



*Communication on
Progress 2014 -2015*
ADVANCED LEVEL

phoenixdesignaid
graphic services for global development



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BRIEF DESCRIPTION OF NATURE OF BUSINESS

Phoenix Design Aid (PDAid) combines technology with creativity to produce unique communication solutions for clients across the world. Seeking to inspire, innovate and captivate, PDAid's creative team embraces and masters skills across the array of communication disciplines. The company's expertise covers a broad spectrum of communication solutions - from initiation and concept development to the production and printing of finished products and its distribution.

PDAid is an international design and communication agency with expertise in total graphics and digital solutions. Examples of solutions include conceptual design, visual branding of campaigns and subject matters, design and layout of communication material, digital, interactive reports, campaign- and websites, animated infographic presentations, web- and native app development, electronic newsletters, video production, printing services, editing, translation, exhibitions and events.

PDAid was founded in 1998 by CEO Dennis Lundoe Nielsen, who has more than 30 years' experience in the graphic industry. With particular emphasis on serving international and intergovernmental organizations, UN and EU agencies, NGOs and public authorities, the company performs all projects in compliance with internationally recognized principles of social responsibility as well as UN requirements. PDAid holds Long Term Agreements with several UN and EU organizations. Based on long-term client partnerships PDAid has gained in-depth knowledge and understanding of the culture, needs, expectations and constraints of organizations, allowing the company to deliver the highest possible value to all clients.

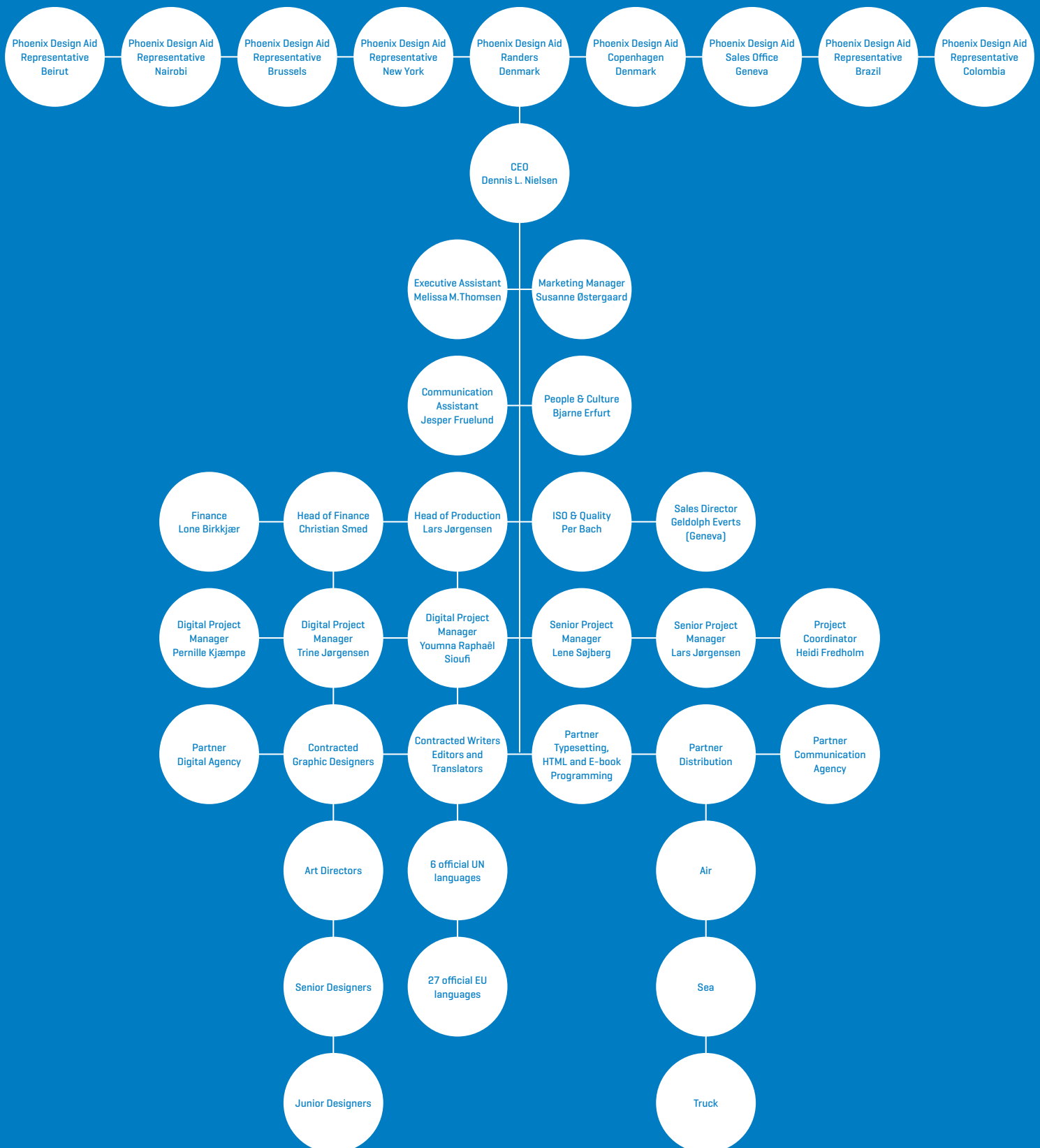
PDAid is built on respect - for clients, employees and the world. Respect demands that PDAid thinks and acts responsibly. Therefore the company is certified in the fields of quality [ISO 9001], environment [ISO 14001], health and safety management [OHSAS 18001], and social responsibility [DS 49001], and in addition certified as CO2 neutral. These certifications are a guarantee to partners and clients that PDAid will strive to deliver best practice within environmental and social responsibility - in terms of internal activities and supplier network.

PDAid's reach is global, and the company's full-time employees in Denmark serve as project managers in a network that involves qualified and trusted collaborative partners across the world. The team of project managers act as key contributors to PDAid's success: They represent focal points for the network of partners and consider it their main responsibility to bring together a suitable and highly skilled team for each individual project, assigning tasks to each member and conducting high-quality project management throughout the subsequent processes.

The network of partners include formally associated local and foreign editors, UN-trained translators, graphic designers, print facilities, and logistics companies, among others. Thus, PDAid holds the best competencies needed in order to bring each assignment to a successful execution.



COMPANY STRUCTURE



OWNERSHIP

PDAid is owned by DPN Holding ApS [90%] and Malaj ApS [10%]. The company enjoys the support from a professional and experienced advisory board, who give their opinion on legal, strategic and financial matters to serve PDAid's interests.

Anders Hübertz Mortensen, the state authorized accountant to PDAid, states: "The management of Phoenix Design Aid A/S believes that payment of taxes is a significant part of being a responsible member of the local community. PDAid contributes to the Danish Society with payment of Company tax, Payroll tax and VAT. All of which is based on a compliant approach to the Danish ethical and regulatory standards."

Phoenix Design Aid A/S

VAT/CVR no. DK 20 77 12 91

SUMMARY OF FINANCIAL STATEMENT FOR YEAR 2011-2014

PROFIT AND LOSS ACCOUNT

	2011	2012	2013	2014
	DKK'000	DKK'000	DKK'000	DKK'000
Net turnover	26.677	18.876	30.375	20.398
Gross profit	7.290	5.106	7.188	5.346
Staff costs	-4.133	-4.375	-4.817	-4.894
Depreciation	-177	-87	-108	-109
Financial items, net	-262	-59	-584	241
	2.718	585	1.679	584
Corporate tax	-704	-144	-426	-146
	2.014	441	1.253	438



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COMMITMENT TO THE UN GLOBAL COMPACT

At this time of rapid change, stakeholder demands for higher degrees of accountability and transparency has never been more prevalent. Sustainability and social responsibility are prerequisites for sound business practice, and the daily conduct of organizations across the world is often subject to scrutiny and evaluation. Corporate social responsibility [CSR] is about addressing such issues.

This business – like most other human activities – is not conducted without challenges or dilemmas. PDAid's membership of the UN Global Compact dates back to 2007 and provides the company with valuable tools in meeting the strict requirements of the industry in which it operates. The ten principles of the Global Compact provide a frame of reference within the issues of human rights, labor, environment and anti-corruption, and offer guidance in the company's quest to practice CSR in daily operations.

PDAid's CSR strategy is ambitious, and the company continuously invests in CSR activities in order to take its standards to even greater levels, working beyond compliance wherever possible. PDAid follows this path out of a commitment to openness and respect for the communities in which the company operates, and it is committed to share progress with stakeholders. Business partners are encouraged to join the UN Global Compact, and most recently, the partner Arab Printing Press joined the UN Global Compact. *Read more about the process in the case on page 11*

STATEMENT OF CONTINUED SUPPORT

PDAid is pleased to confirm that the company reaffirms its support of the UN Global Compact and its ten principles. PDAid is proud to reiterate its continued support, seeking to do its utmost to improve the integration of the ten principles into business strategy and daily operations. High standards are essential to PDAid's business approach.

