

Troldekt A/S Corporate Social Responsibility

Report on CSR for UN 2014

Troldekt® 
Natural acoustic solutions



About this report

From 2014, Trolldtekt A/S is introducing the systematics of the Global Reporting Initiative G4 in its annual CSR reporting.

In publishing this report, Trolldtekt confirms its continued support for the UN Global Compact initiative. At the same time, the report constitutes this year's Communication on Progress about Trolldtekt's efforts within social responsibility and sustainability, which affiliation with the initiative requires.

This year, Trolldtekt is realising a long-held wish to structure its reporting according to the Global Reporting Initiative (GRI G4) guidelines, thus improving the quality of the contents of and the data collected for this and future reports. Moreover, it will be easier to compare Trolldtekt's performance and goals with those of other companies.

In cooperation with the external consultancy firm Carve Consulting, Trolldtekt has thoroughly analysed its approach to CSR and identified the areas which need to be reported on. GRI G4's materiality principle will thus lay the foundation for Trolldtekt's CSR reporting in future.

The table of contents of the CSR report and the GRI G4 index can be found on pages 4 and 42, respectively. Both provide an overview of the contents of the report.

Even though the report contains GRI G4 standard information, it does

deviate from the standard's guidelines as the degree of detail in some areas is very extensive.

This year, Trolldtekt's UN Global Compact reporting period has been changed so that in future it more naturally follows the financial year, which runs from 1 January to 31 December. In accordance with the UN Global Compact rules, Trolldtekt has submitted a so-called Adjustment Request for this purpose. The adjustment means that the period from October to December 2013 falls between two reporting periods, and these three months have therefore not been reported on. During this period, Trolldtekt reported one industrial injury, which resulted in an order and a fine from the Danish Working Environment Authority. To enhance the credibility of Trolldtekt's CSR report, the incident is described on page 33. Other than that, there have been no significant incidents, activities etc. requiring reporting. Thus, this CSR report only covers the calendar year 2014.

At Trolldtekt, our focus has primarily been on structuring the CSR report according to the GRI G4 reporting principles. Therefore, the report has not yet been subject to third-party verification. According to Trolldtekt's

Cradle to Cradle roadmap, this is a goal for 2016.

The report covers Trolldtekt's activities in Denmark and the company's product-related suppliers who are signees to Trolldtekt's Code of Conduct.

Trolldtekt's internal CSR policy requires certain standards to be observed by the company on a daily basis. At the same time, Trolldtekt's cooperation with its suppliers is still very much based on the company's Code of Conduct which has been published on the Trolldtekt website.

Strategically, CSR is key to Trolldtekt realising its overall objectives.

If you have any questions about the report, please contact Tina Snedker Kristensen, Trolldtekt Head of Marketing and Communications, on tel. +45 8747 8100 or by email at tkr@trolldtekt.dk.

Trolldtekt's most recent CSR report from 2013 and all previous CSR reports can be viewed at www.trolldtekt.com.



This report contains Standard Disclosures from the GRI Sustainability Reporting Guidelines

Highlights 2014 for Trolldtekt's CSR

16%

of the workforce are members of health and safety committees

Pages 21 & 33

DKK 2 million

in extra costs for green procurement and environmental management

Pages 18 & 31

100%

of Trolldtekt's annual electricity consumption is based on renewable energy

Pages 19 & 28

92%

of Trolldtekt's production is Cradle to Cradle silver-certified

Pages 18 & 36

CSR Awards Strategy Prize

awarded by the CSR Foundation, because CSR is anchored at all levels

Page 5



8,327 GJ

in energy savings, or 445 households' energy consumption a year

Pages 18 & 28

2%

less waste and 8% more panels than in 2013

Pages 18 & 30

11%

lower energy consumption per m² of produced Trolldtekt acoustic panel

Pages 18 & 27



Peer Leth, CEO of Troldekt, was presented with the Strategy Prize at the CSR Foundation's annual CSR Awards in October 2014.

Contents

<p>About Troldekt</p> <ul style="list-style-type: none"> - Editorial - Company profile - Troldekt, the story - Process description - Product life cycle - Troldekt's CSR policy - Cradle to Cradle roadmap - Together we can evolve 	<p>Page 5</p>	<p>CSR activities</p> <ul style="list-style-type: none"> - Troldekt and the environment - Troldekt and labour conditions - Troldekt and society - Troldekt and human rights 	<p>Page 18</p>
<p>CSR cases</p> <ul style="list-style-type: none"> - Cradle to Cradle and Troldekt - The inclusive workplace - AU's mentor scheme a success - Responsibility at all levels 	<p>Page 14</p>	<p>GRI G4 indicators</p> <ul style="list-style-type: none"> - Environment - Labour conditions - Society - Human rights 	<p>Page 26</p>
		<p>Status and New goals for 2015</p>	<p>Page 38</p>
		<p>GRI G4 index</p>	<p>Page 42</p>

It has been a busy year

Troldtekt's employees deserve considerable praise. Their hard work and daily commitment are essential for the company to achieve its goals.

Welcome to Troldtekt's CSR report 2014.

It has been yet another eventful year for Troldtekt, but the highpoint was undoubtedly in October when Troldtekt won the Strategy Prize at the annual CSR Awards, which are organised by the CSR Foundation.

At Troldtekt, we welcome and take pride in the fact that others are recognising what we are doing, as the company's CSR ambitions are often challenged by the company's size and limited resources.

New measures

Troldtekt's Cradle to Cradle roadmap still sets the direction for Troldtekt's sustainability and CSR efforts. It also provides a basis for complying with the ten principles of the UN Global Compact, which Troldtekt joined in 2010.

In 2014, Troldtekt started structuring its CSR reporting according to the GRI G4 guidelines. This will improve quality and comparability, while providing a broader perspective on the company's CSR activities.

Troldtekt has also initiated a number of investment projects at its Troldhede factory to boost capacity, realise energy savings, improve the working environment and prevent the risk of fire in production.

Ethical basis for cooperation

The work with sustainability is not confined to Troldtekt's own organisation. The company wants to actively

influence the value chain and its surroundings in a positive direction.

Troldtekt's Code of Conduct formalises the company's cooperation with its product-related suppliers. In requiring its suppliers to live up to certain standards, Troldtekt obviously, as a minimum, needs to live up to the same standards itself. Consequently, Troldtekt's CSR policy is included in the company's staff manual, which describes the guidelines for Troldtekt's daily activities.

Troldtekt is thrilled that the Fund for Green Business Development (*Grøn Omstillingsfond*) has decided to subsidise a take-back scheme for used cement-bonded wood wool ceiling panels from buildings due for demolition. Troldtekt is behind the initiative, and thus helping to ensure that the various stakeholders have a commercial incentive to invest in equipment and running the scheme, in which used acoustic panels are recirculated in the production process as filler and raw material in new cement. Thanks to the fund's contribution, the scheme is one step closer to realisation.

At Troldtekt, we believe that close cooperation with other organisations creates results. In November, we sponsored and hosted a seminar entitled 'Waste as a Resource', which was organised by the North Jutland business network, *Sustainovation*. Troldtekt actively supports the network's goal of promoting sustainability in the building industry.

Labels and certifications

The entire range of Troldtekt's acoustic panels is Cradle to Cradle-certified in the silver category. At the same time, it is indoor climate-labelled and contributes points to the LEED, BREEAM and DGNB building certifications. The PEFC and FSC®-certified wood used in Troldtekt products guarantees that it can be traced back to responsible forestry operations.

Responsible business model

CSR is integral to Troldtekt's business strategy, producing positive results which are now being recognised by the world at large. This in turn strengthens Troldtekt's corporate spirit, and whets the appetite of both management and employees for more. Their commitment to Troldtekt's CSR work has a decisive bearing on the company's results. For this, they deserve considerable praise!

Peer Leth
CEO

Troldtekt's company profile

Responsibility has always been a fundamental value at Troldtekt and in the company's business strategy.

Since 1935 Troldtekt has produced cement-bonded wood wool products and is today one of Europe's leading suppliers of acoustic solutions. Troldtekt acoustic panels are still manufactured from the same sustainable materials as 80 years ago: Danish Norway spruce and Danish cement.

Responsibility has always been a fundamental value for Troldtekt. At Troldtekt, we believe in looking after the environment.

The Troldtekt mission

Being a creator and communicator of innovative acoustic solutions

The Troldtekt vision

Being a trendsetter in intelligent acoustic solutions

The Troldtekt guiding principle

Sustainable indoor climate

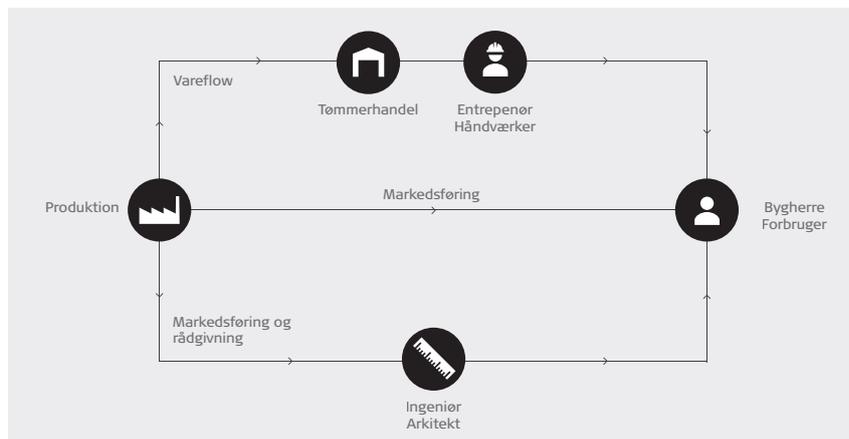
Activities

Troldtekt's principal activity is the manufacture and sale of acoustic cement-bonded wood wool wall and ceiling panels for all types of buildings from private homes, schools and institutions to offices and industrial buildings as well as sports halls and swimming pools. The company supplies complete ceiling and wall cladding solutions which integrate good acoustics, lighting, ventilation, speaker systems, decoration, fire protection and a healthy indoor climate.

Troldtekt's production takes place at state-of-the-art facilities in the small town of Troldhede in western Jutland.

Sales, administration, marketing and technical support functions are located at the company's head office in Tranbjerg, a suburb of Aarhus.

Troldtekt also works with a number of distributors abroad, mainly in northern Europe.



Troldtekt's role in construction

Troldtekt's direct customers are builders' merchants and DIY stores, while building consultants, architects and private clients comprise the company's indirect customers.

Employees

Troldtekt has 72 employees. The majority of the workforce is engaged in production in Troldhede, where there are 51 employees. The remaining 21 work at Troldtekt's administration in Tranbjerg. In addition, the company has one trainee, one student assistant and four young part-time workers.

Suppliers

Troldtekt's Code of Conduct forms the basis for the company's cooperation with its product-related suppliers. The Code of Conduct is based on the general principles contained in international conventions. All Troldtekt's key suppliers are Danish, and either supply certified wood, cement, paint, packaging, mineral wool or wind energy.

Community activities

CSR is rooted in Troldtekt's corporate culture, and it was therefore natural for the company to join the UN Global Compact. As part of this commitment, Troldtekt has integrated the Cradle to

Cradle concept in its business strategy, and the company is currently implementing the concept throughout its organisation.

Troldtekt plays an active role on a number of committees, in organisations and associations, among others:

- Danish Acoustical Society
- Green Building Council Denmark
- CradlePeople
- Sustainovation
- The board of BIPS
- DI's special building policy committee
- Committee work in Danish Standards

Organisational changes

Between 1 January and 31 December 2014, no significant changes were made to Troldtekt's organisation.

Information

For more information on Troldtekt A/S and its products, CSR activities and technical documentation, please visit www.troldtekt.com.

Troldtekt, the story

Louis Hammerich takes over the business and expands the range to include wholesale products and begins to import building materials from abroad.

The business has grown, and A/S L. Hammerich & Co. moves into modern new premises in Grønnegade in central Aarhus. Poul Hammerich, Louis' son, takes over management of the company.

Poul Hammerich sets up the 'Grosserer L. Hammerich og Hustru Ellen, f. Lisbergs Legat' foundation to support families and staff. Poul Hammerich dies at a young age, but the foundation is subsequently realised.

