

Wernerfelt

COP 2017-2018



Statement of continued support by the chief executive officer

To our stakeholders

I am pleased to confirm that Wernerfelt A/S reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

During 2017-2018, Wernerfelt has continued to integrate the Global Compact ten principles in our daily operations both in our internal operations and our supply chain. We are supporting the United Nations sustainable development goals directly and indirectly through our Global compact and are addressing the social and environmental impacts of our supply chain where most of the related impacts occur.

In the coming year we will continue to work with the ten principles throughout our value chain.

Sincerely yours

Lars Lauridsen
Managing Director

CSR work at Wernerfelt

Sustainability at Wernerfelt means doing business responsibly, maximizing resource efficiency whilst supporting social wellbeing through collaboration with partners in our value chain.

The Global Compact 10 principles form the basis of our CSR work whilst contributing to advance the UN Sustainable Development Goals below:

SDG 3 Good health and well-being:

SDG 5 Gender equality

SDG 8 Decent work and economic growth

SDG 12 Responsible consumption and production

SDG 13 Climate action

Regarding Human Rights, Labour and anti-corruption

Principles

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2: Make sure that they are not complicit in human rights abuses

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Principle 6: The elimination of discrimination in respect of employment and occupation.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Policy, goals and assessment

Wernerfelt's human rights and policies state that compliance with the universal declaration of human rights is a must throughout all of our operations.

Our goal is to provide a pleasant work environment and proper work conditions, which take into account both the physical and psychological needs of our employees.

We expect that our suppliers work with labour issues as specified in our code of conduct. We expect as a minimum that they uphold the country's rules and legislation covering labour issues.

Our anti-corruption policy is very clear that corruption in all its forms including extortion and bribery is not tolerated.

We make it also clear that we will not trade with suppliers that break the corruption principles and with any suppliers that do not comply with the universal declaration of human rights.

Assessment and Implementation

For new suppliers we assess them through various initiatives depending on the country and the risk attached. We use various tools including the "suppliers human rights and anti-corruption" questionnaire we have prepared. The questionnaire is sent to suppliers and it must be filled in and signed. We discuss human rights and anti-corruption issues and go through our questionnaire with them so that we are sure that they understand it before signing compliance.

We also inform our suppliers of the articles included in the universal declaration of human rights and the core conventions of the ILO concerning the rights of workers and children.

Our assessment procedure is shown diagrammatically below



For established suppliers, our assessment is basically done through our periodic visits where we go through human rights, labour and anti-corruption issues as part of the agenda.

Part of our implementation procedure is a yearly evaluation of our supplier's situation regarding human rights, labour and anti-corruption and according to the results, we revert with input in any areas that we deem to be unacceptable.

We continue to ask our suppliers to undergo a third-party audit that includes human rights, labour and anti-corruption issues.

Business partners and our employees are informed of the importance of Wernefelt's stand on Human rights, labour and anti-corruption. Moreover, all elements of Wernefelt's activities are completely transparent which reduces the element of corruption greatly.

We have also developed rules regarding gifts and responsible business behaviour.

We inform our employees and our business partners of their rights and have a procedure in place to handle any grievances and or input.

In Denmark, Wernerfelt conducts a yearly work environment evaluation and prepares an annual report upon which the responsible persons together with management draft the measures needed for the following year in order to improve the working environment both physically and psychologically.

Measurement of outcomes

Specific work outcomes in the areas of Human rights, Labour and anti-corruption include:

1. Regular discussions with our business partners and our employees regarding Human rights and Anti-corruption.
2. Updating regularly of compliance documentation regarding the UNGC 10 principles from third party accredited standards, certifications, tests and audits.
3. There have not been any reports of any human rights or anti-corruption violations
4. Third party audits have not pointed out any crucial violations and our suppliers are working with the improvements needed as pointed by the various audits.
5. We have introduced many different measures throughout our offices and storage facilities, such ergonomic desks and chairs, machines for lifting, flexible time schedules and facilities for relaxing and eating.
6. All our staff participate in various courses and this last period they have undergone a course on first aid

Our APV – Work environment evaluation yearly report provides us with input that is essential to our work regarding our work environment.