On account of PDAid's adherence to the guiding principles, the company strives to maintain a sound dialogue with its stakeholders, enhance its labor practices, protect human rights throughout its supply chain, minimize its environmental impact and work against corruption.



ABOUT THIS COMMUNICATION ON PROGRESS

This Communication on Progress provides a status on PDAids activities within the field of CSR for the period September 2014 to September 2015. Focus areas have been selected by management based on close dialogue with stakeholders – with an overall purpose of providing an informative and systematic account of PDAid’s CSR activities.

This report includes facts, case descriptions and clarifications on the fulfilment of PDAid’s targets and goals. Furthermore, the report contains detailed portrayals of the company’s progress within selected focus areas as well as specific supporting initiatives that are of great importance to PDAid’s business operations.

The PDAid Communication on Progress for 2014/15 is available for download at the PDAid website and is continuously distributed among all major stakeholders. The report is written in cooperation with external experts and consultants, brought in to analyze the content for inaccuracies, and to ensure that no greenwashing occurs. In addition, the report is part of the PDAid system documentation within an integrated and certified management system, and will be verified by the certification body ‘DNV GL’ – one of the world’s leading certification bodies, responsible for delivering independent certification audits to PDAid each year.



Dennis Lundoe Nielsen
CEO



THE PDAid APPROACH TO CSR

PDAid has a clear strategic intent to base its operations on core values and honor obligations towards the communities in which it operates. Certification and industry standards serve in guiding PDAid's approach and actions. PDAid has been environmentally certified according to ISO 14001 since 2004, certified in the field of working environment, OHSAS 18001, since 2008 and quality certified under ISO 9001 since 2008. In 2011, the company became the world's first graphics company to receive formal approval of CSR activities, as it obtained the CSR certification under the Danish standard DS 49001, following the guidelines of ISO 26000.

PDAid operates an integrated certified management system covering all of the above. Everyday life and work conditions are consistent with the principles of environmental and social responsibility and human rights. As such, the company complies with laws and general standards of good practice within these areas. Devoting its services exclusively to international and intergovernmental organizations entails that attention is directed towards the international arena. Inspired by the work conducted by international players, promoting sustainability, environment, community development, human rights etc., PDAid is based on a fundamental sense of obligation and responsibility.

PDAid – A COMPANY DRIVEN BY CSR VALUES AND STRATEGIC PLANNING

PDAid's business concept and the foundation for continuous development is based on CSR values and strategies, which will be presented further in the present report. PDAid has moved from a primary focus on "good housekeeping" in the areas of environment, health and quality to a broader CSR mind-set. As such, CSR concerns and options are reflected in all major decisions and procedures, and CSR is integrated in a manner that affects the supply chain, stakeholders as well as local and international communities in which PDAid operates. Meanwhile, CSR is considered increasingly important in daily operations and strategy. In effect, PDAid ties strong connections to stakeholders, customers and suppliers.

PDAid represents a mindset dominated by long-term perspectives with trust-based and long-lasting partnerships as a corner stone in its business strategy. On its quest to spread PDAid's mind-set within CSR and sustainable management, the company invests resources in influencing future leaders and decision makers locally, nationally and globally. In this regard, PDAid has successfully established a partnership with the Danish University in Aarhus. Additionally, PDAid engages in various presentations and lectures on CSR. On a more global scale, PDAid recently developed the PDAid Foundation, thus creating a global talent support program, based on sponsorship and mentoring with a focus to develop burgeoning, young talent in developing communities. The concept of the PDAid Foundation was largely inspired by the "Kilimanjaro Initiative", a Nairobi-based community project. Social responsibility often distinguishes PDAid throughout its business markets, thus enabling the company to run a sound business under continuous development; In this way PDAid ensures future support of a variety of CSR-related projects. Read more about the PDAid Foundation in the case on page 26, and furthermore how PDAid supports sustainability and local involvement on page 34.

A VALUE-BASED MANAGEMENT APPROACH

PDAid has a long history of working with sustainability and CSR. Founded on core values such as respect, credibility and professionalism, PDAid seeks to offer high-quality, cost-effective solutions, whilst minimizing its impact on the environment. At the same time, the company wishes to honor its obligations as a global player by setting high standards in terms of promoting sustainability, sound business practice and community development.

PDAid has adopted a holistic approach to its business and operates an integrated management system. By doing so, PDAid is able to possess a comprehensive understanding of its possible impact on matters relating to human rights, working conditions, climate and environment, as well as ethical issues such as anti-corruption. The management system comprises an all-embracing description of PDAid's policies, goals, actions, procedures and monitoring mechanisms. The company works beyond compliance through the continuous improvement of management and efforts in all areas.

Each year, a number of CSR activities with a global reach are carried out, and continuous efforts are made to promote sustainable management and community involvement among stakeholders. The strategic intent is to support initiatives and actions among international organizations - either through direct funding or by making PDAid skills available (printing, design services, etc.). PDAid is active in a number of forums and networks, as well as among primary stakeholders, to promote messages concerning respect for human rights, decent working conditions, sustainable environment and other climate and environmental initiatives as well as the development of skills and resources in developing countries.

The case study on the next pages exemplifies one of PDAid's attempts to practice local involvement, thus paving the way for change and development.



CASE: ARAB PRINTING PRESS

Collaborative development of companies

As per May 2015, Arab Printing Press (APP) commits to the UN Global Compact, thus supports the ten principles of the Global Compact on human rights, labor, environment and anti-corruption.

In 2010 cooperation was initiated with APP, a print facility based in Beirut, Lebanon. Initially, cooperation involved production of a number of printed matters, among these the 46664 Bangle book – a limited edition coffee table book intended to raise awareness of the story of Nelson Mandela and the fight against AIDS/HIV. The book was sponsored by PDAid and Mr. René Sindlev, and printed flawlessly by APP.

Common ground was established between PDAid and APP, and a cooperative agreement was signed in July 2012.

From day one, dialogue between PDAid and APP on matters relating to CSR has been strong and on-going. PDAid takes pride in sharing experience concerning CSR issues with stakeholders and strongly urge collaborative partners to pursue opportunities of certification as well as activities that enable them to contribute to sustainable development.

APP is certified in the field of quality under ISO 9001. During collaboration with APP, PDAid has strongly encouraged the pursuit of further certification. APP is now FSC (Forest Stewardship Council) certified, which illustrates that the print facility actively promotes sustainable forestry. APP also obtained an environmental certification under ISO 14001 in September 2014. Similarly, the print facility is seeking to become a CO2 neutral company, and considerations of a CSR certification are being investigated and pursued.

In May 2015, APP reached its goal on joining the UN Global Compact. Through thorough guidance from PDAid, APP was acknowledged to join the UN Global Compact. Elie Raphael, Chairman & General Manager at Arab Printing Press explains:

“

I would like to thank Mr. Dennis Nielsen on his insistence that Arab Printing Press becomes a member of UN Global Compact. I would also like to commend Phoenix Design Aid on the extremely helpful guidance provided to Arab Printing Press throughout the process of becoming a member of the UN Global Compact. Phoenix Design Aid has been very helpful during the process, acting as a motivator, providing us with useful material, thus ensuring that we were able to cope with the various tasks in the process of becoming a UN Global Compact member. I am certain that by joining the program Arab Printing Press will enhance its working environment on all the important UN Global Compact principals which is nowadays of vast importance in our increasingly globalized world.

”



We commend APP and additional partners for the steps taken towards certification and formal approval. PDAid takes pride in joining forces with them to inform about and promote sustainable management, thus setting the standard and raising levels of awareness and involvement.

