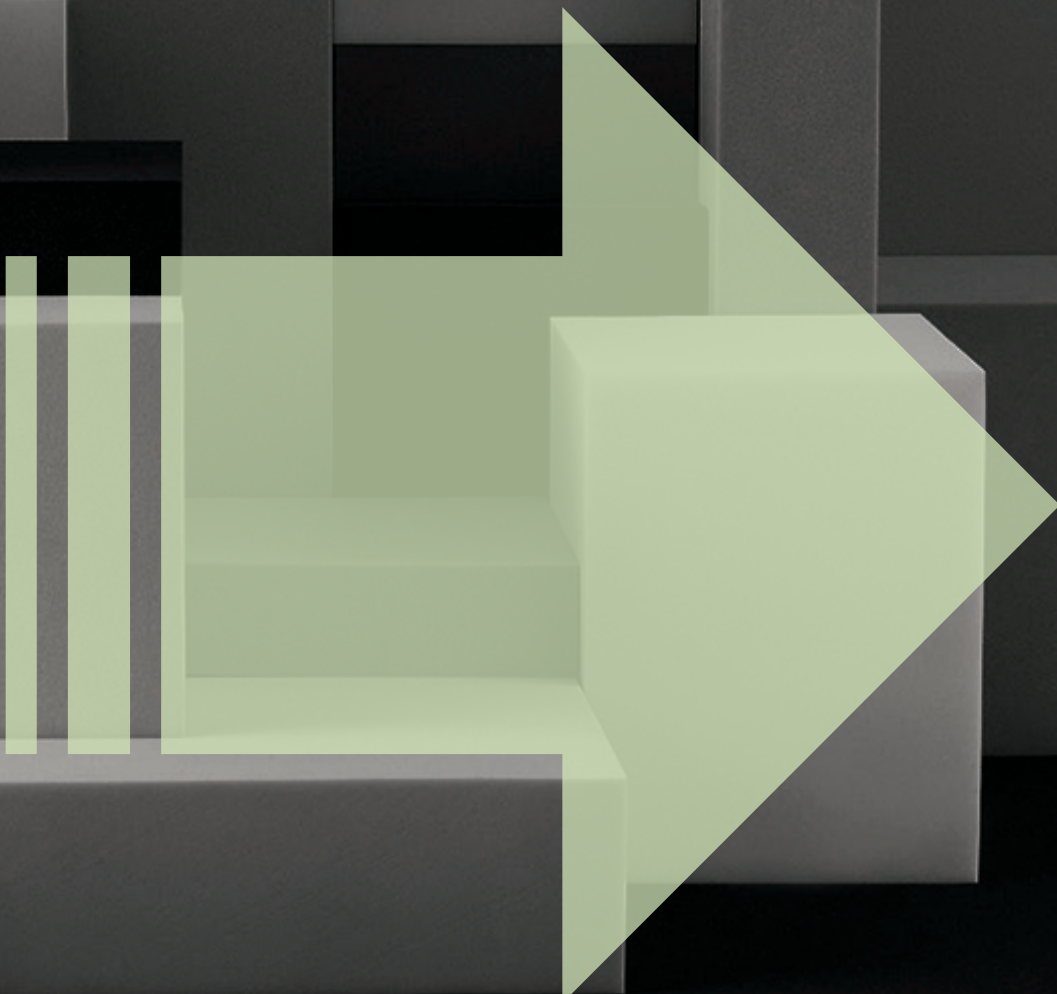


# Communication on progress

## 2019



## To UN Global Compact and our stakeholders

Date: February 20, 2020

Dear Sirs,

I am pleased to confirm, that BPI - Bramming Plast-Industri A/S - reaffirms its support of the Ten Principles of the United Nations Global Compact in the area of Human Rights, Labour, 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.

