



Communication on Progress

U N Global Compact

July 2020

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', written over a faint, illegible background.

Mike Summers
Managing Director
29th July 2020

2020 Introduction

At the start of 2020 the UK government responded to the Covid-19 pandemic with a series of severe restrictions on individuals and businesses including a complete closure of many businesses and the virtual closure on international travel. As a result, our sales dropped below 50% of their expected value before starting a gradual recovery. We had to immediately halt nearly all capital and non-essential expenditure. This has temporarily disrupted many of our programmes including some of our planned projects relating to the Global Compact. At this moment we are very unsure of how fast the recovery will be.

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. The new International Health and Safety Management Standard, ISO 45001, has now been published and it is our long-term plan to modify our existing H&S policy in line with this standard.

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 introduced the new Auto-enrollment pension for new employees, as required by law, 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 GDPR data protection laws. We are currently reviewing all of our data retention times with a view to only keeping records as long as they have a proven need.

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 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. Currently about 2% of our materials are now sourced from China and we expect this proportion to rise. We make a point of visiting all of our suppliers before doing significant business with them. We have visited these two suppliers in China and have determined that working conditions are good and the employees are respected, well-trained and paid well above the minimum rates. We will monitor this and we would wish to re-visit these suppliers regularly.

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 have therefore committed 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 now includes 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 or grievance meeting. 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 purchasing more widely and we are taking precautions to ensure we maintain our standards in this respect. Our supplier development procedure has been re-written to specifically include the principles of the Global Compact. We have visited two companies in China recently, and determined that neither of these use any form of forced, compulsory or child labour. We will not purchase from any companies who do.

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 are in the process of re-writing our handbook as our contracts of employment do not append sections on disciplinary and grievance procedures to the main contract.

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. This is also true of our supplier in South Korea and our two suppliers in China. 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.

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.

During 2019 our factory lighting was reviewed. While relatively low-energy, it was no longer state of the art as LED lighting has now become commercially viable. As a result of the review, we replaced all our factory lighting with new LED lights. This is expected to cut the energy used in factory lighting by at least 60%. We are intending to review our office lighting which currently uses fluorescent tubes. The Covid-19 pandemic has halted progress, but we will resume this when possible.

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.

During 2018 and 2019 we replaced our old cartons with new ones, giving the following reductions:

- The all-over blue colour wash has been changed to a small blue printed logo.

- The staples used to stitch the side together has been replaced with glue.

- The carton thickness has been reduced, saving paper.

- We have eliminated staples and reduced the amount of tape used for sealing the top.

Overall, we have reduced the amount of paper, pigment and metal used and disposed of.

We are now looking at reducing as far as possible, our use and disposal of single-use plastics. During 2019 we replaced the plastic water cups used in our offices and factory, with washable metal cups. We have started to write to inform suppliers of magazines, trade journals, marketing literature etc which come wrapped in plastic, that we will no longer accept plastic wrapped literature.

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.

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.

Our company accounts are formally audited by qualified accountants and we have formal internal accounting policies to reduce the likelihood of any illegal or prohibited activities.

M Summers
31/07/20