



Troldtekt A/S

Corporate Social Responsibility

Report on Social Responsibility for the UN 2010

Management

CSR should be based on corporate strategy. Read about responsibility as an integral part of our managerial system.

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The Environment

Troldtekt is produced from sustainable wood and cement. Look into our environmental performance.

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Staff

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Fellow Citizens

No company is an island. Meet the students and the hard-of-hearing for whom the subject of acoustics is particularly interesting.

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Responsibility – a Tradition

It gives me great pleasure to welcome the first CSR-report from Trolldtekt A/S where you can read about our initiatives on management, the environment, staff and fellow citizens.



Peer Leth,
Managing Director

Trolldtekt A/S has now joined the UN Global Compact and this report is a first attempt at progress reporting. In future, the CSR-report will appear annually. Seemingly far from our provincial roots, we are convinced that the UN principles are significant for our business method and our success. This report should be seen as a step towards an increasingly systematic, strategic and active CSR-effort. We understand Corporate Social Responsibility to be Trolldtekt A/S' social responsibility manifested in our voluntary work with social, ethical and environmental issues. We believe that companies will do well by doing good. To us, it seems perfectly natural that the ever-increasing ethical demands of the outside world should go hand in hand with our wish to act decently – locally as well as globally.

Sound traditions

Responsibility is not a new concept in our corporate history. In 1936, Louis

Hammerich, then owner and Director, started a foundation which is still active today, providing economic assistance to needy members of staff. Our acoustic panels are produced to the same wholesome recipe as they were 75 years ago: Danish wood and cement join forces in our Trolldtekt factory in West Denmark. Our present-day acoustic ceilings are PEFC-certified and the wood originates from sustainable Danish forestry operations. They carry indoor climate labelling and the production process is environmentally sound. In March 2010, Trolldtekt A/S was awarded Byggeriets Miljøpris (The Danish Building Industry Environment Award) at the biggest building trade fair in the Nordic countries, TUN BYG.

Strong commitment

We are humbly aware that a long journey starts with one small step, and as a medium-sized company, we do not have the resources to undertake certification processes

which involve considerable administrative burdens. However, that need not stop us from shouldering responsibility.

Yours faithfully

Peer Leth

Managing Director, Trolldtekt A/S

ABOUT TROLDTEKT

Trolldtekt acoustic solutions for ceilings and walls are among the leading products providing good acoustics, effective fire proofing and a healthy indoor climate. Our main product is the acoustic panel produced from the natural materials: wood and cement. Trolldtekt acoustic panels are used everywhere from office and industrial buildings to schools, institutions, sports centres and private homes. Trolldtekt A/S started in 1855 as a trading company, located in Aarhus, and the company has produced Trolldtekt cement-bonded wood wool panels at Troldhede in West Denmark since 1935.

Global Principles – Local Responsibility



The UN Global Compact is the world's biggest, voluntary initiative for corporate social responsibility with 7300 unionised enterprises and organisations from more than 130 countries. They have now been joined by Troldekt A/S.

The aim of the UN Global Compact is a worldwide strengthening of corporate CSR initiatives – also called social responsibility. By joining the UN Global Compact, member organisations commit themselves to 10 principles within the fields of human rights, labour rights, the environment, and anti-corruption. These principles must be reflected in the individual organisation as well as its activities, and an annual progress report must be submitted to the UN.

– Our active and solid strong points are the environment and labour rights. Because the UN principles are integrated into Danish legislation and because our main suppliers are Danish, human rights and anti-corruption are not issues that we have had any active dealings in, so far. In future, these issues will be on the agenda by virtue of our new Code of Conduct, says Peer Leth, Managing Director of Troldekt A/S (see p. 4).

Useful management tool

– We believe that Global Compact contains significant principles, and by signing up we will have a set of useful guidelines which, on one hand, demand our commitment and, on the other, provide both fuel and direction to our company's CSR-initiatives, says Peer Leth.

