

GLOBAL
COMPACT

COP/CSR REPORT

2015



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THE 10 PRINCIPLES of the Global Compact

HUMAN RIGHTS PRINCIPLES

■ Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

■ Principle 2:

Make sure that they are not complicit in human rights abuses Assessment, Policy and Goals.

LABOUR PRINCIPLES

■ Principle 3:

Business should uphold the freedom of association and the effective recognition of the right to collective Bargaining.

■ Principle 4:

Business should uphold the elimination of all forms of forced and compulsory labour.

■ Principle 5:

Business should uphold the effective abolition of child labour.

■ Principle 6:

Business should support the elimination of discrimination in respect of employment and occupation Assessment, Policy and Goals.

ENVIRONMENTAL PRINCIPLES

■ Principle 7:

Businesses should support a precautionary approach to environmental challenges.

■ Principle 8:

Undertake initiatives to promote greater environmental responsibility.

■ Principle 9:

Encourage the development and diffusion of environmentally friendly technologies Assessment, Policy and goals.

ANTI-CORRUPTION PRINCIPLES

■ Principle 10:

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



Strandbygaard Grafisk a/s supplies high-quality graphic services.

Strandbygaard Grafisk a/s is a company that always strives to be market leaders when it comes to graphic companies, and during times where environmental matters are more and more in focus we focus even more on the environment ourselves.

Therefore, we are certified with the Swan (The Nordic Eco-label), FSC, PEFC, ISO 14001 and EMAS. We can also offer to climate compensate the print. We want our environmental policy to be a central part of our company basis in the future.

Quality is also an important point at Strandbygaard Grafisk a/s and therefore we are also certified according to ISO 9001.

At Strandbygaard Grafisk a/s, we strive to deliver sustainable solutions for the benefit of people, the environment and society. By joining the UN Global Compact, we are committed to demonstrate social and environmental responsibility as well as follow and integrate the Global Compact's 10 principles of our company.

The purpose of the Global Compact is to provide guidance on how we as a company can help to solve the social and environmental challenges of globalization. Global Compact principles show us the way on how we as a company through our actions respect the fundamental human and labor rights, showing responsibility towards the environment and oppose all forms of corruption.

Our participation in the UN Global Compact is to maintain our focus on social responsibility in our activities and strengthen the ongoing communication about the progress we are making in the field of CSR.

»We want our environmental policy to be a central part of our company basis«



5041 0751
Ecolabelled printing company



Statement of support

With this Communication on Progress report Strandbygaard Grafisk a/s confirm that we support the 10 principles of the Global Compact with respect to human rights, labor standards, environment and anti-corruption. We will make the COP report available via our website.

Generally we would like to have the possibility of using the logo for our membership of the Global Compact network in our company brochure, on presentation materiel for Strandbygaard Grafisk, the logo attached to our e-mail signature and on tender documents.

Furthermore Strandbygaard Grafisk has joined The Graphic CSR code via Graphic Association Denmark and HK/Privat. The code helps define a standard and a practice about social responsibility for production of graphic products and

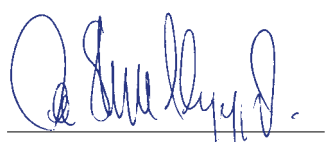
services - both nationally and internationally. The graphic industry's CSR code is based on UN Global Compact's 10 principles, but is made more action oriented for the graphic industry.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Date:
March 8th 2016


Mr. Ole Strandbygaard
Managing Director & owner


Mr. Claus Scotwin
Managing Director & owner


Mrs. Gunhild Dokkedal
Environment, Quality & LEAN



Human rights in the production country

With regard to national and societal customs, the company must not get involved in any violation of human rights in the production country.

This also includes violation referring to national laws, religious and cultural practice.

Harassment and punishment

Strandbygaard Grafisk treat all employees with respect and dignity. The company refrain from corporal punishment of employees, threats of violence, sexual and psychological harassment, bullying, abusive behaviour and verbal scold. The company must draw up policies and prevention steps to protect employees from harassment and punishment.

Protection of privacy

We respect the employees' privacy, both in terms of collection of personal information and surveillance of the workplace.

