

# Corporate Social Responsibility 2016



# Workwear with a point of view

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Nybo Workwear A/S (hereafter Nybo Workwear) is a family owned company. This means that people that have a daily involvement in the company own us. This has a huge impact on the way we run our business and implement our values. It is of utmost importance to us to value both responsibility and a solid bottom line equally.

We work with corporate social responsibility because of four main reasons:

1. We believe that we must behave decently in relation to other people - our own employees, our suppliers' employees, our customers, their customers and others we meet on our way.
2. We believe that we must focus on our environment and nature - we have a responsibility to pass it on in good condition for future generations.
3. We believe that decent behavior and sound business are interdependent.
4. We appreciate that many of our customers focus on CSR and place high demands on us. These requirements we would like to meet.

## CONTINUED SUPPORT TO GLOBAL COMPACT

Nybo Workwear has been supporting the UN Global Compact since 2010. Together with our core values, these 10 principles form the basis for our holistic approach to CSR.

In 2013, we have conducted a structured process aiming at integrating CSR further into our business strategy. We have looked deeper into our potential risks and identified our most significant stakeholder. Furthermore, we have conducted a self-assessment of process and materials in order to prioritize those CSR activities that create most value to both our business and the society around us. These priorities are reflected in our report. We are constantly setting new targets for improvement, and in 2017 we will further strengthen our partnership with our suppliers in Asia with the goal of enhancing responsibility in our supply chain.

## ABOUT OUR CSR REPORT

The purpose of our CSR reporting is to provide a comprehensive picture to our stakeholders on our CSR performance in 2016. Our CSR report form at the same time the obligatory Communication on Progress (COP) report to UN Global Compact.

During 2015 Nybo Workwear A/S acquired a production facility in Asia with manufacturing in Laos and design and administration in Bangkok, Thailand (hereafter NYBO Asia).

Activities under NYBO Asia is under Danish management and the process of receiving the BSCI standard is currently ongoing.

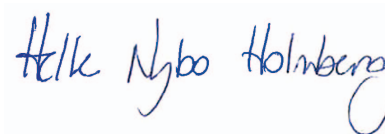
As for all other NYBO facilities, CSR will also be important for NYBO Asia. A key focus is the wellbeing of the workforce and therefore high standards in living conditions is available as well as medical assistance and guidance is being offered to the workforce on site.

The report covers our five locations: Headquarter in Viborg, Denmark, our two production facilities in Dobeles and Jelgava, Latvia and administration in Bangkok, Thailand and production facility in Vientiane, Laos.

In order to ensure a transparent, balanced and reasonable presentation of our CSR performance, we are inspired by general accepted reporting principles: Global Reporting Initiative ([www.gri.com](http://www.gri.com)).

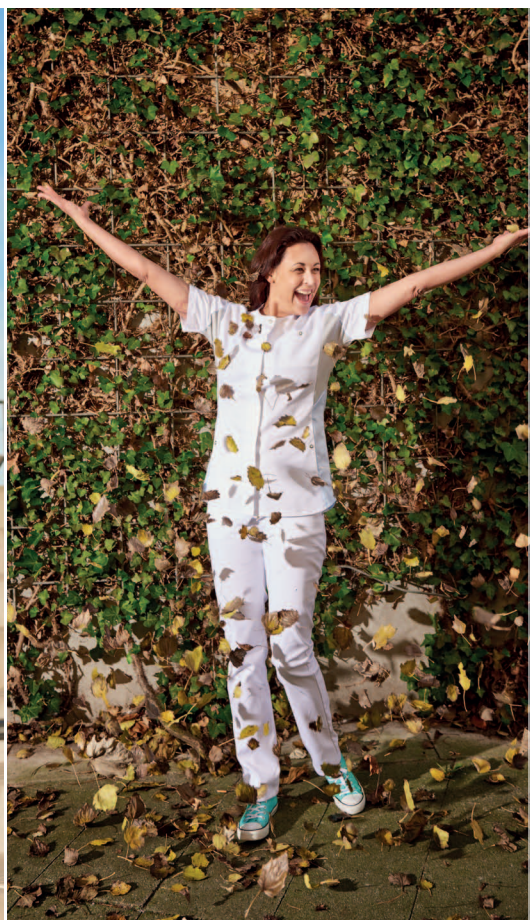
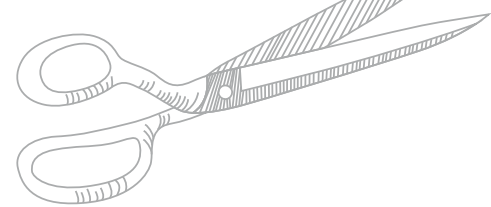
As we will continue our strategic and systematic work with CSR, any constructive comment for further improvements are highly appreciated.

