

Sustainability Report

FISCAL YEAR

MAY 2016 - APRIL 2017



Laurie

It's got to feel right

CEO STATEMENT

'It's got to feel right' is the continuous business statement of LauRie, the founding 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 4 CSR key focus areas are integrated parts of our overall brand framework (see below). The CSR-strategy is applicable for the fiscal years 2015-16 until 2018-19. It focuses on the four key areas presented in this report.

Our achievements during the fiscal year May 2016 - April 17 have shown good progress towards anchoring, giving our organization new everyday baselines to work from: The continuous searching for and the use of skin friendly textiles has fully paid off: In December, LauRie was certified per Oeko-Tex standard 100 as the 1st brand in ladies' wear in Denmark, and the 2nd in Scandinavia. Furthermore, some suppliers have moved closer to the understanding of the BSCI targets. One of which the 1st audit resulted in an impressive straight "A". Communicating the use of skin friendly textiles led to a co-branding campaign with a brand making green-labelled wash powder, also with no harmful chemicals.

We support the UN Sustainable Development Goals. We are committed to our support in achieving SDG goal 8, of promoting decent work and economic growth through partnership with our suppliers. We also pledge our contribution to SDG goal 12, of ensuring sustainable consumption and production patterns, by producing long-lasting products using sustainable materials and production processes.

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 2017



Henrik Hansen, CEO

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 markets that you can create high quality fashion, responsibly. We want to contribute to establishing a new consumer behaviour through the meaningful products and communicating the sustainability values to our markets. Happy, innovative and proud employees are the base of our organization.

CSR

Long-Lasting Products
Responsible Production
CSR Ambassadors
Proud Employees

VALUES

We consider everyone – internal as well as external – to be our partners
We provide good quality and service
We act with loyalty, respect and responsibility
We create innovation based on 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, that our female customers can enjoy many times. It is our belief that the long-lasting products are the best way to ensure a more sustainable consumption. We believe it is our responsibility to make products, which to the best of our knowledge do not harm our users. In order to have the best knowledge and control of the manufacturing of our products, we also believe in value chain transparency on all levels.

Goals 2018-19

- 60% (at least) of our products are the 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 REACH requirements and beyond
- 100% of the chosen materials must be recycled or/and environmentally friendly.

Actions

It is still our belief that value chain transparency is a key factor in the understanding of our business and the companies we choose to partner with. Especially this year, we have seen the fruit of continuously teaching our own employees, especially our designers, the importance of knowing material origin and content, as our staff has rejected numerous qualities even with beautiful prints, because we could not learn the suppliers nor were they Oeko-Tex certified. In other words, they have shown how to walk the talk.

We focus on cooperating with not only garment makers, but also fabric and trimming suppliers in order to influence on more than Tier 1 level. Hence, we joined an FTA project with the purpose of learning how to achieve due diligence through a cascading effect – by gathering supplier information from Tier 1 to Tier 2. It was a project under the BSCI, but as we see it, the learning is not only relevant in a social context; it could as well be relevant to the work for more transparency in the material search.

Our employees show much curiosity and take pride in getting the knowledge when it comes to materials and their sustainable profiles. This applies to manufacturing processes, chemical content and origin of raw materials. Our collections are mainly made of cotton, viscose, Tencel®,/lyocell and linen. For cotton, we have finally found a way to use organic cotton in a few product groups. The challenge had been minimums and price level. There is still a substantial difference between conventional and organic, but the gap is getting slightly smaller among some of our fabric suppliers, which we welcome. We still ask for information on origin of all the cotton we use.

Because of value chain non-transparency, we still keep avoiding the use of angora yarns.

We continue focusing on choosing materials from local manufacturers in order to avoid trade barriers, long transport and bribery in customs.

In our warehouse, we have changed from bubble plastic filling material in cartons to recycled paper/carton – a small step, but a visible and informative step for our warehouse staff, which they take pride in.

We join new innovative initiatives and collaborate with groups or educational institutions supported by the government to expand our knowledge. This year, our sales & marketing manager, our design manager and our director joined a workshop regarding “sustainable progress” with the purpose of aligning the consumer profile, the sustainability knowledge in materials and design, and the communication about these topics towards our consumers and our common purpose of making long-lasting products.