THE PDAid CSR POLICY

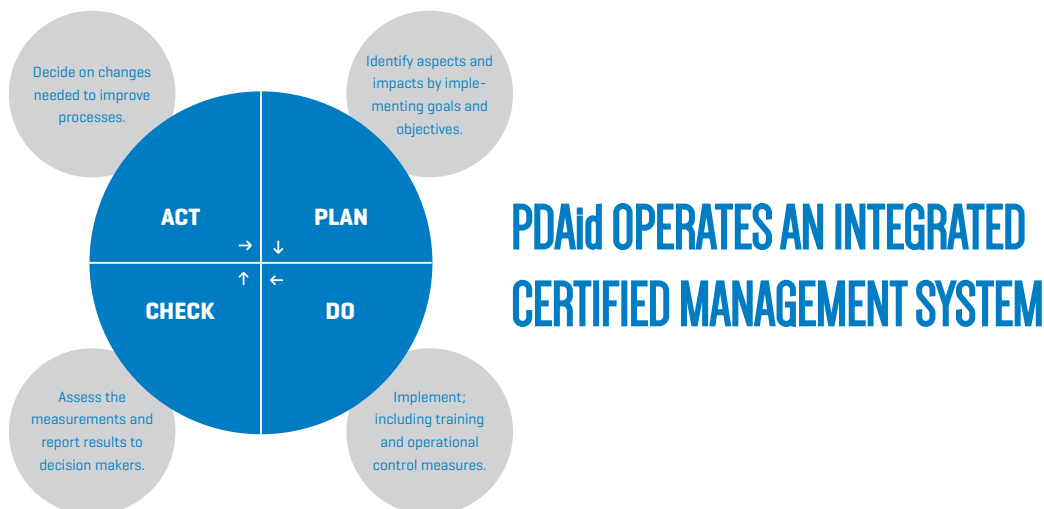
In close collaboration with employees and partners, PDAid always seeks to:

- Demonstrate respect for people, animals and nature in any actions undertaken
- Respect human rights and recognize labor standards wherever business is conducted
(Universal Declaration of Human Rights, Guiding Principles on Human Rights and ILO Convention)
- Set ambitious goals for social responsibility, environmental impact, quality and safety
- Comply with laws and regulations in all countries in which business is conducted
- Inform, involve, engage and provide ownership for the company's policy

This policy has undergone continuous development since the first certifications were obtained and has been adapted to the business development, standard requirements and stakeholders' focus areas. PDAid's CEO, Dennis Lundoe Nielsen, has been the person responsible for the policy and has incorporated input from employees, external stakeholders and external consultants/experts into further development of the policy. The policy is thus well implemented among PDAid's employees, and is executed throughout the value chain by the means of dialogue and contract renewals. Finally, but equally important, PDAid has listed its guidelines in a Code of Conduct, intended to function as the primary communication tool for the work conducted with stakeholders. The Code of Conduct is available at the company website and is the foundation of all work regarding processes of due diligence.

DUE DILIGENCE AND BASIC STRUCTURE OF THE INTEGRATED MANAGEMENT SYSTEM

PDAids management of CSR initiatives is consistent and thorough, thus fulfilling the requirements of the standards on which it is based. On-going due diligence processes address issues such as respect for human rights, working conditions and environmental issues, anti-corruption and several other conditions. As known from the structure of management systems, a so-called PDCA methodology is adopted to ensure effective management and continuous improvement:



The company's action plans for the different areas, covered by our management system, function as a cornerstone. These plans are incorporated in this report under the relevant section.

A thorough risk assessment is carried out upon launching new types of projects or collaborations. Here, significance, risks and potential threats/damaging effects are assessed for a wide range of topics based on a standardized methodology and toolbox. Assessments are made for the following topics:



PDAid's CSR group, represented by the CSR Coordinator, CEO and external expertise, carries out this risk assessment. Relevant employees and external stakeholders are involved in the risk assessment to the extent that it enriches the process. For each subject that is essential to be risk-managed, the group evaluates whether existing procedures and action plans are sufficient in avoiding risks – or whether to take further action, typically as additions within the system manual, which is available to and discussed with all employees.

In daily life, due diligence is a process coordinated by the CSR coordinator. Meanwhile, all employees have an explicit responsibility to comply with the procedures and instructions listed in our management handbook. Similarly, PDAid determines a number of mechanisms to monitor management system efficiency and prevent adverse incidents:

- Every member of staff has defined responsibility for complying with the manual and reporting on adverse incidents.
- A well-functioning system for the treatment of deviations from the manual has been established.
- The CSR coordinator follows up on deviations, action plans and incidents that may give rise to risk reassessment.
- Such incidents are reported directly to the CEO.
- At least once a year an internal audit of all system components is carried out. PDAid has chosen to use external expertise to obtain maximum benefit from its audit activities.
- The CEO annually undertakes a thorough analysis of the effectiveness of the system and follows up on action plans and goals of the company. Based on the management evaluation, new goals and action plans are determined.
- The authority 'DNV GL' audits the integrated management system at least once a year, and reports back whether the system meets the standard requirements for risk assessment, management, resources, communication etc.

Should any of the subjects above be found to threaten respect for human rights, working conditions, environmental conditions, or anti-corruption, the incident will be resolved immediately. As a result, negative effects are minimized in case the subject cannot be removed completely.

At the same time, it is determined how the company can avoid any recurrence of the same situation. PDAid considers its system all-embracing and robust, which is supported by the evaluations and conclusions drawn by 'DNV GL'.

Jens Peter Høiseth, CSR Manager at DNV GL Business Assurance says about PDAid: "Phoenix Design Aid has despite its size demonstrated sustainable leadership for global companies. Reporting at the Advanced Level of the Global Compact is yet another new milestone for Phoenix Design Aid. This is truly a great example of demonstrating transparency and progress in the company's DS 49001 certification journey."

Date	Audit type	Deviations	Observations
27 August 2015	Periodic audit	0	4
18 September 2014	Periodic audit	0	3
6 March 2013	Re-certification audit	0	1
17 September 2012	Periodic audit	0	4
17 June 2011	Periodic audit + new DS 49001	0	4

"Observations" are conditions that 'DNV GL' suggests could be further improved. Observations are not binding for the company, but PDAid has incorporated the vast majority of them.

PDAid has been audited by 'DNV GL since 2007, and has received commendable reviews throughout each year. During the periodic audit in August 2015, lead Auditor Jens H. Østergaard stated:

“ CSR is highly integrated in PDAid’s business model and general way of thinking, and the company continue working with innovative initiatives. There is a sound correlation between PDAid’s business strategy and management system. In connection with the audit, DNV was introduced to the PDAid Foundation, a strong and specific CSR initiative with great future prospects. ”

INVOLVEMENT FROM CEO AND THE BOARD OF DIRECTORS

Since the establishment of PDAid, Dennis Lundoe Nielsen has fulfilled the role as CEO. Dennis Lundoe Nielsen has a strong personal commitment to sustainability and CSR, and has engaged himself in years on publicly advocating sustainable business management through the support of the UN Global Compact and other sustainability programs. On account of his efforts, a number of partners and suppliers have joined the program. Most recently, PDAid assisted Arab Printing Press in joining the UN Global Compact. For additional info, see case on page 11.

At the same time, Dennis Lundoe Nielsen works in close collaboration with local businesses, the graphic industry and Danish educational institutions to promote sustainability and CSR. Please see the list of achievements and plans in the section on community development.

PDAid enjoys great support from a professional and experienced advisors team consisting of legal, financial and management consultants, all with impressive business know-how. Alongside company management, this team assumes responsibility and oversight for PDAid’s long-term corporate sustainability strategy and performance. Since its establishment, PDAid has endorsed sustainable business as its primary focus in its long-term strategies.

STAKEHOLDER INVOLVEMENT

The DS 49001 certification requires that PDAid seeks to influence its business partners and encourage them to think and act in compliance with the principles of CSR.

Both internal and external stakeholders are involved in the system activities. PDAid recognizes the importance of practicing its influence on stakeholders and have adopted a collaborative partnership approach to ensure involvement, dedication and attention from all those involved.

Company employees act as internal stakeholders, who engage in regular dialogue with management on risk assessments, necessary or suggested changes and amendments of the PDAid handbook, and other relevant information. An overview of the assessment and selection of major stakeholders is available in the following chart.



ASSESSMENT AND SELECTION OF MAJOR STAKEHOLDERS

Completed by company management, June 2015

	PDAids influence			Assessment of stakeholder's potential influence on PDAid:			
				Reputation/ profiling	Deliveries/ quality	Economic situation	Final score
Partners	Small	Medium	Large				
Scanprint			x				
Strait Air	x						
Ambiente	x						
Toptryk Grafisk		x					
Arab Printing Press			x				
Hjortlund Medier	x						
Kontrapunkt	x						
Language Wire	x						
Ehrhorn Hummertson	x						
Authorities							
CO2 Fokus Norway	x						
Randers municipality	x						
UN Global Compact	x						
DNV GL	x						
Arbejdstilsynet							
Clients							
UNEP	x						
UNDP	x						
AFDB	x						
UN WOMEN	x						
UNAIDS	x						
UNFPA	x						
UNICEF	x						
Organizations/NGO's							
StateofGreen	x						
The Kilimanjaro Initiative			x				
World's Best News	x						
Rotary		x					
Aarhus University	x						
Talentspejderne	x						
Design denmark	x						
CO2 Focus Norway	x						
Climate Neutral Network		x					

Appointed major stakeholders are marked in bold writing

■ Low/no influence
 ■ Some influence
 ■ Great influence

PDAid seeks to increase trade between Danish companies and the UN, thereby contributing to refined quality, the continuous establishment of jobs and a better environment in the third world. The company aims to influence all key stakeholders to integrate and further promote CSR and sustainability, taking into account the nature and form of each individual cooperation.