The fourth generation of the Hammerich family, Peter Hammerich, joins the company management.

Thorkild Bjerglund Andersen, who has been on the company's board of directors since 1973, purchases A/S L. Hammerich & Co.

Running out of space again, A/S L. Hammerich & Co. moves to the old Østergaard manor in Malling, which Thorkild Bjerglund Andersen has renovated while farming the adjoining land. Huge investments are made in streamlining and modernising production in Troldhede.

A/S L. Hammerich & Co. and A/S Troldhede Pladeindustri merge under the name A/S L. Hammerich & Co., with sales and administration in Malling and production in Troldhede.

Following a business succession, A/S L. Hammerich & Co. moves to more contemporary premises on Sletvej in Tranbjerg outside Aarhus, and the company name is abbreviated to L. Hammerich A/S.

Troldtekt qualifies for Cradle to Cradle certification in the silver category and prepares a roadmap for developing Cradle to Cradle quality at Troldtekt through to 2022.

1855

1884

1911

1931

1935

1936

1947

1977

1982

1988

1993

1998

2000

2003

2005

2008

2010

2012

2014

J. C. Seidelin opens the first dedicated store for building materials at Fredens Torv in Aarhus.

L. Hammerich Specialforretning i Bygningsartikler becomes Aktieselskabet L. Hammerich & Co. The public limited company has registration number 645, and is now one of the oldest surviving public companies in Denmark.

A/S L. Hammerich & Co. acquires A/S Troldhede Pladeindustri in Troldhede. Fibreboard and the cement-bonded wood wool Troldtekt® panels are manufactured here, and a registered trademark is acquired in 1936.

Svend Hammerich joins the company management and helps re-establish its position following the difficult years following the Second World War.

The product range is extensively restructured, with a 100 per cent focus on Troldtekt and a few trade goods. All warehouse facilities are moved to Troldhede, while sales and administration are moved to new offices in Klamsagervej, Åbyhøj. Peter Hammerich leaves the company.

A/S L. Hammerich & Co. moves to the sawmill Aarhus Savværk's former premises on Søren Nymarks Vej in Højbjerg.

The new millennium marks the beginning of a period of strong product development. Troldtekt is no longer just acoustic panels, but acoustic solutions with integrated lighting, sound, ventilation and decoration.

Thorkild Bjerglund Andersen's heirs take over the company and carry on the family-owned enterprise under the management of a professional advisory board.

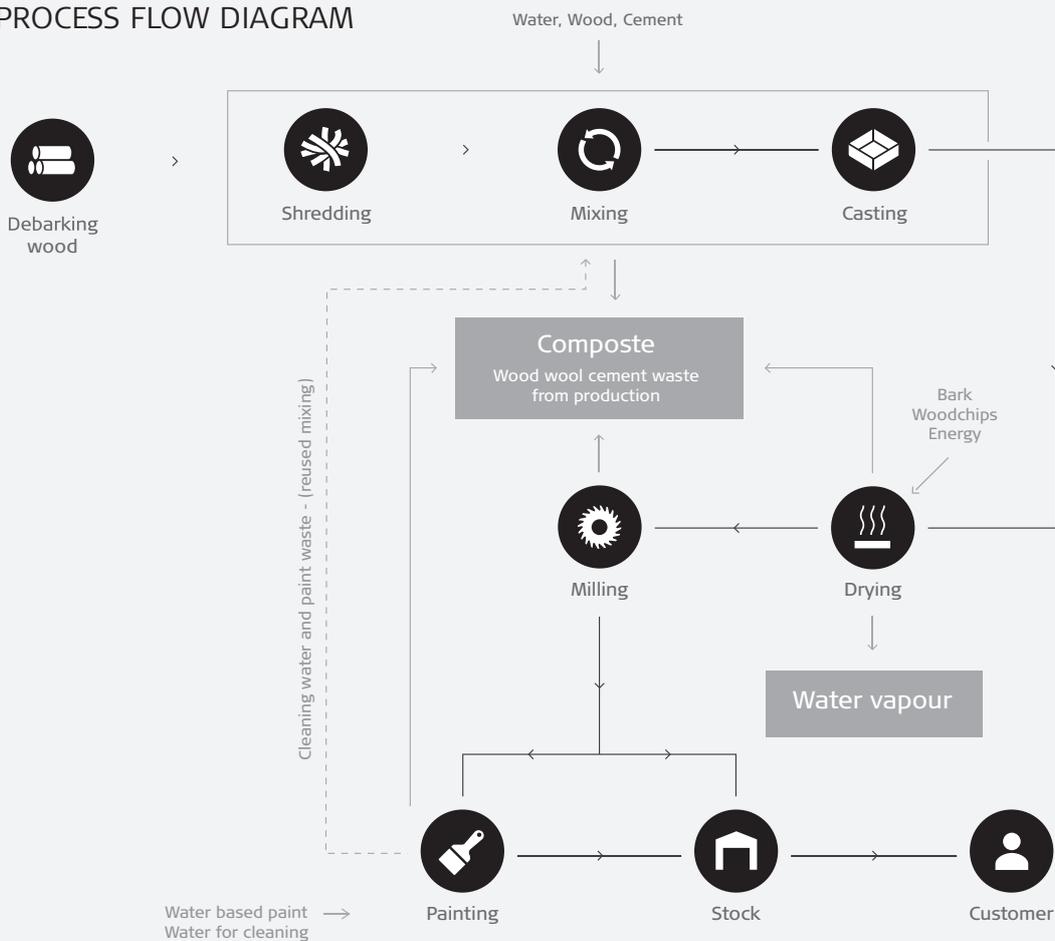
The 75th anniversary of the production of Troldtekt panels is marked by changing the company name to Troldtekt A/S. Troldtekt receives the Danish Building Industry Environment Award the same year for its focus on the environment and sustainability throughout the product's entire life cycle.

The CSR Foundation awards Troldtekt A/S the CSR Awards' Strategy Prize for its solid and strategic approach to CSR and for having established CSR in all parts of the business, including at executive level and in the business strategy.

Process description

The raw materials wood, cement and water require considerable processing before they are transformed into finished Troldekt acoustic panels.

PROCESS FLOW DIAGRAM



Debarking

The raw wood is debarked and dried for min. 6 months.



Shredding

The wood is shredded into wood wool with one of three different structures.



Mixing

The wood wool is mixed with cement and water.



Casting

The wood wool, cement and water is cast in the moulds.



Drying

The acoustic panels take three to four weeks to set, after which they are dried.



Milling

The acoustic panels are dimensioned and milled.



Painting

The acoustic panels are painted, and backing fitted if necessary.



Stock

The finished Troldekt acoustic panels are stocked at our finished goods warehouse.



Distribution

The Troldekt acoustic panels are shipped to our customers.

Product life cycle

Troldtekt's business strategy is based on the Cradle to Cradle principles, and an environmental focus pervades all phases of the acoustic panel's life cycle.

1. Materials

Troldtekt cement-bonded wood wool is made of 100 per cent natural materials: wood and cement. We use Norway spruce from Denmark, which is PEFC™ or FSC-certified. Both certification schemes ensure that the wood comes from responsibly managed forests. The production of Troldtekt panels uses only cement from Aalborg Portland, which extracts the raw materials from the Danish subsoil with the least possible environmental impact. Chalk and sand are the key raw materials used to make Portland cement. The chalk is extracted near Hals Barre off the coast near Aalborg, and the sand from the channel near Løgstør, where the sand dredging helps to keep the Limfjorden channels navigable. Aalborg Portland is certified according to the ISO 14001 environmental management system and the European Eco-Management and Audit Scheme (EMAS). Aalborg Portland has twice been nominated for the European Commission's prestigious EMAS Award.

2. Transportation

Troldtekt panels are made exclusively from local raw materials – Danish Norway spruce and Danish cement – and the environmental impact from transportation is therefore minimal. In Denmark, Troldtekt panels are sold through Danish builders' merchants, and as many of these hold stocks of Troldtekt panels, it optimises transportation for end-users. We also have a broad distribution network of local dealers in our export markets.

3. Production

We have been manufacturing Troldtekt cement-bonded wood wool at our factory in Troldhede since 1935. Production takes place at modern facilities in a closed system without any wastewater discharge. Approximately 95 per cent of the energy consumed for heating the drying oven is sourced from CO₂-neutral wood fuels in the form of bark and wood, which are waste products from the production of Troldtekt acoustic panels. Troldtekt is a DONG Energy climate partner, with all electricity used for the production of Troldtekt panels deriving from wind power from the Anholt offshore wind farm. The environmental impact from the production of Troldtekt panels is mapped out in our Environmental Product Declaration (EPD), which has been prepared by the Danish Technological Institute in line with the new EN 15084 European standard.

4. Use

Troldtekt panels contain no harmful substances or allergens, and have qualified for the best Danish Indoor Climate Labelling categories. Troldtekt panels are also recognised as being hypoallergenic products by Allergy UK, and labelled in the lowest emissions class (M1) by the Finnish Indoor Air Association and the Building Information Foundation RTS.

5. Disposal

All Troldtekt cement-bonded wood wool products can be composted and returned to nature as a soil conditioner. The cement in Troldtekt's acoustic panels boosts oxygen levels during the composting process, while the wood adds organic material to the compost. Production waste from our factory in Troldhede is delivered to HedeDanmark, which receives, treats and refines waste products to make soil conditioner. Troldtekt waste can also be used in the production of new cement, where the wood contributes to the combustion process, while the ash and cement are used as filler in the new cement. In collaboration with Aalborg Portland, at the end of 2015 Troldtekt expects to be able to offer a take-back scheme for Troldtekt construction site and demolition waste. Our goal is that collection solutions are established at recycling centres across Denmark where wood wool construction waste can be deposited before being returned to Aalborg Portland.



CSR policy for Trolldtekt

Trolldtekt must be an attractive employer and business partner. Corporate responsibility is therefore formalised in the company's CSR policy.

Trolldtekt wants to be a socially responsible company that promotes sustainable development and a circular economy. Therefore, we have based our business strategy on the Cradle to Cradle principles, and are dedicated to our guiding principle: Sustainable indoor climate. It commits us as a company to take sustainability as our point of departure when developing intelligent and innovative acoustic solutions.

To ensure that we live up to our ambition of being highly responsible, Trolldtekt has laid down its own CSR policy. This CSR policy provides a framework for our activities while supporting Trolldtekt as an attractive workplace and business partner. When it says 'Trolldtekt' or 'we' in this CSR policy, it means that the obligations and expectations cover Trolldtekt as a company, as well as all its employees, managers, board members etc. who are acting on behalf of Trolldtekt.

Our CSR policy is based on the premise that we comply with all applicable legislation, relevant regulations and international conventions. Therefore, it was a natural step to join the UN Global Compact in 2010. By joining the scheme, we have made a commitment to actively promoting the UN's ten principles in the areas of human rights, labour rights, the environment and anti-corruption.

We also want to work with our suppliers to continually promote their corporate social responsibility. Consequently, we have drawn up the Trolldtekt Code of Conduct, a set of guidelines which form the basis for having a dialogue with our suppliers and for monitoring their CSR efforts. Our CSR policy is reflected in Trolldtekt's Code of Conduct, which is also based on respect for human rights, labour rights, the environment and anti-corruption.

tekt's Code of Conduct, which is also based on respect for human rights, labour rights, the environment and anti-corruption.

Human rights

We respect the international human rights and labour rights as described in the International Bill of Human Rights and in the eight fundamental conventions from the International Labour Organisation. We strive to avoid any negative impacts on human rights and labour rights, and we are committed to handling and ensuring restoration should we become involved in such negative impacts.

We respect the right to privacy of our employees, business partners and customers.

We are committed to ensuring a responsible approach in the design, production and testing of our products, ensuring that they do not cause harm to life, pose a safety or health risk or have any negative environmental impact.

Employees' human rights

We offer a safe and healthy physical and psychological working environment for all employees. We ensure a high level of job satisfaction and a good social environment. We ensure that adequate health and safety policies and procedures are established and followed.

