

COMMUNICATION ON PROGRESS

2013

I. A statement of continued support for the Global Compact.

I am pleased to confirm that Julie Sandlau Vietnam continues supporting the ten principles of the Global Compact with respect to Human Rights, Labor Rights, Environment and anti-corruption. With this annual report, we express our intent to advance those principles within our sphere of influence. We are committed to make the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Julie Sandlau Vietnam will make a clear statement of this commitment to our stakeholders and the general public.

08th November 2013



Mr. Soren Roed Pedersen

CEO/Julie Sandlau Vietnam

II. Introduction:

1. About Julie Sandlau Vietnam.

Company	:	Julie Sandlau Vietnam Co. Ltd.
Address	:	Km 9, Lang Hoa Lac Street, An Khanh Commune, Hoai Duc District, Hanoi, Vietnam.
Contact Person	:	Soren Roed Pedersen, General Director Tel: +84 433 65 67 68 Soren@juliesandlauvn.com
Reporting Period	:	08 th November 2012 – 08 th November 2013
Membership Date	:	08 th November 2012
Sector	:	Jewelry designing and producing
Number of Employees	:	230

2. Brief description of nature of business

a. The Company

Julie Sandlau Vietnam Co. Ltd. Is 100% foreign own factory from Denmark located at Km 9 Lang Hoa Lac Street, An Khanh Commune, Hoai Duc District, Hanoi, Vietnam (around 9 km from Big C or National Conference Center or My Dinh National Station). We are specializing in producing & exporting high-end jewelry fashion with famous trade mark Julie Sandlau.

b. CSR

Julie Sandlau Vietnam has high focus on social responsibility and as a part of our Corporate Social Responsibility it is a wish to be able to comply according to the UN Global Compact and its 10 principles throughout the organization and collaborators.

c. Julie Sandlau Vietnam CSR Vision

Julie Sandlau Vietnam vision and intension is to act social responsible both local and global based on the principle and intension of the UN Global Conduct and support the values within:

- Human Rights
- Labor Rights

- Environment
- Anti-corruption

3. Availability of this COP

This COP is available online at www.unglobalcompact.org and our public website www.juliesandlauvn.com . It will also be distributed to clients and suppliers as well as being forwarded to any requesting party.

III. Implementation of The ten principles

1. Human rights

- a. Principles 1: Businesses should uphold and respect the protection of internationally proclaimed human rights.*
- b. Principles 2: Business should ensure that they are not complicit in human rights abuses.*

A Description of practical actions

- ✓ We have established “Supplier’s Code of Conduct” manual that based on and follows the Universal Declaration of Human Rights, key UN conventions, ILO conventions and recommendations. Supplier’s Code of Conduct has been posted in our facility and communicated throughout our supply chain and our employees.
- ✓ We offer the employees with: Annual health check, HIV/AIDS training, Health & Safety precautions, fire prevention, first - aid training and fire safety precautions.
- ✓ We have detailed internal HR policies that are translated in local language and delivery all our employees.
- ✓ Our employees are paid with higher wage that compares with the statutory minimum wage according to Vietnamese labor code. We actively work on reaching a sustainable solution to providing living wages.

A measurement of outcomes

- We have just had CSR audit and our score is 8.5/10 as auditor’ verbal evaluation.
- We are among 1 of 1000 companies in our area that is chosen to be awarded the best company in Health & Safety implementation and Fire safety precautions implementation.
- The company’s minimum wage that is paid for our employees is 23% higher than the statutory minimum wage.

2. Labor rights

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

A Description of practical actions

- ✓ We recognize ILO conventions and the Universal Declaration of Human Rights on freedom of association, freedom of opinion and expression, the right to organize and collective bargaining.
- ✓ There is Trade Union organization in our company and we strong support its activities. We allow Trade Union rights, do not interfere with worker's unions, and do not prevent workers from joining this union. Workers do not face prejudice due to union membership or active participation in worker's committee.
- ✓ Board of Trade Union is invited to get involved in many company's activities and decisions such as: establishing company's policy, salary and benefit for workers, establishing football teams...

A measurement of outcomes

- There are regular meeting between The Trade Union and the employer every month.
- The board of Trade Union is allowed to hold meeting every month in working time with full paid by the Employer.
- The CSR audit was held in our company in October 2013 by UL - a global independent safety science company, we completely meet requirement of "freedom of association".

b. Principle 4: Businesses should uphold the elimination of forced or compulsory labor.

A Description of practical actions

- ✓ We do not use any illegal workers, or any kind of forced labor. Workers are not required to leave any form of deposit or identity papers/passport with the employer, and may terminate a contract after legal notice according to Vietnamese labor code. Overtime is voluntary, and the employees are to have permission to leave the factory under reasonable circumstances, and have free access to toilets, water and religious facilities when at work.
- ✓ Employees are entitled to refuse overtime without incrimination.
- ✓ We provide a signed working contract in a language that is understandable to the employee.

A measurement of outcomes

- Our company has just had CSR audit by UL - a global independent safety science company in October 2013. Forced or compulsory labor was noted "No apparent concern".

c. Principle 5: Businesses should uphold the effective abolition of child labor.

