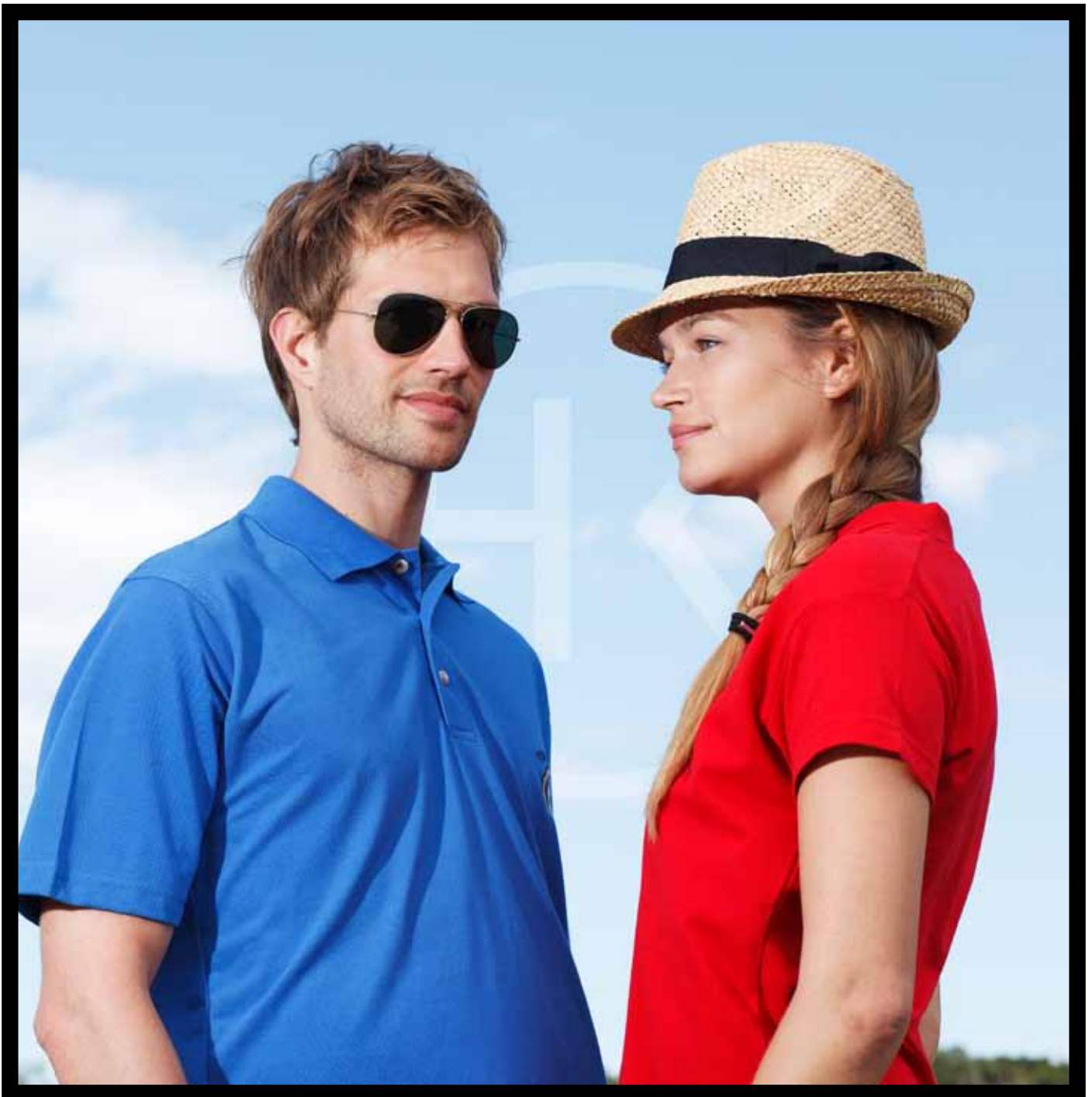


# UN Global Compact

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## Communication on Progress



## STATEMENT

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*Handelskompaniet AS has been a committed member of United Nations` Global Compact since May 2010. Handelskompaniet AS has submitted the Communication on Progress to describe the application of the 10 Principles in its global operations, as well as its targets and achievements.*

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## UN Global Compact Principles:

### HUMAN RIGHTS

**Principle 1** Business should support and respect the protection of internationally proclaimed human rights.

**Principle 2** Business must ensure that they are not complicit in human rights abuses.

### LABOUR

**Principle 3** Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

**Principle 4** Business should uphold the elimination of all forms of forced and compulsory labour.

**Principle 5** Business should uphold the effective abolition of child labour.

**Principle 6** Business should uphold the elimination of discrimination in respect of employment and occupation.

### ENVIRONMENT

**Principle 7** Business should support a precautionary approach to environmental challenges.

**Principle 8** Business should undertake initiatives to promote greater environmental responsibility.

**Principle 9** Business should encourage the development and diffusion of environmentally friendly technologies.

### ANTI-CORRUPTION

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



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*Handelskompaniet's Communication on Progress – 2011 is based on information and key figures published on Handelskompaniet's corporate website ([www.you.no](http://www.you.no)). The purpose of this document is to link the 10 Principles to the relevant content as well as ensure easy search ability of the COP's content.*

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**Principle 1**

***"Business should support and respect the protection of internationally proclaimed human rights"***

Environment and ethics are important issues within textile production. Handelskompaniet's Codes of Conduct is the main governing document that describes our international policy regarding human rights. In addition to this document, we are constantly working with our manufactures to maintain a common goal to develop working conditions and protect human rights.

**Principle 2**

***"Business must ensure that they are not complicit in human rights abuses"***

The company's greatest strength lies in its staff and employees in every country. We depend on everyone being willing and able to further develop the company. Our goal is for staff and employees in every country to be able to work under favourable conditions in accordance with ethical guidelines, where each individual is respected and valued. Handelskompaniet often sends a representative from Norway to inspect all our manufacturers' facilities to assure us that these standards are being maintained.

**Principle 3**

***"Business should uphold the freedom of association and the effective recognition of the right to collective bargaining"***

Handelskompaniet recognises the right to freedom of association and collective bargaining. All Handelskompaniet employees share the responsibility to avoid discrimination against any employee representatives.

**Principle 4**

***"Business should uphold the elimination of all forms of forced and compulsory labour"***

Any employment relationship with Handelskompaniet shall be freely chosen and free from threats. Handelskompaniet opposes the use of forced or compulsory labour, including but not limited to exchange of labour for payment of debt. Furthermore, any employee shall be free to leave his/her employment after giving reasonable notice and no one shall be required to deposit money, lodge identity papers or similar in order to get or keep their employment with Handelskompaniet.

**Principle 5**

***"Business should uphold the effective abolition of child labour"***

Handelskompaniet will not enter into negotiations with manufacturers that use child labour that is below the legal working age in the respective countries.

Handelskompaniet is working towards ensuring the effective abolition of child labour in its supply chain; through effective implementation of its policies and procedures and continuous monitoring, control and improvement activities.

**Principle 6**

***"Business should uphold the elimination of discrimination in respect of employment and occupation"***

Handelskompaniet is opposed to discriminatory practices and shall do its utmost to promote equality in all employment practices.



**Principle 7**

***“Business should support a precautionary approach to environmental challenges”***

Handelskompaniet makes protecting the environment an integral part of its daily activities. Handelskompaniet aims to ensure that protecting the environment becomes an integral part of day-to-day business. This in turn will affect everyone who has any connection to the company, including suppliers, shareholders, customers and society at large.

**Principle 8**

***“Business should undertake initiatives to promote greater environmental responsibility”***

The Oeko-Tex Standard 100 is an international certification system for textiles that sets requirements for, among other things, chemical and heavy metal content and substances used in textile production that are harmful to health. Piece goods that are used in Handelskompaniet’s textile production should be approved in accordance with the Oeko-Tex 100 Standard. In accordance with this, only AZO-free colours will therefore be used. In addition, random samples are often taken and sent to SGS to test for illegal contents.

**Principle 9**

***“Business should encourage the development and diffusion of environmentally friendly technologies”***

Due to the importance of organic products, Handelskompaniet has introduced organic cotton in its product range. Shuttle from Handelskompaniet’s manufacturers is done with container ships directly to the bonded warehouse. Packagings from goods that arrive in the warehouse are used again in the shipment of goods to the customers - reuse in practice.

Handelskompaniet is practicing a high degree of sorting. Veolia Environment is being used for waste management and RENAS for handling electrical components.

**Principle 10**

***“Businesses should work against corruption in all its forms, including extortion and bribery”***

Handelskompaniet will not enter into negotiations with manufacturers that require any form of extortion and bribery, or any form of corruption. Representatives from Norway continue to inspect all our manufacturers’ facilities to assure us that these standards are being maintained.

