

Our corporate social **Responsibility**

STARCO's CSR Policy, including statements regarding the Modern Slavery Act, anti-corruption and anti-bribery



Light
transportation



Industrial
vehicles



Groundcare &
utility vehicles



Tractors



Agricultural
implements



Trailers &
caravans



Specialised
vehicles

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Introduction

Ever since STARCO was established by the Ejlersgaard family in 1961, caring for each other has been a part of our DNA. We dare to care and act responsibly when it comes to human rights, employee wellbeing and the environment.

In our recently launched 2020 strategy, “One STARCO”, we state our ambition to be recognised as the preferred partner for clever wheel solutions by our target customers. By developing, manufacturing and delivering wheel and tyre solutions to eight different customer segments, we will grow our business profitably.

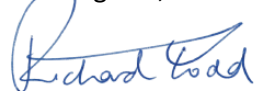
We are operating in various geographical, ethnical and economical environments globally and we value the diversity of the company culture and employees. We therefore focus on managing our facilities according to local regulations and values, whilst building up continuous improvement culture where every voice is heard and every employee can make a difference. It’s natural for us to strive for the highest standards and continuously improve.

During 2016, we went through tremendous changes –a major divestment, significant organisational alignment and a strategic shift. One evident change is the alignment of our business. It is a pleasure to see how we have come together as one team across borders and cultures. We simply stand stronger as “One STARCO”, which also counts when taking joint responsibility as a group and making a positive impact for our employees, our environment, our customers and other stakeholders.

This document presents our CSR Policy and various official statements. Enjoy!



Kind regards,

A handwritten signature in blue ink that reads "Richard Todd". The signature is fluid and cursive.

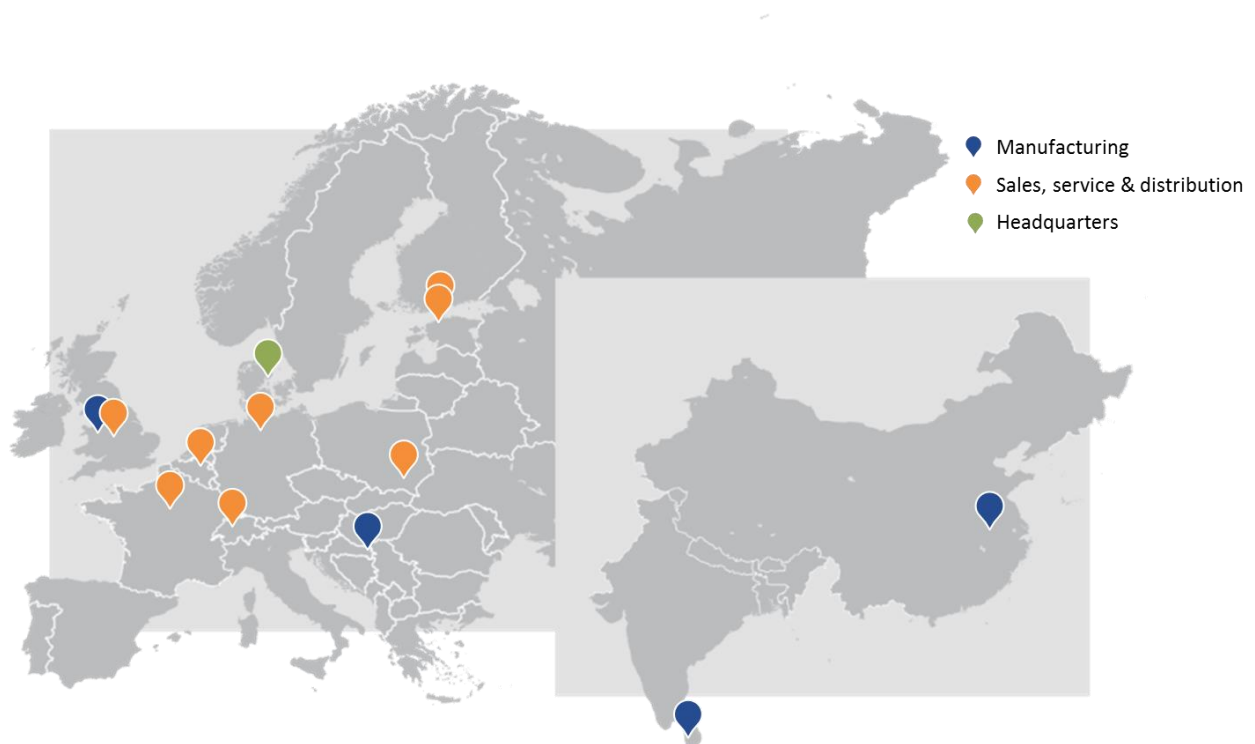
Richard Todd
Chief Executive Officer, STARCO Europe A/S

About STARCO

A strong partner for developing, manufacturing and delivering clever wheel and tyre solutions for various applications.

Family-owned STARCO has been a pioneering force in the wheel and tyre industry for more than 55 years. Today, 550 STARCONians make up a great team bound by a passion to develop, manufacture and deliver clever wheel solutions. STARCO's specialty is low- and high-volume standard and bespoke complete wheels for a wide range of applications – from the smallest wheelbarrow or trailer, to large agricultural or industrial machines and implements.

With factories in the UK, Croatia, Sri Lanka and China, as well as eight sales and distribution locations across Europe, STARCO has a widespread distribution network. STARCO had a turnover of 110 million EUR in 2016.



Learn more at starco.com

Our corporate social responsibility

Caring is part of our DNA. We take a stand when it comes to human rights, health and safety, corruption, slavery, bribery and our environment.

