BRICpro

Sustainability report 2019
- UN Global Compact
Communication on progress



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About BRICpro

BRICpro is an ethical sourcing company that helps design brands in production of furniture, interior design and textile products. We assist from drawings to finished products and we focus on making the products in the most ethical and sustainable way possible by using responsible factories and sustainable materials. In this way, our ambition is to be part of the solution rather than the problem.

Therefore, social and environmental responsibility, product quality and economical profit go hand in hand in the BRICpro mind-set. And this demands for high standards when we look at sustainability, human and labour rights, and ethical business behaviour.

Statement of continued support

With 2019 coming to an end we can look back at an exciting and eventful year. Many new business relationships have been initiated and some have also come to an end. Nevertheless, BRICpro is proud once again to express our continued support to the 10 principles of the United Nations Global Compact. The UN Global Compact has during 2019 functioned as a guiding hand in the development of our company and have helped to push all our new initiatives in the right direction.

In this Communication on Progress we share our achievements and challenges during 2019 and our actions to integrate the 10 principles of the UN Global Compact into our business strategy, our culture and our daily operations.

By supporting the UN Global Compact, we set ourselves to the highest standards and remain committed to share our progress with our customers, partners and other stakeholders. This means that we are working on improvements related to human and labor rights, beneficial actions towards the environment and measures of anti-corruption. The 10 principles are mentioned in this report.

As a company we continue to work on improving all matters related to our business operations - both within BRICpro, with the suppliers we corporate with, and our collaborations with all other stakeholders. We are excited to continue our commitment to UN Global Compact and look forward to an eventful 2020.

Signature:

Mads Bisgaard Christensen

CEO

Signature:

Leen Hanemaaijer Head of Production

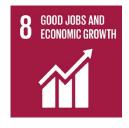
The Sustainable Development Goals

In 2019 we continued our commitment to the Sustainable Development Goals. The SDGs consists of 17 goals that invite all governments, organizations and businesses on-board to work towards creating solutions to reach these common goals. For businesses this is a unique chance to ensure an innovative business and a sustainable economic growth.



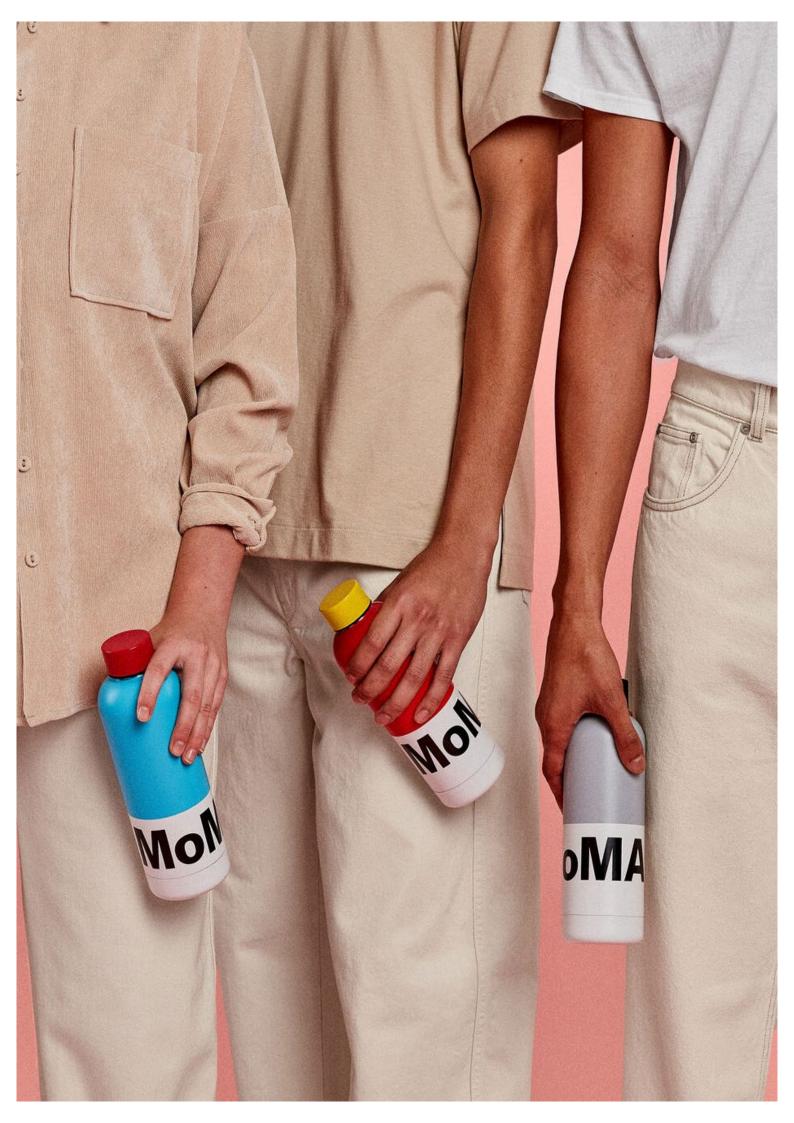
In this report you will see our efforts to comply with the 10 principles of the UN Global Compact and the SGD's as one integrated approach, as we see many links and overlaps. We believe that we can get the most out of both with an interlinked approach, since the SGD's are containing issues within both human and labour rights, environmental issues and anticorruption.