Results

- 100% of our chosen materials are certified according to OEKO-TEX® Standard 100.
- More than 60% of our collection consists of styles with a long-lasting design.
- Our reclamation rate was 0,89%.
- All our bags are made of re-cycled bottles and our plastic bags are biodegradable.
- Cartons used for packaging are all made of recycled carton and filling for cartons is also now recycled paper.
- All carton, plastic and paper wastage in our company are being collected and recycled, which enable us to dispose of the waste at zero-cost.

We support UNGC principles 7, 8 and 9

RESPONSIBLE PARTNERSHIPS

We believe in partnership with suppliers sharing our vision, for which reason we collaborate with European suppliers who have the will to make the production processes sustainably, respect the environment and live up to human and labour rights according to our code of conduct.

Goals 2018-19

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

Actions



After joining the UN Global Compact in 2014, 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 human and labour rights internationally proclaimed. As previously informed, 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 the 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. Out of xx suppliers, xx have signed the terms.

We have taken responsibility (RSP) in the BSCI for three suppliers this year, strategically important ones or new ones, who show the will to learn and hence, being in a good learning progress. Two suppliers have attended the local BSCI workshops made available (free of charge) to them through our membership.

The basis of our cooperation with suppliers is and will continue to be personal contact as it strengthens our partnerships and gives us the chance to get a better, mutual understanding of each other. Our participation in the FTA project mentioned in previous chapter to learn about the cascading effect by gathering information from Tier 1 to Tier 2 suppliers taught us the importance of personal relations, as we get the best results with closest suppliers.

This year one employee has dedicated more working hours to monitor suppliers in the BSCI, followed up on Oeko-Tex and participated in the FTA project. It is the goal that ¾ of her time will be dedicated to compliance matters, and the rest in quality assurance.

All our suppliers (both Tier 1 and 2) are European based. We visit all direct suppliers (Tier 1) at least once a year, most more than once. We started visiting some fabric suppliers, denim laundries and dye houses (Tier 2), where most chemicals are used. Here, we also work on new and more sustainable washing methods with the use of substantially less water and no chemicals – even though this work is still on research level, we learn continuously and still expect to implement it.

In focusing on transparency in our value chain, we have emphasized the importance of closer cooperation with our fabric suppliers (Tier 2). We know the makers of all our fabrics, and we keep personal contact with the strategically important ones, working directly together with them.

Looking closer into the environmental aspects in our supply chain, we signed up with the BEPI (Business Environmental Performance Initiative) last year. However, the BEPI initiative was very new, and we decided to wait until it was started up more seriously. Attending a Danish network conference in April, we believe that the work with BEPI can be started up in the coming year. The signing up with BEPI was not part of our initial 4-year plan, but it seems a natural way to monitor the sustainable environmental aspects of our garment productions.

Results

- Our main suppliers have signed our code of conduct. New suppliers are listed in the BSCI database, and will sign them in the near future.
- 75% of our suppliers are listed on the BSCI platform; we are responsible (RSP) for 25%.
- All our Tier 1 suppliers were visited on site, most more than once. 3 Tier 2 were also visited.

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

CSR AMBASSADORS

LauRie interacts with many long distance partners, both suppliers and customers. Wherever located, we want to make sure that our consumers are informed and aware that they have numerous choices, when they buy clothes.

It is our experience that consumers have only limited knowledge about working conditions, environmental and health issues in the garment industry – but also that they are curious and eager to learn, when the information is easy to understand and share. Especially in the Nordic countries, we slowly see a trend towards consumers' curiosity and openness towards obtaining more knowledge through certifications and value chain transparency.

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 3rd 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.”

Goals 2018

Overall, our goal is to influence our sales people, our customers and our consumers into becoming our ambassadors in a responsible business behavior communication and hence, they will share the message with whomever they influence, that regardless our individual position, we have a choice when we buy. Through this, we want to brand our company as being one of the choices worth making and voices worth hearing.

