

# COP

2019



**UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS  
REPORT**





# 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 second 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*





We have an important obligation to develop products with respect for the environment and for the human and labour rights.

# 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 honouring 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.

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

## KPI - UN Global Compact. Achievements and goals

	Actions	Achievements 2017/2018	Goals 2018/2019
PRODUCTS	Development of environmental friendly products.	95% of core basic product have Oeko-Tex 100 certificate.	1% increase of products with Oeko-Tex certificate.
	Long usability and lifespan	Obtained Ecolabelling certificate.	Maintaining Ecolabel certificate.

## Achievements in 2018/2019



### 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.

The first production of EU Ecolabel certificated garments has been completed. With EU Ecolabel we have taken a deeper dig into the work with the 17 UN sustainable development goals.



### 3.

Our basic products from Bangladesh are tested in Bureau Veritas once every year towards our products requirements with satisfactory result.



### 4.

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

## Goals for 2019/2020



1.

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



2.

Evaluation of the EU labels program and the further possibilities with the certificate.



3.

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



4.

Expect an increase of Oeko-Tex certified products during 2019/2020.



5.

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



# PROCUREMENT

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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.

As a member of amfori BSCI we support Sustainable Development Goal 8 – Decent work and economic growth.

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 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.





### KPI - UN Global Compact. Achievements and goals

	Actions	Achievements 2017/2018	Goals 2018/2019
PROCUREMENT	Code of Conduct (CoC)	All suppliers have signed CoC	All suppliers have signed CoC
	Quality Manual (QM)	All suppliers have signed QM	All suppliers have signed QM
	Amfori BSCI	98% of sold products are running with suppliers audited by BSCI.	Same level is expected.
		2% of sold products are running with suppliers not audited by BSCI.	Same level is expected
		Still 2% of the audited suppliers are not in acceptable level	Reduce suppliers at not acceptable level to 1% as
	ACCORD (Bangladesh)	All suppliers have signed the ACCORD.	All suppliers must have signed the ACCORD
Selfassessment	Present in QM	To be evaluated.	

## Achievements in 2018/2019



**1.**

Office supply; All papers for printing and copies, booklets and similar are PEFC or FSC certified and in several cases also either certified according to Ecolabel or Nordic Swan.



**2.**

All catalogues are printed at an environmental certified print house



**3.**

83% of our procurements for sold pieces are delivered in FSC certified export cartons.



**4.**

Existing suppliers has entered the amfori BSCI platform



**5.**

Work with remediation plans - 6% of suppliers have raised their rating in the amfori BSCI platform.



**6.**

Ecolabel certified materials has open new sustainable procurement.



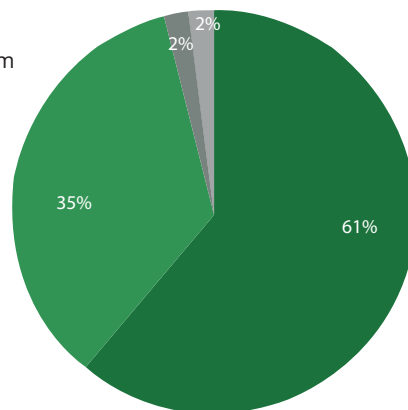
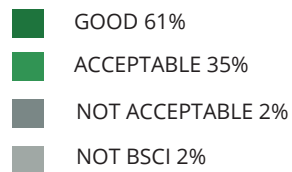
**7.**

Paper towels and napkins are also FSC certified.



**8.**

98% of sold pieces in 2018 were from amfori BSCI suppliers.



## Goals for 2019/2020



1.

We will continue evaluating if further sustainable solutions can be found within office supply to other areas than paper articles.



2.

We will continue working with FSC certified export cartons. We will keep on working with our suppliers to encourage them to do improvements and remediation plans.



3.

Not only to achieve better ratings, but also to create continuous improvements for working environments and workers' health and security.



4.

We will continue the dialogue with suppliers who have not yet joined the BSCI platform, about the possibility for them to do so.



5.

Our self-assessment document for new potential suppliers, not engaged with BSCI or holding other valid certificates, will be evaluated for future use.



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.



7.

With the Ecolabel certificate we have opened the possibilities for further sustainable procurements. These are to be evaluated in the coming year.



8.

