

# Corporate Social Responsibility 2017





# 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 2018 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).

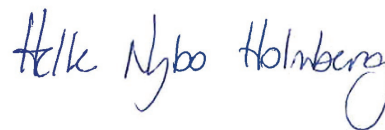
Activities under NYBO Asia is under Danish management and we are proud that we have BSCI with A-grade. As for all other NYBO facilities, CSR is important for NYBO Asia. A key focus is the wellbeing of the workforce and therefore high standards in living conditions is available as well as medical assistance 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.

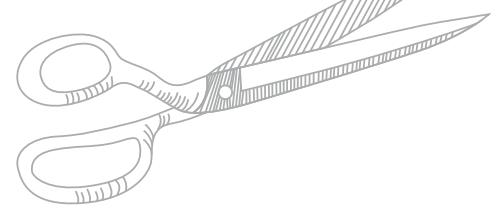
In order to ensure a transparent, balanced and reasonable presentation of our CSR performance, we are inspired by general accepted reporting principles: Global Reporting Initiative ([www.gri.com](http://www.gri.com)).

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!



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**

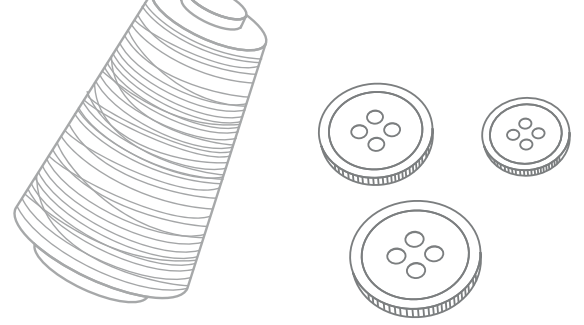
Honesty and credibility must be our guidelines in everything we do.

### **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.

Consequently, our own production facility in Laos is BSCI audited since 2016 and have in 2017 received the highest A-rating and our key supplier in India holds a SA8000 certification and in 2013 – Fair Wear. Our key supplier in China holds a BSCI certification.

Our focus is therefore still to cooperate with suppliers, which are BSCI, SA8000 or similar 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 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.
- We will have zero tolerance when it comes to corruption.

### WHAT WE ACHIEVED IN 2017

- 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 is a member of BSCI and we are very proud to have received the highest A-rating in 2017.
- We have not had any situations where a supplier has failed in our cooperation and no corruption.

### WHAT IS NEXT FOR 2018

- 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 improvements on grade A in our BSCI member ship on our production facility in Laos. Our staff will get further information about their union rights, fire and first aid practice. In August 2018 we will have a yearly external audit to follow up on our certification.
- We will have zero tolerance when it comes to corruption.



# 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 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 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 2017

- 99% of the raw material in our standard products is Oeko –Tex 100 certified.
- 72% 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.
- Our collection Nature of organic cotton and regenerated polyester is now available in 4 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 2017 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 bigger projects with short delivery time compared to our capacity and we have focused to have articles on stock.

### WHAT IS NEXT FOR 2018

- 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 make a concept of a more sustainable collection in 2018.
- We will focus on using fabric suppliers who are certified with the STeP or bluesign environmental certification.
- We will still focus on our transport, follow our carbon footprint within this activity - our sea- and air freight from Far East suppliers. As we have made a more strict planning system, we are sure that it will be less in 2018.



