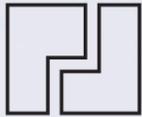


PJ PRODUCTION  
CSR REPORT

2017  
2018



Publisher:  
PJ Production ApS  
Haarup Skovvej 2  
8600 Silkeborg  
Denmark  
[www.pj-production.dk](http://www.pj-production.dk)



## CONTENT

- 4** ABOUT THE REPORT
- 5** ABOUT PJ PRODUCTION
- 6** ECONOMY 2017/2018
- 7** CSR STRATEGY AND PRIORITIES
- 10** SUSTAINABLE TRADE
- 12** SUSTAINABLE OPERATION
- 13** GOOD WORKPLACE
- 15** COMPANY PROFILE

# SUSTAINABLE THINKING: RESPONSIBILITIES & RESOURCEFULNESS!

You are currently holding our CSR-report in your hands. CSR, - or Corporate Social Responsibilities, has been a part of the PJ Productions management since the establishment in year 1997. During the last year we decided to work more structured with our social responsibilities, and we can proudly present our second CSR-report.

We have continuously worked with sustainability, which has initiated a larger process in terms of sustainable thinking in all new initiatives. This development has required a new view of our company, which illuminated a need for a new circular system in order to minimise waste and optimise resources in the future. We have, - in addition to this development, participated in a project associated with value chain optimisation, which gave a more critical view of the organisation. Our way of thinking new initiatives

is associated with sustainability: what can our products contain? Can we get EU eco-labelled our products? And what are the recyclability opportunities?

One of our new initiatives is to implement a take-back arrangement, which gives our customers the possibility of re-deliver products or components after the end of the product life cycle. Thus, we would have the change to embrace the Extended Producer Responsibility by ensuring a environmental friendly disposal of the goods.

We are constantly focusing on our environmental responsibilities in close collaboration with colleagues, suppliers, and distributors. Nevertheless, the most important factor for us is to have our mission in mind in every process to enhance productivity and improve the quality of life in the workplace

**||** *One of our new initiatives is to implement a take-back arrangement, which gives our customers the possibility of re-deliver products or components after the end of the product life cycle.*

**Jesper Blaabjerg**  
Managing Director  
PJ Production ApS

**Michael Kjær Salmansen**  
Chairman of the Board  
PJ Production ApS



# ABOUT PJ PRODUCTION

PJ Production was established in year 1997, and have since the beginning designed, developed, and produced office accessories for the modern working environment. Today, we are one of the leading suppliers of special office furniture to manufactures and dealers within Denmark and throughout larger parts of Europe. PJ Production is a smaller, flexible organisation, which understand the importance of great service, consultancy, high quality, and reliable delivery.



## Our mission:

PJ Production delivers sustainable office accessories, which enhance productivity and improve the quality of life in the workplace

## SOCIAL RESPONSIBILITIES

Our business operations contain procurements of products and / or components at our existing suppliers in Asia and Europe, and shipment of finished products to our customers in Australia and Northern America. We are very much aware of our impact on the environment, climate, and involved people.

We have, - in relation to our environmental awareness, created a determined stake to minimise the negative effects that we might cause for involved processes.



## ANNUAL REPORT FOR THE FINANCIAL YEAR 2017/2018

### INCOME STATEMENT

	2017/2018	2016/2017
Gross profit	5,459,367	5,657,059
Staff costs	-3,278,967	-3,231,803
Earnings contribution	2,180,400	2,425,256
Depreciation	-152,409	-99,097
Operating profit	2,027,991	2,326,159
Financial income	111,820	97,706
Financial costs	-63,580	-64,990
Profit before tax	2,076,243	2,358,875
Tax	-460,837	-533,284
Profit for the year	1,615,406	1,825,591

