



## **CSR REPORT 2012**



# FOREWORD

In our CSR report for 2012 we will give you an update on our continuous strive to improve all matters related to CSR in Oriental and within the suppliers we cooperate with. Responsible behaviour is one of the key values of Oriental.

On the global level we support the UN Global Compact 10 principles, thus working for improvement of human rights, workers fair treatment, beneficial actions towards the environment and measures of anticorruption.

On the European level we have been a member of the BSCI since 2007. We focus on improving our supply chain awareness and compliance to guidelines of the BSCI and thus constantly improving the joint effort of all partners our garment production.

On the national Chinese level we participate as a full member of our local society and we cooperate with our Chinese employees and suppliers to make a difference, now and in the future.

Managing Director Oriental China  
Henrik Poulsen



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# ABOUT ORIENTAL

Oriental is a Danish founded garment company that has assisted retail customers in Europe in the designing and production of their fashion collections since 1994.

We operate our sales from offices in Aarhus, Denmark and Suzhou close to Shanghai in China. We opened our first fully-owned manufacturing factory in 2011 in China. We also work with sub-factories in China and India.

We strive to offer the best services for our clients at all levels: Our in-house design team creates designs that reflect the latest European fashion trends and work closely with our customers to understand and support their design ideas. Our in-house technical team work to ensure that each design is transformed into a perfectly fitted

product and work closely with our factories and other suppliers to achieve the best results. Our in-house sample room assures correct samples on time. Our merchandisers closely oversee all orders, ensuring clear and effective communication and our Quality Control team carefully monitors the entire production process, from fabric inspection to the loading and signing off of our finished garments by our Shipping department.

At Oriental, we tailor our services to according to each individual company's needs and offer the best value for our customers. The longer we work together with a customer, the better we can meet their design preferences and production requirements. We strongly believe in the value of ethical business practices and use them as guiding principles in our relations with both our customers and suppliers.

## MISSION

Our mission is to make our customers more competitive in their respective markets. We do this through providing cost effective production options at the agreed quality level combined with value added know-how and customer specific services.

## VALUES

Our core values impact all activities at 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
- Constant improvement

## CSR APPROACH AND ORGANIZATIONAL STRUCTURE

Corporate Social Responsibility is a global issue that needs a joint global effort. Oriental is committed to being a responsible Corporate Citizen and Corporate Social Responsibility is firmly rooted in our business approach and values. Our CSR activities are examples of how we impact the world around us in a positive way.

- All of our CSR activities related to our supply chains in China and India are managed from our office in Suzhou, China.
- All CSR activities, fall under the responsibilities of our Finance, HR and CSR Manager who reports directly to Oriental China's Managing Director.



# CSR ACTIVITIES

## UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact tackles human rights, labour conditions, the impact on the environment and ethical business practices. Their ten principles are universally recognised. We at Oriental aim to embrace support and follow this framework of core values within our sphere of influence.

10 Principles of the UN Global Compact		
	Human Rights	Principle 1: Businesses should support and respect internationally proclaimed human rights; and Principle 2: ensure that they are not complicit in human rights abuses.
	Labour	Principle 3: Businesses should uphold the freedom of association and recognize effectively the right to collective bargaining; Principle 4: eliminate all forms of forced and compulsory labour; Principle 5: effectively abolish child labour; and Principle 6: eliminate discrimination in respect of employment and occupation.
	Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: 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.

## BSCI – BUSINESS SOCIAL COMPLIANCE INITIATIVE

As a member of the European organisation BSCI, we are dedicated to improving social compliance across our supply chain in line with the BSCI Code of Conduct to ensure our suppliers take social responsibility seriously. We do this through our comprehensive monitoring and QC system.

The BSCI Code of Conduct is built on the most important international labour standards protecting workers' rights taken from the International Labour Organisation (ILO) Conventions, the OECD guidelines for multinational enterprises and the UN Global Compact and other important declarations.

