



CSR REPORT

WESTPACK A/S

2019-2020



CEO Statement	3
About Wespack.....	5
UN Global Compact.....	7
Partnerships	9
Environment	16
Sustainability of Product Materials.....	19
WESTPACK'S ECO Brand.....	21
WESTPACK: Working Environment.....	24
WESTPACK in Asia	27
Partnership: One Tree Planted.....	30
United Against Corruption	31

Morten Dalsgaard
CEO Westpack



CEO Statement



Welcome to Westpack's new CSR report, a report that sums up the CSR-related activities from our recently completed fiscal year 2019-20. It is also a report that will summarize the CSR efforts we have planned for the new fiscal year.

In the wake of the COVID-19 crisis it is imperative that we do not compromise our CSR efforts.

Especially now, we need to put special emphasis on our CSR activities, both in Europe and in Asia. We need to uphold the principles of good CSR and let that criterion be a guiding light for our attitude and especially our actions.

The COVID-19 pandemic has had terrible humanitarian consequences. Many have lost their lives due to the virus. Others have had to fight the illness while also struggling with social isolation to protect their loved ones. We have all been affected in one way or another.

The pandemic has also had financial consequences. In order to minimize the spread of the disease and in the interest of saving lives, many countries have been shut down. First it was China, then Europe, then the US. This has affected our global trade and economy in an unprecedented way.

It is particularly when the economy is in a critical state, that companies may be tempted to diminish their CSR efforts in order to get momentary financial gain. The temptation will arise in every step of the value chain, but it is important that decisionmakers do not give in to this temptation. Therefore, it is necessary to pay extra attention to CSR in the coming period.

While the economy is also a concern at Westpack, it is important for us to stay true to the purpose of CSR and what the UN Global Compact and the Sustainable Development Goals are concerning the environment, social impact, human rights and anti-corruption. Each of these headlines are guided by well-defined CSR principles that we are committed to follow.

It is Westpack's mission to ensure that all our internal affairs are in sync with both the UN Global Compact and the Sustainable Development Goals. It is equally important that we ensure continued decent CSR conduct in our supply chains. We will not allow any link in the chain to be weakened. Rest assured that CSR will not be sacrificed to obtain a shorter lead time or to secure lower prices.

When you, as a valued customer, do business with us, we want you to be certain that our entire organization upholds the principles stated in the UN Global Compact and in the 17 Sustainable Development Goals. This applies to the entire value chain for which Westpack is responsible and has the ability to influence. It is our hope that you will see this reflected in our CSR report.

I hope you enjoy reading the report. As you will see, Westpack takes CSR seriously, also in the somewhat turbulent wake of the COVID-19 crisis.

As always, feel free to contact me directly with questions or comments.









About Wespac

Wespac is a B2B company that sells quality packaging and displays to more than 14,000 customers across the world. We focus on packaging for jewelry, watches and eyewear but we also sell displays, postal boxes, labels and other items related to selling and shipping the abovementioned products. Our customers range from small independent jewelry designers to some of the biggest companies in the jewelry industry.

To illustrate how we operate, and how we constantly pay attention to CSR related matters, we have made a chart of our CSR Value Chain.

The CSR Value Chain

	 Extraction of Raw Materials	 Processing of Raw Materials	 Suppliers	 Westpac DK	 Clients	 Final Customers
ISSUES	<ul style="list-style-type: none"> Natural resources Working conditions Social justice Wildlife 	<ul style="list-style-type: none"> Natural resources Working conditions Social justice 	<ul style="list-style-type: none"> Working conditions Environment Social justice 	<ul style="list-style-type: none"> Water, heat, electricity Working conditions Resources 	<ul style="list-style-type: none"> Handling of waste Responsible consumption 	<ul style="list-style-type: none"> Handling of waste Responsible consumption
SDG	<ul style="list-style-type: none"> SDG #8 SDG #12 SDG #15 SDG #17 	<ul style="list-style-type: none"> SDG #8 SDG #13 SDG #16 	<ul style="list-style-type: none"> SDG #8 SDG #13 SDG #16 	<ul style="list-style-type: none"> SDG #3 SDG #7 SDG #8 SDG #12 SDG #17 	<ul style="list-style-type: none"> SDG #12 	<ul style="list-style-type: none"> SDG #12
ACTIONS	<ul style="list-style-type: none"> One Tree Planted FSC®-certified materials EUTR & FLEGT Fairtrade®-certified materials 	<ul style="list-style-type: none"> FSC®-certified materials EUTR & FLEGT Code of conduct 	<ul style="list-style-type: none"> Member of amfori Access to BSCI platform + BEPI Cooperation with Bureau Veritas Code of conduct EUTR & FLEGT 	<ul style="list-style-type: none"> Electric upgrades + new machines New warehouse Internal value chain optimization Profit sharing+ exercise FSC®-certified materials Our own ECO brand Partnerships 	<ul style="list-style-type: none"> Guidance about eco-friendliness Eco-friendly alternatives ECO brand on products 	<ul style="list-style-type: none"> Eco-friendly alternatives ECO brand on products
READ MORE	<ul style="list-style-type: none"> Pages 20-25 Pages 31-32 	<ul style="list-style-type: none"> Page 4-5 Pages 20-25 Pages 23-25 Pages 28 	<ul style="list-style-type: none"> Page 4-5 Pages 20-25 Pages 28-30 Pages 28 	<ul style="list-style-type: none"> Page 4-5 Pages 10-28 Pages 31-32 	<ul style="list-style-type: none"> Page 4-5 Pages 20-25 	<ul style="list-style-type: none"> Pages 20-25

How to read the CSR value chain

The top row of the diagram is divided into Westpack's six main value chain steps from 'Extraction of Raw Materials' to the 'Final customer'. The row below lists the relevant CSR issues that are connected to each of the six steps.

