



DAW

DEUTSCHE  
AMPHIBOLIN-WERKE  
VON ROBERT MURJAHN

# Progress Report from DAW for the United Nations Global Compact

## LADIES AND GENTLEMEN,



As Europe's largest private manufacturer of building paints and enamels, thermal insulation composite systems and building protection products a wide sphere of activity is opening up for DAW SE on the subject of sustainability. By becoming a signatory to the United Nations Global Compact in January 2012 we acknowledge ten basic values in the fields of human rights, labour standards, environmental protection and anti-corruption measures. With this progress report we are providing information about the implementation of these ten principles of the UN Global Compact during 2013.

In 2013 the Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG (DAW) assumed a new legal form as a European joint-stock company, a Societas Europaea (SE). Nonetheless, DAW SE remains an owner-operated family company, which regards sustainability as an integral part of the company philosophy. Apart from the continual further development of the subject in our company, we strive to bring products onto the market which, due to their material properties, enhance the health and well-being of people as well as contributing to environmental and climate protection. With this sustainably orientated corporate strategy we have become a forerunner for our industrial sector. For the future we will continue using our innovative strengths in making a contribution to improving people's living and working environment.

In this respect we would be pleased to enter into an open dialogue – your ideas and suggestions are always welcome!

A handwritten signature in blue ink that reads "Dr. Ralf Murjahn". The signature is fluid and cursive.

Dr. Ralf Murjahn  
Managing Director (Chairman) of DAW SE

## THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

### NOTE

We would like to point out to international readers of this text that some principles of the UN Global Compact are prescribed by legislation in Germany. These include, for example, freedom of association and protection against discrimination. DAW has implemented its own company systems, which go beyond these legal requirements for the employees.

Unless otherwise stated, the statements refer to the main production sites of the DAW Group in Germany.

The ten principles of the UN Global Compact	Management systems, measures and services in 2013
<p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights. and</p> <p><b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>All employees of the DAW Group are given the internal <b>DAW Company Manual</b> on starting work with the company. It contains the corporate guiding principles, the basic principles of the company policy and the company values. The employees receive regular training on the content of the company manual. The manual has been in revision since 2013 and, among other aspects, will take into account the sustainability strategy of DAW even further.</p> <p>In the <b>DAW guiding principles</b> qualitative targets of the company management are formulated, which the employees support in daily activities. They offer orientation in deciding between different options for action and in this sense also represent a binding guiding thread.</p> <p>The company places explicit value on cultural diversity and eliminates contraventions to this principle of human rights within the company. In the DAW guiding principles the <b>corporate culture</b> is defined by: "Our daily co-operation is characterised by mutual respect, by a friendly, helpful and cosmopolitan association of one to the other and the appreciation that the best solutions are often produced from the wide variety of knowledge held by 4,500 employees of different origins."</p>

	<p>The <b>company ethics and sustainability</b> are described in the guiding principles as follows: “As an innovative family enterprise we feel morally obliged to make a contribution to sustainable, environmentally compatible, economic management (Sustainable Development) that is fit for the future.”</p> <p>DAW has <b>established a DAW sustainability strategy</b> which is based on three action fields. The first action field comprises the “Sustainable Company”. Apart from ecological factors, it also refers explicitly to purchasing, occupational safety, a forward-looking personnel policy and the engagement in society. Here too, aspects of the protection of human rights are involved.</p>
<p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>Beyond the legally binding freedom of association of the employees, the <b>DAW Company Manual</b> includes a description of the role and functionality of the works council. In the DAW Group the members of the works council are elected from the employees for a period of four years. They participate in all decisions of the company management, which affect the interests of the employees.</p> <p>The works council convened for regular meetings in 2013.</p>
<p><b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour and</p> <p><b>Principle 5:</b> stand up for the effective abolition of child labour.</p>	<p>Forced, compulsory and child labour do not occur in the companies in the DAW Group. All employees are made aware of ethical questions through the binding character of our <b>Company Manual</b>.</p> <p>Purchasing stipulations and checks within the scope of the Integrated Management System should also ensure that no child labour or enforced labour occurs within the supply chain.</p>
<p><b>Principle 6:</b> Companies should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>Stipulations in the <b>guiding principles</b> and in the <b>Company Manual</b> clearly and unambiguously formulate that discrimination of any kind will not be tolerated in the company. Here, there is the commitment from conviction for the stipulations of the General Law on Equal Opportunities (AGG) in Germany which forbids discrimination due to gender, nationality, religious or ideological conviction, etc. Through the inclusion in the Company Manual these principles are also made binding beyond Germany.</p> <p>Already in 2011 the DAW Group signed the “Charter of Diversity” in Germany, thus reinforcing its commitment to avoid any form of personal discrimination.</p> <p>Discrimination is also being reduced by annual participation in “Girls’ Day” as well as other provisions and measures for improving the compatibility of work and family life, such as the company day nursery “DAW Rüsselbande”.</p> <p>A free-of-charge and confidential social counselling service offers employees support with social problems, such as family crises, conflicts at work, addiction issues or help in overcoming stress and in stress prevention.</p>
<p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.</p>	<p>Precautionary environmental protection is a central element of day-to-day business at all DAW locations, above all at the production sites. As a company, which produces paints, enamels and wall coatings in large quantities, DAW SE belongs to the chemical industry and is subject to national environmental legislation at the relevant locations. At the same time, with its own Integrated Management System (IMS) and target specifications DAW goes beyond legal stipulations.</p>

