

COMMUNICATION ON PROGRESS 2014

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.

28th October 2014



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 : 08th November 2013 – 28th October 2014
Membership Date : 08th November 2012
Sector : Jewelry designing and producing
Number of Employees : 462

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. We are specializing in producing & exporting high-end jewelry.

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 parties.

UNGC Principles	JSV practical actions	Measurement of outcomes	Targets for the coming year
<p>1. <u>Human rights</u></p> <p>1.1 <u>Principles 1</u>: Businesses should uphold and respect the protection of internationally proclaimed human rights.</p> <p>1.2 <u>Principles 2</u>: Business should ensure that they are not complicit in human rights abuses</p>	<ul style="list-style-type: none"> ■ We continue to apply “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 have detailed internal HR policies that are translated in local language and delivery all our employees. All new staffs are introduced to the regulations in orientation training. ■ The employees are offered: Health check before joining, annual health check, HIV/AIDS training, Health & Safety precautions, fire prevention, first - aid training and fire safety precautions. ■ 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. ■ Democratic working environment is applied in our company. Employees are advocated to speak up their opinion. 	<ul style="list-style-type: none"> ➢ Customer’s Code of Conduct is posted in site our facility and communicated throughout our supply chain and employees. ➢ Labor Code book is available in our library. ➢ We are awarded the best company in Health & Safety implementation and Fire safety precautions implementation in 2013. ➢ 100% employees were offered: Orientation training, Health check before joining, annual health check, HIV/AIDS training, Health & Safety precautions, fire prevention, first - aid training and fire safety precautions with certificates from relevant authorities. ➢ The company’s minimum wage that is paid for our employees is 20% higher than the statutory minimum wage. ➢ Every six months, there is a meeting between the employer and the employees. The employees are free to raise their voice in any kinds of issue regarding to working environment, salary and benefits. 	<ul style="list-style-type: none"> ➢ Establish Julie Sandlau Vietnam’s Code of Conduct that covers all aspects such as: Human rights and Labor rights; Health and Safety; Environmental protection; Ethics and apply it to day-to-day operations of our company. ➢ Continue to offer the employees: Health check before joining, annual health check, HIV/AIDS training, Health & Safety precautions, fire prevention, first - aid training and fire safety precautions. ➢ Offer our employees better wage.

UNGC Principles	JSV practical actions	Measurement of outcomes	Targets for the coming year
<p>2. Labor rights</p> <p>2.1 <u>Principle 3</u>: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>2.2 <u>Principle 4</u>: Businesses should uphold the elimination of forced or compulsory labor.</p> <p>2.3 <u>Principle 5</u>: Businesses should uphold the effective abolition of child labor.</p> <p>2.4 <u>Principle 6</u>: Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> ▪ 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 employees, establishing football teams... ▪ There was no discrimination practice found in the company. Employees are recruited based on their competencies and factory's requirements. Employees' compensation levels are based on their working position, knowledge and skills only. ▪ Employees are voluntarily working for the company. ▪ All employees are signed labor contract with social insurance, health insurance and unemployment insurance from probation period as stipulated by law. ▪ We do not use any illegal workers, or any kind of forced labor or child labor in our factory. ▪ All safety precautions in regards to the use, storage and handling of chemicals are taken and the employees are sufficiently trained in handling chemicals. 	<ul style="list-style-type: none"> ➢ Every two months, a regular meeting between the employer and Trade Union members is organized. Clear minutes of meeting are well stored. ➢ 100% our employees are members of Trade Union organization. ➢ We provide a signed labor contract in a language that is understandable to the employees. ➢ There was no child labour found in our company. According to the factory's recruitment and selection procedure, the factory does not recruit employees below 18 years old. Applicants are required to submit age verification documents (copies of birth certificate, ID card, certified resume) to HR staff during recruitment process. Short-list applicants would be interviewed to ensure the matching between the appearance of the employee and his/her submitted documents. ➢ Employees are voluntarily working for the factory. Labour contract is signed between the employer and the employee at the beginning of employment. Each party would keep one copy of the contract for reference. Employees could terminate the labour contract at any time with reasonable advance notice of 30 days to 45 days as stipulated by Law. 	<ul style="list-style-type: none"> ➢ A new Trade Union committee will be elected in March 2015. In coming years, we continue to attach the important role of Trade Union organization and ask them for advice for all issue related to Labor Rights. ➢ Continue to do regular charity activities to help unlucky people. ➢ Continue to advocate employees to raise their voice by organizing a meeting between both parties every 03 months.

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<p>2. Labor rights</p> <p><u>2.1 Principle 3:</u> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> <p><u>2.2 Principle 4:</u> Businesses should uphold the elimination of forced or compulsory labor.</p> <p><u>2.3 Principle 5:</u> Businesses should uphold the effective abolition of child labor.</p> <p><u>2.4 Principle 6:</u> Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> ▪ 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. Externally trainings are also provided for our employees ▪ Charity activities are organized regularly with strong support of parent company and subsidiary company. We work with Blue Dragon Children's foundation to help disadvantaged children in rural Vietnam. ▪ 15 children under 17 years of age from Blue Dragon Children's foundation were invited to visit our company to learn about job opportunities. ▪ Offer fresh graduated students on-the-job trainee. 	<ul style="list-style-type: none"> ➢ Around 90% unskilled workers have been provided on-the-job training to be skillful workers. ➢ No accident at work is found in our company ➢ The MSDSs listing all chemicals on site are posted near chemicals. ➢ There are clear employment policy and procedure in our company. ➢ We provide: computers, desks and chairs for classroom, support for children to go to school for a year – payment for school fees, text books, stationery, insurance, uniforms and other fees. 	
<p>3. Environment</p> <p><u>3.1 Principle 7:</u> Businesses should support a precautionary approach to environmental challenges.</p>	<ul style="list-style-type: none"> ▪ Collecting waste in the industrial zone is done regularly by our cleaning team. ▪ Environmental training for our employees is provided to ask for protecting environment. ▪ The public area of the factory is kept clear and clean. Trash bins are placed around the premises for employees to use. 	<ul style="list-style-type: none"> ➢ In order to make working place clean, around 100 trash cans were bought and put around the working area. ➢ 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. 	<ul style="list-style-type: none"> ➢ We plans to use power saving bulbs and will use more environmentally friendly technologies in the near future.

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<p>3.2 <u>Principle 8</u>: Businesses should undertake initiatives to promote greater environmental responsibility.</p> <p>3.3 <u>Principle 9</u>: Business should encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> ▪ To make sure that we do not pollute the environment and our neighbors, our rubbishes are removed and treated by the suppliers. ▪ Reduce energy consumption and greenhouse gas footprint. ▪ We encourage employees to use front and back on printing paper. 	<ul style="list-style-type: none"> ➤ Turn off air conditioners and other equipments when we do not use. ➤ Take advantage of nature lights instead of using too much electricity. 	
<p>4. <u>Anti-corruption</u></p> <p>4.1 <u>Principle 10</u>: Businesses should work against all forms of corruption, including extortion and bribery</p>	<ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ➤ 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. 	<ul style="list-style-type: none"> ➤ We will display the highest level of ethical integrity when dealing with workers, suppliers. No violation regarding to corruptions is recorded.