This and future CSR-reports will be available on troldekt.dk. An English version will be available on troldekt.com. To begin with, Troldekt staff will receive their information in weekly info mails, but these will be replaced by intranet, in the near future. Certain close associates will receive a printed version as well.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT:

HUMAN RIGHTS

1. *Businesses should* support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses

LABOUR

3. *Businesses 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; and
6. the elimination of discrimination in respect of employment and occupation

THE ENVIRONMENT

7. *Businesses should* support a precautionary approach to environmental challenges
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies

ANTI-CORRUPTION

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



Responsibility in Several Tiers

With the new Code of Conduct, we want to ensure that our suppliers subscribe to environmental, ethical and social concerns at a similar level to ourselves.

CODE OF CONDUCT FOR TROLDTEKT A/S

Troldtekt A/S asks suppliers to sign a Code of Conduct, thereby committing themselves to observe the internationally recognised standards with regard to:

- Compulsory labour
- Child labour
- Non-discrimination
- Freedom of association
- The working environment
- Terms of employment
- Health and safety
- Products of the company
- Environmental protection

With a Code of Conduct, Troldtekt A/S will have an efficient tool to ensure commitment from suppliers.

– Our acoustic panels are made of sustainable wood and cement and are produced in accordance with strict environmental requirements. This has been the centre of our attention, and our remaining suppliers have not received the same degree of focus. We intend to shift focus to achieve a general and systematic purchasing policy characterised by a high degree of sustainability, says Per Byskov, Quality Manager.

Practical Aspects

To work in a structured manner with supplier management, Troldtekt A/S will now centralise various purchasing functions.

– In practice, we have divided our 100 largest suppliers into groups and categorised them according to volume of turnover. Our ambition is to make an individual assessment of them over a three-year period, explains Per Byskov.

Dialogue is Crucial

Troldtekt A/S categorises suppliers in risk groups according to their strategic importance, and the degree of risk of them contravening the guidelines. Those in the low-risk group will be asked to sign our Code of Conduct. Those in the medium-risk group will furthermore be asked to complete a self evaluation form, while those in the high-risk group will receive a visit from Troldtekt A/S in addition to the above.

– As our point of departure, we want to maintain our cooperation with all existing suppliers. In the event that the on-going supplier assessment should turn up a few in the high-risk group, our stance will be that we continue our cooperation and, through dialogue, attempt to sway them towards a heightening of standards, says the Troldtekt Quality Manager.

Objectives for Management

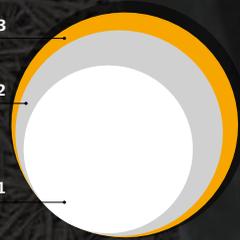
Troldekt A/S will aim to get suppliers to effectively adopt the Code of Conduct. The aim will be, gradually to ensure that 90 per cent of our suppliers have implemented the Code of Conduct by 2013.

Implementation of the Code of Conduct

90% in 2013

75% in 2012

50% in 2011





Humus and Greenery

Materials, manufacture, production, transport, usage and disposal. During its entire product life cycle – from cradle to grave – Troldekt A/S attaches great importance to minimising environmental impact. This is the core reasoning behind the product life cycle, which forms a sustainable basis for our green vision.



DID YOU KNOW THAT...

- www.troldekt.dk is CO₂-neutral
- at Troldekt A/S, we aim to replace our petrol-fuelled company car fleet with diesel by 2011. In this way, we will be reducing the environmentally harmful substances CO₂ and SO₂.

Troldekt acoustic panels are a natural product made of wood from Danish forests and cement from the Danish subsoil. PEFC-certification ensures traceability to sustainable forestry operations. The trees are grown in Danish forests where they have grown for at least 50 years without the use of artificial fertilizers, pesticides or other chemical substances. The cement comes from Aalborg Portland, which is governed by strict environmental requirements.

Green Heating

The production of Troldekt panels takes place at Troldhede in West Denmark and is carried out in a closed process without the discharge of waste water. 95% of the energy used for heating the state-of-the-art factory comes from CO₂ – neutral wood waste and bark from the production of Troldekt panels.