## 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

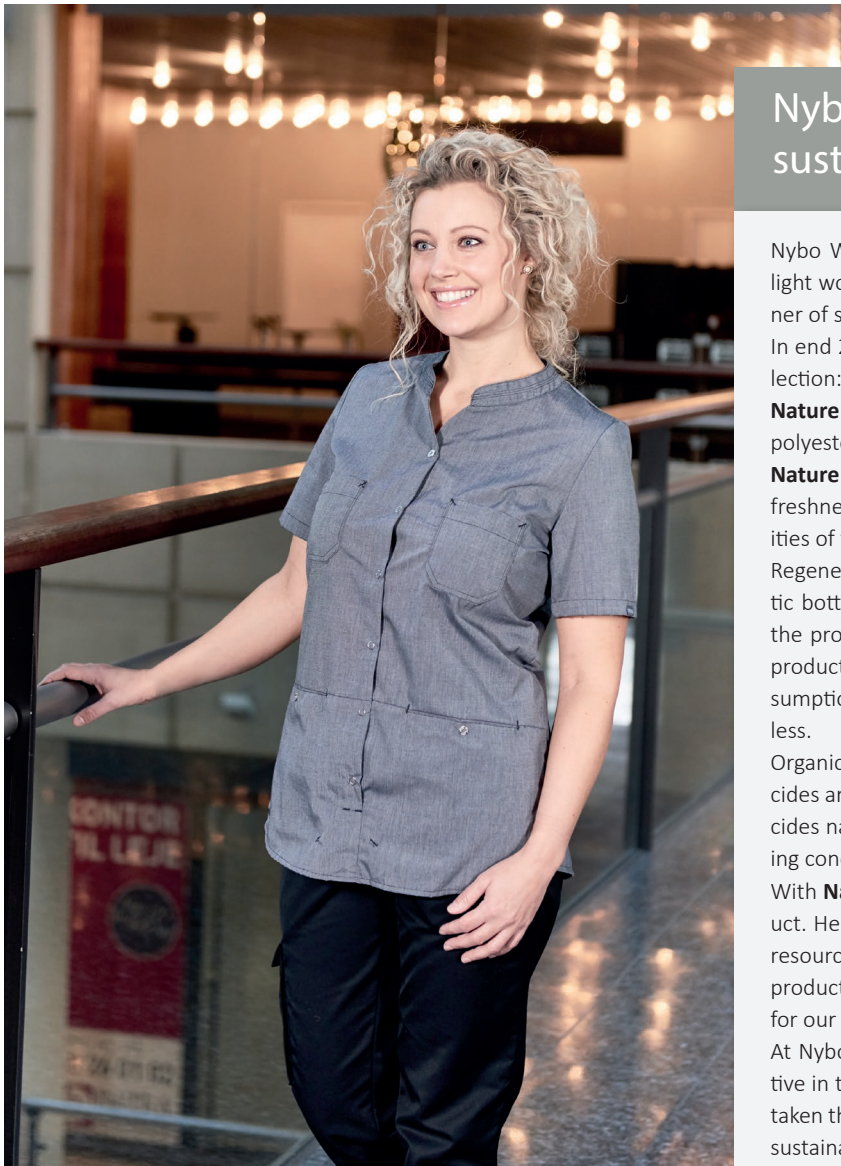
If possible, we strive to buy fabrics and accessories that are Oeko-Tex Standard 100-certified. The scheme is the most common labelling for textiles in the world. The system checks content of harmful substances in textiles, and minimize the risk of user exposure to hazardous substances.

### 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 productions 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.

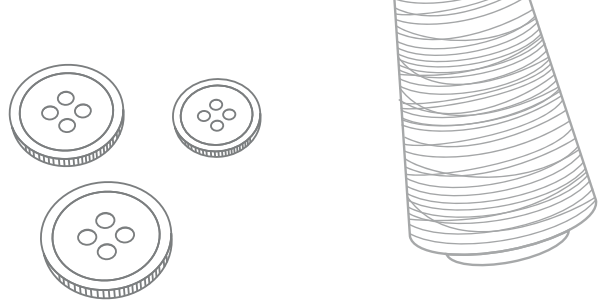
**Nature** is now available in 4 colors, which indicate purity, freshness and healthiness thereby supporting the good qualities of the sustainable fabric.

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. We will focus on having a total concept of sustainable collections to offer to our customers.