We hope you will enjoy reading it!



Helle Nybo Holmberg  
CEO, Nybo Workwear A/S





## Company values

### **Dynamics**

In order to retain a solid platform in a changeable world we want to be an innovative, dynamic, and efficient company that inspires customers and colleagues in our industry.

### **Passion**

With equal parts competence, persistence, and enthusiasm we wish to deliver profitable solutions for the mutual benefit of our customers and ourselves.

### **Credibility**

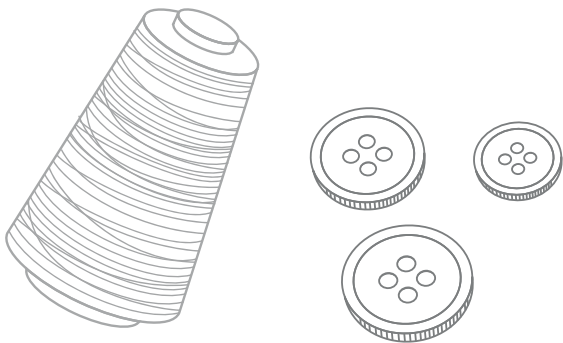
Honesty and credibility must be our guidelines in everything we do.

### **Quality**

Durable products is a key demand from our customers. We must adapt the highest possible standards of quality within all our activities.







# Purchase

## A trustful partnership is the key to responsible sourcing

We understand purchase as all sourcing activities related to procurement and supplier management at Nybo Workwear.

Nybo Workwear has main suppliers of textile distributed in Europe and Asia. Our European suppliers are all subject to strict European legislation and control.

Consequently, our own production facility in Laos is BSCI audited and our key supplier in India holds a SA8000 certification and in 2013 – Fair Wear.

Our focus is therefore still to cooperate with suppliers, which are BSCI, or SA8000 audited.

### **POLICIES AND STRATEGIES**

Our ambition is to do business with suppliers who meet the same high standards concerning quality, ethics, environment and security of supplies as we do ourselves. We only source from international recognized suppliers.

We believe that we achieve the best results through trustful partnerships striving for improvement in regards to human right, labour rights and environmental issues. Therefore, we are convinced that it is through a long-term partnership with our key suppliers that we achieve the best results. Regular visits in the places of production guarantee observance of the agreed conditions.

Nybo Workwear is a member of the trade association “Danish Fashion and Textile” that has developed a recognized code of conduct targeting suppliers named FairFashion. Our goal is to ensure that our suppliers live up to standards similar to FairFashion.

### **WHAT WE SAID IN 2016**

- All European suppliers with a purchase of more than 500.000 DKK must sign the FairFashion Code of Conduct as an integrated part of the contract with Nybo Workwear.
- Asian suppliers with a purchase of more than 100.000 DKK are obliged to sign the FairFashion Code of Conduct as an integrated part of their contract as well as fill in the Nybo Workwear –

self-assessment.

- In 2016 we will cancel the cooperation with two suppliers and then concentrate on our new production facility in Laos and our supplier in India.

### **WHAT WE ACHIEVED IN 2016**

- All suppliers have conducted the Nybo Workwear - self-assessment if they are not certified with SA 8000 or ISO 26000/DS49001 or BSCI.
- Our existing suppliers all live up to our high standards for quality and responsibility.
- Our own production facility in Laos has joined the BSCI and already had the first audits.
- We have stopped our cooperation with two suppliers in China. It means more focus on our main suppliers of work wear and both of these are certified SA 8000 and BSCI.
- We have not had any situations where a supplier has failed in our cooperation.

