

ScanCom International A/S
SUSTAINABILITY REPORT 2021



www.scancom.net



PREFACE

ScanCom International A/S became signatory to the UN Global Compact in April 2011. This document presents our Sustainability report 2020-2021.

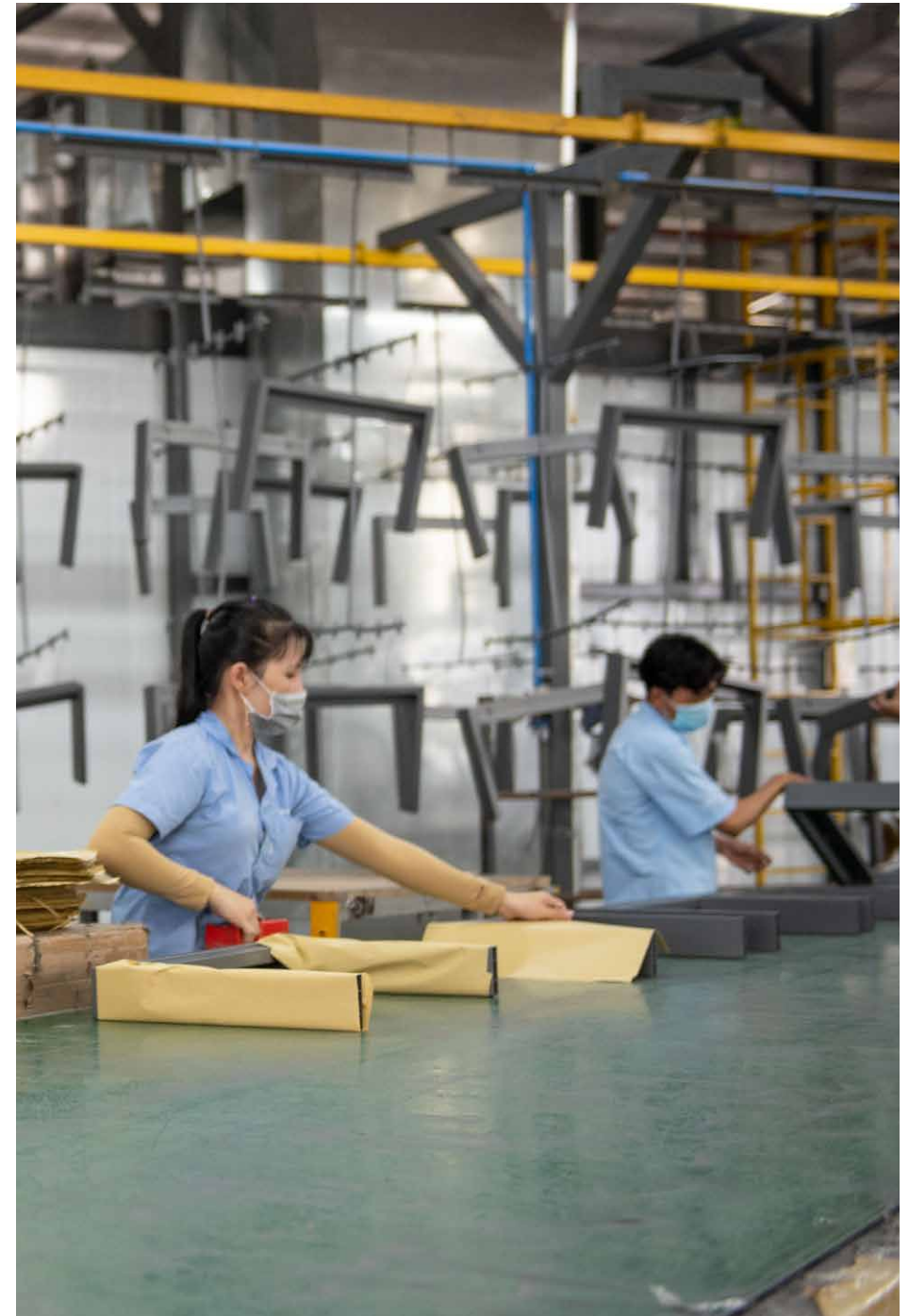
Sustainability and working with the United Nations Sustainable Development Goals are central elements in how we design and manufacture. We are constantly pushing our designs, operational excellence and material consumption towards more circularity, always respecting both people and environment while #DoingBusinessTheRightWay.





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MESSAGE FROM GROUP CEO

"SCANCOM'S SUSTAINABILITY STRATEGY AND BUSINESS VALUES ARE NOT A PROJECT THAT STARTS AND ENDS, BUT AN ONGOING WILLINGNESS TO IMPROVE OUR LONG-TERM BUSINESS MODEL."

ScanCom Group is a leading player in the global market for sustainable outdoor furniture. To maintain and develop this position, we are convinced it is a prerequisite to conduct our business in a responsible manner – "Doing Business the Right Way – the sustainable way", also when nobody is watching.

However, we must admit our principles are under pressure from competitors not always doing business the right way, and especially in times of COVID-19 crisis, which we have not allowed to change our focus on what we believe is the right long-term strategy.

It is important to stress that our corporate CSR strategy and business values are not a project that starts and ends, but an ongoing willingness to improve our sustainable business model.

"Doing Business the Right Way" and focus on sustainability can go hand in hand with improved operational performances and profitability, although our 2020/2021 results have not confirmed that statement, but our employees' safety and our managerial behaviour in implementing tough decisions are key to us.

We are confident that the chosen strategy and being loyal to our management principles and values, will generate improved results in the coming year.

SUSTAINABILITY FOR MATERIALS, PRODUCTS, AND OPERATIONS

To create and offer sustainable products, ScanCom controls all materials and products in order to meet all relevant regulations in our markets. For the wood

used in our products, ScanCom was a pioneer in using FSC certified hardwood, and today we use 100% FSC hardwood.

At the same time, we continuously optimize our operating activities to reduce consumption of energy and resources, increase recycling, and reduce emissions. Our main operation site in Vietnam operated under ISO 14001 certificate and follow the direction of ISO 50001.

SOCIAL ACCOUNTABILITY

It is important for ScanCom to assure the respect for human and labour rights. Key features of this are: SA8000 certificates for the operations in Brazil (2012) and Indonesia (2001); amfori BSCI and SEDEX monitoring of all operations in Vietnam since 2008 and the operation in Indonesia (2020); ICS Standard monitoring of all operations in Vietnam and Indonesia since 2020; ScanCom Code of Conduct. OHSAS 18001 certification for health and safety management was obtained for the Vietnamese operation in 2014 and was replaced by ISO 45001 since 2020.

Being a signatory to the UNGC, in addition to amfori BSCI, SEDEX monitoring and certifications, sends a clear signal to all stakeholders that we are committed to doing business the right way and supports our activities in terms of meeting the CSR requirements of our global customers.

REQUIREMENTS FOR CONTRACT MANUFACTURERS AND KEY SUPPLIERS

Built into the amfori BSCI Standard, SEDEX Standard,

and UNGC are requirements for the improvement of CSR level in the supply chain. ScanCom actively practices this by performing CSR audits at key suppliers and contract manufacturers and requesting them to sign our Code of Conduct and CSR declaration as commitment, and targets are set for continuous improvement in terms of that policy.

UN GLOBAL COMPACT COMMITMENT

I am very pleased that ScanCom, even under the difficult market conditions, has been able to remain true to its basic CSR values and to make progress, or at least maintained the same high level, in all 10 of the UN Global Compact principles.

For the future, ScanCom will continue further developing commitment to the UN Global Compact – "Doing Business the Right Way" will remain part of our DNA.

Further to above, ScanCom has decided to support UN SDG (Sustainability Development Goals) for the current season and onwards, and will in the next strategic period mainly focus on increased recycling from Ocean and Land.



Stig Maasbøl
ScanCom Group CEO



SCANCOM PROFILE



ABOUT SCANCOM

Since being founded on the 1st April 1995, ScanCom has grown to become a leading global manufacturer of outdoor furniture.

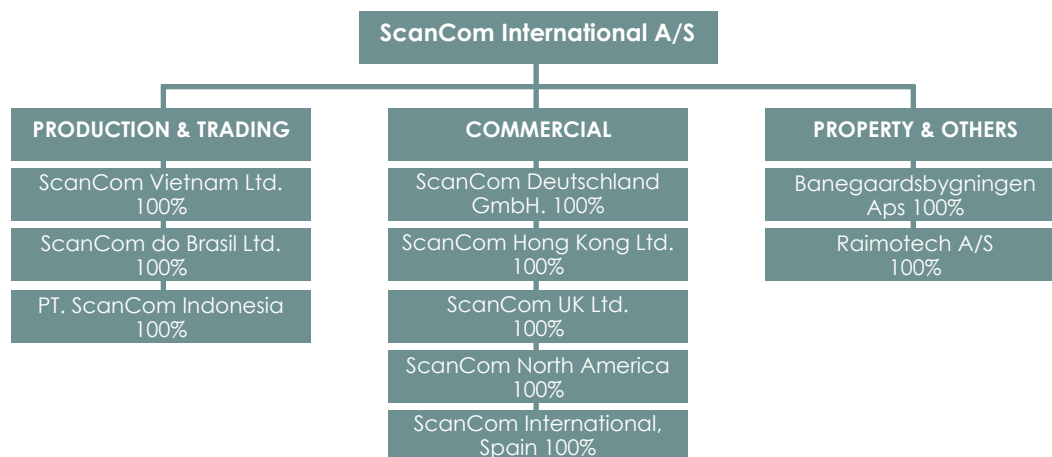
Over the last 26 years we have led the industry with innovative products, sustainable solutions and our responsible vision of "Doing Business the Right Way". These combined elements bring us to a place where we continuously break new ground and push the boundaries on what is possible within the industry. We test and explore the market, we offer our own take on emerging trends, we design and create exquisite outdoor experiences.

ScanCom have our legal headquarters in Denmark and top management is located partly in Denmark and Vietnam.

ScanCom have sales offices in Denmark, the United Kingdom, Germany, the USA, Spain and Vietnam, with manufacturing sites in Brazil, Indonesia and Vietnam.

We credit our achievements to attractive designs, high standards of quality and social responsibility combined with precise delivery planning and competitive prices. Always an active and responsible partner, ScanCom owned a good set of principles that guides in everything ScanCom do.

LEGAL STRUCTURE



COMPANY INFORMATION:

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DK-4220 Korsør

Telephone: +45 58 35 14 25
Fax: +45 58 35 14 20
Website: www.scancom.net
E-mail: info@scancom.net

CVR No.: 18 47 98 93
Registered office: Korsør

Financial year:
1 September– 31 August

Business Focus:
Manufacturing and trade of garden furniture



FINANCE FIGURES

THE FINANCE FIGURES FOR SCANCOM INTERNATIONAL A/S ARE AS BELOW:

Key figures (DDK million)	2020/21	2019/20	2018/19	2017/18	2016/17
Income Statement:					
Revenue	1,290.8	1,301.4	1,242.6	911.3	886.1
EBITDA	37.1	34.9	71.4	51.7	45.3
Balance:					
Balance sheet total	919.8	938.3	915.7	599.3	538.3
Equity	793.6	142.3	182.8	160.0	154.0
Employees:					
Average number of employees	4,516	4,831	4,281	3,598	3,144
Financial Ratios:					
EBITDA-margin	2.9	2.7	5.7	5.7	5.1
Return on equity	-0.3	-4.1	12.3	8.0	2.1

Remark: Season 2020/21 heavily impacted by the consequences of COVID-19.





MANAGEMENT PRINCIPLES AND VALUES

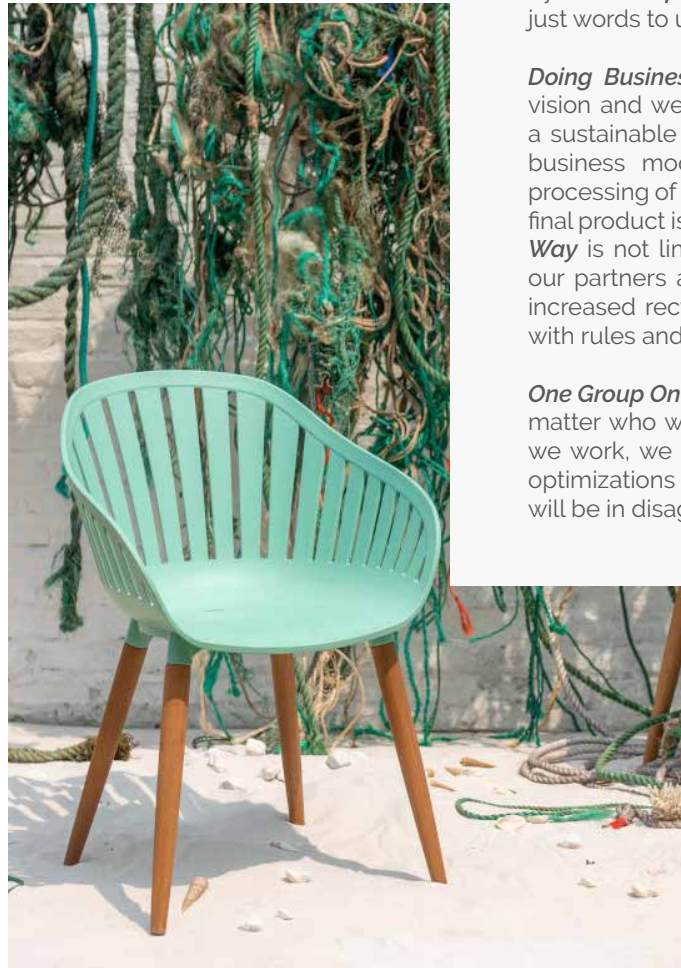
VISION

To be the preferred business and development partner for select customers – medium and larger retail – and DIY chains and Garden centers – within the sustainable global outdoor furniture industry.