At BRICpro we see the SDG's as a great opportunity to strengthen our company and make an actual difference through our activities. We are working actively with the below mentioned goals:









Human & Labour Rights

BRICpro is supporting the Universal Declaration of Human Rights and The European Human Rights Declaration which binds us to avoid engaging in any form of human rights abuse. We do everything we can to avoid engaging in any form of forced labour or child labour, as well as ensuring fair wages and acceptable health and safety standards at our partnering factories. These are some of the major human rights risks in our supply chain and therefore we have a special eye out for these important issues.

In our work to ensure compliance with human and labour rights, we are signing on to working with the SGD goal number 8.



BRICpro stresses the importance of human and labor rights in the supply chain of its products. In BRICpro's eyes business should benefit all and not a few. Workers creating products for BRICpro should have the opportunity to create better livelihoods around the world.

Below you can read some of our achievements within Human and Labour rights.

A strong ethical supplier database

Thought the past few years, we have built an efficient and standardized internal database for suppliers. We have managed to create a tool, which can be applied within all departments of BRICpro. All employees can quickly identify the latest CSR status of each partner factory and see if they are approved or not. It is an important step in involving all colleagues of the organization in making sure that quality, price and CSR status are assessed together and not individually. With this model we will also be able to monitor improvement over a longer period of time and compare the CSR status of factories within the same industry.

The suppliers in our database have been either visited personally by one of our staff members or they have shown valid certification of either BSCI, Sedex, GOTS and/or SA8000.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and Principle 2: make sure that they are not complicit in human rights abuses. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.

We have experienced a changing trend within the furniture industry where productions are being moved from Asia back to Europe. This has also affected our company. Even though our production volume in Asia is within the same level as previous years, the volume we are sourcing and producing from European factories has increased significantly in 2019.

Our CSR agenda and the factories CSR level are different between Asian and European factories, making our CSR approach towards the factories somewhat different depending on their geographical location.

In Asia, we find that that factories who are fully compliant both in environmental and social terms are difficult to find. In general, most of the factories there focus on certain ethical topic (e.g. working conditions) while leaving out others (e.g. environmental). The objective of BRICpro is to work on existing problems and find solutions on how bad conditions can be turned to better conditions. This is something that requires trust between the business partners but also patience.

In Europe, we experience that our partnering factories have a high level of compliancy in relation to both environmental and social standards. This has now allowed us to also focus



Our own local workshop

Throughout 2019, our own local workshop in China has added a lot of value to our operations in China and our company in general. We established the workshop back in 2018, with a goal of being able to control the supply chain better and to get more insight into the involved suppliers and sub-suppliers – a task that can be difficult for example when producing complicated products with many different components.