Dennis Lundoe Nielsen ensures that key stakeholders - customers, suppliers and partners - are regularly informed about PDAid's management system, including its focus on social responsibility, quality, work environment and environment. This is accomplished by handing over and walking stakeholders through presentation materials and profile brochures as well as Code of Conduct and Communication on Progress.

PDAID FOUNDATION STARTS THE EDUCATIONAL JOURNEY OF ITS FIRST TWO MENTEES

In fall 2015, two Kenyan youth from dis-advantaged communities enter the support program of newly established PDAid Foundation. Through scholarships and mentorships, the PDAid Foundation will support Bentamegan Pritie and John Senteu to become positive agents of change within corporate and societal management.

As a symbol of engagement in the PDAid Foundation, both John and Bentamegan have received a “Mandela” Bangle, which they are proudly showing off on the pictures below. The purpose of the Bangle initiative is to generate funds for the cause of HIV and AIDS while helping the ones who suffer from it during the process. The funds generated from the project are allocated to build school libraries for junior schools in South Africa, thus teaching the children that they have the possibility to get an education and thereby change their future. The “Mandela” Bangle therefore symbolizes the pure essence of the PDAid Foundation and reminds the mentees to keep their spirits up and to pursue their future.



“

I am very glad that the PDAid foundation finally pulled through. I am very happy to be in school and finally feel like that's where I fit. I am happy to be part of and participate in the PDAid foundation.

Bentamegan Pritie

”



“

I am happy and excited about the Scholarship, knowing that it is a chance to fulfill my dreams. Really, thank you PDAid Foundation for the support.

John Senteu Letite

”

CURRENT CORPORATE DEVELOPMENT INITIATIVES

On account of PDAid's determination and intention to develop business and services, a number of focus areas have presented themselves within the reporting period. These focus areas have urged the company to contemplate vast operational development and have triggered both business development initiatives and strategic considerations.

In an attempt to work beyond traditional business boundaries, PDAid has based its strategic direction on input from the market in which it operates and to do so in close dialogue with its international client portfolio.

SERVICE MANAGEMENT AND NEW PARTNERSHIPS

Drawing on the conclusions from the client satisfactory survey from 2013, results enabled PDAid to pinpoint issues that are of great importance or concern to clients. As the company direct its attention toward potential areas of improvement within the company structure and range of services, PDAid is enabled to implement measures in accordance with client feedback and align services with client expectations. A new client satisfaction survey will be generated throughout 2016.

Initially, knowledge is gained from surveys, which form the basis of a series of internal seminars, dedicated to the task of improving services, procedures and communication patterns. Each subject from the quantitative analysis has been subject to scrutiny and discussion, from which PDAid has been able to draw conclusions and determine necessary actions. Similarly, these actions are measured up against the values listed in the management handbook, allowing PDAid to determine whether practical every-day actions correspond with company values. At the annual meeting in October 2014, PDAid's HR consultant, Bjarne Erfurt, educated employees about service management. Bjarne introduced the PDAid team to Disney, one of the world's best service providers. The purpose of the presentation was to establish means of improvement in the service quality provided throughout PDAid's project management processes.

Service management has become a main focus area for PDAid, and will continue being so throughout 2015-16. Seeking to improve service levels, a series of courses will be organized for all members of staff with the intention to perfect communication skills, provide insight into sales tools and offer guidelines for improvement. Subsequent changes to PDAid's procedures and systems will be implemented as the needs arise.

As part of PDAid's continuous development, the company constantly improves its own infrastructure. Recently PDAid initiated the implementation of a new ERP system, which assists the company in organizing a database of CSR and client information in the most efficient way. The system enhances PDAid's flexibility and reaction time in dialogue with clients and suppliers, thus improving communication of CSR values. Through this new and improved system, employees can access overviews of business metrics; gather detailed information of transactions and customer records; and stay up to date on business operations.

PDAid has established several new partnerships with UN agencies and other organizations during the reporting period. Succeeding with digital assignments has been a primary focus, and several new projects have been accomplished. Moreover, eight Long Term Agreement (LTA) contracts have been established throughout the period. Most recently, LTAs on Web Design Services and Conventional and Digital Printing Services has been agreed to. Both contracts are of noticeable value, and are expected to produce additional work for PDAid in the long term. Amongst other contracts

PDAid has entered into agreement through the reporting period are; development of the brand and design work for communication products, publications design services, provision of graphic design services, design services and writing and editing. For more information, please visit the company website.

PDAid utilizes every occasion in its general marketing to spread the word about the opportunities and benefits for SMEs working systematically and committed with CSR. In doing so, it is crucial to be aware that information conveyed in this connection is required to be objective. Therefore, PDAid makes use of an impartial expert as sounding board when developing all considerable external communication materials within the field of CSR. This being e.g. websites, brochures and presentations which in this regard will be inspected in order to counteract any form of greenwashing or other inaccurate form of CSR communication. Greenwashing is understood as the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, and technology or company practice.

CLIENT REFERENCES



“Over the years, Phoenix Design Aid has produced a variety of assignments for both UNDP and the World Alliance of Cities Against Poverty, such as reports, brochures, booklets, handbooks, posters etc. The inherent advantage of working with Phoenix Design Aid is the fact

that the entire production cycle is handled professionally and swiftly. The company’s response time is short, and its ability to meet deadlines is exemplary. Flexibility is essential for UNDP, and we continuously challenge our suppliers’ abilities to carry out alterations with short notice. In response to these circumstances, Phoenix Design Aid always proves able to deliver flawless results and is thus a highly valued business partner for UNDP.”
Adam Rogers, Senior Communications Adviser and Head of Communications, UNDP Geneva



“Over the last ten years, ECA has been contracting Phoenix Design Aid to design and print primarily its major flagship publications and other headline reports. Our experience with Phoenix Design Aid has been

extremely positive, and in addition to being a trusted partner of ECA, Phoenix Design Aid is in fact also a well-

reputed company among our fellow UN agencies. Our publications require cutting-edge design and very high creative approach. Phoenix Design Aid never failed to meet these standards. Project planning and logistics are carried out to our complete satisfaction, and deadlines are always met even on very short notice.”

Demba Diarra, Chief of Publications and Documentation Section, UNECA

“Phoenix Design Aid was responsible for the layout and printing of the 46664 Bangle coffee table book. Phoenix Design Aid as a company is a highly flexible and credible business partner, who takes great pride in delivering the highest possible standard and service. Alongside high-quality layout and printing, Phoenix Design Aid made a distinct contribution to our 46664 Bangle programme in terms of sponsorship. As such, the 46664 Bangle book represents excellent documentation of the programme, and has helped us reach a greater number of individuals than otherwise possible. The book is always received with great enthusiasm and makes a great impression on those who come across it. I am often asked who was responsible for creating it.”

Robert Coutts, CEO of the 46664 Bangle Initiative



EMBRACING THE DIGITAL AGE

Within the past five years, a shift of focus among PDAid's clients has made a noticeable impact on the allocation of services. In response to the rising demand for cross-media services, the company's competence position has been duly strengthened by the incorporation of digital solutions in its service portfolio. Aspiring to remain a full-service provider, PDAid offers solutions across a wide range of platforms, assisting its clients with assignments concerning digital design and development, web- and native app development, electronic publications ex. interactive annual reports, newsletters, etc. Customers now benefit from a broader spectrum of services, some of which are beginning to dominate in the digital arena of today. The integration of social media platforms is equally evident, once again emphasizing the need for product development within this line of business.



An evident consequence of this development is the need for competence development, training and the addition of skills to the existing team. PDAid has reinforced its digital competencies by engaging three digital project managers. One in the PDAid headquarters in Randers, one in Copenhagen and one in Beirut, Lebanon. Taking this need for skill development into account, PDAid recognizes the need for further training, enabling the project managers to respond professionally and promptly on client requests for digital solutions.

PDAid has experienced an increase in the level of requests for digital solutions. Through the reporting period, the amount of digital proposals offered by PDAid has increased and comprises 10% of the annual turnover. PDAid's digital project managers has made 23 proposals for digital projects. Of the 23 proposals, 12 have been won, accomplishing a win-percent of 52%, whereas regular request for proposals has a win-percent of 29%. The digital focus has thus paid off, and PDAid keeps embracing the digital age and focuses on ensuring that digital projects will come to play a bigger role in the company's business in the future.