We ensure good working conditions, and that employees are not subjected to physical punishment, threats of violence or other forms of mental or physical coercion or abuse. Disciplinary sanctions in the form of monetary fines or deductions from wages are not permitted. We ensure

that our employees have opportunities at work for personal and professional development.

As a minimum, we comply with applicable legislation and collective agreements in our area of activity as regards pay, working hours, breaks, holidays, sickness, maternity and paternity leave, and other terms of employment. We pay wages in legal tender and not less frequently than once a month.

Labour

We dissociate ourselves from all direct and indirect forms of forced or compulsory labour. Our employees receive written and comprehensible confirmation of their terms of employment and have the right to freedom of movement in the course of their employment.

We dissociate ourselves from both direct and indirect involvement in child labour. If taking on young people aged between 15 and 18, they must not perform dangerous jobs or work at night.

We dissociate ourselves from discrimination and work for equal opportunities for all our current and future employees. We must neither directly nor indirectly discriminate on the basis of race, colour, sex, language, religion, political or other opinion, age, nationality, disability, social or ethnic origin, property, sexual orientation, birth or other distinguishing characteristics. Employment, pay, training, dismissal, pension or any other employment-related decisions must be based on relevant and objective criteria. Women who take maternity leave must not face dismissal or the threat of dismissal, and must be

offered the chance to return to their former job function at the same pay and benefits.

We recognize the right of our employers to freedom of association and collective bargaining. If operating in areas where the right to free of association and collective bargaining is curtailed, we ensure that our employees are allowed to otherwise form associations and engage in collective bargaining.

Environment

We establish and maintain emergency procedures to effectively prevent and address any environmental issues and industrial accidents affecting the surrounding community or having an adverse impact on the environment. We strive to minimise any adverse environmental impacts of our activities, products and services by using environment management systems to:

- reduce the amount of waste and emissions to air, ground and water;
- handle chemicals in an environmentally sound manner;
- handle, store and dispose of hazardous waste in an environmentally safe way;
- contribute to the recycling and reuse of materials and products;
- develop and implement environmentally friendly technologies.

Basing our business strategy on the Cradle to Cradle principles, we further commit not only to minimise our impact, but to also endeavour to ensure a positive impact. Troldekt's Cradle to Cradle roadmap sets clear goals for material health, material recycling, renewable energy and

water resources which are to be met by 2022. All development of products and processes as well as investments are based on this roadmap.

Anti-corruption

We refrain from any form of corruption and bribery for the purpose of exerting undue influence on public officials, judges or business connections. We also refrain from receiving or accepting any form of corruption and bribery.

We do not allow facilitation payments. A facilitation payment is usually a smaller sum of money, which is paid to a public official or authority to speed up the handling of a routine matter (e.g. an authorisation or a permit).

Troldekt employees may not, without prior approval from the Board

of Management, accept any gifts in excess of DKK 900 in value. If an employee is offered a trip, dinner or similar, the value of which is assumed to exceed DKK 900, it may not be accepted without prior approval from the Board of Management.

Reporting

With regard to social responsibility, we want to document our most important initiatives and results. We therefore present relevant CSR information in our report to the UN Global Compact. The report is also made available on our website.

In order to ensure transparency and comparability, we report according to the international Global Reporting Initiative (GRI G4) standard.

Troldekt's values

A **ANSVARLIGHED HOS ALLE**
Vi er positive og hjælpsomme og respekterer andre

K **KUNDEN ER KONGEN**
Vi bidrager til at give kunden en god oplevelse

U **UDVIKLING ER VEJEN FREM**
Vi bidrager aktivt til nytænkning og forbedringer

S **SERVICE ER I CENTRUM**
Vi giver den bedste service og rådgivning

T **TROVÆRDIGHED ER EN SELVFØLGE**
Vi er loyale mod det, vi siger og gør

I **INNOVATION SKABER VÆRDI**
Vi skaber resultater

K **KVALITETEN ER I FOKUS**
Vi skaber en ensartet, høj kvalitet og tænker i forbedringer

Roadmap for the development of Cradle to Cradle quality in Trolldtekt

Trolldtekt's Cradle to Cradle roadmap shows the direction of the company's work with sustainability towards 2022 within six focus areas.

CSR and sustainability are strategically integrated by Trolldtekt. Trolldtekt's entire business therefore rests on the Cradle to Cradle concept and the company's participation in the UN Global Compact, and the executive management is deeply involved in the company's progress within the CSR area. In cooperation with the consultants Vugge til Vugge Danmark ApS (Cradle to Cradle Denmark ApS), Trolldtekt has developed a Cradle to Cradle roadmap which sets clear goals up until 2022. It describes a number of value-creating initiatives within five focus areas which are central to Cradle to Cradle certification. The five focus areas are material health, material

reutilisation, renewable energy, water stewardship and social fairness. In addition, Trolldtekt has added general implementation as a sixth area.

Commitment to published objectives

Trolldtekt's Cradle to Cradle roadmap is an ambitious and publicised plan for how to develop the company and its products. Many initiatives have been launched, and many objectives have already been fulfilled, but the roadmap is continually being updated to include more ambitious goals for the future.

The work to improve Trolldtekt's performance within sustainability is

continuing, and armed with the Cradle to Cradle roadmap, the company is able to target its efforts. Once the objectives have been realised, the way is paved for new and even more ambitious objectives to replace the old ones.

Multi-faceted efforts important

The environment, social responsibility and the economy are the three key aspects of sustainability which are described in the UN's Brundtland Report from 1987. The Cradle to Cradle concept recognises this definition and involves a structured approach to working with the three areas in practice.

Cradle to Cradle scorecard

Theme \ Tier	Basic	Silver	Gold	Platinum
Material		✓		
Material Reutilization		✓		
Energy			✓	
Water			✓	
Social Responsibility		✓		

The table shows Trolldtekt's Cradle to Cradle scorecard, which shows the status in 2014 within the Cradle to Cradle certification's five categories.



Cradle to Cradle roadmap

	Status 2012/2013	Objectives 2014/2015	Objectives 2016/2017	Objectives 2018/2019	Objectives 2020/2021	Objectives 2022
Material health 	C2C silver level for 92% of production.	C2C re-certification under version 3.1. Product development based on C2C principles	C2C gold level for 99% of production.			C2C platinum level for 99% of production.
Material reutilisation 	C2C silver level Complete reuse of production waste in the biological metabolism.	Establish a take-back scheme and collaborate to collect used products in Denmark and Europe.	C2C gold level Expansion of take-back and recycling schemes in Europe.		90% recycling of used products in Denmark, 50% in other European markets.	90% recycling of used products in Denmark, 70% in other European markets.
Renewable energy 	C2C gold level DONG climate partner. 100% renewable energy for electricity consumption (wind power) from 2013.	20% reduction in carbon impact per m ² produced compared to 2012.	Heat production based on biomass supplemented with renewable energy.	C2C platinum level 40% reduction in carbon impact per m ² produced compared to 2012.		50% reduction in carbon impact per m ² produced compared to 2012.
Water stewardship 	C2C gold level No wastewater discharge from production.	Sanitary wastewater discharge reduced by 10% compared to 2012.		C2C platinum level Rainwater/run-off water collected for use in production.		Self-sufficient water supply for production.
Social fairness 	C2C silver level CSR reporting to the UN Global Compact from 2010.	CSR report verified by a third party.	C2C platinum level			Value chain influenced to increase CSR.
General implementation 	Troldtekt C2C silver-certified C2C introduced throughout the organisation.		Troldtekt C2C gold-certified C2C principles introduced into the value chain.	Certification in environmental management ISO 14001.		C2C business.

Troldtekt's Cradle to Cradle roadmap describes the overall objectives for the company's work with CSR and sustainability up until 2022.

Together we can evolve

Troldtekt is a minor player in an ever-changing world, and the company is unable to make the world a better place on its own. At Troldtekt, we therefore focus on ensuring that our organisation is open and transparent with our sense of responsibility extending beyond the company and

its suppliers. At Troldtekt, we want to involve our stakeholders so that together we can evolve and continue to produce good CSR results.

In the coming years, Troldtekt is therefore attaching greater priority to its relations and dialogue with people and businesses within its sphere of

influence. At Troldtekt, we want to ensure that the company's focus areas align with the needs and requirements of our stakeholders. Specifically, in 2015 Troldtekt will initiate an analysis of the company and its customers and business partners etc.



Photographer Lone Bolter Rubin

Cradle to Cradle^{cm} in Troldekt

Cradle to Cradle is the vision of a society with zero waste. The concept provides structure and direction for Troldekt's work on sustainability because it is deeply integrated into the company's strategy.

–Cradle to Cradle is both a set of values and business strategy for companies wanting to work in a structured way with sustainability, explains Annette Hastrup, Managing Director and owner of Vugge til Vugge Danmark ApS, which advises companies on Cradle to Cradle and the circular economy.

She refers to the fact that companies can rethink their products and activities, so that no waste is created. The inspiration for Cradle to Cradle product design comes from nature where resources are continually being recycled without producing any waste. Cradle to Cradle is thus a new way of tackling the environmental challenges facing the world.

–We must change our way of thinking to avoid running out of the world's natural resources. The world population is growing dramatically, and everybody wants the chance to

live a good life. This is why saving and minimising are not tenable ways of addressing these challenges, says Annette Hastrup.

Clear criteria

In Cradle to Cradle, sustainability is clearly defined and documented by means of a product certification. Therefore, Troldekt has decided to use the concept as a management tool for its work with responsibility.

–Documentation is crucial for Troldekt's credibility and reputation, says Peer Leth, CEO of Troldekt, adding:

–With Cradle to Cradle certification, our claims about sustainability are documented and verified by a third party. This applies both for production and for the finished acoustics panels. At the same time, the certification implies a commitment by Troldekt to further improvements.

Good, better and so on

In connection with the Cradle to Cradle certification, the acoustic panels are assessed according to five categories: material health, material reutilisation, renewable energy, water stewardship and social fairness.

According to Annette Hastrup, Managing Director and owner of Vugge til Vugge Danmark ApS, clear criteria have been defined for the various levels of Cradle to Cradle certification, each providing a good picture of how far the company has come in its work on sustainability. Troldekt's acoustic panels have achieved Cradle to Cradle certification in the silver category, and it is Troldekt's ambition to make it into the platinum category by 2022.

–Silver certification testifies to the current level of quality and the direction in which Troldekt is working, she concludes.



The inclusive workplace

For citizens facing special challenges, the municipal work experience scheme can be a small step on the road back to the labour market. Troldekt supports this scheme.

- There is a very special atmosphere at Troldekt, and I am accepted as the person I am, says Jonna, who is doing work experience with Troldekt after a long career as a catering manager.

Jonna works in the administration department at Troldekt's headquarters in Tranbjerg. There, she helps her colleagues get lunch ready, mans the switchboard and does minor filing jobs.

- I think it is important to challenge yourself, and in doing work experience at Troldekt, I can do so in a workplace where I can go about my duties at my own pace. Everybody has been very welcoming, and I have quickly been made to feel part of the group. The work experience programme has given me a lot of good colleagues. Not least in the bookkeeping department, explains Jonna, looking at her two colleagues who can also be seen in the picture.

Troldekt has decided to offer work experience programmes to people with special challenges. The work experience scheme, which is subsidised by the municipality, is for citizens with physical, mental or social challenges who can find out what it's like at a real workplace. The scheme involves testing the participants' ability to work, and often the result is greater clarity about future employment prospects. The scheme is therefore an important step on the road back to the labour market.

We must help each other

Wanting to create an optimum framework for its employees and tackling challenges together in so far as this is possible are part and parcel of Troldekt's business strategy.

- Anyone can suffer a sudden physical or mental illness, turning our private and professional lives upside

down. Therefore, we must all do what we can to help citizens facing special challenges to get back on their feet and resume their working lives, says Peer Leth, CEO of Troldekt.

According to Peer Leth, taking on flexitimers and employees under the work experience scheme also sends a positive signal about the Troldekt organisation. Therefore, one of Troldekt's objectives is that flexitimers and employees under the work experience scheme account for up to 5 per cent of the company's workforce. In 2014, this target was met by Troldekt having four employees who were either flexitimers or doing work experience.



AU's mentor scheme a success

Both students and mentors benefit from participating in the mentor scheme at Aarhus University. A survey conducted by AU Career says the same.