Underneath this, there is a row that displays the Sustainable Development Goals (SDGs) that are related to the issues. The following row is called 'Actions', as it lists some of the actions Westpack is taking to counteract the issues and get closer to achieving the SDGs.

Finally, as a service to the reader, the last row shows which pages deal with the abovementioned issues, SDGs and actions.

Let us take an example.

The first step of our CSR value chain is Extraction of Raw Materials. Here, the main activity is forestation. The sustainability issues connected to this activity have to do with Natural Resources, Working Conditions, Social Justice and Wildlife.

The Sustainable Development Goals closely related to these issues are:

- SDG #8 - Decent Work and Economic Growth
- SDG #12 - Responsible Consumption and Production
- SDG #15 – Life on Land
- SDG #17 – Partnerships for the Goals

Westpack is taking the following actions to get closer to these specific SDGs:

- We are keeping track of EUTR (EU Timber Regulation) and FLEGT (Forest Law Enforcement, Governance and Trade). We must be able to document how any given product is produced and trace it all the way back to where the raw materials were extracted.

- We use FSC®-certified materials in many of our products. The FSC mark guarantees that all materials come from an FSC forest, where no more wood is cut down than the forest can reproduce. This means better protection of the animal and plant life, and that all foresters have proper training, safety equipment and a decent wage.

- Some of our products are Fairtrade®. Fairtrade is an international labelling system and is about decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world.

- Via the NGO 'One Tree Planted', Westpack has committed to planting a minimum of two trees in Borneo per container-foot shipped from Indonesia.

As the 'Read More' row will tell you, pages 17-19 and 23-27 cover these exact initiatives and actions. In other words, you can also use the CSR Value Chain as a table of contents in case you want to delve into specific topics. We hope that this will give you a good overview of Westpack's concern for CSR.

To ensure that we follow the fundamental principles of responsible business management, Westpack has made the strategic decision to support the UN Global Compact initiative. We have worked proactively with CSR for several years and we have always upheld our basic responsibilities to society and the planet. But by joining the global and well recognized initiative, we believe that we have the best possible framework for incorporating strategies, policies and procedures that will secure our long-term success at Westpack. In all aspects of our business, we incorporate the Ten Principles of the UN Global Compact.



Strategy

Westpack wants to be a part of the movement towards solutions to some of the main problems that the world is facing today and to contribute to creating a better world for everyone. We have an ambitious, yet realistic, approach to CSR. Therefore, we are aware that our efforts cannot be distributed equally across all 17 Sustainable Development Goals. For example, we are too small a player on a global scale to take meaningful actions that will contribute to ending poverty (SDG #1), but we can do our share to create decent work conditions and economic growth (SDG #8) within our corporation. To illustrate how we focus our efforts, we have used the circular diagram on the left side.

As the diagram illustrates, we put partnerships for the goals (SDG #17) and decent work and economic growth (SDG #8) at the center of our approach to the UN Global Compact initiative, while we also focus heavily on

responsible consumption and production (SDG #12), Affordable and clean energy (SDG #7) and Life on land (SDG #15). As for the rest of the 17 SDGs, we respect and include them all in our business decisions.

We have joined together with various partners, as we believe this to be the best way for Westpack to contribute on a global scale. We have made it a strategy to team up with people and organizations that are dedicated to solving some of the specific problems which are also highlighted in the UN Global Compact charter. In this report you will find examples of our partnerships with organizations such as Fairtrade®, FSC®, One Tree Planted® and 1M, to name a few.

Risk

The world is facing major challenges in areas such as poverty, inequalities, environment and climate. It is therefore essential that we act on a global scale.

Action

Westpack has joined the UN Global Compact

in order to engage in partnerships on various SDGs.

Goal

By joining the UN Global Compact and teaming up with various partners, we will make our contribution to creating a better world for all.

Results

Westpack only recently joined the UN Global Compact, but we can already see a large increase in sales of environmentally friendly products. We have also been involved in various partnerships that have been proven to be beneficial to many people and that complement the particular SDGs on which we place special emphasis.

Evaluation

Westpack will continue to develop environmentally friendly products and to participate in relevant projects that have a positive impact on communities and on the lives of people.

Partnerships

17 PARTNERSHIPS FOR THE GOALS



2019-20 was another fiscal year where Westpack had a strong focus on SDG #17: Partnerships for the Goals.

We want to highlight four fruitful collaborations: the collaboration with our strong customer Etnia Barcelona from Spain; the collaboration with our strong customer Triwa in Sweden; the collaboration with Holstebro Municipality on the project 'Open school'; and our longstanding relationship with the NGO One Tree Planted.

In the following section, we will outline the status of the first three of these collaborations. One Tree Planted (an

American NGO whose purpose is reforestation) will be discussed later in the report under the section titled Westpack in Asia.

Etnia Barcelona

For years, we have worked closely with Etnia Barcelona and their charity: Etnia Barcelona Foundation. Specifically, we have supported a project that provides free eye examinations and subsequent offers of free glasses to vision-impaired children in Senegal. Westpack's contribution in this regard has been and continues to be general support and the donation of packaging for the project.

Last year, we expanded the collaboration to include the establishment of small eyewear stores offering free eye examinations in Senegal. All stores are run by local women. Profits from these new eyewear stores are donated to other social activities in the area.

