



lurxx

P R O M O T I O N

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS 2015



STATEMENT OF CONTINUED SUPPORT

In the following we present our annual Communication on Progress, where we describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations.

Since our last COP, Baxx Promotion has worked intensely with implementing and further advancing our overall politics, goal and processes within environment and corporate social responsibility. In late spring we took an important next step when we obtained an ISO certification of both our environmental and quality management system - both of which are centered around CSR and responsible sourcing. The continued implementation of both systems will be our focal point in the coming year.

We are pleased to reaffirm Baxx Promotion's continued support to the Ten Principles of the United Nations Global Compact in the areas of Human rights, Labour, Environment and Anti-corruption.

Yours sincerely,

Michael Eriksen
CEO, Baxx Promotion



VISION AND FOCUS AREAS

The CSR and environmental strategy of Baxx Promotion is founded on the 10 principles of the UN's Global Compact, relating to human rights, labour rights, respect for the environment and anti corruption.

Our primary goal is to ensure that our business and how we conduct it, has the least possible adverse impact on our environment. Where we as a company can exercise most influence, is by designing "sustainable products" for our customers, and encouraging our suppliers to produce responsibly in all respects.

We will continue and maintain our overall focus areas in our CSR strategy, which is: responsible sourcing/production at our sub-suppliers, minimization of our CO2 emissions relating to transportation and finally bringing as many environmentally friendly products as possible to the market. These areas will continue to serve as a guideline for focusing and prioritizing our resources.

Last year we decided that we wanted to structure and strengthen our efforts within CSR and Supply Chain Management as well as Product Quality/Compliance. In cooperation with an external consultant we have created a Quality- and Environmental management system that are based largely on CSR- and Product Compliance. This means that our Corporate Social Responsibility has been integrated into our management system and reporting, which ensures that it is embedded in all procedures.

In the spring of 2015, we reached the first milestone; our Quality- and Environmental Management system was certified according to the ISO standards. We are very satisfied with the process, and look forward to continuing the work – we have great expectations for the results.

FUTURE ROAD MAP

We remain committed to continuously develop and improve our performance in all areas of our CSR strategy – we believe our ISO management system serve as the framework and ensure progress. Our focus for the coming year is to implement and align our processes, so that they become an integral part of our ISO management and reporting system. Especially we will focus on developing relevant KPI's. We will continue mapping our supplier network, and follow up with audits. We maintain our goal that 70% of our turnover comes from suppliers that are audited on a regular basis.

HUMAN RIGHTS

PRINCIPLES

1. Business should support and respect the protection of internationally proclaimed human rights
2. Business should make sure that they are not complicit in human rights abuses

ASSESSMENT, POLICY AND GOALS

Baxx Promotions goal is to actively influence and facilitate that both our employees and business partners adhere to the Universal Declaration of Human rights. Our overall vision is only to do business with partners that respect the international conventions on human rights, and share the values of Baxx Promotion. Based on a previously carried out risk assessment, we maintain that our focus within human rights should lie primarily on our supplier network in Asia.

IMPLEMENTATION

All suppliers are informed about our Code of Conduct and are obliged to sign this before entering into a business relationship with Baxx Promotion. We have an internal system for recording and evaluating Code of Conduct compliance. In order to enhance transparency and inform our stakeholders our updated Code of Conduct is also published at our website.

MEASUREMENT OF OUTCOMES

Baxx Promotion has formulated a CSR strategy which set out that all suppliers will be audited and evaluated against a set of defined policies and parameters. All violations are recorded, and corrective action plans initiated. Continued non-compliance will result in termination of the relationship. The past year all suppliers have received the revised Baxx Promotion Code of Conduct. All active suppliers are have accordingly reaffirmed their full support by signing our revised Code of Conduct/Supplier Manual.

The second step in the process has been to assess current performance level. In accordance with last years goal we have collected and assessed existing Social Audits of our suppliers - carried out by independent inspection agencies. More than 30 reports from our main suppliers have been analyzed the past year. No non conformance in relations to human rights has been recorded.



PRINCIPLES

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
4. The elimination of all forms of forced and compulsory labor
5. The effective abolition of child labor
6. The elimination of discrimination in respect of employment and occupation

LABOUR

ASSESSMENT, POLICY AND GOALS

Baxx Promotion believe that everyone has a basic right to be free from discrimination and harassment, the right to collective bargaining, the right to choose to work freely and not at least that every child should have the right to education. We have formulated this in our CSR strategy and our suppliers are held to these standards through our Code of Conduct, which complies with the ILO conventions. Our internal risk assessment has identified that the highest risk of non-conformity, lies within our supplier network in Asia.

IMPLEMENTATION

Internally we have included a section on labour rights in our company handbook. The written policy covers employee rights, compensation and responsibilities. We have a committee with representation from both management and employees that assesses labour related risks. All employees receive medical insurance, and are reimbursed for medical treatments. We record and evaluate all work related injuries in order to create a healthy and attractive work environment for our employees.

