

## Report - january 2014

### General

During 2013 we have build and renewed our computer system, which through its various follow up tools, gives us a good overview of, for example, claims, type of claim and the reason for the claim. This way we can communicate faster and more efficient with the factories in case of fluctuations and complaints.

The system has given us the opportunity to improve on the communication directly towards to customer. On the B2C market we have increased the volume of orders with 3 %, which orders we have received directly in our system.

We have decided to offer this service in 2014, also to our customers in Sweden, Germany among other countries, and we are looking forward to provide a high and more determined service directly to the end-user and that way also economize on the transport costs (CO2). Due to the fact that the orders are being created and saved directly in our system, we consequently reduce the quantity of paper in the company.

In both companies we have focused a lot on creating product lines, which produces furniture under controlled and environmental good conditions. A good example is our new wood line; tables and table tops.

Cane-line has hardly sold any teak wood for the last 5 years; however we sense an increasing demand on a global level. Through a good co-operation with our suppliers, we have ensured, that the teak wood comes from certified woods and that the supplier is being certified by an external audit unit.

Both woods and suppliers are being certified by the organization GFTN (Global forest and trade Network-Indonesia), who organizes under the organization WWF.

Through our audit visits at our supplier and following issuance of reports, we have been able to create a tool, which enable us to focus on the important and relevant issues including subsequently action plans. The reports are focusing on both environment and social responsibility.

As to social responsibility we have come far with a school project in Indonesia, where the education standard has increased significantly. On this project we also do ongoing follow up.

Danish designers at Cane-line have a mission as to both combine and complement aesthetic and functionality.

The garden tables will extend the time you can spend outside in the summer period, and the many different chairs, you can choose, to any of the tables, according to your preferences.

The designer is primary focusing on the look and expression of the furniture, but for Cane-line, the comfort is just as important and central. The whole collection is created with the purpose of creating a valuable outdoor life. Therefore the durable quality and minimal maintenance goes hand in hand with the exclusive garden furniture and complete comfort.

All Cane-line's furniture are UV-resistant and colour fast and also secured against water / frost damage.

Sika-Design has developed a new collection of Danish pioneer design with rattan, called Icons.

With deep respect for the original drawings, Sika-Design has produced chairs, designed by Arne Jacobsen, Nanna & Jørgen Ditzel, Viggo Boesen and R. Wengler.

These designers have all had an important role in Danish Design History, in respect of being experimental and innovative. In their own way they have experimented with the hardy material, rattan, and created sculptural and timeless icons within Danish chair design.

End 2013 we joined the Global Compact of UN, which we appreciate a lot, as it is a natural superstructure to our current work with environment and social responsibility. The principle in GC is built on a global and Nordic co-operation and it is a well known organization among our customers.

**1. Do we comply with the current law within environment and working-legislation?**

We have been working determined with separation of waste and we have a good system, which complies with the regulation of waste by the municipality of September 2009.

As to the working legislation we comply with the law by creating an APV (work place review) and are planning to accomplish a renewed survey of the store and production during Q1 2014.

BST will be involved in this survey.

Besides the above we comply with the few rules of environmental kind, which are relevant in our industry.

**2. We have completed audits both internal and at our suppliers.**

We have completed internal audit for both systems; ISO14001 and SA8000.

In general we are working very well and very systematic within this area.

Regarding external audits – at our suppliers – the year has been characterized by many new suppliers. In that situation we have focused on introducing them to our world/system in respect of reports and sufficient documentation as to pictures. Via serious dialog with our suppliers, we have emphasized on the importance of meeting the requirements of these certificates as to environment and social responsibility.

The audits, at some of the suppliers, have been completed differently in relation to documentation and actions plans for the future work. We have been following up on the aspects once they have been visiting us in Denmark.

**3. Has the Danish Working Environment Service made an inspection here in Rynkeby?**

The last few years there has not been an inspection made by the Danish Working Environment Service, on any of our 3 tax numbers, which are registered by us. 😊

**4. Have you had requests from any outsider regarding environment and SA8000?**

We have not received any requests from the neighbor hood.

Just like previous years, we have had requests from existing and future potential customers, regarding our system.

In our new catalogue we will increase the focus on both SA8000 and the environment, underlining our position, by placing our statements in the beginning of the catalogue. (Our values).

**5. Have the employees commented on the environment issue and SA8000?**

There has not been any particular request, but the general position among our employees, is that they are happy about the courses, in first aid and fire, which we have followed – and they are looking forward to more courses during 2014 and 2015.

In connection to a Christmas event, the employees, did again, arrange a fund-raising via an auction of nice things. The money from the auction was given to the Hospital in Odense, particularly to children with cancer. We doubled the amount which amounted to kr. 15.940. ☺

We hope to do something similar in 2014. The initiative and the possibilities are present, and most probably we will find a new area to support/sponsor.

