

Statement of support

Borch Textile Group has been a member of Global Compact since 2008 and our support is unchanged. Borch Textile Group is dedicated to fulfil the intentions of the 10 principles outlined by the UN in the Global Compact Initiative.

Through this concept we are committed to respect fundamental human rights and basic workers rights and to implement these principles in our company. At the same time we try to influence our suppliers and business partners to live up to the same within their suppliers.

We have established a CSR-programme in our supplychain and our commitment to help people employed by our suppliers is grounded in our conviction that all businesses must be sound and sustainable.

Likewise we believe we can influence our suppliers always to take a precautionary approach to environmental challenges and always choose an environmental friendly method. We are proud to make our modest contribution to a cleaner planet.

We will extend measurement of our performance within the ten principles in Global Compact year by year.

This COP-report will be available through the UN Global Compact homepage. www.unglobalcompact.org

Date:

18-05-2011

Signature:



Ulrich Mosegaard, CEO



Global Compact

Annual Communication on Progress 2010

Company data :

Company name	Borch Textile Group A/S	Date	18-05-2011
Unit (if applicable)			
Address	Strudsbergsvej 4 4200 Slagelse S	Membership date	18-08-2008
Country	Denmark	Number of employees	35
Contact name	Michael Mosegaard	Sector	Textile & Clothing
Contact position	Director		
Contact telephone	+ 45 5852 4550		

Brief description of nature of business

Borch Textile Group A/S is a family owned business selling textile products for the healthcare industry and the hotel & restaurant industry. The company was founded in 1947 and aquired in 1972 by Niels Mosegaard, who is still the chairman of the board. To day the company is operated by the two brothers Ulrich and Michael Mosegaard. It is an international company situated in Slagelse with production in EU, Turkey, USA, Vietnam, Malaysia, China and Pakistan.

The company has tree strong daughter companies, Borch Textile Group, Almedahls Alingsås, Sweden and Sølvberg Tekstil, Norway, and is exporting to 10 countries primarily in Europe. All supply chain initiatives decribed in this rapport includes suppliers to the mother company and the two daughter companies. However this year the rapport does not include local efforts in the daughter companies in Sweden and Norway.

The company's mission is to be a trendsetting Scandinavian textile corporation within the range of textile products for the healthcare and hotel & restaurant industry. Our focus is on product innovation and consumer comfort.

Human Rights

Principle 1	Business should support and respect the protection of internationally proclaimed human rights
Principle 2	Make sure that they are not complicit in human rights abuses

Our commitment or policy

Borch Textile Group has always been adresssing environmental issues in the production but in 2008 we decided to work on CSR in a more strategic way.

We are committed to uphold human rights principles, and as a consequence of our strategic work we formulated clear sustainability policies and a responsible supplier programme.

According to our policy the company and all suppliers to Borch Textile Group must always respect the protection of internationally proclaimed human rights. It is also an obligation for us and our suppliers

always to comply with all national laws relevant to human rights issues.

Our CSR-policy is covering all human rights issues, however until now we have mainly focused on working hours, compensation and OHS (occupational health and safety).

We mainly operate in long terms relationships with a group of core suppliers with whom we have been doing business with for a long time. It is our belief that we can influence our core suppliers by upholding a constant pressure on information and documentation for decent working conditions every where our company is represented.

A brief description of our processes or systems

Our policies and our in-house procedures for hiring new employees, for running the company and in a situation of dismissal will ensure us against discrimination or other human rights abuses.

In Denmark we observe the Danish legislation, which does not allow any discrimination what so ever. All terms of employment are established by individual workers contracts according to Danish legislation. Our code of conduct, our internal procedures and our in-house awareness of worker interests will prevent us from committing human rights offences.

Suppliers

We have established a CSR-programme for suppliers in risk countries, where 65% of our production takes place. The programme includes several working tools such as a selfassessment template, Code of Conduct, and a questionnaire to the Code of Conduct.

Finally we categorise all suppliers once a year according to clear terms from A-E, and we only accept new suppliers, who can live up to criteria B.