Along the same lines, new partnerships have been formed during the reporting period. Through tailored partnerships and strategic alliances, PDAid is able to draw upon the knowledge and experience of highly skilled collaborators in order to meet client's diverse needs. In close collaboration, PDAid defines the strategic framework and its subsequent visual translation, and readily assists its clients with the exploration of communication channels to help them ensure consistent messaging. The company explores interaction opportunities by identifying communication objectives allowing for the incorporation of both offline and online communication platforms.

PDAid considers it essential to establish common ground between user needs and client objectives, and take pride in assisting clients in navigating safely through the communicative landscape. As a result, communicative platforms work seamlessly together.

At the same time, the shift of focus in business operations requires PDAid's ability to align systems and procedures with the changing needs put forward by clients. This process is on-going and requires the assistance of both external consultants, HR and staff members. At this time of rapid change in markets, it is evident that PDAid's collaborative approach is the key to future growth and success.

VALUE CHAIN

PDAid sets equally high standards for suppliers and partners all over the world, as it does itself. Therefore, a Code of Conduct and programs for monitoring and following up on our most important suppliers have been established.

EXTRACT OF OUR CODE OF CONDUCT

- Suppliers and partners are expected to comply with applicable legislation and international standards for best business practices.
- Open and honest dialogue with partners on CSR related issues is a must – also when there are issues that have to be resolved.
- Neither corruption nor fraudulent activities are accepted.
- No engagement with organizations or companies that cannot comply with applicable legislation and human rights conventions.
- Long-term and mutually fruitful partnerships are preferred.
- Preferably suppliers and partners have a proven CSR track record., which may include:
 - CSR, environmental, labor or climate certification.
 - Adherence to the UN Global Compact initiative
 - Specific improvements in the CSR area.
 - Environmental labeling of products or services, e.g. FSC, Nordic or European eco-labels.
- Subcontractors' performances in the CSR area are assessed on an on-going basis through open and appreciative dialogue.
- Primary partners, are provided with inspiration and know-how concerning CSR, thus encouraging continued sustainable development.
- All stakeholders are encouraged to work with CSR and take part in CSR related networks such as the UNEP Climate Neutral Network.



PDAid's control and development programme is divided into the following parameters:

1. Incorporation of Code of Conduct requirements in cooperation agreements and suppliers' standard contracts

This is an on-going process that has been underway since mid-2012. PDAid incorporates the requirements in the natural pace when existing contracts expire or new ones are drawn up. As of April 2013, the company has introduced Code of Conduct requirements in all present contracts. Most recently, PDAid has introduced Design Denmark to the principle of a Code of Conduct. Please read more about Design Denmark in the case on page 33.

2. Dialogue with partners and suppliers concerning the Code of Conduct

The Code of Conduct is available in a printed version and for download from the website. It has proven to be a useful and debate-generating communication tool. PDAid's partnership and principle approach arouses interest, as well as the company's ability and willingness to share knowledge and therefore contribute to increased awareness of sustainability and CSR.

As of the most recent supplier assessment of March 2015, nine of PDAid's closest suppliers have formally acknowledged that they adhere to the guidelines listed in the PDAid Code of Conduct. Including, Scanprint, Toptryk Grafisk, Arab Printing Press, Language-Wire, Ambiente, Ehrhorn Hummerston, Strait Air, Hjortlund Medier and Kontrapunkt.

3. Supplier assessment

As a part of our system activities a continuous screening of new collaborative partners and a routine annual screening of our key suppliers are performed.

Criteria for positive assessment of the supplier's social responsibility:

- Certification of DS 49001 or equivalent
- Membership of the Global Compact programme
- Certifications in areas that have a positive impact – for example environment, EMAS, climate or working environment
- Ability to provide eco-labelled goods or services, for example Nordic Eco label or EU Eco label
- Absence of bad publicity or reputation in key CSR issues in a way that may harm PDAid's reputation as a socially responsible company

STEPS IN EVALUATION PROCESS

Our System Coordinator is responsible for carrying out the assessment of major suppliers through for example research on the internet, telephone interviews or actual visits to the suppliers. From this documentation a recommendation is developed for our CEO to finalize a decision. He complements with his personal knowledge of the supplier and concludes – in cooperation with our System Coordinator – whether any changes must be initiated.

Recommendations based on our supplier evaluation are communicated to the supplier and an agreement is made in which appropriate actions are determined, all of which are to be carried out before the next assessment is made.

Where it is considered appropriate to determine a possible cooperation, screening is – of course – always supplemented with visits to the supplier. However, this has not yet been necessary.

PROCESSES FOR REMEDIAL ACTION

Despite solid implementation of due diligence, complaint/grievance issues may present themselves. United Nations Guiding Principles require that companies have processes in place for dealing with complaints as well as for implementing remedial measures. For these processes to be effective, the following specifications are set. This description is also included in the manual for DS 49001 – PDAid’s standard for human rights.

- **Legitimate.** This includes clear, open, transparent and sufficiently independent management structures to ensure that there are no parties in an appeal process that can prevent a fair trial.
- **Available.** It should be made public that repair mechanisms exist, and there should be an appropriate assistance given to the wronged parties if access to the mechanisms can be hindered by for example language, illiteracy, lack of insight or financing, physical distance, disability or fear of reprisals.
- **Foreseeable.** There should be clear and written procedures, a clear time frame for each stage of complaint and clarity in terms of the types of processes and results that can be provided and that cannot be provided, and a way to monitor the implementation of each result.
- **Fair.** Wronged parties should have access to the sources of information, advice and expertise that are necessary to engage in a fair appeal process.
- **Processes should be in accordance with internationally recognized standards for human rights with regard to outcomes and remedies.**
- **Clear and transparent.** Although confidentiality is sometimes appropriate, the process and the result should be sufficiently open to public scrutiny and should balance the public interest properly.
- **Based on dialogue and mediation.** The process should aim for solutions to be agreed in reciprocity through the involvement of the parties.

If conviction is desired, the parties should seek this through separate, independent entities.

PDAid is certified and found complying with these rules. Yet, PDAid wants to make the process even more distinct, and have therefore contacted the Danish mediation and complaint institution for responsible business conduct in order to establish the possibilities of involving a separate and independent body in any future complaints process. PDAid receives client issues with great seriousness, especially those relating to CSR activities, such as respect for human rights. It is believed that a dialogue-based approach offers a common understanding of the issue at hand. Therefore, the company adopts this approach as the initial attempt to solve any complaint/grievance issues. Should PDAid be hindered in succeeding with this approach, the Danish mediation and complaints-handling institution may be involved as a separate and independent body in any complaints process. In addition, the company has published guidelines for appeals. Please follow the website link to the Mediation and complaints-handling institution in Denmark. The process of facilitating redress has thus been simplified for the benefit of clients. PDAid has not received any complaints or unfavorable comments regarding human rights and relating activities during the present reporting period.



RESPECT FOR HUMAN RIGHTS

FOCUS AREAS AND COMPLIANCE

Respect for human rights is a cornerstone in PDAid's values and policies. The company is determined to refuse cooperation with stakeholders who do not comply with its requirements. Customers are very much engaged in the field, and PDAid strongly encourages both suppliers and business partners to support the UN Global Compact.

PDAid's due diligence processes regularly assess risks of lack of respect for human rights in internal operations and among stakeholders. There have been no adverse events identified at PDAid or within the supply chain during the reporting period.

As a global player, PDAid employs people from a variety of regions with diverse ethnic, religious and cultural backgrounds. The company seeks to overcome cultural barriers and place great emphasis on respecting the human right of non-discrimination. This focus translates partly into a zero tolerance policy towards discrimination and harassment, and partly into on-going education and training of staff towards a broad mind-set and respectful communication.

PDAid has established partnerships globally; also for the execution of its services. Therefore, the company has a specific and non-tolerant focus on child labor and other compulsory-like conditions as described in the UN Global Compact principles. As previously described, this is monitored through supply chain management and assessment. PDAid focuses on making demands, while at the same time offering guidance in respect for human rights.

BEYOND COMPLIANCE

Over the years, PDAid has implemented its influence rate in relation to its stakeholders and the general public. As such, PDAid seeks to influence others to implement programs within social responsibility, and also to communicate diligently about various UN-based organizations' initiatives and to support their mission and messages. This influence occurs through network meetings, the company website and company publications as well as through articles presented in the media. The point of reference is the CSR log in which all major activities are listed. In addition, information from meeting plans and activity calendars is used to document the following activities.