# Sikane as

INNOVATIVE FURNITURE

**6. What is the status on the action and work with the environment, also comprising the appointment of the significant environmental impact, which has been changed since last year?**

We have reached a satisfactory level on cost savings on electricity, water and heating, which were set from the start and in the daily we are very attentive only to use the light which is necessary. We remember to turn the light, if not needed.

Further costs savings in this field will demand that we overall, for example within the electricity, invest in a reduction of voltage of electricity in connection to lighting at the store. Presently we have not planned any such activity.

The packaging of Cane-line Tex products has been optimized in relation to packing in cardboard boxes. When packing the smaller products / items, there can be more items in the box, and regardless the product, the cushions are always following the chair in the box.

The cardboard box is optimal as to the risk of damage during transport, as we have hardly ever seen any damage with the kind of packaging.

As to transport, we focus a lot on delivering the products more and more to B2C market, as we are opening for many new markets in 2014, for example Sweden and Germany among others.

**7. Comments on the 8 criterias of SA8000 and the compliance of same in Rynkeby – also in relation to the co-operation with our suppliers on this subject.**

All 8 criterias are fulfilled in Rynkeby.

In periods we are still close to the limit regarding overtime, as we cannot foresee the level in the high season. Nevertheless we are very attentive on it.

We have no comments on the remaining 7 criterias of SA8000.

We have been working determined with one of the elements in SA8000 as to "Guidance & Checklist for Assessment of Fire Safety Systems", which is a superstructure in relation to our previous audits.

This system has also been used during the audits at our suppliers and we have come far in the work. Our suppliers are upon an audit issuing a report to us. If we find something which is not in accordance with the agreed criterias, we are increasing focus on this matter and issuing a timeline for correction, if necessary.

**8. Goals are being evaluated in relation to status on both environment and social responsibility.**

**1. Regarding the environment** – we have succeeded in reducing the amount of waste, which are being moved away from our store. See below statement;

	<u>2012</u>	<u>2013</u>
Packaging/cardboard	= 12,43T	11,28T
Iron	= 12,72T	6,40T
Suitable for incinerate	= 18,45T	16,53T
Suitable for deposition	= 22,44T	20,88T
<b>SUM</b>	<b>66,04T</b>	<b>55,09T</b>

We have conducted a reasonable amount of waste, which is primary caused by better packaging of the products and a good quality control prior to production, among ongoing control and less corrections being made on the products.

## **2. Regarding social responsibility – we have been supporting;**

SA8000 projects, comprising:

- Local football team
- Breast Cancer
- The Danish Cancer Society
- SOS Children's Villages
- Fair Trade Denmark
- 25.000,- kr. to "Danmarks Indsamling" = Danish Fund Raising"
- Support project at a school in Malang for children at the age of 12-16 years.

Besides, we have, through our factory, Sikane, in Indonesia, collected funds for a village, Medellin, in the Philippines. The funds were primarily used for food and water, after the disaster.

## **9. Status on deviation and corrective action.**

The deviations are few, and if any, they are being corrected immediately.

## **10. Follow up on latest report from Sikane.**

The system is very well incorporated among all employees, and the last few years, we have not had many corrections of the system.

We have ensured that the concrete goals and follow-ups are being compared to the comparable previous period.

## **11. Has there been made any changes in the mix of products?**

There has not been made significant fluctuations, which rise any special comments.

## **12. Are there any recommendations to new goals and actions plans?**

No, the actual action plan for 2012 / 2013 / 2014 is still adequate and sufficient.

## **13. Is this managing system suitable and well implemented?**

The system is well implemented and suitable for our use and the handbook / manual is to be found at our intra net, which all employees have access to.

## **14. Is the policy ok?**

We have not found it necessary to change the policy, as it is sufficient in relation to what we intend to achieve with our system.

## **15. Yearly discussion of working environment.**

- In cooperation with BST-BV we will describe the working environment for 2013 by issuing a workplace evaluation. There is no firm plan of meetings arranged, but we have been working with the area and with the cases on-going, as well as we have determined the goals and action plans stating both responsible person and deadline.

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- Our goals for working accidents for 2014 are of course sustained to be zero. Constantly we have focus on the fact that our working conditions in all joints are well designed and in good order and in any case necessary, we will do our utmost to involve BST in our way to handle the furniture.  
The cooperation with BST will continue in 2014 as it contribute to the fact that we get beyond thinking same (due to habits). We also increase the focus on ergonomics and lifts in the future store, where goods on pallets will increase, as the market B2C is in growth.

One of the reasons in accident prevention is that, we have decided to focus on "House Keeping" – and at the store we will be better organized in the loading area and it will be more simple and manageable and in that way, we prevent accidents from happening.

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