Our workshop has been checked and approved in regard to fire safety and electrical installations, and we have a big focus on a healthy working environment.



Privacy policy

With the new General Data Protection Regulation, commonly known as GDPR, coming into effect on May 2018, BRICpro has also introduced a privacy policy for all of our digital stakeholders. BRICpro does in no way process or forward information of user visiting its website or social media channels. We use these channels only to communicate our strengths to customers.

Environment

BRICpro is committed to be part of building a more sustainable future and to make sure we do not drive robbery on Nature and its resources. We do our best to make sure our daily operations are as environmental-friendly as possible and at the same time we are ready to support our suppliers and clients in limiting the environmental footprint they leave on the world through production.



BRICpro strives to make products of high quality that are made to last. In our productions, BRICpro works with responsible suppliers that set high ambitions in terms of sustainable materials, good working conditions, and smaller environmental footprints.



BRICpro recognizes the major task that we face to tackle climate issues, and therefore we are continuously taking new steps to make sure we play an active role in being part of solving the issues.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Sustainable materials

The service we provide to our clients is developing and producing furniture and interior productions in an easy and ethical way. We are thus often involved in our clients' designing processes, which have allowed us to take the products into a more sustainable direction.

In May 2019 we launched our Sustainable Material Library, which consist of 100+ sustainable materials that we have sourced through the entire world. Our aim with this library is to offer more materials alternatives, making the products themselves more sustainable.

We have introduced all our clients to the Sustainable Material Library, and the feedback we have received from them has been very positive. The library has made it easier for our clients to choose a suitable alternative while also providing inspiration for designing new products.



Environmental friendly shipments

When having many business partners all over the world and sending a lot of products with courier it is a challenge for us to avoid having a negative carbon footprint. Therefore, in our effort to make up for this negative footprint the majority of our shipments are sent as CO2 neutral with DHL. This means that for each shipment a small fee will be donated to one of the partners of DHL to ensure that the CO2 emission for each shipment is neutralized.

We implemented this initiative in 2018 and have continued using it throughout 2019.

NO! plastic packaging

One of our largest CSR goal for 2019 was to eliminate plastic packaging from the products that we produce. By the end of 2019, we have learned that we cannot rule out plastic packaging entirely from all products ranges, due to technical reasons. However, we have been able to identify the opportunities and have developed alternatives packing methods, which will allow us to make considerable changes in 2020 and onwards.

At the moment we are working on a packaging guideline which will be distributed among our local and international employees and suppliers. This guideline addresses the use of plastics in packaging in both the productions for our clients and within our internal organization.

Focus on restricted chemicals

Finally, we have decided to tighten our requirements for restrictions on chemical substances in textile and other products. Based on the EU Chemical Agency's list of substances of very high concern (SVHCs),

We have introduced our core factories within textiles, which is the most relevant sector, to the list. For 2019 the promotion of this list amongst our supplier will remain a priority.

In addition, we have decided voluntarily to randomly pick a sample of products annually and conduct a full SVHC test with an official testing institute to assess the compliance commitments made by our suppliers.

FSC-Certification

We have become a proud FSC certified member in 2019. We have talked about the FSC membership for a long time but decided not to engage ourselves previously as we didn't find the FSC label trustworthy as we learned that the FSC supply-chain wasn't systematic enough for our standard. Since then, we have been following FSC closely and found that a lot of improvement has been implemented to the FSC system to which we finally decided to join the FSC network in 2019.

The mark of responsible forestry

Anti-corruption

As a member of the UN Global Compact, BRICpro is committed to work against corruption in all its forms, including extortion and bribery. At all times, BRICpro will back away from and speak against corruption in all its forms.

Our company will always abolish corruption in our business, from our engagement with customer, partners and in our supply chain. If any employees should be in doubt of incident or situations, it is our policy to address and approach the management for further instruction and guidance.

Principle 10: Businesses should work againts corruption in all its forms, including extortion and bribary.

Want to learn more?

If you have questions or comments to this report, please contact our Head of CSR:



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.