### BALANCE SHEET

	2017/2018	2016/2017
<b>ASSETS</b>		
Operating equipment	539,544	464,672
Tangible fixed assets	539,544	464,672
Securities and equity investments	3,111	3,633
Deposits	150,000	150,000
Financial assets	153,111	153,633
Fixed assets	692,655	618,305
Inventories	4,190,011	3,663,494
Receivables from sales & services	2,589,790	2,095,325
Other receivables	4,222,132	3,068,114
Prepayments	139,484	53,794
Receivables	6,951,406	5,217,233
Cash	1,696	347,181
Current assets	11,143,113	9,227,909
Assets	11,835,768	9,846,213
<b>LIABILITIES</b>		
Share capital	170,100	170,100
Retained earnings	7,393,750	5,778,344
Proposed dividend	0	600,000
Equity	7,563,850	6,548,444
Provisions for deferred tax	51,813	33,968
Provisions	51,813	33,968
Corporate taxes	329,966	439,830
Long-term debt	329,966	439,830
Short-term debt to credit institutions	475,513	0
Suppliers of goods and services	1,983,403	790,439
Debt to associates	789,687	663,881
Corporate taxes	0	407,412
Other payables	641,906	962,240
Short-term debt	3,890,139	2,823,971
Total current liabilities	4,220,105	3,263,802
Total liabilities	11,835,103	9,846,213

# OUR CSR-STRATEGY AND PRIORITIES

CSR is important for PJ Production. As a company trading in physical products, we want to take responsibilities for the involved parties throughout our value chain. This means that our new CSR-strategy, - named "sustainable office accessories", has taking the involved resources and people into account based on respect and consideration.

The management of PJ Production has embraced the CSR-strategy, which is obtained as a part of the research, discussion, and priorities when making

important decisions. We have during the process completed some analysis, - counting risk - and interest analysis, to estimate the future and our ecological footprint.

The risk analysis has increased our knowledge in terms of our sustainable oriented risks. These can either be minimised or totally eliminated, because of the thorough understanding of our environmental impression. We take the full responsibility of our environmental impression and we are ready to embrace the sustainable future!

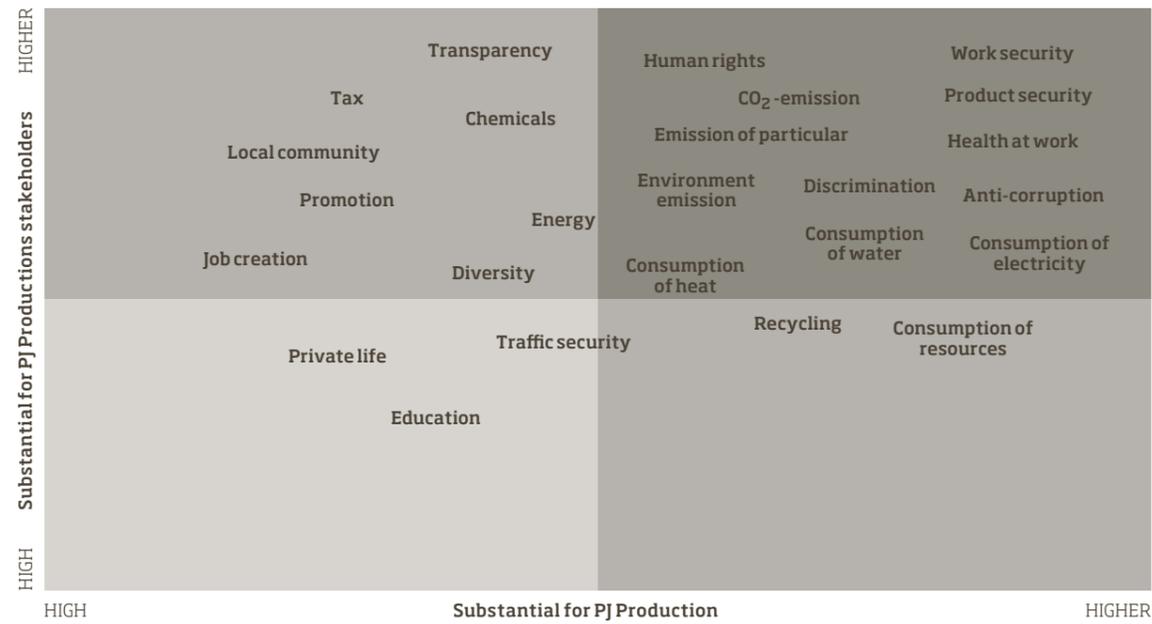
*We show respect and consideration for the resources and the people involved throughout our value chain.*