MISSION

To provide our customers with solutions to grow their quality furniture business proposition, by offering:

- Customized full-range collections at competitive prices
- Environmentally and responsible products, processes, materials and behavior
- Continuous improvement in all we are doing, from total quality to compliance within global operations
- Customized marketing and logistics services
- On-time delivery and high level of after-sales services
- Trendsetter within design & innovation and CSR



THE SCANCOM GROUP'S MANAGEMENT AND COMPANY METAPHORS

MORE THAN JUST WORDS

In 2009, two company working metaphors were implemented in our company. Starting with *Doing Business The Right Way* and followed by *One Group One Company*, these sayings mean much more than just words to us here at ScanCom.

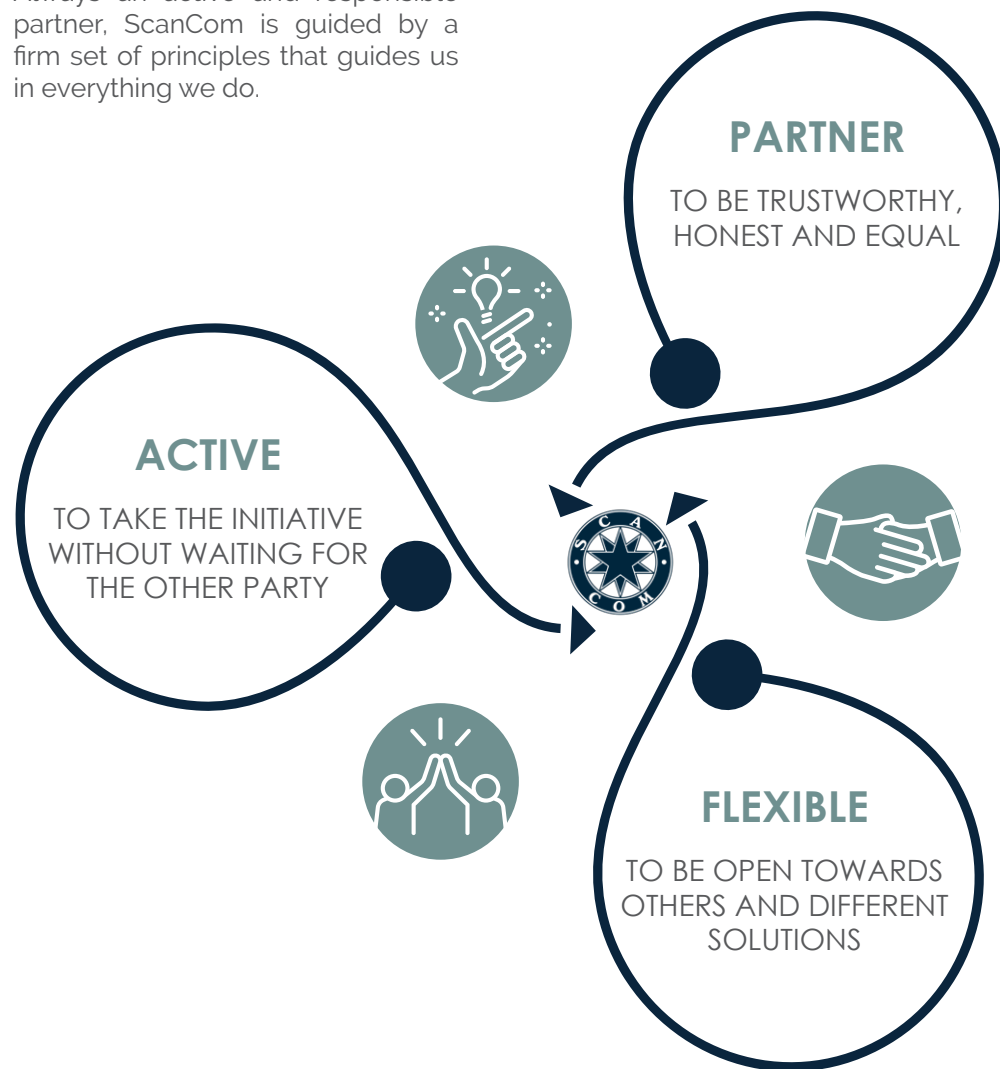
Doing Business The Right Way is a cornerstone of our business vision and we believe that it is the only way of operating towards a sustainable future. The direction is an integral part of our entire business model and strategy; starting from our sourcing and processing of raw materials, through design and production until the final product is delivered to our customers. *Doing Business The Right Way* is not limited to operation, but also to the way we deal with our partners and our eagerness to improve the environment with increased recycling, and in simple general terms being compliant with rules and regulations.

One Group One Company relates to the overall group ambition of; no matter who we are or in which ScanCom company or department we work, we all work for the same group. All individual and local optimizations or agendas harming the overall group performances will be in disagreement with the *One Group One Company* thinking.



SCANCOM'S VALUES

Always an active and responsible partner, ScanCom is guided by a firm set of principles that guides us in everything we do.



SCANCOM CORPORATE OBJECTIVES

MARKET

ScanCom Group wishes to be valued as a competent, reliable, innovative and competitive business partner towards all our customers.

QUALITY

All ScanCom's products meet all the necessary testing standards for each customer and market.

ECONOMIC

ScanCom Group seeks to achieve a sustainable growth in sales and market share, and to provide an acceptable level of return on investments and profit.

CSR

ScanCom Group will strive to have the highest standards and behavior related to social compliance and a strict -but fair- Code of Conduct internally and towards business partners.

ENVIRONMENT

ScanCom Group will continue to DO BUSINESS THE RIGHT WAY to protect the environment and natural resources and continuously improve operational efficiency to reduce waste to benefit the environment.



CSR HIGHLIGHTS

SEASON 2020/2021

Season 20/21 was really a most challenging season with a more serious development of the COVID-19 Pandemic at the early and last stages of the season for over 6 months; including 3 months with restricted operation capacity (around 30%) and almost 3 months in full lockdown across the operations.

There have been uncountable enterprises closing their business and declaring bankruptcy during the period. Many other enterprises decided to try their best for survival - by all means necessary to maintaining their continuous business operation as long as they can with the hope of normal condition getting back soon. During this non-stop period, ScanCom have carried a substantial expense and a very high cost for the operations; from wage and benefits for employees, suspension wage guarantee, 3 meals per day for 7 days in a week, frequent tests and injection services, lacking of land and ocean carriers in the condition of double or even triple cost, etc.

However, despite of the challenge from 2020 into the current year of 2021, ScanCom still decided to invest in a new factory specifying in aluminium product for 100,000m2 in Mekong delta with a business vision for the coming 3 to 5 years. The factory was officially opened for mass production in May 2021.



ScanCom, with the motto "Doing Business the Right Way", has maintained the compliance over FSC-COC standard, European Union Timber Regulation (EUTR), US LACEY Act and Australian Timber Regulation in the overall ScanCom Supply Chain.

ScanCom, in the tough challenging period, has been continuing to be in compliant with the customers' Code of Conducts, amfori BSCI standard, Sedex SMETA 2-4 Pillars standard, ICS standard, ISO 14001 standard; ISO 45001 standard, ISO 9001 standard, and Supply chain security through C-TPAT and SCAN programs.

ScanCom has always been in compliant with the REACH and LRS requirements on supplying the outdoor goods to the markets with restricted control on the chemicals and materials used, for the purpose of overall health and environment protection.

ScanCom's material suppliers were in compliance with ScanCom's CSR standard and ScanCom's contract manufacturing suppliers were in compliance with acceptable performance results from amfori BSCI audits and Sedex SMETA or ICS required audits.



COVID-19 CHALLENGES

MARKETS



- Domestic and overseas chains of supply were broken. Large number of enterprises at all industries and all levels were in 'lockdown-mode' for months or even declaring of bankruptcy. Land and ocean carriers were in huge shortage. All these conditions have led to the worst consequences in business operation and finance with continuously postponed or cancelled orders, or lack of new order placement for the current season of 21/22 and a significant business reduction forecast in the coming season 21/22.
- The overall sense of panic affected across a wide array of businesses, markets and industries, reaching many 'across the board' – which is natural and was to be expected due to the unknown situation.
- Markets slowly picked up towards the start of the current season.

PEOPLE



- People were seriously impacted by the situation as well, and the consumers were naturally scared of the Covid and what this would mean for the individuals, families, communities and the world.
- So many people have lost their jobs around the world and this has created a challenging situation that have been life-changing for a lot. Due to the amount of Covid-infections globally, many families have been hard hit and have lost members by this. We have also experienced a significant migration of numbers in the workforce.
- People have fortunately also come together and joined forces to support others in need, reaching out with Donations and charities.

OUR ACTIONS



- Very early in the Covid phase, we reacted to the incoming challenges, by taking tough –but necessary- decision to support the continued existence of the company and all of our colleagues working at ScanCom.
- We didn't wait for reactions from our customers and business partners as the situation required action, so we jumped straight in and fought every day to stay above water; showing our team spirit and organisation –getting through this together.
- #proudtobescancom – how we have handled the situation and dealt with the challenges, walking the talk of 'Doing Business the Right Way' both during - and eventually post - Covid is something we can be very proud of.
- We keep investing in the future, keep pushing for sustainability and the circular agenda –even in times when others just focus on reducing costs. In general, ScanCom has actually done more and much better in this than many others.



SUSTAINABILITY

COMMITMENT TO PROTECT THE ENVIRONMENT

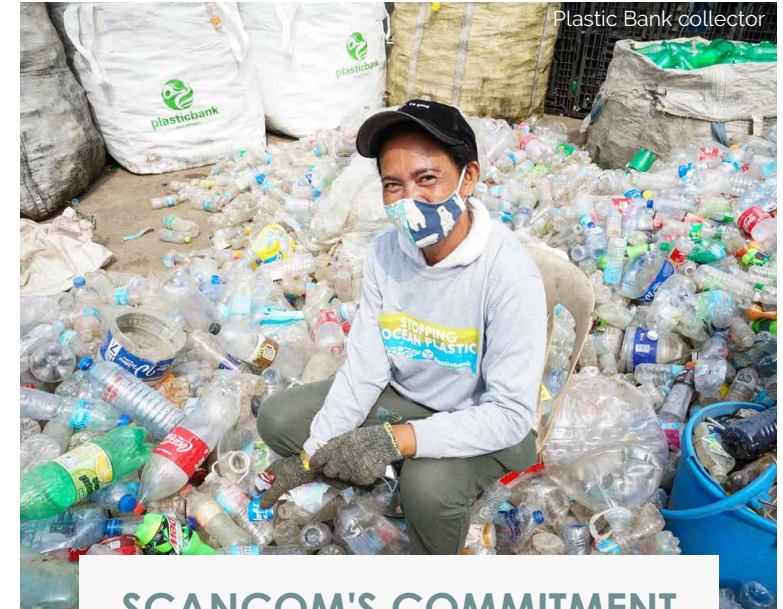
Our dedication to sustainable production and development continues to grow day by day. Rethinking an innovative way to reuse post-consumer waste to create eco-friendly designs that both look great and encourage a sustainable environment. ScanCom is a pioneer in designing and manufacturing products made from recycled plastic, FSC-certified wood and much, much more.

With DuraOcean®, DuraLand® and Social Plastic®, we are contributing to the clean-up of ocean and land, supporting the development of local communities, while reducing consumption of materials and resources, emissions, use of hazardous materials and our carbon footprint; reusing plastics that might otherwise pollute the environment and recycling them to create products for the conscious consumer.

We design products with circularity in mind. Our circular material choices drive innovation into the design process and are made to have a positive impact for planet and for people.

We are committed to help creating a better, sustainable future for the world and best practices and a commitment to ongoing improvement are in evidence across all areas of our business.

Focussing on sustainability and the 5 R's not only helps to reduce waste of resources, but also to reduce plastic pollution and a reduction in greenhouse emissions. Our programmes are designed to keep the oceans, the land and the air as clean as possible.



Plastic Bank collector

SCANCOM'S COMMITMENT

It is ScanCom's ambition that all future injection moulded plastic chairs are based on recycled and sustainable raw materials.

As part of our circular recovery plastic project, ScanCom have developed the DuraOcean® and DuraLand® materials and have added Social Plastic® to our material portfolio - all focused on improving the environment and having a positive social impact for planet and for people.

REFUSE	REDUCE	REUSE	RECYCLE	RETHINK
Hazardous chemicals and replace hazardous raw materials	Consumption of energy, resources, emissions, carbon footprint and hazardous materials	Enable upcycling and other secondary use of materials	Strong focus on recycling raw materials, such as plastics and wood	Invest in education and eco-innovative production methods



MATERIAL MATTERS

MATERIALS HIGHLIGHTS

3 types of recycled plastic (for maximum environment impact)

Only FSC-Certified Hardwood and 'virgin' Teak used

Sawdust 'waste' used for making DuraBoard®

Recycled aluminium scrap reintroduced into production loop

0% Fibre Glass in any plastic products

Options offered for recycled fabrics



SCANCOM AND THE SUSTAINABLE DEVELOPMENT GOALS

ScanCom's business strategy is aligned with the United Nations' Sustainable Development Goals (SDGs) and is influenced significantly by our Group being signatory to the UN Global Compact.

During season 20/21, ScanCom has been working towards the 17 UN SDGs for the integration into UNGC 10 principles. ScanCom aims to align all our business processes and conduct with as many Sustainable Development Goals as possible.

There are naturally some goals that we are able to affect more, due to the nature of our business, but in the following section you will find a comprehensive list of all the goals and how we aim to work with them – either directly or by proxy via our strategic partnerships.





GOAL 1: NO POVERTY AND GOAL 2: ZERO HUNGER



ScanCom works to support the effort to end poverty around the Globe through various initiatives: the Young Workers Programme, the ScanCom Foundation and the partnership with Plastic Bank®.

According to the United Nations young workers are twice as likely to live in extreme poverty, compared to adult workers. Through our Young Workers Programme we are actively working with providing skills for job and home life for young workers that are facing adversity and have reduced opportunities in life.

