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P R O M O T I O N

UN GLOBAL COMPACT
COMMUNICATION ON PROGRESS 2015



STATEMENT OF CONTINUED SUPPORT

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

Since our last state of affairs, Baxx Promotion has worked intensely with implementing and further advancing our overall politics, goal and processes within environmental and corporate social responsibility. Our primary focus have been to ground our environmental and quality policies into our ISO management system, and to find ways to continue to improve our overall goal to practice responsible sourcing. The continued implementation of both systems will remain our focal point in the coming year.

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


Yours sincerely,

Michael Eriksen
CEO, Baxx Promotion



VISION AND FOCUS AREAS

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

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

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

In 2015 Baxx Promotion implemented a Quality- and Environmental management system that are based largely on CSR- and Product Compliance. The reason was that we had a strong wish to strengthen our efforts within CSR and Supply Chain Management as well as Product Quality/ Compliance. Our CSR policy is now an integral part of our management system, which means that we are now working more hands-on with our CSR policies in our daily operations.

Our efforts the past year has resulted in a re-certification of our quality and management system, and we have entered into a close cooperation with 2 new large scale customers, largely based on our efforts within social- and environmental issues. We will work closely with our customers the coming year, in order to advance our own and our suppliers' performance even further.

FUTURE ROAD MAP

We remain committed to continuously develop and improve our performance in all areas of our CSR strategy – we will continue to set policies, goals and define relevant measurement tools within our ISO management system, in order to ensure focus and progress. We maintain our goal that at least 70% of our turnover comes from suppliers that are audited on a regular basis.



PRINCIPLES

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

HUMAN RIGHTS

ASSESSMENT, POLICY AND GOALS

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

IMPLEMENTATION

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

MEASUREMENT OF OUTCOMES

The past year all suppliers have received the revised Baxx Promotion Code of Conduct. All active suppliers have accordingly reaffirmed their commitment by signing our revised Code of Conduct/Supplier Manual.

In accordance with last years goal we have collected and assessed existing Social Audits of our suppliers - carried out by independent inspection agencies. More than 35 reports from our main suppliers have been analyzed. No non-conformance in relations to human rights has been recorded.



PRINCIPLES

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

LABOUR

ASSESSMENT, POLICY AND GOALS

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

IMPLEMENTATION

Internally we have focused on work safety and employee welfare the past year. We have prioritized our safety organization by deploying employee resources for safety courses, and we have carried out a project on how we can improve employee welfare even further. This has resulted in 3 separate workshops over a period of 3 months, where all employees have contributed.

Externally, we hold our suppliers to our high standards through our Code of Conduct. The Baxx Promotion Code of Conduct is an integral part of our Supplier contracts, and we encourage our suppliers to ensure that their sub-suppliers are in compliance. As described in the section on our implementation of the human rights principles, our main focus area lies within our supplier network in Asia. As a natural next step we have now included our European suppliers in the scope.

In accordance with our initiatives within human rights, our implementation evolves around committing all our suppliers to our Code of Conduct, and consecutively to implement our procedure for Social Audits. We will continue to increase presence at supplier factories, both through internal and external audits.

MEASUREMENT OF OUTCOMES

All suppliers have signed our Code of Conduct and Supplier manual. We have met only little resistance, but willingness to cooperate amongst the majority of our suppliers. The general experience is that the majority of our suppliers are working on a professional level. The general results from the social audits are categorized as satisfactory. Based on the findings we have terminated the relationship with one supplier, the remainder are either in compliance, or demonstrating willingness to improve in the areas where problems have been identified.

Internally at Baxx Promotion, we are continuing our efforts to create a healthy and attractive work environment for our employees. No work related injuries has been recorded. All employees have annual/quarterly reviews with their manager, focusing on their well-being. We arrange and support social events in the work place, and we accommodate special requests for working hours/conditions by our employees. Baxx Promotion is aware of any discrimination, and aim at creating a work place with room for all individuals, representing our surrounding society. The following is a table of Baxx Promotions employees by age and gender:

Headcount	Male	Female	Total
Age <18	0	0	0,0%
Age 18-25	1	0	4%
Age 26-35	0	2	7%
Age 36-45	5	9	52%
Age 46+	4	6	37%
Total	10	17	100%
%	39%	61%	100%

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

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

ENVIRONMENT

PRINCIPLES

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

ASSESSMENT, POLICY AND GOALS

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

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

IMPLEMENTATION

Baxx Promotion has since spring 2015 been certified according to the ISO 14001 standard. All environmental policies, goals and procedures is implemented in the environmental management system. The focus of our environmental efforts is product compliance; to ensure that all our products live up to all relevant legislation.

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

Finally we have implemented a new goal, where we will aim at reducing packaging materials. We do this by registering all positive deviations, relating to packaging consumption.

MEASUREMENT OF OUTCOMES

We have carried out a risk analysis of our suppliers, and selected 10 critical suppliers based on their environmental risk profile. 5 of these suppliers have been audited the past year. No critical areas have been identified, only small improvement areas have been suggested. These will be evaluated the coming year. We will maintain this goal, and carry out 5 annual environmental audits.

Another goal was to minimize our CO2 emissions relating to transportation. In order to assess this goal, we have registered all unplanned air transportations. Only 2 deviations have been recorded the past year. Due to the limited extend, this KPI will be phased out.

In order to ensure product compliance and product safety, we continue – planned as well as unplanned – product specific test of REACH compliance. No deviations have been recorded.

In relation to our goal of minimizing our use of packaging materials, we have introduced a new KPI; registration of positive deviations of product packaging.

CASE: DOUBLE ISO CERTIFICATION

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

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

In 2016 we were re-audited – with no remarks – which tells us our ISO management system has been implemented in all levels of the organization, and that our policies and processes are embedded in our daily work thereby ensuring continuous improvement within CSR!



PRINCIPLES

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

ANTI-CORRUPTION

ASSESSMENT, POLICY AND GOALS

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

IMPLEMENTATION

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

MEASUREMENT OF OUTCOMES

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

It is easy and safe to be a Baxx customer!

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



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