

UN Global Compact

Communication on progress

September 2014



Duba•B8



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This Communication on Progress (COP) covers the period from 6 September 2013 until 5 September 2014, 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 large¹.

¹) Reference 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 bribery².





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 100 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 2015.

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, Norway and Singapore. A total of 160 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 co-operates 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 2010 (Danmarks statistik) show that 52 percent of girls and 45 percent of boys age 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 four children/adolescents under the age of 18 (three 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 1 adult apprentice and 1 apprentice under 25 years of age. 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. 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.

The child's father is entitled to two weeks' paternity leave, which must be taken between the first and fourteenth week and can begin on the day the child is born. Paternity leave must be taken as a contiguous period. The mother and father can also share 8 weeks of parental leave.

Parental leave may be divided between the parents and taken as two separate periods (unless otherwise agreed with the employer).





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.



Seniority and employee satisfaction

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.

Even though staff retention is not a precise measurement of employee satisfaction, the figures do give some indication of how satisfied employees are with their workplace. Average seniority at Duba-B8 is currently 9.91 years, i.e. almost ten years. Behind this average figure, there is a relative wide range, as the company regularly recruits new employees and employees do seek new challenges outside the company. However, there is a relatively large group of employees, who have been with the company for 20 years or more. Studies by Statistics Denmark reveal that Denmark has Europe's most mobile workforce: 20% of the workforce has less than one year's seniority in their current job. According to another Statistics Denmark report (2004), the national average is 7.2 years.

A high average seniority means that many Duba-B8 employees will be celebrating one or more anniversaries. It's quite something to celebrate golden jubilees (50 years) for both an employee and Duba-B8 – as was the case in 2014. On 28 May 2014, Find Jensen celebrated not only his last day at work but also his golden jubilee at Duba-B8. In recognition of this achievement, Find Jensen was awarded the Royal Order of Merit. The following newspaper article was published on the occasion of Find Jensen's remarkable anniversary:

Find Jensen began his career at Bjerringbro Sawmill in 1963. At the age of 14 he was employed as a junior labourer. On 28 May 2014 he will be celebrating a well-deserved golden jubilee at the company, which is now known as Duba-B8. Over the years Find Jensen has lived through many changes, which he has always welcomed with open arms. He remembers the introduction of chipboard at the factory and the switch to mass production as two of the most exciting events in the company's history. His warm-hearted approach has always had a positive effect on colleagues across the factory, no matter where his tasks took him. He ends his career in the Construction Department. He will be assembling his last cupboard on 28 May 2014. Duba-B8 thanks Find Jensen for many years of diligence and unswerving loyalty to the company."





Staff benefits

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. It is also possible 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. The health insurance provides fast and professional medical assistance in different situations, including surgery at a private hospital, physiotherapy etc. 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 seven 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.



Table: Recording sick leave, accidents and near-accidents.

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 = "Nearmisses"/ employees expressed as a percentage	Absentee-ism
2009	3	0					6,9 %
2010	3	4	1:1	118	3 %	3 %	4,0 %
2011	4	3	1:1	126	3 %	2 %	2,6 %
2012	2	37	1:12	135	1 %	27,4 %	3,0 %
2013	5	14	1:3	160	3,1 %	8,8 %	2,6 %
2014 (until aug.)	3	12	1:4	163	1,8 %	7,4 %	1,8 %

Measures to improve the physical working environment

Duba-B8 is a workplace where many different departments operate side by side. 92 employees are employed to handle administrative or management tasks. These are tasks that rarely result in occupational accidents or injuries. A total of 63 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 increased significantly in 2012, after which time it fell. This reduction is the result of a project in 2012, which focused on the importance of reporting near-accidents. It is only through painstaking reporting that real accidents can be avoided. All registered near-accidents are investigated and preventive action taken.

In principle, the ratio between accidents at work and near-misses is between 1:5 and 1:10. This means that, for every work-related accident causing personal injury, there are between 5 and 10 near-accidents. In other words, you will have missed 5-10 opportunities to prevent the accident from happening. The statistics illustrate how important it is to register and process near-accidents.

