

Sustainability Report  
Fiscal year  
May 2015 - April 2016



*Laurie*

- it's got to feel right

## CEO STATEMENT

'It's got to feel right' is the business statement and vision of LauRie, founding the actions performed by the people of our company. It embraces our honest, reliable business culture and partnership model as well as the good, learning practice for ourselves and for the people we influence.

Founded in the autumn of 2014, our four key focus areas for Corporate Social Responsibility are integral parts of our overall brand framework along with our CSR-strategy, which is applicable for fiscal years 2015-16 until 2018-19. The four key focus areas guide our daily business practices to ensure that our decision-making is based on a sound and con-scious foundation. In this report, the four areas will structure the content to shed light on our approach to CSR, and how we seek to create value for both our customers, our business and society.

I am proud of our achievements during the fiscal year May 2015 - April 16. Our continuous, persistent work on using skin friendly textiles has paid off: Today, more than 90% of the materials used in our garments are certified according to OEKO-TEX®. We have moved all production to Europe and 50% of our suppliers are listed on the BSCI (page 6) platform, representing more than 80% of our entire production.

We support the UN Sustainable Development Goals. We are committed to our support in achieving SDG No. 8, of promoting decent work and economic growth through partnership with our suppliers. We also pledge our contribution to SDG No. 12, of ensuring sustainable consumption and production patterns, by producing long-lasting products using sustaina-ble materials and production processes.



A year has gone by since we presented our first COP-report in April of 2015. I am pleased to reaffirm our commitment and endorsement of the UN Global Compact and its ten principles.

Risskov, May 2016

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Henrik Hansen, CEO

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# LAURIE BRAND FRAMEWORK

## PURPOSE

We provide joy and well-being through comfortable and high quality contemporary fashion for all women.  
In all matters, we aim to do this in the most responsible way.

## VISION

We want to be the most attractive and reliable brand in our field and prove to our market that you can create high quality fashion, responsibly. We want to contribute to the building of a new normal in consumer behaviour through meaningful products and communicating sustainability values to our market. Happy, innovative and proud employees are the bases of our organization.

## CSR

Long-Lasting Products  
Responsible Production  
CSR Ambassadors  
Proud Employees

## VALUES

We consider everyone – internal as external – to be our partners  
We provide good quality and service  
We act with loyalty, respect and responsibility  
We create renewal and innovation through customer needs  
We act as a trustworthy and honest team  
We consider humor to be a vital part of our positive working environment

## LONG-LASTING PRODUCTS

We believe in long-lasting quality products, the use of which our women can enjoy many times. It is our belief that long-lasting products are the best means towards more sustainable consumption. We believe that it is our responsibility to bring to market products, which, to the best of our knowledge, do not harm our users. In order to have the best knowledge and control of the making of our product, we believe in value chain transparency on all levels.

### OUR GOALS 2018-19

- 60% (at least) of our products are styles that never go out of fashion
- We have a maximum reclamation rate of 1% to ensure a high quality standard
- 100% of all our products are certified with Oeko-Tex® Standard 100, hence meet the EU's REACH requirements
  - <http://echa.europa.eu/regulations/reach>
- 100% of materials chosen must be recycled or/and environmentally friendly.

### OUR ACTIONS 2015-16

We believe that value chain transparency is essential in order to be able to understand, monitor and control that our business model is reliable and responsible. Therefore, we have made it our policy to only use materials from known suppliers, including materials presented to us by our garment makers. Therefore, during the previous year, we have been focusing on strengthening our cooperation – not only with garment makers, but also with our fabric and trimming suppliers – in order to ensure that we also influence our suppliers beyond the Tier 1 level of our value chain.

We are constantly on the lookout for materials and manufacturing processes that can make our products more sustainable. In the past year, we have focused on getting better knowledge of fabric manufacturing processes and material origin, enabling us to make better choices in the product development phase. Currently, our collections are mainly made of cotton, viscose, Tencel®, Micromodal® and linen.

To prepare our suppliers for value chain transparency, and because it gives us more insight and knowledge of our operations, which entails that we get a chance to make better choices, we seek information on origin of all the cotton we use. As a result, we have decided to avoid the use of angora yarn in all products, as the value chain of angora lack transparency.

Furthermore, we focus on choosing materials from local manufacturers in order to avoid trade barriers, long transport and potential bribery in customs.

We join new innovative initiatives and collaborate with groups or educational institutions supported by the government to expand our knowledge, i.e. hemp cultivation and studies on design as a driver towards a more precise production and conscious consumption.