Minimal Transport

As Troldekt A/S prioritises raw materials from the local area – wood

from the forests in Western Denmark and cement from Aalborg Portland, the environmental impact in connection with transport has been significantly reduced.

Best Category Indoor Climate

As early as 1997, Troldekt panels were awarded the Indoor Climate Labelling in best category by Dansk Indeklima Mærkning (Danish Indoor Climate Labelling). In practice, this means that Troldekt panels release a minimum of particles and gasses when installed.

Back to Nature

KomTek A/S processes waste from the production at Troldhede into soil improvers. This production waste is a particularly effective type of compost, as the high calcium content of the cement increases oxidation, and the fibre content of the panels ensures a high quality compost.

Product life cycle in practice

1. MATERIALS

Danish raw materials – PEFC-certified wood from Danish forests and cement from Aalborg Portland.



2. PRODUCTION PROCESS

State-of-the-art and environment-conscious production at Trolldhede.

3. TRANSPORT

Raw materials from local area minimise transport.

5. DISPOSAL

Can be composted and re-used as soil improver.

4. USAGE

Indoor climate labelling in the best categories in accordance with Dansk Indeklima Mærkning.



ENVIRONMENT PRIZE AWARDED TO TROLDTEKT A/S

In the spring of 2010, Byggeriets Miljøpris (The Danish Building Industry Environment Award) was set up. Trolldtekt A/S was the happy recipient during the trade fair, incidentally the biggest in the Nordic countries, TUN BYG in Fredericia. A unanimous panel of judges selected Trolldtekt A/S for their focus on the environment during the entire product life cycle. The prize was awarded by HRH Crown Prince Frederik to Peer Leth, Managing Director of Trolldtekt A/S.



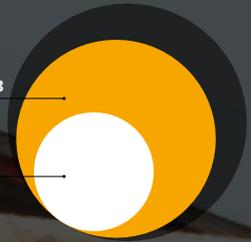
Objectives for the Environment

Troldtekt A/S will work to achieve that 70 per cent of the wood used for the production of acoustic panels will be PEFC-certified by 2013. Today, certified wood make up 20-25 percent, due to a restricted supply of PEFC-certified wood up to now. Demands from companies such as Troldtekt A/S will increasingly motivate forest owners to become certified.

PEFC-certified wood in 2013

70% in 2013

20-25% in 2010





Prevention, retention and fairness

At Troldekt A/S, we believe in an open, trusting and unprejudiced dialogue based on our staff manual and policies. The point of departure is a positive view of human nature and mutual respect – regardless of sex, ability or origin. We believe that staff development will ultimately lead to company development.

OUR STAFF IS A DECISIVE RESOURCE

At Troldekt A/S, we want to support and show consideration to our members of staff, so that everyone has the best possible conditions and qualifications for thriving in his/her job. For this reason, we have established an introductory programme for all new members of staff – typically on-the-job training. Representatives from both management and employee sides come together in the works committee to discuss work-related issues, policies and post-training, but also to harmonise expectations to machinery and method. Every year, we hold appraisal interviews to ensure a good working relationship and personal development. We offer flexible working hours for staff with relevant personal, family or health-related needs.

DIVERSITY IS SECOND NATURE

We view differences in sex, age, ability and ethnic background as a strength. We believe that the diversity of backgrounds that exist among our colleagues bring valuable competencies to the company. Approximately 30 per cent of the production staff at Troldekte are not ethnic Danes, including one team leader – several of these have celebrated their 10th and 15th anniversaries with us. Two colleagues are employed with wage subsidy and members of staff on long-term sick leave are offered a slow job return with 1-2 working hours per day.