CO<sub>2</sub> emission result from forwarders.



9.

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.

# PEOPLE

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People are one of the most important resources for ID® Identity, both internally and throughout our supply chain. We take our responsibility seriously and have 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.

At ID® Identity, we intend to act responsibly and contribute to sustainable development and reduce our footprint on the environment. ID® backs the Sustainable Development Goals set by the UN for a more economical, social and environmentally sustainable world.

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 manned by employee

and management takes care about the safety and environmental issues in the company and conducts regular meetings.

Externally; As we do not 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



We take our responsibility seriously and have incorporated it in our daily processes and actions.



**KPI - UN Global Compact. Achievements and goals**

	Actions	Achievements 2018/2019	Goals 2019/2020
PEOPLE	Diversity of workforce	45% of employees were women. White collar employees: 69% men and 31% women. Blue collar employees: 47% men and 53% women.	Equal level of employed women, white and blue collar are expected.
		2 senior citizens employed in special senior citizen scheme.	Possible increase to 3 senior citizens.
	APV results	No new suggestions during 2018 for APV improvements for working conditions.	If new APV points are raised, they will be evaluated and needed improvements will be conducted.
	Health and security	No risks identified.	Workplace evaluation is conducted running and minimum with APV.
	Health insurance	All have health insurance after 9-month employment.	All have health insurance after 9-month employment.
	Code of Conduct	All suppliers have signed CoC	All suppliers to signed CoC



## Achievements in 2018/2019



- 1.** Work with grievance mechanism has started.



- 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.** Through amfori BSCI remediation plans we help to improve working conditions with our suppliers.



- 4.** In Bangladesh we continued our support to a local school and to secure the schooling for pupils.



- 5.** We contribute to TTH handball and other clubs and organizations in the surroundings of Holstebro.



- 6.** We support Hospital Clowns in Danish hospitals.



- 7.** In the work with Ecolabel products we have chosen to work with Better Cotton Initiative cotton, where the education of farmers is one of the key points. In this way supporting the Sustainable Development Goals 2.3 and 4.4 and with the high restriction for use of substances supporting 3.9.

## Goals for 2019/2020



**1.**  
Grievance mechanism to be established; all employees can share their grievance or suggestions anonymously concerning working and environment conditions.



**2.**  
We will keep on communicating with suppliers who do not perform sufficient work with remediation plans.



**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 continue to support the local school in Bangladesh.



**6.**  
We will continue to support TTH handball as well as other local clubs and organizations.

# ENVIRONMENT

The aim of ID® Identity is to conduct a responsible environmental business, we support environmentally friendly technologies, 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. 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 CO<sub>2</sub> neutral energy produced by Danish wind power.

## ACTIONS

We continue to sort all our waste. The sorting of waste has increased our knowledge and understanding for treating waste correctly and the result is much more waste being recycled. By next report we expect for recycling of plastic to be increased.

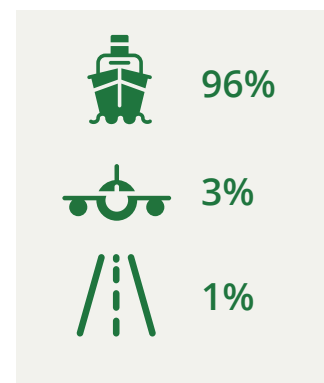
Last year we used less electricity, which is good even though it's wind energy. However we used more water than previous year, as we have had an issue for some pipes, so for coming period it's expected to drop again. The increase in heat is caused by higher activity in our logistic center, gates and doors have been open more frequently. Hopefully the activity will keep same level.

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. We have developed a tool, so we can monitor the different kind of transportation modes. With this tool we have gained full transparency and can compare the different modes.

## TRANSPORT OVERVIEW





The aim is to conduct  
a responsible and  
environmental business

# ENVIRONMENT

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Looking into the production of the Ecolabel products we are supporting different Sustainable Development Goals. We know our contribution is not world changing, but we believe that each step in the right direction is good and will help to continue the progress towards the 2030 UN Sustainable Development Goals.

With the Ecolabel production we can therefore confirm supporting the following Sustainable Development Goals 3.9 Reduce illness and deaths from hazardous chemical, 6.3 Improving water quality by minimizing release of hazards

chemicals, 12.4 Management of chemicals and waste to reduce release to air, water and soil to minimize their adverse impacts on human health and the environment.