### OUR RESULTS 2015-16

- 97,6% of our materials chosen are certified according to OEKO-TEX® Standard 100.
- More than 60% of our collection are styles with a long-lasting design.
- Our reclamation rate was 0,94%
- All our bags are made of recycled bottles and our plastic bags are biodegradable.
- All cardboard boxes used for packaging are made of recycled carton.
- All carton, plastic and paper wastage in our company is being collected and recycled, enabling us to dispose of this waste at zero-cost.

We support UNGC principles 7, 8 and 9.

## RESPONSIBLE PARTNERSHIPS

We believe in partnership with suppliers, who share our vision. Therefore, we collaborate with European suppliers who have the will to make production processes sustainably, respecting the environment and living up to human and labour rights according to our code of conduct.

### OUR GOALS 2018-19

- We seek to ensure that all our suppliers have signed our contracts with BSCI “Terms of Implementation”.
- We want to ensure that we, as a member of the BSCI, meet the requirements on improving working conditions on our factories worldwide

### OUR ACTIONS 2015-16



In the autumn of 2014, after joining the UN Global Compact, we also joined the Business Social Compliance Initiative (BSCI) as a way to follow and monitor the working conditions in our productions and ensure that our producers follow internationally proclaimed human and labour rights. We decided that our work should be based on recognised standards in order to have greater impact on our suppliers, and for this reason the BSCI code of conduct became our compliance reference.



The BSCI code of conduct is based on the ten principles of the UN Global Compact and draws on important international labour standards protecting workers’ rights such as the ILO conventions and declarations, the UN Guiding Principles on Business and Human Rights as well as guidelines for multinational enterprises of the OECD. We included the BSCI “Terms of Implementation” in our business contracts with our suppliers – to ensure that they accept the basis for our collaboration. With these terms, the producers sign and accept the BSCI code of conduct and that their working conditions are monitored and reported to us through third party audits.

We have taken responsibility (RSP) in the BSCI for suppliers, who are either strategically important to us, or who are new suppliers, who show willingness towards learning and progressing. On our initiative, new suppliers have attended the local BSCI workshops made available (free of charge) to them through our membership. Furthermore, our buying agents have attended these workshops to ensure that they understand our motive and goals for sustainable materials and responsible business practices.

However, the basis for our cooperation with suppliers is, and will continue to be, personal contact as it strengthens our partnerships. All our suppliers (both Tier 1 and 2) are European based. We visit all direct suppliers (Tier 1) at least once a year, some more. In focusing on transparency in our value chain, we have also emphasized the importance of closer collaboration with our fabric suppliers (Tier 2). Therefore, we know the makers of all our fabrics, and we have personal contact with the strategically important ones, working closer together with them. In addition, we have started visiting some denim laundries and dye houses (Tier 2), where most chemicals are used. To limit our footprint on the environment, we continuously work to find and incorporate new and more sustainable washing methods with the use of substantially less water and no chemicals.

Looking closer into environmental aspects in our supply chain, we have recently signed up with a BSCI “sister” initiative named BEPI (Business Environmental Performance Initiative). The BEPI is an initiative made to manage and improve environmental performance in the global supply chain. The sign up with the BEPI initiative was not part of our initial 4-year plan, but it seems as a natural way to monitor the sustainable environmental aspects of our garment production.

### OUR RESULTS 2015-16

- 67% of our suppliers have signed our code of conduct. Goal was 70%, but in May 2016, right after fiscal closing, it was 75%.
- 50% of our suppliers are listed on the BSCI platform; we are responsible (RSP) for 17%.
- All our Tier 1 suppliers were visited on site, some more than once. 3 Tier 2 were also visited.

We support the UNGC principles 1, 2, 3, 4, 5 and 6

We believe in making better choices through education and information sharing. LauRie is a company interacting with many long distance partners, both suppliers and customers. We want to make sure that the products and services brought to market in our name are produced and distributed in a responsible and reliable manner. This entails that consumers are aware that they have a choice, when they buy clothes. Over the years, we have experienced that, especially in garment productions, this is far from always the case.

It is our experience that consumers have only limited knowledge about working conditions and environmental issues in the garment industry. However, it is also our belief that education/information are keys to better understanding and consequently to a change in consumer behavior towards more sustainable consumption.

Knowing well that we cannot change all, we can play our part in educating our society through information sharing in a tangible manner, which create sustainability ambassadors – and at the same time brand ourselves in the direction we want. For this reason, our third focus in responsibility is “to play an active role in creating awareness and communicating responsible business behavior in a simple and tangible manner to our consumers, customers and sales partners.”