Additionally, the ScanCom Charity Foundation has a dedicated aim of supporting people in our operational countries, who are in a bad position due to, among others, natural disasters, war, sickness, poor economy and the like.

Through our partnerships we are involved in initiatives aimed at improving the lives of many communities; including ending hunger and fighting poverty. Through our partnership with Plastic Bank®, we are sending support straight back into the communities in which they operate, raising incomes and improving livelihoods.





GOAL 3: GOOD HEALTH AND WELL-BEING



While we cannot change entire societies on our own, ScanCom believes in taking care of the people in our employment. We have medical facilities available at our factories and during the Covid-19 pandemic, we implemented and sustained strict procedures to ensure as low a risk as possible for our employees.

Being well-aware of social issues, ScanCom also operates initiatives that address issues related to health and quality of life for our employees outside the workplace. For instance, ScanCom do Brazil has a Well-Being Program concerned with promoting good health and social security for employees and their families. ScanCom do Brazil and ScanCom Indonesia also run donations; with the former having a collection point for aluminium and plastic bottle caps with the aim of converting the material into wheelchairs and the latter donating during local religious festivals - benefitting orphanages, nursing homes or local NGOs.

In 2020/21, the lowest wage at ScanCom was roughly **32%** higher than the legal minimum.

Extra payment of **2.5%** in health, social and unemployment insurance monthly as an extra support for the workers.

Furthermore, ScanCom is also committed to pay at least the minimum wage as per local regulations and legislations and have retained those wage levels during the Global Covid-19 pandemic. We apply principles for actual living costs and market competition, rather than the minimum wage for remuneration strategy - Since 2019/20 till 2020/21, the lowest wage at ScanCom was roughly 32% higher than the legal regional minimum.

In addition, ScanCom invests in incentive systems, education, skill building and subsequent allowance as well as childcare, transportation allowance and house rental allowance. Besides paying wages well above the minimum requirement, the company also invests in the working conditions such as ergonomics, environment temperature, canteen, and bathroom facilities.

Finally, ScanCom continues the policy of an extra payment of 2.5% health, social and unemployment insurance monthly as the financial support to the workers.



WORKPLACE CONDITIONS ASSESSMENT

During season 20/21, ScanCom has achieved significant results at all the CSR audits from customers' standards to international standards as amfori BSCI, Sedex SMETA 2-4 Pillars, ICS and supply chain security program over C-TPAT and SCAN. ScanCom was also certified on integrated management system from three ISO systems: ISO 14001; ISO 45001 and ISO 9001.

Besides the management system verifications, ScanCom has conducted required annual workplace environment measurements on working influence factors as: noise, dust, ventilation, chemical exposure level, lighting, humidity, temperature, vibration, ergonomics and mental health. Additionally, a quarterly measurement on the elements exposure that might cause the impact to the external environment like: Dust, noise, air-emission and wastewater discharge has been conducted.

Finally, ScanCom has also conducted the periodical test for the living water, the drinking water and wastewater according to the local national standard, the periodical environment monitoring measurements, the annual and periodical occupational health check for all employees.



GOAL 4: QUALITY EDUCATION



ScanCom promote additional education to our colleagues around the world, to help provide them with tools that improve their work and develop them as people. An example of this is ScanCom's Indonesian Master Scholarship Program. Furthermore, through our strategic partnerships, we also promote educational development in regions with lower access to education.

Further, ScanCom also have a Scholarship for Employees' Children through which we support the further education of employees' children, who have shown academic or otherwise promise through results in local educational institutions. ScanCom do Brasil also have initiatives related

to human beings, and values differences and individuals; currently promoting the school levelling of our employees through the 'Let's go Study' program. In it, a partnership is established with a teaching institution, creating means and incentives for employees who have not completed basic education yet.

Being signatory to the UN Global Compact, in addition to AMFORI BSCI, SEDEX SMETA monitoring and certifications, sends a clear signal to all stakeholders that we are committed to doing business the right way and supports our activities in terms of meeting the CSR requirements of our global customers.



Indonesian Master Scholarship Programme

'Let's go Study' programme for employees who have not completed basic education yet.

Scholarships for employees' children



GOAL 6: CLEAN WATER AND SANITATION



Through our partnerships we are effectively reducing plastic pollution in waterways and drains .

We continuously run a 5S-programme as a part of our sanitation effort.

We are dedicated to continue our efforts to properly monitor the legal requirements for continuous improvement and completely comply with the parameters of discharged water for industrial zone standards. Additionally, through our partnerships with PLASTIX, Plastic Bank & Der Grüne Punkt we are effectively reducing plastic pollution in waterways and drains in their respective regions of operation.

ScanCom also strive to provide qualified water for our canteens and clean water for workers to drink. Furthermore, we actively and continuously run a 5S-program as a part of our sanitation effort, including actions such as domestic living water test, drinking water test, annual measurement of working environment condition and hazardous waste handling by professional authorized service provider.





GOAL 7: AFFORDABLE AND CLEAN ENERGY



Maximize usage of **natural light** during daytime operation

Continue to **reduce 5% in energy** used per piece manufactured

100% LED light in production



ScanCom continuously take steps to save energy for a more sustainable world.

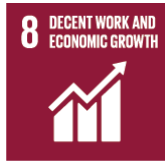
First and foremost, ScanCom's consumption of energy is linked to our facilities, including production and warehouse. When building new premises, or maintaining or extending existing ones, energy consumption is a main focus area. This includes a dedication to maximize usage of natural light during daytime operation and use 100% LED light in production, installing solar panels for greener energy sourcing and a programme to continue to reduce 5% in energy used per piece manufactured.

We have an initiative for installation of equipment to monitor the energy consumption per production floor and/or per area to maintain a better data used for analysis and reduction action plan.

In addition, we choose raw materials and develop products that can save energy for our customers and end users. ScanCom recognizes sustainability as a long-term competitive advantage.



GOAL 8: DECENT WORK AND ECONOMIC GROWTH



We are empowering employees to influence their own career path and develop their skills and responsibilities.

At ScanCom, we know that we would be nowhere if not for our dedicated workforce all across the world. Therefore, we have a strict but fair Code of Conduct, as well as clear policies on humane working conditions and fair work scheduling – regardless of whether an employee is a factory worker, a designer or an office worker. Going beyond the legal requirements on working environment, ScanCom has installed an in-house air-cooling system in labour intensive areas to deal with the regional normal high temperatures (where relevant).

We work from the principle of being One Group – One Company and aim to always create inclusive, pleasant environments of work; with productive and meaningful tasks for all employees. This includes empowering employees to influence their own career path and develop their skills and responsibilities. We continuously aim to develop and maintain a better and appropriate compensation system with recognition via fair competition between employees and fair evaluation system.

Below survey is also a direction for our coming focus to increase the percentage for good and very good and reduce the percentage for not good and average from worker level up to management level.

With the implementation of our own Management Trainee Program and Young Workers Program, ScanCom aim to provide education and options for local talents and young people who have had to leave school for financial reasons, respectively. We aim to provide guidance and education to set young people on a sustainable career path and give back to the communities we operate in. The Management Trainee Program consists of parts required by local law, parts supporting the strengthening of our management system, parts helping to address and prevent the hazards and risks in daily manufacturing, parts offering a basic need and engagement for employees in maintaining their safety at work, and parts where providing additional knowledge and skills for employees and management.

These initiatives are supported through the efforts of our own ScanCom Academy where, sometimes in cooperation with partners, ScanCom provide practical training and improvement of skills needed in the manufacturing industry – in order to develop non-skilled workers –, as well as courses in Operations and Management to develop local talent.



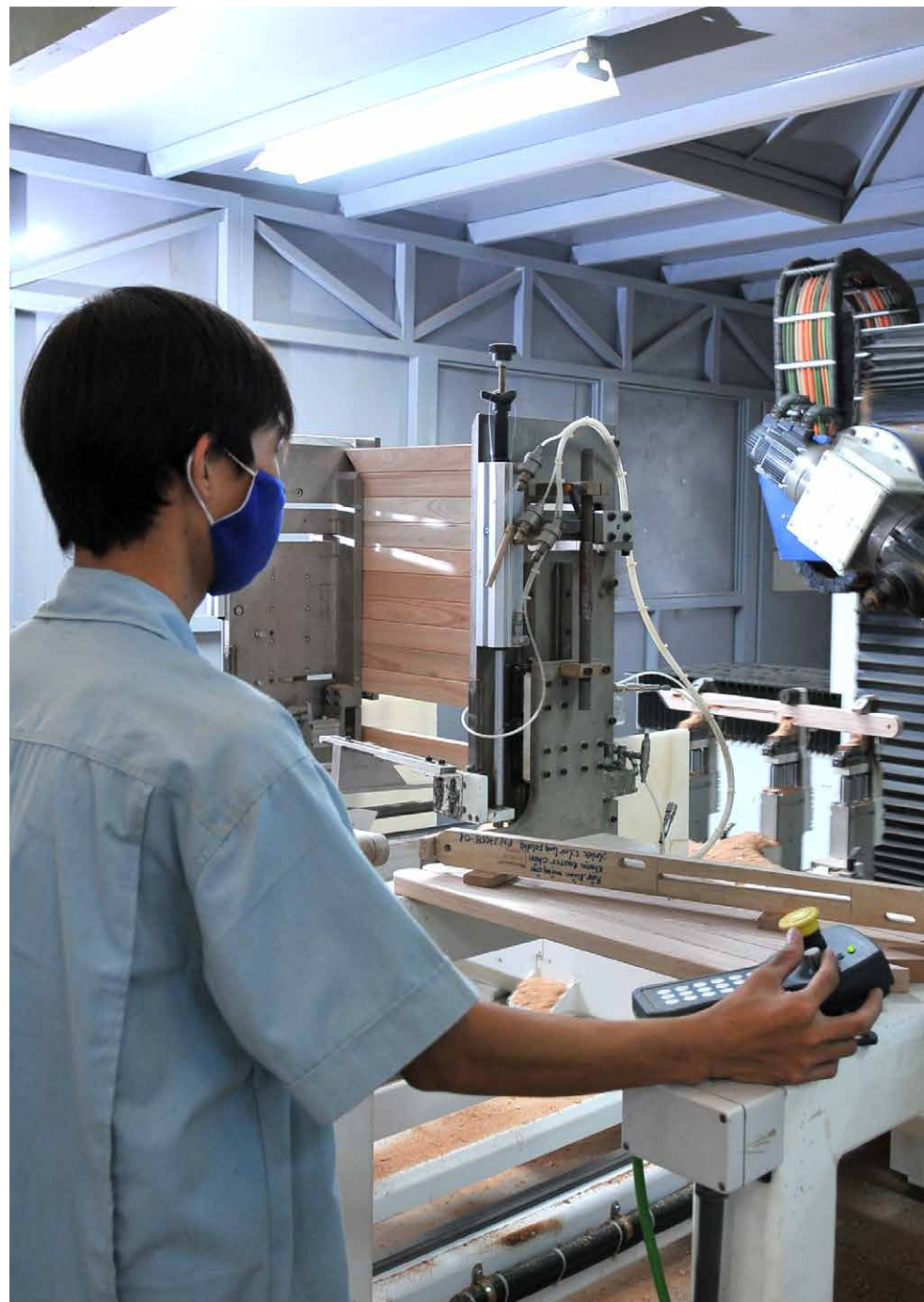
ESS Results of 4285 survey from direct workers:	ESS Results of 373 office staffs & Management:
5% respond with not good enough result	0% respond with not good enough result
17% respond with average result	10% respond with average result
74% respond with good result	77% respond with good result
4% respond with very good result	13% respond with very good result

Below service timetable has partially proved the position of ScanCom within the industry. Though outdoor furniture is not the industry of favour but we have been trying with great effort to attract the workforce to stay long and loyalty to our company. Our behind strategy of contribution is not from the difference in age or years of service but the love to the work, the love to the company and the non-stop efforts even from employees who were after the age of retirement.

During the Covid-19 pandemic, ScanCom retained the majority of our workforce without significant reductions in wages and potential risk to our employees' livelihoods. We believe that only through treating our workers fairly and ensuring that pay and conditions remain fair – even when faced with adversity – can we support the sustained and sustainable economic growth of the areas in which we conduct our business and operations.

ScanCom have maintained regular audits at Contract Manufacturers (CM's) in additional to customer audits, AMFORI BSCI and SEDEX SMETA audits. We continue to report no cases of child labour or forced labour happening at ScanCom and our business partners. Current control procedures have proven sufficient to ensure no child nor forced labour enters the supply chain. ScanCom have continuously committed to the support and protection of labour rights; including abolition of child labour, elimination of forced labour, freedom of association, and eradication of any kind of discrimination or harassment and abuse.

ScanCom remains committed to influence our employees and business partners to respect the United Nations Universal Declaration of Human Rights.



DESCRIPTION		UNITS	SCVN	SCIN	SCBR
			SS20-21	SS20-21	SS20-21
SERVICE TIME INFORMATION:			4,117	286	62
1	DL: 1-4 YEARS	Person	2,782	101	25
	DL: 5-9 YEARS	Person	314	46	4
	DL: 10-14 YEARS	Person	344	29	8
	DL: 15-19 YEARS	Person	164	17	5
	DL: 20 YEARS & Above	Person		45	
2	IDL: 2-4 YEARS	Person	199	8	9
	IDL: 5-9 YEARS	Person	74	10	2
	IDL: 10-14 YEARS	Person	124	13	6
	IDL: 15-19 YEARS	Person	107	11	2
	IDL: 20 YEARS & Above	Person	9	7	

HUMAN RIGHTS

ScanCom International A/S is committed to influence employees and business partners to respect the United Nations Universal Declaration of Human Rights.

For several years, ScanCom has had its own and annually updated Code of Conduct for employees and business partners. It may be reviewed in our website: <http://www.scancom.net>

ScanCom has been taking serious actions with high commitment to eliminate all the potential risks of human rights, including but not limited to child labour, forced labour, non-discrimination, harassment and abuse, controlled freedom of association and collective bargaining, decent work and fair remuneration through the global recognized programs as amfori BSCI, Sedex SMETA, ICS and other customers' Code of Conduct audits.

