

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS REPORT 2016-17





Statement of Support

Green Team Group A/S has been a steady member of Global Compact since 2010 and our support is unchanged. We are dedicated to carry out the intentions of the 10 Principles outlined by the UN in the Global Compact Initiative in our company. The UN Global Compact Initiative acts as a general framework for our CSR strategy and ensures we get around the four main areas:

- **Human Rights**
- **Labor Standards**
- **Environment**
- **Anti-Corruption**

We are committed to respect fundamental human rights and basic labor standards and to implement these principles throughout our organization. We strive to influence our suppliers and business partners to live up to the same obligations within their sphere of influence.

As a leading producer of Christmas trees in Europe the environmental challenges are important to us. We always strive to be innovative and to find environmental friendly means of running our nurseries and farms. We try to influence our suppliers always to take a precautionary approach to environmental challenges and to choose an environmental friendly method if possible.

We are proud to make our modest contribution to a better planet and the next years we will focus on strengthening our CSR-strategy and developing better methods for measuring our performance within the ten Global Compact principles.

We endeavor to be open and transparent across the organization and report our findings good as well as bad. This Communication on Progress report (COP) will be made available through the UN Global Compact homepage www.unglobalcompact.org and to all our employees at regular meetings with the staff.

October 23, 2017



Hans Schultz, CEO
Green Team Group A/S

About Green Team Group

GREEN TEAM GROUP

TRUE NATURE – PURE TRADITION

Green Team Group A/S is one of Europe's largest producer and seller of seedlings and Christmas trees. Although the Adelis Equity Partners became majority shareholders in 2014 when they bought 51 % of the shares, the foundation of today's company was founded in 1991 by the brothers Majland – Majland Nursery.

Green Team Group is the mother company for a whole range of subsidiaries which is split up into two main subsidiary companies with different areas of focus:

Majland A/S

- ❖ Harvesting and import of seeds for production of seedlings
- ❖ Producing and marketing of Christmas tree seedlings

Green Team Holding A/S

- ❖ Producing and marketing of Christmas trees, foliage and decorations

In Green Team Group we have control of the complete value chain from seed to final tree, and in all areas we operate with a set of overarching Values; Visionary, Customer Focus, Trustworthy and Responsible.

It is our **Vision** to be leading in innovation, quality and optimized customers service in the seedling and Christmas tree industry

Our **Mission** is to be the leading supplier of Nordmann Christmas seedlings and Christmas trees in Europe.

Our **Goal** is to maintain a steady sale of more than 2.5 mil. Nordmann trees around Europe.

With the international production and sales set-up in Green Team Group, we are able to pick our seeds in Georgia and Denmark, cultivate the seeds in our nursery in Denmark for 3 years, and afterwards grow the trees in our plantations across Europe. Our trees, which meets the highest standards, are pruned to keep the perfect shape and finally the harvest takes place when the trees are about 8-10 years old.

In Green Team Group we have founded our CSR strategy in our focus on quality throughout our supply chain from seed, to nursery, to tree and finally the customer service. Green Team Group has always addressed environmental issues in the nursery in Denmark and since 2010 been working with CSR on a strategic level and in a more coordinated manner. Part of this is also due to the adaptation of the UN Global Compact Initiative.

It is a clear goal to live up to the demands from future customers and to expand the knowledge about Global Compact frameworks for responsibility in running the business.

In Green Team Group we work with human rights, labor standards, environment, responsible supply chain and communication as the four main areas of Global Compact.



Human Rights

GREEN TEAM GROUP

TRUE NATURE – PURE TRADITION

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 right abuses*

What we want

We want to be an open, international and welcoming workplace. Green Team A/S commits to comply with international human rights conventions, and we condemn discrimination based on race, religion, sex, age or disability. It is important for us that people with disabilities, women, people with other nationality than Danish or others with special conditions are visible in the workplace and have equal opportunity to make a career.

We will increase our focus on diversity at all levels of the organization, and we are constantly working to create an inclusive workplace with room for diversity. We believe that diversity creates value for the company and expand our horizons.

What we do

We have focused on international human rights in our diversity policy, which we have implemented in our organization. This means that we upon recruitment, promotion and dismissal are focused never to violate basic human rights conventions of discrimination.

In Denmark, for example, we observe the Danish legislation, which does not allow any discrimination what so ever. All terms of employment are established by individual workers contracts according to Danish legislation and the relevant Collective Bargain Agreement.

One of these areas we are focusing on is our business partners around the world. We operate in long term relationships with few core suppliers with whom we have been doing business with for many years. At present we have only one supplier in a risk country, Georgia. It is our belief that we have influenced all our suppliers by upholding a constant pressure on information and documentation for decent labor standards every where our company is represented.

