



Communication on Progress

2013

UN Global Compact



Managerial Commitment

Spectre is a medium sized Danish company with its roots going back to 1947. Particularly since the nineties when we started outsourcing our production to Eastern Europe, we have seen an increasing international approach on a wide range of activities: our export is close to 100%, raw materials for the production are sourced and purchased all over the world – in USA, Europe and Asia – and our production is now based on two platforms in Latvia; Eastern Europe, and Vietnam; Asia.

For many years, we have worked with CSR – even before the term “CSR” existed. We have always had focus on good working conditions and tried to support the local community wherever we have operated. As a company we believe in taking part in the responsibility for the local society. We believe that employees spending a large part of their life working for the company are to be treated with respect and dignity.

We are a Danish company looking upon the business from a Danish viewpoint. One of our fundamental ambitions is to ensure that our employees have working conditions that are “above average” comparing with local standards in the countries of our operations.

Working in a labor intensive industry like garment production with the vast majority of our employees located in Latvia and Vietnam – and with many suppliers located in Asia – it has become increasingly important for us to find a structured and professional way of working with CSR.

In the end of 2010 we decided to apply for a membership of the UN’s Global Compact to show the surrounding world that we mean it seriously when we say we have a strong CSR profile. It is also a simple and efficient way to acknowledge our loyalty to the ten basic principles of the Global Compact.

Another important step was made in 2012 when we began establishing a CSR team across borders, managed from Denmark to make sure our company “DNA” will remain intact and with team members locally in our production countries to help implementing the activities and strategies.

Our intentions are many: we want to keep a strong focus on our working conditions – both physically and psychologically, we want to start working much more goal oriented towards the external environment with particular focus on solid waste and energy efficiency. Further steps are working with our suppliers and our customers to ensure the whole value chain eventually is

covered by our CSR programs.

A part of the operational profit will be re-invested in current CSR activities and a constant upgrade of the working environment standards because we believe CSR is not only about ethics and high moral but also good business.

All activities, including our management system, are to be managed within the framework of the international CSR standardization program SA8000. In 2013 we have worked intensively on preparing the company for the SA8000 certification process and at the present moment we are in the final stage of being approved for the SA8000 certificate in Latvia.

Our next goal is to certify our production unit in Vietnam according to the same standards.

Jesper Klausen

Director Production and Supply Chain

General Introduction of our Company

Spectre is a private label garment manufacturer within the outdoor sports wear industry. Being part of a production chain with factories in Asia and Eastern Europe we are aware of the importance of a strong emphasis on the Global Compact principles. This necessity is stressed by our customers, who are European brand owners, and also by the end users of our products; outdoor/sports enthusiasts, who seem particularly concerned about sustainability.

For several years Spectre has had a strong focus on CSR related issues but only recently initiated a more structured and systematic approach to CSR. The Spectre management has also been emphasizing some of the issues in the Global Compact which has resulted in notable impact at our factories compared to other factories in the garment industry.

As a first step towards a strategic and systematic way of working with CSR a decision was made to aim at obtaining a SA8000 certification. SA8000, created in 1997 by Social Accountability International, is an international standard for improving working conditions around the world. It is an auditable standard for a third-party verification system, setting out the voluntary requirements to be met by employers in the workplace, including workers' rights, workplace conditions, and management systems. The normative elements of this standard are based on national law, international human rights norms and the conventions of the ILO.

The reason for choosing the SA8000 amongst a variety of certification possibilities is the highly relevant contents of the standard for our business.

Therefore, in 2011 a gap analysis was conducted in order to find out specifically where and what needs to be improved. For two years we have been working towards this goal and we are now very close to receiving our SA8000 certificate.

Human Rights Principles (1-2)

During the last year our policies and procedures have undergone a thorough development due to our SA8000 certification process.

We have developed policies regarding Child Labor, Forced Labor, Health and Safety, Freedom of Association and Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours and Remuneration which are all included in the SA8000 standard. On top of that we have developed policies regarding Alcohol and Smoking, Calendar Planning and Grievance.

Being a Danish company it may seem unnecessary to develop a policies stating that we do not engage in or support violations of human rights.

Though we have production outside Denmark - in Latvia and Vietnam - we have a Danish mindset in the management of these sites, and we have no challenges in relation to complying with the human rights principles within the company.



However, when we look at our supply chain it is clear that the risk of human rights violations become more present upstream the chain, due to the conditions in the regions from which we source.



In order to bring ourselves closer to the challenge of making sure our suppliers and sub-suppliers around the globe offer humane and decent workplaces for the workers, we have established a system for checking our top 90% suppliers over the next 3 years. The system takes into consideration whether the supplier resides in a high-risk, medium-risk or low-risk area of the world, and the sourcing volume and importance to Spectre.

During 2013 we have gathered information from 38% of the suppliers covering 90% of our sourcing. The majority of the suppliers were able to send us documentation for social audits, certificates proving a high level of social standard, some were visited by Spectre. Only one supplier was found not to meet the SA8000 level and the necessary consequence has been conducted in this case.

Labour Rights Principles (3-6)

In order to facilitate a safe and secure working environment for all employees the following policy was developed and communicated in spring 2013:

“Spectre will not support or engage in any discrimination with regards to race, gender, age, sexual orientation, disability, union membership, political affiliation, national origin or religion.

This policy is to be observed at all times and must be followed during the processes of recruitment, promotion, training, compensation and dismissal.

Further, Spectre will not accept any bullying or harassment amongst employees. In case this behavior is observed it will be addressed by the management and appropriate action taken.”

Employee Handbook, Latvia

Freedom of association and collective bargaining is one of the headlines in the SA8000 standard.

During the SA8000 training of our 550 Latvian employees we informed about these rights and we also added that such activity must be without interfering from the management. The employees at our 4 sites in Latvia have chosen a representative – one for each site – who will join all our SA8000 Review meetings where we discuss the level of compliance with the SA8000 standard and other relevant CSR related topics.

Environmental Principles (7-9)

One of our future focus areas will be environmentally friendly energy consumption.

First of all we wish to find out whether we can convert to more eco-friendly sources at our factories in Latvia and Vietnam. In Denmark at our head office we had a general renovation during the last 12 months where also the heating system was renewed.

Regarding our fabric waste we have changed partner in Latvia, meaning that our waste is now collected for recycling instead of the former contract, where it ended up as landfill. In a long term perspective we are interested in finding partners who will be interested in using our polyester waste in a cradle to cradle system if possible.

Anti-corruption Principle (10)

Our Code of Conduct is send to our partners for signature, when we start up new contracts. Our Principle 10 states that “Businesses must work against corruption in all its forms, including extortion and bribery”. Our values are clear but besides this statement in our Code of Conduct, we have not had a special focus on this area during the last year, as we believe we have other more relevant issues to work on at the moment.