## RISK-ANALYSIS

	Development of components	Suppliers	Transport	PJ Production	Customers and consumers
Environment	Chemicals Water consumption Waste water Trash Pollution Biodiversity	Chemicals Water consumption Waste water, trash and recycling Use of components Pollution Envi. accidents	Air pollution	Consumption of electricity Envi. impact Products Trash and recycling	Returning packaging Removal
Climate	CO <sub>2</sub> -emission	CO <sub>2</sub> -emission	CO <sub>2</sub> -emission	CO <sub>2</sub> -emission	
Human rights	Local community	Local community	Traffic security		
Employee rights	Work security Health Child labour Forced labour Salary	Work security Health Child labour Forced labour Salary	Work security Health Salary	Work security Health	Health
Anti-corruption	Bribery Fraudulence Transparency	Bribery Fraudulence	Fraudulence	Fraudulence	Fraudulence

We have in relation to this risk-analysis, created a concluding substantial analysis in order to illuminate the Corporate Social Responsibility factors that have the largest implication for PJ Production and the surroundings hereof.

## SUBSTANTIAL ANALYSIS



The most substantial CSR-factors for us and our stakeholders are illuminated in the top of the left panel. These factors will be described in the following sections, and are divided into following headings: supply chain management, sustainable assortment, resource optimisation of products, transport, climate, pollution, safety & health, anti-corruption, and diversity.

The nine most substantial CSR-factors will be illuminated in these three CSR focus areas

SUSTAINABLE TRADE  
SUSTAINABLE OPERATION  
GOOD WORKPLACE



## STRATEGY HOUSE

We have chosen to address the nine main substantial CSR-areas by focusing on following three: sustainable trade, sustainable operation, and good workplace in our strategy house. UN Global Goals: #12 - Responsible consumption and production, will be used to manage and operate the nine CSR focus areas.



The 17 UN Sustainable Development Goals and sub-goals addresses all the urgent challenges. We have evaluated the goals and project that goal #12 - Responsible consumption and production is the most relevant for us. We aim to influence and inspire customers and consumers to purchase sustainable products and deploy responsibility in the supply chain.



# SUSTAINABLE TRADE

PJ Production is a trade-company, which means that everything we do is associated with transactions from one stakeholder to another. We have identified three main areas to take into our sustainable considerations. The main areas are as following: supply chain management, sustainable assortment, and resource optimisation of products.

## SUPPLY CHAIN MANAGEMENT

The majority of our purchases derive from a small handful of trusted, long term suppliers in Asia and Denmark. We have chosen our suppliers carefully to ensure mutual respect and understanding of corporate social responsibility, - counting environment, climate and employees.

### Supplier Code of Conduct

We have established a Suppliers Code of Conduct for all our significant suppliers to sign. The expectation is that 95% of the entire purchases is covered by a signed Suppliers Code of Conduct in the end of 2017/2018. Additionally, this amount is expected to be increased to 99% in the end of 2018/2019, - measured upon the volume of the purchases.

In order to minimise the administrative pressure on our suppliers, we have decided to take advantages of the international standard - Sedex, as Supplier Code of Conduct. This standard is the continuation of the minimised pressure, since the requirements for our suppliers will merely be the most relevant in relation to their businesses.

In accordance with our Suppliers Code of Conduct, we expect common respect upon the employees of our suppliers based on the international conventions regarding working conditions. This includes absence of child, - and forced labour, access to trade-union and collective agreements, a healthy working environment with fair hours of work and payment.