What we have achieved

We have raised awareness about human rights issues in our headquarters. We have formulated policies and have a key person responsible for action plans in human rights issues.

Because of our common values and our commitment to diversity policy, 63 % of our employees

have nationality other than Danish in 2016/17. 23 % of our employees on management level or working in confidential jobs, are women.

100 % of all suppliers in risk countries are audited according to BSCI with the latest audit result: INSUFFICIENT – why an action plan has been set in motion to follow-up and make sure that all BSCI goals are met. 100 % of all farms and nurseries in EC are certified according to Global GAP.

Goals for 2017/18

In 2017/18 we will continue to focus on human rights within our sphere influence. In 2017/18 we will endeavor to have a level of at least 50 % of employees with different nationality than Danish, as we believe that diversity strengthens our organization.

It is our goal that all employees knows the basics CSR issues of the company and the BSCI concept.

We are aware of our obligations to address all human rights conventions according to the UN Guiding Principles.

What we do?	What we have achieved?	Goals for 2017/18
<p>CSR-policy</p> <p>Global: BSCI Code of Conduct Global GAP Certification</p>	<p>a) 63 % of employees have other nationality than DK b) 23 % of employees on management level are women c) Human Right assessment</p> <p>Global:</p> <ul style="list-style-type: none"> 100% of all suppliers in risk countries latest audit result according to BSCI concept: INSUFFICIENT (<i>NEW AUDIT PENDING</i>) 100% Global GAP certified production in EC 	<p>a) 50 % of employees have other nationality than DK b) 25 % of employees on management level are women c) Human Right assessment</p> <p>Global:</p> <ul style="list-style-type: none"> 100% of all suppliers in risk countries latest audit result according to BSCI concept: GOOD 100% Global GAP certified production in EC

Principle 3: *Businesses should uphold the freedom of association and the effective recognition of the right to bargain*

Principle 4: *The elimination of all forms of forced and compulsory labor*

Principle 5: *The effective abolition of child labor*

Principle 6: *The elimination of discrimination in respect of employment and occupation*

What we want

We support the UN global work to eliminate all forms of forced and compulsory labor and the extortion of child labor and any discrimination in employment.

Our diversity policy is clear; no worker must be subject to discrimination due to race, religion, age, national origin, sexual orientation or gender. It is core value to us that all employees in Green Team Group and every where our seeds are produced are treated with respect and dignity.

We have a policy on child labor and we do not tolerate child labor as defined in the ILO conventions under the age of 15 years or the local defined school age. If a child is ever revealed in the production we insist, that a plan should be made in order for the child to go back to school and at the same time a compensation should be given to the family by offering other family members a job. This policy is included in the BSCI Code of Conduct and relevant for suppliers in risk countries as well as on our farms in EC.

Freedom of association and the right to be a member of a freely chosen union are fundamental rights that we cherish. We will ensure a healthy and safe working environment for all our employees. We believe that health and well-being are linked and that well-being is of great importance in the daily life of the individual and the company.

We believe basically that our social responsibility effort involves not only activities in Denmark, but covers our entire chain, regardless of where the production takes place. Our costumers must be confident that we have

consideration for the people, who have been involved in the entire process from seed to tree.

What we do

We have a sustainability policy with focus on openness, education and a safe working environment. A policy to ensure that we respect the right to be a member of the union as the individual wishes, equality under the laws and elimination of discrimination in the workplace as well as basic labor standards.



We are a member of the employers association, GLS-A, and we respect the collective agreement system as a supplement to Danish labor legislation in our area of business. It is a system based on collective negotiations between employer and employee, resulting in a collective agreement in line with national

legislation. Our collective agreement is between GLS-A and 3F, and between GLS-A and HK. We respect and follow all regulations in these collective agreements.

In our headquarter in Denmark we comply with Danish legislation on human rights and labor rights. In accordance with the Danish Health and Safety Work Act, we have a health and safety committee with representatives from the workers group and from the management group. Our occupational and safety work is well organized and functions successfully according to the intentions of the law.

All employees have access to relevant personal protective equipment (PPE). We have made the compulsory APV-assessments for all workplaces and we have a system to keep records of any accidents and "near-by" accidents.

According to our supplier Code of Conduct the work must be safe and sound for all workers. It is a general rule that no workers must work more than 48 hours + 12 overtime hours and never on a regular basis. Compensation must always be paid with a premium rate according to the intentions and spirit in Danish labor laws and we will assess any labor related risk of accidents professionally.

The company provides everyone with a private health insurance, and coffee, tea and fresh fruit for free besides lunch at favorable prices. We always try to offer jobs on special terms, whenever possible, to the long-term unemployed, trainees, unemployed in work testing situations.

