

UN Global Compact Communication on Progress DAFA A/S 2017 / 2018 – January 16th 2018.

Dear Mr. Secretary-General

In 2010 DAFA A/S joined UN Global Compact, the world's largest initiative for corporate social responsibility. DAFA A/S is a private owned Danish production company with more than 75 years of experience on the segments where we operate. DAFA develop, manufacture and deliver a wide range of sealing, absorption and protection products and total solutions for the construction sector and industry.

DAFA have an annual revenue of approx. EUR 53 million and employ around 305 people at our head office in Denmark and our branches in Sweden, Germany, Norway, Poland, USA, Italy and China. Our customers work primarily in the construction industry and Danish industry in general, but our direct exports constitute approx. 25% of our revenue. We also indirectly export a considerable volume through Danish export companies.

Both profit, planet and people matters to DAFA. Based upon our history, we regard our way of doing business as a sustainable success with a sound balance between economic, ecological, social responsibility and social performance.

As we are developing our company into a more globalized business operation, it is important for us to include our ethic standards in a global perspective. The UN Global Compact provides us a frame that enables us to do so in a formalized manner, and demonstrate our continuing commitment to advance the ten principles of the Global Compact in both policies and business operations.

This is our 8th UN Global Communication on progress. The focus areas in 2017 have been:

- In DAFA Denmark, DAFA Polska og DAFA China we have successfully completed an external audit on ISO 9001:2015 from the external 3rd party certification body Bureau Veritas & DNV-GL.
- In our Strategy 2020 we focus on expanding the knowledge for sustainable building solutions that benefit the environment. DAFA has increasingly focused on developing products that support sustainability. Our building products are sealing solutions that support sustainable construction and reduces energy consumption. Furthermore, the products can be recycled or regenerated after use. since the products do not contain hazardous chemicals or release toxins that burdened the environment. The products are tested and approved by the most respected European institutions, ensuring long-lasting solutions.
- We have implemented two new production technologies, which among other things will improve the work environment and minimize the amount of waste material.
- Several of our packing methods and gluing methods have been further automatized in order to improve the work environment for our employees.
- In our production and office facilities, we have reduced our energy consumption by implementing energy-saving light installations.
- We have conducted two employee satisfaction surveys in 2017. One with focus on evaluating the education and integration new employees in the company and the other one was a general satisfaction for all employees in the DAFA Group.
- The HR function have been upgraded by employing a HR coordinator.
- We have implement a no smoke head office in Denmark and China.

- We have employed trainees and young students with relevant work to support their education.
- We have financial contributed to the Danish Cancer Society for children with cancer.

In 2018, we will be focusing on:

- According to our Strategy 2020 we will focus on providing and advising our customers about alternative solutions including environment aspects together with branding and positioning of selected products that contribute to environmental improvements.
- Introducing a Radon System for the Building Material Segment. Preliminary study in the industry indicates that Radon in homes is the second most common cause of lung cancer.
- We will reduce our CO2 emissions further by implementing energy-saving activities.
- We will automate more of our packing methods to improve the work environment for our employees.
- Increase the amount of waste material send for recycling.
- Analyze, prioritize and execute activities from the Group Employee Satisfaction Survey.
- Promote our Company Values in the DAFA Group and implement Cooperate Visual Identity.
- Introduce the use of competence spin included in the performance review of monthly paid employees. For the use of analyzing and improving our competences in order to be able to meet the increasing demands from our customers and keep our core employees in the company.
- Increase activities for 5S and Safety First in the production facilities.
- We plan to become ISO 9001:2015 certified in DAFA Italy and ISO 14001 in DAFA Polska and DAFA China.
- Expanding our DAFA Supplier Code of Conduct in China in the selection of new suppliers.

We constantly aim for continuous improvements in the whole organization, and we believe that it is our responsibility to handle the impacts from our improvements correctly. We are very aware of our limited size seen from a global perspective but we know we make a difference in our local business area.

By using UN Global Compact as our overall guideline, we will extend our sustainable business ethics while striving for our vision of becoming a more global company. We look forward communicating our progress in the years to come.

Best regards,



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