### GOALS OF BSCI CODE OF CONDUCT



freedom of association and the right to collective bargaining are respected



no discrimination is practised



child labour is prohibited



legal minimum and/or industry standards wages are paid



working hours are compliant with national laws and do not exceed 48 hours regular + 12 hours overtime



there is no forced labour and disciplinary measures



the workplace is safe and healthy



the environment is respected



there is a policy for social accountability



there is an anti-bribery and anti-corruption policy

## CHEMICAL TESTING

The production of fabrics and accessories in the garment industry requires the use of chemicals, some of which can be harmful to our health and the environment. Thus it is absolutely necessary to take a responsible approach to handling chemicals.



- At Oriental we work in accordance with European REACH specifications and legislation and conduct random chemical testing validated by internationally recognised third party testing organisations such as Intertek, SGS and Bureau Veritas.
- We pay special attention to the selection of dyes and chemical auxiliaries and ensure that products are free of hazardous substances such as azo dyes, formaldehydes, pesticides and toxic heavy metals.
- We have updated our Supplier Manual to include the newest REACH specifications and our suppliers are instructed to meet these standards, we follow a detailed random testing of fabrics and accessories schedule.
- We passed OEKO-TEX100 certification in 2012. We are proud to be able to provide our customers with this option to purchase OEKO-TEX100 products from us and thus avoiding the use of harmful substances in the garment production.



## ORIENTAL SUPPLIER MANUAL:

To strengthen and streamline the management of our supply chain and ensure all of our suppliers are doing business with the highest levels of honesty, integrity, consideration and respect, we have developed our own Oriental Supplier Manual. In the manual, amongst others, it states that the supplier must follow the Ten Principles of the United Nations Global Compact, the BSCI Code of Conduct and the European REACH legislation related to garments. We ask all suppliers and employees to read, acknowledge and sign this manual and consider the principles as they carry out their daily responsibilities.

- Our QC team regularly visit our supplier factories to inspect them and our Audit personnel conduct regular evaluations and appraisals to determine their strengths and weaknesses.
- Supplier CSR Risk Assessment process:



- For suppliers that do not meet CSR requirements, Oriental offers advice and guidelines to improve their business practices in accordance with international principles.
- We also carry out third party audits performed by internationally recognised institutions Intertek and SGS.



## ENVIRONMENT

In Oriental we acknowledge the importance of environmental issues. We put constant focus on integrating environmental friendly procedures and progress in within our own production and in our supply chain. We promote:

- Responsible purchasing: We only work with suppliers that use environmentally friendly chemicals and observe environmentally friendly processes, including how they dispose of waste water. We give preference to suppliers who meet REACH standards.
- Reuse and recycle: We reuse and recycle wherever possible to minimise our waste. We purchased a cutter to minimise fabric waste and use both sides of paper when we print. We collect cartons, papers, PET bottles, aluminium cans and fabric and send them to be recycled.
- Clean work environment: Oriental ensures a clean, hygienic working environment for all employees.



# CSR RESULTS 2012

Through a rigorous and constant focus on our CSR work we have managed to achieve and even surpass our goals for our CSR work in 2012:

- Our own factory, Great Garment, obtained BSCI certification in 2012 with the best score in the BSCI system.
- Three of our sub-suppliers also gained BSCI certification for the first time in 2012.
- One of our sub-suppliers passed a BSCI re-audit in 2012.
- Our own factory successfully obtained our first Oeko-Tex Standard 100 certification
- We incorporated the Ten Principles of UN Global Compact and BSCI Code of Conduct along with the updated EU REACH directives into our own Oriental Supplier Manual and business practices.



Great Garment Oeko-Tex 100 certification

# CSR GOALS 2013

We will continue to lead by example at Oriental and incorporate socially and environmentally responsible business practices both in-house and across our supply chain.

- We project that 2-3 of our sub-suppliers will gain BSCI certification by the end of 2013. This is part of our long-term 2015 goal to have minimum 75% of our suppliers BSCI certified.
- We will strengthen our fabric and accessories purchasing unit in-house in order to further strengthen our focus on our supply chain
- We will investigate the possibility of upgrading our Oekotex 100 certificate to the “Oekotex 2013 new standard”.
- We will add more suppliers with Oekotex 100 certificate to our supplier list.
- We will continue and further strengthen our random testing program of fabrics and accessories in order to live up to the EU REACH chemical directive.



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