### **WHAT IS NEXT FOR 2017**

- All European suppliers with a purchase of more than 500.000 DKK must sign the FairFashion Code of Conduct as an integrated part of the contract with Nybo Workwear.
- Asian suppliers with a purchase of more than 100.000 DKK are obliged to sign the FairFashion Code of Conduct as an integrated part of their contract as well as fill in the Nybo Workwear – self-assessment.
- We will work on to have a grade A-B in our BSCI member ship on our production facility in Laos. In April 2017 we will have a second audit to follow up on the changes we have made since last audit in September 2016.



# Product

## High quality in everything we do

We understand “solutions” as our full assortment of products, processes, customer relations, and sales and marketing activities.

As a textile company our main impact on society is related to the quality and content of the products we sell. It means that our focus is constantly on environmentally friendly fabrics and accessories we use in our products.

### POLICIES AND STRATEGIES

Since the foundation of Nybo Workwear, we have strived towards high quality in everything we do. We believe that quality and responsibility are interrelated. We also believe that we have an obligation to develop innovative and environmentally friendly products, which will be a benefit for all involved.

Nybo Workwear works only with experienced and international recognized sub-suppliers of raw material for industrial washable products. All specifications of fabrics and accessories are determined and controlled according to international standards regarding quality, environmental requirements and healthy working conditions. A continuous follow-up takes place regarding the fulfilment of the agreed demands and arrangements.

In our catalogues and on the web, we clearly indicate which certificates relate to each product. It assists our customers in making a responsible choice.

### WHAT WE SAID IN 2016

- We will continue to live up to our customers’ demands concerning environmental and social irresponsible products and processes.
- We will continue to contribute to new innovative and environmentally friendly solutions within fabrics, accessories, and finished products.
- We will still focus on our transport and follow our carbon footprint within this activity - our sea- and air freight from Far East suppliers.

### WHAT WE ACHIEVED IN 2016

- 98% of the raw material in our standard products is Oeko –Tex 100 certified.
- 68% of our total standard products is certified with bluesign or STeP which is environmental certifications. Our Tencel collections which has started up in 2011/12 is still of a very high interest as the

customers ask for new and more sustainable products. In 2016 we have again launched more collections in different blends where Tencel is a part of it instead of cotton.

- Our collection Nature of organic cotton and regenerated polyester has been made in two new colors as there is a big interest in these sustainable garments on the market.
- Regenerated polyester is made of e.g. old dumped plastic bottles found in nature or at landfill sites. In contrast to the production of traditional polyester, no oil is used in the production of regenerated polyester and therefore the consumption of energy and the CO2 emissions are profoundly less. Organic cotton protects the environment because no pesticides are used in the production. A production without pesticides naturally also contributes to improved living and working conditions of the cotton farmers.
- In 2016 our use of air freight have again been at an unsatisfactory high level. We have chosen to use airfreight as we have had many new projects with short delivery time and our turnover has increased compared to 2015 and we have focused to have articles on stock.
- In 2016, along with 11 other regional companies, Nybo Workwear were screened and selected to participate in the project “Rethink Business – Design for Disassembly”. Through our participation in the project, Nybo Workwear has built up a network that allows us to offer a profitable green business model with our customers and suppliers.

### WHAT IS NEXT FOR 2017

- We will continue to live up to our customers’ demands concerning environmental and social irresponsible products and processes.
- We will continue to contribute to new innovative and sustainable solutions within fabrics, accessories, and finished products and be a frontrunner in the work wear business.
- We will focus on using fabric suppliers who are certified with the STeP or bluesign environmental certification.
- We will still focus on our transport and follow our carbon footprint within this activity - our sea- and air freight from Far East suppliers.



## Nybo Workwear's garments meet the following standards

### ISO 15797

As one of the first in our industry, we use the international test standard ISO 15797. A careful selection of raw material guarantee that Nybo products meet the requirements of industrial washing.

### Oeko-Tex Standard 100

If possible, we strive to buy fabrics and accessories that are Oeko-Tex Standard 100-certified. The scheme is the most common labelling for textiles in the world. The system checks content of harmful substances in textiles, and minimize the risk of user exposure to hazardous substances

### bluesign Standard

A number of our products are based on fabrics, which have achieved certification, by bluesign Standard. This ensures that production takes place with the utmost consideration for resource utilization, negative impact on air and water, health and consumer protection.

