

COP 2018



Communication on Progress 2018

Statement of Continued Support

Develco is a highly recognized engineering company developing high-end electronics and embedded software. Innovation, reliability, and future-proficiency are keywords.

A core value at Develco is the UN Global Compact. The ten principles constitute the basis for Develco and our employees – it is simply the way we are doing business. We believe that a sustainable approach at all levels affects our results in a direct and positive way.

Our customers and subcontractors all form part of our CSR policy. We regard the value chain as a whole and expect our close partners to comply with the ten principles in the UN Global Compact as well. Therefore we have included the ten principles in our basis contract in order to make subcontractors substantiate their compliance with the UN Global Compact.

The environment constitutes the starting point in many of the solutions that we design. Though, we always have to counterbalance our efforts and our results. It is crucial to us that our CSR initiatives and the products and services that we deliver to our customers do keep up their balance.

We are pleased to participate in the network of UN Global Compact partners. Networking is a cornerstone in our innovation and design business and we look forward to participating in the CSR activities together with the other engaged and responsible companies.

At the same time, we are proud and humble to be part of the UN Global Compact.

It is a great pleasure for me to confirm that Develco reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Yours sincerely

Jakob Bjerre

CEO

The Develco Approach

Our approach to the UN Global Compact is at the same time strategic, business-driven, and responsible. At Develco, the skilled employees constitute the foundation for the business. As highly skilled technical specialist, the engineers are a valuable asset when it comes to advising our customers.

Our mission is to turn our customers into winner companies. By providing high quality counseling on sustainable solutions, we contribute to make our customers' products future-proof and competitive.

The UN Global Compact principles have been integrated into our ISO 9001-2015 management system thus being an inherent part of our working processes.

Actions undertaken

Develco is constantly focusing on reducing the power consumption of all products developed by Develco.

Develco has in the past year inspected suppliers in the Far East focusing on safety, employer education, and social conditions. We have concluded that the suppliers fulfill Develco's requirements and code of conduct.

Our suppliers can only be approved by Develco, if they have committed to the 10 principles. We continuously work at making sure that our component distributors and subsuppliers live up to the UNGP.

Develco has developed a smart lamp socket adapter measuring temperature, humidity, sound and light. The adaptor functions as a dimmer and with the light customized to the consumer's needs it can reduce the energy consumption. Additionally, the adaptor can monitor the indoor climate and help preventing intrusion. For another customer Develco has developed a solution for optimized consumption of domestic hot water for district heating. The hot water is available by pressing a button to pump the hot water only in the needed quantities for district heating thus saving energy and water resources.

Develco has embedded the UN Global Compact statements and the 10 principles in all our generic framework agreements. During the past year, the UN Global Compact statements have also been integrated into new contracts.

Internally, Develco also works at getting its act together within the field of staff safety. We have updated the employee handbook in order to make clear how to respond to illness and work-related injury.

Principles 1-2: Human Rights

All activities in Develco support and respect the protections of internationally proclaimed human rights. It is a matter of course that we are not complicit in human rights abuses.

During this period we have recertified all subcontractors in Thailand. We have a continuous focus on ethical behavior and the code of conduct in Europa and worldwide.

Principles 3-6: Labor

We have recently updated our ISO system to the new version ISO 9001:2015 for quality management. The standard is based on a number of uniform quality management principles including a strong customer focus, the motivation and implication of top management, the process approach and continual improvement. This implies an increased focus on corporate social responsibility. CSR is now an integrated part of the day to day management.

Being a knowledge-based development company, the Develco employees and their innovative competencies constitute our most valuable asset. Therefore well-being, education, and working conditions are in general high priority areas for the management.

To secure that our employees have the best competences Develco has launched an educational program offering individual educational plans for our employees within normal working hours and all costs covered by Develco. In the past year the software and hardware engineers at Develco have been further educated in wireless technologies and industrial product development. This underpins the strategy aiming to keep our employees at the leading edge and at the same time to fulfill the educational wishes among the employees helping the company to increase our level of satisfaction of employees as well as of customers.

Occupational health and safety measures have been taken to ensure the optimum working conditions in our offices. Every year we conduct satisfaction surveys. We put up ambitious objectives - objectives that have all been fulfilled within the fields of employee satisfaction as well as customer satisfaction.

Develco is conscious of work-life balance and has established flexible working hours and tolerance for personal issues. We have furthermore integrated safety instructions in the employee handbook in order to make clear how to respond to illness and work-related injury. Everyone must be able to act quickly and efficiently if an emergency situation arises.

Principles 7-9: Environment

Develco supports a precautionary approach to environmental challenges and encourage the development and diffusion of environmentally friendly technologies.

Being a development company our own local impact on the environment is very limited. Our advice on sustainable solutions to our customers is where we can make our greatest impact. We work with environmentally friendly technologies that are low power thus minimizing CO² emissions.

Develco has developed embedded software solutions for smart cities with the purpose to optimize processes within energy consumption and sustainability. The cities can collect data from the consumers' water and heat meters via a wireless network enabling an optimized energy consumption based on more precise regulation of district heating and water supply and contributing to an improved environment.

Internally the employees at Develco are very eco-conscious in the daily work by minimizing the use of chemicals and sorting waste into plastic, paper, glass etc. for recycling purposes.

All our developed products comply with the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS).

Procedures at Develco also comply with the WEEE Directive meaning prevention of waste electrical and electronic equipment (WEEE), and in addition reuse, recycling and other forms of recovery of such wastes so as to reduce the disposal of waste.

We also seek to improve the environmental performance of all operators involved in the life cycle of electrical and electronic equipment e.g. producers, distributors and consumers and in particular those operators directly involved in the treatment of waste electrical and electronic equipment.

Waste from offices are sorted into recyclable (paper, cardboard etc.) and not recyclable waste – the different waste types are picked up separately by the authorities for after treatment.

Principles 10: Anti-corruption

Develco is a development company operating on market conditions. Profitability is a requirement and necessary assumption for our liability to conduct corporate social responsibility.

Develco has a long-standing anti-corruption policy stating that corruption or bribery is not acceptable in any form or under any circumstances. Hence Develco is committed to ethical and responsible business practice.