

# Oriental CSR Report 2011



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**ORIENTAL**

# Foreword



We are happy to present our CSR report for 2011. It presents an overview of how we have worked to ensure that we have a positive impact on the world around us and live up to our corporate social responsibility working in a developing country. Responsible behavior is one of the key values of Oriental.

On a global level we work to support the principles of the United Nations' Global Compact. On a European level we work with the common standards defined by BSCI. On a local level we work with Chinese suppliers to make a difference.

We remain committed supporters of the principles listed in the United Nations' Global Compact. This covers a number of issues from combating corruption to ensuring social fairness when doing business. We are proud to share these goals with business, governments, civil society and the United Nations.

As a member of BSCI we are committed to ensuring that more and more of our suppliers are able to live up to the very detailed standards defining how to ensure workers fair treatment and how to document that all activities are following national and international regulations.

Our commitment to support the principles of United Nations' Global Compact and the standards defined by BSCI is primarily visible in our daily interaction with our suppliers where we prioritize to allocate the resources needed to continually push for improvements among our suppliers and to provide them with the needed support for this endeavor.

Oriental is committed to make a positive impact on the society around us and continues to prioritizing business partners sharing the same vision.

**Manager Director of Oriental China & Great Garment  
Henrik Poulsen**

## **CONTENTS**

◆ About Oriental .....	4
◆ CSR structure .....	5
◆ Supporting our suppliers.....	8
◆ Chemical Testing.....	9
◆ Environment.....	11
◆ CSR plans for year 2012.....	12



# About Oriental

Oriental is a Danish garment company that for more than 17 years has assisted retail customers in Europe, North America and Australia in getting their latest fashion collection produced in China and India.

In year 2011, we opened our own factory Great Garment Co., Ltd. This is the first time we have our own production facility. Through the factory, we have more focus on fulfilling the social responsibility and better controlling the environment.

We have our own design to continually inspire our customers with new designs following the upcoming fashion trends that will impact the market. They also work closely together with our customers to make their designs come to life.

Our garment technicians ensure that practical and cost efficient techniques are used when the designs are being transformed into marketable garments. They also help our own factory and suppliers to achieve best fitting for the products.

Our merchandisers ensures that all orders are progressing as expected and that customers' are assisted during the development process. They also making sure that the cooperation with our supplier factories is running smoothly.

The entire production process is monitored by our quality team that is present during production of our garments and who sign off all goods before they are handed over to the forwarder arranged by our shipping department.

Our focus is on creating maximum value for our customers and treating every customer individually. The longer we work together with a customer the better we are able to tailor our services to that specific customers' needs in terms of both design preferences and preferred procedures.

We believe in the value of high business ethics which is our guiding principle for relations with both customers and suppliers.

Our main offices are in Denmark ([Hoerning](#) near Aarhus) and in China ([Suzhou](#) near Shanghai).

## Mission

We make our customers more competitive on their respective markets.

We do this through cost effective production options combined with value adding know-how and customer specific services.

## Values

### Cornerstones for Our Business

Our core values impact all activities in Oriental and define the way we do business.

These values are the foundation for our strategic development, our daily decision Making process as well as our interaction with employees, business partners and the Wider society.

Our 3 core values are:

- ◆ Honesty
- ◆ Responsibility
- ◆ Continued improvement

Our Corporate Social Responsibility activities are examples of how we aim to impact the world around us in a positively way through our values.