EDUCATION DEVELOPS BUSINESS

Concurrently with our expanding export activity, we handle growing numbers of product variants. This makes the information flow across the three shifts increasingly complex, so we are currently introducing the intranet to facilitate the process. To safeguard future effectiveness of the intranet, all production workers tested their knowledge of the Danish language at VUC Ringkøbing-Skjern in 2009. Consequently, 19 staff members were offered a 12-week tuition course by VUC-instructors during working hours at Troldekte. This kind of development benefits both staff and the company as a whole.

Health, Safety and Stability

At Troldekt A/S, we emphasise the importance of a secure and stable work place. Here, safety and a healthy working environment are decisive factors. For this reason, our strategy is prevention where possible, and, in any case, to be prepared for everything.



GOOD HEALTH STRENGTHENS THE COMPANY

The staff at Troldekt A/S are covered by a health insurance scheme which secures staff members fast treatment in private hospitals, at specialist clinics or at the majority of other treatment centres such as chiropractors, physiotherapists, psychologists or clinical dietists.

In cooperation with Vium Lifecare, Troldekt A/S has held four health afternoons touching on everything from fitness tests and the importance of exercise to the correlation between food and energy levels to sustainable working relationships. In addition, we organise specific health checks for our night shifts and special guidelines for the prevention and reduction sickness, work-related injuries and diseases.

SAFETY UP FRONT

At Troldekt A/S, we will do anything to prevent occupational accidents, and we are making considerable efforts at ensuring a healthy physical as well as mental working environment. With this in mind, we have held first aid courses, purchased heart starters with ensuing instruction in their use. We have begun a registration process of near-accidents.

Apart from this, we have a well-functioning health and safety organisation and a systematic effort at workstation assessments in collaboration with AM-Gruppen. As a result of this, noise and dust are monitored closely, the contingency plan is constantly updated, and uneven driveways for trucks will be repaired so that the truck driver will avoid jolts and bumps.



SAFE TRUCK-DRIVING
New surface with yellow markings makes truck-driving safe at the Troldekt factory, Troldekte.



A Helping Hand for an Injured Shoulder

Troldtekt employee, Perinpam Sinnaiya had a serious shoulder accident. This gave him physical pain and resulted in a period of being economically hard up, but the support he received from his work place provided a welcome consolation.

Eva Paulsen and Perinpam Sinnaiya met 21 years ago at Technical College at Esbjerg. The couple live at Grindsted with their four children – apart from the four little ones that Eva looks after as a child-minder.



A heavy H-iron fell on Perinpam Sinnaiya's left shoulder when he, together with a colleague, lowered the iron beam from the factory ceiling in February 2010. The H-iron tore two ligaments in his shoulder, which has given trouble ever since:

– I was scanned several times during the spring before the doctors put the ligaments back into place with screws, in May. But it made the pain worse and I can't use my arm – the consultant still does not know why, declares Perinpam Sinnaiya.

Good Support

- Both the shop steward and the production manager from Troldtekt A/S have visited me several times, and my colleagues have phoned me. I have received a grant which improves my economic situation at a time when my income has been halved, says Perinpam Sinnaiya. He has worked for 13 years at the factory as a truck driver.

“The Merchant L. Hammerich and His Wife Ellen, nee Lisberg Foundation was set up in 1936, and the aims of the foundation are to provide present and former employees with economic assistance in times of need.