The individual employee's understanding of the risks at the workplace and in his or her surroundings is extremely important. Their understanding of the risk determines whether incidents occurring there are considered potentially hazardous and therefore reported as near-accidents. As part of the introductory programme for new employees, they receive a folder explaining why we register near-accidents. New employees are also shown how to create a report in the system.





OHSE representatives are also encouraged to note down and report any near-accidents they observe and to make safety inspections before each meeting of the OHSE committee. Representatives are also expected to help keep the workplace neat and tidy on an ongoing basis and to ensure that emergency routes are free of obstacles in order to avoid fall accidents.

Unfortunately, we find that accidents continue to occur in production areas. However, the consequences of such accidents are gradually becoming less severe. Falling sick leave figures indicate that accidents in the workplace seldom cause prolonged periods of sick leave.

Accident prevention

A safe and healthy working environment is created by preventing, identifying and reducing or eliminating existing risks.

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.

In addition, there are two examples of preventive measures taken in Administration. The risks here are different because the most prevalent danger there is pressure of work. Excessive pressure of work is usually caused by external influences and different preventive measures are therefore required.

Electric height adjustable table with rotation in the varnishing department

By early 2013, Duba-B8 had completely phased out the use of acid-hardening varnish. This measure obviated the need to encapsulate machinery as it meant that the varnishing department ceased to be an ATEX zone (ATEX = explosive atmosphere). We have since been able to change processes in the department. We have invested in a height adjustable worktable with rotation. Operators can raise and lower stacks of board for spraying and turn the stack to ensure that varnish is sprayed continuously towards the suction wall, therefore minimising the risk of exposure to varnish dust. Recognising that everyone is more strongly motivated to use aids which are easy to use, the rotation mechanism is remote-controlled, which means that the operators do not have to go across to the operating panel on the wall every time the stack has to be turned.

Sensors in the varnishing system

Duba-B8 has an elderly varnishing system at the Bjerringbro production facility and it sometimes shows its age! For example, during spring 2014, we found on occasions that curved elements got stuck in the UV unit. As the UV lamp is very hot (800 °C), wooden elements stuck inside the machine represent a serious fire hazard. A sensor has now been installed to register that elements both enter and exit the machine. The UV unit stops automatically if the elements fail to pass through the machine within a specific period of time.

