

ÉN GRY & SIF
SCANDINAVIAN HANDMADE DESIGN

Communication on Progress Part 1:

Én Gry & Sif Statement on Continuing Commitment to Global Compact

Dear Mr. Secretary-General,

I write to you concerning En Gry & Sif's ongoing commitment to the Ten Principles of the Global Compact in respect to human rights, labour rights, the protection of the environment and anti-corruption.

Since our last communication we at Én Gry & Sif have, as always, a strong focus on the Ten Principles. Over the last years we had made a number of key steps on the Ten Principles. This year has been great because all initiatives made have been running very smoothly and it has been a unique enjoyment to that. It is also important to point out that the political situation in Nepal is quiet now and have been it for some time.

This spring 2009 is very special for Én Gry & Sif because we have become the first private handicraft company in Denmark to receive provisional membership of IFAT. This we are very happy for and proud of.

Please find attached our Communication on Progress.

Én Gry & Sif looks forward to moving forward with Global Compact and evolving according to the Principles in the years to come.

Sincerely yours,



Sif Hoejgaard Jacobsen (Company Owner, Én Gry & Sif)

Communication on Progress Part 2:

Description of practical actions taken in the previous year to implement the ten Global Compact Principles

Each of the following 10 principles of Global Compact are addressed in Én Gry & Sif Code of Conduct, to which all of our suppliers are signatories.

Human Rights (Principles 1 and 2) - Our Commitment, Systems and Actions Taken in Last Year

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Én Gry & Sif work avidly to adhere to and respect the protection of international human rights. In Nepal this is done against a backdrop of serious human rights abuses across the country. Employees are made aware of their rights and Én Gry & Sif support a democratic working environment where all employees have an input into production techniques and processes.

All of the factories now have women in positions of management. As a result the employees, who are by enlarge women, feel more at ease and comfortable airing issues that may arise. We have seen a staff turnover rate that is negligible and women in more senior positions are generally those who have previously been employed in different capacities. Én Gry & Sif's suppliers continue to be over 90% staffed by women. These women are afforded training opportunities at the factories and many of them are trained for their respective jobs having had no previous experience. Please see also *Principle 6*.

Employee security is crucial and is highly prioritised in these trying times in Nepal. Everyone works to a timescale (9-17 hours a day incl. lunch break + tea break) ensuring that they are able to reach their homes daily before night fall.

Principle 2: Make sure that they are not complicit in human rights abuses

Én Gry & Sif work with a detailed Code of Conduct which enforces the company's fundamental beliefs in Human Rights. Én Gry & Sif constantly vet all suppliers to ensure compliance and do not work with any suppliers failing to go above and beyond the issues stipulated in the Code of Conduct.

Én Gry & Sif has invested in, and ensured, that all facilities are equipped with fire, safety and health equipment. Each factory has been consulted as to how they should comply with health and safety needs. Women in the factories are also constantly reminded that they have access to doctors and rest days should they need it. They are limited to 8 hour work days; though paid overtime is available in high seasons should they want it. All salaries are guaranteed so nothing is based on performance, ensuring women have guaranteed incomes to take home.

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Below is our Actions Planned for the 2008:

Én Gry & Sif are keeping a close eye on the political situation and how it will evolve in the next year. The elections are currently earmarked for April 2008 but there is an element of apprehension as to whether or not these will take place. Human Rights are an essential issue that Én Gry & Sif will now allow to fall by the wayside during this process. On the contrary, Én Gry & Sif will use the next year to ensure it stays ahead of the basic stipulations of international Human Rights and will continue to create a working environment within which all of their suppliers are happy.

How did the actions for 2008 go?:

The political situation: is now quiet in Nepal which is very nice – it makes the country more stable.

Working environment: Én Gry & Sif have kept to continue to create nice working environments for the suppliers e.g. in December 08 Én Gry & Sif sponsored money so each employee at all factories so they could get a goat as a gift or all employees could held a big party together.