Back Again

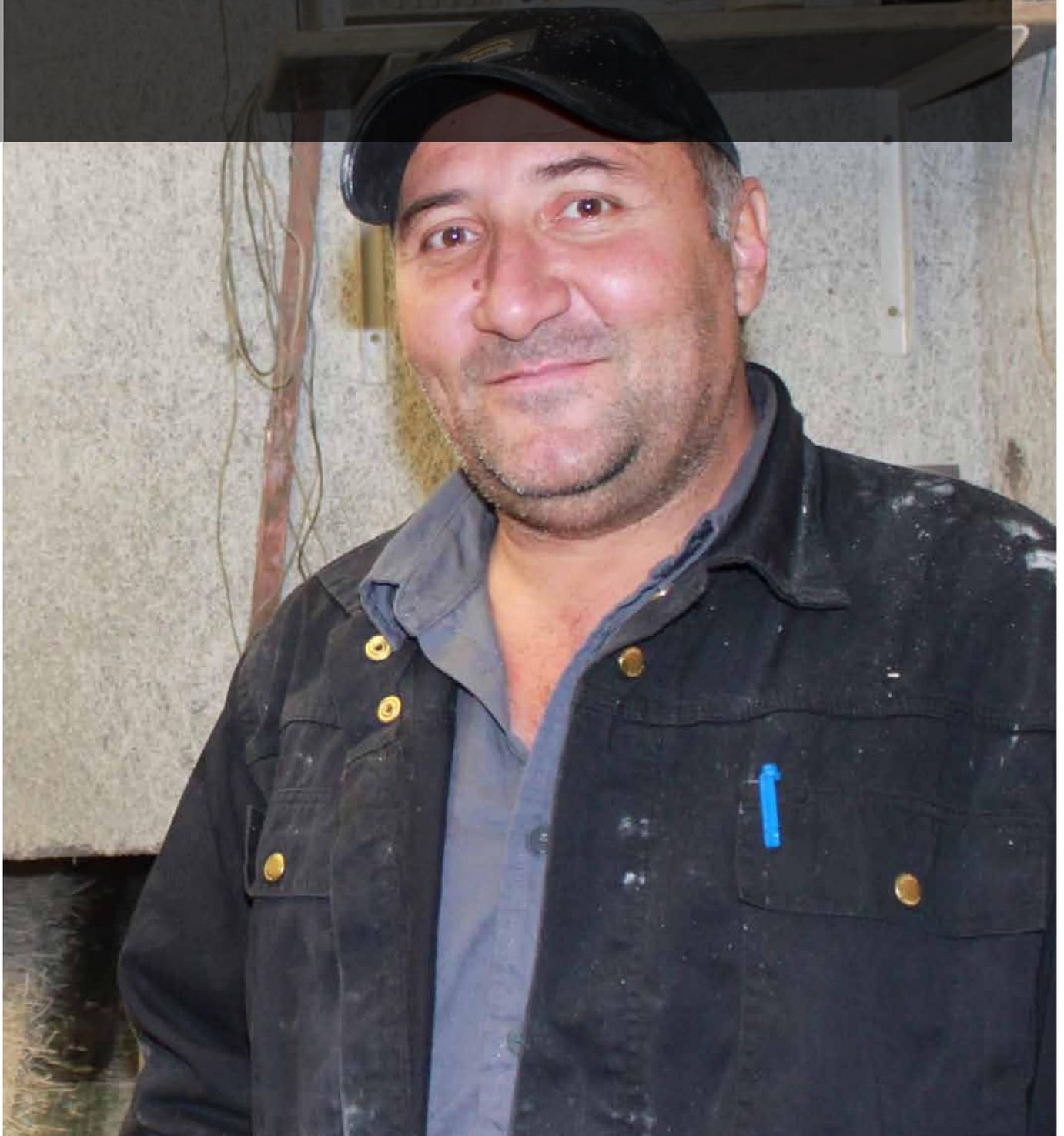
Perinpam Sinnaiya and his partner, Eva Paulsen, now hope that physiotherapy might alleviate his disability.

– Troldtekt A/S will accept that I work less to start with. And I really would like to. Troldtekt A/S equals good colleagues, decent employers and excellent conditions, says Perinpam Sinnaiya, and Eva Paulsen adds:

– It's been hard because he so much wants to get stuck in – but he can't. I now believe that everything will be all right, although his arm might not be quite like it was before.

