

**LaXXX**

**P R O M O T I O N**

**UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS 2018**

# STATEMENT OF CONTINUED SUPPORT



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

Since our last state of affairs, Baxx Promotion have been working persistently with responsible sourcing and sustainable product design. Our overall politics, goals and processes to advance within the fields of UNGC are integrated part of our business procedures, and we have focused on communication internally as well as externally.

By focusing on our must-win-battles in a renewed business strategy, we have been able to align our business goals with our core values within the fields of labour rights, employee satisfaction and human rights, among others.

A close dialogue with customers and key suppliers has provided us with valuable information on their work with sustainability, enabling our own journey towards fulfilling the goals we set out. At the same time, our ISO certification within environmental and quality management creates the best platform for reducing Baxx Promotion's environmental footprint of our business and practice responsible sourcing.

Baxx Promotion will continue our close collaboration with local and regional actors, such as NGO's, educational institutions and job centers, in order to create value both for us as a company as well our community. This is a part of our CSR and environmental strategy, guiding us on the road map for our future efforts.

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

A handwritten signature in blue ink, appearing to read 'Michael Eriksen', written over a light blue circular stamp.

Michael Eriksen  
CEO, Baxx Promotion

# OUR APPROACH

Our work at Baxx Promotion, to promote the ideas and principles of the UN Global Compact, can be divided into 3 levels:

## 1. STRATEGIC LEVEL

ISO 9001- and 14001-certifications, and our focus on the UN Sustainable Development Goals

## 2. TACTICAL LEVEL

Close customer dialogue and collaborations, supplier partnerships and evaluations, etc.

## 3. OPERATIONAL LEVEL

Sustainable product design, recycled packaging, reduced energy consumption, etc.

This following Communication on Progress is based on the fiscal year 2018/2019 for Baxx Promotion A/S



# 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 putting sustainability on the very top of the agenda at all times and encourage all of our business partners to do the same.

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.

Through 2018 Baxx Promotion have optimized our purchasing and sourcing work-flows, as well as upgrading our product design . and we have created new tools to help us make the best and most responsible choices of suppliers.

Our environmental outlook is now a key part of our customer dialogue, where we also discuss and promote social responsibility at our production sites.

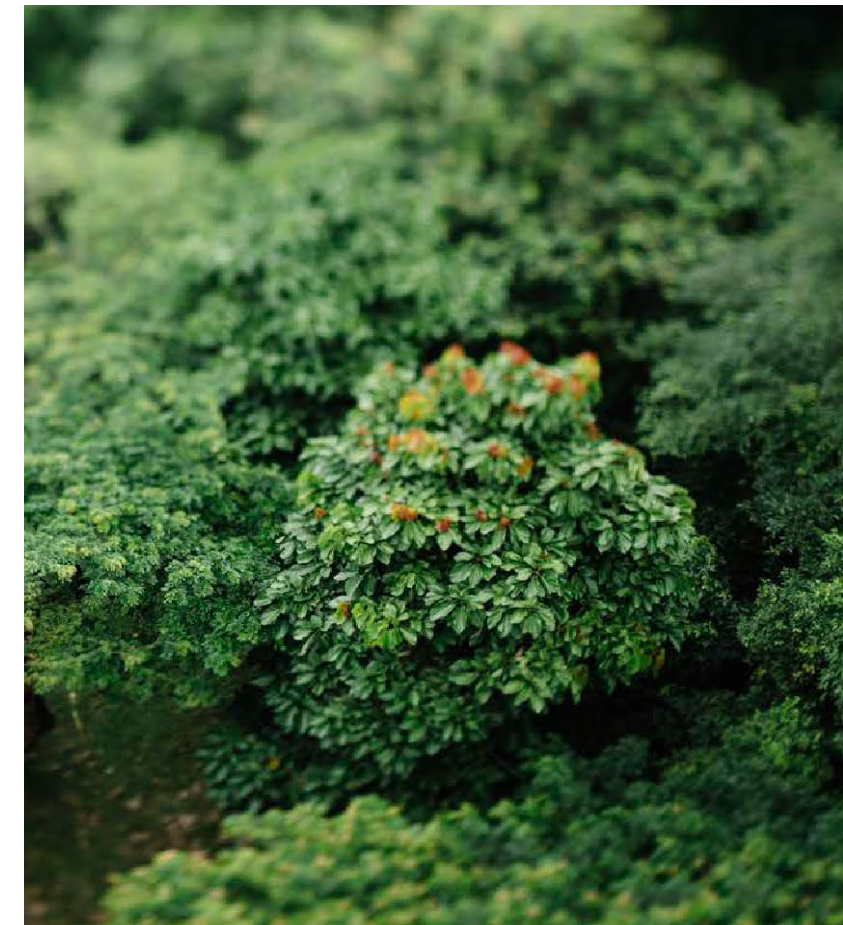
Our continued efforts within our Quality and Environmental management system have resulted in a re-certification in 2018. We see this as a testament of the stability of our work.