Collection and registration of personal confidential information should be minimal, and it must be ensured that only information with a legal basis in internal legislation is registered.

Personal information must be stored in a safe and responsible manner and only persons with appropriate errand must have access to this information.

The employees must be informed if there is surveillance of the workplace. The company must inform the employees about the type of information that



is stored, for how long and for what purpose. Employees must have access to view the data.

How to complain and make sanctions

We are open to a complaint from employees and have procedures in place for handling and settling complaints.

Employees must be able to lodge complaints without the risk of threats of reprisals. The company cooperate with the relevant employee representatives/trade unions on the establishment of procedures for complaining. The procedure should apply to all, be transparent, and employees must be briefed about this.

Complaints must be followed up by research and reporting and must not result in discrimination of complaints cf. principle 6.

Human rights principles

■ Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

■ Principle 2:

Make sure that they are not complicit in human rights abuses
Assessment, Policy and Goals.

**Freedom of association
and collective bargaining**

Organisations are defined as an organisation of employees with the aim of promoting and protecting the interests of the employees.

The company recognises:

- the right of the employees to join unions of their own choice without prior authorisation. However, the national legislation in the production country must be taken into consideration.
- the right that organisations negotiate wages and working conditions collectively on behalf of their members. If the national legislation does not allow the organisation of independent trade unions, the company must allow the employees to form organisations consisting of representatives of the employees, who can discuss issues related to work.

Working environment

A safe and healthy working environment is a human right.

Strandbygaard Grafisk ensure that the working environment is of such a standard in relation to the technical progress that the employees are not exposed to conditions or risks that can affect their health in the short or long term. This regards both occupational diseases and accidents at work.

We secure that a system is in place that supervises the working environment and continuously works to improve the working environment conditions in accordance with the objectives set. In practice this means:

Working environment - cooperation

- the elected representatives of the employees are involved in this work.
- safety committees are established.
- all involved get the necessary education and training.
- workers receive adequate instruction in the work including working environment risks.
- audits (external/internal) are made at least once a year, where the employees get the opportunity to comment on their working environment.
- objectives are followed up (in relation to audits).

Working environment - chemicals

- the least hazardous chemical substances and products are used in connection with printing operations, e.g. through substitution of dangerous substances and products which are less hazardous or non-hazardous. This could be inks, adhesives, and chemicals for washing and cleaning of machines/rollers
- there is adequate ventilation in both the working area and at working processes with a risk of inhalation of vapours, dust etc.
- precautions against inhalation of vapours, dust, etc. are taken.

■ Principle 3:

Business should uphold the freedom of association and the effective recognition of the right to collective Bargaining.

■ Principle 4:

Business should uphold the elimination of all forms of forced and compulsory labour.



- the employees through datasheets know the chemicals they work with, and know where first aid is located and that personal protective equipment is issued and stored
- appropriate personal protective equipment is used, where there is no extraction of dangerous substances. The equipment is paid for by the employer.

Accidents and machine protection

- graphic machines are provided with effective protection measures such as guards, screens, switches, emergency stop, etc.
- the protective functions are supervised
- machines undergo inspection and maintenance at appropriate time intervals

- accidents are recorded and investigated in order to prevent further accidents
- a sufficient number of people have been trained in first aid.

Noise

- the employees are not exposed to noise that can damage their hearing. There must be reducing measures, where it is easy to establish. At a minimum, the employees must wear proper hearing protection, which is provided by the employer.

Ergonomics and work operations

- the working area is designed to avoid poor working postures and movements in the best way
- there is furniture and equipment e.g. in the form of lifting equipment available to help eliminate heavy lifting and poor postures/movements.

Indoor climate

- there must be a clean and comfortable indoor climate/temperature in the working area. This is achieved through cleaning, good lighting, and if necessary through mechanical ventilation and other heat control.

Welfare measures

- there is clean and adequate washing and toilet facilities separate for both sexes.

Pregnant women

- pregnant women should be protected from working with chemical products that are considered a risk for foetal defects and against the heavy lifting and other loads that can cause miscarriage or premature birth.

Labour principles

■ Principle 5:

Business should uphold the effective abolition of child labour.

