

# Oriental

## SUSTAINABILITY REPORT 2020

MADE BY ORIENTAL

**INTRODUCTION**

Managing directors statement.....4  
About Oriental Group..... 5  
Mission & Values..... 6  
Top news // Key performances..... 7

**OUR COMMITMENT**

CSR approach and Organizational structure..... 8  
CSR activities..... 8  
Sustainability mindset.....11  
Environmental impact..... 12  
Environment..... 12  
Oriental staff..... 13  
Health & safety..... 13  
Anti corruption..... 13

**OUR RESULTS**

Result 2019..... 14

**OUR GOALS**

CSR Goals 2020..... 15

**CONTACT**

Get in touch.....16



**MBO**  
ECO VERO & RECYCLED FABRICS



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## **MANAGING DIRECTOR´S STATEMENT**

OUR sustainability report for 2020 is our way of communicating the actions taken to improve all matters related to corporate social responsibility in Oriental based on data throughout 2019. As a company we continuously strive to improve all matters both within Oriental and with the suppliers we cooperate with.

We consider responsible behavior to one of the key values of Oriental. To do so we have incorporated several measures: on a global level we support the UN Global Compact 10 principles, working for improvement of human rights, workers fair treatment, beneficial actions towards the environment and measures of anticorruption. We have been a member of BSCI since 2008. We focus on improving our supply chain awareness and compliance to the guidelines of BSCI. We are constantly working on improving the joint effort of all partners in our garment production.

As a company, which has been present in China for numerous years, we believe it to be very important to participate as a full member of our local society. Therefore we cooperate with our Chinese employees and suppliers to make a difference, now and in the future.

**Managing Director Oriental China**  
**Henrik Poulsen**

## ABOUT ORIENTAL GROUP

Oriental is a Danish founded garment company that has assisted retail customers in Europe in their design and production process since 1994. We operate from our offices in Aarhus, Denmark and Suzhou near Shanghai in China, and since 2011 we have also operated from our fully-owned manufacturing factory in China. Besides our own factory, Great Garment, we also work with sub-factories in China and India.

At Oriental we strive to offer the best services for our clients. This is done through our in-house design team with inspiration from European latest fashion trends. Through our in-house technical team, in-house sample room and through our merchandisers and Quality Control team we closely monitors all our orders, ensuring clear and effective communication and products to our customers. We tailor our services according to each individual customer's needs and offer the best value for them. The longer we work together with a customer, the better we can meet their design preferences and production requirements. We strongly believe in the value of ethical business practices and use them as guiding principles in all our relations with both customers and suppliers.





## MISSION

Our mission is to make our customers more competitive in their respective markets. We do this through providing cost effective production options at the agreed quality level combined with value added know-how and customer specific services.



## VALUES

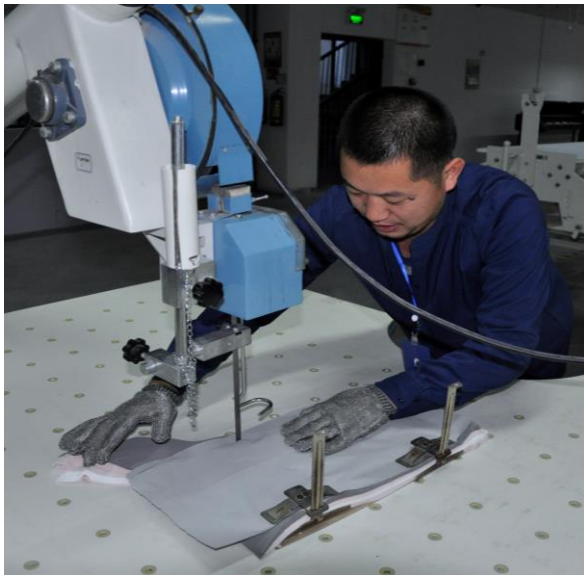
- **Honesty**
- **Responsibility**
- **Constant Improvement**

Our 3 core values impact all activities at Oriental and define the way we do business. These values are the foundation for our strategic development, our daily decision making process as well as our interaction with employees, business partners and the wider society.

## TOP NEWS // KEY PERFORMANCES

We believe in equal rights for all. And therefore we are proud to say that **77,67%** of our employees are women. And more than **70%** of our managers are women.

**4** of our sub-suppliers had a re-audit in 2019.



In 2019 we reached our goal by having **85,52%** of our production made in BSCI audited facilities.