We built a Child Labour Prevention policy and we frequently check and apply this policy during our recruitment steps and it is applied for all our subcontractors and suppliers as well. We also ensure the update of the Code of Conduct, Recruitment procedure, Child and young worker procedure, forced labour procedure, Non-discrimination procedure, wage and benefits policy, working hours and resting time policy, freedom of association procedure (covering collective bargaining, grievance, periodical social dialogue, and annual labour conference).

We have a guide for the arrangement working areas to ensure the legal benefits of pregnant women (from week 25 and nursing children under 1 years old), alongside a clear process of receiving and responding to complaints. We also organize periodical dialogues at workplace and the annual conferences with Representative workers and Trade Union.

We have feedback mailboxes located in public places where workers are free to comment and these are checked weekly for comments (if any). Additionally, we have the Trade Union system, Buddy team ready to guide and assist employees plus the new QR code to collect proposals, comments from employees and a 24/7 hotline available.

Besides, as for suppliers, all the ScanCom's contract manufacturers verified on the social compliance performance under the amfori BSCI platform with acceptable result from C rating and above.





ANTI-CORRUPTION

ScanCom maintained its own Code of Conduct with annual updates and it has been communicated to all employees and management. All new employees have received awareness training in the content.

Furthermore, the Code of Conduct has been communicated regularly to all subcontractors, contract manufacturers, and suppliers – and they were required to sign off on the Code of Conduct for the commitment.

All subcontractors' employees working on ScanCom's premises have received the training on ScanCom's Code of Conduct and monitored in terms of workplace safety.

CHILD LABOUR AND FORCED LABOUR

During the past seasons, as with those previous, ScanCom maintained regular audits at the suppliers together with customer audits, amfori BSCI and Sedex SMETA audits. As for this season, ScanCom continues to report that there were no cases of child labour or forced labour happening at ScanCom and ScanCom's business partners. Current control procedures prove sufficient to ensure no child or forced labour in the supply chain.

NON-DISCRIMINATION

ScanCom continuously enforces its policy of not accepting any kinds of discrimination during the recruitment, within the time of work or when having mass lay-off on the workforce due to gender, age, origin, family status, region, etc.



LABOUR RIGHTS

ScanCom continuously committed to the support and protection of labour rights including abolition of child labour, elimination of forced labour, maintain the freedom of association and eradication of any kind of discrimination or harassment and abuse.

With the current unbalance between males and females in the management level, we are in the focus to bring up the female management in the coming seasons starting with our talent management trainee program in phase 2

WORKFORCE BREAKDOWN

Some of the breakdown data are newly introduced to the report in this season for a better picture of care. Therefore, those data inputs were not actually reflected the fact for the 2 seasons but will be more visible in the coming seasons.

All ScanCom employees are fulltime direct employees with proper labour contracts from probation. Headcount figures are average of season for 12-month period from September 2020 until August 2021.

Covid-19 has been impacting seriously from last season until the current season and still ongoing in the coming seasons. This has partially influenced the business and the workforce in the globe. There was a reduction of workforce in this season with 8% for ScanCom Vietnam but an increment of 11% for SCIN and 4% for SCBR. This has also seen through the labour turnover.

DESCRIPTION	UNITS	SCVN			SCIN			SCBR			
		SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	
WORKFORCE INFORMATION:		4,117	-		286	-		62	-		
1	Total DL (Direct labor)	Person	3,645		237		46				
2	Total IDL (Indirect labor)	Person	472		49		16				
WORKFORCE INFORMATION:			4,117	4,457	-8%	286	255	11%	62	59	4%
1	Workers: MALE	Person	2,480	2,735	-10%	201	170	15%	30	31	-5%
	Workers: FEMALE	Person	1,063	1,167	-10%	41	37	10%	7	7	6%
2	Staffs: MALE	Person	101	108	-7%	9	11	-20%	5	6	-31%
	Staffs: FEMALE	Person	143	119	17%	10	10	-2%	9	12	-38%
3	Direct management: MALE	Person	126	152	-21%	12	12	3%	5	1	79%
	Direct management: FEMALE	Person	20	30	-50%				2		
4	Indirect management: MALE	Person	59	80	-36%	3	9	-232%	2	1	50%
	Indirect management: FEMALE	Person	46	61	-31%	6	5	9%			
5	Manager/Sr. Manager: MALE	Person	41			3			2		
	Manager/Sr. Manager: FEMALE	Person	35			2					
6	Director: MALE	Person	3	5	-67%	1	1	0%	1	1	0%
	Director: FEMALE	Person									





LABOUR TURNOVER

In general, SCVN's activities are located in the area with traditionally very high labour turnover in the furniture Industry. ScanCom, besides the high level of standard wages within the industry, has invested in an incentive system, education programme, skill development and subsequent benefits as healthcare, insurance, childcare, transportation and house rental and more.

ScanCom also ensured regular upgrades on facilities, machineries and tools, and essential devices for the health, safety and the comfort of employees. Going beyond the legal requirements on working environment, ScanCom has installed an in-house air-cooling system in labour-intensive areas to deal with the regional normal high temperatures.

Due to the Covid-19 pandemic spreading around the world, a global economic crisis has occurred. This pandemic has seriously affected the production and business activities of ScanCom with cancellation of orders, suspension of shipments, payment delays, inventory at the highest level and customer failure to continue commitment. These factors have led ScanCom to no other choices but to cut off a significant number of employments through mutual agreement with employees and stop the renewal of labour contract with employees.

		SCVN			SCIN			SCBR			
DESCRIPTION		UNITS	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %
TURNOVER INFORMATION:			2,853	2,937	-3%	111	228	-105%	12	44	-267%
1	Resignation properly	Person	1,615	1,545	4%	8	14	-75%	4	4	0%
2	Expired contract	Person	369	557	-51%	103	160	-55%	1	7	-600%
3	Mutual leaving agreement	Person	209	178			51		7	33	-371%
4	Resignation improperly (quit)	Person	660	657			2				
5	Disciplinary dismissal	Person					1				

LEAVE INFORMATION

The increased and decreased leave days at ScanCom in the season are partially the result of the impact from the Covid-19 situation. This is also noted with the working hour status.

		SCVN			SCIN			SCBR			
DESCRIPTION		UNITS	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %
LEAVE INFORMATION:			196,771	168,736	14%	1,784	1,959	-10%	4,238	10,711	-153%
1	Annual leave	Day	58,359			684		100%			
2	Personal leave	Day	16,633	58,150	-250%		976		1,776	44	98%
3	Sick leave	Day	12,369	20,897	-69%	934	735	21%	2,445	1,872	23%
4	Maternity leave	Day	12,981	35,149	-171%		64			1,730	
5	Accident leave	Day	1,600	1,281	20%	1	6	-500%		37	
6	Legal-leave/rest	Day	94,830	53,259	44%	165	178	-8%	17	7,028	



HOURS OF WORK

As mentioned before, Covid-19 was partially the reason impacted to the hours of work in the season. Reduction of workforce has led to less working hours and more overtime for SCVN while the situation was a bit better for SCIN and SCBR that having more labour workforce and more working hours in order to overcome the bad status during the covid-19 time. This has also influenced the average wage amount.

WAGES AND BENEFITS

The reduced and increased average wage amount at ScanCom was due to the variation of the workforce and the promotion of personnel from one level to another higher level. Also, the differences in the above average figures are relating to different kinds of efforts, skills and responsibilities.

Starting from 2020 till now, the government has not worked on the adjustment of the legal regional minimum wage which was originally adjusted on an annual basis from earlier years and be effective from January of a year. Since 2020 till now, the lowest wage level for ScanCom workers was around 32% higher than the legal regional minimum wage.

Furthermore, ScanCom has continued the policy of an extra monthly payment of 2.5% of health/social/unemployment insurance, end year bonus of 1-month salary as the financial support to the workers. Besides, ScanCom has been extending the financial support to the employees having difficulty or impact during the Covid-19 and having the seniority of employees who have been serving for ScanCom from 15 years and 20 years recognized.

As for SCIN, there will be a minor adjustment of the figure mistakenly computed from last season with down amount for workers and staffs and up amount for management.

		SCVN			SCIN			SCBR			
DESCRIPTION	UNITs	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	
HOURS of WORK INFORMATION:		11,092,699	11,806,382	-6.4%	537,045	482,680	10%	154,450	133,398	14%	
1	Normal working hours	HOURs	10,275,730	11,124,672	-8%	516,873	448,336	13%	149,264	128,949	14%
2	Overtime hours: DL	HOURs	810,463			17,927			4,477		
3	Overtime hours: IDL	HOURs	6,506	681,710		2,246	34,345		708	4,449	
TOTAL OVERTIME		HOURs	816,969	681,710	17%	20,173	34,345	-70%	5,185	4,449	14%

		SCVN			SCIN			SCBR			
DESCRIPTION	UNITs	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	
COMPENSATION INFORMATION:											
1	Direct workforce: WORKERS	USD	289	302	-5%	208	193	7%	439	430	2%
2	Indirect workforce: STAFFs	USD	487	492	-1%	255	246	4%	665	651	2%
3	Middle management	USD	684	696	-2%	477	432	9%	-	2,024	
4	Manager - Director	USD	1,996	2,030	-2%	1,226	1,207	2%	4,950	6,372	-29%
BENEFITS & BONUS											
1	Social/Medical insurance for employees for 2.5%	USD	429,000						57,567		
2	End year bonus of 1 month	USD	1,286,000						47,214		
3	Covid-19 suspension support	USD	562,000								
4	Seniority bonus	USD	4,957						139		



HEALTH AND SAFETY

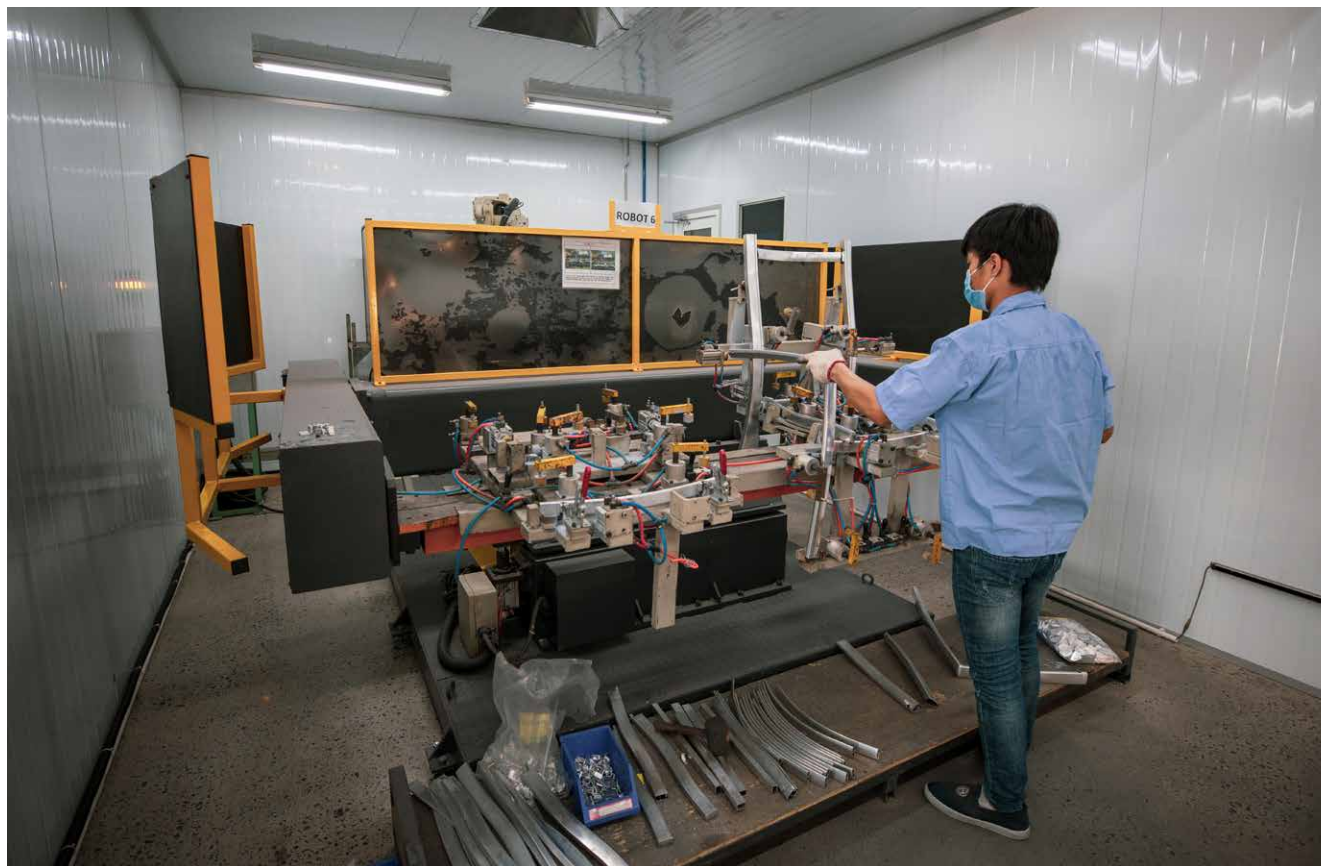
ISO 45001:2018

The purpose is to build a strong culture to prevent accidents, incidents, work related illness and this is an important priority for all ScanCom subsidiaries and departments. Everyone should go home safely from work and all management focus on protecting the workers' health and safety.

ISO 45001 was the global official version to replace for the OHSAS 18001:2007 and SCVN has been certified on this new occupational health and safety management system from late 2020 with certificate in early 2021 in a project called integrated management system (IMS) together with ISO 14001 and ISO 9001. We have been launching and implementing this IMS since then.

