

Hoffmann Group

Communication on Progress 2017-2018



Statement of continued support by the chief executive officer

To our stakeholders

I am pleased to confirm that Hoffmann 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 the 2017-18 period, CSR management work has again focussed mainly on the operations relating to the production of our products.

In the coming year, we will continue to work with the Global compact ten principles throughout our daily operations and thereby continue to contribute to the UN Sustainable development goals.

Locally, Hoffmann is a member of the Danish fashion and textile associations and actively participates in CSR networking and other relevant events.

Sincerely yours

Finn Hoffmann
Managing Director

Introduction

Corporate sustainability for us means doing business responsibly, maximizing resource efficiency whilst supporting social wellbeing through concrete tools and by collaborating with partners in our value chain.

We work with the Global Compact 10 principles in order to conduct our business responsibly and in doing so, we are contributing to advance the UN Sustainable Development Goals below:

SDG 3 Good health and well-being:

SDG 5 Gender equality: Our policy and what we work towards is that everyone should receive equal treatment and not be discriminated against based on their gender.

SDG 8 Decent work and economic growth: We aim to provide decent work and promote sustainable economic growth with productive employment

SDG 12 Responsible consumption and production: We work very closely with our supply chain so that our and our customers minimum social and environmental requirements are met and improvement guidelines are followed.

SDG 13 Climate action. We are actively participating in projects aiming to find solutions relating to environmental impacts throughout the life cycle of our products

Our approach to our CSR work is based on:

- Clearly measuring our risks and defining our policies, sustainable goals and measures needed.
- A close collaboration and alignment with customers quality, ethical, social and environmental requirements
- A close cooperation with the stakeholders in the supply chain so that guidelines, requirements and verification procedures are clear to all
- A commitment for a constant and transparent improvement of our own and our suppliers sustainable performance and utilisation of new technologies and information to contribute to better, more sustainable products.
- Use of credible tools such as standards, certifications, Ecolabels and audits will serve as the platform and set the benchmarks in verifying and documenting compliance.

Human Rights, Labour and Anti-corruption

Policies and goals

We are continuing to work actively with our policies and goals regarding human rights and labour issues. Our main goal encompasses the wellbeing of employees throughout our operations and as such, we endeavour to create a stress free and comfortable working environment.

Hoffmann recognises its responsibility to seek and protect human rights within our operations, throughout our value chain and in the communities where we operate.

Hoffmann supports the principles contained in the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact and the fundamental principles that protect workers' rights defined in ILOs- International Labour Organisation core conventions.

We expect that all our business partners work with human rights issues in a responsible manner, and we expect that all our business partners support the fundamental principles described in UDHR and ILOs core conventions as a minimum.

In the coming year, Hoffmann will continue to work with human rights and labour issues internally, and will work towards ensuring that our suppliers are all aligned with the UNGC principles.

Assessment, implementation, and measurement of outcomes

Business partners

We work very closely with our suppliers in aligning our activities, policies and procedures according to our own and our customers code of conduct.

We continue to assess our suppliers through our responsible sourcing procedures regarding human rights, anti-corruption, labour and environment.

We urge our suppliers to adopt accredited third-party certifications/standards such as SA 8000, Fair trade, BSCI, Sedex, etc. in order to show compliance documentation regarding our requirements.

We continue to work closely with our suppliers concerning our sub-suppliers that are typically the manufacturers based in "High risk" countries.

We evaluate the supplier's situation according to answers they provide either to our questionnaire or through the audits performed and revert with input in any areas that we deem to be either unacceptable or "grey" areas. We also inform our suppliers of the various tools and resources available that can help them in their sustainability work.

We make a point of visiting all our suppliers and take the opportunity to discuss social and environmental issues and the continuous improvement of these.

Internally, we continue to work with our established procedures and activities to tackle any human rights, labour and anti-corruption issues.

We work with the compulsory "APV" – work environment assessment and action plan and we provide benefits in the form of services and procedures designed to improve the work-quality of our employees. Such benefits include complimentary fruit for employees, an end of year bonus to our workers based on the company's performance, a committee for handling employee grievances. Moreover, we participate in various projects that promote social, ethical and environmental principles. Support organisations working with various humanitarian causes such as supporting the foundation supporting children without a home and doctors without borders.

Upgrading of Hoffmann's facilities and working conditions is a continuous task and we work with any labour issues identified by our work environment group.

We monitor the work environment in all our sites and take action to keep the working conditions as pleasant as possible.