# 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 and since 2015 our production facility in Laos. 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 and paper/cartons are given to a washing factory – our sub-contractor for denim. This washing factory use the waste for heating up their boiler for hot water for 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 2017

- 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%

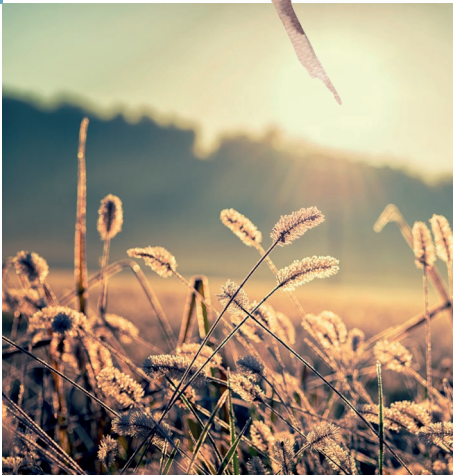
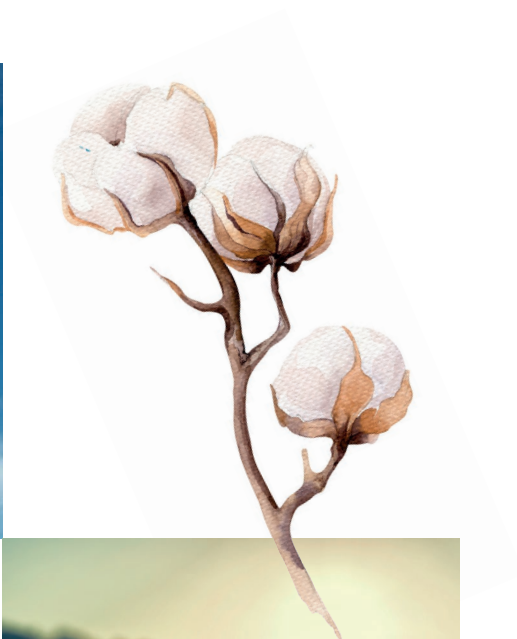
### WHAT WE ACHIEVED IN 2017

- We have invested in new IT equipment and now we can see that this have given reduction in energy.
- In our facility in Latvia, we have used less energy consumption in 2017. We have changed our pears to LED bulbs and this gives a reduction and furthermore we have had less overwork in 2017 and total energy consumption has been reduced 11% .
- Our water consumption has been reduced with 3,2%. We are satisfied with this, as our goal was a reduction on 3%.
- We brought 79,72 tons of material back to full recycling in 2017. It is more than in 2016. We have recycled more in all production sites and Denmark and have now measured our waste of fabric and paper/carton in Nybo Asia, and now it gives the full view of our recycling.
- In Denmark, we donated more than 900 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 2016, it was 1150 kg.

### WHAT IS NEXT FOR 2018

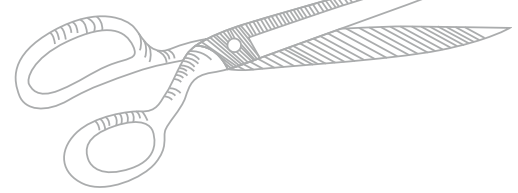
- We still want to continue reducing our energy consumption in Denmark, Latvia and NYBO Asia with 3%. In Nybo Asia we have invested in LED bulbs and this will give a big deduction in energy.
- Our aim is to reduce our water consumption by 3% total.
- We will continue to be active in “Smid tøj” and donate clothes to this organization. A big campaign will be running in April 2018 and we have a goal to donate more or same amount of clothes and shoes than in 2017.
- We will continue to recycle as much as possible in Denmark, Latvia and Nybo Asia.





## Key figures regarding employees

	Denmark (Viborg)	Latvia (Dobele and Jelgava)	Nybo Asia	Total
Employees - total	31	157	115	303
Blue collar	5	130	104	239
White collar	26	27	11	64
Sick leave	1.7	8.7	0.90	
Injuries	0	2	2	4
Employee Development	31	27	8	66
Employees training	6	9	9	24
Employess on spec. training	2	0	0	2



## 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 303 persons - 31 are working at the headquarter in Denmark and 115 are working at our two production facilities in Latvia. In Thailand - 7 persons and in Laos 108 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 Handbook for personnel. This is handed out to all employees and kept updated 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 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 continues improvements through dialog with the employees regarding sickness and physical work environment.

### WHAT WE ACHIEVED IN 2017

- We continued our English language training in Latvia for 9 people. In DK 6, people had different courses. In Nybo Asia we also had 7 people on first aid course, 115 people on fire course and 2 people on special course in "Training of the occupational safety and health committee at workplace" to secure which is a demand from the authorities.

