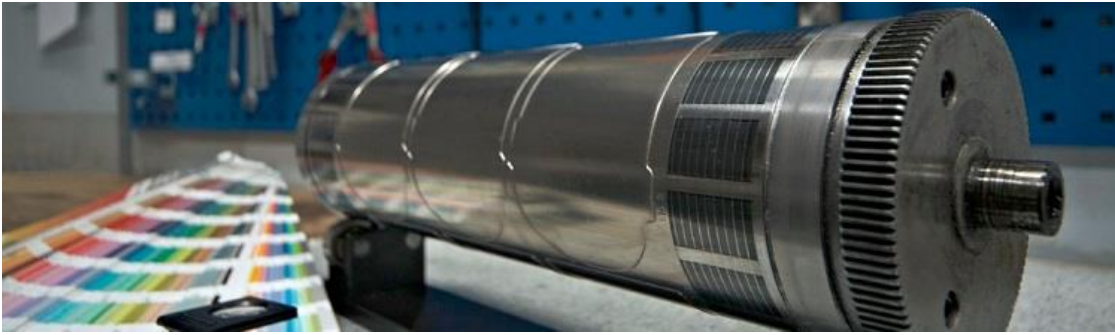


GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS

LABELCO A/S





LABELCO A/S

Samsøvej 38

8382 Hinnerup

Denmark

Sector: Packaging and Labelling industry

Membership date: 12 July 2012

Number of employees: 40

Erik Mikkelsen

Administrative Director

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Date: March 30th 2017

To our stakeholders

March 30th 2017

I am pleased to confirm that LABELCO A/S continuously supports the ten principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption.

With this communication, we express our intent to unceasingly advance those principles within our sphere of influence. We are still committed to make the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

We, as an organization, recognize that a key requirement for participation in the Global Compact is this annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress through this annual report according to the Global Compact COP policy. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Erik Mikkelsen

Administrative Director

Human Rights

Assessment, policy and goals

To show commitment to the UN Global Compact, and as a way of communicating it to our employees, we have in the past year put more attention on SOS Boernebyerne by increasing the amount to the same 3 children in need. We have sponsored these 3 children since June 2014. This year the children got the same amount as the year before plus a birthday present and a Christmas present. We have pictures of the 3 children and letters from the children on our communication board in the cafeteria. The logo of SOS Boernebyerne is also on the front page of our website. With this initiative, we not only support the children in question to get a brighter future, but we also bring attention to the organization itself, as well as children in need.

Additionally, LABELCO A/S still has its human rights policies manifested in the employee's manual. LABELCO A/S recognizes its responsibility to meet, follow and respect human rights.

Furthermore, LABELCO A/S obeys to the rules of Denmark and of the EU. Both of these require by law that we as a company follow and respect the human rights. Additionally, it should be mentioned that customers and suppliers of LABELCO A/S are all located within the EU, and not in developing countries.

Implementation

The sponsorship for the 3 children is increased and the employees are further urged to read letters from the children, so the employees "know" them. As mentioned earlier the letters are on our communication board in the cafeteria.

Measurement of outcomes

To monitor and measure the outcomes of the goal, LABELCO A/S has created a table listing the following entities: Goal, Strategy, Tactics, Operational, Follow-up 1, Follow-up 2 and a Final Follow-up. The goal and the status at each follow-up is presented to all employees on our communication board. Our goal with regards to human rights this year was: We want to increase the sponsorships with a birthday present and a Christmas present to the 3 children in need. The goal was reached at the first follow-up.

Labour Rights

Assessment, policy and goals

To show commitment to the UN Global Compact, and as a way of communicating it to our employees, we have in the past year worked towards the goal of reducing the average sick days from 8,32 days to 6,4 days. LABELCO A/S wanted to facilitate the psychical environment by making more social events and focus on exercise and healthy diet.

Furthermore, LABELCO A/S continuously guarantees that all employees can form and join a labour union of their own choice without fear of intimidation or attempt of revenge. This is according to national law. LABELCO A/S is also a member of the Employer's Association of Graphics which demands that the company only hires printers with a printer's education. Their education consists of a 4-year long course that requires professional experience as well as study at a vocational school.

The Danish public sector assesses health and safety methods at our company.

LABELCO A/S informs at its homepage about the intentions of the company to respect the UN Global Compact.