Practical actions implemented in the last year / planned for next year

Suppliers

We have incorporated our CSR-policies in our code of conduct and we have the Borch Group trade terms signed by all suppliers implementing our code of conduct and our restricted chemicals list as a legal binding condition.

According to our CSR-programme we provide all our core suppliers with a selfassessment tool corresponding to our Code of Conduct to help them identify the weak areas to work on and to prepare for audit.

We have given all suppliers a deadline to correct the findings from their selfassessment. We will encourage suppliers to organize local training and to have a pre-audit done in order to have a formal corrective action plan (CAP) to work from.

Measurable results or outcomes

We have raised awareness about CSR issues in our headquarters and especially about labour rights and environmental standards.

Suppliers

We have raised awareness about CSR issues in our supply chain in general and especially at all our main suppliers in risk countries. In risk countries our production is placed mainly at category A suppliers and at the moment we only have A-suppliers.

Labour

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

Our commitment or policy

Borch Textile Group supports the fundamental labour principles in Denmark and abroad. We do our utmost to influence our suppliers to have the same attitude.

We support the principles of freedom of association and the right to collective bargaining. We are a member of the Danish Federation of Textile & Clothing (DM&T) and we respect the collective agreement system as a supplement to danish labour legislation in our area of business. It is system of collective negotiation between employer and employee, called the « danish model » resulting in a collective agreement in line with legislation.

We also support the UN global work to eliminate all forms of forced and compulsory labour and the extortion of child labour and any discrimination of employment.

According to our Code of Conduct all suppliers must comply with both national legislation and the more specific rules in our Code of Conduct.

It is a core value to us that all employees in Denmark and every where our products are produced are treated with respect and dignity. We do not tolerate child labour as defined in the ILO conventions under the age of 15 years (14) or the local defined school age. Borch Textile Group recommends suppliers to treat young workers between 15-18 (in some countries from 14-18) as a vulnerable group, that should be given appropriate jobs only and never be engaged with dangerous work.

If a child is ever revealed in the production we insists, that a plan should be made in order for the child to go back to school and at the same time compensation should be given to the family by offering an other family member a job.

It is a rule in our Code of Conduct, that no worker must be subject to discrimination due to race, religion, age, national origin, sexual orientation or gender. No female workers should be discriminated for any reason what so ever and no pregnancy test are allowed. HIV/aids tests are not allowed either.

A brief description of our processes or systems

In our headquarters in Denmark we follow the danish legislation on labour rights. All employees are allowed to organize in unions as we respect freedom of association and the right to collective bargaining. Borch Textile Group follows the collective agreements for the different types of staff according to Danish tradition. We have a detailed staff handbook with supplementary rules.

According to the Danish Health and Safety Work Act, our health and safety work includes representatives from the workers and from the management group. Our occupational and safety work is well organised and functions successfully according to the intentions of the law. We keep record of meetings and relevant decisions. We have made the compulsory APV assessments for all workplaces and we are keeping records of any accidents what so ever.

We do not have any risk of workrelated accidents since our production takes place abroad. We discuss any potential work related issues in the group.

We have a very family friendly working environment where every worker can choose to take part in a flexible time system instead of fixed working hours. We have a system where overtime is always voluntary and we do not pay a premium for overtime hours, because the employees want to save up hours and have some hours or days off for personal reasons on an individual basis. We try to meet the wishes from our employees as much as running the company allows us.

We are paying our workers above average for similar jobs in the industry.

We have 5 weeks of vacation and paid sick leave. We are in compliance with Danish legislation and collective agreements in our area. Every employee has all together 5 weeks plus extra 5 personal holidays every year plus all public holidays.

According to the relevant collective agreement the employees have a private pension. Half is paid by us and the other half is paid by the employee. The amount is deducted from the salary and paid directly to the insurance company. We also have an employer-paid health insurance.