	<p>In the <b>Company Manual</b> the importance of environmental protection is specially underlined. This relates both to the production processes and also to product characteristics.</p> <p>The <b>Sustainability Strategy</b> of DAW refers in Action Field 1 “Sustainable company” to the production processes, in Action Field 2 “Sustainable products” to innovative, environment and health protection aspects of the products and in Action Field 3 “Sustainable building” to the contribution to a low-emission and healthy residential and working environment in buildings.</p> <p>The DAW <b>Integrated Management System (IMS)</b> is composed of the modules Quality Management, Environmental Management, Occupational Safety and Energy Management. Regular internal and external audits and certification according to internationally recognised standards, such as ISO 9001, ISO 14001, OHSAS 18001, take place. After the re-certification of the company in the autumn of 2012, the monitoring audit in all four regulatory modules was successfully concluded in November 2013.</p> <p>In the <b>Energy Management System</b> introduced in November 2012 a saving of 15% of energy by 2015 on the basis of 2009 data was defined as a target. DAW was the first company in our industrial sector, which was certified according to ISO 50001.</p> <p>When constructing new production facilities, environmental protection is integrated into the planning right from the start. The Caparol factory, which was opened in May in Dubai Industrial City, is equipped, for example, with a four-stage waste-water treatment plant, air filter extraction systems and a training centre, which in its programme puts emphasis on environmental aspects, such as climate protection.</p> <p>The planned new construction of the DAW company headquarters in Germany was awarded the Advance Certificate in Silver from the German Sustainable Building Council (DGNB).</p>
<p><b>Principle 8:</b> Companies should undertake initiatives to promote greater environmental responsibility.</p>	<p>The special role of environmental protection for DAW has been formulated in the <b>guiding principles</b> and the <b>Company Manual</b> (see Principle 7).</p> <p>The <b>DAW Sustainability Strategy</b> (see Principle 7) contributes to increased environmental awareness with employees and customers. To deepen the appreciation of this, new pictograms were developed in 2013 to simplify internal and external communication.</p> <p>Within DAW, the <b>Sustainability Project Group</b> is responsible for the continuous on-going development and the implementation of the targets and measures in the field of sustainability. The minutes of the meetings are accessible to all employees through the intranet. In the field of sustainability the activities are co-ordinated by the staff position Sustainability Management.</p> <p>A <b>Sustainability Advisory Board (SAB)</b> with external experts advises the company with regard to the positioning and on-going development of the sustainability strategy. It convened twice for consultations in 2013.</p> <p>A wide range of topics relating to sustainability is published in <b>internal communication</b> media (e.g. the employee newspaper “Prisma”, intranet).</p>