LABELCO A/S does not use, is not involved in and does not obtain any benefits from forced labour, hereunder slavery and child labour. LABELCO A/S makes sure that its suppliers and their suppliers are not using, involved in or receives benefits from forced labour by requiring that they, through questionnaires, confirm that they are not involved in any of these arrangements. LABELCO A/S disassociates from the use of child labour. LABELCO A/S does not use, is not involved in and does not gain any benefits from child labour. Because the suppliers and customers of LABELCO A/S only are located within Scandinavia and the EU, the company has not reacted with policies and procedures for countries, regions, sectors and economic activities where there is a higher risk for child labour. Child labour is, according to EU law, prohibited, and it can be assumed that companies within the border of Scandinavia and EU obey to this law. Nevertheless, LABELCO A/S sends questionnaires to its suppliers wherein they are asked to confirm that child labour at the supplier and its suppliers does not occur. Should it happen that LABELCO A/S starts a new partnership with a company outside of the EU, LABELCO A/S will be proactive when it comes to making sure the company in question does not have, is not involved in and does not gain benefit from child labour.

Implementation

LABELCO A/S has arranged 4 social events. The biggest event was the celebrating of LABELCO A/S's 25th Anniversary. All employees was invited to celebrate a whole day

with entertainment, gourmet dinner and the opportunity to stay overnight at a hotel. Two smaller events/competitions focused on more exercise; In one month several employees got to work by bike and in 14 days several employees competed to make most steps. The fourth event was the yearly Christmas Party.

To get more healthy food we have investigated if it was possible to get a healthy lunch programme where it was possible to receive the lunch before 9:30 AM and to warm up the food again in the evening.

Measurement of outcomes

To monitor and measure the outcomes of the goal, LABELCO A/S has created a table listing the following entities: Goal, Strategy, Tactics, Operational, Follow-up 1, Follow-up 2 and a Final Follow-up. Our goal with regards to labour rights this year was: To reduce the average sick days from 8,32 days to 6,4 days. The goal was more than reached. To the first follow-up, 5 month later than the goal was set, the average sick days were 1,21 per employee. To the second follow-up the average sick days were 2,76 per employee and to the final follow-up the average for the year was 3,4 sick days per employee.

The goal and the follow-ups were presented to all employees on the communication board.

We found a supplier of a healthy lunch programme, who could comply with the wishes, but it was too expensive.

Environment

Assessment, policy and goals

To show commitment to the UN Global Compact, we have in the past year worked towards the goal of increasing our use of environmental-friendly UV low migration inks.

LABELCO A/S has a waste sorting system in which paper, cardboard, light sources, inks and other chemical waste are sorted out in different containers. This way, each type of waste can be recycled as appropriate, and the non-recyclable is handled safely and according to the requirements of the law.

Implementation

LABELCO A/S wants to be on the forefront of using environmental-friendly UV-inks, so LABELCO A/S began a dialog with the supplier of the inks and the Employer's Association of Graphics. Thereafter management dedicated one machine to run solely with environmental-friendly UV-inks.

Measurement of outcomes

To monitor and measure the outcomes of the goal, LABELCO A/S has created a table

listing the following entities: Goal, Strategy, Tactics, Operational, Follow-up 1, Follow-up 2 and Final Follow-up. Our goal with regards to environment this year was: Using solely environmental-friendly UV-inks on one machine.

The goal had by Follow-up 1 already been reached.

Anti-corruption

Assessment, policy and goals

To show our commitment to the UN Global Compact, we have in the past year worked to keep and maintain the anti-corruption goal of a gift-registry where all employees and managers must register gifts, above an amount limit, they receive professionally. Hereby the gift-registry makes an overview of gifts above the amount limit.

LABELCO A/S has an anti-corruption policy that states no-tolerance when it comes to corruption in all of its forms. This anti-corruption policy and its behaviour codex include all employees. The purpose of the anti-corruption policy is to ensure and support behaviour and a work-ethic that is characterized by the highest standard for personal and organisational integrity. The anti-corruption policy offers a guide in how LABELCO A/S's employees shall react if they are faced with corruption and corrupt behaviour, and at the same time marks out guidelines for the work in preventing corruption.

Implementation

To reach the goal, the gift-registry is still published on our communication board for everyone to see. During the year, especially at Christmas time, the gift registry was brought up several times, but because the gifts were less than the amount limit no gifts were registered.

Measurement of outcomes

To monitor and measure the outcomes of the goal, LABELCO A/S has created a table listing the following entities: Goal, Strategy, Tactics, Operational, Follow-up 1, Follow-up 2 and Final Follow-up. Our goal with regards to anti-corruption this year was: To keep and maintain the system of anticorruption, including the gift-registry.

At all follow-ups of the goal, the gift-registry was on the communication board and hereby visible to all employees. But, as said before, no gifts were registered, because they were less than the amount limit.