A Description of practical actions

- ✓ We do not employ children below the age of 15 in our factory.

A measurement of outcomes

- According to Vietnamese labor code, the minimum of labor age is at 18. And no children below the age of 18 are found in our company.
- Our company underwent an independent & detailed social audit by UL in October 2013. Child labor/Juvenile/Hiring procedure was noted “No apparent concern”.

d. Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

A Description of practical actions

- ✓ Employees are not subjected to discrimination (including during recruitment, promotion, access to training, termination or retirement) regarding race, color, caste, nationality, religion, gender, age, sexual orientation or marital status.
- ✓ All candidates who are enough 18 of age are welcome to be our workers. We provide on-the-job training for all un-experienced worker to be skillful worker.
- ✓ All employees are equal to be awarded monthly, quarterly and yearly.
- ✓ All employees are provided effective training and information sessions regarding health and safety precautions in the work place.
- ✓ Fire safety precautions are taken, including adequate warning systems, provision of fire safety equipment, clear and well marked exits and escape routes, and training of employees in fire response. The emergency response procedure is written and communicated annually.
- ✓ First-aid training also is provided in the company.
- ✓ All safety precautions in regards to the use, storage and handling of chemicals are taken and the employees are sufficiently trained in handling chemicals.

A measurement of outcomes

- There are clear employment policy and procedure in our company.

- Around 90% unskilled workers have been provided on-the-job training to be skillful workers.
- The company awards the best workers monthly, quarterly and yearly based on their working performance. There are about from 6~10 workers awarded for top of highest productivity, 01 worker awarded every quarter and 01 best employee awarded every year.
- 100% employees are provided health and safety precautions in the work place, fire safety precautions.
- All of our team leaders are taken first-aid training.
- The MSDSs listing all chemicals on site are posted near chemicals.

3. Environment

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

A Description of practical actions

- ✓ Due to our nature of business, the company does not pollute environment with harmful waste, dust or smoke.
- ✓ The company annually provides environmental training for our employees to ask for protecting environment.
- ✓ 5S program was held to ask for keeping and cleaning working place, not wasting materials, minimizing waste...

A measurement of outcomes

- The environment awareness training is held to improve the employees' knowledge and responsibility.
- Drinking Water tests are maintained every month by the supplier.
- Waste water tests are maintained 02 times per year.
- Annual workplace condition evaluations are maintained 02 times per year.

b. *Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.*

A Description of practical actions

- ✓ We campaign our employees for collecting waste in the street.

- ✓ We minimize using papers, and use recycled papers for instead.
- ✓ To make sure that we do not pollute the environment and our neighbors, our rubbishes are removed and treated by the suppliers.

A measurement of outcomes

- Even we have been expanding our production a lot so far, but the volume of used papers does not increase much.
- We sign the contract with prestige suppliers who are competent as well as allowed to handle with rubbishes according to The Vietnamese Ministry of natural resources and environment.

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

A Description of practical actions

- ✓ Reduce energy consumption and greenhouse gas footprint.

A measurement of outcomes

- We use power saving bulbs and will use more environmentally friendly technologies in the near future.

4. Anti-corruption

a. Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

A Description of practical actions

- ✓ We display the highest level of ethical integrity when dealing with workers, suppliers. We work again corruption in all its forms, including extortion and bribery.
- ✓ A suggestion box established to protect employees who report potential human rights concerns within the company or with business partners is also provided.
- ✓ We have transparent reporting procedures and try to improve them better and better.
- ✓ All our company transactions are accountable and transparent.
- ✓ We have established the regulations: Regulation on buying and selling, Regulation on wages and bonuses.

- ✓ We completely follow our customer's Code of Conduct that mentions very clearly on "Ethics" Article"
 - Integrity: Suppliers should display the highest level of ethical integrity when dealing with workers, suppliers and our employees. Suppliers should work against corruption in all its forms, including extortion and bribery.
 - Protection of "whistleblowers": Suppliers should provide an anonymous method for workers to report workplace grievances, and ensure that policies are in place to protect workers when complaints and grievances are reported in good faith.
 - Animal welfare: No our products will cause harm or cruelty to animals during their manufacture, and we do not use real fur in our products. In addition we require that any materials derived from animals used in our products are from animals that are treated humanely and according to animal welfare laws and international recommendations.
 - Transparency and sourcing of materials: Suppliers must declare and register all subcontractors with us. Suppliers must be fully aware of all sites and companies involved in their production network, and should be able to provide us with a detailed and comprehensive map of their supply chain on request. We require that suppliers are sourcing raw materials and fabrics responsibly. Raw material production as well as fabric manufacture must not have a negative impact on human rights. If it is decided that certain companies, regions or countries are not to be worked with based on ethical or environmental concerns, suppliers must respect these sourcing decisions.

A measurement of outcomes

- The suggestion box is checked every 03 days and shared with related departments. A quick action will be done then. We try our best to create "no complaining working environment".
- We have been working with famous audit firms such as Deloitte Vietnam, KPMG in consulting and annual audit.
- Accounting software makes clear all our transactions.

- Customer's Code of Conduct is posted in site our facility and communicated throughout our supply chain and workers.