Sincerely yours,



Thomas Tvedergaard Larsen

CEO

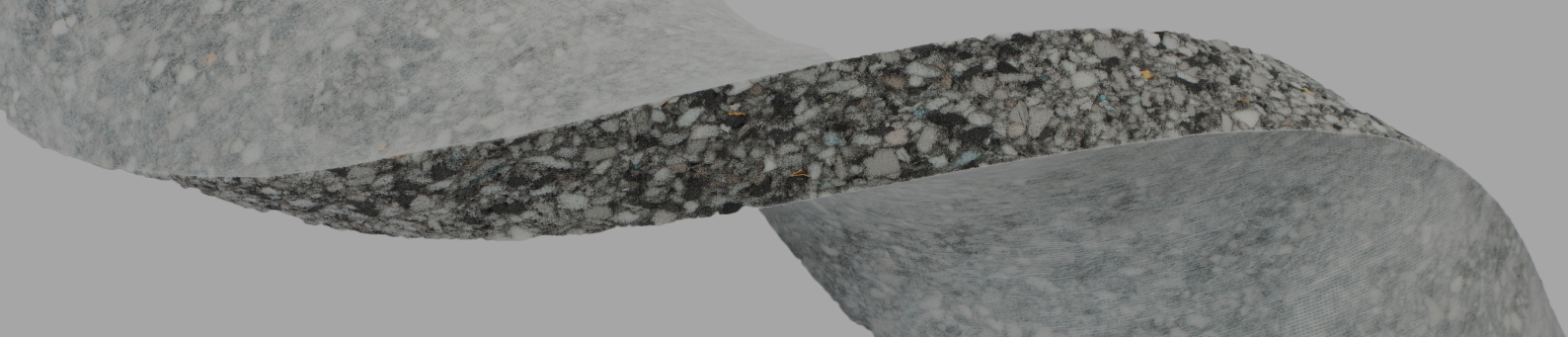
## Communication on progress 2019

Bramming Plast-Industri A/S shall endeavour, on the basis of the group's values and vision, to operate a business that creates value for the company, employees, customers, suppliers and the surrounding community. BPI thereby assumes a social responsibility to contribute to social, economic and environmental sustainability. In 2014 BPI joined UN Global Compact, and thus complies with the ten principles of human rights, labour, environment and anti-corruption. This report constitutes the company's statutory statement on corporate social responsibility, cf. §99a of the Danish Financial Statements Act.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



## I. Human Rights

BPI supports and respects the Universal Declaration of Human Rights and promotes human rights standards internally and throughout all business. Equal opportunities for all employees irrespective of gender or ethnicity continue to be part of our HR-philosophy and humanitarian attitude. We hire, remunerate and promote employees on the basis of skills, competences and performance – not according to gender, religion nor race.

This is a non-tolerance attitude which is static and deeply integrated in our business culture.

With reference to BPI's CSR policy, it is continuously monitored by the company's top and middle management that all international laws and ethical rules are complied with.

No violation with the global human rights nor BPI's human rights policy has ever occurred in the company's history and thus not in 2019.

### Risks:

Our Code of Conduct illustrates clearly our attempt to identify and disseminate different human rights topics and risks. However, our control and monitoring of local compliance with regulations and legislation are limited to our knowledge of the impacts in our supply chain.



## II. Labour

BPI supports and respects the principles of the UN Global Compact and have furthermore taken the following steps in 2019:

- Elimination of TCPP in all products
- Improved working environment conditions in administrative offices including noise reduction initiatives and work space optimization
- Implementation of safeguard systems and noise reduction initiatives in the Setex® production facilities
- Implementation of ergonomic initiatives in the casting production areas – pneumatic locking devices
- Personal development training for operational workers – focusing on language training, Health & Safety and first aid

### Risks:

The labour rights risks identified are limited as BPI has matured in a strict regulatory environment. Nevertheless, safety of the employees is always top of mind and may come in question if we are not always up to date according to labour inspectorate regulations and in our internal safety committee.





### III. Environment

The company engages in targeted and systematic efforts to continuously protecting the environment through energy and material optimization, pollution prevention, waste minimization and environmental management.

