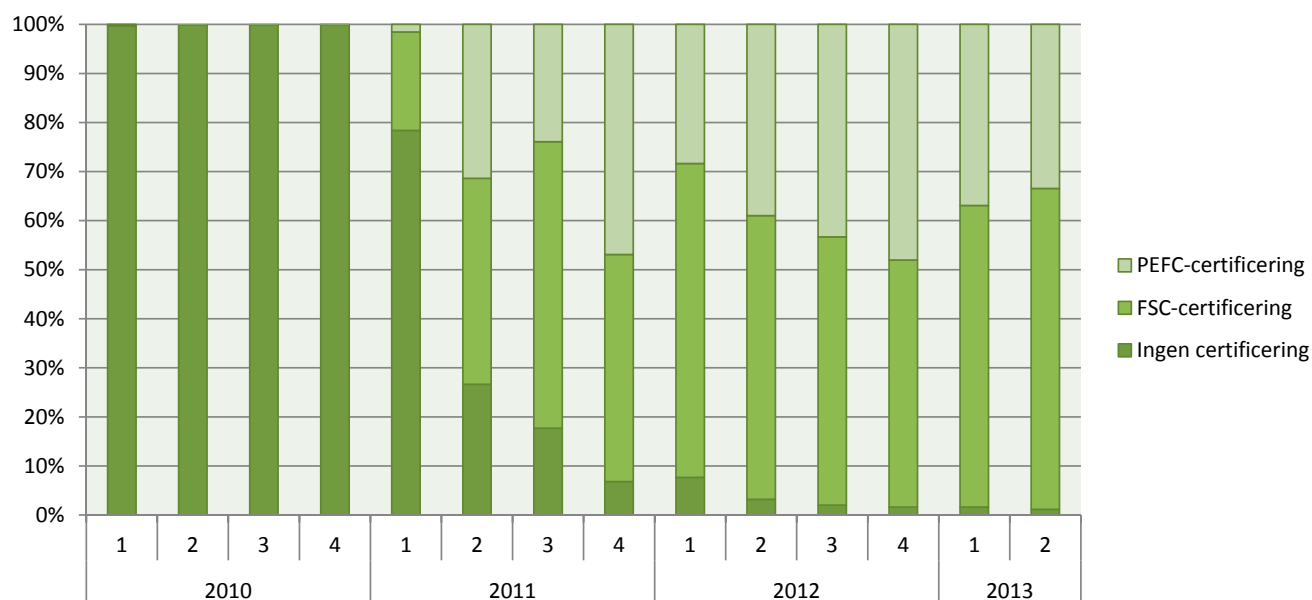




Previously, the FSC®'s guidelines permitted the sale of furniture certified as an FSC® mix, if it contained less than 5% non-FSC® certified wood. This option is no longer available and FSC® now only permits FSC®-certified wood or FSC®-controlled wood in FSC®-certified furniture. This means that furniture that contains a mixture of FSC® certified and PEFC™ certified wood cannot be sold as certified in accordance with the FSC®'s guidelines, only under PEFC™'s guidelines.

As the FSC®'s requirements are more extensive and since FSC® is the best known marking scheme in the Scandinavian markets, we select FSC®-certified suppliers wherever possible. As the below chart shows, the ratio between FSC®- and PEFC™ certified raw materials has further developed during the first two quarters of 2013 to a significant emphasis of FSC® certified materials.

### Consumption of FSC®/PEFC™ raw materials in our own manufacturing





## EU Timber Regulation

At the start of 2013, the EU implemented EUTR, the EU's Timber Regulation, which means that companies need to be able to document that the wood they import has been legally felled. In practice, this means that companies must be able to document the origin of the wood.

For companies that use only certified wood, this documentation requirement has already been met, as FSC® or PEFC™-certified wood is legally felled by definition. However, the implementation of the EU Timber Regulation has resulted in Duba-B8 placing even stricter requirements on foreign suppliers of wood products, as these suppliers must be FSC®-certified in future in order to become Duba-B8 suppliers.