### STeP

This is the new environmental certification. It is a guarantee of an environmentally and sustainable product from start to end – the whole production process and social working conditions. It is handled by the OEKO-TEX Association.



## Nybo - frontrunner in sustainable work wear

Nybo Workwear do not just want to be a manufacturer of light work wear. We also want to be an innovative frontrunner of sustainability and ecology.

In end 2015 we have launched our very first sustainable collection: **Nature**.

Nature is a collection of upper parts made of regenerated polyester and organic cotton.

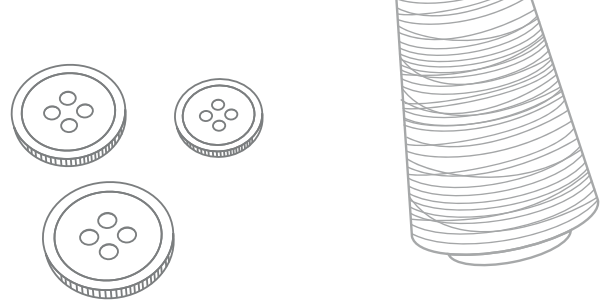
**Nature** is now available in 2 new colors, which indicate purity, freshness and healthiness thereby supporting the good qualities of the sustainable fabric.

Regenerated polyester is made of e.g. old dumped plastic bottles found in nature or at landfill sites. In contrast to the production of traditional polyester, no oil is used in the production of regenerated polyester and therefore the consumption of energy and the CO2 emissions are profoundly less.

Organic cotton protects the environment because no pesticides are used in the production. A production without pesticides naturally also contributes to improved living and working conditions of the cotton farmers.

With **Nature**, the user does not only get a high quality product. He also gets a product produced under sustainable and resource-saving conditions and the user actively supports a production with a good conscience and takes responsibility for our common future.

At Nybo Workwear, we believe that sustainability is imperative in the future production of work wear and we have now taken the first step.



# Process

## Environmental precautions from the very beginning

We perceive “process” as all the internalized activities across our own company value chain, including production, logistics, properties and utilities.

Our facility in Viborg, Denmark is home of our administration and stock. Our environmental challenges are mainly related to our production facilities in Dobeles and Jelgava in Latvia but from 2016 also in our new production facility in Laos and administration in Bangkok, Thailand. As a textile, producing company our main task is to produce high quality work wear, which means that we have very limited environmental issues related to hazardous waste and our water consumption.

### POLICIES AND STRATEGIES

We consider ourselves as an integrated part of our common environment. In spite of our modest size and position as a minor Danish player, we are determined to demonstrate our will to contribute to the preservation of our environment and resources.

In 1980, we decided to set up a wind turbine at our facility in Denmark and thus become self-sufficient in electricity. Our wind turbine produces about 50.000 kWh annually. We consume the majority internally, and the surplus we market to the local power plant.

We continue our recycling project of paper and plastic in cooperation with Zala Josta Ltd., which a Latvian company is caring for a clean Latvia. We collect and sort all waste: fabric, paper, cartons and plastic for recycling. Our systematic work with recycling has given us the Zala Josta certificate, which certifies that our production site “Sia Nybo Dobeles” is environmentally friendly. We have a special focus on the end-to-end handling of cardboard boxes, as this is our main packaging consumption. All boxes are sorted, cleaned, pressed and recycled.

In Vientiane in Laos – all waste of fabric is given to a washing factory – a sub-contractor. This factory uses the waste for heating up their boiler for hot water for the washing of denim.

In Viborg, we sort all waste: paper, cartons and plastic and sell it for recycling. Carton boxes from suppliers are used for shipments to the customers.

