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CSR COMMUNICATION ON PROGRESS 2018



ID[®] IDENTITY COMMUNICATION ON PROGRESS FOR 2018

STATEMENT OF CONTINUED SUPPORT

CSR is about taking responsibility for the impacts of an enterprise on people and the environment. Therefore, it is essential for ID[®] Identity as a company to take care of the social and environmental challenges by actively taking the necessary responsible choices to contribute with goods that are ethically and responsibly produced.

ID[®] Identity has always practiced CSR and, from the outset, emphasized to be a supplier that does things properly and thus responsibly wherever in the world the goods are produced.

2017 was the year in which ID[®] Identity decided to join the membership of UN Global Compact to recognize and comply with the Ten Principles. Today the principles are an integrated part of the CSR strategy and we can therefore confirm that our activities are based on the Ten Principles in the areas: Human rights, Labour rights, Environment and Corruption.

We focus on well-designed products produced in materials ensuring a long lifespan to reduce environmental impacts. The choice of environmentally friendly materials and manufacturing processes is integrated into design and development processes. The cooperation with our suppliers is based on mutual respect for the fundamental human rights and working conditions. We seek to influence our manufacturers to live and integrate these throughout their supply chain.

This is our first annual statement describing the actions and achievements we are working with to integrate Global Compact and the Ten Principles into our business strategy. We will continue our work with CSR to ensure a continued progress.

This statement will be available to our stakeholders and other interested.



Thomas Husted, CEO



PRODUCTS

At ID® Identity we offer more than products to our customers. We offer solutions to cover the need of our customers best possible and more. Our solutions cover from products and marketing to warehousing and transportation. We have great respect for the requirements from our customers, and we take great pride in honoring the requirements.

As a textile company we have an important obligation to develop products with respect for the environment and for the human rights and the labour rights in the countries, where the products are being manufactured. We follow the ILO Core Conventions and support the Ten Principles of the UN Global compact.

ACTIONS

When designing our products, the main goal is to create products with a long-lasting usability to minimize the need for new products and hence reduce the waste of products being thrown out after end-use. Therefore, we carefully select

fabrics and accessories, which we know will provide the product with the needed strength to meet our demands for long-lasting features.

When working with selections of fabric and accessories, we also take great care to ensure that our products are produced in an environmental and sustainable manner and not least produced with respect for the human and labour rights and without use of harmful chemicals or substances.

We use international standards to test and evaluate all our products to make sure they meet not only our expectations and requirements but also those of our customers.

We always conduct wash and wear tests for all new products besides testing all the properties of the products with the Bureau Veritas.

Furthermore, we also set a standard for packaging and transportation of the products. Our aim is using materials supporting an environmental and

sustainable production and not causing pollution or damage.

We choose forwarders, who support our requirements and who have a clear social cooperate responsibility strategy.

When signing our Quality Manual our suppliers confirm to comply with REACH regulation not using forbidden or harmful substances or leaving any residue in the final garments.



ACHIEVEMENTS IN 2017/2018:

1

Oeko-Tex certificates on 95 % of our core basic products. 3 out of our 5 sub-product categories are 100% Oeko-Tex 100 certified.

2

Obtained EU Ecolabel certificate using BCI cotton and recycled polyester. Purpose of EU Ecolabel is to reduce environmental impact during production and use, to limit use of hazardous substances and to promote high quality and user properties. Creating sustainable products.

3

The Better Cotton initiative to make a global cotton production better for the people who produce it and better for the environment where the cotton grows. Farmers are trained to use water efficiently and to take care about the soil, to reduce the use of harmful chemicals like pesticides and to apply decent work.

4

Recycled polyester from PET bottles and similar waste reduces the need of virgin oil and reduces the CO2 emission to protect our environment.

5

The tests are a tool to maintain our quality level and to ensure our products meet our aim for long product lifetime.

6

Test of products
Our basic products from Bangladesh are tested in Bureau Veritas once every year towards our products requirements.

GOALS FOR 2018/2019:

1

We will continue to work ensuring a sustainable production of our products and be environmentally responsible.

2

We are in a development process with a range of Ecolabel certified products.

3

We will keep on ensuring our core basic products are Oeko-Tex certified.

4

We will create overview for certificates obtained by our supply chain; related to environmentally and socially responsible certificates.

PROCUREMENT

Acknowledge the responsibility we have as an actor in the textile industry known to represent risks towards human and labour right and the environment in the production of our products. We need as a company to identify and address the risks in all aspects of our business.

Our ambition is doing business with suppliers who have equal commitments as ID® Identity towards social, environmental and ethical sustainability.