■ Principle 6:

Business should support the elimination of discrimination in respect of employment and occupation Assessment, Policy and Goals.

Forced labour

Strandbygaard Grafisk undertakes to refrain from making use of any form of forced or compulsory labour:

- As a means of maintaining discipline
- As a punishment for having participated in strikes
- As a means of discrimination on grounds of race, social status, nationality, or religion.

Child labour

Strandbygaard Grafisk ensure that:

- all members of staff are over 13 years old
- employees aged 13 to 15 years old only do light work
- parents of the 13-15 years old employees have been informed of the work and the working conditions
- employees under the age of 18 do not carry out hazardous work or work at night
- employees under 18 years only work for Strandbygaard Grafisk for a brief period of time in connection with their education. They are registrated with name and date of birth to keep track of their age.

Discrimination

Discrimination is defined as:

- Any distinction, exclusion or discrimination based on race, colour, age, sex, marital status, sexual orientation, language, religion, mental or physical disability, health status, political opinion, national, or social origin.
- Any other distinction, exclusion or discrimination as a result of nullifying or impairing equality based on union membership or after consultation with representatives for employee associations/representatives.

It is not considered discrimination, if the distinction, exclusion, or discrimination is due to specific qualifications for employment.

The company undertakes not to exercise direct or indirect discrimination in recruitment or to have discriminatory hiring policies, e.g. about salary, working conditions, fringe benefits, pension, possibility of advancement, etc.

All staff must at least receive what corresponds to the country's set minimum pay.

In accordance with national practices, the company undertakes to create and pursue a policy that aims at promoting equality and eliminate discrimination. It also includes the ability to recruit people from vulnerable groups.



Strandbygaard Grafisk undertakes to regularly develop and maintain the production processes and systems for managing and preventing the special environmental conditions for graphic production. It can be in connection with paper, printing plates, chemicals and energy issues/consumption.

The company's environmental work and communication with the public must be based on dialogue. This means that regular dialogue is expected to take place with neighbours, civil society organisations, and others with an interest in environmental activities. This is done through



information that clearly reflects the essential environmental aspects associated with graphic production.

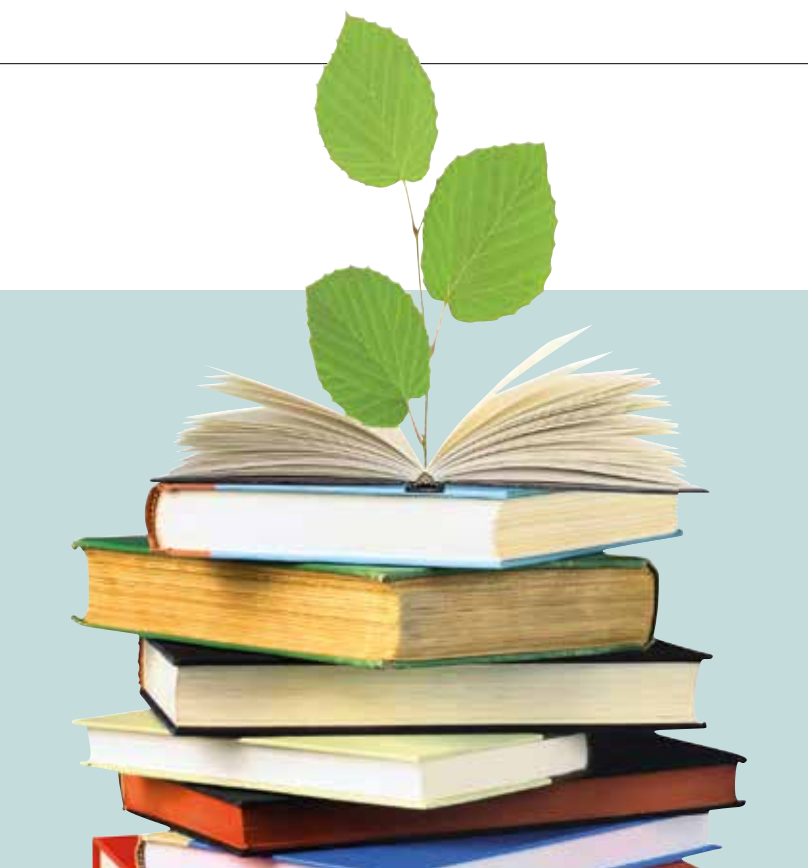
Environment - data and information

Some of the key environmental issues in graphic production are associated with paper, printing plates, and ink plus the origin of paper fibres, where this is particularly relevant. Paper production is more and more based on paper fibres from several continents, where there is a risk of illegal logging. Therefore Strandbygaard Grafisk are FSC and PEFC certified and follow these regulations.