Human and labour rights

We consider basic human rights a fundamental value throughout the organisation and beyond, no matter where we operate geographically. Therefore, we will not accept forced or child labour. We stand for equality principles and we are against discrimination based on race, religion, gender or other principles. We recognise the rights of our employees to work reasonable working hours and receive appropriate remuneration for the work, holidays and other benefits in compliance with local requirements. All employees are allowed freedom of assembly and participation in workers' organisations.

Occupational Health and Safety (OHS)

We enforce the implementation of OHS policies and procedures to ensure a safe working environment for all our employees as a top priority. We provide personal protective equipment to employees where required, as well as striving to improve the safety of our employees through continuous improvement efforts and implementing preventive measures. We also support the implementation of employees' ideas related to the improvement of working conditions where applicable.

Anti-corruption and bribery

We have zero tolerance for corruption and bribery. We train our own employees to follow the guidelines stated in our "Anti-corruption Policies and Procedures" document. We also work with our external suppliers to use reasonable efforts and promote compliance with our anti-corruption policies internally and with their sub-suppliers.

Read more in [Appendix 1: STARCO's statement on the Anti-Corruption and Anti-Bribery Act](#) and about the Act here: legislation.gov.uk.

Slavery

We are committed to conforming to various local regulations that have a global impact. We have zero tolerance for slavery – please see our statement regarding the [Modern Slavery Act in Appendix 2](#). You can read more about the Act here: legislation.gov.uk.

Environment

We acknowledge the environmental footprint left by our business and we strive to reduce this impact through various initiatives. Conforming to local environmental regulations is a must in all our entities. We apply a lean approach in manufacturing and distribution sites to reduce the waste of, for instance, energy, materials and water. We also focus on maximising the use of recycled materials in our products to reduce the requirement for virgin materials.

Responsibility

We want to be seen as a responsible and long-term partner for our customers, suppliers and other stakeholders. We will continue to focus on social and environmental issues together with our employees and partners. We want to develop our business and people in a sustainable way that would benefit society and the environment in the long term.

We will seek partners who will adhere to the same ethical standards and values as us.

Appendix 1:

STARCO's statement on the Anti-Corruption and Anti-Bribery Act

Introduction

Integrity is a part of our values, which sets a high standard for all STARCO employees in terms of moral, ethical and honest attitude and behaviour. STARCO operates in a global environment where risks of corruption vary depending on the country and nature of business. Therefore, we work to implement a universal approach to fighting corruption inside the organisation, as well as in relationships between the organisation and external parties.

Our business

STARCO is involved in manufacturing, sourcing, assembling and distribution activities primarily in European and Asian countries. We operate our own factories in both developed and developing countries, and have supply sources located mainly in the Asian region.

We are fully committed to implementing the same CSR Policy and Anti-corruption and Anti-bribery principles throughout our organisation; furthermore, we are working with external suppliers to ensure that they are aligned with the same principles.

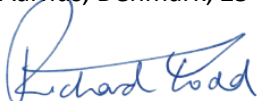
Policies and responsibilities

Internally, the responsibility of complying with the CSR Policy is held by top management and delegated further to middle and local management. We have an "open-door policy" throughout the organisation, where employees from all levels are able to raise their concerns and questions – both to local management and to executive management.

The corporate purchasing department and supply chain management are responsible for third-party compliance. Our supplier selection process includes a requirement to comply with STARCO's supplier Code of Conduct, which includes zero tolerance to corruption and bribery. It also urges suppliers to use reasonable efforts to promote compliance with the Code of Conduct amongst their own suppliers.

You can download and read our full CSR Policy at starco.com/CSR.

Aarhus, Denmark, 25 March 2017



Richard Todd, Chief Executive Officer, STARCO Europe A/S

Appendix 2:

STARCO's statement on Modern Slavery for the Fiscal Year 2016

This statement has been published in accordance with page 54 of the Modern Slavery Act 2015. This is the first statement and it highlights the current status and the steps taken by STARCO within the fiscal year 2016 (ending on 31 December 2016) to ensure that neither modern slavery nor human trafficking is taking place within our business or supply chain.

Introduction

As a global company, we acknowledge that various forms of human slavery may exist in all geographical areas where we operate, with some areas being at higher risk than others. We fully support the aim of the Modern Slavery Act. We are committed to operating free from human trafficking, slavery, child or forced labour and we have a zero tolerance approach towards any abuse of these principles in any part of the business.

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Due diligence and auditing suppliers and supply chain

We understand that our biggest exposure to Modern Slavery is in our product supply chain, which is outside of our direct control. Therefore, we are conducting various activities to ensure that our suppliers are compliant with the respective policies. As part of our supplier selection procedure, we conduct general factory audits, which include verifying compliance with STARCO's CSR Policy. We have a multi-point contact with key suppliers and we conduct audits or factory tours during the visits. Any concerns raised regarding potential CSR issues are addressed directly to the suppliers and corrective actions are requested. Any failure to ensure compliance with the policies may result in a termination of the business relationship.

Further actions taken to prevent Modern Slavery

Throughout 2015/2016, STARCO has taken various actions to verify internal compliance:

- ▶ Complete list of employees on the internal system, including the respective age of employees;
- ▶ Salaries and number of employees are reported to corporate finance every month for analysis;
- ▶ Salary slips are available to employees as per local regulations;
- ▶ CSR reports have been created for factories in Sri Lanka and China, based on the guidelines of IFU (Danish Investment Fund – a shareholder in our factories). As part of this report, we analysed the salary levels for our employees and concluded that they are above average in the respective industry and area.

Approval of this statement

This statement was approved by the Board of Directors on 24 March 2017.

Aarhus, Denmark, 25 March 2017



Richard Todd, Chief Executive Officer, STARCO Europe A/S



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