### WHAT WE SAID IN 2016

- We want to continue reducing our energy consumption:

- We have invested in IT equipment with lower energy consumption in beginning of 2015, which we hope will make an effect on the total use of energy.
- Our aim is to reduce our water consumption by 3%

### WHAT WE ACHIEVED IN 2016

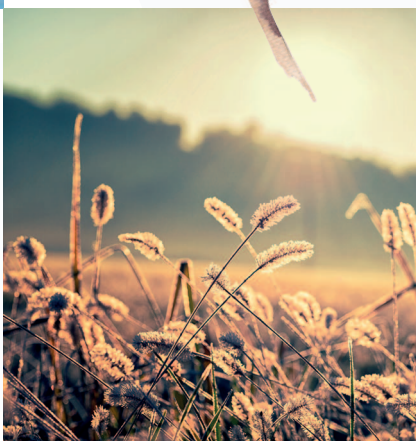
- Our wind turbine has produced much more energy than 2015 and we have used quite much of the energy for our own consumption. Now we have the real purchase of energy for one year. It means that we from now on can have more correct figures in the overview and be able to measure the real consumption.
- We have in 2016 also invested in new IT equipment, which gives reductions of energy in the future.
- In our facility in Latvia, we have used more energy consumption in 2016 as we work with 2-shift in production. In total we have increased our energy consumption with 4,16%.
- Our water consumption has been reduced with 2,7%. This is not satisfied, as our goal was a reduction on 3%.
- We brought 57,14 tons of material back to full recycling in 2016. It is less than 2015 as we have produced a little less garments in Latvia and have reused more carton boxes in Denmark.
- In Denmark, we donated more than 1.150 kg of clothing and shoes to the Danish Red Cross in their campaign. We have collected the clothing among employees and our sample department. In 2015, it was 300 kg.
- We are still a member of the non-profitable “Stop Wasting Food” which are at the 30-35 biggest festivals in Denmark, collect the huge amounts of surplus food, and distribute it to people who needs it.
- As a new step, we have obtained a new certification – The REFOOD system. The REFOOD system is a scheme for companies and organizations in the food and service sector, which takes action against food waste and works for recycling. Nybo Workwear A/S has chosen three food waste reductive initiatives for recycling of food waste.
- The REFOOD system is a trusted certification based on a common vision of a sustainable food and service sector, characterized by less waste of resources and more recycling.



- We still want to continue reducing our energy consumption in Denmark, Latvia and NYBO Asia with 3%.
- Our aim is to reduce our water consumption by 3% total.
- We will continue to be active in “Stop Wasting Food” and “Smid tøjet” and donate clothes to this organization.

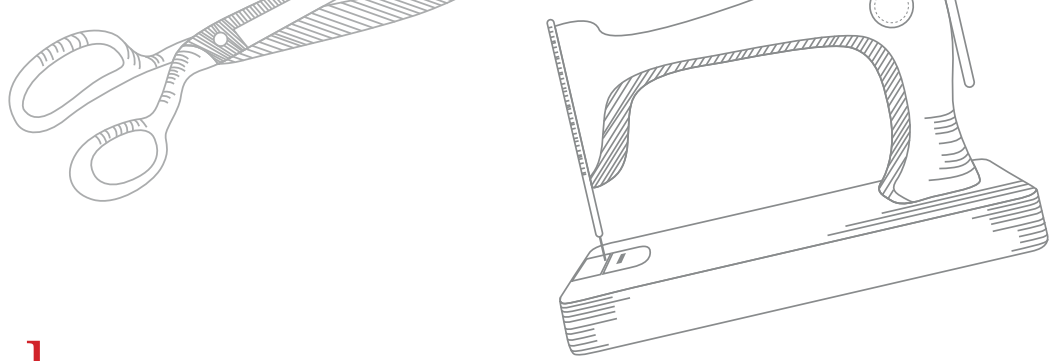
A big campaign will be running in March and April 2017 and we have a goal to donate more clothes and shoes than in 2016.

- In 2017 we will start to measure how much waste of fabric we have in Laos and which is given to the washing factory for heating up the boiler.



## Environmental figures

	Denmark (Viborg)	Latvia (Dobele and Jelgava)	Nybo Asia	Total
<b>Energy consumption</b>				
Electricity - kWh	70.867	216.480	100.358	387.705
Gas - m3	23.727	10.370	0	34.097
Wind turbine sold - kWh	19.092	0	0	19.092
Water consumption - m3	187	815	0	1.002
Recycling - tons	7,07	50,05	0	57,12



# People

## Good working conditions are key to success

We understand people as all activities related to managing and developing our employees. This includes a safe and healthy working environment, leadership and compliance with Nybo Workwear's Code of Conduct.