Within the reporting period, the following results have been achieved:

- The PDAid Foundation has successfully been established and launched.
- PDAid has guided and assisted Arab Printing Press in becoming a member of the UN Global Compact.
- PDAid continues to collaborate with Aarhus University about knowledge sharing and teaching students, the leaders of tomorrow, about the task of putting CSR into practice.
- PDAid continues to pay its support to the State of Green and PRME Leaders programs, promoting sustainable management and striving to shape the leaders of tomorrow to incorporate human rights and sustainability into their core values.
- PDAid has made its resources available to students who wanted to use its CSR efforts and conditions as a case study in their [undergraduate] curriculum.

- PDAid continues to support the Kilimanjaro Initiative – an initiative created to raise awareness of and funds for development projects in East Africa. Support of this project is described in further detail in the section concerning local involvement and development issues.

Also, information from meeting plans and activity calendars is used to document the activities above. To get a more detailed and immediate overview, all meetings have been logged in a separate system. The table below provides an overview of our level of activity within communicating CSR to our business contacts and clients.

Year	B to B meetings	Client meetings
2014-15	43	77
2013-14	34	84
2012-13	40	69

GOALS

- To expand cooperation with Danish higher education institutions to further share our knowledge on CSR
- To focus on our suppliers in the year to come, engaging in further dialogue with our stakeholders on human rights issues, bringing us closer to fully assessing, understanding, and acting upon the human rights impacts in our supply chain
- To further develop the PDAid Foundation.
 - Take in new mentees
 - Seek further collaboration with private and public sponsors, relevant organizations and NGOs in order to locate suitable talents, sponsors and mentors – the latter primarily from the private business world.

These goals will be subject to ongoing evaluation – also within the supply chain – with a view to ensure that we are not complicit in human rights abuses.





CASE: THE PDAid FOUNDATION

DEVELOPING TALENTS - FUTURE SUSTAINABLE LEADERSHIP

PDAid LAUNCHES INTERNATIONAL FOUNDATION

After years of collaborating with universities and international programs supporting efforts of sustainable leadership, PDAid has expanded its CSR mind-set to a global level. In February 2015, PDAid launched the 'PDAid Foundation' - a global, talent support program, based on sponsorship and mentoring with a focus to develop burgeoning, young talent in developing communities. The PDAid Foundation, founded by Dennis and Pia Nielsen, is a foundation for positive changes, representing a concept for sponsorship and mentoring of young talents. Building on a mentoring program, the aim is to influence young individuals to develop good attitudes and solid values within the fundamental issues of human rights, democracy and sustainability.

FIGHT FOR YOUR NEIGHBOUR EVENT

The PDAid Foundation stems from a belief that future leaders - if provided with the right support and influence - will contribute positively to the development of their communities, and on this ground 'Fight for your Neighbour' was a perfect match. The event was a roaring success, including not only the launch of the foundation, but also speeches, music, dance performances, boxing and martial arts. Attending the event, and equally supporting the foundation, were highly profiled people - among these: Mr. Geert Aagaard Andersen, the Danish Ambassador to Kenya at the time, Mr. Robert F. Godec, the U.S. Ambassador to Kenya, a representative of UK High Commission, Hon. Dr. Hassan Wario Arero, Kenya Sports Cabinet Secretary and Dr. Auma Obama, Director of the Sauti Kuu Foundation. While announcing the launch of the PDAid Foundation, the Danish Ambassador to Kenya, Geert Andersen, stated that he and the Danish Embassy hope to achieve viable improvements within growth, democracy and human rights in developing countries. The ambassador stressed that strong community is best achieved through local support, and expressed his hopes that PDAid Foundation would act as a stepping-stone towards this goal.

FIRST TWO MENTEES

John Senteu Letite, a 24-year-old Kenyan, is the first of two participants to the PDAid Foundation. John has joined the PDAid Foundation program with a hope that it will help him develop through mentorship and education. Bentamegan Pritie, a 25-year-old Kenyan, is the second participant to the foundation. Bentamegan states that she is going to give the PDAid Foundation her "undivided attention, and work hand in hand with everyone in it to make sure it pushes through". Through scholarships and mentorships, the PDAid Foundation will support Bentamegan Pritie and John Senteu to become positive agents of change within corporate and societal management.

In September 2015, Bentamegan who grew up in Nairobi, started a course on counseling and management. Having experienced traumatic experiences in her young life, Bentamegan is keen to provide support to youth who suffer from post-traumatic stress, a condition that receives limited consideration in the development of informal settlements. John, a young Masaai who comes from Loitokitok at the foot of Mount Kilimanjaro, starts a business management course in October 2015. He is keen to acquire skills that will enable him to set up small businesses in his hometown and to contribute to the economic development of the region where he grew up.

As a symbol of engagement in the PDAid Foundation, both John and Bentamegan has received a Mandela Bangle. The purpose of the Bangle initiative is to generate funds for the cause of HIV and AIDS while helping the ones who suffer from it during the process. The funds generated from the project are allocated to build school libraries for junior schools in South Africa, thus teaching the children that they have the possibility to get an education and thereby change their future. The Bangle therefore symbolizes the pure essence of the PDAid Foundation and reminds the mentees to keep their spirits up and to pursue their future.

A TWO-WAY COMMITMENT

Both mentees will attend school according to their respective paths, and will furthermore communicate the outcome of their efforts on a regular basis. The feedback channel has been set up as a term of agreement for the mentees in order to proceed in the PDAid Foundation program. The communication with their mentors will give the youth an opportunity to discuss and elaborate on how their month has passed by; for instance their general experience of the school, professors and classes, including assignments, tasks and exams. Elaboration on which social tasks within their respective communities they have engaged in, and lastly how they are doing in general in their private life, focused primarily on their daily challenges and overall spirit and well-being. Reporting this information will ensure monthly follow-ups and further enable the surroundings to follow John and Bentamegan's educational journey.

COMMITMENT AND COLLABORATIONS

The notion of the foundation stems from the collaboration initiated through the 'Kilimanjaro Initiative' NGO (KI) headquartered in Kenya. The main objective of KI is to encourage young people to have self-belief and to assist in providing opportunities that will enable them to take on a constructive role in their communities. As a key feature of its activities, KI organizes an annual ascent of Mount Kilimanjaro, the highest mountain on the African continent. Through its wide range of youth-based community activities and expertise within local logistics, KI constitutes a perfect match as the local partner to the PDAid Foundation. Building on a solid collaboration with KI, the PDAid Foundation seeks further collaboration with private and public sponsors, relevant organizations and NGOs in order to locate and support suitable talents, through sponsors and mentors – the latter primarily from the private business world.

FUTURE PROSPECTS

Having established and advanced the first two mentoring programs, the PDAid Foundation has proved successful in its initial start-up phase. From now on, focus will be on perfecting the mentoring program, communication and collaboration between the foundation, its mentees and KI. Experiences from the start-up of the PDAid Foundation will be utilized in planning further mentor programs, as we wish to offer several mentees enrolment in the PDAid Foundation in years to come. In the process of doing so, we will make an increased effort to attract further resources to the foundation.

A short video about the PDAid Foundation is being released ultimo 2015. The video is based on the launch event of the PDAid Foundation in February 2015 as well as the overall purpose of the foundation and its mentees. Search for The PDAid Foundation on YouTube.

Gain further insights on the PDAid Foundation mentor programs, or how to become a mentor or a sponsor, by visiting the website www.pdaidfoundation.org or Facebook www.facebook.com/pdaidfoundation.



IMPROVING ENVIRONMENT AND CLIMATE

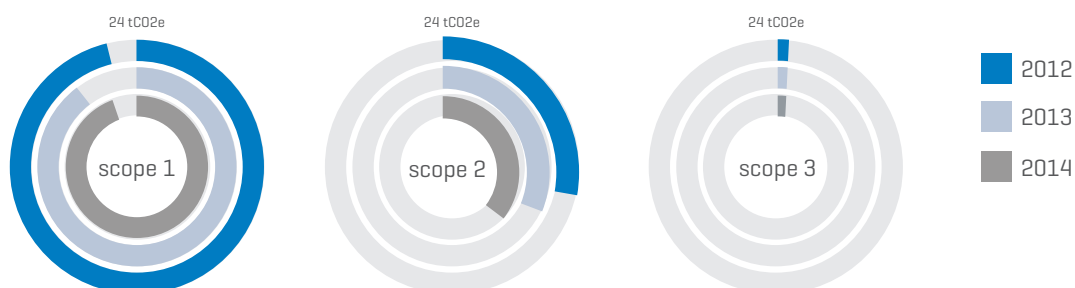
FOCUS AREAS AND COMPLIANCE

PDAid focuses strongly on environmental and climatic conditions. PDAid takes responsibility for its own impact, places demands on its suppliers' operating conditions and products, while it motivates its customers to make environmentally and climate-friendly product selections. PDAid's position is guided by the ISO 14001 standard, the requirements of which are included in the integrated management system. There have been no adverse events in the area during the reporting period.

