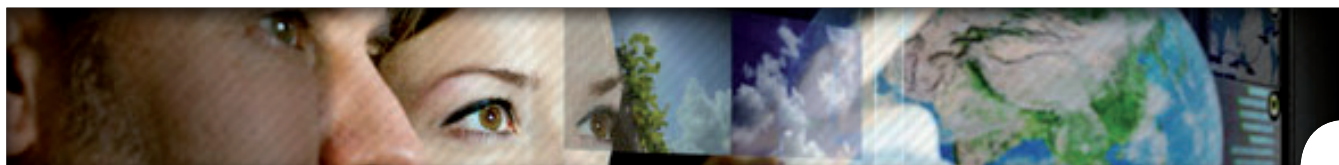


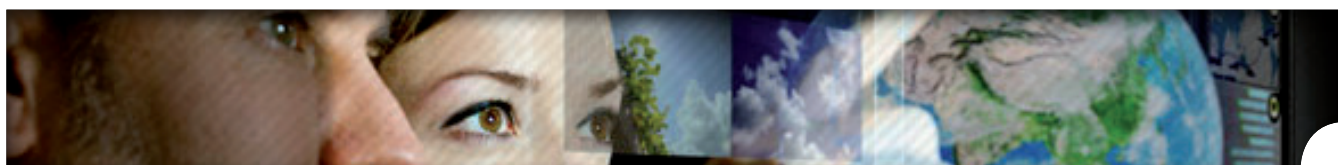
DEVELO



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Statement of continued support

Develco is a highly recognized engineering company designing high-end electronics and embedded software. Innovation, reliability, and future-proficiency are keywords.

A core value at Develco is the UN Global Compact. The ten principles constitute the basis for Develco and our employees – it is simply the way we are doing business. We believe that a sustainable approach at all levels affects our results in a direct: positive way.

Our customers and subcontractors all form part of our CSR policy. We regard the value chain as a whole and expect our close partners to comply with the ten principles in the UN Global Compact as well. Therefore, we have included the ten principles in our basis contract in order to make subcontractors substantiate their compliance with the UN Global Compact.

The environment constitutes the starting point in many of the solutions that we design. Though, we always have to counterbalance our efforts and our results. It is crucial to us that our CSR initiatives and the products and services that we deliver to our customers do keep up their balance.

We are pleased to participate in the network of UN Global Compact partners. Networking is a cornerstone in our innovation and design business and we look forward to participating in the CSR activities together with other engaged and responsible companies.

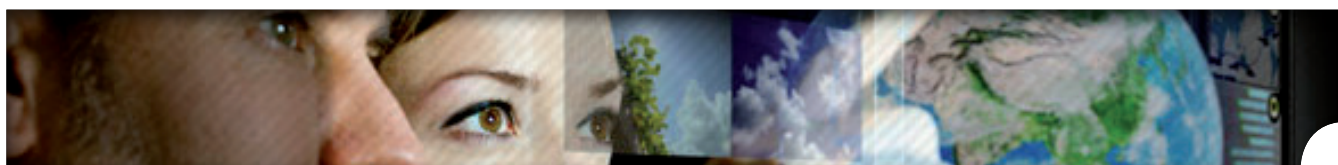
At the same time, we are proud and humble to be part of the UN Global Compact.

It is a great pleasure for me to confirm that Develco 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,

Ole Rudkilde,
Managing Director



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The Develco approach

Our approach to the UN Global Compact is at the same time strategic, business-driven, and responsible. At Develco, the skilled employees constitute the foundation for the business. As highly skilled technical specialists, the engineers are a valuable asset when it comes to advising our customers.

Our mission is to turn our customers into winner companies. By providing high quality counseling on sustainable solutions, we contribute to making our customer's products future-proof and competitive.

The UN Global Compact principles have been integrated in our ISO 9001 and ISO 14001 systems thus being an inherent part of our working processes.

Actions undertaken

During the past year, we have been focusing on reducing the power consumption of all the products developed by Develco. For instance, we have further developed a baby monitor that can live up to 80 hours before charging is needed. This is possible because we are working with lowpower wireless standards as technological basis in the developed products, in this case Bluetooth Low Energy.

Develco has in the past year inspected two suppliers in the Far East. During these audits, we have from personal experience verified conditions within the fields of education, safety, og social conditions. We have concluded that the suppliers fulfill Develco's requirements and code of conduct.