Actions

During the year, we have employed new sales people, and we have given much effort to onboard them and educate them in being ambassadors. Some of the new employees work on our new web-shop, which enables us to directly communicate with the end users, a new form of communication for us.

Furthermore, we keep anchoring our tone of voice among our sales people, enabling them to influence 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, mainly on materials and the impact of harmful chemicals in textiles.
- Influence customers through newsletters, flyers, booklets and displays – and through a new co-branding initiative in Denmark with another company making washing powder without harmful chemicals. The co-branding campaign “No harmful chemicals in your wardrobe – also not after washing” gave really good feedback among our customers – both as good teaching and financially for the stores.
- Influence consumers through social media, own website/web-shop, CSR statements on the garments, newsletters, PR, advertising and giveaways.

Our general communication also shows the signs of anchoring, with CSR statements being a natural part of our tone.

During the year, we have facilitated two training sessions of our sales staff right before seasonal fairs take place. Focus has been on materials, i.e. Tencel as one of the most sustainable fabrics, and on chemicals used in the making of materials.

We have developed displays for the shops communicating our sustainable approach and products. We have developed a knitted cloth with our slogan “it’s got to feel right” – made of leftover cotton yarns without harmful chemicals or micro plastic – as a small, tangible give away to customers / end consumers.

Our aim is still to “plant seeds” and create curiosity among customers and consumers – and to give us possibilities to comment and be heard in order to brand LauRie as a responsible company.

Results 2016

- 100% of our products are presented with a hangtag with sustainability messages
- Our products, produced after Oeko-Tex certification, are marked with our Oeko-Tex certificate no. as a sign that our garments are produced without the use of harmful chemicals
- All members of our sales staff have participated in training at least ones last year, most of them twice.

PROUD EMPLOYEES

Our employees are our main ambassadors. Only through our own employees' enthusiasm and commitments on all levels and in all departments, a serious impact is possible.

We believe that each individual employee at LauRie should be both part of and proud of the value creation of our purpose, our vision, our values and our CSR-work that influence our society and us. Communicating a clear Brand Framework - and of course living with it - attracts skilled labour that is essential for our future business.

Goals 2018

- 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.

Actions 2016

First and foremost, we have spent much time and effort in training new employees in our brand framework and our corporate values.

Our new sales and marketing manager, our new designer and our director participated in a workshop session program "sustainable progress" mentioned previously.

Torben Wiese, an inspirational speaker, came to talk to all employees about changes and how we ought to embrace and find comfort in changes instead of in the status quo.

We have joined a small network of CSR-managers in related peer companies, where we shared challenges and best practice. 4 persons from LauRie are parts of the network.

During the year we have signed up to join FTA Nordic network, a network of companies all members of the FTA (mother organization of the BSCI).

We have also signed up to join the UN Global Compact Nordic Network, and our director participated at the Gothenburg meeting in May, 2017.

We have information meetings 4 times a year for all employees, where our CSR agenda is always in focus and where we highlight a subject (i.e. the ten principles of the UN Global Compact, the BSCI initiative or Oeko-Tex) in order to educate our staff. This is a focal topic, which we will continue, as it creates good basic knowledge.

We participate in conferences with a joint purpose of making better corporate praxis on many levels – and for us all inspiration sources.

We welcome school classes to visit LauRie and learn about the daily business at an international SME with focus on doing business responsibly. We also employ student workers when ever possible, this year with 2 in marketing and 1 in purchase.

Our employees and agents all have officially approved employment or agents' contracts, employees have pension scheme, health insurance, massage once a month, free fruit during working hours and flexible working hours.

Results

- Employee satisfaction survey score in November 2016: Again 4 out of 5
- Participation in workshop "sustainable progress" from September 2016-February 2017 – 3 managers from sales and product development/design.
- Guest speaker Torben Wiese on the importance of embracing change.
- We continue to support local sports (HEI), Kræftens Bekæmpelse (Danish Cancer Foundation), Red Cross and European City of Culture 2017.
- Last year around 5 different classes visited LauRie.
- Employment of student workers in marketing, eCommerce and Purchase.

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