It is a classic example of how one great idea can inspire other great ideas. Westpack is extremely proud to be part of Etnia's excellent work in the area and we look forward to continuing our collaboration with Etnia.



We are proud of supporting the Etnia Barcelona Foundation's projects in Senegal.



Strategy

Through partnerships with our valued and long-term customers, we want to actively support initiatives that enable communities in developing countries to improve the living conditions and to grow healthy businesses which will be the foundation for their further development.

Risk

Poverty and lack of access to proper medical equipment and treatment for individuals remains one of the greatest challenges in the world today (SDG #3).

Action

Westpack is working with Etnia Barcelona Foundation and supporting their projects to provide eye examinations and eyewear to local communities in Senegal.

We are proud of supporting the Etnia Barcelona Foundation's projects in Senegal.

Goal

By supporting Etnia Barcelona Foundation in the project, we shall ensure better quality of life for individuals with visual impairments in the local communities and improve the living standard in Senegal by providing aid to small eyewear shops.

Results

Donation of optical frames:

- 2019: 20,635 pcs.
- From 2016 to 2019 in total: 43.682 pcs.

Donation of eye examinations:

- 2019: 800 examinations.
- From 2016 to 2019 in total: 9.952 examinations.

Donation of prescription glasses:

- 2019: 285 pcs.
- From 2016 to 2019 in total: 1.857 pcs.

Evaluation

Westpack will continue to offer our support as a partner in the project to help local communities in Senegal provide eye examinations and support local small business. Westpack will welcome further collaboration with Etnia Barcelona Foundation.

3 GOOD HEALTH AND WELL-BEING



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We are very grateful that Westpack unconditionally continues to support our social activities around the world. Westpack is not only a credible and valuable supplier for our everyday business at Etnia Barcelona, but also a very loyal partner in our CSR activities around the world. We see Westpack as a strong, serious and dedicated partner, who wishes to work towards achieving the Sustainable Development Goals – just like we do at the Etnia Barcelona Foundation.

- Aitana Modolell, Executive Director at Etnia Barcelona Foundation

New project: Opticians with You

The latest collaboration between Westpack and the Etnia Barcelona Foundation is a response to the COVID-19 crisis. The project aims at supporting particularly vulnerable individuals who, due to the COVID-19 crisis, are now facing additional problems.

Apart from the recipient of the donation – vulnerable women, men and children – there are three parties involved in the initiative: Etnia Barcelona Foundation, their opticians and Westpack. Etnia Barcelona Foundation provides the eyeglasses, the opticians contribute the lenses and, finally, Westpack donates the packaging.

The project is scheduled to be launched during the summer of 2020 and will run throughout the year. The project is named “Opticians with You”.

Westpack is looking forward to following the project and, as always, it is with pride that we are involved in the cooperation with Etnia Barcelona Foundation.



We support several of the Etnia Barcelona Foundation's projects. One of the projects establishes small eyewear stores offering free eye examinations in Senegal – all stores are run by local women.

Triwa

Since 2018, Westpack has supported the project 'Humanium Metal', which is run by the organization IM.

The project is based on collecting illegal weapons around the world and melting them down into bars of metal that can be used for peaceful purposes.

One such purpose could be the production of beautiful watches in Scandinavian design.

This is precisely how Westpack was introduced to the project, as our long-standing customer, Triwa from Sweden, is involved in the project.

Triwa makes a special series of watches that is made from melted down weapons. For each watch sold, Westpack donates the packaging and makes a cash donation to the organization IM. In this way, we support the initiative aimed towards achieving SDG #16: Peace and Justice.



Strategy

Through partnerships with long-term customers, we want to support humanitarian projects that create value for all participants and make the world a more decent place to live.

Risk

Armed violence and insecurity have a destructive impact on a country's development, affecting economic growth and often resulting in conflicts that last for generations (SDG #16).

Action

Westpack has teamed up with Triwa to support the Humanium Metal project where confiscated weapons from developing countries are melted down and used in the production of, for example, watches. Part of the profit goes to IM's work in the affected countries.

Goal

By participating in the Humanium Metal project, we intend to create awareness among our customers, employees and other stakeholders of the problems and consequences of gun

violence and armed conflict, which is especially prevalent in the developing countries.

Results

Westpack has donated 31,700 Swedish Crowns to the project.

Evaluation

We hope that our donations to the project will continue to grow in the years to come, as this would reflect its continued success. The project Humanium Metal and the idea behind it, is a perfect fit for Westpack's CSR philosophy and our pursuit towards achieving SDG #16 and #17.



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It is very exciting to be able to make a difference, and I look forward to collaborating with Westpack and our other partners, working for a better world, free from poverty and exclusion.

- Jonas, IM



Open School

Westpack continues to be a part of the 'Open School' project. Through the years, many schools and classes have come to visit our headquarters, and we have also frequently guested the schools of the municipality.

The purpose of these visits is to inspire the bright young minds of our local community to pursue a career in business after they graduate – either in the form of a vocational education or by choosing a relevant program in higher education.

The most important purpose, however, is to provide the students with a basic understanding of how their school subjects can be used in real life. We consider this to be an extremely important mission and that is why we invest many resources in this every year.

The highlight of each year is when the junior high school classes from the local Rolf Krake School are invited to do a project at Westpack. For two weeks, the students



Representatives from Westpack visiting the school.

17 PARTNERSHIPS FOR THE GOALS



collaborate on an assignment in smaller groups. The assignment is a genuine development/design task like the ones we come across every day at Westpack. For example, it could be the development of a sustainable packaging solution for a prospective customer in the jewelry industry.