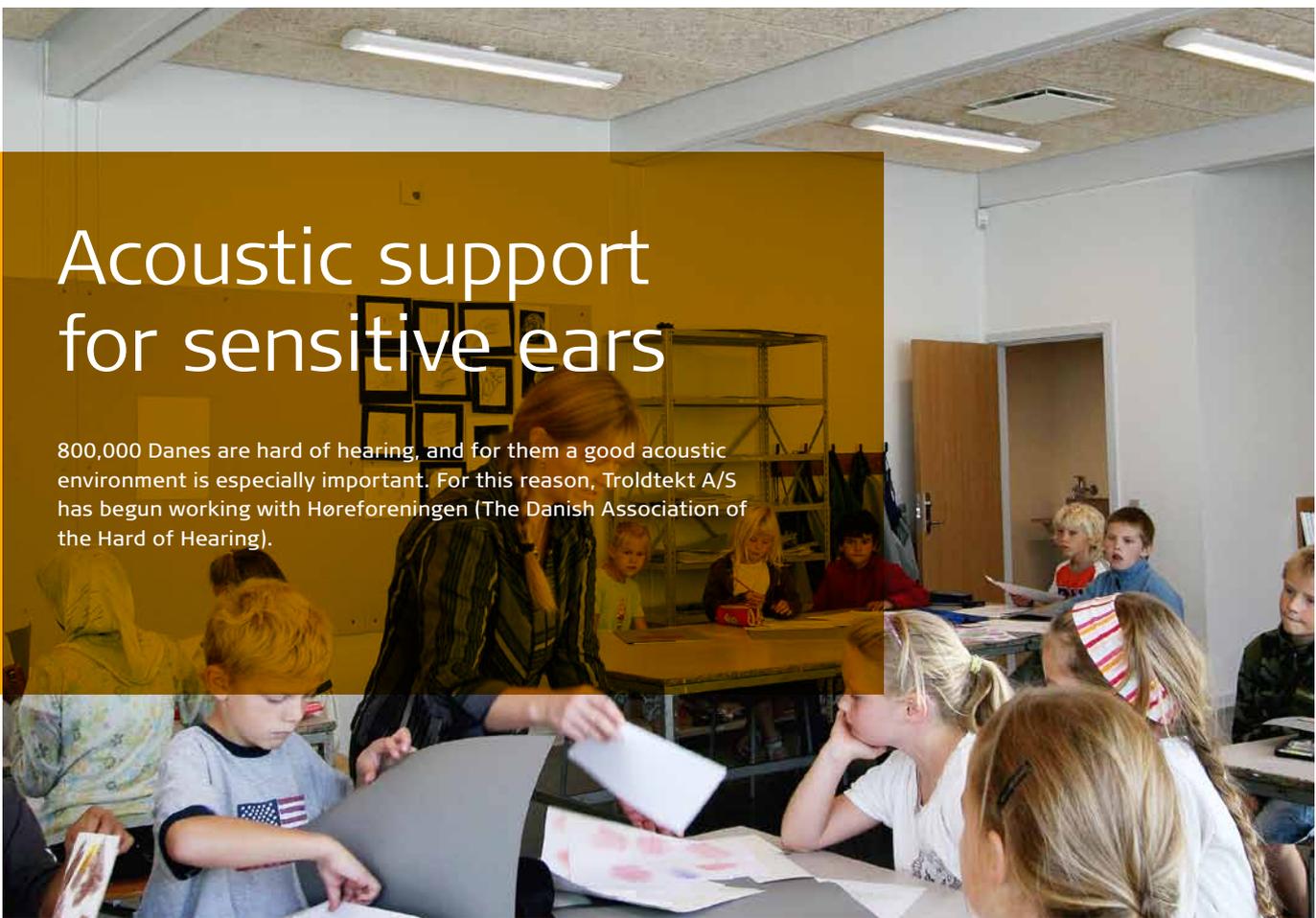
Objectives for Staff

Troldekt wants to work to reduce absence due to sickness by two per cent per annum, and the number of occupational accidents to less than five per annum in 2011. We want to continue giving economic support to staff members with special needs.



Acoustic support for sensitive ears

800,000 Danes are hard of hearing, and for them a good acoustic environment is especially important. For this reason, Troldekt A/S has begun working with Høreforeningen (The Danish Association of the Hard of Hearing).