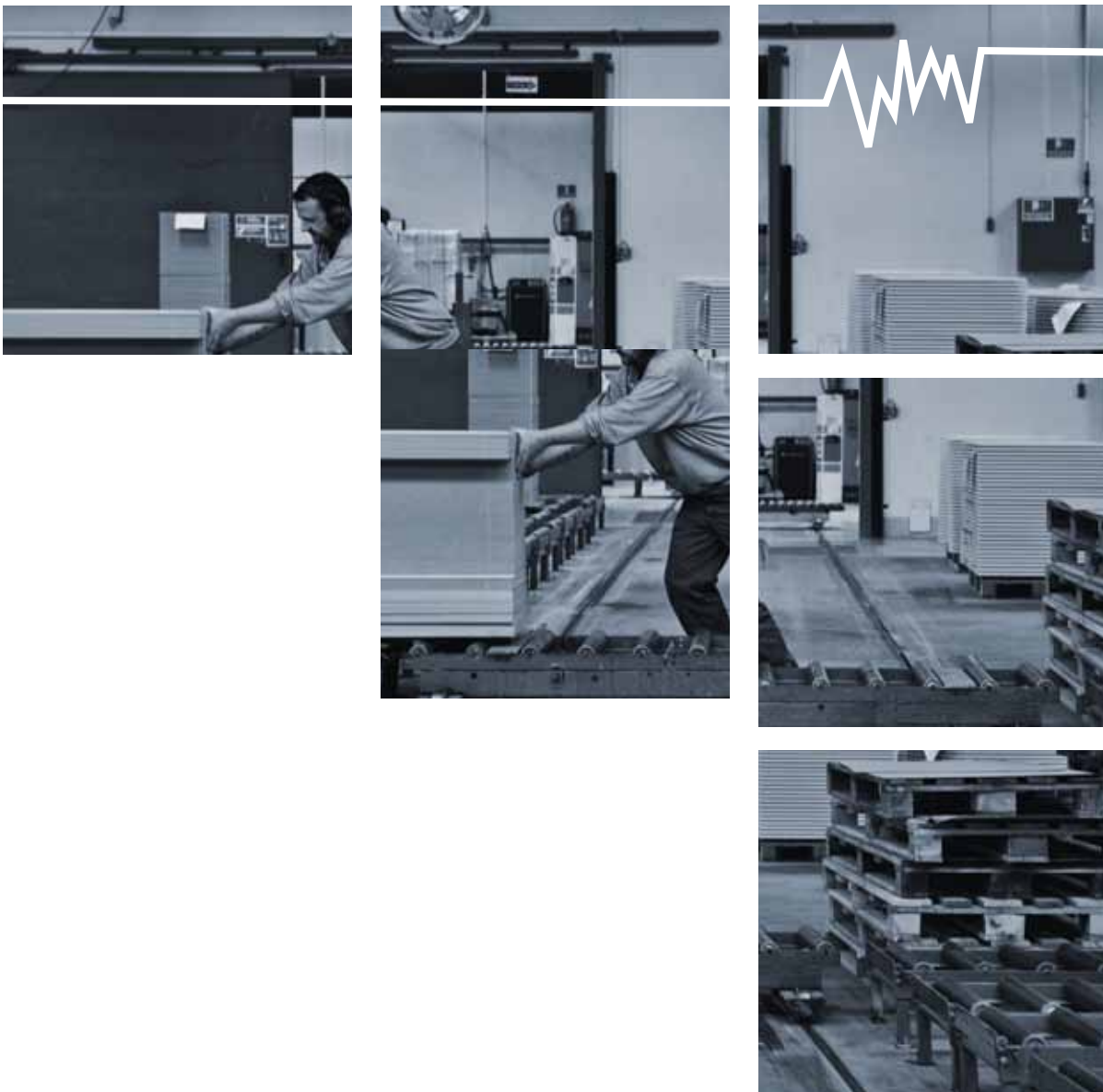


Perspex in the profile processing alley (KF-Gade)

At an external audit in 2013, it was observed that it was possible to get your fingers crushed in the wire netting around the profile processing alley (KF-Gaden) if you held onto the netting as the gate opened. A sheet of perspex has now been fitted to prevent people from putting their fingers through the netting.

Redesign of rotating belt

At the end of the profile processing alley (KF-Gaden), there used to be a belt which could be rotated. On occasions it was observed that the stack of elements on the belt was close to sliding off in connection with rotation. The belt has therefore been redesigned.





Minimising stress factors in Administration

In the following, there are two examples of preventive measures taken in Administration. The risks facing administrative employees are seldom associated with physical hazards but often the consequences of external factors causing increased pressure of work, burdening their time and mental capacity. Experience tells us that the greatest risk facing this group of employees is posed by the pressure of working in a highly competitive market and a number of stress factors that follow in its wake. Preventive measures focus therefore on preventing stress as a result of heavy pressure at work.

As the main supplier of furniture to the public sector, Duba-B8 has been awarded large contracts to supply office furniture for teachers' preparation rooms in Danish schools. In August 2014, a new collective agreement entered into force for all public school teachers in Denmark. As a consequence, teachers must have workstations at the schools. From June to August, Duba-B8 delivered approximately 18,000 teacher preparation workstations in approximately 1,000 different configurations to more than 60 municipalities in Denmark. The colossal volume of work significantly exceeded production capacity at the Bjerringbro factory. As delivery times were short, there has been unprecedented pressure on production capacity at Duba-B8 and its sub-suppliers, i.e. in effect, at all the office furniture production facilities in Denmark.



External telephone service

Very tight deadlines gave rise to delivery problems and this meant that there were many calls to the Duba-B8 Customer Service centre. Unfortunately, our Customer Service employees found themselves on the receiving end as some of the callers aired their frustration. To ease the pressure on the employees, who were already doing their utmost to provide an excellent service, Duba-B8 decided to hire an external service company to answer the phone, thus relieving some of the pressure on our own employees.

Daily priority meetings

The task of delivering teacher preparation workstations has been an extraordinary feat of resource planning and one which required daily follow-ups. Daily meetings were held to coordinate work flows and prioritise resources throughout the supply chain. We sought to ensure that everyone put their energy to work in the right places. We avoided people “wasting time” resolving tasks that could not be resolved due to challenges elsewhere in the supply chain.