Nybo Workwear employs 328 persons – 36 are working at the headquarter in Denmark and 152 are working at our two production facilities in Latvia. In Thailand – 7 persons and in Laos – 133 persons.

We are proud to have a very high length of employment – both in Latvia, Denmark and Thailand and Laos.

### POLICIES AND STRATEGIES

We want to offer a desirable, developing and challenging place of work that is able to attract and retain quality-minded, well-qualified and passionate employees. We believe that our employees are the most important key to success.

We respect and live up to the national labor market laws in Denmark, Latvia and Nybo Asia including minimum wages, health and safety, working hours etc. All conditions regarding employees are described in detail in our Hand-book for personnel. This is handed out to all employees and kept up-to-date with all new guidelines for the company. With this, we go further than the rather strict laws of labor and employee rights in Denmark, Latvia and Nybo Asia – and we implement additional training, health insurance and personnel celebrations.

### WHAT WE SAID IN 2015

- We want continuously to focus on improvement concerning health and safety among our employees. Our ambition is to grow in a responsible manner with respect for the well-being of our employees. The concern for our employees has always been at the heart of the Nybo Workwear company spirit.
- We have zero tolerance when it comes to corruption.
- We will offer the employees in Denmark a follow up course in first aid and use of defibrillator.

### WHAT WE ACHIEVED IN 2016

- We continued our English language training in Latvia for 9 people. In DK 27, people had different courses. In Nybo Asia we also had

English language training for 7 people.

- Continued systematic employee development dialogues for all employees in Denmark and all managers in Latvia.
- We have invested in a cutter in Latvia and this was started up in January 2016. It means better working conditions for employees.
- Increased systematic documentation on health and safety issues in both Denmark and Latvia. In Viborg we had a very low sick-leave at 1,7% - in Latvia 8,3% which are on the same level as 2015 in Latvia and DK. In Nybo Asia we had a sick-leave at 0,25% which is very low.
- Continued our cooperation with Viborg Municipality to include socially vulnerable citizens into our company. In 2016, we have 3 persons employed on special terms.
- We did follow-up course in first aid and use of defibrillator in February and March in 2016 in Viborg.
- In Nybo Asia we have started up to work on the BSCI certification. It gives the workers admittance to a nurse during the week, a free yearly control at a doctor and training in first aid.
- We have not had any situations with any corruption.

### WHAT'S NEXT FOR 2017

- We continuously focus on improvements concerning health and safety among our employees. Our ambition is to have a stable workforce that cares about each other and Nybo as an attractive place to work. The concern for our employees has always been at the heart of the Nybo Workwear company spirit.
- In Nybo Asia we will continue to work with our BSCI certification. We want to improve so we can get a grade A-B. It gives our workers a very high standard and security at the production facility.
- We still want to improve our data management on CSR to cover both Denmark, Latvia and Laos with same monthly KPI structure.
- Establish continuous improvements through dialog with the employees regarding sickness and physical work environment.
- We will have zero tolerance when it comes to corruption.



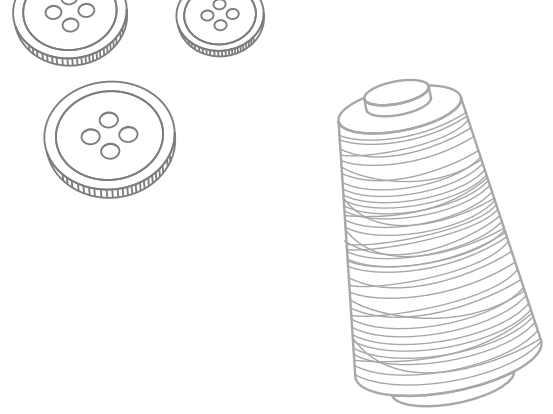
### Key figures regarding employees

	Denmark (Viborg)	Latvia (Dobele and Jelgava)	Nybo Asia	Total
Employees - total	36	152	140	328
Blue collar	5	127	127	259
White collar	31	25	13	69
Sick leave	1,7	8,3	0,25	
Injuries	0	2	2	4
Employee Development	36	25	13	74
Employees training	27	9	7	43
Employess on spec. training	3	0	0	3