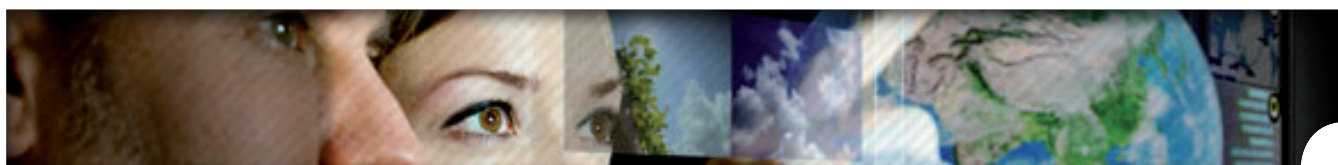
For one of our large customers, Develco has optimized a motor control for an industrial pump resulting in reduced power consumption as well as environmentally friendly production process.

Develco takes part in an energy harvesting project where we develop a solution that ensures the optimum environment for pigs in large farms. The project aims at developing a solution where the energy consumption is completely optimized with no batteries needed for transmitting the data. This is for the benefit of the animals as well as for the climate.

Our suppliers can only be approved by Develco if they have committed to the 10 principles. We continously work on making sure that our component distributors and subsuppliers live up to the UNGP.

Develco has embedded the UN Global Compact statements and the 10 principles in all our generic framework agreements. During the past year, the UN Global Compact statements have also been integrated into new contracts.

Internally, Develco has also been working on getting its act together within the field of staff safety. We have updated the employee handbook in order to make clear how to respond to illness and work-related injury.



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Principles 1-2: Human rights

All activities in Develco support and respect the protections of internationally proclaimed human rights. It is a matter of course that we are not complicit in human rights abuses.

Principles 3-6: Labor

Being a knowledge-based development company, the Develco employees and their innovative competencies constitute our most valuable asset. Well-being, education, and working conditions in general therefore are high priority areas for the management.

To secure that our employees have the best competences, Develco has launched an educational program, offering individual educational plans for our employees within normal working hours and all costs covered by Develco.

In the past year, a great amount of the software and hardware engineers at Develco, has been further educated in wireless technologies and industrial product development. This underpins the strategy aiming at keeping our employees at the leading edge and at the same time fulfilling educational wishes among the employees helping the company increase our level of satisfaction of employees as well as costumers.

Occupational health and safety measures have been taken to ensure the optimum working conditions in our office. Every year, we conduct satisfaction surveys. We put up ambitious objectives - objectives that have all been fulfilled within the fields of employee satisfaction as well as customer satisfaction.

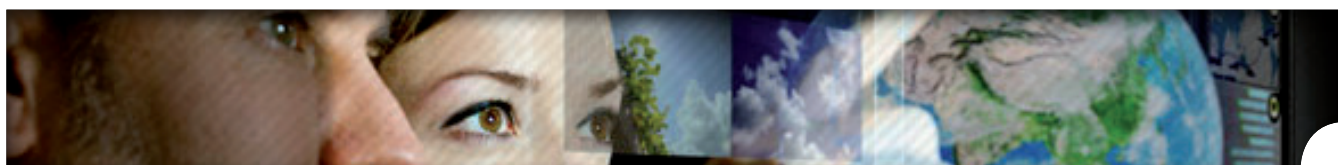
Develco is conscious of work-life balance and has established flexible working hours and tolerance for personal issues. We have furthermore updated the employee handbook in order to make clear how to respond to illness and work-related injury. Everyone must be able to act quickly and efficiently if an emergency situation arises.

Principle 7-9: Environment

Develco is ISO 14001 certified and supports a precautionary approach to environmental challenges and encourage the development and diffusion of environmentally friendly technologies.

Being a design house, our own local impact on the environment is very limited. We have installed intelligent light control all over the building to ensure that all lights are turned off or dimmed when possible without assailing the working environment of our employees.

Our advice on sustainable solutions to our customers is where we can make our greatest impact. We work with environmentally friendly technologies that are low power thus minimizing CO₂ emissions.



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All our products comply with the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS).

Procedures at Develco also comply with WEEE Directive meaning prevention of waste electrical and electronic equipment (WEEE), and in addition, the reuse, recycling and other forms of recovery of such wastes so as to reduce the disposal of waste.

We also seek to improve the environmental performance of all operators involved in the life cycle of electrical and electronic equipment, e.g. producers, distributors and consumers and in particular those operators directly involved in the treatment of waste electrical and electronic equipment.

Waste from offices are sorted into recyclable (paper, cardboard etc) and not recyclable waste – the different waste types are picked up separately by the authorities for after treatment.

Principle 10: Anti-corruption

Develco is a design house operating on market conditions. Profitability is a requirement and necessary assumption for our ability to conduct corporate social responsibility.

Develco has a long-standing anti-corruption policy stating that corruption or bribery is not acceptable in any form or under any circumstances. Hence Develco is committed to ethical and responsible business practice.