	<p>The brochure “Sustainability”, published in October 2012 for <b>external communication</b>, explains the DAW objectives, strategy, management approach and implementation in the field of sustainability to our stakeholders. The brochure was utilised at several exhibitions and trade fairs in 2013.</p> <p>As a member of the <b>CO<sub>2</sub> Initiative</b> of the Hessian State Government, in April 2013 DAW familiarised about 40 experts regarding the sustainability properties of the insulation and coating products.</p> <p>Within the scope of the <b>operational professional development</b> DAW introduced two new training courses in 2013: a two-day course with certification as a DAW energy consultant as well as a one-year course for training as a building energy consultant according to the criteria of the German Energy Agency (dena) and the Federal Office of Economics and Export Control (BAFA).</p> <p>Within the scope of the internal <b>improvement management system</b> “CapaGrips”, environmental aspects play a significant role and were also financially rewarded in 2013.</p>
<p><b>Principle 9:</b> Companies should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>In the <b>guiding principles</b> and in Action Fields 2 and 3 of the <b>Sustainability Strategy</b> (see Principle 7) the companies of the DAW Group are committed to product development based on the principles of sustainability (environmental and health protection).</p> <p>The specially created post of “<b>Product Consultant Sustainable Buildings</b>” answers queries from architects, planners and consumers in connection with environmental properties of products and methods.</p> <p>Companies in the DAW Group have been producing “<b>Environmental Product Declarations (EPDs)</b>” and “<b>Environmental Systems Declarations (ESDs)</b>” for several years. They explain in a professionally detailed manner the environmental benefit for our customers and other interested stakeholders.</p> <p>DAW has been one of the first companies, which has drawn up product descriptions for the new “<b>DGNB Navigator</b>” (database of the German Sustainable Building Council) since 2012.</p> <p>At the trade fair “Paint – finishing &amp; facade” in March 2013 the <b>sustainability data sheets</b> developed by DAW were presented for the first time. They contain additional technical information about our products, e.g. about their environmental properties. The sustainability data sheets provide more transparency for our customers and have set a <b>new standard</b> in the industry.</p> <p>At the <b>Caparol Academy</b> for business customers, in 2013 a quarter of the advanced training courses consisted of sustainability-orientated topics (including thermal insulation, sound insulation, social aspects).</p> <p>The ecological advantages of DAW products were presented in January 2013 within the scope of the participation in the <b>World Future Energy Summit</b> in Abu Dhabi.</p> <p>DAW has taken part in a study at the Darmstadt University of Applied Sciences on the subject of the <b>CO<sub>2</sub> footprint for products</b>; the concluding event was held in the autumn of 2013.</p>



	<p>In 2013, DAW received <b>awards and distinctions</b> for the following products and initiatives due to their special sustainability and environmental aspects:</p> <ul style="list-style-type: none"> <li>● In July, the project “Living Spaces” received the <b>Health Media Award</b> under the patronage of the German Federal Minister of Health. This project involves a holistic colour/material concept for decorative room design, which takes into account the changed perception of people with restricted sight and/or dementia conditions.</li> <li>● In August, Caparol Croatia was nominated “<b>Business Leader in Sustainability</b>” of the World Green Building Council.</li> <li>● In October, three DAW products received the “<b>Iconic Award</b>” of the <b>German Design Council</b> – two of them due to their sustainability properties: the S 024 Facade Insulation Board, developed in 2012 (a particularly slim-line triple-layer board with very good insulation properties) and the new, quartz-coated, glass-fibre fabric “Capaver ElementEffects”.</li> <li>● In November, the hemp-fibre insulation board won the Austrian Climate Protection Prize in the category “Climate Protection through Innovation”.</li> </ul>
<p><b>Principle 10:</b> Working against corruption</p>	<p>The attitude of DAW in its business environment is characterised by fair conduct in competition and the affirmation of rejection of all forms of corruption. Appropriate statements can be found in the <b>DAW Company Manual</b>.</p> <p>Within the scope of the DAW <b>compliance structure</b> introduced in 2012 – consisting of a Compliance Officer, Compliance Committee and decentralised Compliance Representatives – the guideline on reliability and documentation of customer retention measures was communicated further in the sales regions and its implementation promoted in numerous face-to-face training sessions. The emphasis in the next stage will be checking its effectiveness.</p> <p>As planned, the compliance <b>e-learning training programme</b> started in December 2013 with modules on anti-corruption measures and antitrust training.</p>

## THE DAW GROUP

After more than 115 years, the DAW Group is now in its fifth family generation. The headquarters of DAW SE is in Ober-Ramstadt (near Darmstadt, Germany). Products from the DAW Group are known under the brands of **Caparol**, **Alligator** and **alsecco** for high quality paints, enamels, glazes, chemical building products and materials for facades and insulation technology, **Inthermo** for insulation systems based on wood fibre, **Disbon** for coating and renovation solutions in building protection, **Krautol** for professional structure coating materials, **CIS** (Caparol Industrial Services) for the industrial business and **Alpina** for paints, enamels and glazes for the end user.



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