

SUSTAINABILITY REPORT

FISCAL YEAR MAY 2017 - APRIL 2018



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 2017 - April 18 have shown good progress in material knowledge, in knowledge about certifications and in supplier motivation towards better business practice.

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, July 2018



Cecilia Winther
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



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LONG LASTING PRODUCTS

It is our belief that the long-lasting products are the best way to ensure a more sustainable consumption. We also believe it is our responsibility to make products, which to the best of our knowledge do not harm our users. To obtain 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 chosen to be 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

Value chain transparency is a key factor in making informed choices based on the understanding of our business and the companies we choose to partner with. Again this year, we have experienced a growing insight and motivation from our suppliers to meet the amfori BSCI requirements.

We focus on the cooperation with both garment makers and fabric suppliers. Not only does it create closer relations with both Tier 1 and Tier 2 suppliers, it also creates more flexible solutions and more insight in the making and washing of fabrics on environmental and social issues.

On the material side, we have sought information on origin of wood used to make clothes – in viscose, lyocell, Tencel® - and based on this information, we will intensify the search and use of wood based materials from sustainably managed forests.

This year we have faced issues with breaking elastane in key fabrics used in our collections. This is the main reason that our KPI of a reclamation rate of max. 1% was exceeded and was realized as 1,18% - for the first time in all the 5 years it has been measured. However, since we are in direct contact with our fabric suppliers, we can and have taken action and have solved the issue.

Our quality and compliance manager has joined a material network of CSR employees, where information on materials are shared. It is initiated by themselves, and in spite of being relatively new, they already share each other's knowledge on materials and their fiber origins, washing, certifications etc. It is a network, which does not cost much but has high impact in making qualified decisions in the daily work.

Our collections are still mainly made of cotton, viscose and Tencel®,/lyocell. For cotton, we decided to make a KPI that 50% of our cotton should be organic within the next 3 years (by the end of 2021). We have since then increased our ambition level even more, and in the next 4 year plan, which is in the making, we intend to intensify the goals to 100%. We still ask for information on origin of all the cotton we use.

Towards the end of the year, we decided to also try a denim product group from the coming season, which has Nordic Swan Eco Label certification. We obtained funding for the application and expect to have the certificates by production time in September 2018.

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

RESULTS

- 100% of our chosen materials are certified per OEKO-TEX® Standard 100. Furthermore, we have intensified the use of Tencel® and organic cotton.
- More than 60% of our collection consists of styles with a long-lasting design. More than half of our activity is daily sales of basic models from stock, models which
- Our reclamation rate was 1,18%, aware that the KPI is 1%. We have solved the reclamation issues and expect to get below 1% next year again.
- All our POS bags are made of re-cycled bottles or are biodegradable and wood used is FSC certified.
- All hangtags attached to the garments has been changed to FSC certified paper carton.
- Cartons used for packaging are all made of recycled carton and filling for cartons is 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 serve organic food in our lunchroom and has, at least, one day a week meat free lunch.

We support UNGC principles 7, 8 and 9.



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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 sustainable, respect the environment and live up to human and labour rights according to our code of conduct based on the 10 principles of the UNGC and the amfori BSCI code of conduct.

Goals 2018-19

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

Actions

Amfori BSCI (Business Social Compliance Initiative) is still our 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 amfori BSCI code of conduct became our compliance reference.

We include the amfori 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 amfori BSCI code of conduct and that their working conditions are monitored and reported to us through third party audits.

70% of our suppliers and counting have agreed to the above terms, accounting for more than 95% of our total production. 62% are registered in the amfori BSCI database.

We have taken responsibility (RSP) in the amfori BSCI for two more suppliers this year.

However, 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.

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), the part of the supply chain that traditionally uses the most chemicals.

One supplier is Nordic Swan Ecolabel certified and his research & development work is very informative and interesting in making measured impacts when changing the washing process to more sustainable methods. We aim to have a denim product group in spring/summer 19, which is Nordic Swan Ecolabel certified.

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, as we have a policy that we do not choose the fabric, if fabric supplier name is not shared with us.

RESULTS

- Our main suppliers accounting for more than 95% of our production volume, have signed our code of conduct. 62% of the suppliers are registered in the amfori BSCI database, and we hold RSP on 30% of the total supplier base.
- All our Tier 1 suppliers were visited on site, most more than once. 5 Tier 2 were also visited.

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



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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 new employees at HQ, and we have given much effort to onboard them and educate them in being ambassadors.

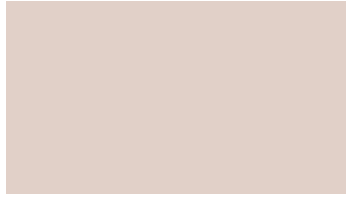
Some of the new employees work on our new web-shop, which enables us to directly communicate with the end users, a new – and future – strategic communication platform for us.

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.
- Customers: Influence through sales people, newsletters, flyers, booklets and displays.
- Consumers: Influence through social media, own website/web-shop, CSR statements on the garments, newsletters, PR, advertising and giveaways.

RESULTS

- 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
- Our hangtags have the FSC-logo to show that they are made of wood from sustainably managed forests
- All members of our sales staff have participated in training at least once last year, most of them twice



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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.

CSR is not only a point of view, the aim is to make it a point of action throughout the company, a base for decisions made.

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

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

We are a proud member of the UN Global Compact Nordic Network.

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 amfori BSCI initiative or Oeko-Tex) to educate our staff. This is a focal topic, which we will continue, as it creates good basic knowledge.

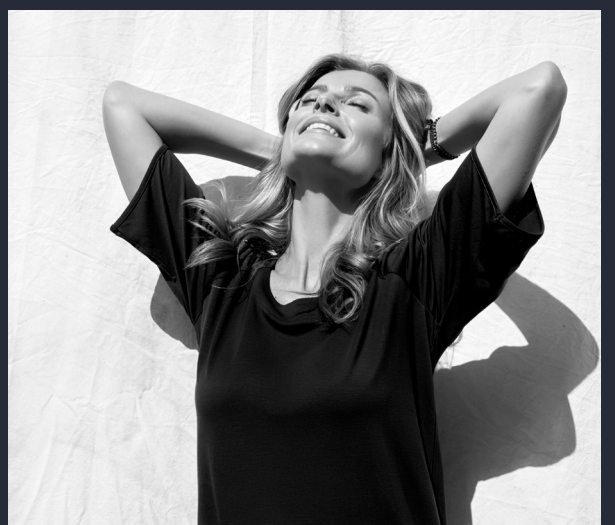
We welcome school classes to visit LauRie and learn about the daily business at an international SME with focus on doing business responsibly. We also employ student workers whenever possible, this year with 1 in purchase.

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 2017: Again 4 out of 5
- We have supported local sports (HEI), Kræftens Bekæmpelse (Danish Cancer Foundation), Red Cross and European City of Culture 2017.
- Last year 3 different classes visited LauRie.
- Employment of student worker in purchase.

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





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