We believe in long term relations and partnerships with our suppliers. On average we have been working with our current suppliers in **7,8** years



## CSR APPROACH & ORGANIZATIONAL STRUCTURE

Corporate Social Responsibility is a global issue that we feel needs a joint global effort to succeed. Oriental is committed to operate as a responsible corporate citizen and Corporate Social Responsibility is firmly rooted in our business approach and values. We believe that our CSR activities are examples of how we impact the world around us in a positive way. All of our CSR activities related to our supply chain in China and India are managed from our office in Suzhou, China and all CSR activities fall under the responsibilities of our Chief of HR, Finance and CSR. We have experienced an increasing level of interest and requirements from our customers towards CSR and specific requests and certifications through the last year. We find this very positive and are happy to guide and help our customers.

## CSR ACTIVITIES

### UNITED NATIONS GLOBAL COMPACT

The United Nations Global Compact tackles human rights, labour conditions, the impact on the environment and ethical business practices. Their ten principles are universally recognized. We at Oriental aim to embrace, support and follow this framework of core values within our sphere of influence.



By September 2015 UN determined 17 new world goals concerning sustainable development. The new world goals has a broad perspective which covers issues such as ending poverty and hunger, improving health and education, protecting the oceans and forests. The 17 new world goals are directed towards both rich and underdevelopment countries and aims to have everybody join forces to create a better future for both people, animals and planet.





The journey towards a more sustainable future is well on it's way for Oriental. As a company we support all 17 world goals, but have chosen to highlight and primarily focus on three goals, through which we believe we can influence and differ the most. The three goals are:



We believe that a good health is the key to having happy and efficient employees. We had all our staff in our Denmark office participate in a first aid course. All employees at our China office had first aid training. Furthermore we offer all Danish and Chinese employees health insurance and do our best to offer fresh fruit and a good working climate for all.



At Oriental we are happy to say that the average payment has increased from 2014 and to 2019.



Besides our own factory, which is located in China, we are working with several other factories. These factories are selected on the basis of a wish to establish a partnership between them and Oriental.

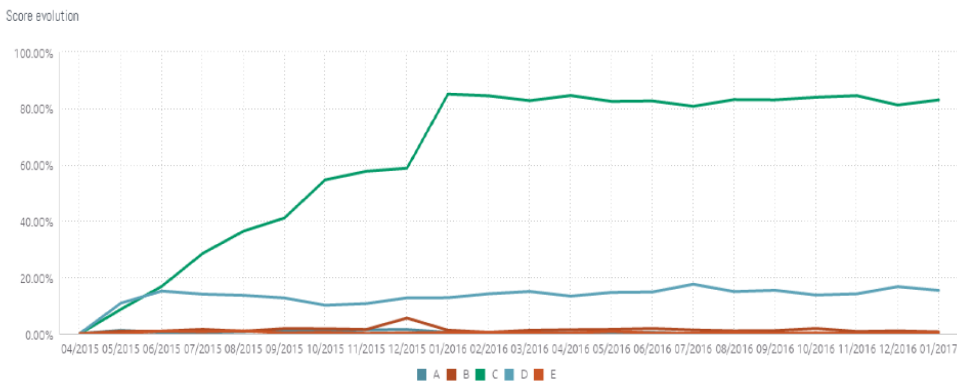
## BSCI – BUSINESS SOCIAL COMPLIANCE INITIATIVE

As a member of the European organization BSCI, we are dedicated to improve social compliance across our supply chain in line with the BSCI Code of Conduct to ensure our suppliers take social responsibility seriously. We do this through a comprehensive monitoring and QC system.

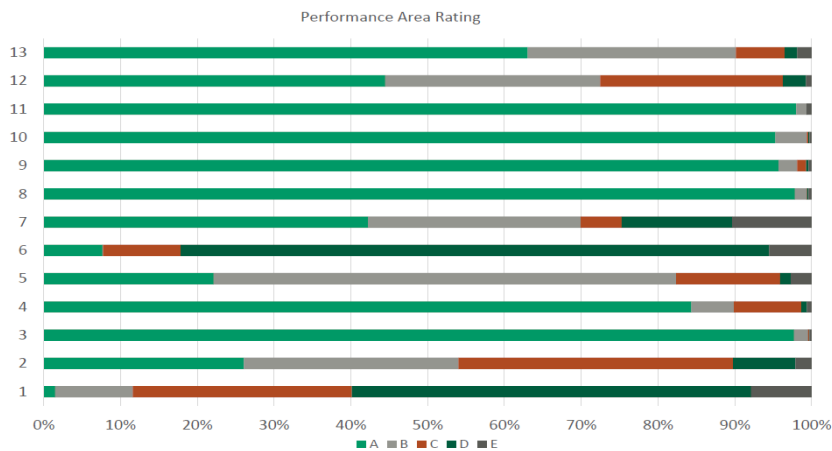
The BSCI Code of Conduct is built on the most important international labour standards protecting workers’ rights taken from the International Labour Organization (ILO) Conventions, the OECD guidelines for multinational enterprises and the UN Global Compact.