- More specifically, the mentor scheme has significantly improved the quality of my job applications. This has already resulted in several job interviews, says Maria Hamann, who will be returning to her corporate communication studies at Aarhus University in September after having been on maternity leave.

Maria Hamann signed up for the mentor scheme because she needed tools and input to decide the right direction for her studies and her future career. Under the scheme, she was matched with Tina Snedker Kristensen, Head of Marketing and Communications at Troldekt.

- Thanks to Tina Snedker Kristensen's guidance, I have become clear about my own strengths and competencies, and I therefore feel more certain about which direction I want to take once I finish my Master's degree. As students, we have so many different options today, and it

therefore feels as though, in choosing one specialisation, you are often rejecting others. The mentor scheme has confirmed my belief that HR and marketing is the right career for me, says Maria Hamann.

Aarhus University's mentor scheme has been running since 2006, offering coaching of current students by AU alumni who now hold interesting jobs in Danish business and industry. The purpose is to prepare students for life after university by discussing their personal and professional development with an inspiring mentor.

Successful scheme

Former mentee Maria Hamann is not alone in praising the mentor scheme.

- Working in a company in which CSR is such a key part of the culture as it is at Troldekt, it is natural to start thinking about how you can make a difference yourself and share in the responsibility, says Tina Snedker

Kristensen, Head of Marketing and Communications, and continues:

- Helping a young person has been very gratifying, but I have certainly also learned something in the process. The mentor courses and the programme have provided me with tools which also benefit my daily work as a manager at Troldekt.

Only winners

A survey by AU Career, Aarhus University's career centre, indicates that both students and mentors benefit from the mentor scheme. By becoming clearer about their competencies, the students can more easily communicate to future employers how they can create value, bringing them closer to landing their dream job. At the same time, the mentors are given a chance to develop and test tools which also make them more attractive as employees.



Responsibility at all levels

Troldtekt's Code of Conduct has a positive impact on the supply chain, and contributes to creating good environmental, ethical and social conditions.

Responsibility is deeply rooted in Troldtekt's traditions and culture. Consequently, joining the UN Global Compact in 2010 was a very natural step for the company. At Troldtekt, we want to support and disseminate the initiative's ten principles on the environment, labour rights, human rights and anti-corruption. Troldtekt therefore seeks to actively influence its suppliers.

Globalisation and a variety of stakeholders set the agenda for growth. This makes it even more important for Troldtekt to ensure and demonstrate responsible conduct in all parts of the company's supply chain. For Troldtekt, this entails a need to formalise our cooperation with our suppliers.

Troldtekt's Code of Conduct is a set of guiding principles governing the partnership between Troldtekt and its suppliers to ensure that all our product-related purchases are aligned with Troldtekt's aim of being a responsi-

ble business. By signing Troldtekt's Code of Conduct, suppliers commit to complying with the same guidelines as Troldtekt.

Troldtekt seeks long-term cooperation with its suppliers for the mutual benefit of both parties. In signing the agreements, constructive dialogue with suppliers is part of the process.

Work in practice

Troldtekt's 100 largest suppliers are categorised according to type and sales volume.

The status at the end of 2014 is that all main suppliers of production materials have signed Troldtekt's Code of Conduct. These suppliers account for 90 per cent of the company's purchases.

Troldtekt is continually classifying its suppliers. They are categorised into three risk groups according to their strategic significance and the risk of them breaching the guidelines.

Troldtekt's suppliers in the low-risk group sign our Code of Conduct. Suppliers in the medium-risk group also submit a self-evaluation form to Troldtekt, while the high-risk group is also likely to receive a visit from Troldtekt A/S.

In 2014, 95 per cent of Troldtekt's product-related suppliers are in the low-risk group, 5 per cent are in the medium-risk group while there are none in the high-risk group.

Should conditions change for existing suppliers, or if Troldtekt starts using suppliers who fall into the high-risk group, our basic premise is that we want to continue collaborating with these suppliers; through dialogue, we will seek to encourage the companies to raise their standards.

Troldtekt and the environment

Cradle 2 Cradle serves as a strategic management tool, guaranteeing continuity and the development of Troldtekt's work with sustainability.

As a responsible company, Troldtekt is committed to ensuring that our activities have a positive impact on the environment. Our concern for the environment therefore plays a vital role for Troldtekt's business. In 2014, Troldtekt invested just under DKK 2 million in, among other things, the higher cost of renewable energy from offshore wind farms and PEFC and FSC®-certified wood, external environmental management services and the external certification of environmental management systems.

Troldtekt acoustic panels are still made from the same natural materials as they were at the outset in 1935. However, the factory is now automated with state-of-the-art robotics.

Troldtekt acoustic panels consist of PEFC or FSC®-certified wood from forestry operations in Jutland and cement from Aalborg Portland, which is produced from raw materials extracted with the least possible environmental impact. Sourcing raw materials locally minimises the environmental impact of its transports.

The Cradle to Cradle concept is at the core of Troldtekt's business strategy. Consequently, Troldtekt devotes considerable focus to sustainability throughout the life cycle of its products, from the extraction of raw materials to the production and use of the finished acoustic panels.

Sound production

Troldtekt wants to lead the way in its endeavours to make a positive contribution to the environment. Among other things, this means that today there is virtually no waste from production. The acoustic panels are produced in a closed system without any wastewater discharge. The only place where wastewater is generated

is at the painting facility; however, this wastewater is collected and reused in the casting process. Troldtekt's electricity consumption is based 100 per cent on wind power. Approximately 95 per cent of the energy consumed for heating the drying oven is sourced from CO₂-neutral wood fuels in the form of the bark and wood waste products from the production of Troldtekt acoustic panels. Any other waste, such as cut-offs, sanding dust, discarded bits of panel etc., is delivered to HedeDanmark, which processes and reprocesses the organic waste products into soil conditioners.

In 2014, Troldtekt reduced its total waste volumes by 2 percentage points. During the same period, production increased by 8 percentage points.

Our sense of responsibility must be evident in our daily work routines as well as in our long-term strategic decisions. In accordance with Troldtekt's affiliation with the UN Global Compact, the company's Cradle to Cradle roadmap summarises its overall sustainability and CSR objectives for the period up until 2022.

– Our sense of responsibility must be reflected in our daily work routines as well as in our long-term strategic decisions.

At Troldtekt, we take a targeted approach to incorporating social, ethical and environmental initiatives into all parts of our business and supply chain. Our concern for the environment is integral to Troldtekt's internal policies, and product-related suppliers are screened for their environmental impacts.

Troldtekt has not been involved in any environmental cases or received any environmental complaints from the authorities during the reporting period.

Cradle to Cradle certification

Troldtekt's credibility is an indispensable part of our philosophy. Consequently, we devote considerable resources to documenting our work on sustainability through a number of labelling and certification schemes. Troldtekt's Cradle to Cradle certification covers 92 per cent of the company's production. The Cradle to Cradle concept is synonymous with a holistic approach to product and production design, and the certification contains an element of continuous improvement. Troldtekt's acoustic panels and manufacturing processes are assessed according to five criteria:

- material health
- material reutilisation
- water stewardship
- renewable energy
- social fairness.

In 2012, Troldtekt obtained Cradle 2 Cradle certification in the silver category for its entire series of natural wood acoustic panels. Today, the certification covers the entire series of acoustic panels in natural and standard colours. In 2014, Troldtekt achieved a scorecard with gold for two of the five criteria, water stewardship and renewable energy.

The next Cradle to Cradle certification will take place in 2015 according to the new version 3.1, which introduces a bronze category and stricter requirements for each of the five focus areas. Troldtekt started preparing for the recertification in 2014.



100 per cent wind power

Troldtekt and DONG Energy have entered into a climate partnership with a view to reducing Troldtekt's energy consumption and CO₂ emissions. In 2014, energy consumption per acoustic panel produced was reduced by 11 percentage points, and overall Troldtekt has realised energy savings of 8,327 GJ, equivalent to the annual consumption of 425 ordinary households.

According to Troldtekt's Cradle to Cradle roadmap, the original target was for half of the company's energy consumption to be sourced from renewable energy sources in 2015. This target has already been realised and surpassed. Today, all the electricity used by Troldtekt comes from the Anholt offshore wind farm. In 2014, Troldtekt invested in so-called RECS certificates for up to 4,500 MWh.

Troldtekt mainly uses energy from renewable sources, which means that energy efficiency increases do not always result in reduced CO₂ emissions. Nevertheless, Troldtekt's direct CO₂ emissions were reduced by 6 percentage points in 2014.

In 2014, Troldtekt also decided to invest in a new drying oven, which optimises energy efficiency in the drying process. Due to the delivery time, the oven will not become operational until 2015.

Full documentation

Troldtekt's Environmental Product Declaration (EPD) has been prepared in accordance with the new European EN 15804 standard and is based on actual figures for the production process. The purpose of the EPD is to ensure greater transparency about Troldtekt's environmental profile. It has been prepared by the Danish Technological Institute and subjected in 2014 to third-party verification by Norwegian SINTEF Building and Infrastructure. At the same time, it has been registered with EPD Norway.

- In 2014, energy consumption per m² of acoustic panel produced was reduced by 11 percentage points, and all in all Troldtekt has realised an energy saving of 8,327 GJ.

Troldtekt's acoustic panels are indoor climate-labelled in the highest category, documenting that they do not release fibres, particles or chemical substances during their useful lives.

Troldtekt provides complete documentation packages for assessors and auditors, which document how the acoustic solutions contribute points for LEED, BREEAM and DGNB certification.

Support for take-back scheme

Troldtekt is working on a take-back scheme for used cement-bonded wood wool panels, the aim being to roll out the system at the end of 2015. The Danish Business Authority's Fund for Green Business Development (*Grøn Omstillingsfond*) is supporting the initiative, which involves the establishment of partnerships between a number of different players across a wide range of industries, as well as public and municipal stakeholders. In 2014, Troldtekt carried out a pilot project on the collection and sorting of cement-bonded wood wool from construction and demolition sites in cooperation with the waste management company RenoSyd. Also, cooperation was established with logistics partner Marius Pedersen. As the initiator, Troldtekt will be coordinating the initiative until the scheme is up and running. The challenge is to ensure sufficient commercial incentive for the various players to want to make the necessary investments.

Increasing digitalisation

Technical information and communication material are made available on the Troldtekt website, saving resources for printing for a reduced environmental impact. For traditional printed matter, Troldtekt often uses digital printing and thereby reduces large print-runs.

Troldtekt and labour conditions

Troldtekt's employees are the company's most important asset, and consequently the health and safety of our employees are absolutely central for Troldtekt.

Troldtekt supports and looks after its employees to provide the best possible basis for high levels of job satisfaction and well-being. We do this in acknowledgement of the fact that our employees represent the company's most important asset. The responsibility which Troldtekt shows towards its employees is a cornerstone of the company's business strategy, and follows from its commitment to the UN Global Compact.

At Troldtekt, we want to see a high level of information and knowledge sharing internally in the company.

This is why we strive towards a flat organisational culture characterised by an open dialogue between employees and management.

This report contains factual information on Troldtekt and its approach to CSR. All Troldtekt employees will receive a printed copy of the report. It can also be downloaded from the Troldtekt website. On the intranet, news, the staff manual and minutes from the meetings of the works council are also available for all Troldtekt employees.

Focus on safety

Occupational health and safety is a constant focus area for Troldtekt. Troldtekt wants all current and future employees to see Troldtekt as an attractive workplace. Based on Troldtekt's CSR policy, we aim to continuously improve the working environment in the whole company.

At Troldtekt, we take a targeted approach to minimising the number of industrial injuries. To err is human, and it is probably not possible to completely eliminate the risk of unwanted events. However, in 2014, Troldtekt



succeeded in keeping the number of industrial injuries at less than five. At the same time, the company has introduced a programme which rewards responsible work conduct on the part of the company's production workers.

For a number of years, Troldekt has invested heavily in improving the physical environment at the production facilities in Troldehede. Particular focus has been on improving dust and noise conditions, reducing the amount of heavy lifting and reducing pressures of work and time.

