



Communication on Progress

U N Global Compact

August 2017

Technibond joined the UN Global Compact in October 2010 to show our support for this initiative and to demonstrate to our stakeholders our commitment to the Ten Universally Accepted Principles.

Our annual Communication on Progress reaffirms our support for this initiative and describes the progress we have made in integrating the principles into our strategies and day to day business practices.

A handwritten signature in black ink, appearing to read 'Mike Summers', with a stylized, cursive script.

**Mike Summers
Managing Director
22nd August 2017**

The Ten Principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Technibond is based in the UK and does not have offices or subsidiaries in other countries. It therefore operates under UK employment law. We have subscribed to a range of bulletins from the Health and Safety Executive to keep us up to date with the law, and we use the resources of the Federation of Small Businesses (FSB) and our insurance company for day to day advice and to help us maintain an effective H & S management system.

Our people are important to us, and we try to maintain as safe and comfortable a working environment as practicable. We have formal, audited, health and safety policies and procedures, and regular health and safety meetings. During 2015 we started evaluating the costs and benefits of implementing a BS OHSAS 18001 Health and Safety management system, to further improve our H & S performance. It is now intended that this standard will be replaced by a new International standard being developed, ISO 45001. The anticipated date for this is late 2017 or early 2018. We will therefore now wait for the publication of this new standard before committing resources to this project.

We provide better support and respect for our employees than the law requires. Where possible, we do allow requests to accommodate necessary working time medical checks and treatment. We always deal sympathetically with employees who have suffered injury or serious illness. As a new benefit we now offer our employees free and confidential stress counselling. We allow employees to make use of Company resources such as internet access, postal delivery and collection so long as it does not compromise their work. We pay all our employees at least the National Living Wage and provide a personal pension to which the company contributes. We have now introduced the new Auto-enrollment pension as required, but we continue to offer our old stakeholder pension to employees who prefer to stay in that scheme.

We do use CCTV outside our building for security purposes. To prevent possible privacy abuses we have made a policy statement that this equipment will only be used for security purposes. Similarly, the employee records we keep are held in compliance with UK data protection laws.

We believe in respect for people and our web site makes a strong declaration to this effect. We will offer training so our people can make the best of themselves. We have an "open door" policy where any of our people can discuss any work issues with anyone including the Managing Director. We have quarterly Company meetings open to everyone, where we give briefings on Company performance, discuss any general issues or concerns, and commit to actions.

We believe that the products we offer benefit the Global economy. They are low hazard products that can replace more hazardous materials or operations, such as solvent adhesives and mechanical fixing. They can speed up manufacturing and therefore offer economy and productivity. And they can allow operations that would otherwise be difficult or impossible, giving better design flexibility.

Principle 2: make sure that they are not complicit in human rights abuses.

We currently source 80 to 85% of our materials and all of our services in Europe. 15 to 20% of our materials are sourced in South Korea. We do not source any materials from countries where human rights abuses are tolerated. We make a point of visiting all of our suppliers before doing significant business with them.

The ability to source globally is important to Technibond, and as other countries develop their expertise and manufacturing capability, it will become more so. We recognize the potential risk of inadvertently becoming complicit in human right abuse should we source more widely. We therefore commit that in all future sourcing we will take account of the possibility of human rights abuses and we will not do business where we believe there is a significant risk of such abuse. Where appropriate we will require relevant assurances from such companies, and in all cases we will see the working conditions first hand. Our supplier development procedure has now been re-written to specifically include the principles of the Global Compact.

The nature of our products is such that they are unlikely to be used in ways that might contribute to human rights abuse. We commit that were we to discover any such use, we will discontinue the supply of the offending product.

Labour

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

Our employees are free to join a trade union and our Company will not discriminate against any employee choosing to do so. Our disciplinary procedures specifically give employees the right to be accompanied by a trade union representative at any disciplinary hearing. We have now specifically added a statement to Section 1 of our Company Handbook stating our commitment not to discriminate against any employee or applicant who chooses to be part of a trade union.

Our employees are not currently members of any trade union, but should a sufficient number choose to do so we will recognize that union in employee negotiations. In the absence of this, we have implemented regular employee meetings with senior management including the Managing Director. These meetings are open to all employees and are held in Company time. Employees are updated on Company performance and have the opportunity to raise any grievances or health and safety issues.

Principle 4: the elimination of all forms of forced and compulsory labour. **and**

Principle 5: the effective abolition of child labour.