Even though the school reform brought great pressure to bear on Duba-B8 and our employees, the fact does not seem to have been reflected in absenteeism. We are, however, in no doubt that a project of this type and magnitude does have an effect on our employees’ mental well-being – at least while it is ongoing.

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.

The most important project was further training for middle managers and key staff. The objective of the training programme is to give members of this group a toolbox of competences so that they are in a position to act as the link between management and the employees at the operational level. One derivative effect of the training programme is that the group has become much more adept at allocating time, delegating and encouraging cooperation within the group. These are all useful tools to prevent stress and create a sustainable day-to-day existence.





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 employees need 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.

APVs and the MTU

(Workplace risk assessments and the employee satisfaction survey)

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 2014. In 2014 we also carried out an employee satisfaction survey (known as the MTU). Workplace risk assessments and the employee satisfaction survey are complementary measures. Both initiatives are described in detail in the following.

We allow leaders freedom to choose how they make their workplace risk assessments (known as APVs) – provided, however, that they cover all designated aspects of the working environment. At Duba-B8 we have often resolved this task by asking employees individually to complete a questionnaire. The questionnaire asks the employee to consider a large number of issues and to offer his or her personal assessment of these issues. However, it transpires that this method is particularly work-intensive for the OHSE organisation. Furthermore, when the results are collated, processed and the issues are to be resolved, the people who described a specific issue do not recall that there ever was an issue. Thirdly, employees do not necessarily have a correct understanding of the risks. For example, noise pollution is often evaluated differently by two employees working in the same area of the factory.

This time we decided therefore to carry out dialogue-based APVs. A third-party consultant talked





through the different sections of the APV with small groups of employees. The same method was applied with hourly-paid and salaried employees. The consultant also prepared a draft OHSE report for each of the areas for which the OHSE organisation evaluated that we needed more data. Hourly-paid staff were invited to attend a talk on ergonomics, while salaried staff heard a talk about personal well-being and stress.

A questionnaire-based APV tends to focus exclusively on problems and if a workplace focuses exclusively on things that do not function well, there is a tendency for these areas to spend too much time and energy on negative issues and thus exert a negative influence on job satisfaction. In the APV review we sought therefore to focus on the positive aspects of working at Duba-B8. As a result, there is more focus on job satisfaction, which is a very important motivation (for most employees) to remain in the same job.

The advantage of working with dialogue-based APVs is that some issues can be addressed at once and resolved via the dialogue and do not have to be routed through an APV action plan. The employees themselves were also involved in identifying possible solutions to resolve their difficulties. Problems and proposed solutions were collected and handed over to the OHSE organisation, which reviewed the material and evaluated which issues to resolve. An APV action plan was then drawn up and publicised in the leadership manual, in which further developments can be tracked. The OHSE organisation will follow up on the issues raised at quarterly OHSE meetings.

The Employee Satisfaction Survey 2014

(known as the MTU)

The Employee Satisfaction Survey (MTU) is carried out in order to take the temperature of Duba-B8 employees. The MTU presents employees with an opportunity to respond anonymously to a battery of questions to get their view on a number of circumstances, e.g. working conditions, wages/salary, tasks, training, leadership, etc.

The 2014 survey showed that there is a generally satisfactory level of employee satisfaction. Of course, there are areas where there is room for improvement. Ultimately, the management team aims to achieve a high level of employee satisfaction across the board.

To reach this goal, survey results are processed in three phases:

1. The results are reviewed: all department managers invite their employees to attend a meeting to review and discuss the MTU results. At the departmental meeting, the group makes two internal and one external proposals for improvement, which are then communicated to the leadership group by the department manager.
2. Implementation of proposals for improvement: Plans for implementing proposed improvements are drawn up, including KPIs, which are regularly communicated to the organisation at monthly information meetings.
3. Follow-ups and adjustments: Every department holds a follow-up meeting to assess the effect



of the improvements implemented. Adjustments may be made. Finally, the effects of improvements are measured.