- Continued systematic employee development dialogues for all employees in Denmark and all managers in Latvia, Laos and Bangkok.
- 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 8,7% which are just a little higher than 2016 in Latvia and same for DK. In Nybo Asia we had a sick-leave at 0,9% which is very low.
- Continued our cooperation with Viborg Municipality to include socially vulnerable citizens into our company. In 2016, we have 2 persons employed on special terms.
- In Nybo Asia we has started up to work on the BSCI certification during 2016 and 2017. We are very pleased and proud to get a A-rating, which is a very high level and secures that our workers have the right and secure conditions. It gives the workers admittance to a nurse during the week, a free yearly control at a doctor and training in first aid.
- Our staff has free internet in the morning before work, in lunch break and then after work. All salaries are now paid with cash card and the staff are in training how to use this and bank service in general as they are not used to this. All staff has got fire practice.

### WHAT'S NEXT FOR 2018

- 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 improve and work with our BSCI certification. As we have a grade A and on a very high level we will make small improvements for our workers. It will be purchase of pillows for our workers in the production, so everybody has the correct working position. We will give our workers information on the rights they have at work. 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 continues improvements through dialog with the employees regarding sickness and physical work environment.





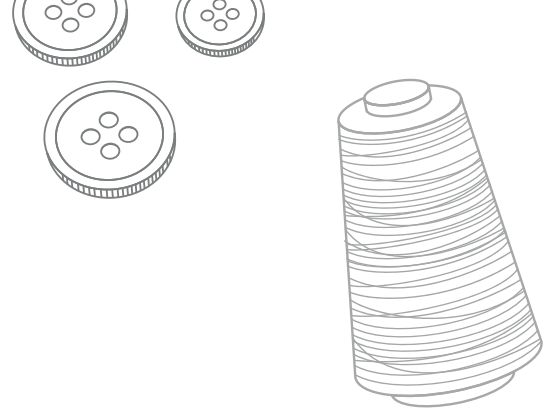
## Environmental figures

	Denmark (Viborg)	Latvia (Dobele and Jelgava)	Nybo Asia	Total
<b>Energy consumption</b>				
Electricity	68,162	191,000	101,841	361,003
Gas - m3	23,267	12,777	0	36,044
Wind turbine sold - kWh	15,837	0	0	15,837
Water consumption - m3	146	825	0	971
Recycling - tons	9.32	68	2.4	79.72

## CSR Performance at Nybo Workwear A/S

	Subject	Objective	Result	Global Compact	GRI	Page
Purchase	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
Product and customers	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 2017. We have 4 colours in collection Nature which is a collection of upper parts made of regenerated polyester and organic cotton. We can see that customers have a big focus on these products now compared to earlier.	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	99% Oeko Tex 100 72% bluesign/STeP	9	PR3	5
Process	Electricity consumption	361.003 kWh	See notes on page 8	7	EN3	8
	Initiatives to reduce electricity	Efficient use of windmill	15.837 kWh - less than 2016 - operate stop in November 2017	7	EN5	8
	Total water consumption	Reduce by 3%	971 m3 - 3,2% reduction	7		
	Gas	Reduce by 3%	36.044 m3 - 5,4% increase			
	Recycling	Maintain 2016 level	79,72 tons - 28,3 increase		EN2	8
People and society	Diversity of workforce		Blue collar: 239 White collar: 64	1, 2, 6	LA1	9
	Employee training	Access to English language training in LV- Nybo Asia -fire- and first aid individual Courses - DK	LV - 9 employees Nybo Asia: 9 employees DK: 6 employees	1.2	LA10	9
	Employee development		LV - 27 employees Nybo Asia: 8 employees DK: 31 employees	1.2	LA10	9
	Access to labour unions	All employees	100%	1, 2, 3	LA4	9
	Collective bargaining		100%	1, 2, 3	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 2017 2. Health insurance, canteen, massage, nurse, doctor 3. DK:1,7%; Latvia 8,7%; Nybo Asia 0,9% 4. 100%	1.2	LA7	9
	Number of employees on special terms	Contribute to an inclusive labour marked	2 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 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 2017</b>	303
<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