All employees are encouraged to take education within their area of responsibility. The company provides everyone with a private illness insurance and coffee, tea and fresh fruit for free besides free breakfast every Friday. As a benefit all employees can buy the company products at very favorable prices.

We strive to give both men and women equal opportunities and we encourage both genders to join relevant training programmes within their area of responsibility.

Our suppliers

Our policies and positions are transferred into concrete rules in our supplier Code of Conduct. The Code of Conduct includes the 10 principles in the UN Global Compact initiative including the most important Labour Rights and conventions.

According to our Code of Conduct it is a general rule that no worker must work more than 48 hours + 12 overtime hours and never on a regular basis. Compensation must always be paid according to a premium rate according to local legislation and all workers must have one day off after 6 days of continuous work.

The occupational health and safety work with our suppliers is of most importance to us and we hold - as a minimum - a legal framework in the national laws in our production countries.

Practical actions implemented in the last year / planned for next year

We are continuously working to improve our working environment, according to the Danish legislation and we will assess any labour related risk of accidents professionally.

We will allocate a responsible person and set-up a few relevant key points on specific areas within labour rights in our head office in Slagelse and at our main suppliers in order to be able to measure our efforts year by year.

We strive to give both men and women equal opportunities, however our management group has no women represented for the time being.

Suppliers

We have established a CSR-programme for suppliers in risk countries, where 65% of our production takes place. The programme includes several supplier tools as mentioned earlier.

According to our CSR-programme all our main suppliers will have to issue self-assessment templates to help them identify if they have any weak areas to work on within labour rights.

We have taken steps to prepare our main suppliers for our next step which is external audits for selected main suppliers. However we will give our suppliers at least one year to implement the findings from their self-assessment. We will encourage suppliers to have local training and to have a pre-audit done in order to obtain a corrective action plan (CAP) to work from.

Finally we will develop a simple site inspection tool for our in-house staff to be used, when visiting a factory. At the same time we always check that all aisles and runways are free from any obstructing objects and we ask to see documentation that first aid courses and fire drills have been held on regular intervals.

Measurable results or outcomes

We have raised awareness about CSR issues in our headquarters as and especially about human rights and labour rights at all our main suppliers. Without measuring our efforts we have no doubt that our initiatives beyond our legislative obligations have strengthened the loyalty and enthusiasm amongst our staff. Our occupational health and safety work is well functioned.

Suppliers

We have raised awareness about CSR issues in our supplychain in general and especially about human rights and labour rights at all our main suppliers in risk countries.

Some suppliers will be ready to have audits done very soon and others will have to wait another 2-3 years. We are confident that our relationship with these suppliers has grown stronger due to the CSR process they undergo because of our commitment.

In risk countries our production is placed mainly at category A suppliers. All new suppliers must be able to meet the criteria as in category B. We have started an in-house monitoring process of the biggest suppliers.

Environment

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

Our commitment or policy

Borch Textile Group holds the position that business should support a precautionary approach to environmental challenges in the society. We assess the impact of our operations worldwide. We are compliant with environmental legislation in Denmark and expect our suppliers to comply with their national legislation too.

We are also committed that clothes must not be made under circumstances that harm the environment. We do our utmost to influence our suppliers with a precautionary approach to environmental challenges in their local neighbourhood.

In our headquarters in Denmark we have a clear policy on focussing on resources spent in the organisation. It goes from water consumption, electricity, paper, food and other necessary things. We have an environmental policy never to fly goods to Denmark from our production countries unless it is absolutely necessary. We want to reduce the CO2 emission from transport.

It is our policy to use Oeko-tex 100 labelled or EU-flower labelled fabric as much as possible. We are very much aware, that our clothes must not contain unhealthy or harmful dyes or chemicals.

A brief description of our processes or systems

Our environment efforts are as follows:

- Focusing on environmental impact from running our headquarters

- Waste management system in headquarters
- Focussing on EU-flower or Oeko-tex 100 labelled fabric with defined goals.
- Restricted chemicals programme for all suppliers defined according to the Oeko-Tex 100 limit values

In headquarters

We have implemented a simple waste management system with focus on reduction of resources and recycling of all materials. Due to Danish legislation we recycle glass, paper, environmental harmful waste and sort our daily waste as much as possible.