The assignment includes many professional and personal aspects within the subjects: mathematics, physics, language, design, trade, innovation, sustainability and the SDGs. More than 20 Westpack employees are involved in the two-week project, which evolves from one year to the next. The project culminates in a big fair where the students present their solutions to Westpack, their teachers and families.

This year's project with the Rolf Krake School is already scheduled for September 2020. Neither the school nor Westpack can do without this unique collaboration.



Again, this school year, we were lucky to have an Open School Project with Westpack and our junior high classes. 75 students had the experience of seeing how a company like Westpack A/S works, from sales to production, import/export and the economic aspects. It is a unique experience for the students to get a glimpse of the real world outside of school. It also gives the students an experience of what it is like to work at such a company. These insights are taken into account when the students make decisions about their future educational choices, which is something we work with a lot in these older school grades.

- Lotte Due Brander, The Rolf Krake School, Holstebro

Strategy

Westpack wants to be a visible and important part of the local community through participations in various relevant initiatives.

Risk

A relevant theoretical as well as practical education is highly important for both individuals and communities in order to address the challenges we face on a national and global scale, challenges such as the environment, global warming, sustainability and more (SDG #12).

Action

Westpack is cooperating with Holstebro municipality and we have opened our doors for the students to come and have a first-hand look at the factory and offices for a period of two weeks. As part of the project, Westpack has selected a case, based on an anonymous customer inquiry, and has given the student full access to all details. Furthermore, Westpack has made 20 of our employees available to the students for questions and guidance in their projects.

Goal

By participating in this initiative, Westpack enables students within the local community to have a relevant and business-oriented real life experience, which also focuses on innovation and sustainable production.

Results

See quote from Lotte Due Brander.

Evaluation

Westpack will continue in this way to support the education of the young generation in the local community.

Environment

7 AFFORDABLE AND CLEAN ENERGY



About six years ago, Westpack made significant investments to upgrade our electrical installations.

The most important of these upgrades was the addition of new heat pumps with lower energy consumption, which has helped us reduce our relative energy consumption.

We also replaced all our light bulbs and fixtures from conventional lightbulbs to LED lighting.

Two years ago, an important change was made to the machines in the production area. The machines use vacuum to lift items and move them around. Previously, each of the 19 machines had its own 3 kW vacuum pump.

The individual vacuum pumps were replaced by a central vacuum system running on just three 5 kW engines. Now the total power consumption used for vacuum is at 15 kW instead of 57 kW. What is more, the new system automatically adjusts the frequency, so that each of the engines runs only when needed.

On January 1, 2020, Westpack's new warehouse was inaugurated. This 47,000 square-foot state-of-the-art warehouse replaced an old rented facility located 10 miles from the Westpack headquarters.

This has meant that we no longer need to transport products to and from the old warehouse, saving an estimated 14,1 tons of CO₂ annually.

$0.06 \text{ (Tons CO}_2 \text{ for each trip)} \times 235 \text{ (Trips each year)} = 14,1 \text{ tons CO}_2 \text{ each year}$

The new warehouse uses district heating, which is much more efficient and environmentally friendly than the pellet stove that was used in the previously rented warehouse.

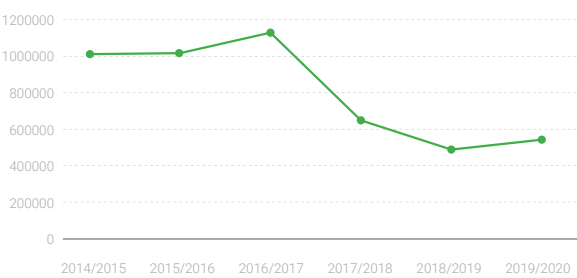


We have also added a new machine for making plastic jewelry boxes. When cooling down the molded boxes, this new machine uses less than 1/3 of the energy compared to older machines in the series.

This year we have planned another round of energy consumption analysis in cooperation with consultants from our energy provider, Jysk Energi. Furthermore, we will examine the feasibility of changing our energy supply to sustainable energy, which means that the source of the energy will be wind and/or solar energy.

ELECTRICITY CONSUMPTION (RENEWABLE / NON-RENEWABLE)

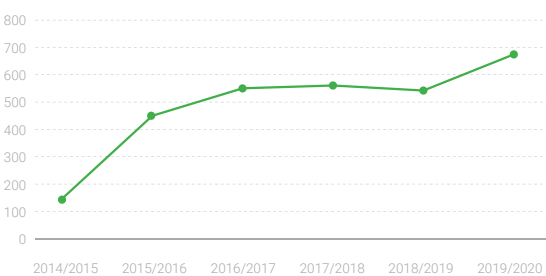
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Total	1,030,659	1,035,024	1,124,792	740,513	612,344.1	655,720



All electricity consumption has been procured through our local energy provider Jysk Energi. It is estimated that 10,000 kWh of electricity was used in the process of building Westpack's new warehouse. If that number is deducted from our electricity consumption in 2019/2020, we get a total of 645,720 kWh. This number is still a little higher than last year (5.45%), but there is a good reason for that: This fiscal year, the output of our Danish factory has increased with 14%. When this is considered, our electricity consumption is more than reasonable.