Labour Standards

GREEN TEAM GROUP

TRUE NATURE – PURE TRADITION

Our office staff is encouraged to take education within their area of responsibility. We strive to give both men and women equal opportunities and we encourage both genders to join relevant training programs within their area of responsibility. However at present only men are represented in the board of directors.

In peak season a subcontracting partner is supplying us with more workers employed by our subcontracting partner. We have appointed a serviceperson for all our foreign workers assisting in all sorts of problems arising from working in Denmark as a foreigner.

At a global level, we have joined the BSCI, which is an association of more than 1500 European companies which share a common set of ethical rules, a Code of Conduct. This concept help us to ensure respect for basic labor standards of our partners through 3rd part audits at factory level in risk countries.

What we have achieved

We have been setting up goals and Key Performance Indicators (KPI) within human rights and labor rights in our headquarter, in our nurseries and farms in order to be able to measure our progress year by year.

Our collective pension scheme is currently of 12,99 % of the salary after 3 months of employment. In 2016/17 we had 2 minor accident and had a total of 41 % of staff that has training in first aid.

In 2016/17 absent due to sick leave was at 3 % of all working hours, even though 50 % of all workers are working outside in all kind of weather. This figure is on the same level as last year and is something that the management is very proud of and we trust this shows that Green Team Group is a nice place to work.

The production in our nursery in Denmark and our farms in different European countries from Scotland to Poland, are all Global GAP certified. Global GAP is covering environment and working conditions. In that way we cover the environment as well as working conditions wherever our organization is represented.

Goals for 2017/18

In 2017/18 we will continue to focus on our labor standards. In 2017/18 we will be sure to have all employees on a collective pension of 12,99 % after 3 months of employment.

We will do our outmost to prevent any accidents and

to keep the level on sick leave hours on a minimum and at a maximum of the level of last year.

In Green Team Group we will try to obtain a balance of at least 2 in 5 having training in first aid.

It is our goal that all employees knows that basics CSR issues of the company and the BSCI concept.

We are aware of our obligations to address all human rights conventions according to the UN Guiding Principles.

What we do?	What we have achieved?	Goals for 2017/18
<p>CSR-policy</p> <p>Global: BSCI Code of Conduct Global GAP Certification</p>	<p>a) 100 % with collective pension of 12,99 % after 3 month b) 2 accident c) 3 % sick leave hours of all working hours d) 41 % on first aid course e) 0 % employed on special terms</p> <p>Global:</p> <ul style="list-style-type: none"> 100 % of all suppliers in risk countries latest audit result according to BSCI concept: INSUFFICIENT (NEW AUDIT PENDING) 100 % Global GAP certified production in EC 	<p>a) 100 % with collective pension of 12,99 % after 3 month b) No accident c) 1% sick leave hours of all working hours d) 20 % on first aid course e) 2 % employed on special terms</p> <p>Global:</p> <ul style="list-style-type: none"> 100 % of all suppliers in risk countries latest audit result according to BSCI concept: GOOD 100 % Global GAP certified production in EC

Principle 7: *Businesses should support a precautionary approach to environmental challenges*

Principle 8: *Businesses should undertake initiatives to promote greater environmental responsibility*

Principle 9: *Encourage the development and diffusion of environmentally friendly technology*

What we want

We want to reduce our CO2 footprint of operating our business and we strive to be a reliable environmentally responsible partner to our customers. We will support environmentally friendly technologies and help to raise awareness of environmentally friendly production within our range of business. We will focus our resources to areas where we can have a considerably impact on the environment such as pesticides, fertilizer, diesel and water consumption, however we are very weather dependent and in a dry year we need to use sufficient water.

What we do

We integrate environmental concerns in our daily business activities on market conditions, in other words – we will operate a profitable business with respect for the environment and human health.

We focus on the environmental impact of the production of Christmas trees and greenery from cradle to grave. We are innovative and consider how to go new ways, use new production methods and new materials.

We focus on the environmental impact from running our headquarter. We have a waste management system in the headquarter- We have a project of minimizing pesticides and strive to reduce fertilizer on a daily basis. We make an effort to reduce diesel and a have project to reduce our consumption of water and reusing rainwater. A restricted chemicals list has been defined according to the rules in the Global GAP concept and is successfully implemented in the organization.

We have raised awareness in general about the environmental impact from running a production and implemented our positions to our suppliers.

What we have achieved

We have drafted and continue to update an overview of our opportunities to be environmentally friendly. We have defined how we will measure our environmental impact from heating, fertilizer, diesel, pesticides, electricity and water and we have generated Key Performance Indicators and have set up goals for our environmental work.

We have implemented a simple waste management system and we measure our consumption of water, pesticides, fertilizer and recycling of all materials. Due to Danish legislation we recycle glass, paper and environmental harmful waste and sort our daily waste as much as possible. In 2016/17 we have been successful in reducing waste and increased recycling of materials such as paper, cardboard and wood (see table of results and goals on the next page).