For customers, this provides further opportunities to purchase certified furniture, as wood components for the wooden versions of the Runner and Molo office and meeting room chairs are now certified. Previously only the Random meeting room chair had been produced using certified wood.

## Certified office furniture

Fra 2013 har Duba-B8 indført mål for salget af certificerede møbler. Når der skelnes mellem anvendelsen Starting in 2013, Duba-B8 has introduced sales targets for certified furniture. The reason for differentiating between the use of certified wood during the manufacture and sale of certified furniture is because the sale of certified furniture requires the customer to make the choice that the furniture procured will be certified. The order confirmation and invoice will state that the furniture is certified. The targets for increasing the sales of certified furniture are also about increasing the customers' active choice to buy certified furniture.

Monitoring and measuring take place every quarter. The target for 2013 is for 10% of the overall sales of wood-based furniture to be certified furniture. Up to and including June 2013, the figure was 5.61% and as such the target has thus far been met.

When comparing the proportion of certified wood used in the manufacturing process (98.38%) with the sales target for certified furniture in 2013 (10%), there is a marked difference. There are numerous reasons for this, for example not all Duba-B8 furniture can be supplied as certified even if all components are certified. (Cf. FSC®'s policy on the combination of wood from different marking schemes.)

Another reason for the marked difference between the use of certified wood and the sales target for certified furniture is that even if the use of sustainably grown wood is an increasingly common requirement in tender documents from both public and private companies, it is not yet common for this to include requirements for the furniture delivered to be certified.

There is a need for an attitude change in this area if the demand for certified furniture is to move decisively in the right direction.

In July 2012, Duba-B8 was selected as the supplier for the unilateral contract with National Procurement Ltd. Denmark (SKI agreement 50.31/50.32) and became the unilateral supplier for 67 Danish municipalities. And

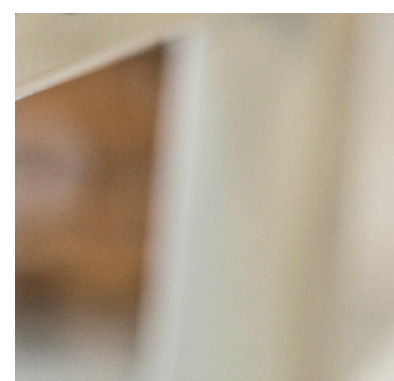
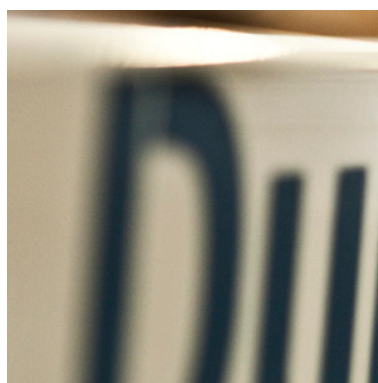




in July 2013, Duba-B8 was selected as the supplier for National Procurement Ltd. Denmark's procurement contract for furniture, SKI 03.13. The two SKI contracts constitute a significant proportion of the public sector's furniture procurement and a not insignificant part of the market for office furniture in Denmark. The contracts have provided the public sector with a real opportunity to make a significant part of furniture procurement sustainable and certified. In connection with the two large furniture tenders, no requirements were placed on suppliers concerning certification, as this would be contrary to public tender rules, but there were requirements for the products to be manufactured using sustainable wood.

Even though the option to purchase certified furniture is included in the standard furniture range of SKI contracts, this has not resulted in demand from public sector customers. In December 2012, Duba-B8 joined forces with WWF (World Wildlife Fund), Forests of the World and the timber group DLH to challenge the Environment Minister and make the public sector take greater responsibility for ensuring the use of and demand for sustainable wood in Denmark.

This resulted in an article about the issue in the newspaper Politiken, which has been included here:



## Environment Minister accused of lying by green NGOs and the wood industry. Ida Auken dismisses the criticism.

BY Michael Rothenborg

A broad alliance of critics has accused the Environment Minister Ida Auken (SF) of practising double standards and having a haphazard relationship with the truth.