TOTAL VOLUME OF WATER WITHDRAWN

	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Municipal water supplies or other water utilities	139.92	445.35	546.37	556.62	538.03	671

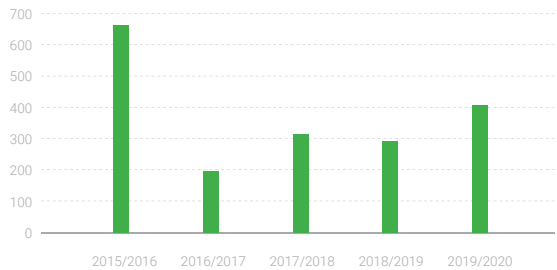


It is estimated that 90 M3 of water was used in the process of building Westpack's new warehouse. If that number is deducted from our total volume of water withdrawn in 2019/2020, we get a total of 581 M3 (which is nearly the same as the year before).

Our goal is to stay at the same level and not increase our consumption of water in 2020/2021.

ENERGY CONSUMPTION - HEATING

	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
Energy consumption - heating	662.03	195.42	315.14	292.60	408



As Westpack now has more warehouse space to heat (47,000 square-feet extra), we have used more MWh compared to last year.

Strategy

We want to continuously reduce our electricity consumption and to use more green energy from renewable sources.

Risk

As the global population continuous to rise, so does the demand for energy. Presently, this growth relies mainly on fossil fuels which increases the greenhouse gas emissions significantly. Therefore, it is imperative that we start investing more in renewable energy sources (SDG #7).

Action

Westpack has invested in energy efficient

solutions in lighting and production equipment and will continue to pursue more solutions to reduce electricity consumption and to use more renewable energy sources.

Goal

By minimizing our electricity demand and by using renewable energy sources, Westpack aspires to take part in the global efforts to decrease the emission of greenhouse gasses. Our goal for next year is to keep our electricity consumption at the same level, despite the expansion of production and warehousing facilities.

Results

Our demand for electricity

is a little higher in this financial year compared to the year before because the output of our Danish production has gone up by 14%. The energy consumption used for heating has also gone up as we have added 47,000 square-feet of warehouse space. The number of employees has also increased.

Evaluation

We can see that our efforts to minimize our electricity consumption are successful and we will continue to explore ways to further reduce it in cooperation with our energy provider.

Sustainability of Product Materials

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Westpack works continuously on providing as large a selection as possible of materials that are environmentally friendly.

Apart from our FSC®-certified products, we also offer fabric of 100% organic material which is also Fairtrade-certified.

Certified organic means that no pesticides have been used in the production of the cotton crop. This material is ideal for making fabric pouches and similar products.

Our supplier base in Asia has also seen an increase of FSC®-certified suppliers the past year, including four of our regular suppliers.

This year has been yet another year with a lot of focus on the EU Timber Regulation and FLEGT (Forest Law Enforcement, Governance and Trade), not least with regard to our EUTR Due Diligence program.

Westpack Asia has held an internal seminar again this year on the regulation, and Westpack will continue to hold EUTR related meetings with our partner factories as well as conduct random inspection of EUTR compliance.

The understanding of the regulation is key to ensuring compliance amongst our cooperating suppliers. Our experience is that our suppliers are increasingly responsive to the task at hand, and the understanding of the importance of protecting our forests is also increasing.

“ECO” is Westpack’s own label. A product can be labelled with the ECO brand for various reasons related to the protection of our environment.

A product is typically qualified for our ECO brand if the raw materials used are FSC® or Fairtrade certified, organic, bio-degradable or recycled.



Biodegradable

Torino Bio was our very first eco-plastic box. This environmentally friendly jewellery box is produced from a combination of PLA and PBAT - a maize-based plastic and a biodegradable copolyester.



Recycled plastic

Torino Eco is our first ever plastic box made from recycled plastic. Other than being eco-friendlier, the boxes are almost identical to the Torino boxes as you know them: a matt plastic box with elegant tooling in gold or silver.



Sustainable materials

Our Boston Eco jewellery boxes use FSC®-certified cardboard and water-based glue. Because the boxes are produced in our own factory in Denmark, they have a much lower carbon footprint, as it keeps the CO₂ emissions for the transport of the boxes to a minimum.



Bottles from the ocean

The soft, woven ribbon is made from recycled plastic, making it an environmentally conscious alternative to the classic polyester ribbon. The plastic used to produce this ribbon comes from PET-bottles fished from the ocean.

Recycled paper

When it comes to packaging, we aim to go eco-all-the-way. That's why almost all of our gift wrapping papers are made from either FSC®-certified paper or recycled paper.



"Green" unboxing

Eco-friendly packaging does not only include the jewellery box and the gift wrapping. Westpack carries and uses eco-friendly e-commerce items.



WESTPACK'S ECO Brand

In order to make our environmentally friendly products easier to spot on our website, we have created a separate label for these products: ECO. Any product that is made from FSC® or Fairtrade certified materials – or from organic, bio-degradable or recycled materials – can be found in this product category. Our ECO brand is usually placed so that it is clearly visible on our products, as this helps our customers promote the principle of a sustainability.

New initiatives

In the past year, Westpack has introduced many new products in the ECO category. For example, we have introduced a range of postal boxes for e-commerce. All of them are made from FSC-certified cardboard. Another interesting addition is our eco-friendly padded envelopes. The envelopes have the same functionality as conventional bubble mailers, but the plastic bubbles have been replaced by 100% recycled paper cut out in a pattern.

On the more experimental front, we manufactured a box called Torino BIO from 2018 to 2019. This was a new version of the Torino jewelry box that has been a part of our product range since 1985. Instead of conventional plastic, the Torino BIO jewelry boxes were chiefly composed of bioplastics derived from corn flour, with added biodegradable components. Even the pigments used to dye the box were fully biodegradable.

Since then, we have introduced the Torino ECO and Seville ECO boxes, both made from 100% recycled plastic. This gives our customers an eco-friendly alternative to traditional plastic boxes.