In 2014, Troldekt replaced some of the old tiles on the factory floor with asphalt, which is smoother and reduces the back strain caused by jolts for the truck operators. This step is also expected to reduce maintenance costs. Troldekt has also invested in a new wood reducer, which will reduce inconvenience from the sawmill. While optimising the production process, the machine also relieves Troldekt's employees of a lot of heavy lifting.

Illness and inclusiveness

Troldekt strives to keep absence due to illness to a maximum of 2.00 per cent a year. In 2014, this target was met, with absence due to illness at 1.97 per cent.

At Troldekt, we promote respect and diversity in the workplace. Therefore, one of the company's principles is to retain employees who are ill or worn out, so they can continue working for Troldekt. In addition, we have positive experience from taking on flexitimers and people doing work

– In 2014, employees doing work experience and flexitimers accounted for approximately 5 per cent of the total workforce.

experience. In 2014, employees doing work experience and flexitimers accounted for approximately 5 per cent of the total workforce.

Influence on own work

Creating a good working environment is not just the responsibility of the management. Allowing employees to influence their own situation is equally important. Consequently, Troldekt has set up a works council, in which three of the five seats are occupied by employee representatives. The council analyses and evaluates the general policies for Troldekt employees and their development. In 2014, among other things, the council decided to launch a programme of Danish language courses for the company's employees of non-Danish origin. Overall, more than 16 per cent of the total workforce are members of formal committees in the organisation.

With a view to improving the health and safety of its employees, Troldekt regularly offers free first-aid courses for all employees. Also, defibrillators have been installed at several places around the factory site, and all employees are covered by Troldekt's work and leisure accident insurance.

Troldekt's staff manual and the company's CSR policy provide guidance on how managers and employees ensure a good working environment.

Collective agreement and benefits

Troldekt adheres, of course, to the Confederation of Danish Industry's current collective agreement. Moreover, production workers are provided with free workwear, and a staff association has been set up.

Moreover, Troldekt offers flexible working hours for employees with

special needs as well as health insurance for all interested employees.

At Troldekt, we acknowledge that our responsibilities go beyond Troldekt's own organisation. We therefore screen our product-related suppliers according to criteria relating to labour rights through Troldekt's Code of Conduct.

– Overall, more than 16 per cent of the total workforce are members of formal work committees in the organisation.

Staff fund

Being a responsible business has always been part and parcel of Troldekt's corporate culture. Back in 1936, the founder and then managing director and owner, Louis Hammerich, established a staff fund which still exists. The aim was and still is to provide financial support for employees who have been hit by misfortune, in either their working or private lives. Most recently, the fund has made up for an employee's loss of earnings in connection with a period of sick leave following an industrial injury, and also contributed to legal fees for an employee in connection with his and his wife's application for a permanent residence permit. Both employees are still employed by Troldekt.

Troldtekt and society

At Troldtekt, we believe that development and innovation are created through the company involving itself in society.

Troldtekt wants to play an active role in society. At Troldtekt, we believe that it benefits ourselves when we stimulate innovation and improvements among our suppliers and partners as well as among the students who will be building tomorrow's society. It fosters personal development of the company's employees while also increasing knowledge levels and innovation in the company and in product development. At Troldtekt, we believe that development and innovation are a short cut to a better world, and not least financial results.

Troldtekt wants to lead the way with CSR and sustainability. Troldtekt and its suppliers and business partners are mutually dependent. Troldtekt's responsibilities therefore extend beyond its own organisation. At Troldtekt, we want to actively exert a positive influence on our surroundings.

Ethical approach to cooperation

Troldtekt's cooperation with its suppliers is based on Troldtekt's Code of Conduct. Troldtekt helps to build up high ethical standards throughout the value chain while simultaneously promoting sustainability among its suppliers; this is good for their competitiveness while also helping to create a better world.

Troldtekt's Code of Conduct can be downloaded at www.troldtekt.com

Anti-corruption at Troldtekt

Troldtekt wishes to be a responsible and transparent business whose business procedures are proper and fair in every respect. Troldtekt's CSR policy and the company's Code of Conduct clearly state that corruption and bribery are strictly prohibited. This goes for everyone working in the

Troldtekt organisation as well as for all suppliers, business partners and others related to Troldtekt. The company's internal CSR policy is included in Troldtekt's staff manual, which all employees are informed about. Troldtekt primarily operates in Denmark and the rest of Scandinavia, where the risk of corruption and bribery is deemed to be low.

– We believe that development and innovation are a short cut to a better world, and not least to financial results.

Healthy and safe indoor climate

As regards product safety and health, at Troldtekt we take a precautionary approach and have a comprehensive documentation programme. A sustainable indoor climate is the guiding principle of Troldtekt's business strategy, and therefore it is natural for the business to focus on ensuring that its acoustic panels promote a healthy indoor climate when in use.

Troldtekt acoustic panels are indoor climate-certified in the best category. For the indoor climate label to be granted, the product must meet certain requirements during use, while the product's impact on the indoor air quality is also considered.

Troldtekt's entire range of acoustic panels in natural and in standard colours are Cradle to Cradle-certified in the silver category. This means that the company's production and its products have been subjected to detailed analysis. For example, all the substances in the acoustic panels have been mapped and assessed according to their health risk. Cradle to Cradle certification has been achieved because, among other things, the

panels do not contain substances which negatively impact the environment or which are harmful to human health. In addition, used panels can be composted and returned to nature's biological cycle.

Full documentation

Troldtekt is covered by the EU's Construction Products Regulation (CPR), and Troldtekt's products are CE-marked according to the European EN 13168 and EN 13964 standards. In compliance with these standards, Troldtekt's products are tested for 'reaction to fire' in accordance with EN 13501. Troldtekt's products have been fire-tested and classified according to a number of international standards, including Nemko (Norway), Sitack (Sweden), Warringtonfire (UK) and KOMO (Netherlands). In Germany, Troldtekt panels are Ü-labelled and have an 'allgemeine bauaufsichtliche Zulassung' (abZ).

Troldtekt's acoustic panels contain no harmful or allergenic substances. Troldtekt documents the material health of its products through the following voluntary labelling schemes:

- Cradle to Cradle
- Danish Indoor Climate Labelling
- M1
- Allergy Friendly Product Award.

Also, the durability of Troldtekt products is well documented and, among other things, a number of constructions made with Troldtekt panels have been tested for ball impacts in accordance with the German DIN standard 'Prüfung der Ballwurfsicherheit, DIN 18032 Teil 3, Sportshallen für Turnen und Spiele'.

Troldtekt acoustic panels are extremely stable and remain flat even in humid environments. Moreover, they

do not warp with time, a fact which has been tested and documented by the Danish Technological Institute.

New focus areas

As a medium-sized business, Trolldtekt does not have unlimited resources, which reduces the number and scope of CSR and sustainability initiatives that the company is able to launch. At Trolldtekt, we therefore want to ensure that the company's CSR initiatives and ambitions are aligned with our stakeholders' wishes and requirements. Thus, in 2015 the company will analyse whether the direct dialogue with its stakeholders can be improved.

Multi-faceted efforts

It is important that Trolldtekt is a socially responsible company. At Trolldtekt, our philosophy is that making a positive contribution to our surroundings pays off.

We are very conscious of the company's impact on the local communities of which we are a part. This is particularly true in the small town of Trolldhede in west Jutland. Here, the company engages in a positive dialogue with neighbours and local associations on projects that will benefit the local community. In 2014 for example, Trolldtekt built a noise wall to minimise the inconvenience to the

company's closest neighbours from the noises of machinery and truck transport.

At Trolldtekt we celebrate diversity, and welcome many types of people to the company. Even though it might not be directly evident from the bottom line, we believe that, at the end of the day, it benefits everyone. At Trolldtekt, we want to support and help both citizens with personal challenges and students to the extent that we can. In the past, Trolldtekt has assisted students of engineering, design and architecture, but today Trolldtekt also receives enquiries from Master's and PhD students.

– At Trolldtekt, our philosophy is that making a positive contribution to our surroundings pays off.

In 2014, two students were attached to Trolldtekt, one as an apprentice and the other as an intern as part of their study programmes, while the company had four employees doing work experience or working as flexitimers.

In 2014, Trolldtekt was involved for the first time in Aarhus University's mentor scheme.

Natural business partner

Trolldtekt holds talks, offers acoustics consultancy and provides financial support to associations and organisations with which the company has natural shared interests. The list is long, but includes, among others:

- Danish Association of the Hard of Hearing
- CradlePeople
- Sustainovation
- Astma-Allergiforbundet (Asthma-Allergy Association)
- Green Building Council Denmark
- Danish Acoustical Society
- Foreningen for Unge Trælastfolk (Association of Young Timber Merchants).

As a medium-sized business, Trolldtekt has limited resources, and the company therefore focuses primarily on areas where it can offer its expertise and make a real difference. Nevertheless, every so often crises and catastrophes occur around the world which call for immediate action. In such cases, Trolldtekt contributes financial support to selected humanitarian agencies.

International competition

Every other year we hold the Trolldtekt Awards, where students worldwide are invited to redesign and rethink Trolldtekt's products.

In 2014, 115 creative and interesting entries were submitted from 39 different countries. Three students from Escuela Superior de Arquitectura in Guadalajara (Mexico) won the prize for their project 'Trolldtekt Raw'.



A Trolldtekt Award jury member viewing the entries.

Troldtekt and human rights

Since 2010, Troldtekt has been committed to supporting and promoting human rights through the company's commitment to the UN Global Compact.

Troldtekt wishes to promote sustainability and CSR in the building industry. An important aspect of this work is supporting and promoting human rights. Troldtekt has made a commitment to this through joining the UN Global Compact in 2010. Troldtekt's CSR policies provide the basis for the company's own activities and the employee's conduct on a day-to-day basis, and by means of Troldtekt's Code of Conduct, the company's product-related suppliers are screened for compliance with human rights. In 2015, it is Troldtekt's goal that all suppliers who have signed Troldtekt's Code of Conduct in the 2012-2014 period sign a set of follow-up questions. The aim is that these suppliers confirm that they still live up to the cooperation agreement. The initiative will then be implemented as a regular activity every four years.

Good conditions in Denmark

Breaches of human rights are not accepted in Denmark, neither culturally nor under the law. This is why Troldtekt previously perceived CSR as voluntary work with social, ethical and environmental issues which go beyond statutory requirements in Denmark. At Troldtekt, we often see a positive snowball effect resulting from the company's many CSR activities. Structuring Troldtekt's CSR report according to the GRI G4 guidelines has provided a more nuanced picture of human rights. For example, we used to keep job applications on file for as long as six months just in case another job opening should emerge.

However, we have since become aware of privacy and personal data protection issues with which we were not previously familiar. Each job applicant must consent to us filing

– Structuring Troldtekt's CSR report according to the GRI G4 guidelines provides a more nuanced picture of human rights.

the application, and it must only be filed if we deem that the information is still relevant. The previous practice, which we used to see as a good service for future employees, throws up rather more complex issues than we thought. Therefore, at Troldtekt we will not take our own compliance with human rights for granted.





GRI G4 indicators

The purpose of GRI G4 is to increase comparability between organisations. In preparing this report, Troldekt has carried out a materiality analysis based on GRI G4. This has resulted in 37 indicators which Troldekt is reporting on in 2014. Due to the scope of this report, Troldekt has chosen not to include the full analysis.

Environment

The world's natural resources and fossil fuels are under pressure as a result of population growth and growing demand. There is nothing to suggest that this demand will decline in future. This is resulting in environmental impacts in the form of large volumes of waste, general resource constraints and increased emissions of greenhouse gases, and will lead to increased commodity and energy costs for businesses and consumers.

Troldekt's survival and prosperity will depend on continued access to energy and the natural materials which are used to manufacture the company's products. Troldekt's position on the Danish market in particular enables the company to not only minimise the impact of its activities on resource scarcity and greenhouse gas emissions. Troldekt is also able to have a positive influence on its business partners. As a responsible company, we therefore give priority to environmental concerns in our own activities and those of our product-related suppliers.

G4-EN01 – Materials consumption, tonnes

The following table shows Troldekt's materials consumption in 2014, as well as indicating whether the material is renewable.