Environment

GREEN TEAM GROUP

TRUE NATURE – PURE TRADITION

In Green Team Group we have developed a machine to carry out mechanical cleaning between the plants/seedlings. This method has helped keep our consumption of pesticides on the same level as last year.

Consumption of diesel has also been reduced due to change in the type of machinery in cleaning the plants.

The method that we are using has reduced our consumption of pesticides by 55 % compared to 2013 and hereby our total consumption of diesel in this operation has been reduced by 72 % simply due to a change in the type of machinery used. We plan to extend that methods to all our farms in EC. We find the current level of consumption of pesticides satisfying and though we always strive to improve.

Due to the rules in Global GAP and the Danish legislation, we have a commitment to only use authorized fertilizer. We are satisfied with our 2016/17 figures in the respect.

We have allocated a responsible person to measure our efforts on various relevant areas within our external environmental impact. We have started raising awareness in our organization that environmental issues are of most importance to European customers.

We are compliant with the environmental legislation in Denmark and our supplier in risk countries are in compliance with national legislation too.

We measured our total consumption of electricity, water, central heating, pesticides and fertilizer. We sort and measure our waste according to the Global GAP concept. Our figures for 2016/17 are satisfying and some of the major differences in the results from previous years can be found in the business we

operate in. We are a business that are highly weather dependent, which is largely beyond our influence.

Our nursery in Denmark and farms in other EU countries are certified according to the Global GAP concept. In that way we are confident that our nursery and farms are run in an environmentally friendly way and that the Occupational Health and Safety work in our farms is in compliance with the GLOBAL GAP standard. Our effort has raised awareness at suppliers in risk countries and they are now in compliance with national environmental regulations.

Goals for 2017/18

As mentioned previously we are very satisfied with results of 2016/17 and have come to the conclusion that this is the right balance in which the business best can operate – therefor we will, in 2017/18, focus on keeping the level of environmental impact in balance as previous years.

	2015/16	2016/17	Goals for 2017/18
Industrial waste in KG	21.265	21.046	20.000
Recycling of paper etc. in KG	1.820	3.210	3.000
Heating in MWH and m3	2.733	2.460	2.500
Electricity in kWh	182.999	178.683	185.000
Consumption of pesticides in l. pr. ha.	4,9	5	4,8
Consumption of fertilizer in % of quota	75 %	49 %	70 %
Consumption of water in l. pr. ha.	796	824	750

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

What we want

We hold the position strongly to refrain from all forms of corruption, including extortion and bribery. We strongly support the work done by the UN and other international organizations against corruption since we very much denounce the phenomenon.

It's a core Green Team Group value to be open and honest in our way of doing business and therefore we take distance from using bribery, corruption or other lubricating money. We will work against corruption and bribery of any kind in our effort to operate a sound and profitable business. We try to influence our partners to refrain from applying corruption in order to remain objective.

What we do

In Green Team Group we have formulated an anti-corruption policy, which will help us ensure that the company operates in an open and honest manner. We do not offer, promise or demand bribes or other undue advantage to obtain or retain business opportunities. This is regardless of whether it is at the employee level or the company as such. We do not pay any protection money to obtain favorable terms and no employee shall not give or receive inappropriate gifts at work.

We try to influence our suppliers in risk countries. That business results through corruption is very wrong and that they should refrain from using bribery in any situation what so ever. However we are aware of the demand for small facility payments in various countries due to cultural reasons.

We have informed our suppliers that corruption is a key issue for us and that we might carry out unannounced inspections to disclose bribery if we have any such indications what so ever.

We have decided that all employees should have the opportunity to put forward any complaints, suspicions or concerns anonymously to the company. In 2014 we drafted a description of a whistleblower initiatives for employees.

What we have achieved

We have a detailed anti-corruption policy and with our anti-corruption policy, we have started focusing on corruption and bribery, even if the subject is far away from the general workflow of a typical Scandinavian company.

Goals for 2017/18

The goal for 2017/18 is to make sure that all suppliers keep on living up to the BSCI concept.

We will also strive to influence our partners as much as possible as well as make sure that every employee of Green Team Group are aware of the company's policy in this matter.

What we do?	What we have achieved?	Goals for 2017/18
<p>Anti-corruption policy</p> <p>Global:</p> <p>BSCI Code of Conduct</p>	<p>Global:</p> <ul style="list-style-type: none"> 100 % of all suppliers in risk countries latest audit result according to BSCI concept: INSUFFICIENT (<i>NEW AUDIT PENDING</i>) 100 % Global GAP certified production in EC 	<p>Global:</p> <ul style="list-style-type: none"> 100 % of all suppliers in risk countries latest audit result according to BSCI concept: GOOD 100 % Global GAP certified production in EC