Purchase of raw materials (WPKD)

	2018/2019	2019/2020
Amount of polyester resin	18.43 tons	16.56 tons
Amount of recycled plastic	0 tons	4.98 tons

As the numbers show, our use of polyester resin has decreased, while our use of recycled plastic has increased. The resulting environmental impact is therefore significantly lower.

Our popular cardboard jewelry boxes in the Boston, Frankfurt and Milano series have also been given an eco-friendly update. All of them are now available in ECO versions made from FSC-certified cardboard and paper. In the case of the Milano ECO box, the new version replaces the original.

In the past year we have had an even stronger focus on the production of eco-friendly packaging in Asia. We have expanded our range of ECO bags, so even more colors are now available. The same goes for our range of eco-friendly tissue paper. All new introductions in our spring collection of wrapping papers had our ECO brand.

A paradigm shift

Apart from these initiatives, we have made some big commitments to the sustainability agenda. We have decided to only sell carrier bags that have been made from 100% recycled plastic.

On a strategic level, we have decided that we will not begin the development of any new product before we know that it can be made in an eco-friendly version. That is not just a commitment, but a paradigm shift in the way we approach product development.

With regard to our Danish production, during the past two years, we have exclusively purchased cardboard and paper that is FSC-certified. We will continue to do so, although not all our customers are demanding it. That is an active choice Westpack has made. We are still working on lowering the environmental impact of our plastic production. By introducing more products made from recycled plastic, this will be possible.

Case: Eco-friendly inserts



| The Boston ECO jewelry box - 100% recyclable and biodegradable.

The foam used in Westpack's jewelry boxes is made in Europe. Therefore, the suppliers are subject to EU's strict rules and regulations for emissions, production processes, and working conditions. But this does not change the fact that the product has an environmental impact; foam inserts are, after all, made from plastic. That is why we were determined to find a sustainable alternative for our Boston ECO and Frankfurt ECO boxes.

"We knew from the beginning that finding an eco-friendly alternative to the well-known foam inserts, with the same degree of versatility, was going to be

challenging. But we surely did come through with an excellent product! Partly because of solid product development, but mainly because of the feedback and ideas from our customers", says sales manager Henrik Hansen.

The new eco-friendly inserts are, just like the jewelry boxes, made of FSC®-certified cardboard. Each insert has a velvety topcoat, that one might recognize from its foam counterpart. This topcoat is made from viscose, which is a natural by-product from wood production. The result looks very similar to a traditional foam-filled jewelry box.

Strategy

Westpack wants to participate in promoting the use of sustainable materials.

Risk

Reducing our environmental impact, by changing the way we produce and consume goods and resources, is essential to achieving economic growth and sustainable development. This can range from efficient management of our shared natural resources and the way we dispose of toxic waste and pollutants, to recycling and reducing waste. SDG #12

Action

Westpack is actively developing more products under our ECO brand.

Goal

By launching more products and actively promoting our ECO brand, Westpack wants to increase the sales of products which are made from environmentally sustainable raw materials. This year, we commit to introducing multiple new ECO products in the categories: jewelry boxes, bags, wrapping paper and ecommerce.

Result

The sales of our ECO products last year were higher than ever before. In the past 2 years we have launched 10 new products under the ECO brand.

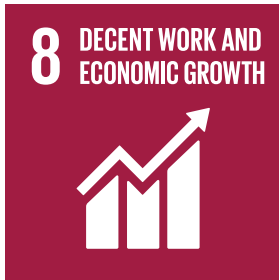
Evaluation

Westpack will continue to expand the ECO range by introducing new products and by converting products made from conventional raw materials into eco-friendly products. Although we have already introduced many new ECO products, we still have plans to introduce many more as we can see that there is a high demand from our customers.



Westpack headquarter in Holstebro, Denmark

WESTPACK: Working Environment



At Westpack we believe that a great working environment embraces differences and encourages innovation.

The well-being of our employees is, at one and the same time, a moral responsibility and an imperative necessity for running a successful business. We could not do what we do, nor would we want to, if our employees were not thriving.

Many of our employees have worked at Westpack for more than 10 years, some for more than 20 years. We are proud of that fact.

Profit sharing

Westpack has an annual profit sharing, where all employees share a fixed percentage of the profit. Everyone, from the machine operator to the key account manager, from the trainee to the accountant, gets the same amount. It has been this way since 1989.

The strategic reason for the yearly profit sharing is to inspire a sense of community at the workplace. It is also done to show that every employee makes a difference.

At Westpack we do not believe that white-collar jobs are more valuable than blue-collar jobs or vice versa. A chain is only as strong as its weakest link, and therefore all links are equally important. Without our production teams, our sales department would have nothing to sell; without our sales department, our production teams would have no orders to process.

The collective profit sharing has become an integral part of the Westpack DNA.

Internal value chain optimization

Hierarchy and a clear chain of command is necessary when a business reaches a certain size. But the side-effect of this must never be a unidirectional information flow. Successful businesses understand that knowhow exists on all hierarchal levels. In fact, some of the best business decisions stem from a seasoned specialist asking: "what if?" or "why?".

That is why Westpack operates with something called internal value chain optimization. Once a year, the entire company is shut down and the optimization process begins. Everyone, from the printing line to marketing, go through Westpack's processes and value chains to optimize and improve them. And although there is only one official optimization process each year, the philosophy of improving our day-to-day operations is embedded in our way of working.