In this season, we are continuing to add our new aluminium facility into this IMS certification program in joining with the IMS annual surveillance audit.

ScanCom has seriously looked into the risks and hazards at the floors, analysed for the root cause, improved with focus to strengthening the system by reducing the gaps and worked further on the prevention mechanism. As a result, the number of labour accident was down in this season.



			SCVN			SCIN			SCBR		
DESCRIPTION		UNITs	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %
HEALTH and SAFETY INFORMATION:			7,706	7,205	7%	327	201	39%	122	117	4%
1	Annual health check	Person	5,975	5,615	6%	320	198	38%	61	58	5%
2	Occupational health check	Person	1,688	1,525	10%	4			61	58	5%
3	Fire incident	Ea									
4	Labor accident	Ea	34	56	-65%	2	3	-50%		1	
5	Labor accident (Transportation)	Ea	9	9	0%	1					

RISK AND CARE

Some of the data are newly set up and taken into the report in this season 19/20 for a better picture of ScanCom with more information relating to safety and care. Therefore, some data input were not actually reflected the facts for the 2 seasons but will be the base and more visible in the coming season.

RATE PER 1000,000 EEs & 1,000,000 HOURS	Total Injury	Total Employment	Total Hours Worked	Average Weekly Hours Worked	Average Weeks Per Year	Incidence Rate	Frequency Rate
SS18/19	55	3,938	11,906,986	228,353	52.1	1,396.75	4.62
SS19/20	56	4,457	12,615,701	241,945	52.1	1,256.46	4.44
SS20/21	43	4,117	11,775,612	225,834	52.1	1,044.48	3.65

Above is detailed accident frequency rate table for SCVN. As for ScanCom Group, this season has achieved a better for the group comparing to the last season.

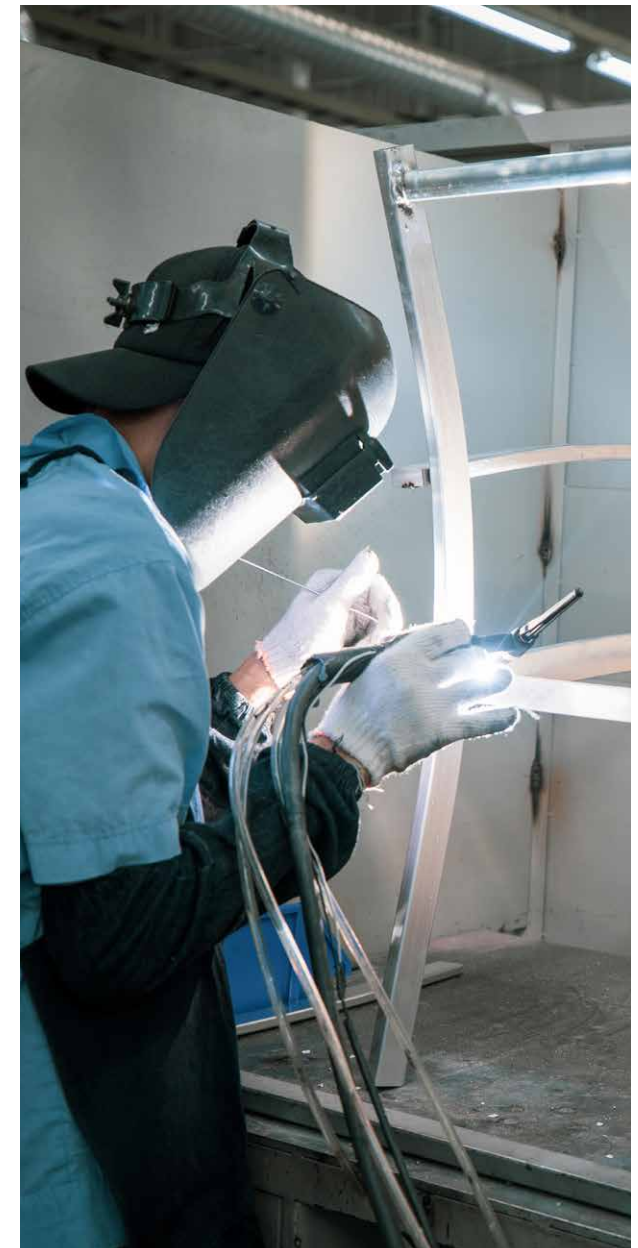
COMPANY	Injury frequency 2019/2020	Injury frequency 2020/2021
ScanCom Vietnam	4.28	3.65
ScanCom Brazil	6.44	0
ScanCom Indonesia	4.12	3.87

The higher labour turnover and inflow of new workers have increased the number of new and unexperienced workers. This higher ratio of new workers has, despite the training, contributed to the incidents as well.

The management has decentralized the HSE function to the operational management away from the centralized CSR department since last season and maintained the same in this season. Aim is to enhance the ownership focus, the priority of the shop floor management on HSE and this structure has functionally worked.

Risk assessment, risk based internal audits, machine safety specification and compliance, improved high level of electrical standard implementation, and effective training and part of the continued focus and improvements in this season.

Continue in this season to mitigate the impact of new workers on labour accidents, the training program will be updated going forward. Existing standard health and safety, fire safety, and evacuation training for all sites and shifts have been maintaining properly.





AMFORI BSCI MONITORING OF CONTRACT MANUFACTURERS

ScanCom has continued to increase the collaboration and commitment from the existing contract manufacturers (CMs) and new CMs over the requirements from amfori BSCI. Besides, ScanCom has also extended the support to the new business partners, who ScanCom is going to set up the business relationship with, in conducting the compliance gaps assessment at their facilities on their request and guiding them on remediation of the non-conformance areas to prepare for the amfori BSCI audit.

The business partners with earlier D rating has been committing to the amfori BSCI program and they have improved their rating from D to better rating.

Contract Manufacturers	SS 19/20	SS 20/21
Production site registered on amfori BSCI audit platform	28	24
Total number of amfori BSCI audits, initial and re-audit	28	24
amfori BSCI Compliance Rating	SS 19/20	SS 20/21
A (Outstanding)	1/28	0/24
B (Good)	2/28	3/24
C (Acceptable)	24/28	21/24
D (Improvement needed)	1/28	0/24
E (Non-Compliant)	0/28	0/24

WORKPLACE CONDITIONS ASSESSMENT

During season 20/21, ScanCom has achieved significant results at all the CSR audits from customers' standards to international standards as amfori BSCI, Sedex SMETA 2-4 Pillars, ICS and supply chain security program over C-TPAT and SCAN. ScanCom was also certified on integrated management system from three ISO systems: ISO 14001; ISO 45001 and ISO 9001.

Besides the management system verifications, ScanCom has conducted required annual workplace environment measurements on working influence factors as: noise, dust, ventilation, chemical exposure level, lighting, humidity, temperature, vibration, ergonomics and mental health. Additionally, a quarterly measurement on the elements exposure that might cause the impact to the external environment like: Dust, noise, air-emission and wastewater discharge has been conducted.

Finally, ScanCom has also conducted the periodical test for the living water, the drinking water and wastewater according to the local national standard, the periodical environment monitoring measurements, the annual and periodical occupational health check for all employees.





SUPPLIER AUDITS

ScanCom is continually developing higher CSR performance levels at the suppliers. All suppliers have signed ScanCom's Code of Conduct, CSR declaration and even Supply chain security declaration. All the new suppliers, where relevant, subjected to an onsite or virtual CSR audit conducted by ScanCom or a required audit by external audit firm following ScanCom's Code of Conduct or other required standard by specific customer.

CERTIFICATION STATUS AND PROGRESS

ScanCom has continued great efforts to strengthen its own systems according to the international standards and additional standards from customers and partners. ScanCom has also tried to identify potential gaps in the systems and had them regularly verified by external recognized third parties.

The table below provides an overview of the certifications obtained and those in progress for ScanCom Group Companies. Where N/A is stated, management found it not relevant at this time.

Certifications for ScanCom Group	ISO 9001	ISO 14001	ISO 45001	FSC CoC	AMFORI BSCI, SEDEX SMETA, ICS, SCAN, C-TPAT
ScanCom International A/S	N/A	N/A	N/A	X	N/A
ScanCom Vietnam Limited	X	X	X	X	amfori BSCI/Sedex SMETA/ICS/SCAN/C-TPAT
ScanCom do Brazil	X	N/A	N/A	X	SA 8000
PT ScanCom Indonesia	X	N/A	N/A	X	amfori BSCI/Sedex SMETA/ICS

IKEA WELL-DEVELOPED SUPPLIER UNIT RECOGNITION

IKEA, after over 6 years of business cooperation, has finally approved ScanCom with the highest recognition ranking for supplier named IWAY Well Developed Supplier Unit (IWDSU) in January 2020 after continuous commitment from top management and the entire organization towards the compliance performance. Although with significant external impacts in season 20/21, ScanCom has always been trying to maintain the ranking plus additional great effort in preparation for the coming assessment and qualification per the new IWAY standard version initiated in January 2021 and be officially effective from season 21/22.





TRAINING ACTIVITIES

DEVELOPING BRIDGES BETWEEN FORMAL EDUCATION AND PROFESSIONAL LIFE

In season 19/20, ScanCom continued with systematic training for employees to support the understanding and the implementation of social compliance and good environmental behaviour.

Training scope in season 19/20 was extended and widely captured for a better picture of the activity. This will also be the direction and the focus in the next seasons with the purpose to enhance the awareness, the knowledge and the skills for the employees. Qualified trainer force and quality of the training are now becoming the upgrading part of the focus where employees can obtain sufficient knowledge and skills to handle the work and gain promotion in their career with ScanCom.

With the implementation of our own Management Trainee Programme and Young Workers Programme, ScanCom aim to provide education and options for local talents and young people who have had to leave school for financial reasons, respectively. We aim to provide guidance and education to set young people on a sustainable career path and give back to the communities we operate in.



ScanCom Young Workers Development Programme 19/20

11 trainees graduated from the Management Trainee Programme

9 trainees were employed after finalising the MTP

14 young workers completed the Young Workers Development Programme

Data from Season 2019/20. All training activities were postponed in season 2020/21 due to COVID-19.



MANAGEMENT TRAINEE PROGRAMME

With the Management Trainee Programme, we aim to educate and develop talents to become future leaders and drivers of ScanCom. This is done through in-company training, mentoring from top and senior managers, and working with concrete cases within the reality of our business and industrial environment. The programme aims at offering freshly graduated young people the chance at taking their theoretical knowledge and applying it in a professional setting. This allows the trainees to expand what they know and start their careers in an environment tailored for their first steps into working life.

The Management Trainee Programme consists of parts required by local law, parts supporting the strengthening of our management system, parts helping to address and prevent the hazards and risks in daily manufacturing, parts offering a basic need and engagement for employees in maintaining their safety at work, and parts where providing additional knowledge and skills for employees and management.



YOUNG WORKERS DEVELOPMENT PROGRAMME

The program "Developing young workers in in ScanCom" aims to provide young workers who are dropping out of school with the life and job skills needed to ensure that successfully take on the role of an employee, creating favorable conditions for them to transition from young workers to official workers. At the same time provide them with the opportunity to participate in training programs, build skills to support and develop long-term careers.





TRAINING ACTIVITIES

TRAINING OUR EMPLOYEES TO ENHANCE THEIR AWARENESS, KNOWLEDGE AND SKILLS

The training table was structured again for better capture of new topics and the segregation from internal and external trainings.

In comparison with last season, the number of training hours in this season 20/21 was lower than as some of the regular required trainings for workers were not able to complete during the Covid-19. However, ScanCom has continued with systematic and Code of Conduct training for employees to support the understanding and the implementation of social compliance and sustainable environmental behaviour.

Training scope in season 20/21 was continuously driving the extended and widely captured topics for a better picture of the activity. This will also be the direction and the focus in the next seasons with the purpose to enhance the awareness, the knowledge and the skills for the employees. Qualified trainer force and quality of the training are now becoming the upgrading part of the focus where employees can obtain sufficient knowledge and skills to handle the work and gain promotion in their career with ScanCom.

The training program consists of parts where required by local law, parts where supporting the strengthen of the management system, parts where helping to address and prevent the hazards and risks in daily manufacturing, parts where offering a basic need and engagement for employees in maintaining their safety at work and parts where providing additional knowledge and skills for employees and management.