Workers are encouraged to discuss any work conditions topics at the weekly meetings and their input is noted and taken into consideration in future planning.

Our procedures, requirements and activities are described in core documents that we update regularly.

Our core documents include:

- Personnel Handbook
- Code of conduct
- Human rights and Anti-corruption policies
- Responsible sourcing guidelines
- Questionnaires for our supply chain

During this last period, we have partnered with a socio economic company in a project aimed at sorting End of Use garments by persons with disabilities.

Environment

Policies and goals

The objective is to continuously improve our environmental performance.

Adverse environmental impact occurs mainly during the production of the raw materials, the production of fabric, during transport and at the End of Use (EOU) stage. We are therefore continuously working to address these impacts by focusing either on a specific product group or a specific stage in the life cycle of the products.

Our overall environmental objective is to reduce environmental impacts related to our products and processes within our operations. This includes our internal operations (relating to offices, warehouses and sewing facilities) as well as our supply chain that includes the manufacturing of materials and products.

Assessment, implementation, and measurement of outcomes

We have undertaken a number of projects relating to environmental issues and in particular our products performance

ISO type 1 Ecolabel criteria, as well as initiatives like the HIGG index and Global compact tools play an important role in the assessment, implementation and measurement of outcomes. We use the criteria and the tools to help us in determining our CSR strategy. The Higg tool has been an excellent way of analysing environmental impacts in materials, Manufacturing, packaging, transport, use and end of use as well as in internal workplace standards, employee orientation and development, documentation of social/labour performance, mapping and risk assessment and so on. We have procedures in place to help us assess new suppliers through information about whether a particular company holds any certifications and which, we are also informed of other environmental issues such as waste water treatment, use of chemicals, dyes, as well as information on biocides, formaldehyde etc.

We continue to participate actively in projects that promote social and environmental improvement with the Danish Fashion Institute and the European Sustainable Apparel Coalition. Such projects provide an excellent platform for meeting business partners that are working with environmental responsibility. It also acts as a catalyst for new “Green opportunities” and it certainly is the case for the Hoffmann Group.

Close dialogue with suppliers is important and allows us to inform suppliers about our and our suppliers CSR work and the benefits of various initiatives, EU/Danish legislation regarding prohibited substances, heavy metals and so on.

Close dialogue also means that our business partners have the opportunity to change “bad environmental practices”. We therefore have a procedure where business partners with critical environmental issues are asked to correct these by a certain date depending on the specific issue.

Businesses with very critical environmental issues are confronted and consequences include the termination of current business activities. This occurs for example when a producer is violating National laws, non-treatment of waste- water and so on.

[Environmental Focus and implementation 2014-2018](#)

2014: An executive decision was made to put focus on the “Use and End of Use” stages of our products. Participation in ECAP and HIGG projects

2015–2016: As a result of the findings from participating in both the HIGG and the ECAP projects, we instigated a feasibility study regarding the setting up of a recycling facility at our Mammut headquarters. The purpose of the study was to investigate various key areas such as the introduction of cost effective collection system, the economic aspects of the daily operations, the social aspects and the possibilities of producing and marketing innovative raw materials.

2016-2017: As a result of that study, an executive decision was made to initiate a project and the first phase concerned the establishment of a take back/collection/sorting system for uniforms which are otherwise burned for security reasons. As such, we partnered with a socio-economic company (Incita) and together we established a secure sorting facility that became operational in August of 2017. Uniforms are stripped of any logos, zippers, buttons etc. so that the sorted item no longer can be identified as a uniform. The socio-economic partner is responsible of taking care of practicalities, training and other solutions so that workers with disabilities can perform the sorting tasks.

2017-2018: The second phase of the project, involved the sorted textiles and here we were faced with certain challenges. We had no responsible environmental or financial options for the sorted textiles. These are usually blends made of technical materials and as such they cannot be processed into recycled fibres with present technology. Established recycling facilities are not interested in receiving these textiles which could be used for producing low value traditional products such as filling for car seat covers, one- time use cloths etc. There are a few emerging companies involved in developing various innovative materials made from textile waste but they are fairly new and therefore restricted in what and how much textile waste they can process.

2018-2019: We have therefore partnered with the Danish technological institute to try and bring stakeholders together in a consortium for the purpose of finding solutions for textiles that would otherwise be burned.

This initiative will be the focus for this next period in the Hoffmann group.

We are continuing to actively monitor the market for better environmental solutions.