

# **TRIP TRAP**

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**Trip Trap Denmark A/S**  
**UN Global Compact Communication on progress**  
**2013-2014**

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## **1. About the report**

Trip Trap has been subscribing to the UN Global Compact since 2010. Although the company has been working with sustainable business practices for years, the first progress reports set out the official direction for its contribution to global progress.

Following its compliance to the voluntary UN Global Compact program, Trip Trap is committed to meet reporting requirements, and subscribing to the UN Global Compact has enabled a more integrated focus on the topics of responsibility and sustainability. During 2013-2014 Trip Trap has continued its progress within the areas of human rights, labour, environment and anti-corruption. And the following progress report describes how Trip Trap has been working with corporate social responsibility and sustainability in everyday activities the previous year. This work represents a continuous progress with room for constant development, which Trip Trap will keep focusing on.

The progress report was prepared in compliance with the content demands of the GC Active level and captures the company's contribution to the UN Global Compact.

## **2. CEO statement of continued support in 2013-2014**



Today's business environment is characterized by its constant change, so we need to be able to meet these changes in order to succeed. We recognise this and strive to constantly develop and always be on the forefront. This is also the case when it comes to responsibility and sustainability, for which reason we continue to put great emphasis on our CSR strategy, procedures, work routines and goals.

The year of 2013-2014 is our fourth year of officially committing to the UN Global Compact, and with this report we officially introduce a new and redefined CSR strategy with focus on design, production and use. These areas have been chosen as primary focal points, as we believe that they are the areas in which we can make the biggest difference, as this is where our work has the largest impact. Our CSR efforts are strategic long-term goals that we will continue working on.

In continuation of this, we are also proud to announce that our Quality Manager has been voted onto the executive committee of FSC® Denmark<sup>1</sup>, which gives us the opportunity for a closer collaboration with FSC® and thereby to work even more integrated on the progress and developments of FSC® in general.

Jesper Panduro, CEO  
June 8 2014

### **3. Practical actions undertaken to implement the UN Global Compact principles**

At Trip Trap responsibility and sustainability are important priorities that are always part of the company's mind-set. Thus, Trip Trap keeps making an effort in regard to achieving development within these areas.

Contributing to Trip Trap's everyday work with responsible businesses is among others the Code of Conduct (CoC). This is an agreement between Trip Trap and its suppliers that consists of a range of requirements to be met by the suppliers, their employees and sub-suppliers. The ten universally accepted principles from the UN Global Compact is embedded in the CoC. Additionally, continuing follow-up on the supplier's compliance to the CoC is carried out in close cooperation with NEPCon.

NEPCon and/or Trip Trap also follow up on the suppliers' self-assessments to ensure appropriate compliance. If cases of non-compliance are recorded, the conditions that do not meet the requirements of the CoC are approached by creating an individual plan in cooperation with the supplier to bring things up to standard. This allows Trip Trap to ensure that the quality of its supply chain lives up to the same quality as the products.

#### **3.1. Redefined CSR strategy**

Responsibility is a cornerstone at Trip Trap and has among others defined the basic principle of Use and Preserve. Though not formally articulated until recent years, responsible business practices have been part of Trip Trap for years and this year Trip Trap has redefined its CSR strategy with Design, Production and Use as priority focal points.

*Design for generations* is a former Trip Trap slogan, which holds wise words even though it no longer functions as the company's official slogan. Design for generations

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<sup>1</sup> FSC® Denmark is the Danish office of FSC®. It is approved by FSC® International to handle FSC®'s Trip Trap's FSC® certification number: RA-COC-000903, licence number: FSC®-C004462.



highlights design as the core of Trip Trap as business and signals long-lasting quality, whilst linking quality and sustainability as two sides of the same coin.

With the focal points of design, production and use, Trip Trap wishes to confront the use and throw away mentality and promote how to contribute to use and preserve instead. Trip Trap's designs are of a high quality and therefore last for decades and even generations, which is in close line with the use and preserve principle. Choosing long lasting products, as opposed to products of a lower quality with an equally lower life span, results in a fundamentally lower strain on the environment in terms of procurement of raw materials, transportation, packaging, removal etc.