## CSR Performance at Nybo Workwear A/S

	Subject	Objective	Result	Global Compact	GRI	Page
<b>Purchase</b>	Implementing Supplier Code of Conduct	All suppliers of fabrics and sewing sign supplier Code of Conduct	Completed	All principles	General	4,5,7
	Number of suppliers that has undergone screening REACH-Directive	All suppliers has to document that they live up to REACH-Directive	Completed	All principles All principles	General	4,6,7 4,6,7
<b>Product and customers</b>	Development of environmental friendly products		Our collection of environmental friendly Tencel® products is still of very much interest from our customers and more collections in different blends has been launched in 2016. We have launched 2 new colours in collection Nature which is a collection of upper parts made of regenerated polyester and organic cotton.	9		5
	Product and customers Development of environmental friendly products Certifications: Oeko-Tex Standard 100, bluesign, STeP, ISO 15797	95% of ours products is Oeko-Tex 100 certified 70% of our products is certified with bluesign/STeP	98% Oeko Tex 100 68% bluesign/STeP	9	PR3	5
<b>Process</b>	Electricity consumption	70.867 kWh	See notes on page 8	7	EN3	8
	Initiatives to reduce electricity	Efficient use of windmill	19.092 kWh - 107% better than 2015	7	EN5	8
	Total water consumption	Reduce by 3%	1.002 m3 - 2,7% reduction			
	Gas	Reduce by 3%	34.097 m3 - 4,2% increase			
	Recycling	Maintain 2015 level	57,12 tons - 7,0% reduction		EN2	8
<b>People and society</b>	Diversity of workforce		Blue collar: 259 White collar: 69	1, 2, 6	LA1	9
	Employee development	Access to English language training in LV-Nybo Asia Courses - DK	LV-Nybo Asia: 16 employees DK: 27 employees	1,2	LA10	9
	Access to labour unions	All employees	100%	1, 2, 3	LA4	9
	Collective bargaining		100%		LA4	9
	Wage level		100%	1, 2, 3	LA4	9
	Staff compensation		Pensions, health insurance, compensation on sick leave, pregnancy etc.	1, 2	LA3	9
	Health and safety: 1. Rates of injury 2. Health programs 3. Sick leave 4. National laws on OHS	1. Zero injuries 2. Improve health programs 3. Reduction of sick leaves 4. Observe and respect national labour marked laws on OHS	Pensions, health insurance, compensation on sick leave, pregnancy etc. 1. 2 incidents during 2016 2. Health insurance, canteen, massage, nurse 3. DK:1,7%; Latvia 8,3%; Nybo Asia 0,25% 4.100%	1,2	LA7	9
	Number of employees on special terms	Contribute to an inclusive labour marked	3 employees on special terms	1, 2, 6	LA13	9
	Implementation of Code of Conduct	Nybo Workwear's companies in Denmark and Latvia must sign our Code of Conduct. Nybo Asia is a member of BSCI.				



# Nybo Workwear A/S in brief

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<b>Company name</b>	Nybo Workwear A/S
<b>Address</b>	Industrivej 24-26 8800 Viborg DK-8800 Viborg Phone +45 8727 3000  E-mail: <a href="mailto:info@nybo.com">info@nybo.com</a>
<b>CVR nr.:</b>	36 74 51 18
<b>Locations of operations</b>	Nybo Workwear A/S is headquartered in Viborg, Denmark. We have two production facilities in Latvia and from 2015 Nybo Asia in Thailand and Laos. The company is represented on all North European markets. Our customers consist of laundries and dealers of work wear.
<b>Number of employees 2015</b>	328
<b>Contact person</b>	Helle Nybo Holmberg +45 87273006  <a href="mailto:hnh@nybo.com">hnh@nybo.com</a>
<b>About Nybo Workwear A/S</b>	<p>Margit and Peder Nybo Jensen established Nybo Workwear A/S in 1962. The company is a family owned business. The management team consists of the next generation of the Nybo family.</p> <p>Nybo Workwear A/S offers a broad assortment of fashionable work wear for users within Health &amp; Care, Gastronomy &amp; Catering, and Light Industry. Our solutions are available through industrial laundries and dealers throughout Northern Europe. We are acknowledged purveyor to H. M. The Queen of Denmark as the only work wear supplier in Denmark.</p>

## Awards and certifications