No suggestion is too big or too small. It could be anything from setting up a light sensor to save power, to adjusting the online store. Everyone gets a say. Everyone gets heard. When employees get this chance to impact the decision-making process, they are inclined to see the business in a broader perspective, and as a result gain a greater understanding of how the entire organization works.

Employee orientation

We want our employees to be aware of everything that is going on in the organization. For this reason, we have a monthly employee orientation meeting, where each department shares the latest news. We also present the latest sales figures and profits, so everyone can see whether the targets are met. We do this to strengthen the sense of community at the workplace. If things are going well, we congratulate each other with a job well-done. If they are not, we must all collaborate to get back on track. Either way, we are in it together.

3 GOOD HEALTH AND WELL-BEING



Exercise arrangement

Every employee can take a ½ hour company-paid break to exercise on Tuesdays or Thursdays. Some go for a walk, while others run or take a bike ride. The obvious reason for this arrangement is to encourage our employees to lead a healthy lifestyle. Westpack also facilitates activities outside of the workplace, for example, meeting at the local bowling lanes.

Safety board

A committee consisting of Westpack employees has been formed to create safe and comfortable workspaces. This has resulted in the installation of height adjustable tables, ventilation, shock absorbing mats, etc. AKON A/S has overseen the process and made sure that all initiatives meet the legal requirements.

Education

Westpack offers great opportunities for further education, both in the form of individual courses, but also in the form of graduate diploma programs or vocational education and training programs, such as the one to become a Plastics Processing Operator.

Westpack is a part of the job training scheme Praktikplads-AUB, designed to ensure more work placements under the Danish Employers' Reimbursement System. Every year, employers who are covered by the scheme receive a target for how many trainees they must hire. This year, we have exceeded the required target for trainee points by 187%. We have also increased the number of full-year trainees by 5,4% compared to the average of the last three years.

Other activities

Westpack's activity and party planning committee makes sure that the "water cooler conversations" never run dry. From the annual exercise day to the biennial weekend retreat for employees, Westpack does a lot to create a great working environment.

Strategy

We recognize that our employees are our most important business asset. Working towards Decent work and economic growth (SDG #8) is therefore a necessity as well as an obligation.

Risk

The individualistic tendencies of the modern-day society have made our jobs a larger part of our identities. This means that every workplace now has an even greater responsibility for creating a decent environment for its employees. It is imperative to embrace differences,

encourage innovation, allow a free flow of information and create a safe working environment for all.

Action

Westpack is constantly looking for new ways to improve the working environment. Profit sharing, internal value chain optimization, exercise arrangements, employee orientation and social activities are just some of the actions we are taking to ensure that our employees are thriving.

Goal

By creating a great working

environment, we are setting our company up for success. In other words, we believe that decent work should be a precondition for economic growth. SDG #8 is therefore one of Westpack's primary goals.

Result

Our employees' sick leave percentage is very low, and people stay at the company for many years.

Evaluation

We will continue to focus on the well-being of our employees and introduce new initiatives that promote our journey towards SDG #8.

WESTPACK in Asia

CSR efforts in Asia

Doing business in Asia comes with extended responsibilities. Doing ethically sound business in Asia requires a level of diligence and prudence that is not necessary in Europe where most of our customers are based. True to the core values of Westpack, we go to great lengths to ensure a sustainable impact on the countries in which we operate. As stated in our Code of Conduct, workers' rights and respect for the individual are central to our CSR program. However, we have also placed an increased focus on sustainability in past years as will be described in the following.

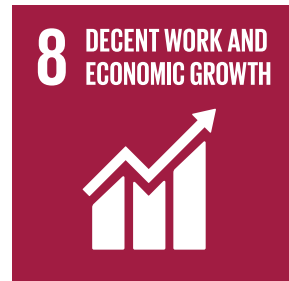
CSR audit program

Our audit program has come a long way since we started the program a handful years ago. Now it is time to raise the bar yet again, and therefore Westpack will become a full member of amfori from July 1, 2020 which gives access to the BSCI platform.

Access to this platform will mean increased efficiency and synergies as access to the data can be shared across the different links of the supply chain and allow for tracking and monitoring of targeted improvements. The integrity of the program has been key when choosing BSCI. The platform is renowned for its transparency in the monitoring process. Another key advantage is the amfori Academy which provides training and e-learning to members and will allow Westpack's staff in Asia to expand their expertise and remain up to date on CSR. The employees of our suppliers also gain access to the amfori Academy, which will further strengthen Westpack's value chain.

Although we are changing the auditing platform, we will continue our close cooperation with Bureau Veritas who will be conducting the BSCI audits for us. Bureau Veritas has been assisting us in auditing factories since 2014. Apart from the two internal auditors in Westpack Asia, we will also be adding a CSR-specialist later this year. The CSR-specialist will be responsible for full implementation of the BSCI system and for ensuring a best-in-class CSR program.

As it was stated in the CEO Statement of this report, there is cause for increased attention in the wake of the COVID-19 crisis. It is our intention with the addition of a CSR-specialist and access to the BSCI platform, that Westpack will get an even stronger foundation for choosing the right suppliers.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



EUTR/FLEGT

This year has been yet another year with a lot of focus on the EU Timber Regulation and FLEGT (Forest Law Enforcement, Governance and Trade), not least with regard to our EUTR Due Diligence program. Westpack Asia has held an internal seminar again this year

on the regulation and we continue to hold EUTR related meetings with our partner factories as well as conduct random inspection of EUTR compliance. The understanding of the regulation is key to ensuring compliance amongst our cooperating suppliers. When it comes to EUTR Due Diligence, the amfori membership will be adding an additional and valuable tool to our CSR program.