In 2019 we took the following corporate steps:

- Implementation of 100% paperless production
- Implementation of FSC certified timber
- LED light implementation in warehouses
- Electricity reduction by -3% through strategic initiatives
- Gas consumption reduction by -8%
- Waste reduction in PureSound® products – by 70% implementing new chemical compounds
- Switch to water based release agents an all mould types
- Implementation of company car policy, minimum A-rated environmental performance

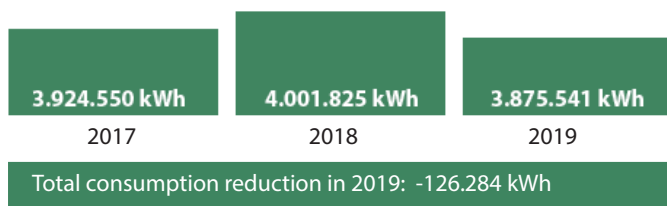
#### Risks:

Lack of success in mitigating our negative environmental footprint poses severe risks for both society and the environment – e.g. by causing climate changes or other negative disturbance of the order of nature. In our role as prominent player in the field and within the specific industry a neglect or violation of environmental concerns or issues may be crucial to our entire business foundation.

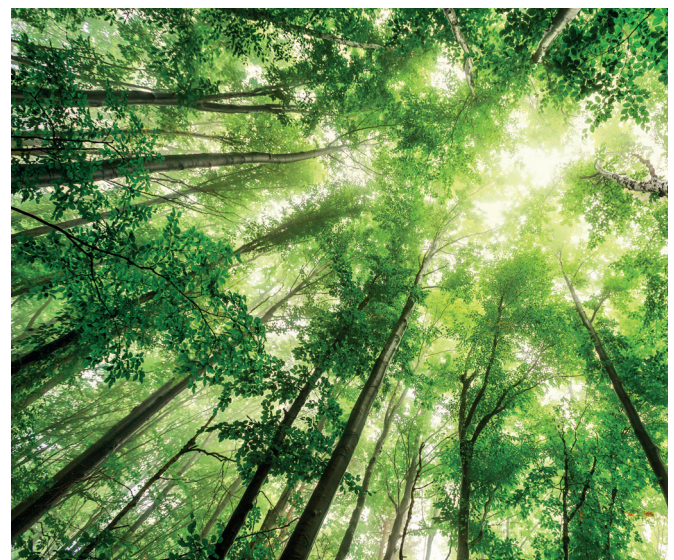
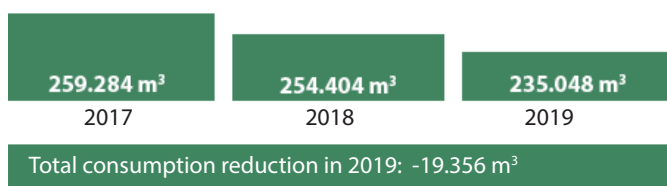
Just like BPI's own, the CSR performance of the companies in our supply chain has an impact on the societies in which they operate. Lack of success in this could mean negative impacts for the communities.

#### Reduction of electricity and gas consumption in Denmark and Poland

##### Electricity consumption



##### Gas consumption



### III. Anti-corruption

An essential part of BPI's company policy as well as our Code of Conduct define that:

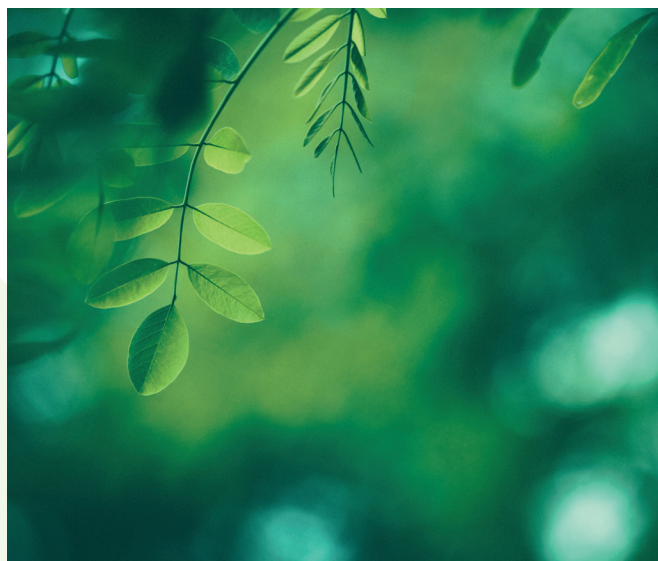
- None of the company's employees give or receive unjustified advantages from local or foreign public officials or employees in private companies
- No form of extortion or bribery or favouritism to or from employees or organizations is tolerated
- No violation with the anti-corruption policy is observed in 2019

#### Risks:

If this area is not managed, BPI would face legal, reputational and financial risks as well as erosion of employees' and customers' trust. BPI's purchase function/department is considered the most vulnerable area for potential corruption – however, as our company never experienced any incidents of corruption we perceive the risk moderate.

Full or partial neglect of the principles in the overall company policy or the Code of Conduct, or serious violation of local laws and regulations may, in its extreme, cause an interruption of the cooperation with BPI or a dismissal of the employee. The company grew up with this cultural mindset and business attitude, and it has never been necessary to set up a closer or more intensive monitoring or control of individuals or departments.

The management is handling this subject with an appropriate and reasonable surveillance. To all Polish employment contracts, a specified point to impress upon our attitude and zero tolerance towards corruption has been added, and communication towards sub-suppliers has been intensified.