### *3.1.1. Design*

Design in Trip Trap is not just concerned with the product being pleasant to the eye and of a high quality; it is also about efficient and responsible use of the resources used for each design. Most of Trip Trap's designs are made of the natural and renewable resource of wood and Trip Trap strives to use wood from plantations with responsible forest management and conservation like FSC®-certified wood. In a FSC® forest the amount of wood being used does not exceed the amount of wood the forest is capable of reproducing. Likewise, wildlife and vegetation are protected and the people who work in the forest are guaranteed education, safety equipment and proper pay. Trip Trap has been a FSC® member since 2003.

Though constantly working on increasing the amount FSC®-certified wood in products, Trip Trap acknowledges that FSC® is not a label of quality but supports the organisation for its effort regarding environmental conservation and fair working conditions. As Trip Trap is designing furniture with a long life span, it needs wood of the best possible quality, wherefore Trip Trap has quality requirements beyond the FSC®-certification.

### *3.1.2. Production*

Production in Trip Trap is concerned with efficient and responsible production of the products. Trip Trap meets local standards and industry norms and takes further steps by using its CoC as an agreement between itself and its suppliers. The CoC consists of a multitude of requirements to be met by the suppliers in order to ensure efficient and responsible production. Of all elements of the CoC, six points are handled with zero tolerance. These are: No forced labour, no child labour, dignified treatment of employees, avoidance of highly dangerous working conditions, initiation of the reduction of pollution of air, water and soil, and abidance by international conven-

tions. The zero tolerance points are in compliance with the ten principles provided by the Global Compact.

The EU Timber Regulation (EUTR) of 2013 is another set of regulations ensuring that all timber and timber products are being handled according to law. Trip Trap has adopted practices to assure that the timber and timber products it uses are legal, as a minimum. Trip Trap is furthermore able to document how it minimizes the risk of dealing with illegal timber.

### *3.1.3. Use*

Use in Trip Trap is concerned with achieving the least possible environmental impact from the use of Trip Trap designs. This means that the designs have been designed bearing in mind that the environment should not suffer as a result of the designs being used and/or being disposed of. As a result Trip Trap strive to be abreast of current rules concerning chemicals, so that no hazardous chemicals are in danger of disrupting the surrounding environment. This way Trip Trap ensures that consumers never have to worry about using Trip Trap designs, but just enjoy them.

## **3.2. Audit procedures**

In 2011-2012 Trip Trap initiated the process of fine-tuning its audit procedures and in the following years the process has intensified and the company is now close to reaching the finish line, but are also flexible if adjustments are needed. It is an on-going process and hard work has been invested into achieving even better results in the implementation of the company's CoC at the suppliers. The ten principles of the UN Global Compact continues to serve as a baseline for the CoC implementation as does the company's zero tolerance requirements, that all suppliers and sub-suppliers must meet at all times.

All suppliers must sign the CoC and meet the requirements in it. The aim of the code is to help suppliers improve social and environmental standards, and therefore, Trip Trap encourages continuous dialogue, which benefits all parts. However, if compliance with the requirements of the code is continuously not satisfactory, Trip Trap will hold back new business until improvements are recorded.

Trip Trap's CoC includes all of the UN Global Compact's ten principles, but are not limited hereto. When auditing suppliers, they are checked in terms of their compliance with all of these points. Suppliers are expected to start implementing the CoC by the date of signing the document. In order to monitor the implementations, each supplier

must maintain appropriate records to demonstrate its compliance with the CoC. These records must be available to Trip Trap upon request at any time.