Technibond manufactures exclusively in the UK and does not use any forced, compulsory or child labour nor will we purchase product from companies who do operate such practices. Our supply chain has historically been from Europe the US and South Korea, from reputable companies where these issues will not arise. We are now considering purchasing more widely and we recognize that this could become an issue in the future. Our supplier development procedure has now been re-written to specifically include the principles of the Global Compact.

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

Technibond is an equal opportunities employer and it is our policy to recruit, promote and in all respects deal with our employees purely on their ability to do the particular job.

All employees are issued with our Company Handbook. The first section clearly describes our equal opportunities policy. Section 29 describes our non-harassment policy particularly in regard to any perceived discrimination, and provides formal and informal routes for any employee who believes he or she has suffered discrimination, to resolve the situation.

We use the FSB for specialist employment law advice and we discuss with them any significant employee issues to make sure we do not inadvertently or indirectly discriminate against any person or group of people.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

The products we supply are rather inert, and we are not aware of any areas where the manufacture or use of our products may have irreversible environmental effects. We maintain an active awareness of environmental issues, and many of our suppliers are registered to ISO 14001 or have alternative responsible environmental policies. Currently 75% of our products come from companies certified to ISO 14001.

Products in our industry were traditionally coated from organic solvent solutions and in many cases these still offer the best performance. Many products, however, are now coated from water based dispersions or from 100% solid materials. Where solvents are coated in Europe they are subject to environmental legislation requiring the recovery of solvent from the drying process to minimize environmental damage. All the release papers and release films we buy are now coated from solvent free silicones. We currently buy solvent coated tapes from 6 suppliers, 3 of whom have certification to ISO 14001 and three of whom do not. During 2017 we will be investigating the environmental commitment of those companies and will draft a new purchasing policy. We will actively encourage any companies who do not show a commitment to the environment, to consider doing so.

When any components of our products come under suspicion of causing environmental damage our suppliers eliminate the material promptly or offer alternatives. Where alternatives are available we will always offer the safer material to our customers in preference.

Principle 8: undertake initiatives to promote greater environmental responsibility.

We have invested in a number of initiatives to improve our environmental responsibility including:

- Returnable packaging for several of our main customers to eliminate disposable packaging.
- An energy efficient heating system for our factory.
- Greater use of recycling in our factory and office.

All of our lighting has been replaced with lower energy systems and cut-off timers where appropriate. We have fitted all our taps with cut-off valves to reduce water usage. In 2015 we introduced a waste paper shredding and recycling scheme to our offices. All paper and cardboard waste from our offices is now recycled. From the start of 2016 we implemented an upgraded package for our main business software, which allows us to increase efficiency and

eliminate as much paper as possible. Most of our statements and invoices are now generated electronically, avoiding printed paper, and we have reduced the number of printed copies of internal order information. We will be seeking further opportunities to reduce paper use during this year and next.

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our business success is based on developing and offering to our customers new and improved products, and constantly working with them as their business or business environment changes. We therefore continually work to develop our own technologies and with our suppliers to encourage them to do the same. We will promote to new and existing customers any technologies that offer environmental benefits.

Our products replace other methods of fixing such as mechanical fixings and wet adhesives, and they are principally used for invisibility, ease of application, and savings in time and labour. Compared to wet adhesives, we believe our products also offer environmental benefits as the adhesive is pre-coated under controlled conditions rather than dispensed at the point of use. There is less waste and less discharge of volatile materials to the atmosphere.

One of our new range of products is used for sealing and insulating windows more efficiently than other methods of sealing, resulting in long term energy savings for the householder. By promoting products such as these, we are contributing to energy conservation while achieving our own business goals. During 2015 we embarked on a long term intensive marketing scheme to promote a new product (Hannoband 3E) that provides even better household insulation values. In April 2016 and again in May 2017 we exhibited this product at a National Trade Show and we will be exhibiting at the same show in 2019. We have built up significant sales of this product including a large project for social housing in Glasgow, and will continue to develop its sales.

Anti-Corruption

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

Technibond has never engaged in corrupt practices and we commit never to do so.

Section 19 of our Company Handbook forbids our employees from taking any significant gratuities, gifts, loans or other benefits from the Company's customers or suppliers without the express permission of their Director or Senior Manager. There are severe penalties for disobeying this policy.

We will never offer bribes of any sort to secure business. The only gifts that may be given to employees of our customers or suppliers are those of relatively small value that could not reasonably be expected to influence decision making. Any such gifts will be recorded, typically on expenses forms, to ensure transparency and are subject to Director scrutiny. Any discounts, promotions or commissions that we may offer to customers will be offered formally and transparently to the Company, and fully recorded to comply with our own audit procedures. We will not offer any such incentives to individuals without the knowledge of their Company.