

To UN Global Compact:

I am pleased to confirm that ArcusGruppen reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,  
Otto Drakenberg  
Group Chief Executive Officer  
Arcus-Gruppen AS

We are ambitious at ArcusGruppen. We strive to be the best in wine and spirits in the Nordics, and we know that as a large, serious player we must actively take into consideration the world around us.

When we define our corporate social responsibility, we start with the expectations that customers, consumers and society place on us and analyse both the business opportunities and the risks. Our work with Corporate Social Responsibility (CSR) is an integral part of our operations and helps us achieve our goals.

ArcusGruppen is an important partner for the Nordic alcohol monopolies. One fundamental requirement for us is to follow their initiatives to contribute to the safety of the entire supplier chain.

We must effectively operate in all areas and work systematically to reduce our consumption of resources and emissions.

At ArcusGruppen we will create great experiences. In line with this we have defined the work for responsible consumption as part of our CSR policy.

We have chosen to focus on three areas for CSR at ArcusGruppen:

- *Environment*
- *Responsible trade*
- *Responsible consumption*

## Our Policy

The Board of Directors of ArcusGruppen has adopted a CSR policy that applies to all Board members, managers, employees and contractors throughout the entire Group, including wholly- and partly-owned

subsidiaries. At ArcusGruppen we also place clear requirements on our own organisation through the Group's ethical rules.

Both the CSR policy and the ethical rules are available at [www.arcus.no](http://www.arcus.no)

ArcusGruppen has selected the UN's Global Compact as the platform for its CSR work. We have based our policy on the ten principles Global Compact has set for the environment, human rights, working conditions and anti-corruption.

The alcohol monopolies in Sweden, Finland, Norway, Iceland and the Faroe Islands have prepared a common Code of Conduct. ArcusGruppen supports and actively participates in this initiative. We will comply with all of the requirements of the NAM Code of Conduct, and we will place the same demands on all our suppliers and partners.

## HSE – Health, Safety and the Environment

Health, safety and the environment are important and they are solidly anchored throughout ArcusGruppen's entire organisation. This is an absolute must for production-based operations like ours. One of our most important measures, and that we focus on daily, is the reporting and handling of near accidents. This process makes it possible to identify weaknesses and implement measures before someone is injured. These measures have produced positive results. One injury resulting in absence due to illness was reported in 2014 compared to five in 2013. Our goal is for there to be zero injuries in 2016 that result in absence due to illness.

### Important training

HSE training for our own employees, and new employees in particular, contributes to raising awareness and ensures compliance with our procedures. Service personnel who will be with ArcusGruppen temporarily also receive a thorough introduction to our procedures and safety instructions before they may start their assignment. This brings safety to the forefront for both our own employees and our partners.

### Active industrial safety organisation

In order to be prepared for an unforeseen and serious event, ArcusGruppen has established an active industrial safety organisation. This includes training courses and exercises in first aid, fire extinguishing, CPR and safety and security services for all members of the industrial safety organisation. In addition, members of Group management are trained in how to handle unforeseen events and professional interaction with the media. Every year extensive exercises are held together with external emergency forces such as the police, firefighters and ambulance personnel. Joint debriefings after such exercises help create a functional plan and a good cooperation between the emergency services.

ArcusGruppen is also aware of its role with regard to drug prevention and has an active and visible AKAN committee. ArcusGruppen also works with professional occupational health services to ensure that there is access to sufficient expertise when needed.

## Reduced absence due to illness

ArcusGruppen reduced its absence due to illness in 2014 by 1.5 percentage points, which corresponds to a reduction of 23 per cent, and ended the year at 4.9 per cent. The Group has been an Inclusive Working Life company for many years and has a solid cooperation with both occupational health services and NAV offices to focus on the an individual's health and secure the necessary follow-up and support. Training managers in how to follow-up of absence due to illness is also an important method for increasing attendance. The attendance factor shall be further strengthened by increasing the focus on preventive activities, such as ergonomically adapted work stations and working methods, enjoyment and participation.