DESCRIPTION	UNITS	SCVN			SCIN			SCBR		
		SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %
TRAINING TIME:		108,995	167,509	-54%	3,708	742	80%	3,535	1,641	54%
1	New workers: ORIENTATION & Code of Conduct	HOURS	35,718	32,106		359	420		21	6
	Group 1: TOP MANAGEMENT	HOURS	1,056			90				
	Group 2: OHS MANAGEMENT	HOURS	744			90			3	
	Group 3: SPECIAL WORKS	HOURS	13,852			90			524	
2	Group 4: WORKERS	HOURS	24,000							
	Group 5: MEDICAL	HOURS	360							
	Group 6: SAFETY & SANITATION	HOURS	760			29			41	
	TOTAL for GROUP 1-6	HOURS	40,772	91,504		299			568	18
3	C-TPAT (Supply chain security)	HOURS	2,478	3,099			96			420

DESCRIPTION	UNITS	SCVN		SCIN		SCBR	
		SS20-21	SS19-20	SS20-21	SS19-20	SS20-21	SS19-20
ISO IMS							
ISO 9001	HOURS		1,560		24	3	21
ISO 14001	HOURS						
ISO 45001	HOURS						
ISO IMS: Internal audit skills	HOURS						
ON THE JOB TRAINING							
New workers: JOB SOP	HOURS		25,661	359	75	36	8
New workers: JOB SAFETY	HOURS			359		394	
By/for OM: Others							
Loading procedure for warehouse staff	HOURS		180				
Internal work instructions	HOURS					335	
By/for DEPARTMENTS							
Quality control procedure for QC	HOURS		393				
Soft skills for sales staffs	HOURS		400				
SVLK Regulation	HOURS			2			



DESCRIPTION	UNITS	SCVN		SCIN		SCBR	
		SS20-21	SS19-20	SS20-21	SS19-20	SS20-21	SS19-20
Soft skills							
Teamwork skill	HOURS	592					
Communication skill	HOURS	488					
Coaching skill	HOURS	368					
Motivation skill	HOURS	432					
Supervisory skill	HOURS	424					
Creative thinking	HOURS	712					
Behaviour Training	HOURS			42			
Tax Training-Brevet	HOURS			320			
Continuous improvement	HOURS					728	
Permanent assets	HOURS					8	
Analysis tools	HOURS					4	
Management skills							
Lean & Six Sigma	HOURS	2,400					
Management skills	HOURS		2,880		127	32	293
Leadership Training	HOURS			63			
Language							
English Course	HOURS		1,260	60		944	729
Vietnamese Course	HOURS						



By/for HR: Others							
New labor Law	HOURS	40					
Labor contract and regulations	HOURS	20					
Labor safety and Hygiene	HOURS	160					
How to build labor rule	HOURS	24					
Apply Labor Law 2019 for HR team	HOURS	40					
Young workers	HOURS	1,012					
Train welding skill for trainees	HOURS	5,040					
Great Technique interview	HOURS			4			
Edabu (Insurance System)	HOURS			2			
HR Certification	HOURS			16			
HR Kaizen	HOURS			8			
UU Cipta Kerja	HOURS			4			
People Agility	HOURS			3			
People Agility	HOURS			3			
Comfort Self Isolation	HOURS			3			
Superteam Agility	HOURS			3			
Talent management	HOURS			9			
Work instructions	HOURS					10	
E-social	HOURS					8	
Environmental management	HOURS					48	
Supervised internship	HOURS					124	
Law on General Personal Data Protection (LGPD)	HOURS					13	
ScanCom Code of Conduct							
Onsite contractors	HOURS	136	128	17		37	
Employees and management	HOURS	2,478					
Suppliers	HOURS			17		6	27
By/for CSR: Others							
IWAY 6.0: Ees & Management	HOURS	1,671		382		23	
IWAY 6.0: Suppliers	HOURS	114		382			
BSCI + SMETA + ICS	HOURS	87		382			
SA 8000	HOURS					24	
FSC-CoC, EUTR, LACEY Act, Australian law, IWAY Forestry	HOURS	428	173	384		5	32
External trainings on CSR and Sustainability	HOURS	230					
By/for HSE: Others							
Investigate labor accident, incidents	HOURS	256					
Hazards/Risks/Ergonomic assessment	HOURS		560				
Fire-fighting, fire prevention, and fire drill	HOURS	7,386	6,653	186		127	86
Chemical safety and waste classification for workers	HOURS	4,714					
Wastewater treatment plant:							
Operational monitoring and control	HOURS		176				
First Aid: First aid team	HOURS	776	776	24		38	



GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE



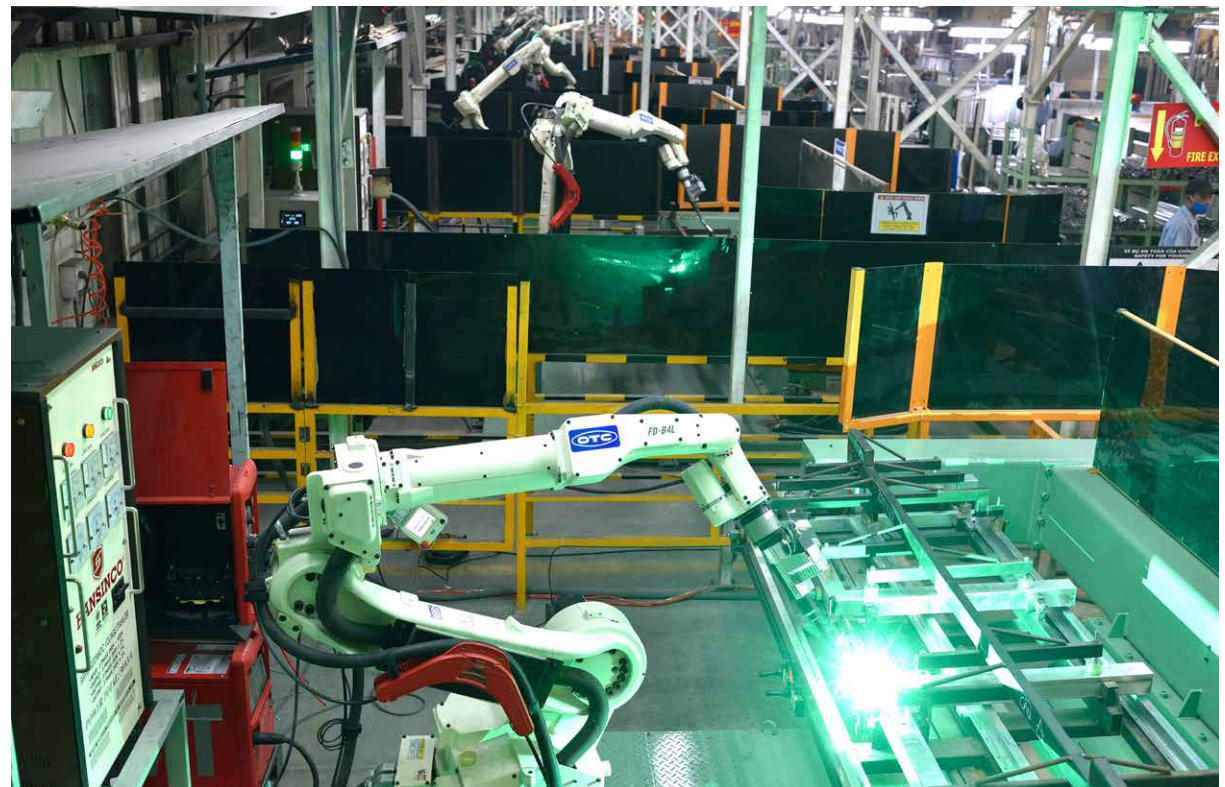
BEAUTIFUL PIECES INSIDE AND OUT REDUCING ENVIRONMENTAL IMPACT WITH ICONIC PRODUCTS

Our investments in new factories will not only improve our own long-term profitability, but also the economic development of the areas and communities surrounding these. A notable example has seen the value of land surrounding our newest factory in the Mekong Delta of Southern Vietnam increase significantly.

Additionally, ScanCom invest heavily in research and development of innovation in relation to

both production and materials. These includes developments from ScanCom Vietnam such as materials Durawood®, DuraBoard® and Formwood®, as well as DuraLand® and DuraOcean®.

ScanCom in the season has also invested much in automation with more welding robots, materials/components loading robots and auto sawing machine.





GOAL 10: REDUCED INEQUALITIES

10 REDUCED INEQUALITIES



ZERO TOLERANCE FOR DISCRIMINATION

ScanCom continuously enforce our policy of not accepting any kind of employment discrimination of our employees due to gender, age, origin, race or religion. This includes a stated dedication to respect of the culture of those countries in which we operate and the hiring and education for any positions is conducted without discrimination.

We continue to maintain the well awareness of required non-discrimination and to better monitor the non-discrimination compliance via both internal and external audits at ScanCom and all contract manufacturers.



NON-DISCRIMINATION

ScanCom continuously enforces its policy of not accepting any kinds of discrimination during the recruitment, within the time of work or when having mass lay-off on the workforce due to gender, age, origin, family status, region, etc.

ScanCom has a rich history of non-discrimination. Below age table has shown the different ages in our workforce from worker level to staff level and management level. Employees in all ages including employees who were after the age of retirement were always welcomed at ScanCom.

AGE CLASSIFICATION

The low median age of ScanCom's employees reflects the age distribution in the population of the countries where manufacturing takes place.

Furthermore, the official retirement ages are relatively low with 55/60, 55/55, 60/65 years for women/men in Vietnam, Indonesia, and Brazil respectively.

Due to the covid-19, the variation is quite significant in this season. However, the gender balance is still at an acceptable level. Disregarding of the variation, there were still significant promotion in ScanCom in the season.

Though there was no discrimination in hiring employees, the number of job application received from female employees was still significantly low. Due to the nature of the industry and the requirement of standing work positions, it was a disadvantage in balancing the workforce gender. In addition, there was so many factories in different industries within the industrial park and surrounding the industrial park, the choice of light work and more overtime hours was the favor of the female workforce.

			SCVN			SCIN			SCBR		
DESCRIPTION		UNITs	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %	SS20-21	SS19-20	RATIO %
AGE INFORMATION:			4,117	4,457		286	255		62	59	
1	DL: 15-17	Person	20						1		
	DL: 18-39	Person	2,797	2,635	6%	171	136	20%	22	31	-44%
	DL: 40-55	Person	727	1,272	-75%	53	71	-32%	16	15	5%
	DL: >55	Person	26	2	92%	1					
2	IDL-Staffs: 20-39	Person	216	163	25%	19	17	10%	9	9	1%
	IDL-Staffs: 40-55	Person	15	48	-211%	16	4	75%	4	1	74%
	IDL-Staffs: >55	Person	5	12	-140%						
3	Middle Management: 25-39	Person	169	114	33%	3	4	-33%	6	1	84%
	Middle Management: 40-55	Person	71	208	-193%	17	23	-35%	2	2	-33%
	Middle Management: >55	Person	5	3	40%						
4	Management: 25-39	Person	26						1		
	Management: 40-55	Person	38			5			2		
	Management: >55	Person	2								

			SCVN	SCIN	SCBR
#	DESCRIPTION	UNITs	SS20-21	SS20-21	SS20-21
PROMOTION					
1	Male	Person	15		2
2	Female	Person	19	3	4



GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES



Improve the quality of life in those areas where we have facilities, making contributions to the local communities.

We support the effort towards clearer skies in the polluted cities, and our factories are located in industrial zones where population is less exposed to high levels of pollution. Not only that, ScanCom actively work with the aim of reducing hazardous emissions from our factories and we are offering company shared transport to our employees in Vietnam in order to reduce the number of motorbikes and cars, reducing the traffic and pollution.

ScanCom are also supporting the development of communities through our partnership with Plastic Bank and through materials sourced ethically, such as FSC-certified wood in addition to developing a workforce for local communities through the Young Workers Program.



**NEW MEGA FACTORY IN
LONG JIANG,
VIETNAM**



GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION



Our key objectives are for Reduce, Reuse and Recycle, to be applied in all our operations, including waste from offices as well as production waste.



ScanCom is actively working internally and with industry peers and raw material suppliers to reduce the concentration and quantity of hazardous substances in our products. The key objective is that hazardous raw materials are to be replaced by less hazardous alternatives. Any new raw materials must not reduce products' overall safety, health and environmental properties. REACH is the chemical regulation in the EU, shifting responsibility for risk assessment and registration of chemicals to industry. ScanCom have developed and maintains a LRS matrix to control chemical for our supply chain.

In addition, we have carried out a research project together with suppliers, customers, and taken an active part in the regulatory process in the EU. ScanCom is working actively to contribute to good REACH solutions and easy-to-use customer information that will enhance safe use. ScanCom recognizes sustainability as a long-term competitive advantage.

Our key objectives are Reduce, Reuse and Recycle, to be applied in all our operations, including waste from offices as well as production waste. Reducing and disposing of chemical waste is a major focus area. We dispose of chemical waste responsibly, so that we can all enjoy a sustainable world. As obsolete goods are a major contributor to chemical waste at ScanCom. We therefore continuously work on how to rework and dispose in a more environmentally-friendly way than just scrapping them. For non-hazardous waste we reintroduce to our production or send it to be recycled or for energy generation.

Our factories work with principles of avoiding as much waste as possible and we even develop innovative, new materials with what was previously thought of as waste material. Sawdust from our wood factory is used in the production of our patented, FSC-certified DuraBoard® material and smaller slats of wood is utilized in creating our beautifully shaped Formwood® material. Only if the wood cannot be used for these initiatives will we burn it to heat our drying kilns in order to not let it go completely to waste.

- Working internally and with suppliers to **reduce hazardous substances**
- Increase in the **internal recycling of waste**
- **FSC-certified** and traceable wood
- **37%** reduction of waste generation



PLASTIC REVOLUTION

We are fighting against plastic pollution and inequality.

We are working intensely with developing and manufacturing products in recycled plastic material as well – sourced differently in order to approach the plastic pollution problem from as many angles as problem. This has (as of yet) resulted in our work with DuraLand®, DuraOcean® and Social Plastic® recycled plastic material.

DURALAND®

DuraLand® is processed in a state-of-the-art facility and is sourced through a long-time established infrastructure.

SOCIAL PLASTIC®

Social Plastic® is manually collected and processed at collection banks.

DURAOCEAN®

DuraOcean® is collected via companies and is post-industrial in nature.

These materials are not only used in more traditional plastic products – such as our stunning, up-coming Stream Chair®; we have also developed a way to use recycled plastic in our DuraBoard® production and in our world-first, unique DuraPetan® synthetic rattan for woven pieces. Our combined recycled plastic initiative is also an accolated and awarded business initiative that have recently received awards from Solex, in the UK, and HRH Crown Prince Frederik of Denmark's International Business Awards, in the category 'Green Solutions'.

ScanCom have reacted to our Sustainable Index to reduce the carbon footprint throughout the whole value chain. The carbon footprint is a measure of the impact our activities have on the environment, and in particular climate change. ScanCom have continuously monitored CO₂ output with the aim of a stepwise reduction in CO₂ emissions.

ScanCom has also obtained a certificate of achievement of Nordic business awards 2021 from Nordcham on the Best green and Sustainable Innovative Business.



OUR SOLUTIONS IN PLASTIC DESIGN WITH RECYCLED MATERIALS ARE INTERNATIONALLY RECOGNISED, LAUDED AND ENDORSED.