The company spirit – celebrating 100 years

Duba-B8 celebrated its centenary in February 2014. In addition to celebrating with shareholders, employees, customers, partners and friends in August 2014, we have also published a book to celebrate our 100th birthday. The book contains retrospective articles recalling events in the many years that have passed since the company's foundation in 1914. As work on the book progressed, we trawled the archives. Several interesting facts came to light and it was striking to note how little the spirit that permeates the company today has changed over the past 100 years. Martin and Kristian Bach, who founded the sawmill in 1914, ran the company on their own personal values, of which a high standard of personal ethics and awareness of social responsibility were pivotal.

Martin and Kristian Bach were aware that the sawmill influenced the local community, and they therefore felt they had an obligation to exercise social responsibility.

In 1928 they founded a health insurance fund for their employees. The sawmill and the employees each contributed 50%. Employees were then entitled to draw sick pay from the first day of illness for a period of up to 13 weeks. If there was anything left in the fund at the end of the year, the money was paid out to the employees at Christmas. Social security insurance was not made obligatory in Denmark until K.K. Steincke's social reforms in 1933. The sawmill's fund was ahead of its time.

In 1941 the sawmill became a public limited company. In the period from 1914 until 1941, Kristian Bach, other members of the family, friends and employees had all repeatedly invested their savings in the sawmill. Their investments were now converted into shares and a Board of Directors was convened, comprising the Bach brothers and two employees. Even though the Bach brothers probably had the final word, the employees now had a formal influence at the workplace. Today there are still two employee-elected representatives on the Board.

The third point of interest we think worth mentioning here is that the Bach brothers considered it their responsibility to offer work at the sawmill, and therefore a livelihood, to people, who would not normally have been employable, e.g. people with disabilities. Today in Denmark we have benefits and initiatives which ensure that people with disabilities can live good, dignified lives. Such benefits did not exist in the early half of the 20th century. The sawmill grew and was soon the largest workplace in the local area. The Bach brothers considered it their responsibility to offer work and a livelihood to this group of people in the community who would not normally have been in a position to earn a living.

It was not until 30 years go that the right to work even though you have a disability was integrated into social policy in Denmark.



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.

Table: Component suppliers' who have acceded to the Duba-B8 Suppliers' Code of Conduct

Year	2013	2014
Active suppliers	301	228
Component suppliers	92	89
End product suppliers	209	145
Component suppliers who have signed the SCOC	19	24

So far we have focused on getting our component suppliers to sign the Duba-B8 Code of Conduct. At the end of 2013, we have expanded our work with our suppliers of finished products, and it has resulted in five suppliers of end products signing our Code of Conduct. In terms of purchased volume this is equivalent to 39% of purchase of finished products and 83% of purchase of components that are covered by our Code of Conduct.

We will continue to focus on our component suppliers by endorsing our Code of Conduct, as we actively opt into suppliers who have joined rather than suppliers who have not joined. Suppliers of end products are characterized by the fact that they are independent brands which our customers choose due to the brand value. We continue to affect these suppliers, so our primary partners are working with the same set of values as Duba-B8.



Environmental Principles

We expect a lot from 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 Furnituremakers' 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.

In 2013, Duba-B8 introduced new procedures for sorting waste at source with a view to increasing recycling and recovery. Incinerable waste from both manufacturing and administration is sorted into cardboard, paper, PE plastic, organic waste and burnable waste. The fitters bring their packaging back from customer sites for sorting.

The goal in 2013 was to reduce combustible waste by 10%, and we achieved a reduction of 14.95 tons, corresponding to 32%. The figure for the period January to August 2014 is 23,3 tons corresponding to 2.9 tons of combustible waste per month. It is therefore to be expected that the total volume of waste will reach 35 tons in 2014. However, this figure should be seen in the light of total production figures and increased project activity in 2014. As we aim to achieve status quo, we will increase focus on sorting at source.

Table: Reduction of incinerable waste

Year	2011	2012	2013	2014 (until aug.)
Incinerable waste in tonnes	47,53	45,65	30,7	23,3

The goal is to reduce the volume of incinerable waste by 10 % in 2015.

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.



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.

Certified office furniture

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 2014 is still 10% of the overall sales of wood-based furniture to be certified furniture. We are confident that this goal can be achieved as a new collective agreement entered into force August 2014 for all public school teachers in Denmark. As a consequence, teachers must have workstations at the schools. From June to August, Duba-B8 delivered approximately 18,000 teacher preparation workstations in approximately 1,000 different configurations to more than 60 municipalities. All the desks, storage units, meeting tables etc. delivered to these schools are made of FSC® or PEFC™ certified materials.