Material	Renewable material	Volume 2014	Unit
Wood	yes	12,943	tonne
Cement	no	13,397	tonne
Water	yes	10,100	tonne
Accelerator	no	251	tonne
Mould oil, bio	no	84	tonne
Sodium silicate	no	302	tonne
Packaging, cardboard	yes	48	tonne
Packaging, foil	no	15	tonne
Paint	no	414	tonne
Wood pallets	yes	451	tonne

G4-EN02 – Percentage of recycled materials

In 2014, 1,006 tonnes of recycled input materials were used in production against 917 tonnes in 2013. This corresponds to 7 per cent of total materials consumption in 2014.

Material	Volume in per cent
Proportion of recycled cement	6%
Proportion of recycled wood pallets	31%
Proportion of recycled packaging (foil and cardboard)	100%
Total proportion of recycled materials as a percentage of total materials consumption	7%

G4-EN03 – Energy consumption within the organisation

The tables below provide an overview of Troldekt's energy consumption in 2014.

	Energy consumption	Unit	Index (2013 = 100)	Development affects Troldekt's environmental performance	Percentage from renewable energy sources
Total for 2014	68,251	GJ	96	Positively	94

Consumption is distributed across the following entries.

	Percentage from renewable energy sources	Contributes to emissions	Volume	Unit	Produced external-ly/internally	Percentage of total energy consumption
Electricity consumption	100	no	16,650	GJ	Externally	24%
Biofuel	100	no	48,070	GJ	Internally + externally	70%
Heating oil	0	yes	440	GJ	Externally	1%
Gas (trucks)	0	yes	2,437	GJ	Externally	4%
Diesel (trucks)	0	yes	654	GJ	Externally	1%

G4-EN05 – Energy intensity

The energy intensity per produced m² of acoustic panel has been reduced by 11 percentage points since 2013. EN03 shows whether the energy comes from internal or external sources.

	Volume	Unit	Index (2013 = 100)	Development affects Troldekt's environmental performance
Energy consumption per m ² of produced panel	28.49	GJ	89	Positively

G4-EN06 – Reduction of energy consumption

In 2014, Troldekt has achieved total energy savings of 8,327 GJ. The company uses 100 per cent wind power and is continually implementing energy optimisation measures. The following provides an overview of the main energy saving measures introduced in 2014.

- Reduction of biofuel consumption for the boiler through pipe insulation.
- Reduction of biofuel consumption for the boiler through new heat exchanger, which recovers heat from the drying oven exhaust gases.
- Reduction of electricity consumption for the compressor. The compressed air system has been checked for leaks.
- Reduction of electricity consumption for shredders. Six old shredders have been replaced with one new energy-efficient shredder.

G4-EN15 – Direct CO₂ emissions (Scope 1)

The table presents an overview of direct CO₂ emissions from sources that are owned or controlled by Troldekt.

Direct sources of emissions	Tonnes CO ₂	Index (2013 = 100)	Development affects Troldekt's environmental performance
Biofuels for drying*	0	100	Status quo
Heating oil	31	83	Positively
Gas (trucks)	68	88	Positively
Diesel (trucks)	169	100	Status quo
Total	268	94	Positively

*Biofuels are regarded as a CO₂-neutral energy source.

G4-EN16 – Indirect CO₂ emissions (Scope 2)

Troldekt has no indirect CO₂ emissions (Scope 2), because we only buy wind energy for the production of Troldekt acoustic panels.

Indirect sources of CO ₂ emissions	Emissions in kg	Index (2013 = 100)	Development affects Troldekt's environmental performance
Electricity	0	100	Status quo

G4-EN17 – Other indirect CO₂ emissions (Scope 3)

This indicator covers a number of other indirect emissions of CO₂ from sources that are not owned or controlled by Troldekt, but where the CO₂ emissions result from the company's activities. Through our materiality analysis, we have decided to include the following sources of CO₂ emissions in the table below. In 2014, Troldekt increased its production of acoustic panels by 8 percentage points, resulting in a similar increase in CO₂ emissions.

Indirect sources of CO ₂ emissions	Tonnes CO ₂	Index (2013 = 100)
Suppliers' transport of raw materials/packaging	104	122
Transport of finished products	307	102
Suppliers' production of purchased materials	16,865	108
Company-related driving in passenger cars in Troldekt	50	107
Disposal of waste in Troldekt	65	99
Total	17,392	108

G4-EN18 – CO₂ emissions intensity

This shows the intensity of CO₂ emissions per produced m² of acoustic panel both in total and broken down according to the information from EN15, EN16 and EN17.

	Kg CO ₂ per m ²	Index (2013 = 100)	Development affects Trolldtekt's environmental performance
In scope 1	0.11	87	Positively
In scope 2	0	100	Status quo
In scope 3	7.26	100	Status quo
Total CO ₂ per m ²	7.37	99	Positively

G4-EN19 – Reduction of direct and indirect CO₂ emissions (Scope 1 & 2)

In EN06 we described how Trolldtekt has achieved a number of energy savings. The savings have all been achieved in CO₂-neutral areas in production. As such, the energy savings thus do not reduce CO₂ emissions any further. The reduction of CO₂ emissions by approximately 17 tonnes has been realised through the more efficient heating of buildings and internal logistics.

G4-EN20 – Emissions of ozone-depleting substances

The tables below shows information about Trolldtekt's discharges of ozone-depleting substances. In 2014, Trolldtekt increased its production of acoustic panels by 8 percentage points, resulting in a similar increase in emissions of ozone-depleting substances.

CFC11-equivalent Kg	Index (2013 = 100)
3.91E-3	109

G4-EN21 – SO_x

The table below shows information about Trolldtekt's discharges of SO_x. In 2014, Trolldtekt increased its production of acoustic panels by 8 percentage points, resulting in a similar increase in emissions of SO_x.

SO _x -equivalent Tonne	Index (2013 = 100)
49	109

G4-EN23 – Total weight of waste by type and disposal method

This table shows Troldekt's annual volumes of waste and the ways in which the company sorts and disposes of the waste.

Waste types	Tonne	Index (2013 = 100)
Composting (cement-bonded wood wool)	3,617	98
Recycling (cardboard, wood, foil and sand)	37	64
External incineration (miscellaneous)	24	71
Bioash for landfill*	65	99
Destruction (oil, fluorescent tubes and aerosols)	0.3	144
Total	3,741	98

*In 2014, the ash from biofuels in Troldekt's production was disposed of through one of the company's partners who forwarded it for landfill. The ash can be used directly for agricultural purposes without prior processing. This is a goal for the second half of 2015.

We would like to point out that almost 97 per cent of Troldekt's total waste, or the equivalent of 3,617 tonnes, is composted. At Troldekt, we work with sustainability based on the Cradle to Cradle principles, where waste is regarded as a valuable resource, if it can be returned to the technical or biological cycle. As the residual materials from Troldekt's production are returned to the natural biological cycle as soil conditioners, in the Cradle 2 Cradle system they are not defined as waste.

G4-EN27 – Extent of mitigation of environmental impacts

At Troldekt, we use the Cradle to Cradle concept as a strategic management tool in our work with sustainability, which is documented by means of Cradle to Cradle product certifications. Troldekt's Cradle to Cradle certifications must be renewed every two years, the next time in 2015. As part of the preparations for this recertification, in 2014 Troldekt focused on improving the company's environmental performance on the five parameters on which the Cradle to Cradle certification is based.

In 2014, Troldekt implemented the following initiatives:

- Together with its paint supplier, Troldekt has prepared a materials optimisation strategy for the phase-out of the last few remaining problematic ingredients.
- Troldekt is working to establish a take-back scheme for used cement-bonded wood wool ceiling panels from buildings due for demolition. The scheme is expected to be implemented by the end of 2015.
- Troldekt's electricity consumption is based 100 per cent on renewable energy from offshore wind farms. In 2014, Troldekt also decided to invest in a new drying oven, which optimises energy efficiency in the drying process.
- An audit has been carried out involving the mapping of Troldekt's water consumption.
- Troldekt's Cradle to Cradle roadmap is a strategic management tool for the company's work with CSR and sustainability up until 2022. In 2014, Troldekt started structuring its CSR reporting according to the GRI G4 guidelines.

G4-EN28 – Percentage of products sold and packaging materials recycled

The percentage of wooden pallets returned to Troldekt after delivery has increased from 28 per cent to 31 per cent in 2014. Moreover, Troldekt is working to establish a take-back scheme to ensure that used cement-bonded wood wool panels are returned either to the technical or the biological cycle. The aim is for the take-back scheme to be introduced by the end of 2015 at the latest.

G4-EN29 – Sanctions for non-compliance with environmental laws and regulations

Troldtekt has not been sanctioned for failing to comply with environmental laws and regulations in the reporting period.

G4-EN31 – Total environmental protection expenditures and investments

Troldtekt invests heavily in improving the company's environmental performance. Below is a summary of the main items of expenditure and investments in 2014.

	In DKK
Waste management	129,199
Insurance	448,899
External environmental management services	515,492
External certification of environmental management systems	52,540
Extra costs of green procurement, including wind power, certified wood etc.	844,860
Total	1,990,990

G4-EN32 – Percentage of screened suppliers – Environment

Troldtekt wants to engage in stable and long-term cooperation with its suppliers, as we devote considerable resources to formalising our cooperation in the initial phase in connection with the integration of Troldtekt's Code of Conduct. Given the low turnover of suppliers, reporting on the screening of new suppliers becomes less essential. Instead, Troldtekt focuses on all product-related suppliers under this indicator.

Troldtekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including environmental criteria. In 2014, the status was that 19 of Troldtekt's main product-related suppliers had signed Troldtekt's Code of Conduct. This equates to 90 per cent of Troldtekt's product-related procurement from screened suppliers.

G4-EN33 – Risk classification of suppliers – Environment

Product-related suppliers must be screened for their risk of breaching the guidelines in Troldtekt's Code of Conduct, and also for their environmental performance. They are classified in low, medium or high-risk groups. The status in 2014 is that 95 per cent of suppliers who have signed Troldtekt's Code of Conduct are placed in the low-risk group, and 5 per cent are in the medium-risk group. There are no suppliers in the high-risk group. A single supplier accounts for the 5 per cent placed in the medium-risk group, being based in a country where environmental protection is not enforced through statutory legislation. There have not been any incidents among Troldtekt's suppliers which required reprimands or other measures in 2014.

G4-EN34 – Grievances about Troldtekt's environmental impacts

In 2014, Troldtekt's factory in Troldhede received a single grievance from a neighbour. The company therefore constructed a noise wall to minimise the level of unintended noise from machinery and truck transport which can be heard by its immediate neighbours.

Labour conditions

As a responsible business, it is essential for Troldekt to ensure a good environment and working conditions for its employees.

The employees represent the company's most important resource and asset, and the management is very aware that they have a decisive influence on whether Troldekt meets its environmental and financial objectives.

Therefore Troldekt gives considerable priority to social considerations in its own activities and in its cooperation with suppliers.

G4-LA01 – Workforce and employee turnover

The table below is a summary of the number of employees and staff turnover in Troldekte and Tranbjerg, and how employees are distributed according to their terms of employment. Please note that the table includes flexitimers and paid student interns, while young workers and employees doing work experience are not included.

Age	Salaried workers, women	Salaried workers, men	Hourly paid workers, women	Hourly paid workers, men	Newly employees, women	New employees, men	Women who have left Troldekte	Men who have left Troldekte
Tranbjerg								
- 30	1	0	0	0	0	0	0	1
31-50	4	9	0	0	1	4	1	1
51 -	2	5	0	0	0	1	0	0
Troldekte								
- 30	0	0	0	1	0	0	0	0
31-50	1	3	0	26	0	1	0	1
51 -	3	0	1	16	0	0	0	0

Employment	No. in Tranbjerg	No. in Troldekte
Full-time employees	18	49
Part-time employees, incl. flexitimers	3	2
Permanent employees	20	49
Short-term contracts, including paid student interns and flexitimers	1	2
Total	21	51

G4-LA05 – Percentage of total workforce represented in formal committees

In addition to the statutory working environment committee, Troldekt has set up a works council. Both employees and the management are represented on both. Of the total workforce, just over 16 per cent is represented in these formal safety and health committees in Troldekt.