We strive to have our producers improve from audit to audit, but even though we support them in their work none of our producers have improved between the last audit and the audit before that. All our producers are currently audited with a C. The rating C is an acceptable rating and cannot be given if more than 2 performance areas are rated as D’s.

Looking at the overall representation for BSCI audited producers in China more than 80% is audited with a C.



The main cause of our producers “C” rating is to be found in performance area 6 concerning decent working hours. Statistics made on all Chinese BSCI audited producers show that it is performance area 6 which has the overall lowest rating. This can to some extent be explained by the Chinese working culture. This is not being said to minimize or neglect the importance of having decent working hours or to disregard the responsibility Oriental has towards our employees at our own factory and the partners we work with.



## SUSTAINABLE MINDSET

At Oriental and in the world the awareness and respect of sustainable fabrics grows. Therefore we strive in Oriental to do our utmost in making nice fabrics and products with the lowest level of environmental impact by working with below sustainable fabrics

### Recycled polyester

Recycled polyester is made out of recycled PET plastic helps reducing the plastic waste. PET is the material you find in clean plastic bottles.

### Organic cotton

Organic cotton is without the use of any synthetic chemicals as pesticides and fertilisers. The production sustains the health of soils, ecosystems and people by using natural processes rather than artificial inputs.

### GOTS certified cotton

Global Organic Textile Standard is the most comprehensive international textile certification and stands for the leading textile processing of organic cotton fibres. Compliance to that is a multi-levelled process including manufacturing, packaging, labeling, trade, and distribution within ecological and social criteria.

### EcoVero viscose

Lenzing EcoVero is a sustainable viscose fibers derived from sustainable wood sources and processed with the lowest environmental impact based on 3 points:

- 1/ Use of certified and controlled sustainable wood sources FSC
- 2/ Awarded EU Ecolabel
- 3/ Lower Emissions

### Modal

Lenzing modal is made from beech wood, a replenishable raw material. During production 95% of the chemicals used are recycled. Lenzing modal is Co2 neutral.

considered to be a semi-synthetic fabric as it is made from combination of organic and synthetic fibres and is produced by using the Edelweiss technology which is an eco-friendly process.

### Tencel

Tencel Lyocell is a natural cellulose fibre which is being derived from natural sources and it is biodegradable. The production process transforms wood pulp into cellulosic fibres with high resource efficiency and low environmental impact.



## ENVIRONMENTAL IMPACT

### CHEMICAL TESTING

The production of fabrics and accessories in the garment industry requires the use of chemicals, some of which can be harmful to our health and the environment. Therefore it is absolutely necessary to take a responsible approach to handling chemicals.

- At Oriental we work in accordance with the European REACH specifications and legislation and conduct random chemical testing validated by internationally recognized third party testing organizations such as Intertek, SGS and Bureau Veritas.
- We pay special attention to the selection of dyes and chemical auxiliaries and ensure that products are free of hazardous substances such as azo dyes, formaldehydes, pesticides and toxic heavy metals.
- We have updated our Supplier Manual to include the newest REACH specifications and our suppliers are educated to meet these standards, we follow a detailed random testing of fabrics and accessories schedule.
- We are proud to be able to provide our customers with the option to purchase OEKO-TEX100 products from us and as a result avoiding the use of harmful substances in the garment production.

## ENVIRONMENT

In Oriental we acknowledge the importance of environmental concerns. We put constant focus on integrating environmental friendly procedures and progress in our own production and in our supply chain. We promote:

- Responsible purchasing: We only work with suppliers that use environmentally friendly chemicals and observe environmentally friendly processes, including how they dispose of wastewater.
- Reuse and recycle: We reuse and recycle wherever possible to minimize our waste. We purchased a cutter to minimize fabric waste and use both sides of paper when we print. We collect cartons, papers, PET bottles, aluminum cans and fabric and send them to be recycled. These values are incorporated in both our Chinese and Danish office.
- We strive to use the minimum of electricity, so therefore we have changed all our office light to LED lights.
- We strive to run a punctual production so we can send garments by sea freight and there by keep the CO2 emission at the lowest possible level.
- Clean work environment: Oriental ensures a clean, hygienic working environment for all employees.