The attack was the result of Auken stating that the voluntary guidelines for the public sector concerning the procurement of legal and sustainable wood were “working and being put to good use.”

This is simply wrong according to the WWF (World Wildlife Fund), Forests of the World, the office furniture company Duba-B8 and Denmark’s largest timber group, DLH. In today’s Politiken analysis, they say that the state and municipalities frequently bypass sustainable wood products.

“The reality is that the public sector continues to focus on price over sustainability,” claim the four parties, highlighting a study by FSC® Denmark which shows that more than 80 per cent of the companies in the wood industry experience demand for sustainable wood from the private sector. Less than half experience any demand from the public sector.

It is unusual for the green NGOs and the wood industry to speak with one voice; DLH in particular has previously been in conflict with Forests of the World and WWF. But they are now standing together to point out that the voluntary guidelines regarding sustainable procurement have been in place for 10 years - “without any real effect”.

“The guidelines are little known among public sector buyers and are rarely followed,” the four parties state in their analysis.

They would like to see binding requirements for public sector buyers and they reject the notion that there is not enough sustainable wood or that it costs too much.

### Added cost of less than 5 per cent

The FSC® study actually shows that three quarters of companies are already in a position to supply the necessary volume of sustainable wood. And around half of these would be able to do this for an added cost of less than 5 per cent.

In her opposition period as SF’s environmental spokesperson, Ida Auken was a keen supporter of binding requirements for sustainability and taunted the previous VK government for “allowing the public sector to use taxpayers’ money to finance the destruction of the rainforests”.

Auken also made this a key issue internationally: During the top-level UN meeting in Rio this summer, the minister exclaimed that she “wanted to teach the world how to buy green.”

But she does not even have her own house in order, WWF, Forests of the World, DLH and Duba-B8 point out. “The Danish government has largely been buying wood

without considering whether it is sustainable or even legal." Wood - tropical wood in particular - is used for everything from construction, offices and playgrounds to harbours," the four write.

They believe that it is time for the public sector to lead from the front rather than lag behind when it comes to this issue. For example by committing to buying only sustainable wood within three years.

### **Allocate funds**

The idea is supported by the Unity Party's environmental spokesperson, Per Clausen – and he therefore makes a proposal for resolution by parliament.

"Sadly I do not hold out any hope that the minister will make such a proposal," says Per Clausen.

And Ida Auken indeed has no such intention:

"Whether the guidelines work or not is simply a matter of opinion. The Danish Environmental Protection Agency tells me that it is working and that the guidelines are used for buying significant amounts of paper, furniture and other sustainable products," the minister says.

So everything in the garden is rosy?

"I am not saying that there is no need to tighten things up. A general strategy for public procurements is on the way and we would be happy to look at whether we could include something in this. But we must remember that if we were to set out binding requirements, it could become very costly."


But half of the wood companies say that they are able to supply sustainable wood at an additional cost of less than 5 per cent?

"Yes, and for that reason it would be even better if the voluntary guidelines encouraged buyers to select sustainable products when the additional cost is so small. As soon as we put binding requirements into place we need to allocate money for this and, in these times, we need to prioritise."

But some things could indicate that some people in government and municipalities are unaware that the additional cost can be so small.

"Yes, and this would be an obvious place to toughen things up and ensure that we communicate that the price difference is not always all that great. I will look into this," Auken says.

*Resource: <http://politiken.dk/indland/ECE1846969/staten-gaar-bagerst-med-indkoebsaf-baeredygtigt-trae/> Published: Dec 18, 2012 9:27 PM © POLITIKEN.dk*



In spring 2013, FSC Denmark approached the Environment Minister with a number of proposals that would contribute to ensuring the demand for sustainable wood from the public sector. Prior to the meeting, FSC Denmark reached out to Duba-B8 and others to obtain input as to how this increased demand could be ensured through a change to the tender guidelines. The recommendations for the minister have subsequently been added to Wood-Supply:

**On Monday, FSC Denmark met with the Environment Minister and submitted a number of concrete proposals for how the public procurement guidelines for wood and paper could be improved.**

In recent years, FSC® Denmark has been working to get a serious dialogue about the public sector's procurement of wood and paper onto the agenda. On Monday, we finally met with the Environment Minister and submitted a number of concrete proposals for how we can improve the public procurement guidelines for wood and paper.

