







Detention Equipment Company

2011 - 2012 Communications on Progress

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See who we are. See all we do.



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Dear Stakeholders:

Southern Folger Detention Equipment Company has recently joined the United Nations' Global Compact in 2011. We pledge our continued support of the Global Compact as expressed in the Ten Principles. These principles are a natural extension of our commitment to global corporate responsibility as written in our vision and mission statements: Southern Folger is committed to bringing quality solutions and products to the international security market while conducting our business with absolute integrity.

We value our people, who are the backbone of this company. We affirm our commitment to a diverse and fair workplace, giving respect and dignity to each individual.

We value the earth's resources and are committed to implementing environmental initiatives as outlined in our LEAN manufacturing processes to eliminate waste and in our environmental protection programs of recycling and use of energy-efficient and environmentally safe products.

We will strive to issue an annual statement from our management team to our employees and stakeholders to communicate our progress and actions in implementing the principles of the UN Global Compact.

Yours sincerely,

Donald G. Halloran

President





Human Rights

Southern Folger Detention Equipment Company supports and respects the protection of internationally proclaimed human rights. The Company does not participate or associate with any known forms of human rights abuse. The Company is proud of its reputation for quality products and equally proud of the achievements of its employees who have made this record possible. Employees are the company's most valuable resource.

Mission Statement

Our Company- Southern Folger is committed to setting the standard for quality solutions through the products and services we provide to the security industry.

Our Philosophy- It is our goal to achieve global market leadership, while conducting business with absolute integrity.

Our People- Our people are the backbone of our company, many with twenty, thirty and even forty years of experience in our industry. We are committed to continuous improvement, safety and employee development.

Equal Employment Opportunity and Affirmative Action Statement

Southern Folger Detention Equipment Company is firmly committed to treating employees and applicants for employment according to their experience, talent, and qualifications for the job, without regard to their race, creed, color, national origin, sex, age, or disability. Our Equal Employment Opportunity Policy covers all employment decisions including but not limited to recruitment, hiring, and advancement opportunities.

It is also the policy of Southern Folger to take affirmative action to employ and to advance in employment, all persons regardless of their status as qualified individuals with disabilities or qualified protected veterans, and to base all employment decisions only on valid job requirements without discriminating.

Equal Employment Opportunity – Measurement of Outcome

In the past year, the Company did not have any lawsuits based on race, creed, color, national origin, sex, age, disability, or any forms of harassment.

Affirmative Action Plan – Measurement of Outcome

In the past year, the Company's outreach recruitment efforts included using its statewide recruitment database for job postings, which gives veterans first priority to apply for open positions with the Company. Also, by hosting an onsite job fair, the

Company offered employment opportunities to its local community. We will continue these and other outreach initiatives based on the Company's future recruiting needs.

Monitoring and Evaluation

In order to ensure continued dissemination and implementation of equal employment opportunity and affirmative action throughout all levels of the company, the Human Resources Manager is the Equal Employment Opportunity Manager for the Company.

Community Initiatives

Southern Folger Detention Equipment Company's charitable initiative to give back to its community in the past year was steered by a Charity Committee, which consists of employees from all levels of the organization. Each year the Charity Committee is tasked with recommending and executing the Company's charitable initiative to give back to its community. In the past year, the Company selected to give back to its community by selecting The Presa Community Center. The Presa Community Center improves lives by providing access to needed resources and tools for social and personal transformation.

Employee charitable initiatives to the Presa Community Center focused on empowering children academically and providing financial assistance for families through employee-sponsored activities.



<u>Labour</u>

Southern Folger complies with relevant federal, state, and local laws and regulations, including those related to contracting with the U.S. Government.

We will share our Labour Communication On Progress in the upcoming year.

Environment

Southern Folger endorses the belief that we have a two-fold responsibility to protect our environment, promote sustainable business practices and day-to-day wellness.

In our educational mission, SFDEC strives to:

- Create a sense of responsibility to our resources and community
- Ensure that members, leadership, and staff are aware of environmental issues that impact our business and mission
- Recognize corporate partners who use environmentally-balanced practices

Southern Folger's daily business operations include:

- Utilize available recycling opportunities
- Conserve natural resources and support their sustainable use by taking positive steps toward upgrading environmental systems
- Reduce use of toxic substances and the generation of wastes and promote strategies to reuse and recycle those wastes that cannot be avoided
- Purchase renewable, reusable, recyclable and recycled materials
- Recycle meeting-related items when appropriate (signage, badge holders, binders, folders etc)
- Replace all cleaning chemicals with biodegradable products
- Replace one-time use cups with water bottles
- Transition to electronic format for documents whenever possible
- Reduce ambient lighting in the summer when the office receives direct sunlight
- Motion sensitive lighting throughout our office and warehouse space to reduce energy costs
- Building management system which centrally controls heating and air handling

Measurement of Outcome

- First in the United States to complete the Lean, Clean, Energy Program
- Participation in local City Public Service, San Antonio, Texas' large lighting rebate program

- Replaced 2,722 lights, Total Reduced Watts 106400.0, Total KW reduced 106.4
- Recycling of office paper, cardboard, and wood pallets

In 2012, Southern Folger will track cardboard, paper and process wastewater recycling to show the value of the Recycling Program and the merits of recycling.







Monitoring and Evaluation

The Safety Director is responsible for ensuring continued environmental awareness and protection at all levels of the company.

Anti-Corruption

Integrity and ethics require hard work, dedication, courage, and difficult choices. Employees must always observe the highest standards of integrity and ethics in the course of their employment with our company, and be personally responsible and accountable for their actions.

We will share our Anti-Corruption Communication On Progress in the upcoming year.