

Statement of continued support by the chief executive officer

To our stakeholders

I am pleased to confirm that Wernerfelt A/S reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

During 2014, Wernerfelt has worked at making the Global Compact ten principles a part of our daily operations by adopting an approach that is based on corporate commitment, assessment of risks, implementing preventive and remedy measures and communicating to stakeholders.

In the coming year we will continue to work with the ten principles throughout our value chain.

Sincerely yours

Lars Lauridsen
Managing Director

Human Rights and anti-corruption Principles

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

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

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

Policy, goals and assessment

Wernefelt human rights policy clearly states that compliance with the universal declaration of human rights is a must throughout all of our operations. Our anti-corruption policy states clearly that corruption in all its forms including extortion and bribery is not tolerated.

We make it also clear that will not trade with suppliers that break the corruption principles and with any suppliers that do not comply with the universal declaration of human rights.

results, we revert with input in any areas that we deem to be unacceptable.

Employees are informed of the importance of Wernefelt's stand on Human rights and anti-corruption. Moreover, all elements of Wernefelt's activities are completely transparent which reduces the element of corruption greatly.

We inform our employees of their rights and have a procedure in place to handle any grievances and or input.

Assessment and Implementation

We assess our suppliers through the suppliers questionnaire we have prepared that includes our policy on human rights and anti-corruption. The questionnaire is sent to suppliers and it must be filled in and signed. Regarding new suppliers, we discuss human rights and anti-corruption issues and go through our questionnaire with them so that we are sure that they understand it before signing compliance. We visit our established suppliers periodically to assess the conditions first hand.

We also inform our suppliers of the articles included in the universal declaration of human rights and the core conventions of the ILO concerning the rights of workers and children.

Part of our implementation procedure is a yearly valuation of our supplier's situation regarding human rights and anti-corruption and according to the

Measurement of outcomes

Procedures in place for employee input, for example we hold a short meeting every morning where employees have the opportunity to discuss all relevant topics freely as well as management meetings with each employee at least once a year to discuss various workers conditions including salary negotiation.

We have developed procedures that inform our employees and our suppliers of our stand and our requirements regarding human rights and anti-corruption issues. We have also developed rules regarding gifts and responsible business behaviour.

Locally, Wernefelt is actively engaged in the local community by supporting the handicap sport association, by cooperating to provide practical experience for unemployed people and by providing various textiles to a project involving school children that learn sewing.

Labour Principles

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

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

Principle 5: The effective abolition of child labour

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

Policy and goals

Our goal is to provide a pleasant work environment and proper work conditions, which take into account both the physical and psychological needs of for our employees.

We expect that our suppliers work with labour issues as specified in our code of conduct. We expect as a minimum that they uphold the country's rules and legislation covering labour issues.

Assessment and Implementation

Wernefelt conducts a yearly work environment evaluation and prepares an annual report upon which the responsible persons together with management draft the measures needed for the following year in order to improve the working environment both physically and psychologically.

We work with our suppliers and inform of our procedures with the aim of improving the working environment at our suppliers localities. We urge all suppliers to adopt

third party standards and audits such as BSCI.

Our suppliers questionnaire that includes labour requirements is sent to the suppliers and it must be filled in and signed. We also visit our suppliers periodically to assess the working conditions first hand.

Measurement of outcomes

A number of our suppliers are holding BSCI standards and audits as well as SA 8000 and work environment system OHSAS 8001

We have introduced many different measures throughout our offices and storage facilities, such ergonomic desks and chairs, machines for lifting, flexible time schedules and facilities for relaxing and eating.

Our APV – Work environment evaluation yearly report provides us with input that is essential to our work regarding our work environment.

Environment Principles

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

Principle 8: Undertake initiatives to promote greater environmental responsibility

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

Policy and goals

Our aim is to reduce environmental damage resulting from our operations. This includes our internal operations that are mainly administrative as well as our supply chain, which includes the production of raw materials and fabrics.

Our responsible buying policy includes the requirement that all suppliers must to adhere to laws and regulations as a minimum. It also describes Wernerfelt's specific requirements and expectations above regulations

Assessment and Implementation

Assessment is carried out through our questionnaire that is accompanied by our environmental requirements document. Suppliers are asked to read the requirements that cover such issues as chemical use, wastewater treatment as well as other areas of concern and consequently answer our questionnaire.

The results are then evaluated according to a rating procedure. For example, if a supplier holds an official accredited Ecolabel licence, than they are immediately listed as a rate A supplier.

We work closely with our suppliers regarding Ecolabels and that is shown by the fact that one of our main suppliers is EU Ecolabel certified for a large number of products.

We also inform our suppliers about the benefits of the EU Ecolabel, EU and Danish legislation regarding prohibited substances, heavy metals and so on.

Regarding environmental issues at our premises, we have worked with waste, energy in particular more efficient lighting and resource management

We monitor the market for innovative sustainable solutions suite to our operations

Measurement of outcomes

We have an extensive environmental profile of our suppliers.

Our Indian suppliers hold certifications and standards such as EU Ecolabel, GOTS, Nordic Swan, SA 8000, BSCI, ISO 14001, ISO 9001, OHSAS 18001 and Oekotex. Our Chinese suppliers are Oekotex certified and focus will be placed on providing information to try and convince them of the benefits of third party standards and certifications.

We are presently in the process of and intend to apply for the EU Ecolabel.

Internally, we have procedures in place for waste. We are monitoring and implementing energy efficiency solutions for our heat and light supply such as LEDs as well as Ecolabel product use.

We will conduct an evaluation of our CSR work at the beginning of 2015 and expect to formulate our action plan accordingly.