For a number of suppliers relating to 11 of our qualities, Human rights, labour and anti-corruption issues are also dealt with through our EU ecolabel licence which sets ethical requirements covering the basic principles and rights relating to working conditions such as the ILO's core conventions

We continue to hold a short meeting every morning where employees have the opportunity to discuss all relevant topics freely as well as management meetings with each employee at least once a year to discuss various workers conditions including salary negotiation.

Locally, Wernerfelt is actively engaged in the local community by supporting the handicap sport association, by cooperating to provide practical experience for unemployed people and by providing various textiles to a project involving school children that learn sewing. In this last period, we have cooperated with the unemployment agency and have helped a young unemployed person to start working with us.

A number of our suppliers are holding various certifications, standards and audit results such as SA 8000, BSCI audits and work environment system OHSAS 8001. All of our suppliers are working with improvements needed.

Regarding Environment

Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Policy and goals

The overall aim is to reduce environmental damage resulting from our operations. This includes our internal operations that are mainly administrative as well as our supply chain, which includes the production of raw materials and fabrics.

The requirement that all suppliers must adhere to laws and regulations as a minimum if they wish to do business with Wernerfelt, is stated in our responsible buying policy. It also describes Wernerfelt's specific requirements and expectations above regulations

Assessment and Implementation

Environmental issues concerning the production of raw materials, chemicals and processes, packaging, transport and minimisation of related impacts are discussed during our regular visits to our suppliers.

Suppliers are asked to read our environmental requirements that cover issues such as chemical use, wastewater treatment as well as other areas of concern and consequently answer our questionnaire.

Our basic environmental requirement is that all our suppliers must comply to applicable laws and regulations, but we try to encourage suppliers to go beyond and tackle identified environmental impacts and use credible third party certifications. We inform our suppliers about the benefits of third party certifications such as the marketing possibilities. We also continue to inform our suppliers of legal compliance EU and Danish legislation regarding prohibited substances, heavy metals and so on.

Regarding environmental issues at our premises, we monitor the market for innovative sustainable solutions suited to our operations and consider options that can save energy, waste and reduce environmental impacts in packaging and transport.

Measurement of outcomes

Internally: We have procedures in place for waste. We are monitoring the market and implementing energy efficiency solutions for our heat and light supply such as LEDs as well as Ecolabel product use.

In this last period, we have started a waste recycling system where we sort all types of waste separately so that it can be processed in the communal recycling centre.

Supply chain: We monitor, evaluate and update the environmental performance of our suppliers on a regular basis.

Products: We are continuing to hold a licence for the EU Ecolabel for 11 of our qualities.

This means that these 11 qualities adhere to strict criteria throughout the life cycle of the products.

Regarding our products, criteria are set for:

- a) Textile fibres (Cotton and polyester fibres) that address soil, air and water emissions
- b) Chemicals and process criteria that address:
 - Hazardous substances and substances of very high concern in the various processes such as dyeing and finishing
 - Energy efficiency in washing, dyeing and curing
 - Waste water discharges
 - Emissions to air from finishing
- c) Fitness for use criteria that address dimensional changes, colour fastness to light, rubbing etc. wash resistance , fabric resistance to pilling and abrasion and durability of function
- d) CSR criteria covering the fundamental principles and rights at work

Communication

It is important for us that our business partners are aware of our policies, our initiatives and our way of working. We are of "the old school" and prefer to communicate our CSR work directly to our business partners. We therefore use time in scheduled one-to-one meetings where we cover CSR issues. All our business partners are well aware of our CSR strategies and goals and the associated environmental and financial benefits.

We also use our web site to inform generally of our CSR work.