SUSTAINABLE SOLUTIONS

ALTERNATIVE PACKAGING SOLUTIONS

Internally, we have also worked toward the direction of environment protection with focus to "Reduce, recycle, re-use, and replace". We have developed paper materials in order to replace the plastic and foam quantity used in packaging.

Material	Alternative solution	Status
PE foam	Pelure paper, kraft paper (2 faces), carton sheet	-Done
Plastic bag for HW	- Cardboard box - 100% Biodegradable made of starch	- In the process of research and development
Plastic bag for product	- Peplure paper or kraft paper - 100% Post-consumer recycling	- Pelure paper: Done - 100% PCR: In the process working with supplier
Plastic tape	Be developing new paper tape for: + inside carton box + outside carton box	- Inside : done - Outside: In the process of research and development
Nylon string (Roll) to fix HW bags and components	Coir string or paper tape	- Done (Already applied for LSG)
Stretch film	Biodegradable plastic wrap	- In the process of research and development
EPS FOAM	Honey Comb, lamicated paper corner, carton sheet	-Done

Alternative solution for Styrofoam (EPS foam)

Styro foam (EPS foam)

Honeycomb corner

Laminated paper corner

Already applied to all new development items from SS2021 (For the old items: we are still rolling change)

Alternative solution for PE foam

Pelure paper

Kraft paper (2 faces)

Carton sheet 2 layers

Carton sheet 3-5 layers

Restriction of using

Already applied for LSG, Muuto, ADEO, Bauhaus...

Alternative solution for Plastic tape

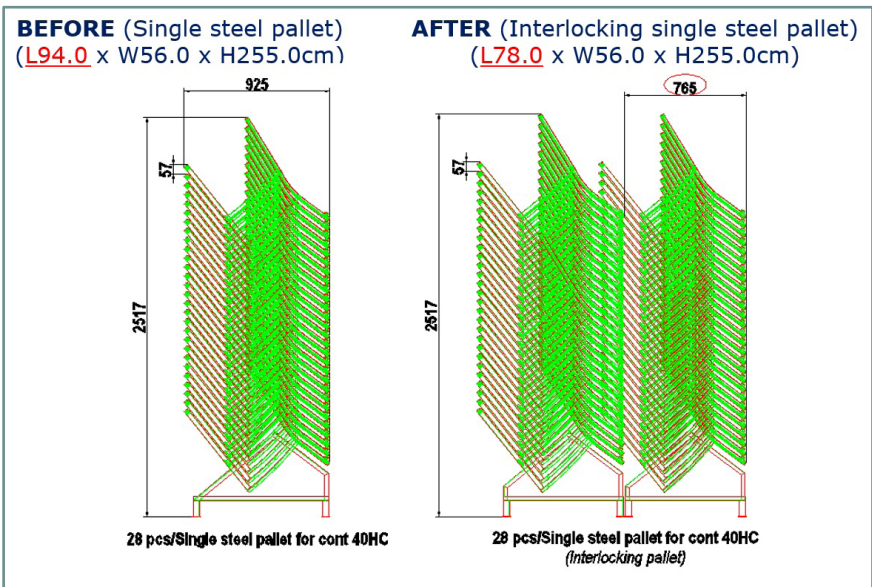
Paper tape

Already applied for LSG, Muuto



LOADING OPTIMIZATION TO REDUCE CO₂ EMISSION

We also designed a better packaging method so to maximum using the space in containers for the loading that help to reduce the number of travelled containers and reduce the CO₂ emission from carriers. Below is Vera proposal solution:



Compares loading chart with interlocking steel pallet

BEFORE										AFTER									
Item Name	Drawing code	Eff date	Pallet size (cm)	Pcs/Pallet	Cont. type	Qty Item	Volume m ³	Usage %	Item Name	Drawing code	Eff date	Pallet size (cm)	Pcs/Pallet	Cont. type	Qty Item	Volume m ³	Usage %		
Vera stacking armchair, ALU BMB, WNT BLEU D1	N67974-B		94.0x56.0x255.0	28	40' HC	1400	28	880	84%	Vera stacking armchair, ALU, WNT	N67974-mail		78.0x56.0x255.0	23	40' HC	1380	23	84%	
			94.0x56.0x255.0	28	40' HC	1400	28	880	84%				78.0x56.0x255.0	28	40' HC	1680	28	90%	

Note: This is reference loading chart. Please check with PA process

Note: This is reference loading chart. Please check with PA process

QTY / Year	Before	After	Save	%	Total TSP cost/CTN	Saving/ product	Saving Year
100,000	1400	1680	280	20%	\$ 3,650.00	\$ 0.43	\$ 43,452

We also have the OVVO project to maximize the loading of tables in containers (from 290 to 750 tables) and other projects as:

DRAWING CODE	ITEM NAME	QUANTITY (pc)	BEFORE	AFTER	SAVE	%
PN3644C Total	Leo stacking armchair, (low back) w/hr, STL GPH, MSH GPH, PAR FSC	96,324	880	960	80	9.1%
PN69404D Total	Leon stacking chair, (low back), STL COC, STL-MSH COC	31,680	960	1200	240	25%
PN1677C Total	ESSENCE rect. table 150x90cm, 74h, w/ph, ALU CSN, PAR FSC LOT	27,296	516	546	30	5.8%

PROJECT TO IMPLEMENT SOLAR PANELS

Finally, in order to produce more sustainably, we have a project to implement solar panels in our own mega factory located in the Mekong-area of southern Vietnam to consume green, sustainable and 'replenishing' energy when we create our beautiful furniture.



ENVIRONMENT

SCVN's environmental management system was upgraded since the certification of the IMS in late 2020. Observed annual re-audited with a good result. Besides, applied sustainability program has induced Green-Steps in eliminating hazardous materials, reducing production waste, saving energy, and complying with REACH in preventing pollution.

SCVN reviewed as one of the significant energy consumed enterprise and the consumption of electricity, diesel and LPG is significant. The significant risk is still in use of fossil fuels and unclean electricity source. The risk is also how to transfer from this to clean energy by 2025. An additional area for CO2 emission is from transportation and ScanCom is working on coming energy projects.

Increased sales of our Wood Plastic Composite materials has allowed for higher in-house recycling of wood and plastic waste, both PP from injection moulding and PE from Petan Fibre production. In addition, the demand of recycled aluminium has been an opportunity to have a close-up cycle for our aluminium wastes from production to recycling and coming back for production.

In this season, the data from all the production units was combined and represented for the entire ScanCom Group, where ScanCom Vietnam still play the key role in environment protection with 4 large production units and 3 finished good warehouses while ScanCom Indonesia's medium production unit and ScanCom Brazil in a supply role of plank wood material. Moreover, the data from ScanCom Brazil was for the entire wood material supply to many customers including a part of the entire volume for ScanCom Vietnam.

DATA

Over the preceding years, ScanCom has been working towards an improvement in the collection of reliable data and this has been strengthening over time to reach a higher satisfactory level.

RECYCLED MATERIALS

As to the direction of sustainability strategy, ScanCom has also focused on materials used for production and starting to source with suppliers for the materials with high volume of recycle for the purpose of reduction of the impact to the environment and the climate change.



MATERIALS	PURPOSE	UNIT	RECYCLE % IN USE IN MATERIAL
ALUMINUM BILLET	For production	TON	50
DURA LAND PLASTIC RESIN	For production	TON	100
DURA OCEAN PLASTIC RESIN	For production	TON	100
PAPER PALLET	For production	TON	98
SMA PAPER	For production	TON	98
CARTON PAPER	For production	TON	98
STRETCHING FILM	For production	TON	50
PE FOAM	For production	TON	50
POLYBAG	For production	TON	50
STRAPPING BAND	For production	TON	95



RESTRICTED SUBSTANCES

IScanCom continued to update its List of Restricted Substances version 15 (191 SVHCs) to the Candidate list and continued to meet relevant legal requirements (ECHA) and those of customers.

REACH/LRS compliance - make chemical testing to submit all customers with all material & products testing. We experienced a continued increase in customer focus on restricted substances, and our system was in all cases able to provide the requested information for materials used in our products. Besides; controlled all suppliers follow REACH/ Customer Standards.

WATER CONSUMPTION

In season 19/20, the consumption increased in SCVN due to the expansion of wood and aluminium facilities. It also found the new design of male restroom was not environmental friendly protection plus additional consumption from external workforce for the movement of facilities and adjustment of production layouts.

ENERGY CONSUMPTION

Energy overall consumption and energy consumption per output in this season, excluding the consumption for transportation, is a bit higher than last season though there was a closure of a couple of production units. The cause was also the expansion of production facilities (a new wood production unit in Binh Duong province and a new aluminium production unit in Tien Giang province) and the situation of having workers working and partly living on-site during the Covid-19 restriction of movement for a period of over 3 months.

In addition to the increased consumption, the above consumption data and the consumption per output in both seasons are for the entire group with ScanCom Brazil where the only wood plank material was prepared and supplied to ScanCom Vietnam for production.

SCI A/S	WATER per OUTPUT			
FISCAL YEAR	UNIT	SS19-20	SS20-21	COMPARE %
<i>WATER in TOTAL</i>	M3	255,349.800	305,915.870	
<i>Per OUTPUT</i>	M3	0.0518	0.0770	48.7%
SCVN	M3	247,760.00	297,191.00	
<i>Per OUTPUT</i>	M3	0.0510	0.0784	53.6%
SCIN	M3	4,552.00	5,524.00	
<i>Per OUTPUT</i>	M3	0.0592	0.0302	-48.9%
SCBR	M3	3,037.80	3,200.87	
<i>Per OUTPUT</i>	M3	0.0752	0.0474	-36.9%

SCI A/S	ENERGY CONSUMPTION			
FISCAL YEAR	UNIT	SS18-19	SS19-20	SS20-21
<i>LPG</i>	KG	1,185,484.16	1,367,544.06	1,491,706.53
<i>DIESEL</i>	LITER	173,203.05	226,375.45	229,733.00
<i>ELECTRICITY</i>	KWH	32,630,688.86	33,866,846.31	34,492,635.43
<i>BIOMASS</i>	KG	5,962,274.13	4,878,037.21	5,151,607.58
<i>DIESEL-TRANSPORT</i>	KG	-	-	4,807,680.43
<i>IN TOTAL</i>		39,951,650.19	40,338,803.03	41,365,682.54
<i>Per OUTPUT</i>	KG	8.1429	8.1816	10.4145
<i>In COMPARISION</i>	%	By Seasons	0.97%	2.55%
		By Output	0.48%	27.29%



WASTE GENERATION

Wastes data here was also for total generation from ScanCom Group where having a very small part of the total was from ScanCom Indonesia and ScanCom Brazil. With the data below, it showed the total generation of each waste volume per each output unit.

Internal recycling of waste increased in plastic, wood, aluminium and Durawood® waste. Approved certified contractors have handled our waste for reuse, resell or treatment purpose. Domestic waste reduced during season 19/20. Our annual waste reduction target is 5% and together with Covid-19 impact, the total waste volume was significantly reduced.

Hazardous waste: we handle the waste, such as lamp, ink, battery, oil, chemical, solvent, contaminated chemical wastes including container, slug, etc., based on the government regulation and do coordinate with legal authorized third party for disposal. We produce an annual report as required for these hazardous waste materials to local environmental department.

From the above data, all the waste indicators were positive with significant reduction comparing to the last season. This has help ScanCom Group to save nearly 20% of total wastes generation where the amount of saving contributed to the group was not small at all.

CO₂ EMISSION

ScanCom has continuously monitored CO₂ output with the aim of a stepwise reduction in CO₂ emissions and the climate change goal by FY30. The CO₂ emission in this season for the group increased 3.68% comparing to the last season. As mentioned earlier, the reason was mainly due to the additional new production units (sawmill and aluminium facility) and the complicated product styles.

ScanCom has started to capture the CO₂ emission downstream from the internal and external transport vehicles plus the land and ocean carriers from season 20/21.

SCI A/S	OPERATIONAL-DOMESTIC WASTES			
FISCAL YEAR	UNIT	SS19-20	SS20-21	COMPARE %
HAZARDOUS	KG	340,479.848	323,549.556	-5.0%
OPERATION	KG	35,880,681.208	28,464,491.890	-20.7%
IN. RECYCLE-REUSE	KG	1,609,553.719	1,861,368.830	15.6%
DOMESTIC	KG	577,310.000	526,722.600	-8.8%
IN TOTAL	KG	38,408,024.774	31,176,132.876	-18.8%
Per OUTPUT	KG	7.7900	7.8491	0.8%

SCI A/S	CO ₂ EMISSION			
FISCAL YEAR	UNIT	SS18-19	SS19-20	SS20-21
LPG	TON	3,547.561	4,092.376	4,463.932
DIESEL	TON	519.609	679.126	689.199
ELECTRICITY	TON	11,812.309	12,259.798	12,486.334
BIOMASS	TON	1,192.238	975.302	1,029.724
TRANSPORT	TON	-	-	-
IN TOTAL	TON	17,071.718	18,006.602	18,669.189
Per OUTPUT	TON	0.0035	0.0037	0.0047
In COMPARISION	%	By Season	5.48%	3.68%
		By Output	4.96%	28.70%

SCI A/S	ENERGY for TRANSPORTATION per OUTPUT			
FISCAL YEAR	UNIT	SS19-20	SS20-21	COMPARE %
DIESEL	LITER		3,168,820.87	
GASOLINE	LITER		1,638,859.56	
IN TOTAL	LITER		4,807,680.43	
CO ₂ EMISSION	TON		12,784.18	



GOAL 13: CLIMATE ACTION



ScanCom have a **goal of reaching 80% Sustainability Index** through reducing hazardous material and waste, while saving energy and complying with good REACH solutions, as well as prevent pollution.

At our facilities, ScanCom are working with a focused program on taking action for reducing the negative impact we have as a manufacturing company. This includes initiatives for water treatment, solar panel installations and something as simple as reducing electricity use by turning off lights in unused rooms and areas of our offices.