### Environment and climate

PJ Production make considerable demands towards our suppliers regarding an environment and climate policy. They have to have an overview of all production activities concerning the environment and climate. Furthermore, our suppliers must have an organisation that works intensively with optimisation of the production activities affecting the environment and climate. Lastly, we require a documented reduction of our suppliers negative affect on the environment and climate, such as waste water, resource consumption, and energy consumption.

### Ethics and corruption

All our suppliers have to abide to all existing laws as well as not apply any kind of bribery or corruption. Our suppliers must have an anti-corruption policy including a responsible person to manage this area. We are aware of our commerces are subjected to ethics circumstances, since we are operating within the majority of the world.

As a part of our supply chain management, we are expecting that our suppliers have correspondingly requirements for their suppliers in order to maintain the financial profitability and the expected quality.



## YEARLY RESULTS (2017/2018)

FOCUS AREAS	GOAL	ACCOMPLISHMENT	RESULT
General	Environment and climate education to all employees.	Education within environment and climate	✓
Supply Chain Management	95% of our suppliers have signed SCoC All employees have human rights education	Our suppliers have signed SCoC All employees have human rights education	✓
Assortment	Apply for an EU eco-label	Apply for an EU eco-label Fulfil the environmental demands	Started
Resource optimisation	Established the assortments content	Contact our suppliers regarding components	Started

## OBJECTIVES (2018/2019)

FOCUS AREAS	GOAL	PLANNED ACCOMPLISHMENT
Supply Chain Management	Finalise the establishment of the content of PJ Productions assortment	Contact our suppliers regarding the content of the subcomponents to our assortment
Assortment	Find recyclable materials	Research regarding recyclable materials
Resource optimisation	Make a take-back system	Adjustments of our products Financial computation Implement structures

## SUSTAINABLE ASSORTMENT

In order to help our customers make sustainable choices, we aim to make our assortment more sustainable. We are consequently aware of making our assortment of office accessories more and more sustainable among the process.

### Coaching and education

Our employees are educated within our own environment and climate policy. We truly believes that involved employees are more engaged regarding our activities associated with environment and climate. It is important that our employees have experiences and knowledge within the company's strategically goals regarding environment and climates, which is the reason why we continuously educate and coach our employees.

### Resource optimisation of our assortment

We monitor our resource consumption in relation to our production in order to optimise our resources and goals hereof. We works determined with recycability and separation of waste in close collaboration with our suppliers existing policies through our Suppliers Code of Conduct.

### Take-back system

We are expecting to implement a take-back system, where our customers can redeliver products and/or subcomponents in order for us to fix or recycle the useful components.

During the process, we will be focusing on materials with the same quality, that can be recycled several times in order to minimise the waste during the segregation process.

### Establishment

Our goal is to establish the entire content of our assortment, which will be a long-lasting process. This process will be updated and researched yearly to ensure the financial profitability hereof.



# SUSTAINABLE OPERATION

All our core products are made from steel, and with suppliers in China and customers in Northern America and Australia, transport, climate, and pollution are important areas of sustainability for us.

## Transport

We are working responsibly with transportation on the basis of following three factors: traffic safety, environment, and climate, which is a part of our environment and climate policy.

We have during the previous year inspected the available data associated with our environmental, - and climate impact regarding the transportation of our goods. We have evaluated the emission of harmful particulates and co2-emission from cars. However, the data collection has been relatively challenging due to the availability.

Therefore, we have decided to change our objectives to find new suppliers closer to Denmark in order to minimise the co2-emission in relation to the transportation of our goods.

## Climate

In the course of the year we have developed a policy on climate in which we pledge to continuously monitor and reduce our impact on the climate.

We are currently focusing on minimising the waste, - especially energy, in order to minimise our co2-emission during the daily operations within the company.

Our electricity use is relatively low as we reside in newly constructed buildings. We have, moreover, changed all the light bulbs to LED and installed light sensors in all relevant rooms. We use natural gas to heat up our facilities.