The company's essential impact in this sector revolves around CO₂ emissions, primarily from travelling, while electricity and heat consumption in the offices play a minor role. PDAid's CO₂ accounts from 2014 are included below:

	2012	2013	2014
scope 1-heat	5 ton CO ₂	7.8 ton CO ₂	0.1 ton CO ₂
scope 2-electricity	6.2 ton CO ₂	6.5 ton CO ₂	6.8 ton CO ₂
scope 3-transport	9.3 ton CO ₂	11.5 ton CO ₂	22.7 ton CO ₂
total CO ₂ tons	20.5 ton CO ₂	25.8 ton CO ₂	29.6 ton CO ₂
Turnover DKK [thousand]	18,876	30,375	20,390

Annual GHG Emission per scope



The carbon accounting for 2014 shows a 14 % increase in emissions compared to the previous year. This increase is mainly due to increased overseas air travelling - owing to necessary business trips. PDAid remains focused on reducing CO₂ emissions and replace international face-to-face business meetings with digital conference meetings whenever possible. Looking at the development of the relative CO₂ emission, the table shows quite large deviations, which is primarily due to increased overseas air travel. However, air travel does not necessarily occur within the same financial year as the increased emissions from travel activity. Being a low-carbon company is of key importance in PDAid's environmental positioning. PDAid purchases UN-issued emission credits and by neutralizing all of its CO₂ emissions, the company has achieved a CO₂ Focus certification. The PDAid website is CO₂ neutral as well.

MARKET AND PRODUCT DEVELOPMENT

PDAid has experienced an increase in the level of requests for proposals on digital solutions. PDAid is prepared to respond to the shift in market and client needs. The company embraces the digital age and takes both the environment and climate into consideration throughout its work. Digital solutions, as opposed to printed matters, have less impact on the environment, where some of the most significant factors are:

- A decrease of need for paper pulp
- Reduce in energy consumption and risk of pollution from paper manufacturing
- Energy needs for distribution is reduced considerably

Moreover, in most cases, clients will be able to reach a larger part of their target segments utilizing digital solutions. It is evident that market development has affected PDAid, and it is a growing trend that there is an increase in the number of digital projects to PDAid.

However, customers will proceed demanding traditional paper based solutions. Therefore, PDAid has developed the Paper Guide, a guidance in how to choose eco-friendly paper qualities. The Paper Guide will be distributed and presented to 30 customers throughout 2015-2016. For more information about the Paper Guide, please see the case on the following page.

BEYOND COMPLIANCE

Activities and achievements during the reporting period:

- PDAid has increased its use of video-conferencing equipment as an alternative to external meetings requiring travel.
- PDAid has incorporated a new printing solution, which is energy saving as it fixes at a lower temperature, meaning that it can reduce its energy use by 20% and CO2 emissions with up to 35% compared to regular toner.
- PDAid has developed a Paper Guide, which is an environmental assessment of paper qualities intended to offer its customers the best possible advice on the matter.

GOALS

- The Paper Guide will be distributed and presented to 30 customers throughout 2015-2016, who will be guided in how to use it through relevant projects.

CASE: PAPER GUIDE, A GUIDANCE IN CHOOSING ECO-FRIENDLY PAPER QUALITIES

Despite the increase in amount of digital solutions offered by PDAid, PDAid's customers will proceed demanding traditional paper based solutions throughout the years to come. Within printing solutions, choosing the correct and environmentally friendly paper type is of vast importance.

PDAid strives to enhance quality and to make a positive difference in relation to the environment. Drawing upon its expertise and dedication, the aim is to provide sustainable solutions that communicate the essence to all stakeholders through high levels of creativity and an aesthetic approach - always reflecting upon reception and user needs. Therefore, PDAid have developed an eco-friendly Paper Guide in collaboration with its printing partner with the intention to accommodate customer's wishes and give a hands-on experience of the most commonly chosen paper types. The Paper Guide will assist customers in choosing the best suitable and environmentally friendly paper types for each assignment. PDAid always consider the environment, and guarantee to provide a variety of environmentally friendly paper types and eco-labelling.

Along with a large consumption of paper follows a polluting, energy-intensive production. However, choosing eco-labeled paper can make an impact. The production of eco-labeled paper is subject to strict environmental requirements, while at the same time maintaining high quality. Therefore, more and more companies use eco-labeled paper. Not least as visible proof of a responsible and green purchasing policy. Eco-labels add credibility to the products and acts as proof of environmental efforts. PDAid is proud of the eco-labeling and use it actively. The aim of eco-labeling is a cleaner environment and greater health.

The Paper Guide contains a wide range of environmentally friendly paper qualities that ensures accurate information, advice and guidance to customers in choosing environmentally friendly paper, also with regards to the utility and durability of the various paper types. Besides guidance in choosing eco-friendly paper qualities, the purpose of the Paper Guide is to deliver a useful guide that will be timesaving and convenient in customer's selection of paper types.

The Paper Guide will be distributed and presented to 30 customers throughout 2015-2016. Later, PDAid will conduct a comprehensive follow up on how the Paper Guide has helped customers in their daily work, and how they have utilized it during specific projects.



IMPROVING THE WORKING ENVIRONMENT

FOCUS AREAS AND COMPLIANCE

PDAid employs highly skilled members of staff; they are its greatest asset, and PDAid wants to take good care of them. Therefore, the company has included requirements of the international safety standard OHSAS 18001 in its integrated management system. On a daily basis, the requirements are complemented with a continuous risk assessment in relation to for example workload. This is done through close dialogue with employees. PDAid focuses on employee well-being and health, which translates into a number of initiatives and activities. All requirements set for the working environment and safety and also actively support health promotion are met.

BEYOND COMPLIANCE

Activities and achievements during the reporting period:

- PDAid has a very low absenteeism and there have not been work-related accidents during the reporting period.
- Fresh fruit is offered to employees.
- A Digital Project Manager function has been implemented as an active part of the company. The Digital Project Manager function has been established due to high demand for digital competencies in PDAid's market. At the present time, three employees are engaged as Digital Project Managers.

PDAid's offices will until 2015 be treated with ACT CleanCoat®. ACT CleanCoat® is an award-winning active coating for indoor surfaces that destroys 99.9% of organic contaminants, which leaves a healthy and hygienic indoor environment. In rooms and indoor areas that have been treated with ACT CleanCoat®, air is constantly purified, which protects against illness, infection, and a variety of allergic reactions. Once applied, it has a guaranteed effect for up to 12 months. ACT CleanCoat® has been registered under EU law, Biocide Product Regulation [BPR] PT2 and meets all EU health and safety regulations. The active ingredient in ACT CleanCoat® is titanium dioxide, which is approved by the United States Food and Drug Administration [FDA]. Titanium dioxide is non-toxic and harmless to humans and pets.

Also, as part of PDAid's internal staff development effort, service management has been a main focus area within the company in 2014-15 and will continue being so throughout the coming years. A series of courses will be organized for all employees, intended to perfect communication skills, provide insight into sales tools and offer guidelines on improvement.

GOALS

- Internal staff development will be continued
- The need for further training will be analyzed and a subsequent action plan determined
- Offices will be cleaned with ACT CleanCoat®, hereby improving the indoor climate at PDAid's HQ
- Digital competencies and processes will be strengthened



ANTI-CORRUPTION AND UNETHICAL BUSINESS PRACTICE

FOCUS AREAS AND COMPLIANCE

PDAid works globally and meets different approaches to ethical business operations. Therefore, PDAid focuses on ensuring that its values on anti-corruption and credible and transparent business operations must be implemented both internally and among stakeholders. PDAid does not tolerate corruption or corruption-like conditions and demands clarity on the issue of copyright.

There have been no reports of corruption-related events or ambiguity of copyright in the period, and no suspicion thereof has been detected.

Anti-corruption is an issue, which is discussed in the CSR standard DS-49001, and PDAid's current external certifications and audits in this area have not resulted in any negative observations.

The PDAid Code of Conduct will continue to form the foundation for collaboration with new and existing suppliers and partners, and the integration of requirements and attitudes in all contracts with major suppliers will continue.

The Code of Conduct comprises PDAid's guidelines for CSR



CASE: DESIGN DENMARK CODE OF CONDUCT

Design Denmark [Dd] is an alliance of designers, design thinkers and design businesses, working to promote design in business and society.

Dd is an alliance that binds business, culture and science together and ensures that design and the industry in general is perceived as professional, creative and innovative among decision makers. Dd is engaged in design being experienced as a strong parameter for competitiveness and as a tool for creating positive change throughout the value chain.