### OUR GOALS 2018-19

Overall, our goal is to influence our sales people, our customers and our consumers into becoming our ambassadors, promoting responsible business and consumption behavior, because no matter our individual position we have a choice, when we make purchases. Through this, we want to brand our company into being one of the choices worth making.

### OUR ACTIONS 2015-16

During the year, we have focused on influencing our sales people, our customers and our consumers in different ways:

- Sales people: Through at least 2 meetings per year, materials education and one CSR-focus topic per season
- Customers: Through newsletters, flyers, booklets and displays
- Consumers: Through social media, own website, CSR statements on the garments, newsletters, PR and advertising

To follow up on these efforts, we have developed a communication platform in order to support our consumers in making an active sustainable choice. Through visible hangtags on our garments, we communicate our CSR statements to customers and for “in store” we have developed displays and booklets, communicating our sustainable approach and products.

During the year and before seasonal exhibitions have taken place, we have facilitated two training sessions for our sales staff. These training sessions educate sales staff in the materials used in our garments and give insights into production methods as well as general information related to LauRie’s CSR work and it’s development.

We have not been able to measure directly the impact we have had on communicating our CSR messages, and we acknowledge that we are still new to this area. The aim is to “plant seeds” and create curiosity among customers and consumers – and to give us a platform from where we can comment on the sustainability agenda, be heard and interact with our stakeholders, in order to brand LauRie as a responsible company.

### OUR RESULTS 2015-16

- 100% of our products are presented with a hangtag with sustainability messages
- All members of our sales staff have participated in training at least ones last year, most of them twice.

## PROUD EMPLOYEES

We believe that in order to make great changes, we need to start by looking at our own practices. Only through our own employees' enthusiasm and commitment on all levels and in all departments, a serious and long lasting impact is possible.

We believe that each individual working at LauRie should be both part of and proud of the value creation our purpose, our vision, our values and our CSR-work give our society and us as an organisation. Communicating a clear Brand Framework - and of course living it - attracts skilled and talented employees, which is essential for our future business.

### OUR GOALS 2018-19

- Score 4 out of 5 on our yearly employee satisfaction survey
- 2 inspirational speakers or seminars per year to inspire developments in teams, individuals or systems.

### OUR ACTIONS 2015-16

During the previous year, we invited our employees to contribute to our CSR strategy and implementation. Based on this, we have formed a CSR team with employees representing our management, marketing and purchase functions, in order to take the lead in the CSR implementation phase. The entire team is involved in the process on a continuous basis. Also, we have joined a small network of CSR-managers in related companies, where we share challenges and best practice. Three persons from LauRie are parts of the network.

In order to ensure that all our employees are onboard our CSR-effort, we have information meetings four times a year for all employees, where our CSR agenda is always in focus and where we highlight a particular subject (i.e. the ten principles of the UN Global Compact, the BSCI initiative or OEKO-TEX) in order to educate our staff.

During the year, we have also signed up to join FTA Nordic network, a network of companies all members of the FTA (mother organization of the BSCI). We participate in Copenhagen Fashion Summit, CSR Awards, CSR in Praksis and CSR MasterClass, which are all conferences with a joint purpose of making better corporate praxis on many levels. To share our knowledge with society, we welcome school classes to visit LauRie and learn about the daily business at an international SME with focus on doing business responsibly.

Our employees and agents all have officially approved employment or agents' contracts, employees have pension schemes, health insurances, massages once a month, free fruit during working hours as well as flexible working hours. This is all done to ensure that we have satisfied and motivated employees and that we cater to the different needs that our staff face to ensure a good work-life balance. For our warehouse staff, we added a vacuum suction system to prevent many heavy, daily lifts. All employees have adjustable tables enabling ergonomically correct working positions.

### OUR RESULTS 2015-16

- Employee satisfaction survey score in November 2015: 4 out of 5
- Last year around 10 different classes visited LauRie
- The implementation of a vacuum suction system in our warehouse
- Guest speaker from FANT ([www.fant.dk](http://www.fant.dk)) came in Spring of 2015 and talked about his Sierra Leone project. This resulted in a cooperation between LauRie and FANT on using excess stock goods for educational and development purposes in Sierra Leone.
- We support local sports (HEI), Kræftens Bekæmpelse (Danish Cancer Foundation), Red Cross and European City of Culture 2017.
- In 2015 we managed gender equality in our management group of 6 people.

We support UNGC principles 3, 4, 5 and 6.