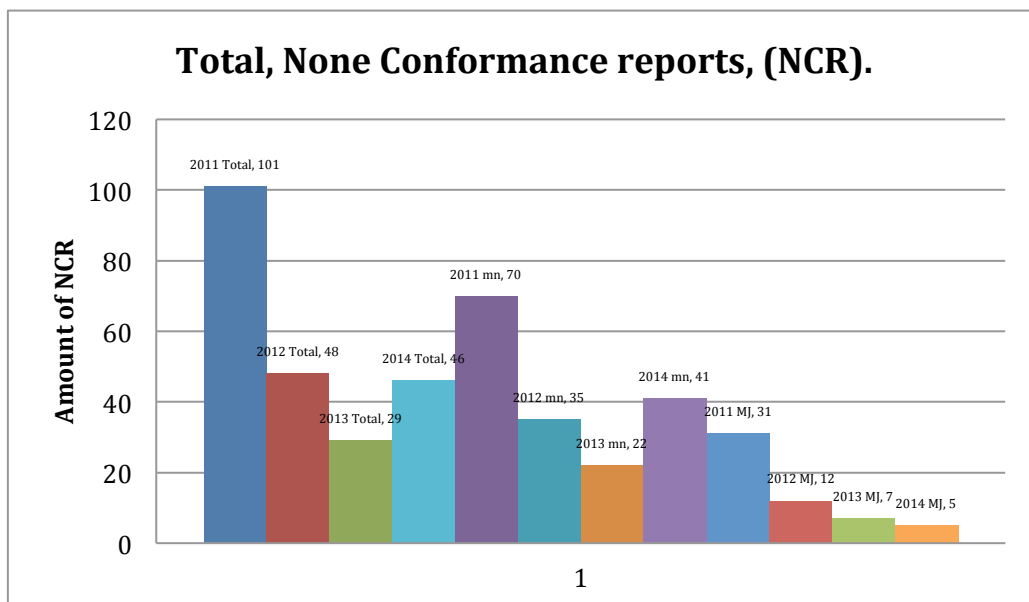
During the past year Trip Trap has re-audited five core suppliers, which constitute 80% of Trip Trap's turnover. These are all situated in so-called high-risk countries, and the audits were performed by local auditors recommended by NEPCon or Rainforest Alliance. Each audit was overseen by Trip Trap on-site to ensure an audit level in accordance with the guidelines required by Trip Trap.

### 3.3. Cases of non-conformance

Trip Trap's CoC guides the path for the company's continuous development of responsible businesses. Therefore, all Non-Conformance Reports (NCR) represent deviations from the CoC and its reference points<sup>2</sup> and need to be followed up on continuously.

Fig. 01 below demonstrates the decrease in total NCRs as well as it specifies the degree to which the categories of Minor NCRs (Mn) and Major MCRs (Mj) contribute to the total picture.

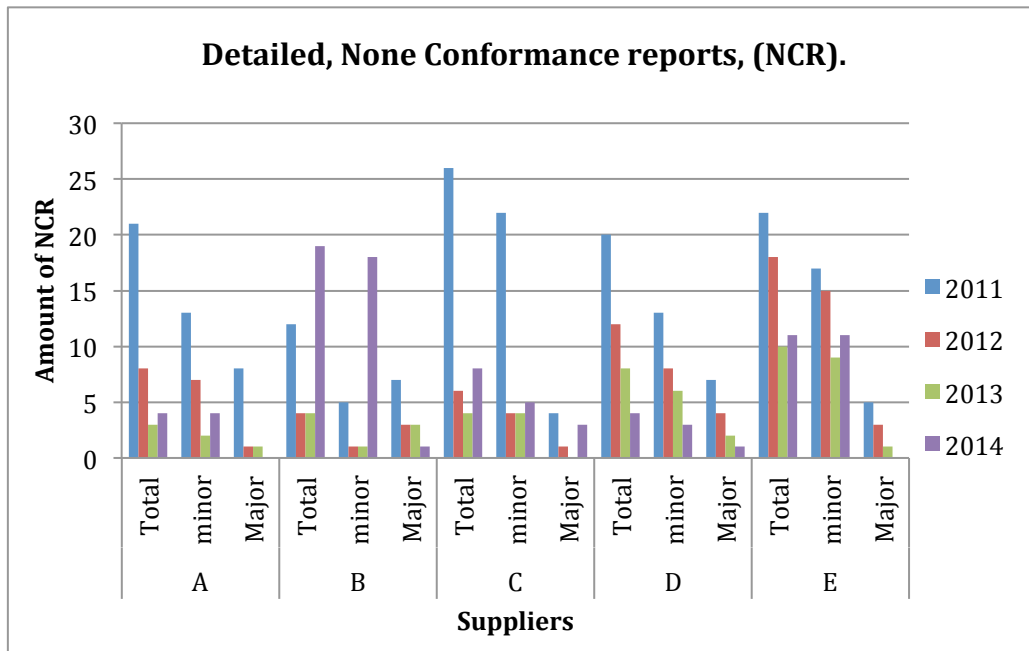
Fig. 01:



<sup>2</sup> The UN Global Compact principles, the general principles of the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), the International Covenant on Economic, Social and Cultural Rights (1966) and the Eight Fundamental ILO Conventions

Fig. 02 below demonstrates the year-to-year development of the five key suppliers within the NCR categories of Totals, Minors and Majors.

Fig. 02:



As the charts above indicate the total number of NCRs has risen from 2013 to 2014, this is because of the rise in minor NCRs. However, if looking at the development of total NCRs from 2011 to 2014 a significant improvement can be seen, as the number has decreased by approx. 54.5% during this period.

As mentioned, there has been an increase in the number of minor NCRs from 2013 to 2014. But, if looking at the overall picture, the total number of minor NCRs has decreased by approx. 41.5% from 2011 to 2014.

In terms of major NCRs, there has been a great progress as the number of these has decreased by approx. 28.6% from 2013 to 2014. The overall decrease from 2011 to 2014 is approx. 84%.

Though Trip Trap is attentive to the development of the numbers, the overall progress is positive but Trip Trap naturally acknowledges that room for future development still remain with respect to all of the suppliers. To move forward, Trip Trap therefore focuses on documenting a continuous development regarding the issues raised. This is done for example by continuously reviewing and discussing open NCRs with the suppliers and staying focused on external factors that can affect the progress.

To continue a positive development at each supplier, dialogue and negotiation are vital aspects. Especially when it comes to making top- and middle management understand the power of undertaking their day-to-day businesses responsibly and understanding the need to inform and educate employees. Progress is a step-by-step process and Trip Trap continues contributing to this process by taking on the role as an active sparring partner to its suppliers. This is for example achieved by the Quality Manager visiting the suppliers on a regular basis.

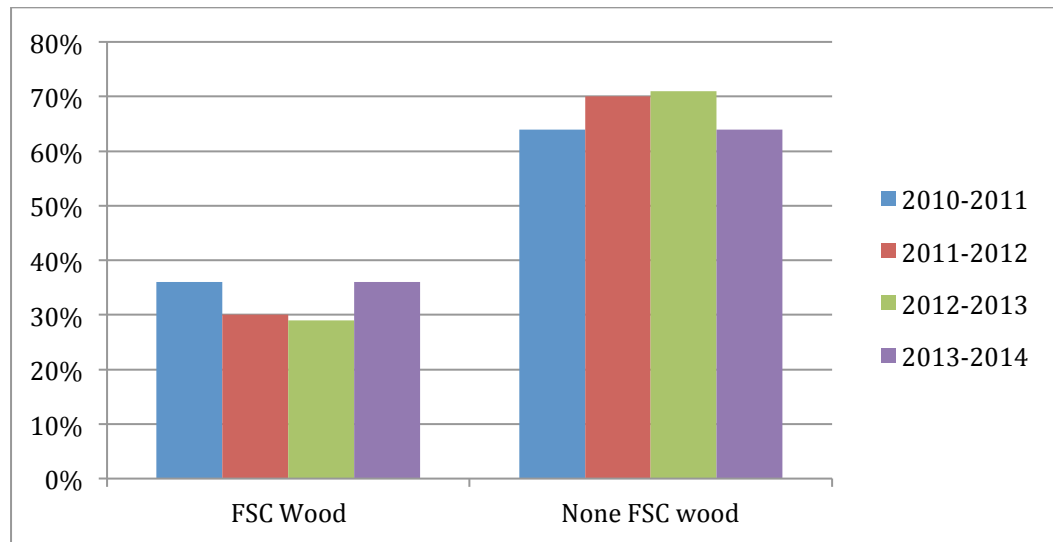
### **3.4. Investigating new possibilities**