The frame work of ID® Identity is based on the ILO conventions and the Ten Principles of UN Global Compact. It's our goal to influence our employees and business partners to respect the Universal Declaration on Human and Labour Rights and the environmental protection.

We trust in long-term partnerships with our suppliers. A partnership providing

both partners the possibility of growth, improvements and security in all aspects of the business relationship.

ACTIONS

Based on our commitments we have set up Code of Conduct in our Quality Manual. All our suppliers are obligated to read, sign and implement our Quality Manual and Code of Conduct before production can proceed. If required we help our suppliers understand, improve and comply with the requirements. ID® Identity has been member of amfori BSCI for several years and expect our suppliers to work with the certification system or other similar certification systems such as SEDEX or SA8000.

We have also signed the Bangladesh ACCORD on fire and building safety. With this we are committed to source in Bangladesh and to support the implementation of requirements.

We take pride in contributing to the improvements made since the ACCORD was started.

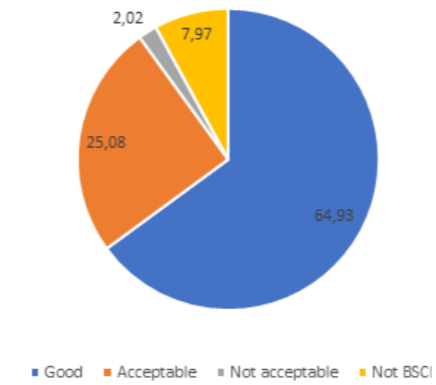
Most of our products are manufactured in countries, where risks are possible. Here our cooperation with amfori BSCI is a great help for both us and our suppliers auditing the place of production according to the amfori BSCI Code of Conduct. Regular visits in the different places of production and direct talks with management promote the understanding for the requirements and hence needed improvements and creating a mutual understanding for the development of substantiality and general growth.

ACHIEVEMENTS IN 2017/2018:

1

All suppliers have signed our Quality Manual and Code of Conduct.

2



90 % of BV (buying volume) are with suppliers in an acceptable level in BSCI work, but still we have 8 % of the BV placed with suppliers without BSCI audit. We know the 8 % is not our core products. 2 % of our BV are not in an acceptable level.

GOALS FOR 2018/2019:

1

We update our Quality Manual yearly according to change in regulations and to inform our continuous work with sustainability.

2

We will keep on working with our suppliers to comply with our requirements and to encourage them to do improvements. For suppliers who not yet has joined the BSCI platform, we will have dialogue about the possibility for them to join and to create a long-lasting cooperation.

3

We will work with our suppliers who are in the not acceptable level about remediation plans to increase the needed improvements to achieve acceptable level.

4

We will work to develop due diligence processes more clearly than today in order to identify, prevent, mitigate and remedy potential or adverse impacts in our supply chain.

5

We will introduce a self-assessment document for suppliers who are new potential suppliers and not engaged with BSCI or hold other valid certificates. The document will be confirmed during visit by our purchase department.

6

All suppliers representing 2 % or more of BV must join the amfori BSCI platform (or similar). Suppliers below 2 % of BV are encouraged to join the platform within 2 years if BV is raising. Until that point they need to fulfill the self-assessment document in order to be a possible supplier.



PEOPLE

People are one of the most important resources for ID® Identity, both internally and through out our supply chain. We take our responsibility seriously and has incorporated the responsibility in our daily processes and actions. We want our customers and their customers to feel confident when doing business with us, knowing that the fundamental human and labour rights always are of highest concern for ID® Identity.

ID® Identity supports the fundamental human rights and we distance ourselves from any form of discrimination due to race, religion, gender, age or handicaps.

Diversity in our workforce is considered a strength, therefore there are equal terms regardless of country of origin, gender or other special conditions.

We strive to make sure that neither we or any of our business partners are prohibiting the right to association and collective bargaining or complicit with forced labour, child labour and human trafficking.

ACTIONS

Internally; All new employees receive the Employee Handbook, the handbook specifies how employees should act towards customers, suppliers and colleagues to maintain the human rights but also to secure good and ethical ways for talking, writing and acting. All employees are offered a pension scheme

and a health insurance and the possibility of including their family. Every morning ID® Identity provides bread and fruit and all through the day free coffee, tea and water.

Every 3rd. year a written APV (Workplace evaluation) is conducted, running APVs are also held to secure updates for workplace and the environment. All employees have the right to a yearly talk about wages and a personal interview. A safety committee manerred by employee and management takes care about the safety and environmental issues in the company and conducts regular meeting.