Environment - climate

Another important environmental parameter in the production of printed matter is the energy consumption and with that the climate impact. As far as possible, the company undertakes to provide information on how production affects the environment and take this into account. For instance, this is done by following up on the consumption of water, gas and electricity.





Environment - recycling

We reduce, reuse and recycle waste as widely as possible.

Environment - chemicals

The company must maintain a continuous risk assessment of the materials, products, and processes and at all times be able to document and provide information about this. Banned chemicals must not be used.

We have a proper storage, handling and disposal of chemicals and other hazardous substances. In addition, the company must take all the necessary measures to ensure that they are replaced with less harmful chemicals and substances where possible.

Environment - water and VOCs (volatile organic compounds)

The company undertakes to reduce the discharge of waste water and VOC emissions as much as possible and to use the cleanest technology wherever possible.

Environmental principles

■ Principle 7:

Businesses should support a precautionary approach to environmental challenges.

■ Principle 8:

Undertake initiatives to promote greater environmental responsibility.

■ Principle 9:

Encourage the development and diffusion of environmentally friendly technologies Assessment, Policy and goals.

**Strandbygaard Grafisk
do not accept corruption**

Bribery is not acceptable in any form, whether it is private/public, direct/indirect, active/passive corruption. Corruption distorts competition and prevents markets from functioning efficiently and can be considered an additional tax on investment and trade.

Bribery is defined as a payment that is intended to get someone to do something that is dishonest, illegal or against his duties, with the purpose of obtaining an undue advantage.

Facilitation payments are defined as encouraging public officials to perform their tasks such as issuing licenses and permits.

The company work against the use of facilitation payments. It may in some cases be accepted, if it is customary in the country to receive such payments, and all other options must be exhausted.

At the same time, the company must inform the customer/the company management about the use of facilitation payments.

In addition, the company undertakes to introduce systems that effectively control the economic activities.

Gifts

Gifts should never be given or received in secrecy. It is not allowed to give or receive gifts of money or securities.

Gifts must not be given that are so great that the receiver will not be able to provide a corresponding gift.

Never give gifts in connection with offers, offer evaluation, or contract negotiations.



Anti-corruption principles

■ Principle 10:

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

- **Working environment**

We make APV (workplace assessment) a mapping of our company's physical and psychological environment to identify improvements for instance within health & safety. The workplace assessment is also a snapshot of our employees job satisfaction level.

Last years APV's for all employees and working areas showed a wish form the employees for new kitchen and canteen facilities. This was build at the end of September 2014.

With a focus on improving the ergonomics of production workers standing up at the machines have been purchased ergonomic mat for relief of the body when standing.

The goal for this year is to improve the safety of our employees further. Therefore all people working in the production must wear safety shoes from July the 1st 2015. In addition the employees in the printing production must wear cutting gloves to prevent having their fingers cut by sharp blades for the printing machine.

- **Environment / Reduction of energy consumption**

By sustaining a certification after ISO 14001 and EMAS we every year set new goals for the environment. We continuously focus on reducing the consumption of water, electricity, heat and compressed air.

The goal for 2015 was to reduce the consumption of electricity by 5%. LED lights has been installed all over in the factory. This goal was reached by reducing the electricity consumption by 13 %.

- **Environment / Chemicals**

To ensure that employees in case of emergency easily can find the latest product safety data-sheet for chemicals we in 2014 implemented a electronically database for all our chemicals.