# ENVIRONMENT

**ArcusGruppen produces, imports, bottles and distributes wine and spirits for the Nordic market, and we have an impact on the external environment in doing so. We support a precautionary approach and work in accordance with plans to reduce our environmental footprint.**

## Measures

The entire production chain is mapped and analysed. Measures are implemented where the gains are greatest. This benefits the business while at the same time reducing the negative impact on the external environment.

Goal *)	Target *)	Status 2014
Increase energy efficient in production	0.323 KWh/litre produced	12-month rolling measurement at October shows 0.35 KWh. The target was not reached due to lower production.
Increase the percentage of renewable energy for operation of buildings	62%	The percentage was 70% in 2014. Most important contributions are the geothermal heating system.

Reduce water consumption in production	4% (secondary target for 2014) 10% in 2016	The goal is that water consumption will be reduced by 10% in 2016. Achieved reduction January-October 2014 was 10% due to steadily improved knowledge about how to utilise the possibilities of the facilities.
Reduce waste in production per bottled litre.	10% per bottled litre in 2016. Established reference point for wine and spirits (secondary target 2014).	Reference point has been established for wine, and waste has been almost halved in 2014. For spirits the reference point will be established in the second quarter of 2015 based on data from the new data warehousing solution that was taken into operation in early 2015.

\*) All goals and targets apply to the operations at Gjelleråsen

## RESPONSIBLE TRADE

**This area has an overall goal to ensure that ArcusGruppen complies with human rights and workers' rights and that we do not support any form of corruption. Responsible trade has been adopted as one of the Group's goals particularly because of the countries from which we import wine from, which could be in violation of some of the conditions mentioned above.**

**The entire production chain is mapped and analysed and measures are implemented where the gains are greatest. This benefits the business while at the same time reducing the negative impact on the external environment.**

### Measure

The Nordic alcohol monopolies (NAM) have developed joint guidelines for CSR (NAM Code of Conduct) and ArcusGruppen complies with these guidelines. Suppliers to Vingruppen in Norway have confirmed to ArcusGruppen that they comply with NAM's Code of Conduct, and random checks by Vinmonopolet have verified this. In Sweden and Finland, Systembolaget and Alko, respectively, conduct their controls independently of the importers, and we therefore do not know which producers and which countries will be checked. Neither Vingruppen in Norway nor Vingruppen i Norden in Sweden have received any negative remarks.

ArcusGruppen is obliged to follow the ten fundamental principles of the UN’s Global Compact. These principles regulate human rights, working conditions, the environment and anti-corruption. Membership in Global Compact means that the company will do its best to manage its operations in line with these ten principles.

All employees at ArcusGruppen are covered by ethical rules that place clear, strict requirements on our interaction with customers and suppliers.

Initiative	Status 2014
Nordic Alcohol Monopolies’ Code of Conduct	No negative remarks were received following NAM’s controls.
UN Global Compact	In 2014 ArcusGruppen reported for the first time in full format and with a detailed description of how we comply with the Global Compact principles. ArcusGruppen’s status was upgraded from Basic to Active.
Ethical rules for ArcusGruppen.	No breaches were reported in 2014.

# RESPONSIBLE CONSUMPTION

At ArcusGruppen we are conscious of the special responsibility we have to promote a positive attitude toward and proper use of the products we sell. Responsible consumption was a prioritised area in 2014 and a foundation was laid to continue this work in 2015.

## Measure

Every employee at ArcusGruppen can be seen when out at both professional and private events. What we

do and the attitudes we express matter. This approach forms the basis of our starting point in 2014 for our work with plans and measures to promote responsible alcohol consumption.

We would like to increase involvement in our own operations and have set a goal that ArcusGruppen's efforts to create a positive alcohol culture should be a source of internal pride.

At the same time it is our ambition to continue to expand on internal measures so that we can reach relevant groups with information and awareness-raising measures.

<b>Goal</b>	<b>Target</b>	<b>Status 2014</b>
Strengthen involvement in creating a responsible alcohol culture.	Before the end of 2016, 8 out of 10 employees should be proud of ArcusGruppen's efforts to achieve responsible consumption.	An internal campaign has been planned.