Actions Planned for the 2009

Én Gry & Sif will keep up the good work by trying our best to keep all suppliers happy in good and nice working environment and also by keeping sending orders – and especially in these hard times.

We will, as always, keep our focus on the 10 principles.

We will continue our work to be a part of IFAT.

Labour Standards (Principles 3, 4, 5 and 6) - Our Commitment, Systems and Actions Taken in Last Year

The issues of labour standards are what help Én Gry & Sif and its suppliers to differentiate itself from the majority of other companies in the industry in Nepal. We have instilled a culture of pride in work and good labour conditions throughout all of our suppliers.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

We are committed to ensuring that employees are aware their rights to freedom of association; this is embraced by employees, the vast majority of whom are represented by trade unions.

Principle 4: The elimination of all forms of forced and compulsory labour

Forced and compulsory labour has been totally barred in the Code of Conduct and is non-existent in the factories. Labour in Nepal is already critically aware of these issues and political pressure has educated Nepalis to these issues.

Principle 5: The effective abolition of child labour

Child labour has been totally barred in the Code of Conduct and is non-existent in the factories. It is totally barred by all suppliers and regular information is provided to employees regarding the importance of education and schooling to employee's children.

Principle 6: The elimination of discrimination in respect of employment and occupation

The Code of Conduct is very clear in regards to discrimination. Discrimination on the grounds of ethnicity is disallowed and the range of groups working to supply Én Gry & Sif testifies to this. The factories employ a range of people ranging numerous ethnic groups including a range of faiths from Muslim, Hindu and Buddhist communities. The groups include everything from Brahman, Tamang, Gurung right across to Dalit, Madhesi and numerous mountain tribes. Single mothers are fully integrated into the work force and form an essential component of the workforce. The renowned caste-system in the Indian subcontinent also has no bearing on employment in the factories. People are employed regardless of this and factories employ people from throughout the Kathmandu valley and beyond.

Environment (Principles 7, 8 and 9) - Our Commitment, Systems and Actions Taken in Last Year

Principle 7: Business should support a precautionary approach to environmental challenges

All of our suppliers use eco-friendly dyes. This has been a stipulation from the outset and is keenly agreed across the board. Techniques in the factory mean that environmentally friendly soaps are used in all felting processes too. All waste goods are able to be recycled and used again the production process.

Principle 8: Undertake initiatives to promote greater environmental responsibility

All Én Gry & Sif suppliers have adjusted not only to ensure greater environmental responsibility but also to ensure efficiency. Power shortages in Nepal mean that suppliers work generally between the hours of 8am to 6pm. This means that they can work during daylight thus avoiding the need to use gas and diesel generators.

Suppliers insist that all dyes that they use have official certification ensuring they are eco-friendly.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies

Én Gry & Sif have helped suppliers to look to dye companies in India to provide eco-friendly dyes. As these are certified, suppliers have found them not only more cost efficient to use, but also eco-friendly. Nepalis are highly aware of the importance of the environment and the surroundings, upon which the country is highly dependant.

Actions Planned for 2008 was:

- The achievement of CE Certification across our product range. (Most of our products have CE Certification now but we still need on the rest ¼ of our products – this we highly work on rest of 2009)
- Continuing to ensure that our production methods are at the forefront of environmentally friendly techniques.

Anti-Corruption (Principle 10) - Our Commitment, Systems and Actions Taken in Last Year

Principle 10: Business should work against corruption in all its forms, including extortion and bribery

Én Gry & Sif are working against a serious backdrop in Nepal in the form of the Maoist insurgency. This has been a serious issue since the business' outset. All suppliers have managed to counter this issue primarily by ensuring all employees are happy at the factories. This has been done by ensuring wages are received on time, work conditions are highly favourable and that there is a strong sense of community with the workers. By doing this the Maoists have not acted to disrupt the workplaces.

Additionally all suppliers work legitimately under international trade systems in Nepal and are fully compliant in tax payments.

Actions Planned for the Next Year

Én Gry & Sif will keep to vows to stick by our suppliers to help them battle against rampant extortion and bribery, regardless of political climate.