G4-LA06 – Industrial accidents and absence due to illness

The table below shows the number of industrial injuries and absence due to illness at work for 2013 and 2014.

	2014	2013*
No. of lost-time injuries	2	1
Injury frequency (no. of industrial injuries/1 million hours worked)	27.98	14.25
Absence as a result of industrial injury (hours/1,000 hours worked)	5.77	13.71
Absence due to illness, total (%)	1.97	2.23

* The figures for 2013 in this report deviate from the same figures in Troldekt's CSR report for 2013 due to different calculation methods.

Out of respect for our employees and to ensure the credibility of our CSR reporting, an industrial injury is described below which took place in October 2013 and which is therefore not actually covered by this report.

Order from the Danish Working Environment Authority

In October 2013, Troldekt received an order to take immediate action from the Danish Working Environment Authority as a result of a serious industrial injury in production. When a conveyor belt started running crookedly, an employee tried to correct the problem while the belt was still running. As a result, the employee's glove was caught and his arm was pulled under the conveyor belt. His colleagues stopped the conveyor belt, called for help and provided first aid until an ambulance arrived. Fortunately, this quick thinking contributed to limiting the scope of the injury. However, the employee suffered serious injury to his forearm, burns to his hand and other minor bruising. After a considerable time off work, he has now resumed working at Troldekt. In connection with the accident, all employees in production were offered crisis support.

Troldekt assumes full responsibility for the workstation being designed in such a way that the accident could happen and for tacitly having accepted that safety had been overlooked at the conveyor belt. In compliance with the order, an automatic switch has been fitted so that the conveyor belt stops if the conveyor belt guard is opened. Thus it is no longer possible to carry out work on the conveyor belt while it is in operation. At the same time, Troldekt's working environment committee has assessed the safety procedure around the conveyor belt, and changes to the procedure have been communicated to the production employees.

Troldekt's staff fund, the Louis Hammerich Fund, has provided financial assistance to the employee so he experiences no fall in income as a result of the accident.

G4-LA12 – Composition of senior employees according to gender and age

The following provides a summary of the composition of senior employees in Troldekt broken down by age and gender in per cent.

	Women <30	Women 30-50	Women >50	Men <30	Men 30-50	Men >50
Distribution of senior employees*	0%	14%	14%	0%	58%	14%

*The figures are rounded off.

G4-LA14 – Percentage of screened suppliers – Labour rights

Troldtekt wants to engage in stable and long-term cooperation with its suppliers, as we devote considerable resources to formalising our cooperation in the initial phase in connection with the integration of Troldtekt's Code of Conduct. Given the low turnover of suppliers, reporting on the screening of new suppliers becomes less essential. Instead, Troldtekt focuses on all product-related suppliers under this indicator.

Troldtekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including criteria relating to labour rights. In 2014, the status was that 19 of Troldtekt's main product-related suppliers had signed Troldtekt's Code of Conduct. This equates to 90 per cent of Troldtekt's product-related procurement from screened suppliers.

G4-LA15 – Risk classification of suppliers – Labour rights

Product-related suppliers must be screened for their risk of breaching the guidelines in Troldtekt's Code of Conduct, including criteria relating to labour rights. They are classified in low, medium or high-risk groups. The status in 2014 is that 95 per cent of suppliers who have signed Troldtekt's Code of Conduct are placed in the low-risk group, and 5 per cent are in the medium-risk group. There are no suppliers in the high-risk group. A single supplier accounts for the 5 per cent placed in the medium-risk group, being based in a country where labour rights are not enforced through statutory legislation. There have not been any incidents among Troldtekt's suppliers which required reprimands or other measures in 2014.

Society

As a responsible business, it is very important for Troldekt that it contributes to the local communities where the company is represented. Troldekt therefore has specific and formalised guidelines regarding anti-corruption, and the company also ensures that its products contribute to the health and safety of its customers.

Through a few of its product-related suppliers, Troldekt is represented in countries where social responsibility cannot be taken for granted. Thus, there is a risk that, in light of its activities, Troldekt contributes negatively to its surroundings. This may result in financial sanctions against Troldekt and have a negative impact on the company's reputation. Therefore, at Troldekt we believe that our position as market leader in Denmark within the production and supply of acoustic solutions gives us the opportunity to set a good example and actively influence the market in a positive direction.

G4-SO03 – Percentage of screened suppliers – Anti-corruption

Troldekt wants to engage in stable and long-term cooperation with its suppliers, as we devote considerable resources to formalising our cooperation in the initial phase in connection with the integration of Troldekt's Code of Conduct. Given the low turnover of suppliers, reporting on the screening of new suppliers becomes less essential. Instead, Troldekt focuses on all product-related suppliers under this indicator.

Troldekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including criteria relating to anti-corruption. In 2014, the status was that 19 of Troldekt's main product-related suppliers had signed Troldekt's Code of Conduct. This equates to 90 per cent of Troldekt's product-related procurement from screened suppliers.

G4-SO04 – Implementation of guidelines for anti-corruption

All employees in Troldekt are informed at canteen meetings and office meetings about the company's CSR policy, including its guidelines on anti-corruption. Moreover, Troldekt's CSR policy is incorporated in the company's staff manual, of which the employees have also been informed.

G4-SO05 – Cases of corruption or bribery

There were no cases of corruption or bribery at Troldekt in 2014.

G4-SO08 – Sanctions for non-compliance with laws and regulations

Troldekt was not sanctioned for non-compliance with laws and regulations in 2014.

G4-SO09 – Percentage of screened suppliers – Society

Troldekt wants to engage in stable and long-term cooperation with its suppliers, as we devote considerable resources to formalising our cooperation in the initial phase in connection with the integration of Troldekt's Code of Conduct. Given the low turnover of suppliers, reporting on the screening of new suppliers becomes less essential. Instead, Troldekt focuses on all product-related suppliers under this indicator.

Troldekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including criteria relating to their impact on society. Troldekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including criteria relating to their impact on society. In 2014, the status was that 19 of Troldekt's main product-related suppliers had signed Troldekt's Code of Conduct. This equates to 90 per cent of Troldekt's product-related procurement from screened suppliers.

G4-SO10 – Risk classification of suppliers – Society

Product-related suppliers must be screened for their risk of breaching the guidelines in Troldekt's Code of Conduct, and also for their impact on society. They are classified in low, medium or high-risk groups. The status in 2014 is that 95 per cent of suppliers who have signed Troldekt's Code of Conduct are placed in the low-risk group, and 5 per cent are in the medium-risk group. There are no suppliers in the high-risk group. A single supplier accounts for the 5 per cent placed in the medium-risk group, being based in a country where companies' positive impacts on society are not enforced through statutory legislation. There have not been any incidents among Troldekt's suppliers which required reprimands or other measures in 2014.

G4-PR01 – Assessment of products

Through Troldekt's work with Cradle to Cradle certifications, a materials assessment has been carried out of Troldekt's acoustic panels. The entire series of Troldekt acoustic panels in natural and in standard colours are Cradle to Cradle-certified in the silver category, and they have also earned a number of labels and certifications for their contribution to a healthy indoor climate, including the indoor climate label, M1, and Allergy Friendly Products UK. These products account for 92 per cent of Troldekt's combined production.

G4-PR09 – Sanctions for non-compliance with laws and regulations concerning use of products

Troldekt was not sanctioned for non-compliance with laws and regulations concerning the provision and use of products in 2014.

Human rights

As responsible business, it is essential for Troldekt to comply with human rights and facilitate the dissemination of information about human rights, which the company has committed itself to since joining the UN Global Compact in 2010. Through a few of its product-related suppliers, Troldekt is represented in countries where respect for human rights cannot be taken for granted. Thus, there is a risk that, in light of its activities, Troldekt contributes negatively to compliance with human rights. This may result in financial sanctions against Troldekt and have a negative impact on the company's reputation. Therefore, at Troldekt we believe that our position as market leader in Denmark within the production and supply of acoustic solutions gives us the opportunity to set a good example and actively influence the market in a positive direction.

G4-HR05 – Risk of child labour

At Troldekt, our assessment is that there is no risk of child labour in our organisation. In 2014, we employed four young workers aged 15-17 years. They only perform work which does not involve a risk of heavy lifts, falls etc.

Troldekt works actively to eliminate child labour. In so far as possible, suppliers are found in countries with a low risk of child labour. Troldekt has a single supplier based in a country where there is a general risk of inadequate respect for human rights and labour rights. The supplier in question has signed Troldekt's Code of Conduct, which states that Troldekt's suppliers must not use child labour. Troldekt regularly assesses its suppliers on the basis of the guidelines in our Code of Conduct. The above supplier is due to be assessed again in 2015.

G4-HR10 – Percentage of screened suppliers – Human rights

Troldekt wants to engage in stable and long-term cooperation with its suppliers, as we devote considerable resources to formalising our cooperation in the initial phase in connection with the integration of Troldekt's Code of Conduct. Given the low turnover of suppliers, reporting on the screening of new suppliers becomes less essential. Instead, Troldekt focuses on all product-related suppliers under this indicator.

Troldekt's Code of Conduct provides guidelines for the company's cooperation with its suppliers, including criteria relating to human rights. In 2014, the status was that 19 of Troldekt's main product-related suppliers had signed Troldekt's Code of Conduct. This equates to 90 per cent of Troldekt's product-related procurement from screened suppliers.

G4-HR11 – Risk classification of suppliers – Human rights

Product-related suppliers must be screened for their risk of breaching the guidelines in Troldekt's Code of Conduct, including criteria relating to human rights. They are classified in low, medium or high-risk groups. The status in 2014 is that 95 per cent of suppliers who have signed Troldekt's Code of Conduct are placed in the low-risk group, and 5 per cent are in the medium-risk group. There are no suppliers in the high-risk group. A single supplier accounts for the 5 per cent placed in the medium-risk group, being based in a country where respect for human rights is not enforced through statutory legislation. There have not been any incidents among Troldekt's suppliers which required reprimands or other measures in 2014.

Status and new objectives for 2015

Sustainability and CSR are strategically integrated in Troldekt. The company's targeted focus on social and environmental responsibility is therefore also a focus area out of concern for the bottom line.

Troldekt has enshrined sustainability and CSR as the focal point of the company's business strategy. The effect of this is that good financial results depend on how the company performs in relation to social and environmental responsibility. Troldekt focuses strongly on sustainability and CSR while simultaneously focusing on the bottom line.

Since 2010, Troldekt has reported annually on the company's CSR progress to the UN Global Compact. In addition to describing the results for the past year, the reports state

new goals for the year ahead based on the ten principles of the UN Global Compact initiative. For example, in 2013 Troldekt developed a Cradle to Cradle roadmap in close cooperation with Vugge til Vugge Danmark ApS. The roadmap shows the company's overall goals within six focus areas up to 2022.

Overlap between two methods

Troldekt's CSR report for 2014 is structured according to the GRI G4 methodology. The purpose is to enhance the quality of this and

future CSR reports. It also means that Troldekt formulates its objectives for the coming year on a different basis to previous years. This is reflected in this chapter, where the status for the objectives for 2014 is presented according to the systemics used for the 2010 to 2013 reports.

In the tables on the following pages, you will find Troldekt's objectives for 2014, the status of these objectives and the company's new objectives for 2015.

Objectives and status for 2014

Leadership, vision and values

Objectives for 2014	Status for 2014	Status description
At Troldekt, we will take a targeted approach to incorporating social, ethical and environmental initiatives into all parts of our business and supply chain. In other words, it must be possible to trace our global responsibility in our daily work routines as well as in our long-term strategic decisions. Troldekt will be a Cradle to Cradle business in 2022. The Cradle to Cradle roadmap shows the sub-objectives en route to achieving this objective within six focus areas.	Objective partially achieved.	This is based on the objectives published in our Cradle to Cradle roadmap. Material health: Achieved; all product development is based on the Cradle to Cradle concept; all panels are certified in the silver category (objective achieved in 2013). Material reutilization: Not achieved. the take-back scheme can be realised technically, but Troldekt is dependent on other players for its realisation. The work to find the right partners for the scheme will continue in 2015. General implementation: The Cradle to Cradle concept has been introduced throughout the entire organisation through employee events and canteen meetings.
Annual Communication on Progress according to Troldekt's affiliation with the UN Global Compact.	Objective achieved.	This report was uploaded to the UN Global Compact no later than 30 April 2015. From this year, we are using GRI G4 methodology in our annual Communication on Progress.
Based on the Cradle to Cradle concept, CSR is strategically integrated in Troldekt's mission, vision and values, and is thus a central plank of the company's business strategy.	Objective achieved.	Sustainability is integrated in Troldekt's business strategy, staff policies and in the formal cooperation with our suppliers through our Code of Conduct.

