

UN Global Compact – 2010 progress report

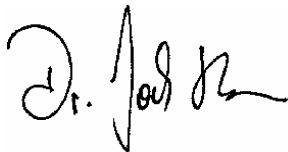
Declaration on continuing support of the UN Global Compact

Wilkhahn is a premium manufacturer in the office and contract furniture industry. The company is a global player with headquarters in Germany, branches in Spain and Australia, sales companies world wide and licensees in Japan, Morocco and South Africa. Wilkhahn joined Global Compact in 2007, underscoring the enterprise's continuing commitment to sustainability in the 100th year of its founding. Under the banner of design made in Germany and unlike virtually any other company in the industry, Wilkhahn stands for the coherent link between business success and social and ecological responsibility. Numerous socio-ecological milestones over the past decades confirm that Wilkhahn is one of the pioneering companies in pursuing sustainable business policies. Today our global activities are based on the premise of "Responsible furniture for a professional life". This concept concerns the company's products, processes, markets and values in equal measure.

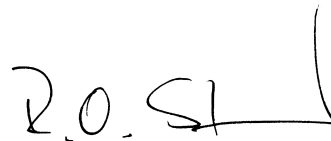
Global Compact is the world's largest and most important platform for responsible companies which embrace principles of sustainable development and social responsibility. We share the UN's vision of global peace, justice and sustainable development. The ten Global Compact principles are reflected in our corporate policy, management principles and management systems.

In this 2010 progress report, Wilkhahn is renewing its commitment to the UN Global Compact and to actively encouraging its objectives.

Bad Münden, August 2010



Dr. Jochen Hahne
President



Olaf Stender
Chairman of the works council

The ten principles of the UN Global Compact and progress made

Principles 1 and 2: businesses should support and respect the protection of internationally proclaimed human rights and make sure that they are not complicit in human rights abuses.

Progress:

- _ In February 2009, Wilkhahn and trades unions IG Metall and Building and Woodworkers International (BWI) signed a framework agreement on social responsibility and encouraging employee rights. One of the aspects Wilkhahn signs up to in the agreement is a ban on discrimination in accordance with the ILO agreements 100 and III. These agreements are based on the recognition of the Universal Declaration on Human Rights. Wilkhahn expects its suppliers and partners to recognise these principles too.
- _ In Wilkhahn's organisations worldwide, management teams must adhere to prevailing social legislation. In conjunction with international trades unions, a monitoring procedure was launched in 2009 to guarantee continuing adherence to applicable social standards.
- _ Furthermore, Wilkhahn sponsors exhibitions, activities in associations and universities that are committed to democratic values, pluralism and liberal-minded attitudes. The company's value "Fairness towards people and the environment" is an integral part of the company's presentations and guided tours.

Principle 3: businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Progress:

- _ The level of union membership at Wilkhahn is high. At the Wilkhahn headquarters in Bad Münden, at least two out of every three employees belong to a union. As a result, Wilkhahn ensures that agreements reached in collective bargaining are applied.
- _ Wilkhahn actively supports the structuring of new collective wage agreements. Employees regularly take part in the negotiations between employers and employees in wage bargaining committees.
- _ Above and beyond its own location, Wilkhahn endeavours to boost the rights to freedom of association and the right to collective bargaining. In February 2009, Wilkhahn and the BWI and IG Metal trades unions signed an international framework agreement to this effect. Supplier management at Wilkhahn was then expanded.
- _ Freedom of association and collective bargaining were announced as fundamental principles for long-term business relationships.

Principles 4 and 5: companies are to act in favour of banning all forms of forced and compulsory labour and abolishing child labour.

Progress:

- _ Wilkhahn does not tolerate any types of forced and compulsory or child labour. This stipulation applies without exception to production sites in Germany, Spain and Australia and to its licensed partners' facilities.
- _ By signing the framework agreement, a basis was achieved with partners of the employee representatives at BWI and IG Metall to guarantee that suppliers and customers worldwide constantly follow the principles on an international scale too.
- _ Eliminating all types of forced and compulsory and child labour was a stipulation made to all suppliers as a fundamental principle of long-term business relationships.

Principle 6: the elimination of discrimination in respect of employment and occupation.

Progress:

- _ To prevent job discrimination, Wilkhahn has created transparent regulations by agreeing to compromises with the employees. Regulations on working hours, as well as the principles covering grades of wages and salaries, follow a performance rationale and the regulations in collective wage agreements. Employee discrimination due to race or ethnic origin, sex, religion or convictions, special needs, age or sexual orientation are systematically prevented. An officer for gender equality at the Bad Münden headquarters is also a point of contact for employees. Wilkhahn management currently knows of no cases of discrimination.
- _ Wilkhahn also enables people with special needs to take part in society by giving them employment. At the German headquarters, the ratio of people with special needs is significantly higher than six percent.
- _ The framework agreement signed in February 2009 with employee representatives also puts Wilkhahn's anti-discrimination endeavours on a firm basis. All sites, sales companies, licensed partners and suppliers are informed about the high emphasis Wilkhahn places on this principle.

Principles 7, 8 and 9: businesses should support a precautionary approach to environmental challenges. They should undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies.

Progress:

- _ A management system in line with EC regulation 1221/2009 (EMAS) at the Wilkhahn headquarters in Germany guarantees that the European and German level of environmental regulations is effectively complied with. This level is comparatively high internationally.
- _ Furthermore, Wilkhahn regularly draws up an environment programme to constantly improve its performance on the environment. Each year, an independent environmental expert checks whether the goals have been achieved.
- _ On its website www.wilkhahn.com Wilkhahn publishes an EMAS-validated environmental declaration annually. As a result, stakeholders and the general public are constantly informed about its environmental performance.
- _ Furthermore, Wilkhahn is involved in working and interest groups that encourage entrepreneurial environmental and social responsibility. Wilkhahn is a member of the eco-driven entrepreneurial networks B.A.U.M. e.V and future e.V. and a regular member of the panel of judges for the CSR Award in the Hanover region. In 2009 and 2010, Wilkhahn gave voluntary time to the Federal Ministry for Labour and Social Affairs' CSR Forum.
- _ In technical terms, ecological milestones were reached in 2008 with the commissioning of a block heat and power plant driven by vegetable oil and the launch of new compressed air control technology at the headquarters. Consequently, Wilkhahn managed to halve carbon dioxide emissions.
- _ By investing in a modern lacquering section, 2009 saw the fulfilment of the goal to reduce the already low level of VOC emissions even further. In the same year, Wilkhahn launched ON, an innovative swivel chair range that consists of 55 percent recycled material and 97 percent of the chair itself can be recycled.
- _ As part of the strategy development project Wilkhahn 2017, sustainability was confirmed as a key company value and became part of the "Responsible Furniture for a Professional Life" core statement. The company's values state that "Sustainability, responsibility and fairness shape the way we deal with people and the environment. With durable products, eco-friendly production and business processes and relationships based on partnership. Vision and fairness will make us successful in future too". As part of a cascade briefing of the project, all employees worldwide were informed and actively involved in full-day events worldwide.

Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.

Progress:

- _ Wilkhahn management knows of no cases of corruption in areas it has an influence on. In general, the global contract and office furniture market stands out for its high level of transparency in issuing orders. Wilkhahn management believes that in future the risk of becoming involved in unlawful business practices, including extortion and bribery, is very low. Nevertheless, the issue is discussed with suppliers and the results of a survey on the subject are documented.