Externally; As we don't have any factories of our own, the Code of Conduct and our quality manual are tools to inform our suppliers about the human and labour rights, all suppliers must read, sign and comply with

these. The amfori BSCI is the other tool we use to be sure that our suppliers respect and comply with the principal rights of their workers. The ACCORD in Bangladesh also helps to secure remediation and support worker participation and training programmes.

Most of our suppliers are long-term suppliers with whom we meet regularly and visit the actual place of production, this way we also see for ourselves how the conditions appear. Though the BSCI audits we get insight and the possibility to help our suppliers to improve if needed. It's our aim to conduct business in a way which gives benefit for our customer and suppliers and with secure growth for all parties involved.



ACHIEVEMENTS IN 2017/2018:

1

We continuously work on improvements concerning the health and security of our employees. We want our employees to do their best every day and what better way to achieve this than providing good and secure employment.

2

Our employees are informed about the strategy of the company by management currently and financial figures are published every month to keep an open and clear information level

3

We have Oeko-Tex certificate for 95 % of our core products.

4

All our suppliers have signed Code of Conduct.

5

In Bangladesh we support a local school and secure the schooling for 24 pupils.

GOALS FOR 2018/2019:

1

We will keep on working with our suppliers and encourage them to do improvements. For suppliers who not yet has joined the BSCI platform, we will have dialogue about the possibility for them to join.

2

Suppliers who don't have worked out sufficient remediation plans will have more follow up and further dialogue to improve.

3

Further work with the due diligence processes to identify, prevent, mitigate and remedy.

4

We will keep on the continuous work to improve working conditions for our employees.

5

We will monitor sickness and absences in our workforce as part of our improving actions.

6

We will continue to support the local school in Bangladesh.

ENVIRONMENT

The aim of ID® Identity is to conduct a responsible environmental business, we support environmentally friendly technologies and products and raw materials. An environmental approach in the textile industry is needed as the industry is known for the possibility of negative impacts during the manufacturing of raw materials and final products and the transportation.

Our company policy is based on common sense, our producers are to understand and see the effect of continuous improvements of the environmental conditions in the supply chain.

We emphasize in our Code of Conduct that we aim to work with producers, who focus and strive to minimize the burden on the environment. This balanced to their financial, geographical and innovative possibilities. The suppliers are also assets by amfori BSCI for their work with environmental sustainability. All employees are introduced to our environmental policy among other things

sorting of waste, printing habits and always looking for new ways of being environmentally friendly.

In 2013 ID® Identity moved to a new headquarter in Holstebro. The new headquarter is aimed to be a sustainable construction, where the light and heating is controlled automatically and controlled in relation to the weather. ID has converted 100 % of our electricity purchase to renewable and CO² neutral energy produced by Danish wind power.

ACTIONS

We sort all our waste and have procedures for the waste sorting. We mainly work with products which are covered by Oeko-Tex 100 certificate or where the raw materials are covered by the certificate.

All suppliers have signed our Quality Manual and hereby confirming their compliance with our Requirements for chemical restrictions and compliance with REACH restrictions.

We participate in networking meetings with teaching of chemical restrictions and environmental issues to improve our knowledge and provide the important knowledge to our supply chain in order to avoid the use of harmful substances.

Transportation is another key area, here we always try to consolidate our shipping volumes and avoid too much goods needed to be shipped by air. We choose to work with forwarders, who also have an environmentally friendly approach to their business.

In our daily work we also take care for office supplies to be from recyclable sources when possible.

During the process of developing new products, a number of samples are always produced, which can't be sold as actual ID products to our customers, so we donate these to different kinds of charity.

ACHIEVEMENTS IN 2017/2018:

1

We sort all our cartons, paper and plastic for recycling.

2

We use FSC carton for sending goods to our customers and reuse cartons when possible.

3

We have Oeko-Tex certificate for 95 % of our core products.

4

We work continuously to update our knowledge on environmental issues and add those to our Quality Manual and implement the needed information and actions into our supply chain.

5

We have minimized the different kind of packing material when sending to our customers.

6

We buy recycling paper for office use.

7

Air shipments have been reduced compared to previous year.

GOALS FOR 2018/2019:

1

We will keep on sorting our cartons, paper and plastic for recycling. Due to new regulations with our waste disposal company, we don't expect we will be able to gather the same amount of plastic as in 2017. But we have already taken measures to change our plastic type, so it will be recyclable in the course of 2018/2019.

2

We have also removed our logo print from polybags in order to reach the 98/2 purity of plastic for recycling.