The FSC® found the Environment Minister to be attentive to the recommendations and the civil service is now looking at concrete measures for implementing the recommendations. An attempt will be made to implement all of these.

**Recommendations**

The concrete recommendations made by the FSC® to the minister are as follows:

- Establish impartial guidance for buyers and suppliers using the British model.
- Develop and provide training regarding the guidance and the use of the guidance for buyers and suppliers.
- Create solid improvement in the monitoring of the requirements set out concerning sustainability, for example in the form of auditing of invoices via e-Faktura as part of quality assurance and as written requirements in binding municipal and government contracts.
- Perform baseline measurements of the use of the guidance today and create targets for necessary future use for the guidance to be considered effective.
- Recommend that in future buyers will operate using price frameworks and functionality in tenders rather than designation of specific products and will use a more dialogue-based tender form.
- Introduce minimum requirements concerning sustainability for a small number of test municipalities in order to test the financial and practical costs and benefits of binding guidelines.
- The FSC® also recommends that the guidelines are turned into actual legislation, as the







FSC® studies and experience from the UK, for example, show that this would have the greatest impact. However, the Danish Department of the Environment is not prepared to do this. The FSC® is therefore investing its energy in making the guidelines as widely known and accessible as possible but still feels that legislation should be discussed going forward.

### Background

After Ida Auken became a minister she rejected the implementation of binding rules for the procurement of sustainable wood and paper as she felt that the voluntary guidelines already in place were “working and being put to good use.” However, FSC Denmark’s 2012 study shows that more than 80% of the Danish companies asked have experienced demand for sustainable wood products from the private sector but only 47.9% have experienced demand from the public sector.

PEFC™ was also invited to the meeting with the Environment Minister. Although the parties disagree about the approach to sustainability and whether binding requirements should be in place, both schemes supported the recommendations to the minister.

Duba-B8 has calculated the sale of certified furniture since the start of the year and while it is still too early to say for sure who is requesting and buying certified furniture from Duba-B8, the impression so far is that the buying pattern corresponds with the figures from FSC Denmark’s study which is outlined in the article above. The additional cost for certified furniture for Duba-B8 is 3.2%.

### Environmental requirements for suppliers

As we all know, environmental and climate impact does not respect national borders and it is therefore natural that we place the same high requirements on our suppliers as we do on ourselves.

Our subcontractors must abide by the environmental standards and regulations that apply within the EU. Even though the EU’s environmental rules are among the strictest in the world, Duba-B8’s internal environmental rules go one step further in several areas. Any company wishing to become a Duba-B8 supplier is required to provide documentation of its components’ impact on the environment, quality and occupational health and safety. It is therefore appropriate, when entering into collaboration with new suppliers, that this takes place in close dialogue with Duba-B8’s quality and environment team. And it is evident that committing to long-term relationships with subcontractors and collaborating with them to develop the environmental, quality and occupational health and safety issues based on the requirements placed on us and our products by customers results in long-term benefits to both the environment and the climate.

As such, the collaboration between Donar and Duba-B8 is a great example of how a supplier collaboration creates value for several links in the chain.





## Eco label requirements

Donar is a small component and furniture manufacturer based in Slovenia and as such it is subject to the EU's environmental rules. For a number of years, Donar has been supplying components to several international furniture brands and is known for its quality and flexible, solution-oriented approach to furniture manufacturing. Donar has around 30 employees of whom several have physical and mental disabilities. It has been the company's policy for a number of years to create work for people with disabilities and, in this way, take on social responsibility. Such measures form part of the assessment basis for selecting suppliers.