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.

A summary of the article is reprinted on the next page.



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

BY Michael Rothenborg

WWF (The World Wildlife Fund), Forests of the World, the office furniture manufacturer Duba-B8 and Denmark's largest timber group, DLH, are accusing Danish Environment Minister Ida Auken (Socialist People's Party) of having double standards and being economical with the truth.

The attack came in response to 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."

Her critics believe that this is blatantly untrue because the Danish state and municipal authorities continue to avoid using sustainable timber products. "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.

The four critics claim that "In reality public authorities continue to focus on price as opposed to sustainability".

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.

Ida Auken insists that the system is working well and that the guidelines are used in connection with purchases of significant amounts of paper, furniture and other sustainable products.

"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."

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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:

Certified office furniture

Summary

On Monday, The Forest Stewardship Council (FCS®) in Denmark met with the Environment Minister and submitted a number of specific proposals for how the public procurement guidelines for wood and paper could be improved.

In recent years, FSC Denmark has been working to put 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 specific proposals for how we can improve the public procurement guidelines for wood and paper.

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

Recommendations

The FCS® gave specific recommendations to the minister:

- Establish impartial guidance for buyers and suppliers using the British model.
- Develop and provide training regarding the guidelines and their use for buyers and suppliers.
- Create solid improvement in the monitoring of sustainability requirements, for example, by auditing invoices via e-Faktura as part of quality assurance and as written requirements in binding municipal and government contracts.
- Perform baseline measurements of how the guidelines are currently used and create targets for necessary future use for the guidelines 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 use a more dialogue-based tender form.
- Introduce minimum sustainability requirements for a small number of test municipalities in order to test the financial and practical costs and benefits of binding guidelines.
- The FCS® also recommends that the guidelines become legislation, as FCS® studies and experience (for example, in the UK) show that this would have greatest impact. However, the Danish Department of the Environment is not prepared to do this.

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 com-



panies 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 2.9%.

As a result of pressure brought to bear on her by the business community, along with FSC and PEFC in Denmark, the minister changed her mind. In connection with the launch of "A Strategy for intelligent public procurement" in October 2013, the government announced that the state would in future oblige itself to purchase timber that is documented as sustainable. New, mandatory procurement guidelines came into force on 1 July 2014. The Danish government announced plans to follow up on the strategy, including the effects of the new guidelines, during spring 2015.

Duba-B8 continues to maintain focus and to monitor whether regional and municipal authorities abide by the procurement guidelines as it remains optional for public buyers to decide whether to comply with the guidelines or not. In addition to making the guidelines obligatory for some parts of public procurement, the decisive difference in the new guidelines is that they require that the origin and sustainability of products are documented. In reality, the only reliable proof of the origin and sustainability of timber products are FCS® or PEFC™ certificates.

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 for products supplied 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 relation-



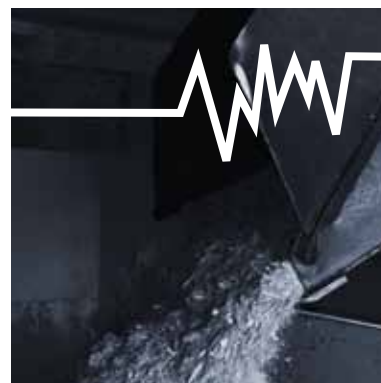
ships with subcontractors and collaborating with them to develop the environmental, quality and occupational health and safety issues based on the requirements placed on us and our products by customers results in long-term benefits to both the environment and the climate.

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, book-keeping, 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.

Duba-B8 is FCS® and PEFC™ Chain of Custody (CoC) certified. These certificates and our commitment to the UN Global Compact include an obligation to desist from engaging in bribery and any other type of corruption. In 2013, we contributed to anti-corruption by supporting FSC Denmark. We



sponsored activities, which aimed to increase awareness of FCS® in the contract market. We hope that, in time, these efforts will help to increase the demand for certified furniture – and thus more efforts to combat corruption in all its forms.



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