Suppliers

We have raised awareness about the environmental impact from running a production and implement our positions to our suppliers. We are especially keen on asking if they have noticed if decent water cleaning facilities in the dyehouses exists also at their sub-suppliers premises.

Our restricted chemicals programme is a part of our Trade Terms and must be signed by all suppliers once a year. When ever we visit our suppliers, we make sure, that they ask for the similar commitment from their sub-suppliers. We ask suppliers to check carefully their sub-suppliers, especially the dyehouses, where the biggest harm to the nature can occur.

Practical actions implemented in the last year / planned for next year

In the coming years we will allocate a responsible person to measure our efforts on various relevant areas within our internal and external environmental impact. We will set up goals and in-house accounting points, and we will limit our resources to areas where we can have an considerable impact.

We are in the process of picking out the right areas for our company to define goals and to built up the relevant organisation and to point out a responsible person for our environmental work.

Since we have no production in Denmark our environmental impact is relatively limited. However we can always find room for improvement in different areas and raise awareness to our employees about the importance of contributing to a clean environment.

Measurable results or outcomes

We have successfully raised awareness that the environmental issues are of most importance to European customers. We measure our total consumption of electricity, water, central heating and consume in general and we will focus on setting goals.

We have signed commitments to our restricted chemicals programme from all suppliers and all our core suppliers have obtained a higher awareness on environmental challenges.

We monitor all environmental issues when we visit our factories.

Our effort on restricted chemicals has contributed to a general higher awareness of avoiding harmful chemicals in our clothes.

Today 90 % of all fabric we use is Oeko-Tex 100 labelled. Besides we have decided that the limit values in Oeko-tex 100 shall form the general standard for our restricted chemical programme, also when our clothes is not labelled with Oeko-Tex 100.

The european environmental label, the EU-flower, is on 30 % of all the fabric we buy or used in our clothing.

Anti-Corruption

Principle 10 Business should work against all forms of corruption, including extortion and bribery

Our commitment or policy

We strongly refrain from all forms of corruption, including extortion and bribery.

It is our policy that bribery must not be offered, promised, used, accepted, demanded or contributed from. We strongly support the work done by UN and other international organisations against corruption since we very much denounce this phenomenon.

A brief description of our processes or systems

Our mothercompany and daughters are situated in Scandinavien, which is regarded as one of the least corrupted areas in the world. Corruption is forbidden and does almost never take place. We have no internal procedures to disclose or to monitor corruption on a daily basis because it is hardly relevant for us since we never had a case of bribery.

We try to influence our suppliers, that corruption is very wrong and that they should refrain from using bribery in any situation what so ever. However we are aware of the demand for small facility payments in various countries due to cultural reasons. We have informed our suppliers that corruption is a key issue for us and that we might carry out unannounced inspections to disclose bribery if we have any such indications what so ever.

Practical actions implemented in the last year / planned for next year

We will include a anti-bribery clause in our staff handbook that forbids all employees to receive any gifts from customers, suppliers or other company relations to a value of more than 50 dollars.

We encourage our suppliers to set up anonymous suggestion boxes in the factories. Employees should be comfortable in having a safe place to bring forward their assumptions.

Measurable results or outcomes

Until now we have never bin involved in any legal cases regarding corruption and thus we have no measurements of our focussing on bribery and anti-corruption in our headquarters. We are comfortable that we comply with all relevant legislation in Denmark regarding corruption and bribery. We have raised awareness about bribery and anti-corruption at our suppliers.

How do you intend to make this COP available to your stakeholders?

Since Borch Textile Group is a 100% family owned company we keep our dialog with stakeholders on a relatively low level. This Communication on Progress report (COP) will be made available through the UN Global Compact homepage. www.unglobalcompact.org. We will also make it available to our boardmembers and to all our employees at our monthly meetings with the staff.