

# Communication on Progress in implementing the principles of the United Nations Global Compact

Dantrafo, January 2016

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## **Introduction**

Dantrafo A/S is the parent company for Dantrafo Group which was established in 1979. Dantrafo Group has developed to become one of the leading Northern European producers of transformers, coils and other inductive components.

Dantrafo Group has a total of approximately 200 employees divided between the Danish parent company in Lemvig, the Swedish subsidiary in Åmål and the Chinese subsidiary in Suzhou.

The subsidiary in Sweden has remained unchanged during 2015.

For the Chinese subsidiary there has mainly been focus on follow up for the CSR activities which was implemented during earlier projects.

Dantrafo supports the ten principles of the UN Global Compact and is committed to align activities with the ten principles within the areas of human rights, labour, environment and anti-corruption.

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

Sincerely Yours,

Ivan Gam

Managing Director

## **Human Rights**

All companies within the Dantrafo Group respect Human Rights with special focus on local requirements in the country of operation.

All employees has the freedom to be organised and select representatives which will be the point of contact for issues, projects and programmes to be discussed with the management.

Each company has developed an Employee Handbook which describes a number of relevant policies and guidelines for local employees. The Employee Handbook is being revised regularly in cooperation between company employees and company management.

Regular meetings are scheduled to provide employees information about company initiatives, news and changes. Also, this meeting has the purpose of providing an open dialogue between employees and management. Especially in Dantrafo Suzhou this has been further developed with the implementation of regular meetings in smaller forums with participation of blue collar, middle management and top management.

In 2015 it was a goal to host at least 2 information meetings for each company. This goal has been achieved.

## **Labour**

Dantrafo A/S is member of Confederation of Danish Industry and is committed to comply with the regulations for labour management as set forward by Confederation of Danish Industry.

Dantrafo Group is committed to work in a structured way to ensure a good and healthy work environment. It is a goal to achieve a high degree of employees which stay in the company for many years (10+ years).

In Dantrafo Denmark and Dantrafo Sweden there have been few resignations of employees during 2015. In Dantrafo Suzhou there has been a level of resignation which is at a lower level comparable to similar companies. Based on this we conclude, that our goal has been achieved.

In Dantrafo Denmark we are continuously cooperating with local authorities with a goal to assist 1-2 local citizens to re-join the work force after long time of unemployment. Currently we have 3 ongoing projects which will all be concluded in 2016

An employee satisfaction survey has been conducted in 2015 and a list of actions has been prepared in cooperation between employees and company. Many actions have already been concluded in 2015 and the remaining actions will be concluded in 2016.

As part of ongoing CSR activities, Dantrafo Suzhou is planning to offer employment for 1-2 disabled citizens during 2016.

Labour union in Dantrafo Suzhou will increase focus and activities in social arrangements during 2016.

Improving daily operation is a major area of focus to make sure that Dantrafo Group can offer employment for our employees also in the coming years. Many of the initiatives within improvement activities are based on the principles of Lean.

## **Environment**

Dantrafo Group will conduct all business activities in a responsible manner which ensures the preservation of the internal and external environment.

Each company is subject to formal audit by the local Municipal Authorities with respect to environmental aspects. A number of preventive actions are being implemented and in case an issue occurs, this will be solved quickly and efficiently in cooperation with the local Municipal Authorities.

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

During 2015 our customers has continued focus on "Conflict Minerals" requirements. Impact of possible Conflict Minerals has been investigated and it has been ensured that Dantrafo A/S do not use any of the Conflict Minerals from the banned countries.

Internally we have established a forum to handle activities related to employee environment to ensure that all activities are conducted in a responsible manner related to health, safety and wellbeing of all employees. The forum has representatives from both company employees and company management.

In 2015 it was a goal to pass audit for both internal and external environment in Dantrafo Denmark. Both audits has been performed and passed. This goal has been achieved.

In 2015 it was a goal to pass follow up audit for ISO 14001 and ISO 18001 for Dantrafo Suzhou. This goal has been achieved.

During 2015 Dantrafo Suzhou has improved working conditions for employees like f. ex. Safety shoes, swing cranes for heavy products etc.

## **Anti-Corruption**

Dantrafo Group is a private held company operating on market conditions.

Dantrafo Group has a long standing anti-corruption policy stating that corruption or bribery is not acceptable in any form or under any circumstances.

All activities are conducted with a high degree of ethics and moral.

Especially for activities in the Chinese subsidiary there are a set of specific activities in order to prevent anti-corruption.