3

We will ask our supplier to use FSC cartons when shipping goods to us.

4

We expect to have an Ecolabelling collection ready during 2019.

5

We will consider the possibility of recycling further subjects e.g. damaged clothes and IT equipment. We have received several suggestions, but until now not found solutions, which are truly environmentally friendly.

6

We will keep on participating in arrangements, which can help us to obtain further environmentally friendly knowledge.



ANTI CORRUPTION

Corruption and bribery are known as barriers to sustainable development and the free trade.

ID® Identity has a zero-tolerance for corruption, bribery and extortion, all business needs to be conducted in an open, honest and ethical manner; no matter where in the world the business is taking place.

No employee may offer, promise, authorize or receive any bribe, kickban or other illicit payment.

ID Identity counteract all forms and we will affect our business partners to follow the same conviction.

ACTIONS

ID® Identity doesn't offer, promise or ask for bribery or other unethically advantages to obtain or keep business possibilities or advantages.

Employees are not allowed to receive or give improper gifts in connection with their work. Neither do we pay any kind of protection money to obtain favorable terms.

GOALS FOR 2018/2019:

1

Risk assessment for possible areas of corruption or bribery.

2

Policy for anticorruption to be a part of employee handbook.

ACHIEVEMENTS IN 2017/2018:

1

All suppliers have signed Code of Conduct and hereby confirmed not to accept any kind of corruption or bribery.

2

No signs of corruption or bribery have been noticed.

	Actions	Achievements 2017/2018	Goals 2018/2019
PRODUCTS	Development of environmental friendly products. Long usability and lifespan	95% of core basic product have Oeko-Tex 100 certificate. Obtained Ecolabelling certificate.	95% of our core products have Oeko-Tex 100 certificate. Collection of Ecolabels products completed.
PROCUREMENT	Code of Conduct (CoC) Quality Manual (QM) Amfori BSCI ACCORD (Bangladesh) Selfassessment	All suppliers have signed CoC All suppliers have signed QM 92% of our suppliers audited by BSCI. 8% are not member of BSCI 2% of the audited suppliers are not in acceptable level All suppliers have signed the ACCORD	All suppliers to signed CoC All suppliers to signed QM 93% of our suppliers to be audited by BSCI 7% not member of BSCI Reduce suppliers at not acceptable level to 1% All suppliers must have signed the ACCORD Selfassessment scheme to be developed.
PEOPLE	Diversity of workforce APV results Health and security Health insurance Code of conduct	45% of employees were women. White collar employees: 13% men and 5% women. Blue collar employees: 42% men and 41% women. 2 senior citizens employed in special senior citizen scheme. APV audit 2017 showed 7 suggestions for improvements for working conditions and a positive statement from new employee. 2 risks identified, action plans for both cases developed All have health insurance after 9-month employment. All suppliers have signed CoC	Equal level of employed women, white and blue collar are expected. Continuous employment of 2 senior citizens. APV report finalized, evaluation and improvements will be conducted. Workplace evaluation is conducted running and minimum with APV. All have health insurance after 9-month employment. All suppliers to signed CoC

ENVIRONMENT	Waste management	Total per employee Carton for recycling 2.113 kg Paper for recycling 124 kg Plastic for recycling 114 kg We send 95% of our waste for recycling.	Total Per employee Carton for recycling 2155 kg. Paper for recycling 126 kg. Plastic for recycling 60 kg. A drop in 2018/2019 is expected due to new way of sorting plastic.
	Energy consumptions	Total per employee -Wind energy reduced by 6,40% -Water reduced by 22,50% - Heat increased by 0,25%	Total per employee -Wind energy - 2 % reduction -Water 1% reduction. - Heat 0,50% reduction.
	Oeko-Tex 100 certificate	95% of core basic product have Oeko-Tex certificate.	95% of core basic product have Oeko-Tex certificate.
	Ecolabel collection	Started development of collection	Completed the collection
	Transfers	10-15% of the transfers purchased is waterbased.	Purchase of waterbased transfers will raise by 2%
	IT equipment	All sales coordinators have 2 screens to reduce need of printing	From 2018 printers and the consumption will be monitored.
Air shipments	Air shipment have generally been approved since the year before and is this year below 2% of the total freight	As we already have had great focus at the air freight, the expectations for further reduction is limited, so we hope we can reduce to below 1,5% of the total freight Investigate new possibility for further recycling processes.	
ANTICORRUPTION	Code of Conduct (CoC)	All suppliers have signed CoC No detected signs of corruption or bribery	All suppliers to sign CoC Policy for anticorruption to be a part of employee's handbook.

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