## **ORIENTAL STAFF**

In Oriental we acknowledge that one of our main strengths is a dedicated and highly resourceful staff, whom we strive to support and advance in all the ways we can. We provide an employee handbook to make company policies transparent to all. Furthermore we provide a daily lunch meal based on healthy and nutritious food and we provide air-condition both in summer and winter to assure a comfortable work climate in our China office.

Oriental seeks to take action to provide equal employment opportunities to all qualified employees and we are open to all ethnic groups.

We have also managed to complete 5S program. This program is being represented with below 5 Japanese words to describe the steps of a workplace organization process:

1. Seiri (Sort), 2. Seiton (Straighten, Set), 3. Seiso (Shine,Sweep), 4. Seiketsu (Standardize), 5. Shitsuke (Sustain)

In simple terms, the 5S methodology helps a workplace remove items that are no longer needed (sort), organize the items to optimize efficiency and flow (straighten), clean the area in order to more easily identify problems (shine), implement color coding and labels to stay consistent with other areas (standardize) and develop behaviors that keep the workplace organized over the long term (sustain).

## **HEALTH & SAFETY**

The OECD guidelines for multinational enterprises lists health and safety as one of their focus areas under which it is stated that the multinational enterprise should promote the workers' awareness of and compliance with health and safety policies through dissemination and training programmes.

In line with this we in Oriental had all employees in our Danish office in Aarhus go through a first aid course to ensure that all employees are capable of giving help if any form of accident should accrue or if any member of staff should suffer from sudden illness.

All members of our Chinese staff had first aid training.

Our concern for our employees health is a high priority which also involves the daily lunch meal and indoor working climate in our China office. We provide all employees with health insurance and in 2016 we moved to a new and bigger office in China. This has created much better space and conditions for our employees. To accommodate the difficulties some of our employees experienced with the move, we offer transportation back and forth from the office.

Health and safety is also a high priority in our Danish office as well with focus on a good indoor climate, ergonomic work positions and free fruit.

Also we have established and organized Annual Fire Drill in Suzhou to ensure everyone have the common senses to deal with the fire.

## **ANTI CORRUPTION**

In Oriental we do not engage in business relations with customers or suppliers where corruption, bribe or personal relations and gifts are necessary to drive business. No employee is allowed to take bribe, we have zero tolerance to fraud, bribe and theft and if such is detected it will lead to immediate termination of the employment. The anti-corruption guidelines have been incorporated in our management guidelines.

## CSR RESULTS 2019



We reached our goal of having min. 85 % of our production produced in BSCI approved facilities.



We upgraded our IT-system, which has eased the daily workflow in the office.



We strengthened our random testing program of fabrics and accessories in order to live up to customer requirements and EU legislation.



We organized Annual Fire Drill in Suzhou to ensure everyone have the common senses to deal with the fire.



We had 4 out of 4 of our sub-suppliers re-audited for BSCI in 2019.

We had 2 of our sub-suppliers gain BSCI for the first time by the end of 2019, which exceeded our expectations.

## CSR GOALS 2020



We aim to keep min. 85 % of our production produced in BSCI approved facilities.



We will continue and further strengthen our random testing program of fabrics and accessories in order to live up to customer requirements and EU legislation.



We will continue to lead by example at Oriental and incorporate socially and environmentally responsible business practices both in-house and across our supply chain.



We will project to minimize our paper consumption in our Danish office as much possible.



We project that 1 of our sub-suppliers will gain BSCI approval for the first time by the end of 2020.

We project that 6 of our sub-suppliers will be re-audited for BSCI in 2020.

We project to optimize and improve the process by integrating a new Digital Audit System.



We further strengthen our sustainability sourcing and in 2025 we hope to achieve 50% of our production will be sustainable.

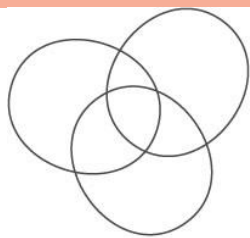
## GET IN TOUCH

Thank you for taking the time to learn more about Oriental and our sustainability approach. We appreciate feedback and are always attentive if you have any suggestions, questions or comments to the way we work. Please find contact info below:

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