When Duba-B8 entered into a close collaboration with Donar regarding the manufacturing of components for office chairs in 2012, a number of requirements concerning environmental documentation of all sub-components followed, corresponding to the requirements set out for the Nordic Ecolabel. Such intensive documentation requirements are standard for many tenders and have therefore been incorporated as part of Duba-B8's environmental work.

The Nordic Ecolabel, however, applies to the Nordic region only and is not used in the rest of the EU. This was somewhat unknown territory for the small furniture manufacturer in Slovenia. The task was solved by Duba-B8's quality and environment team visiting Slovenia and spending a few days assisting Donar in implementing the new environmental standards. This was all documented and certain components were replaced by components with an improved environmental profile. At the same time, Duba-B8 Procurement assisted Donar in securing procurement contracts for the new components so that both the price and quality meet the demands of Duba-B8 customers.

In addition to the obvious advantages for Donar in raising its environmental profile and thus being better equipped in a demanding furniture market, there are also advantages for Duba-B8 and our customers, as close collaboration with our subcontractors creates confidence and trust in our products and ensures crucial documentation of the environmental profile.





## Anti-Corruption Principles

Even though we are based in Scandinavia, whose countries are rated among the least corrupt in the world, we must take into account conditions in the rest of the world – primarily in relation to our suppliers. We must seek to avoid putting ourselves in positions where bribery and corruption are necessary. For this reason, none of Duba-B8's employees grants or accepts undue benefits to or from Danish or foreign officials or private sector representatives. We at Duba-B8 are familiar with, respect and abide by anti-corruption regulations as expressed in Danish legislation.

### Accounts and audits

Duba-B8 meets applicable legislation and best practices in accounts and audits. At Duba-B8, bookkeeping, budgets, audits, project evaluation, etc. must produce accurate data in accordance with best accounting practices. Corporate assets must be recognised in their entirety in the company's principal ledgers.

All items in the accounts must refer to a voucher. The accounts and the appurtenant vouchers are reviewed as part of the annual audit, which is a legal requirement in Denmark. This system provides transparency in our accounting and presents a minimal risk of bribery and corruption.

### Acceptance of gifts

Duba-B8 employees must not accept gifts or services from customers, potential customers or suppliers, the acceptance of which might influence decision-making in any way that is contrary to the best interests of Duba-B8.

Furthermore, Duba-B8 employees are not permitted to solicit current or potential customers or suppliers by giving them gifts or services.

Employees may, however, give and receive gifts where such exchange is an ordinary, acceptable business practice. The maximum acceptable value for gifts and services given or received must be in accordance with the level that is customary in the industry. An employee's immediate superior shall ascertain on a case-by-case basis if the gift-giving can be considered acceptable business practice. Exchanging modest gifts with customers and suppliers from time to time is intrinsic to certain functions at Duba-B8. In this context, it is customary to share such gifts with colleagues or pass them on to colleagues in functions that do not normally receive gifts.

If an employee is offered a gift or service, the value of which exceeds the level customary in the industry, he or she must notify his/her immediate superior or the Chairman of the Board.

Money transactions and other kinds of rewards that are not part of the recipient's work-related obligations, and which are made for the purpose of obtaining specific competitive advantages for Duba-B8, are not only infringements of the Duba-B8 Code of Conduct, but also in breach of international conventions and the national legislation in most countries. This applies regardless of whether the recipient is employed by a customer, by a public authority, or simply not a Duba-B8 employee. Duba-B8 employees are not permitted



to participate in any transactions of this kind.

It is particularly important that:

1. Duba-B8 employees do not become involved in any kind of agreement or trading that includes kickbacks or similar kinds of financial rewards.
2. Duba-B8 employees do not transfer sums of money to public sector employees, except where this is determined by law or by dint of a signed agreement with a public authority to this effect.
3. Duba-B8 never pays commission or makes similar payments to intermediaries, except where such payments are made on the basis of a written agreement that includes a detailed description of the task/purpose.
4. Duba-B8 never transfers money prior to a tender.





[www.duba-b8.com](http://www.duba-b8.com)

## Showrooms

[www.duba-b8.com](http://www.duba-b8.com)

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