The BEPI Timber Due Diligence program helps ensure full compliance while offering a comprehensive overview of the supply chain, and the BEPI Online Platform grants stakeholders an on-demand visual illustration from forest to customer.

FSC sub-suppliers

For us to accomplish our goal of continuously expanding our array of products made of sustainably sourced materials, it is essential that our portfolio of suppliers offering sustainably sourced materials is also expanded. It has been with great eagerness that we have been promoting FSC membership amongst our partner factories in Asia. Although it was difficult at first, our determination is now paying off. This is clearly reflected in the number of FSC labelling agreements we now have with partner factories. We have gone from 1 in 2018 to 6 in 2019 and we are proud to note that the number has gone up to 11 this year.

3 GOOD HEALTH AND WELL-BEING



Staff welfare

Apart from all legal requirements regarding unemployment, health and housing insurance, we also highly prioritize a good working environment for our staff in Asia.

We always keep an open environment with high flexibility for a reasonable work-life balance. As an example, our staff in China has 50% more annual leave than the legal requirement. We also prioritize the physical working environment highly which we have been investing heavily in the past couple of years. This year we continue phasing out the standard stationary desks with ergonomic height-adjustable tables.

Strategy

Westpack aims to increase environmentally sustainable production and ensure that our suppliers conduct their business in a safe, legal and environmentally friendly manner.

Risk

Environmental hazards and workers' rights and safety is a global issue that needs to be carefully monitored. In this regard, it is essential for Westpack that we can trust the suppliers that we work with in Asia and ensure that they adhere to the same principles as Westpack and our customers (SDG #8).

Action

Westpack has engaged in a close partnership with our suppliers to share knowledge and experience. Furthermore, we have

invested significant resources in procuring the services of Bureau Veritas, as we are conducting an increasing number of audits.

Goal

By investing in our suppliers, we shall improve the conditions of workers and ensure that the environment is protected. Next year we will conduct 4 BSCI audits with Bureau Veritas as well as any additional customer commissioned audits. We will recruit a strong candidate for the new position as CSR-specialist. The main goal will be a successful start-up and full implementation of the amfori platforms, BSCI and BEPI.

In terms of sustainable production, we aim to increase our purchase of FSC certified products by 10% in the coming year.

Result

We have conducted approximately 30 audits in the past 5 years and as a result of these audits our suppliers have implemented a lot of improvements for their workers and the environment. The number of FSC labeling agreements with partner factories has increased with 83% from the previous fiscal year.

Evaluation

Westpack will continue to cooperate closely with our suppliers to further improve workers conditions and the environmental impact of industries in Asia.

Partnership: One Tree Planted

15 LIFE
ON LAND



From the beginning of our engagement with the Indonesian market, we have been committed to leaving a positive mark on the country's environment. This means that apart from ensuring full compliance with the European Union's Timber Regulation, we also partner up with One Tree Planted to plant trees in Borneo.

This is the fourth consecutive year we are planting trees in Indonesia. Indonesia's forests are a treasure chest of wildlife and home to countless species found nowhere else. Sadly, their habitat is shrinking at an alarming rate

due to deforestation. Making matters worse, the deforestation also causes devastating CO2 emissions.

According to Global Forest Watch, Indonesia has the world's largest CO2 land-based emissions, mainly due to the conversion of carbon-rich forest to plantations. Therefore, reforestation is truly a cause that Westpack has close to its heart.

Until now we have planted one tree for every foot of products we ship out of Indonesia, that is for every 20' container shipped out, we have planted 20 trees. However, this year, we will be planting two trees per container foot of goods exported.

Additionally, we will be launching a fundraiser for One Tree Planted on our web-shop in the week of the next coming International Forrester Day.



We have partnered up with One Tree Planted to plant trees in Borneo. This year we will be planting two trees per each container foot of goods exported from Indonesia.



We are proud to work with business partners who are focused on sustainability. Westpack's contributions to our reforestation project in Indonesia have helped make a positive impact for nature, biodiversity, and local communities. Such beneficial involvement is exactly the kind of support we need more of to create a more sustainable global marketplace.

- Diana Chaplin, Marketing Director at One Tree Planted

Strategy

By supporting the NGO One Tree Planted, we want to promote the idea of creating a balance in nature so that, for example, if we remove trees to make paper, then we should ensure that new trees are planted.

Risk

To combat the risks to the environment, we aim to protect, restore and promote the use of terrestrial ecosystems, sustainably manage forests, combat

desertification, halt and reverse land degradation and halt biodiversity loss. SDG#15

Action

Westpack has committed to planting a minimum of two trees per container-foot shipped from Indonesia.

Goal

By joining the initiative of One Tree Planted, Westpack aims to support the development of forests in Borneo and to restore the natural habitats of

various endangered animal species.

Result

We have intensified our cooperation with One Tree Planted. In this fiscal year, we have now committed to planting two trees per container feet of goods exported.

Evaluation

Westpack will continue to support the One Tree Planted organization in 2020/21 and we will increase the number of trees planted.

United Against Corruption

At Westpack, we take anti-corruption measures very seriously. We have a clearly defined policy statement which is made known to all our business partners in Asia.

All of Westpack's regular suppliers have signed the "Westpack Code of Conduct" in which it is clearly stated that Westpack has a zero tolerance on all offenses related to bribery and corruption.

Our anti-corruption policies also include an open approach to communication channels.

Westpack management, both in Denmark and Asia, can always be contacted, also anonymously if preferred, by all staff and business partners.





FSC® is the mark of responsible forestry. www.fsc.org.
Our FSC licence number is FSC®C112509.