- **LEAN**

To continuously develop Strandbygaard Grafisk we have implemented LEAN and we follow up on deviations to identify improvements actions. Every department meet every week for LEAN meetings. Everybody at Strandbygaard Grafisk a/s has this way a good opportunity to come with new ideas for improvements.

- **Protection against illegal labor**

Before Strandbygaard Graphic sign a contract with a new cleaning company , there must be a service certificate from them, so we are assured that the company is not convicted of proceeds of crime. When purchasing cleaning services, there is a risk that you open your workplace for illegal labor. Therefore Strandbygaard Graphic in 2015 introduced a contract where the cleaning company sign a declaration that they do not use illegal workers. Cleaning Workers must always carry a visible ID card with photo and identification.



HUMAN RIGHTS PRINCIPLES

- Strandbygaard Grafisk is not located outside Denmark.
- Fundamentally Strandbygaard Grafisk complies with all principles regarding international conventions, which Denmark have joined, including defined employ-

er rights in accordance with ILO's conventions, and the Danish labour market's collective agreements.

Involvement in community activities

Strandbygaard Grafisk a/s is visible in several contexts locally, but also by a number of regional and national events. Currently the company has been sponsoring the following:

- Bakken Bears Basketball
- FC Midtjylland handball and football
- Skjern handball and Ringkøbing handball
- Ringkøbing Sports Club
- Exhibition Centre Herning
- Dejbjerg Golf Club, Skive Golf Club og Holmsland Klit Golf Club
- Team Rynkeby – fight against child cancer
- Reds & Greens Business Club



HUMAN RIGHTS PRINCIPLES

LABOUR PRINCIPLES

- It is of importance for our company that our employees have the good working conditions.
- Air humidification in production facilities to have less dust and pleasant working environment.
- Also to have a good indoor climate we have a air humidifier in the office facility.
- Employees in the office do daily gym to compensate for the time sitting at a computer.
- The desks are high adjustable so it can be set to fit the person working at the desk. This way the person has the ability to switch between standing and sitting during the workday.

- There are special rubbermats different places in the production facility to make it more comfortable for the employees to stand up at the machine.
- Graphic employees who sit a lot has a ergonomic sittingball available to change sitting positions.
- We work continuously with LEAN principles.
- We focus on avoiding accidents and to continuously improve safety.
- All employees can every 14th day sign up for a treatment by a Fysioterapeut.
- Free fresh fruit to all employees every day.
- All employees have free access to cold water and coffee & te.
- For employees that are smoking we offer refunding some of the money for a quit-smoking course. Strandbygaard Grafisk a/s became a non-smoking company in 2014.
- The staff club arranges several social activities for employees to strengthen the unity.



LABOUR PRINCIPLES

The 10 Global Compact principles

– actions & outcomes within the 4 issue areas

ENVIRONMENTAL PRINCIPLES

- Strandbygaard Grafisk are dedicated to managing our environmental impacts proactively.
- The environmental principles are described on our webpage www.strandbygaard.dk

Strandbygaard Grafisk are certified after and wants to sustain the following certifications:

- ISO 14001 Eco Management
- EMAS
- The Swan = The Nordic Eco-label
- FSC certification
- PEFC certification
- Climate calc - carbon calculator

The consumption of electricity, heat and water is followed on a weekly basis and improvement initiatives are implemented where possible solutions are found to reduce the consumption. This is described in the yearly EMAS report.

At Strandbygaard Grafisk you can get your print CO₂ neutralized through the purchase of quotas in CO₂-reducing projects, primarily in the third world. At the moment this report is written we support Kenya water purification and wastewater treatment, Thailand through South Pole Carbon Asset Management.

ENVIRONMENTAL PRINCIPLES



ANTI-CORRUPTION PRINCIPLES

- Strandbygaard Grafisk has signed "Call to Action". The Call to Action is an appeal by the private sector to Governments to promote anti-corruption measures and to implement policies that will establish systems of good governance. The Call to Action urges Governments to underscore anti-corruption and good governance as fundamental pillars of a sustainable and inclusive global economy.
- Strandbygaard Grafisk are committed to achieving a high standard of ethical behavior in everything that we do and we do not accept corruption.

ANTI-CORRUPTION PRINCIPLES



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