When products are FSC®-certified, FSC® assesses the risk of illegal wood according to the EU Timber Regulation (EUTR) to be low and the company to have carried out the necessary due diligence. This means, that Trip Trap operates with point of departure in FSC® on the one hand and EUTR on the other as two complementary frameworks. Regarding Trip Trap's use of oak the path has been laid out, however, regarding teak there is still work to be done, as there are not many FSC®-certified teak plantations that live up to Trip Traps high quality standards. Therefore, Trip Trap has been investigating new opportunities regarding teak of the highest possible quality. Many options have been analysed, but have turned out not to live up to the high quality standards of the company. For example:

- South Sudan: The quality was too low and a civil war was formed.
- India: Not possible to trace the origin of the teak.
- Costa Rica: The quality was too low.
- Malaysia: Not possible to trace the origin of the teak.
- Brazil: At first the quality seemed too low, however, Trip Trap has found some corresponding to its high standards.
- Nicaragua: The teak is not yet old enough to fell.
- Guatemala: The teak cannot be used for furniture.

Since the previous report, the amount of FSC®-certified wood used for Trip Trap's designs has increased with seven percentile to 36%. See Fig. 03 below.

Fig. 03:



This result can be explained by the fact that Trip Trap is distributing more oak designs, which are FSC® 100% and FSC® MIX certified, but it is also because there has been a rise in designs using FSC® 100% certified teak.

### 3.5. Local initiatives

#### 3.5.1. Supporting educational work

Again this year Trip Trap has supported the FSC® Green Goods auction, which auctions off FSC®-certified products, that have been donated by companies who wishes to support the work of FSC® Denmark and who themselves distribute FSC®-certified products. The profit from the auction goes to FSC® Denmark's work on educating and informing about the FSC® labelling as well as increasing the awareness of FSC® in general.

Furthermore, Trip Trap's Quality Manager has been voted on to the executive committee of FSC® Denmark. This is considered a great opportunity for closer collaboration and contact with FSC® and thereby the chance to work even more constructive on the progress and developments of FSC® locally and globally.

#### 3.5.2. Collaboration with Nordvirk

This year Trip Trap has engaged in cooperation with Nordvik about scrapping its computers at the end of their useful lives. Nordvik is a socioeconomic operation with the vision of creating jobs for people with autism spectrum disorder (ASD) and the like, who have a hard time adjusting to an ordinary workplace. Through this they get a

chance to use their skills in real life and thereby contribute to society and earn their own salary.

Through this cooperation Trip Trap supports a good cause and at the same time the company's "worn-out" computers are disposed off in an accountable and environmentally responsible way.

### *3.5.3. Optimising the headquarter*

A recent assessment of the budgets shows that the positive development of bringing down expenses for electricity and heating is continuing.

## **4. Achievements of 2013-2014**

- Major NCRs have decreased by approx. 28.6%
- Started intensive work on CSR awareness within Trip Trap, including:
  - an overall strategy for carrying out CSR activities,
  - the use of an external consultant, and
  - an extensive presentation including exercises on the subject at the annual kick-off
- New audit format has been implemented in Trip Trap
- Quality Manager in FSC® board

## **5. Future goals**

- Suppliers in high-risk countries is continuously audited and the results must be followed up on, in order to secure continuous progress
- Investigate whether there are economic savings as well as savings on CO<sub>2</sub> emissions to be found in "transportation"
- Investigate opportunities for sustainable disposal of designs
- Continue work on CSR awareness within Trip Trap
- By 2020 all wood used for Trip Trap's furniture is FSC®-certified