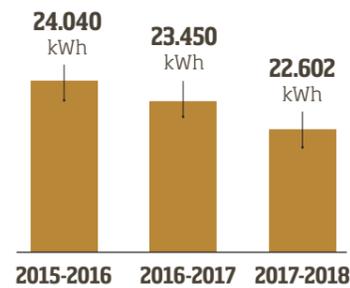
## Pollution

We are focusing on recyclability through segregation of waste in relation to our environment, - and climate policy to continuously improve our value chain.

We are receiving foam in relation to our delivered goods, which we reuse for our own deliveries in order to optimise the life time of the foam. Furthermore, by reusing the foam, we are minimising our purchases of new foam.

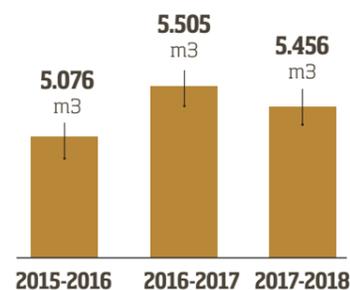
We have during the year passed through our segregation of waste in the production to optimise the processes. Currently, we are segregating wood, plastic, steel, metal scrap, and cardboard.

Furthermore, we have changed our packaging to brown cardboard boxes instead of bleached cardboard to minimise our pollution and to fulfil our own environment, - and climate policy.



ELECTRICITY CONSUMPTION

The electricity consumption follows the calendar year



HEAT CONSUMPTION

Heat consumption is from May-April



## YEARLY RESULTS (2017/2018)

FOCUS AREAS	GOAL	ACCOMPLISHMENT	RESULT
General	Environment and climate education	Environment and climate education	✓
Transport	Establish the transport	-	All available data gathered
Climate	Goal for own electricity consumption Goal for own heat consumption	Minimise the electricity consumption Minimise the heat consumption	✓
Pollution	Goal for own pollution	Goal for own pollution	✓

## OBJECTIVES (2018/2019)

FOCUS AREAS	GOAL	PLANNED ACCOMPLISHMENT
Transport	Find new suppliers closer to Denmark	Research to find new suppliers closer to Denmark
Climate	Control the emission	Minimise the electricity consumption Minimise the heat consumption

# GOOD WORKPLACE

At PJ Production we continuously focus on creating a good, healthy, and evolving workplace, in order to create financial and sustainable value for our customers, employees, and suppliers. We do this by focusing on security and health, anti-corruption, and diversity.

## SAFETY AND HEALTH

We want our employees to feel safe at work and we do this by ensuring a workplace without accidents and stress. This is reflected in our policies on employment rights and human rights. In order to minimise the minor injuries that do occur, we will initiate an inquiry into every work-related accident and sick day we have.

### Evaluation of the workplace

We are taking good care of the workplace and is continuously preventing work-related injuries that our employees might have. Additionally, this is the reason why we have received the Danish Working Environment Services' green smiley.



We have during the past year counted the amount of work-related accidents to minimise the minor accidents that do occur. We will the coming year implement a first aid course for all our employees.