# CSR Structure

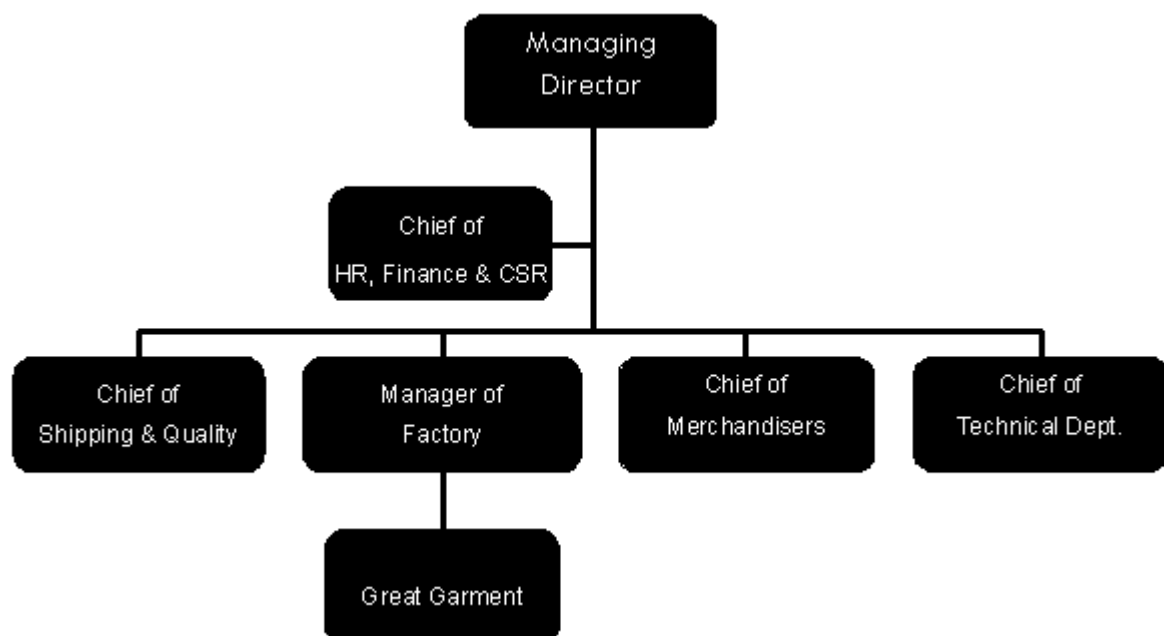
Our office in Suzhou (China) is our operational headquarters where we manage our supply chain throughout China and India. It is on this basis that we also manage all CSR activities from here.

This year we have realigned our organizational structure in order to strengthen the CSR focus and activities.

One of the changes has been to put CSR activities together with HR and Finance so all now are under the same management. The CSR Manager is referring directly to the Managing Director in order to strengthen the position and ensure coordination with other business activities. The CSR manager is supported by Chinese staff that inspects factories, conduct initial audits and advice factories on how to improve various standards in the most practical way.

Another change is that we now have a Production Manager. The Production Manager is responsible for all the production and daily events of our own production factory Great Garment Co., Ltd, and the Production Manager also focuses on the CSR part of the factory.

External auditing is carried out by Intertek (ITS) and SGS.



## **International CSR Framework**

In order to maximize the impact of our initiatives within CSR, we have joined a European and a global framework. This allows us to combine our company values with a structured and cooperative approach in line with well-described international standards.

### **The Business Social Compliance Initiative (BSCI)**

As a member of the European organization [BSCI](http://www.bsci-eu.org) we are dedicated to constantly work to improve social compliance in our supply chain. This is supported by a comprehensive monitoring and qualification system covering a wide range of elements in line with international standards for social corporate responsibility.

We have committed us to make sure that 75% of our suppliers/volume are audited by third party within 2015.

We have added 3 suppliers which already passed BSCI, one jeans supplier, one jacket supplier and one woven supplier in India. And at the same time we are assisting 3 additional suppliers in following and documenting the BSCI requirements.

In 2012 we opened our own factory Great Garment, and the plan is to pass BSCI in 2012.

All Oriental suppliers and our own factory have to follow the Code of Conduct developed by BSCI and our supplier manual.



Learn more about BSCI at  
[www.bsci-eu.com](http://www.bsci-eu.com)

## **United Nations' Global Compact**

Oriental also participates in the Danish network of Global Compact Companies.

As a participant of United Nations' Global Compact we fully respect the Ten Principles relating to central issues like human rights, employees' rights, respect of the environment and work for counter corruption.

Corporate Social Responsibility is a global issue that needs a joined global effort in order to involve all related parties. Oriental wishes to be a part of this global effort.



Learn more about Global Compact at  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

- Principle 01: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 02: Make sure that they are not complicit in human rights abuses.
- Principle 03: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 04: The elimination of all forms of forced and compulsory.
- Principle 05: The effective abolition of child labor.
- Principle 06: The elimination of discrimination in respect of employment and occupation.
- Principle 07: Businesses should support a precautionary approach to environmental challenges.
- Principle 08: Undertake initiatives to promote greater environmental responsibility.
- Principle 09: Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

It is characteristic for all our CSR activities that our focus is on constant improvement through practical cooperation projects with our suppliers. We seek to make a difference and create improvements where we go.