Externally, we hold our suppliers to our high standards through our Code of Conduct. The Baxx Promotion Code of Conduct has been made an integral part of our Supplier contracts, and we also encourage our suppliers to ask that their sub-suppliers are in compliance. As described in the section on our implementation of the human rights principles, our main focus area lies within our supplier network in Asia. In accordance with our initiatives within human rights, our implementation evolves around committing all our suppliers to our Code of Conduct, and consecutively to implement our procedure for Social Audits. We will continue to increase presence at supplier factories, both through internal and external audits.

MEASUREMENT OF OUTCOMES

The past year we have successfully implemented our Code of Conduct and Supplier manual. We have met only little resistance, but willingness to cooperate amongst the majority of our suppliers. The general experience is that the majority of our suppliers are working on a professional level.

Internally at Baxx Promotion, we are very aware about creating a healthy and attractive work environment for our employees. All employees have annual/quarterly reviews with their manager, focusing on their well-being. We offer our employees the opportunity to receive massage and physiotherapist treatments during working hours. We arrange and support social events in the work place, and we accommodate special requests for working hours/conditions by our employees. Baxx Promotion is aware of any discrimination, and aim at creating a work place with room for all individuals, representing our surrounding society. The following is a table of Baxx Promotions employees by age and gender:

Headcount	Male	Female	Total
Age <18	0	0	0,0%
Age 18-25	1	1	7%
Age 26-35	1	3	14%
Age 36-45	5	8	47%
Age 46+	4	5	32%
Total	11	17	28
%	39%	61%	100%

The following is a table of Baxx Promotions Management team by gender:

Male: 5 62,5% Female: 3 37,5%

ENVIRONMENT

PRINCIPLES

7. Businesses should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

ASSESSMENT, POLICY AND GOALS

Baxx Promotion operates in the business of promotional and give-away articles. The nature of this market is characterized by relatively cheap products with a short Product Life Cycle. We pride ourselves in doing everything we can to design products that are worth keeping, maximizing our customers marketing budgets and visibility, and minimizing the negative impact on the environment. We call it sustainable product design.

Baxx Promotions overall aim is to only bring safe products, that live up to all applicable laws and standards, to the market. As our product range and application is so widespread this is inherent challenging. We want to be at the forefront, why we have chosen to commit ourselves to a high standard by obtaining an ISO certification of our environmental management system.

IMPLEMENTATION

Baxx Promotion has worked intensely the past year with our environmental policy and procedures, and in spring 2015 we obtained the ISO 14001 certification of our environmental management system. At the same time we were also certified according to ISO 9001. We have chosen to make Product Compliance (legal and environmental) the cornerstone of our quality management system.

We have further anchored our collection of “sustainable” products launched last year, together with the initiative where we present our customers with a “sustainable” or “green” alternative when developing customized products.

In the coming year we will work towards making our environmental impact and initiatives measurable and setting up KPI's.

MEASUREMENT OF OUTCOMES

In connection with our ISO certification, we have redefined our environmental goals. We have carried out a risk analysis of our suppliers, and selected 10 critical suppliers based on their environmental risk profile. 5 of these suppliers will be audited during the coming year.

In order to minimize our CO2 emissions, all transportations are – where possible – planned by sea. Any deviation will be registered, and will serve as KPI.

Last year we consolidated our warehouse facilities into one warehouse, which has led to a reduction in our energy consumption of more than 20%. We have already optimized our energy consumption, and will therefore look into buying “green energy” as the next step.

In order to ensure product compliance and product safety, we have increased the number of tests – planned as well as unplanned – of REACH compliance.

CASE: DOUBLE ISO CERTIFICATION

In 2015 Baxx Promotion A/S – including our HK based sourcing office – has been certified according to ISO 9001:2008 and ISO 14001:2004. The core of both our Quality and Environmental Management systems is product compliance. With product compliance we mean that our products should always:

- Live up to all applicable national laws and standards in EU, both concerning product safety and environment
- Be manufactured responsibly - that our suppliers as a minimum adhere to applicable national laws and the ILO conventions

We believe our ISO reporting system will help us to maintain focus, ensure that the processes are embedded in our daily work and force us to keep improving our efforts within CSR!



PRINCIPLES

10. 10. Business should work against corruption in all its forms, including extortion and bribery.

ANTI-CORRUPTION

ASSESSMENT, POLICY AND GOALS

Baxx Promotion follows a strict policy of zero tolerance of all forms of corruption, including bribery, facility payments, kickbacks, theft, blackmail, fraud and favoritism. We expect all our suppliers and employees to adhere to this principle.

IMPLEMENTATION

All employees and suppliers of Baxx Promotion have been made aware of our policy on anti-corruption through our Code of Conduct. Also the area is covered in individual employment contracts, stating our company policy regarding gifts, hospitality and entertainment.

MEASUREMENT OF OUTCOMES

Baxx Promotion has never been involved in any legal cases or any other accusations regarding corruption or bribery. We keep a strict record of all stock and samples, to ensure that they are not misused in any quid-pro-quo exchange. No cases have been recorded the past year.

It is easy and safe to be a Baxx customer!

See all facts about our CSR strategy, Code of Conduct,
UN Global Compact and our ISO certification on baxxpromotion.com



baxx
P R O M O T I O N

BAXX PROMOTION A/S // MARSVEJ 26 // 6000 DK-KOLDING
TLF. 75 52 50 00 // BAXX@BAXXPROMOTION.COM