

Wernerfelt

COP 2016-2017



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 2016-2017, Wernerfelt has continued to integrate the Global Compact ten principles in our daily operations both in our internal operations and our supply chain. We are supporting the United Nations sustainable development goals directly and indirectly through our Global compact addressing the social and environmental impacts of our supply chain.

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

Our human rights and anti-corruption policies state that compliance with the universal declaration of human rights is a must throughout all of our operations and 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.

Assessment and Implementation

Overall assessment procedure:

Our assessment procedures are the same as the last period, I.E.



We assess our suppliers through various initiatives depending on the country and the risk attached. We use various tools including the "suppliers human rights and anti-corruption" questionnaire we have prepared. 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 evaluation of our supplier's situation regarding human rights and anti-corruption and according to the results, we revert with input in any areas that we deem to be unacceptable.

We are asking all our suppliers to undergo a third party audit that includes human rights and anti-corruption issues.

Business partners and our 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 have also developed rules regarding gifts and responsible business behaviour.

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

Measurement of outcomes

Specific work outcomes in the areas of Human rights and anti-corruption include:

1. Regular discussions with our business partners and our employees regarding Human rights and Anti-corruption.
2. Gathered and updating regularly, compliance documentation regarding the UNGC 10 principles from third party accredited standards, certifications, tests and audits.
3. There have not been any reports of any human rights or anti-corruption violations
4. Third party audits have not pointed out any crucial violations and our suppliers are working with the improvements needed as pointed by the various audits

Human rights and anti-corruption are dealt with through our EU ecolabel licence which sets ethical requirements covering the basic principles and rights relating to working conditions such as the ILO's core conventions

We continue to 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.

Locally, Wernerfelt 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

We are using the same assessment procedures that we used in the last period. I.E.

The assessment of labour issues takes place at the same time and in the same way as the assessment for human rights, anti-corruption and environments.

We visit our suppliers regularly where we discuss CSR issues as a standard part of the agenda. The main area is the use of third party certification, standards and audits and the results from these.

In Denmark, Wernerfelt 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.

Measurement of outcomes

A number of our suppliers are holding various certifications, standards and audit results such as SA 8000, BSCI audits and work environment system OHSAS 8001. All of our suppliers are working with improvements needed.

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

We are using the same assessment procedures that we used in the last period. I.E.

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

We visit our suppliers regularly and discuss environmental matters concerning the production processes and minimisation of impacts.

When we started working with environmental issues, our basic requirement was that all our suppliers must comply to applicable laws and regulations. This is still stated in our environmental policy, but our work and cooperation with our suppliers since has progressed and we are now looking and focussing on third party credible certifications.

We inform our suppliers about the benefits of third party certifications such as the marketing possibilities. We also continue to inform our suppliers of legal compliance EU and Danish legislation regarding prohibited substances, heavy metals and so on.

Regarding environmental issues at our premises, we monitor the market for innovative sustainable solutions suite to our operations and consider options that can save energy, waste and reduce environmental impacts in packaging and transport.

Measurement of outcomes

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.

Supply chain: We monitor, evaluate and update the environmental performance of our suppliers on a regular basis.

Products: We are very proud to report that we have now received a licence for the EU Ecolabel for 11 of our qualities.

This means that these 11 qualities adhere to strict criteria throughout the life cycle of the products. Regarding our products, criteria are set for:

- a) Textile fibres (Cotton and polyester fibres) that address soil, air and water emissions
- b) Chemicals and process criteria that address:
 - Hazardous substances and substances of very high concern in the various processes such as dyeing and finishing
 - Energy efficiency in washing, dyeing and curing
 - Waste water discharges
 - Emissions to air from finishing
- c) Fitness for use criteria that address dimensional changes, colour fastness to light, rubbing etc. wash resistance , fabric resistance to pilling and abrasion and durability of function
- d) CSR criteria covering the fundamental principles and rights at work

Communication

It is important for us that our business partners are aware of our policies, our initiatives and our way of working. We are of “the old school” and prefer to communicate our CSR work directly to our business partners. We therefore use time in scheduled one-to-one meetings where we cover CSR issues. All our business partners are well aware of our CSR strategies and goals and the associated environmental and financial benefits.

We also use our web site to inform generally of our CSR work.