Marketplace activities

Objectives	Status for 2014	Status for 2014
At Troldekt, we will endeavour to test and label our products according to voluntary schemes to give consumers extra peace of mind in relation to the product's durability, health properties and environmental impact.	Objective achieved.	The Environmental Product Declaration (EPD) was drawn up in 2013 by the Danish Technological Institute and is now third party-verified by the Norwegian SINTEF Building and Infrastructure. At the same time, it has been registered with EPD Norway. In 2014, we also achieved Allergy Friendly Products UK labelling. The indoor climate label and M1 labelling continue.

Workforce activities

Objectives	Status for 2014	Status for 2014
At Troldekt, we want to support and look after our employees and to provide the best possible basis for high levels of job satisfaction and well-being for all our employees.	Objective achieved.	A health day has been held, staff value days for salaried workers have been held, social events etc.
We take a targeted approach to keeping annual absence due to illness cases below 2 per cent and the number of industrial injuries to less than five a year.	Objective achieved.	<ul style="list-style-type: none"> Industrial injuries : 2 Absence due to illness : 1.97 <p>Troldekt has relatively few employees, which results in relatively large fluctuations in per cent in the case of just a few long-term absences due to illness.</p>

Supplier activity

Objectives	Status for 2014	Status for 2014
Troldekt will work for its Code of Conduct to be effectively integrated by at least 90 per cent of our product-related suppliers whose sales to us exceed DKK 100,000 a year.	Objective achieved.	Code of Conduct signed by Troldekt's key product-related suppliers. These suppliers account for 90 per cent of our purchases.

Stakeholder engagement

Objectives	Status for 2014	Status for 2014
Troldekt wants to show the greatest possible consideration for its stakeholders' wishes, needs and welfare.	Objective achieved.	We are in close dialogue with our stakeholders. Specifically, we have reduced unintended nuisance for neighbours near our production facilities, for example through the establishment of a noise wall and the laying of a noise-reducing concrete deck in the timber area.
Troldekt will continually develop and improve its web-site and web solutions to support greater dialogue.	Objective achieved.	Responsive design so that Troldekt's website can be used on both mobile phones and tablets. Quantity and accessories calculations integrated on the website.
We will seek to help professionals in the construction industry to consider acoustics in the early stages of the design process, and we expect to host five large and 40 smaller acoustics seminars – this time also for local authorities.	Objective partially achieved.	In 2014, Troldekt held five large and almost 40 small acoustics seminars.
Our scheme for acoustics professionals will cover all of Denmark.	Objective achieved.	The scheme is nationwide.

Community activities

Objectives	Status for 2014	Status for 2014
Troldekt will maintain and develop its collaboration with societies and associations which can use our expertise within acoustics, sound and the indoor climate.	Objective achieved.	The year has mainly been spent on maintenance.
Troldekt will strengthen its collaboration with relevant educational institutions to foster knowledge exchange and provide inspiration for the benefit of individual students, educational institutions and Troldekt.	Objective achieved.	In 2014, Troldekt has cooperated with a PhD student on a project on crisis communication, with students from Aalborg University on a PhD project about ventilation, with an Italian Master's student on our take-back scheme, with an MSc in IT student on an exam project about the Troldekt Awards, as well as with a wide range of other students in connection with various assignments. In 2014, Troldekt took on students from Business Academy Aarhus and the Danish School of Media and Journalism as apprentices and interns as part of their study programmes, and a university student has been affiliated with a senior Troldekt employee as part of Aarhus University's mentor scheme.

Environmental activities

Objectives	Status for 2014	Status for 2014
Troldekt wants to minimise the environmental impact of its activities and those of its suppliers – throughout the entire lifespan of each Troldekt product.	Objective achieved.	Troldekt has prepared a materials optimisation strategy for the phase-out of the last few remaining problematic ingredients.
In 2020, only certified wood will be used in production.	The objective has been formally achieved.	The long-term objective has been already been achieved; currently using more than 70 per cent certified wood, in accordance with the certifications, Troldekt can categorise the wood used as 'only certified wood'.
In 2014, at least 70 per cent of our timber purchases must be PEFC or FSC-certified.	Objective achieved.	The status in 2014 is 83.8 per cent.

New objectives for 2015

Category	Description of objectives	Objective expected to be realised in
General	Comply with the obligations undertaken in connection with Troldekt joining the UN Global Compact. Regular activity.	2015
General and C2C roadmap	CSR report for 2015 verified by third party. Implemented as a regular activity	2016
General	Increase share of suppliers screened for their environmental performance and their performance within the areas of labour rights, human rights, anti-corruption and product liability. The proportion must be increased to include suppliers who account for 93 per cent of our product-related purchases.	2015
General	All Troldekt product-related suppliers who have signed Troldekt's Code of Conduct in the 2012-2014 period must sign a set of follow-up questions. Implemented as a regular activity (every four years).	2015
Environment	Investment in climate certificates corresponding to Troldekt's total CO ₂ emissions stemming from heating oil, truck transport and personal transport. Implemented as a regular activity.	2015
Environment	The total waste volume is reduced by a further 2 percentage points compared to 2013.	2015
Environment and Cradle to Cradle roadmap	Sanitary wastewater discharge reduced by 10 percentage points compared to 2012.	2015
Environment	Maintain 100 per cent wind power in production. Regular activity.	2015
Environment and Cradle to Cradle roadmap	Cradle to Cradle recertification according to version 3.1 in the silver category for all currently certified products.	2015
Environment	Reduce the energy intensity per produced m ² to index 82 compared to 2013.	2015
Environment	Take-back scheme for used Troldekt acoustic panels up and running in 2015. Implemented as a regular activity.	2015
Environment	0 tonnes of bioash waste for depositing from 1 June 2015. Implemented as a regular activity.	2015
Environment	Phase 1 – Analysis prepared and planned with a view to phasing out oil for heating. Phase 2 – Project implementation.	2015 2016
Environment and Cradle to Cradle roadmap	20 per cent reduction in CO ₂ per m ² produced compared to 2012.	2015

Category	Description of objectives	Objective expected to be realised in
Environment	88 per cent PEFC or FSC®-certified wood in production.	2015
Society	Maintain and strengthen our affiliation with voluntary labelling schemes regarding product safety and health. <ul style="list-style-type: none"> • Indoor climate-labelled (DK) • M1 (F) • Allergy Friendly Products UK (UK) • Cradle to Cradle (Silver) <p>In 2015, it will be expanded to include:</p> <ul style="list-style-type: none"> • Blue Angel (DE) 	2015
Society	Continued cooperation with relevant educational institutions and including students and interns in our organisation. Regular activity.	2015
Society	Five large and 40 smaller acoustics seminars held for players in the building industry.	2015
Society	Zero confirmed cases of corruption internally at Troldekt or among our suppliers. Regular activity.	2015
Labour conditions	Absence due to illness max. 2 per cent among production employees. Regular activity.	2015
Labour conditions	Green working environment smiley from the Danish Working Environment Authority.	2015
Labour conditions	Elimination of heavy lifting by employees of top panels in the drying and finishing hall. Implemented as a regular activity.	2015
Labour conditions	No industrial injuries or max. one lost-time injury among production employees. Regular activity.	2015
Labour conditions	Taking on a number of flexitimers and persons doing work experience up to max. 5 per cent of Troldekt's total workforce, which in 2014 corresponds to four persons. Regular activity.	2015
Labour conditions	Maintain the percentage of employees on workplace health and safety committees at min. 10 per cent. Regular activity.	2015
Labour conditions	Complete a fire-fighting course, so that all functions and shifts at Troldekt are covered. Regular activity.	2015
Labour conditions	Complete a first-aid course which includes defibrillator instruction so that all functions and shifts at Troldekt are covered. Regular activity.	2015
Labour conditions	All new employees are informed about Troldekt's guidelines regarding e.g. anti-corruption via the staff manual.	2015
Human rights	Zero confirmed cases of child labour internally at Troldekt or among our suppliers. Regular activity.	2015

GRI G4

Content index

Indicator	Description	Page no.
General		
G4-01	Management statement	5
G4-03	Company name	6
G4-04	Troldtekt's primary brands, products and services	6
G4-05	Geographical location of Troldtekt's head office	6
G4-06	Countries where Troldtekt is represented	6
G4-08	Markets	6
G4-10	Troldtekt's workforce	6
G4-12	Troldtekt's supply chain	6
G4-16	Committees and associations in which Troldtekt is represented	6
G4-18	Materiality analysis	26
G4-24	Stakeholder involvement	13
G4-28	Reporting period	2
G4-29	Date of latest report	2
G4-30	Frequency of reporting	2
G4-31	Contact information	2
G4-56	Values CSR policy Code of Conduct	11 10 17
Environment		
G4-EN01	Materials consumption, tonnes	26
G4-EN02	Percentage of recycled materials	27
G4-EN03	Energy consumption within the organisation	27
G4-EN05	Energy intensity	27
G4-EN06	Reduction of energy consumption	28
G4-EN15	Direct CO ₂ emissions (Scope 1)	28
G4-EN16	Indirect CO ₂ emissions (Scope 2)	28
G4-EN17	Other indirect CO ₂ emissions (Scope 3)	28
G4-EN18	Intensity of greenhouse gas (GHG) emissions	29
G4-EN19	Reduction of greenhouse gas (GHG) emissions	29
G4-EN20	Emissions of ozone-depleting substances	29
G4-EN21	SO _x	29

Indicator	Description	Page no.
G4-EN23	Total weight of waste by type and disposal method	30
G4-EN27	Extent of mitigation of environmental impacts	30
G4-EN28	Percentage of products sold and packaging materials recycled	30
G4-EN29	Sanctions for non-compliance with environmental laws and regulations	31
G4-EN31	Total environmental protection expenditures and investments	31
G4-EN32	Percentage of screened suppliers – Environment	31
G4-EN33	Risk classification of suppliers – Environment	31
G4-EN34	Grievances about Troldekt's environmental impacts	31
Labour conditions		
G4-LA01	Workforce and employee turnover	32
G4-LA05	Percentage of total workforce represented in formal committees	33
G4-LA06	Industrial accidents and absence due to illness	33
G4-LA12	Composition of senior employees according to gender and age	33
G4-LA14	Percentage of screened suppliers – Labour rights	34
G4-LA15	Risk classification of suppliers – Labour rights	34
Society and product responsibility		
G4-SO03	Percentage of screened suppliers – Anti-corruption	35
G4-SO04	Implementation of anti-corruption guidelines	35
G4-SO05	Cases of corruption or bribery	35
G4-SO08	Sanctions for non-compliance with laws and regulations	35
G4-SO09	Total number of screened suppliers – Society	35
G4-SO10	Risk classification of suppliers – Society	36
G4-PR01	Assessment of products	36
G4-PR09	Sanctions for non-compliance with laws and regulations concerning use of products	36
Human rights		
G4-HR05	Risk of child labour	37
G4-HR10	Percentage of screened suppliers – Human rights	37
G4-HR11	Risk classification of suppliers – Human rights	37

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CSR report 2014	This report was uploaded to the UN's Global Compact on 30 April 2015.
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About Troldtekt

Troldtekt acoustics solutions for ceiling and wall cladding are among the leading products for ensuring good acoustics, efficient fireproofing and a healthy indoor climate. Troldtekt's main product is acoustic panels. They are made from wood and cement and are Cradle to Cradle-certified in the silver category. Troldtekt contributes green points and good acoustics in all sorts of buildings from offices and factories to schools, institutions, sports centres and private homes. Troldtekt A/S was founded in 1855 as a trading company in Aarhus. Since 1935, the company has produced Troldtekt cement-bonded wood wool in Troldhede in western Jutland.

Certifications and acknowledgements