Dennis Lundoe Nielsen is a board member of the Dd association. PDAid encourages its stakeholders to take active part of CSR, which is in line with PDAid assisting Dd in developing their very own Code of Conduct.

Developing a Code of Conduct enables Dd to commit its membership organizations to adhere its ethical guidelines.

A Code of Conduct draft is under development with relevant content for Dd's membership organizations. The Code of Conduct will comprise a set of guidelines for CSR for both Dd and its membership organizations. Content must be relevant and globally recognizable, but at the same time focused and defined, ensuring that all members can adopt the agreement. The Code of Conduct will be based on UN programs such as 'UN Global Compact' and UNGP [Guiding Principles on Business and Human Rights].

Dd will benefit in form of a CSR-branding of the association and a demonstration that Dd as a

trade organization can contribute to CSR through the dissemination of knowledge and a practical arrangement through a Code of Conduct. Dd will make a small investment in preparing the set-up and implementation, communicating this to its members, while the operation of the system, with due care, will draw very few resources.

The Code of Conduct will furthermore require a sequence of CSR-related marketing activities in order to brand Dd internally among member-organizations as well as the CSR-interested external environment. Yet, the Code of Conduct will be voluntary and should be acknowledged as a service to its membership organizations.

One of PDAid's strategies is to disseminate knowledge about CSR, and the company takes pride in sharing its experience concerning CSR issues with stakeholders. PDAid has various competencies and experience within the field of CSR, which is highly applicable within the engagement between PDAid and Dd. PDAid strongly urge its collaborative partners to pursue CSR opportunities as well as activities that enable them to contribute to sustainable development. Particular results have been achieved in the collaboration with Arab Printing Press. In the collaboration with Dd, PDAid puts its CSR knowledge at Dd's full disposal including its own Code of Conduct program, which is especially designed for smaller organizations, thus perfectly applicable for the company size of Dd. The goal is for the entirety of Dd's 800 membership organizations to join its Code of Conduct.



Design denmark needs to work beyond compliance to accommodate and improve future Global competitiveness within Danish design. The membership organizations to Design denmark trade at several international markets, for which reason Design denmark has taken a pragmatic approach with the development of a Code of Conduct for its membership organizations.



Morten Grøn, CEO Design denmark



SUPPORTING SUSTAINABILITY AND LOCAL INVOLVEMENT

The task of supporting, promoting and raising awareness of commendable initiatives and projects is a matter of great importance to PDAid, and the company strives to select support-worthy causes that are a natural extension of its core competencies and values. On an annual basis, PDAid allocates \$40.000 to CSR activities.

PDAid provides support in the form of knowhow, publicity and financial means, including for example:

- Communication and marketing
- Graphic design, layout and production
- Use of the network within the United Nations and organizations that support and promote human rights, environment/ climate, working conditions and anti-corruption
- International trade and relationship building
- Project management

This philosophy allows the company to offer its support most effectively, whilst allowing organizations, projects and initiatives the opportunity to derive from this support the best possible benefits.

ACTIVITIES SUPPORTED DURING THE REPORTING PERIOD

PDAid Foundation

In 2015 PDAid is actively supporting the PDAid Foundation. The PDAid Foundation aims to improve local conditions for young talent in developing countries through a structured and global support program. Through education, financial means, personal communication and mentorships, the PDAid Foundation supports young talents in becoming agents of positive change in the corporate and societal management of the future. Financial support cannot stand alone, as young people must experience first-hand mentorship from adult leaders and role models. Therefore, each individual mentor is prepared to share his/her experience and opinions as a leader and role model, thus inspiring to corporate social responsibility, sustainable management and a democratic mind-set. For more information on the foundation, please see the case on page 26.

The Kilimanjaro Initiative

PDAid's support of the Kilimanjaro Initiative represents an example of its quest to demonstrate the importance of involvement in local community development issues and enhance the quality of assistance to those in need around the globe. PDAid hopes to raise further awareness of KI by promoting its cause and activities through communication material and on the website. In addition, the PDAid Kilimanjaro experience has been documented in detail in a short film, offering both a day-to-day recount of the climb as well as details concerning the underlying purpose of KI. The film is available at the PDAid website and on Youtube.

It is the sincere hope that PDAid's attempts to raise awareness of the Kilimanjaro Initiative will allow us to assist them in obtaining noticeable benefits with far-reaching consequences.

Be My Eyes

PDAid provides economic support to the team behind the non-profit project Be My Eyes, enabling the project team to attend the SCALEit + SXSW accelerator program in Silicon Valley, California, 7-19 March 2015 - a start-up accelerator program aimed towards entrepreneurs in Denmark.

YEAR	NO OF PROJECTS	PROJECTS	ANNUAL COST
2015	8	<ul style="list-style-type: none"> - The PDAid Foundation - The Kilimanjaro Initiative - Talentspejderne - 'Hjælp nu!' - Be My Eyes - The World's Best News - Climate Change - Foundation for the Global Compact 	\$28,800
2014	6	<ul style="list-style-type: none"> - The Kilimanjaro Initiative - UNFCCC's The Norte III-B Landfill Gas Project, Argentina - The World's Best News - Climate Change - Mandela Bangles Project - Foundation for the Global Compact 	\$9,800
2013	4	<ul style="list-style-type: none"> - Mandela Bangles Project - The World's Best News - Climate Change - Foundation for the Global Compact 	\$28,700
2012	5	<ul style="list-style-type: none"> - PRME LEADERS+20 Competition - Defibrillator project "Kunsten at redde liv" - The World's Best News - Climate Change - Foundation for the Global Compact 	\$9,800
2011	7	<ul style="list-style-type: none"> - UNICEF in collaboration with Randers Municipality - The World's Best News - Team Rynkeby Cycling - ArtDoors - Support to The Sheldrick Wildlife Trust in Nairobi, Kenya - Climate Change - Foundation for the Global Compact 	\$11,200

WORLD'S BEST NEWS UNDER THE AUSPICES OF UNDP

'The World's Best News' is a Danish initiative created by the UN, the Danish Ministry of Foreign Affairs' development agency DANIDA, more than 100 Danish aid organizations and more than 90 corporate partners.

With PDAid's support of this initiative, the company promotes the message that multi-national development aid is both necessary and beneficial, while informing people of the positive progress in developing countries.

It is the sincere hope that PDAid's attempts to raise awareness of the Kilimanjaro Initiative will allow us to assist them in obtaining noticeable benefits with far-reaching consequences.



PDAid conveys this message through its:

- Website
- E-mail signatures
- Communication and sales material
- Documents

CSR IN AN EDUCATIONAL CONTEXT

PDAid takes pride in sharing its knowledge and experience with students, educational institutions and other stakeholders working within the field of corporate social responsibility. As a result, the company has contributed to a project conducted by Aarhus University, focusing on the role of CSR as a competitive resource and advantage.

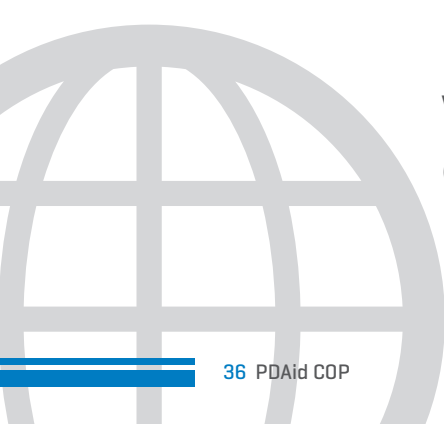
PDAid has also contributed to a project conducted by students from Aarhus University in Herning, in which CSR issues played a major part.

Sharing knowledge and practices in relation to its CSR certification allows PDAid to collaborate closely with players, who can contribute to, and comment on PDAid's CSR activities, thus allowing the company to continuously develop and improve its strategic direction.

PDAid encourages partners to continuously improve their way of doing business and readily place its expertise at partners' disposal when any new environmental or CSR steps are to be initiated. In addition, PDAid participates in a variety of networks, round table discussions and conferences, sharing knowledge and experience on the subjects. As examples, www.stateofgreen.com and www.danishresponsibility.dk.

GOALS

- Support of The PDAid Foundation and The Kilimanjaro Initiative continues
- World's Best News under the auspices of UNDP continues
- Talentspejderne – In connection with the establishment of the PDAid Foundation, an integrated collaboration with Talentspejderne and KI has been formed in order to develop guidelines on mentoring. Collaboration will continue to be developed.
- PDAid will continue to support the Danish Business Network in Kenya
- PDAid will continue to pay an annual contribution to the Foundation for the Global Compact
- PDAid will continue to inspire the membership organizations of Dd to join its Code of Conduct
- PDAid will continue taking part in the WIN network



PDAid respects its clients, employees and the world surrounding it. Respect places demands on all companies, to think and act responsibly



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