Oriental has been presented with a certificate of support of promoting 10 principles for a better world. The certificate was presented by Mads Øvlisen (member of the board of Global Compact) at a Global Compact network meeting in Denmark June 1, 2008.

Global Compact's principles are clearly reflected in BSCI standards. This includes the protection of human rights, freedom of association, the elimination of all forms of forced work, abolition of child labor and elimination of discrimination in respect of employment and occupation.

This means that working to promote BSCI requirements is a practical way to promote the principles of United Nations' Global Compact.

Oriental does never cooperate with any company that does not respect the human rights. Neither do any of our suppliers use forced labor or child workers. However, often companies in developing countries have too limited administrative capacity to document this sufficiently. This is one reason that Oriental spends resources on developing suppliers' administrative capacity.

Below is what we are doing to support our suppliers and production.

- Our CSR advisers invited the managers of our suppliers attended *BSCI Supplier Awareness Raising Workshop*.
- Our CSR advisers provide daily supports by phone call to answer all the questions suppliers have.
- Our CSR advisers go to factory frequently to have face to face communication with suppliers, to find problems and to guide them how to solve the problems.
- Start up our own factory to have more focus on BSCI & CSR.
- Update EU REACH directive standard in our supplier manual, implement the standard with our suppliers.

## **Chemical Testing - A critical issue for garment sourcing**

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Product development is one of the services we offer our customers. This means forecasting fashion trends and developing ideas for future fashion collections. Every season we have new developments in color, design and hand-feel. This is only possible due to the use of chemicals.



However, some chemicals are harmful to our health and the environment. This is why it is absolutely necessary to have a responsible approach to handling chemicals. Consumers must at all time be protected from harmful chemicals.

We strictly follow the European regulations for chemicals in textiles and accessories in order to make sure that all our suppliers have the updated requirements, so they know what to avoid during the production process. We even require garment wash after production to further reduce any potential risk.

We follow up on our requirements every week where we test selected garments for content of chemicals. This includes AZO dyes, allergenic disperse dyes, metal contents, DMF, PVC and various other harmful chemicals.

In the past year there have been several cases in Europe where AZO dye stuff has been detected. In Oriental we have taken action to strengthen our random testing in close cooperation with our customers and factories. As expected we did not find any AZO or harmful dye stuff in any of our products. Furthermore many of our customers also performed random tests on our products, without finding any AZO.

In the future we will continue our random testing and stay committed to keep AZO out of our products and live up to the EU REACH directive.

## **Chemical Testing - A critical issue for garment sourcing**

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To insure that we can meet the demand of the market, we will in 2012 work on getting the Oeko-Tex certificate, so we can provide our customers with different environmental friendly options.

It is the internationally recognized testing laboratories SGS and ITS that are responsible for all our testing activities.

In year 2011, we updated REACH new rules in our supplier manual. And we make sure our suppliers follow REACH.

## **We care about Environment**

Oriental gives lot of importance to environmental issues. We integrate environmental procedure and progress in our supply chain as an essential element of responsible management.



We only deal with the suppliers who plan and operate facilities in compliance with applicable international environmental laws and regulations. We also encourage research and development related to environmental-control technologies and more efficient utilization of natural resources, materials and energy. We always try to educate and motivate our suppliers and employees to conduct their jobs in an environmentally responsible and safe manner.

- **Responsible Purchasing:** Oriental prefers using the textile suppliers that are using environmental friendly chemical, process and waste water treatment to reduce the waste and impact of chemicals on the environment.
- **Waste Disposal Procedures and Waste Recycling:** We work collaboratively with our supply chain to reduce the amount of waste generated from product consumption and we are handing over all paper waste generated in our office to recycling company.
- **Recycled Paper:** We use recycled paper for our catalogs and brochure.
- **Recycled waste:** We recycled waste in our own factory.

## CSR Plans for year 2012

- ◆ Great Garment Co., Ltd gets BSCI certification
- ◆ Apply Oeko-tex certification
- ◆ Help 2-3 of our suppliers get BSCI certification
- ◆ Reduce energy consumption by using better sources of energy
- ◆ Increase our focus on working with textile companies using waste water treatment to reduce the effect of chemical on environment



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