### Types of personalities

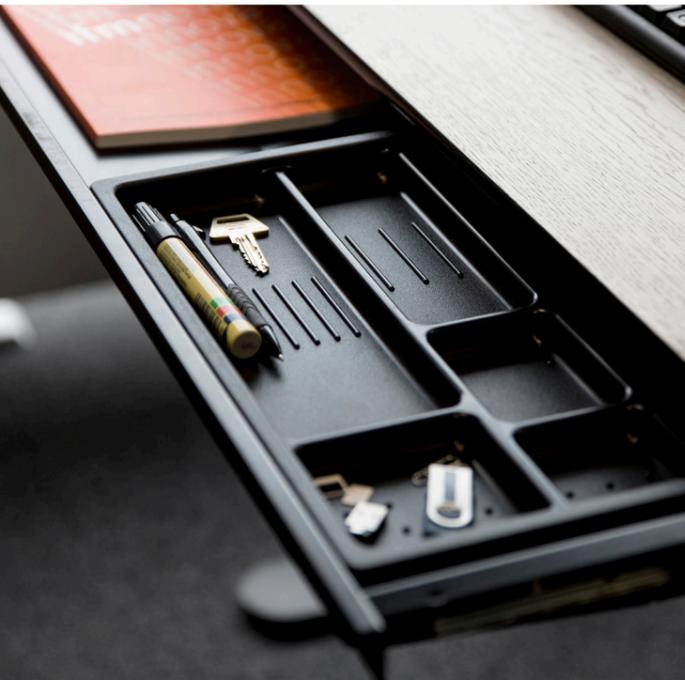
It is essential for an effective workplace to acknowledge the employees. We have participated in a seminar associated with personality types in order to understand and establish the individuals' competences. This thorough understanding of our employees strengths, challenges, and needs gives us a comprehension of a better work environment. We would like to send a positive signal to the external environment and tell that we are prioritising a good working environment for our employees.



## ANTI-CORRUPTION

Corruption is criminal and harmful for the community, and in order to fight corruption, PJ Production has developed an anti-corruption policy as well as incorporated anti-corruption into our Suppliers Code of Conduct.

Furthermore, we have during the last year coached our employees on a practical level to give them an insight into our anti-corruption policy. This is something that we intend to continue in the coming years.



## DIVERSITY

PJ Production aims to promote diversity in the workplace, within our own organisation as well as those of our suppliers. We support the importance of equal rights to employment, regardless of gender, ethnicity, religion, or disabilities and when needed, we create jobs on special terms.

We are fulfilling the international conventions in terms of diversity, but in addition to this, we want to have a transparent organisation with space for everybody unaffected by special terms and/or needs.

Currently, we became a member of the organisation Cabi, that is working with social responsibilities in terms of employment. We want to increase our diversity within work force through Cabi.



PJ Production will in the future be disposed for people that need help with working testing or a job with special terms. We are working in close collaboration with the local jobcenter in order to test people that not necessarily is ready for a full-time job. In 2017/2018 we have had one person on job testing at our production and one university student as trainee in our administration. We will during the coming years work intensively with helping people to get on the labour market.

### YEARLY RESULTS (2017/2018)

FOCUS AREAS	GOAL	ACCOMPLISHMENT	RESULT
Safety & health	Education for all our employees about their rights Overview of the amount of work-related injuries	Education to all our employees about their rights Count the amount of work-related injuries and sick days for our employees	✓
Anti-corruption	Anti-corruption education for all our employees at PJ Production	Learn about our anti-corruption policy	✓
Diversity	Contact the local jobcenter Become a member of CABI	Participate in a meeting with the jobcenter Sign up for CABI	✓

### OBJECTIVES (2018/2019)

FOCUS AREAS	GOAL	PLANNED ACCOMPLISHMENT
Safety & health	All employees must participate in a first aid course	Organise a first aid course
Diversity	One person in job testing through the local jobcenter One university student as a trainee	Enforce a procedure for a person in job testing Complete an internship

## COMPANY PROFILE

### ORGANISATION

> Name of the organisation	PJ Production ApS
> Website	www.pj-production.dk
> Headquarters	Haarup Skovvej 2, 8600 Silkeborg, Denmark
> Primary brands	PJ Production
> Ownership	33,33% Hagbard Holding ApS (owned 100% by Danny Jensen) 33,33% J.P. Holding Silkeborg ApS (owned 100% by Jens Pedersen) 33,33% Røge Blaabjerg ApS af 2011 (owned 100% by Jesper Blaabjerg)
> Amount of employees	9

### REPORT

> Period of the report	1/10 2017 - 30/9 2018
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### GOVERNANCE

> Contact person in relation to this report and CSR-oriented questions	Jesper Blaabjerg
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