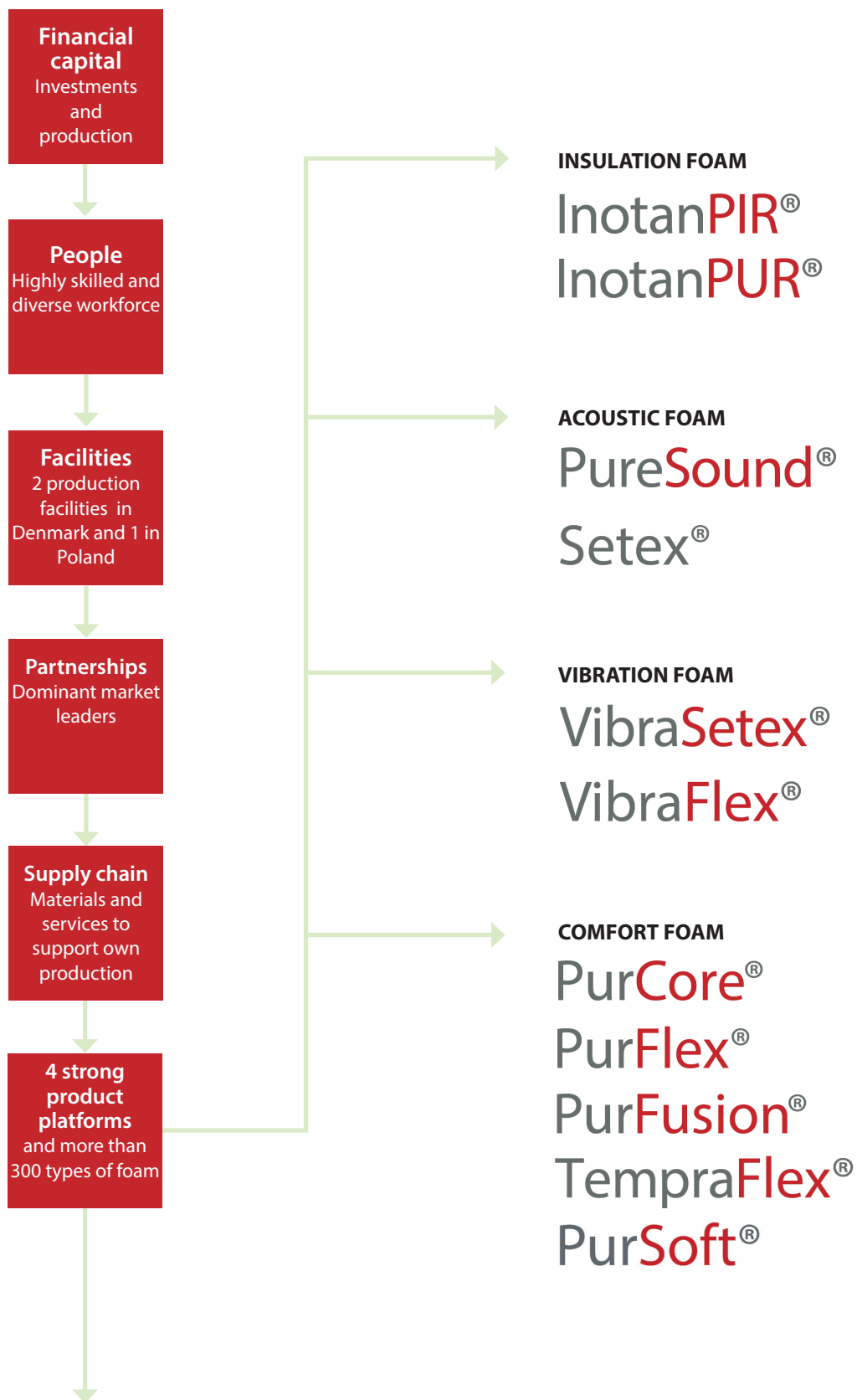
### Outcome

A large part of the above points have caused improved working environment, reduced energy consumption, reduce the environmental impact and CO2 emissions as well as further engaged and healthier employees.

Our ongoing initiatives within above fields are representing our dedicated business attitude and adds to our track record of being a professional and fair business relation to our customers and cooperation partners.



## Key Resources



# Customer Value Proposition

BPI follows a 360° value driven approach that creates and distributes value in below areas within 2 primary segments: Furniture & Design and Industry & Construction.





## CSR policy

Bramming Plast-Industri A/S shall endeavour, on the basis of the group's values and vision, to operate a business that creates value for the company, employees, customers, suppliers and the surrounding community. BPI thereby assumes a social responsibility to contribute to social, economic and environmental sustainability. In 2014 BPI joined UN Global Compact, and thus complies with the ten principles of human rights, labour, environment and anti-corruption.

CSR is an integral part of the daily activities of the BPI group in interaction with the wish to be at the leading edge of developments in the surrounding society, as well as, at any time, to comply with laws and ethical guidelines. The CSR policy was approved by the Board of Directors and Executive Board March 2017 and is valid for the entire BPI group.

BPI promotes procedures in our supply chain to ensure accountability for social and environmental conditions with positive impact on customers' perception of BPI's CSR commitment.

BPI practices good and sensible managerial standards, and provides clear guidelines, policies and accountability for the company.

UN Global Compact defines guidelines for BPI's social responsibility.

### Human Rights

BPI Supports and respects internationally proclaimed human rights.

### Workers' Rights

BPI maintains good working conditions and continuously creates improvements in relation to work safety of employees and working climate. BPI believes that diversity among employees, including equal gender quotation, positively influences the working environment and strengthens the company's culture and competitiveness. BPI maintains freedom of association, and supports the elimination of forced labour and child labour. BPI must be a workplace which employees identify themselves with and are proud of working for.

### Environment

BPI's environmental policy is based on an environmentally proper business practice, and is a natural part of the group's objectives for product quality and production. BPI increases efficiency through continuous energy and material optimization, pollution prevention, waste reduction and environmental management.

### Anti-corruption

BPI maintains a high level of integrity and accountability, and does not tolerate any form of corruption or bribery.

Approved March 2017  
Board of Directors