In the coming year, we will focus more on collaborations with key customers as well as partnerships with suppliers and NGOs, working to promote the UNSDGs no. 8 and 12 as well as UN Global Compact and increase our joint social responsibility.



## 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.*



# 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.

We have also identified country specific risks, when sourcing certain products, and achieved our goal of performing double audits in 2018. One of our new goals for next year is now to perform double audits of at least 60 percent of our suppliers in the countries with highest risks within labour rights.

Another goal for next year is to intensify our collaboration with global NGO's working on social responsibility, in order to increase the percentage of our goods produced on socially audited factories.

## IMPLEMENTATION

Before entering into a business relationship with Baxx Promotion, all suppliers are 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.

When performing double audits, we will be focusing on social factors and work safety as well as labour rights.

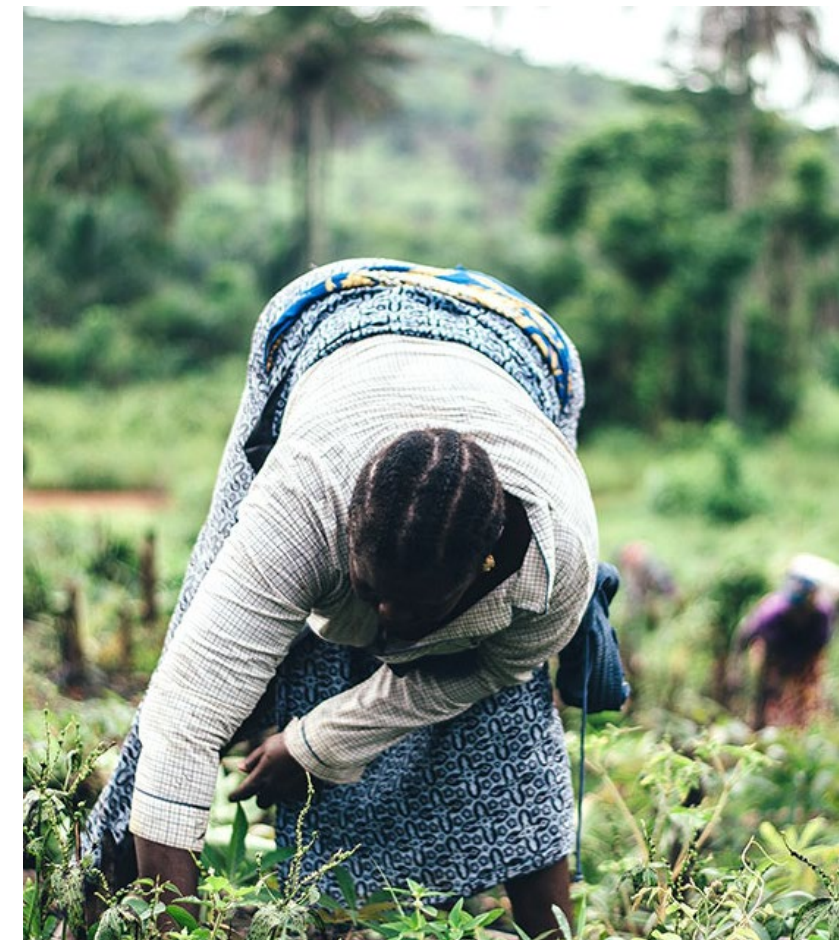
## PRINCIPLES

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 abuse

## MEASUREMENT OF OUTCOMES

*The past year we have performed double audits at more than 50 percent of our suppliers. Furthermore, all new suppliers have affirmed their commitment to our work by signing our revised Code of Conduct/Supplier Manual.*

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



# 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

Work safety is a top priority at Baxx Promotion, of course at our warehouse but also in our offices in general. This shows in our total absence of work-related accidents through 6 years and running, which we take great pride in. Our goal is again to avoid any accidents next year.

Employee welfare has also been a great focus for Baxx Promotion in 2018, and increased employee involvement has been one of our improvements. The coming year we will focus even more on the wellbeing of our employees especially their personal work-life balance.

Through 2018 we have been even more selective in our suppliers, increasing our collaboration with the partners that prove to be in compliance with our standards, also following up on their sub-suppliers. This will be a focus point for us again the coming year.

## 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 labour
5. The effective abolition of child labour
6. The elimination of discrimination in respect of employment and occupation

## MEASUREMENT OF OUTCOMES

At Baxx Promotion, we are continuing our efforts to create a healthy and attractive work environment for our employees. Employee involvement has been increased and no work-related injuries has been recorded in 6 years. Baxx Promotion is aware of any discrimination and aim at creating a workplace with room for all individuals, representing our surrounding society. The following is a table of Baxx Promotion's employees by age and gender:

Headcount	Male	Female	Total (%)
Age -18	0	0	0 (0%)
Age 18-25	0	1	1 (3%)
Age 26-35	2	3	5 (16%)
Age 36-45	4	10	14 (45%)
Age 46+	5	6	11 (35%)
Total (%)	11 (35%)	20 (65%)	31 (100%)

Baxx Promotion Management team by gender:  
Male: 6 (75%) | Female: 2 (25%)



# ENVIRONMENT

## 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.

Our overall aim is to bring safe, legal and sustainable products to the market. As our product range and application is so widespread this is inherent challenging. We want to be at the forefront in our business, and try to push both our colleagues, suppliers and customers to act responsibly and source more sustainable products.

## IMPLEMENTATION

Baxx Promotion has been certified according to the ISO 14001 standard since the beginning of 2015. All environmental policies, goals and procedures are implemented in the management system. This way we reduce the negative environmental impact of our products and ensure that they live up to all relevant legislation.

Through 2018 we have achieved our goal of minimizing the use of individual polybag packaging, a goal that will be ongoing for the coming years.

We have also implemented a new classification of our products, defining how we categorize sustainable products – an important tool for us and our customers. These categories are primarily based on product lifetime, production and reusability, recycling.

## 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

## MEASUREMENT OF OUTCOMES

*Again this year, we have carried out a risk analysis of our suppliers and audited 5 of the high-risk partners through the past year. No critical areas have been identified; only small improvement areas have been suggested.*

*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 this year.*

*In relation to our goal of minimizing our use of packaging materials, this year we have registered positive deviations of product packaging for customers. Through the past year, we have been able to avoid the planned use of more than 200,000 plastic polybags. This KPI indicates that our efforts are paying off, and we will maintain this effort the coming years.*



# 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 and are in constant dialogue with our partners to ensure this is followed.

## 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.

## PRINCIPLES

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

## 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.*





# BAXX

P R O M O T I O N



**See all facts about our CSR strategy, Code of Conduct,  
UN Global Compact and our ISO certification at  
[www.baxxpromotion.com](http://www.baxxpromotion.com)**