In 2010, Troldekt A/S started sponsoring Høreforeningen. Everyday life for the hearing-impaired is especially improved by a comfortable acoustic environment. In this way, Høreforeningen and Troldekt A/S share a common interest, namely to get the message across to all players in all tiers of the construction process: acoustics are an important aspect of good architecture. By helping Høreforeningen with what we consider our core competency, we get the most CSR for our money.

Less Tired with Troldekt

Sanne Lauridsen is chairperson at the local branch of Høreforeningen in Aarhus, and she is hard of hearing.

– I find that architects typically look more at appearance than acoustic comfort – especially in shopping and sports centres. These places often cause me to feel tired in my head from concentrating hard on a dialogue, and I invariably end up leaving because the sound races around, says Sanne Lauridsen and adds:

– When there are acoustic panels installed in the room, I have to spend less energy on understanding what people say. They don't have to repeat quite as much, and I don't get so tired.

Subtitles and expert help

As part of the collaboration with Høreforeningen, Troldekt A/S has subtitled their film on acoustics for the hearing-impaired and sponsored the external acoustician, Jan Voetmann, as a lecturer at the national course for parents with hearing-impaired children.

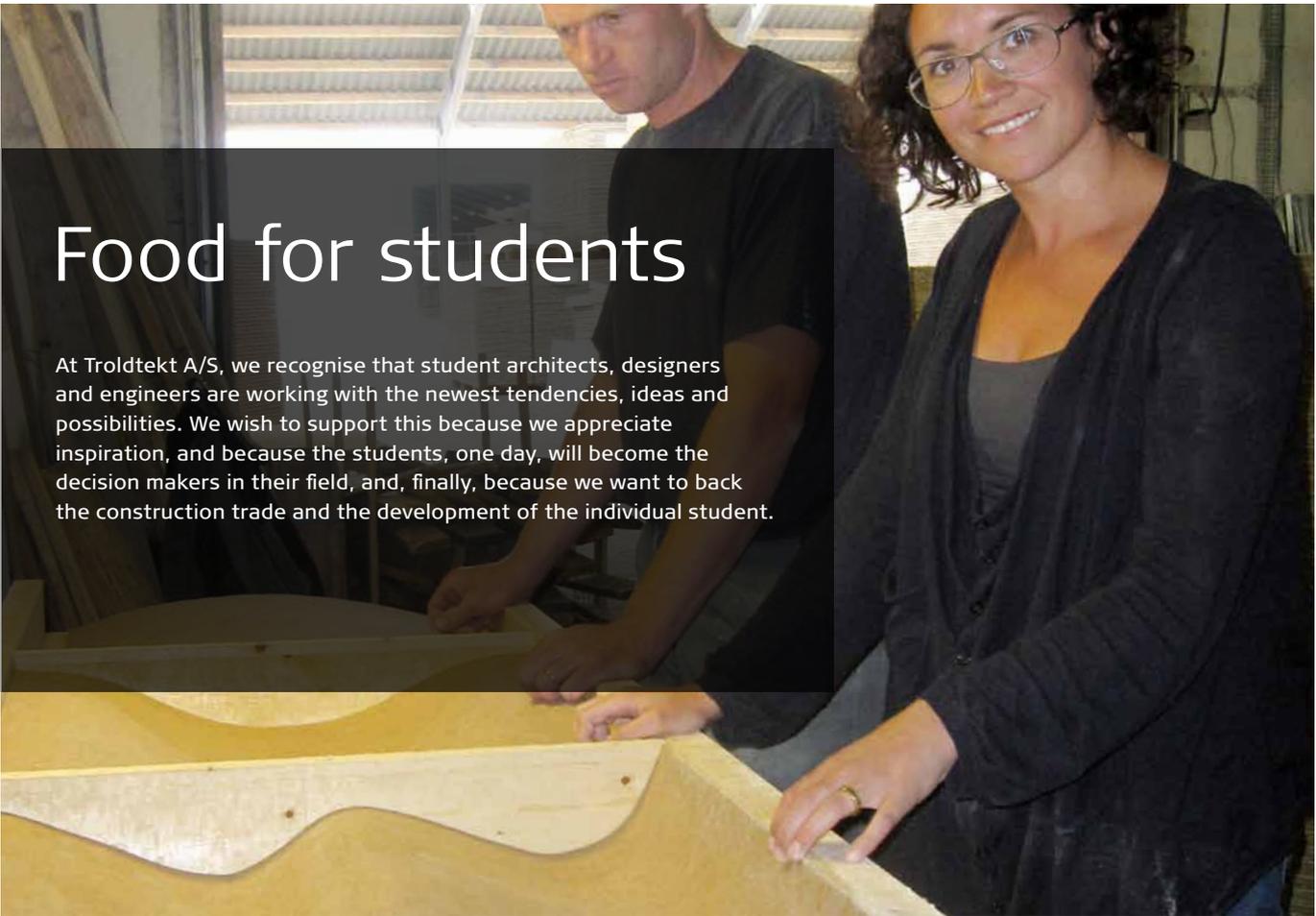
ABOUT HØREFORENINGEN

Høreforeningen is a disability organisation handling the concerns of more than 800,000 people. They do this by mainly working for better living conditions for those affected by hearing problems or diseases of the ear. This affects every sixth person over the age of 18.

ACOUSTICS FILM

In their film, Troldekt A/S expound the most important ideas within room acoustics. In accordance with Høreforeningen's wishes, the film has now been subtitled.





Food for students

At Troldekt A/S, we recognise that student architects, designers and engineers are working with the newest tendencies, ideas and possibilities. We wish to support this because we appreciate inspiration, and because the students, one day, will become the decision makers in their field, and, finally, because we want to back the construction trade and the development of the individual student.

AN EYE FOR ACOUSTICS

Can you design Troldekt panels with a more sensual expression – without losing the good acoustic qualities? That was the challenge, Anne Stensgaard set for herself last year for her final thesis on design technology. Troldekt A/S contributed the materials, sparring and practical assistance to Anne Stensgaard who pressed the panels into concave arches, double waves and other seductive shapes. The design technologist herself is satisfied:

- The project was a complete success. The structure of the panels is beautifully accentuated by the new shapes – without compromising the material strength. And because of the panels' shape and the location of the diffusers, the acoustic effect is actually improved, she explains.

The new shapes are meant for striking business, private and public buildings, and Troldekt A/S is just now waiting for the perfect project to kick-start an actual production.

Troldekt A/S has previously helped student architects with their projects, e.g. in materials science. Presently, we are helping two student constructing architects who are writing their theses on the theory of science with Troldekt as a case study.

WE APPRECIATE THE NATURAL TALENT

On the occasion of Troldekt A/S' 75th anniversary, we plan to award a brand new prize. The rules are simple: The student architect who manages to include cement-bonded wood wool from Troldekt in the most imaginative context, will receive the prize and a journey for two to Rio de Janeiro. The Troldekt Prize will seek out its first recipient in January 2011.

The only limit is their imagination when the students will compete for the prize which will be awarded without taking acoustic issues into consideration.



Objectives for Fellow Citizens

Troldtekt A/S wants to strengthen the collaboration with relevant education establishments to create a basis for knowledge sharing and inspiration for the benefit of the individual student, the schools and Troldtekt A/S.

Troldtekt A/S wants to expand the collaborative effort with Høreforeningen in a way which will give the organisation the most benefit from our competencies and knowledge within the field of acoustics and sound.



| | |
|--------------------|--|
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| Sector | The construction sector |
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Troldtekt A/S sponsors *Høreforeningen*
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Dansk Akustisk Selskab
D.A.S aims to extend knowledge about acoustics and its applications in Denmark and to connect people sharing an interest in acoustics at home and abroad.



Foreningen for Unge Trælastfolk
The organisation aims to create a forum young people within the field of timber and building materials, and to inform them about relevant issues affecting their field of activity.



Certifications