## **CO<sub>2</sub> EMISSION**

This year we have started gathering information from our forwarders concerning CO<sub>2</sub> emission when transporting goods to and from our warehouse. Not all forwarders have a full-scale tool developed to inform a report concerning CO<sub>2</sub> emissions. We expect for year 2020 to have all needed data provided to us.

When talking about CO<sub>2</sub> emissions and communication of this; it is not just a simple task. It needs time to be evaluated and to find the proper way of communicating on the subject, as otherwise it's just data and we all know it's impossible to avoid CO<sub>2</sub> emission. It's more a question of how and where the emission can be reduced, so it gives sense environmentally but also for our customers as well as ID® Identity.



## KPI - UN Global Compact. Achievements and goals

	Actions	Achievements 2018/2019	Goals 2019/2020
ENVIRONMENT	Waste management	<p>Total per employee</p> <p>Carton for recycling 2.213 kg Paper for recycling 190 kg Plastic for recycling 53 kg</p> <p>We send 94% of our waste for recycling.</p>	<p>Total per employee</p> <p>Carton for recycling 2.220 kg. Paper for recycling 200 kg. Plastic for recycling 100 kg.</p> <p>Expect 1% increase.</p>
	Energy consumptions	<p>Total per employee</p> <p>- Wind energy reduced by 11% per employee. - Water increased by 8% per employee due to pipe issue - Heat increased by 2 % per employee due to increase in activity in warehouse.</p>	<p>Total per employee</p> <p>-Wind energy – No reduction expected. -Water – 2% reduction expected. - Heat – No reduction expected.</p>
	Oeko-Tex 100 certificate	95% of core basic product have Oeko-Tex certificate.	Same level expected.
	Ecolabel collection	Ecolabel production completed.	Evaluation of result.
	Transfers	More than 30% of the transfers purchased are waterbased.	Purchase of waterbased transfers expected to raise by 20%.
	IT equipment	All sales coordinators have 2 screens and consumption of print is now monitored.	From 2020 we will be able to evaluate our print consumption.
	Air shipments	Today air shipment are 3% of our total procurement volume.	We expect no change for the level of air shipment.

ID® has converted 100% of our electricity purchase to renewable and CO<sub>2</sub> neutral energy produced by Danish wind power.



## Achievements in 2018/2019



**1.**

We continued sorting our cartons, paper and plastic for recycling.



**2.**

During 2018 we have changed our polybags to a reusable type, by now we have approx. 2% left which we expect will be phased out during 2019, and clear information level



**3.**

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



**4.**

We have encouraged our suppliers to strive for the stricter appendixes and product classes within Oeko-Tex



**5.**

Air shipments today account for 3% of the total transport volume



**6.**

CO<sub>2</sub> Emission reports received from some forwarders.

## Goals for 2019/2020



1.

We will follow the development within the packing materials and requirement of those. Especially use of plastic, if we can do further improvement for this area.



2.

We will consider the possibility of recycling further subjects e.g. damaged clothes and IT equipment. Unfortunately we still have not found solutions, which are truly environmentally friendly.



3.

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



4.

Expect that our work with suppliers for selecting environmental chemicals and focus on higher appendix within Oeko-Tex will give our products an even more environmental approach.

# 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, kickback or other illicit payment. ID® Identity counteracts all forms and we will affect our business partners to follow the same conviction.

## ACTIONS

ID® Identity does not 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.

## KPI - UN Global Compact. Achievements and goals

	Actions	Achievements 2017/2018	Goals 2018/2019
<b>ANTICORRUPTION</b>	Code of Conduct (CoC)	All suppliers have signed CoC  No signs of corruption or bribery detected.	All suppliers to sign CoC  Anticorruption policy is included in employee handbook

## Achievements in 2018/2019



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.

## Goals for 2019/2020



1. Continue the work with risk assessment for possible areas of corruption or bribery.



2. Policy for anticorruption to be a part of employee handbook.





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[WWW.ID.DK](http://WWW.ID.DK)

ID® | LÆGÅRDVEJ | 138 7500 HOLSTEBRO | +45 9749 2144 | [ORDER@ID.DK](mailto:ORDER@ID.DK)

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