Additionally, we are continuously removing single-use plastics from our offices and factories and have a strong strategy for use of materials that also reduce our carbon footprint – chief of these being recycled plastics.

Further, ScanCom have a goal of reaching 80% Sustainability Index through reducing hazardous material and waste, while saving energy and complying with good REACH solutions, as well as prevent pollution. We have introduced a closed-loop production process where possible, resulting in us having less than 5% waste core material from our aluminum, plastic and wood production.



SUSTAINABILITY

ScanCom has a commitment to reduce consumption, both of materials and energy per piece, as well as to develop formulas allowing us to manufacture using as many sustainable and recycled materials as possible. This has led to various initiatives across our Group and business; ranging from removal of single-use plastic water bottles in our Vietnam Facilities, to the development of three distinct formulas allowing us to work with differently sourced recycled plastic material.

Additionally, we have been FSC-certified across the group since the early 2000's and remain a committed signatory to this report.

LEGALITY OF WOOD

ScanCom continues to setup written Due Diligence to comply with requirements on the legality of timber: the United States' 2008 Lacey Act Amendment; the 2012 Australia Illegal Logging Prohibition Act (AILPA); and the European Union Timber Regulation (EUTR). Maintain FSC chain of custody certificates to ensure that timber products are legal and traceable from where they were harvested, sawn, produced and sold not only within ScanCom Group but also within the supply chain of ScanCom Group.

All the companies and branches under ScanCom having wood production plus the forest have been certified on the FSC Chain of Custody with certificates and annual audits as required.

ScanCom also ensures that the requested documentation of wood origin is provided to our customer through some required designated systems like Global Traceability System (GTS-Radix tree), IKEA wood tracing system (WTS), CDP disclosure insight action system, ChainPoint system, Bunning Timber Survey, amfori BEPI timer due diligence system, etc. and other simplify wood traceability document processes.



- * FSC certification/license number for SCI A/S: NC-COC-000932 NC-CW-000932 / [FSC-C018526](#)
- * FSC certification/license number for SCHK: NC-COC-000911 NC-CW-000911 / [FSC-C010181](#)
- * FSC certification/license number for SCVN: NC-COC-000726 / [FSC-C008868](#)
- * FSC certification/license number for SCVN-QN Branch: SCS-COC-006398 / [FSC-C142394](#)
- * FSC certification/license number for SCIN: SCS-COC-007270 / [FSC-C110432](#)
- * FSC certification/license number for SCBR: IMA-COC-000764 / [FSC-C015508](#)
- * FSC certification/license number for Klabin forest: IMA-FM/COC-000038 / [FSC-C022516](#)



GOAL 14: LIFE BELOW WATER



At ScanCom we are naturally keenly aware of the problem with plastic pollution in the oceans and marine environments across the globe, and we want to do our part to remedy this as best as possible.

While we are not directly working with this goal, our procurement of recycled plastic material supports Life Below Water through diverting the waste stream and preventing pollution of the world's oceans and water ways, or actively cleaning up and removing plastic pollution.

Additionally, our dedicated work with REACH compliance entails that we help prevent chemicals entering our natural water ways and ending up in the oceans. This is done through instalments of Effluent Treatment Plants at our major facilities, ensuring that water is treated and purified at our areas of operation.



TURNING PLASTIC PROBLEMS INTO PLASTIC POSITIVES

With every Nassau chair made from Social Plastic® and DuraOcean® recycled plastic we keep **3.5 kg of plastic out of the oceans**



Plastic Bank collector

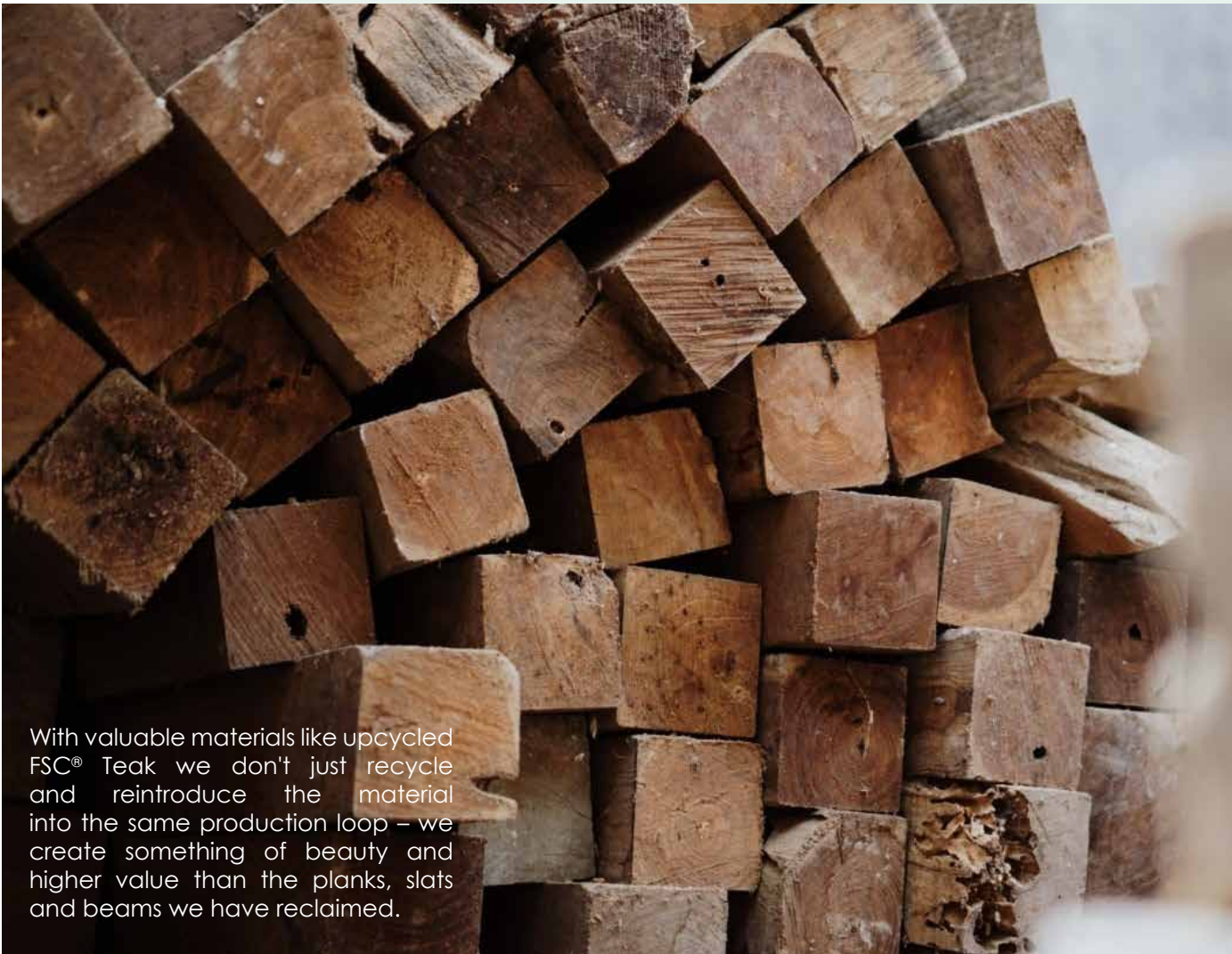




GOAL 15: LIFE ON LAND



MATERIALS RESPONSIBLY AND ETHICALLY SOURCED



With valuable materials like upcycled FSC® Teak we don't just recycle and reintroduce the material into the same production loop – we create something of beauty and higher value than the planks, slats and beams we have reclaimed.

ScanCom have dedicatedly worked with FSC-certified wood and sustainably sourced materials for more than 18 years.

All our hardwood and 'virgin' teak is FSC-certified, and our recycled teak is responsibly and ethically sourced. We only use virgin wood that is sourced from plantations, ensuring regenerative and renewable eco-systems and preventing illegal (and otherwise) deforestation.

The European Union Timber Regulation (EUTR) is increasingly being enforced. ScanCom continues to maintain our Due Diligence System (DDS) every year. We also continue to maintain FSC certification at ScanCom with an annual renewal by an independent 3rd party - approved by the EU as a control organization. The certificate covers all wood used by the ScanCom supply chain.

Our procurement of recycled plastic material also supports Life on Land through diverting the waste stream and preventing pollution of the land, or actively cleaning up and removing plastic pollution. In addition, to make sure we do not waste natural resources even after being sustainably sourced, ScanCom have developed our own DuraBoard® product containing sawdust from our own wood factories and actively source Teak from old buildings to be recycled and given new life.



GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS



Zero corruption policy

ScanCom back the **freedom** of our workforce

At ScanCom, we have a clearly stated dedication to zero corruption through our policy of the same name. In addition, we believe in cultivating and keeping an organisational culture that is both safe, inclusive and fair for all. To this end, we have initiatives such as our whistle blower policy – a policy ensuring that any employee have access to report any injustice or misconduct to the highest levels of our organisation. This is aimed at creating an effective and simple way of combating negative behaviours such as misuse of power, sexual harassment and breach of company policies.

ScanCom also backs the freedom our workforce, including the prerogative to unite and being members of workers' unions.



GOAL 17: PARTNERSHIPS FOR THE GOALS

17 PARTNERSHIPS FOR THE GOALS



WE ARE ACTIVELY WORKING WITH PARTNERS TO COMPLY WITH, AND CONTRIBUTE TO, AS MANY OF THE SUSTAINABLE DEVELOPMENT GOALS AS POSSIBLE.

We know that as a company, we cannot save the world alone, but we believe strongly in doing our part and work actively and continuously with old, new and future partners in order to comply with, and contribute to, as many of the Sustainable Development Goals as possible.

This includes ScanCom being a signatory to the UN Global Compact as well as being part of the global FSC network, partnering with organisations that facilitate clean-up efforts of environments around the world, and procuring ethical, responsible materials that are sourced by companies with a proven record and dedication to support the environment.

In addition, ScanCom is a proud sponsor to the Erasmus University Rotterdam's Erasmus Sustainability Days 2021 and, through its brand LifestyleGarden®, are also collaborating The Eden Project in order to raise awareness on the education and promotion of environmental sustainability.



◀ DuraOcean chair at The Eden Project

Erasmus Sustainability Days 2021



ScanCom
Doing Business the Right Way

ScanCom manufacture outstanding products that combine international design expertise with state-of-the-art production techniques and with a proven commitment to planet and people.

We are committed to help creating a better, sustainable future for the world through best practices, and a commitment to our ongoing improvements are in evidence across all areas of our business.




Marking the partnership with Plastic Bank, ScanCom Indonesia visited a collection point to see the sorting operation for the Social Plastic® material.



UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

PERFORMANCE INDICATORS AND OBJECTIVES

For season 20/21, ScanCom continued with the performance indicators given below and set related objectives.

This year Communication on Progress in performance has focused on the selected indicators and objectives and the reports on other related areas as well.

UN Global Compact Principles	Level C, Global Reporting Initiative (GRI) Performance Indicators	Objective Result (CSR/SCVN)
Human rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<p>amfori BSCI and Sedex SMETA audits with focus on human rights at ScanCom and amfori amfori BSCI audit for all contract manufacturers. This includes the rights to freedom of expression and collective bargaining, the non-discrimination and fair remuneration, the non-harassment and abuse, the voluntary labor, the protection of child labor and young labor, the decent working hour and decent employment, the rights on education and food with clean water and development.</p> <p>HR2: Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.</p> <p>HR6: Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.</p>
	<p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>	<p>ScanCom has developed program on young worker and talent management internship, 6G evaluation and employees' satisfaction survey as part of the ScanCom Sustainability Strategy to promote human rights, the development of communities and social advancement.</p> <p>Continue to work with all suppliers and partners to actively promote children's rights throughout our value chain and commit to respecting all children's rights.</p>
		<p>HR3: Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</p> <p>Update ScanCom Code of Conduct with relevant standards and policies on human rights to communicate to employees, management and business suppliers.</p>

UN Global Compact Principles	Level C, Global Reporting Initiative (GRI) Performance Indicators	Objective Result (CSR/SCVN)
Labour	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>LA1: Total workforce by employment type, employment contract.</p> <p>Comply with legal legislation on the freedom of association and ensure the rights to freedom of expression and collective bargaining for all employees at ScanCom and contract manufacturers.</p>
	<p>Principle 4: Elimination of all forms of forced and compulsory labour.</p>	<p>LA2: Total number and rate of employee turnover by age group, gender.</p> <p>Maintain with no incident of forced and compulsory labor at ScanCom and contract manufacturers.</p>
	<p>Principle 5: Effective abolition of child labour.</p>	<p>LA4: Percentage of employees covered by collective bargaining agreements.</p> <p>LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</p> <p>LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities.</p> <p>Maintain 100% of employees covered by collective bargaining agreement (CBA). Continue to compliance with local regulations on maintaining required HSE training programs for workers joining the safety and sanitation network and other types of HSE management to ensure safety practice in operation. Maintain number of major occupational disease and work related fatalities with no case.</p>
	<p>Principle 6: Elimination of discrimination in respect of employment and occupation.</p>	<p>LA10: Average hours of training per year per employee by gender, and by employee category.</p> <p>LA14: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.</p> <p>Employees, management and suppliers were communicated on labor policies including non-discrimination and monitored with said social audit programs. Continue with highest regional minimum wage for all the regions of operation.</p>
Environment	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges.</p>	<p>EN1: Material used by weight or volume.</p> <p>Materials used in operation to comply with requirements from REACH.</p>
	<p>Principle 8: Undertake initiatives to promote greater environmental responsibility.</p>	<p>EN2: Percentage of materials used that are recycled input materials.</p> <p>Increased the used of recycle materials in production Sourcing with suppliers having high percentage of recycled ratio in materials.</p>
	<p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies.</p>	<p>EN3: Direct energy consumption by primary energy source.</p> <p>EN 8: Total water withdrawal by source.</p> <p>Reduced energy used per piece in season 20/21. Reduce the water used in production and daily operation.</p>
		<p>EN 21: Total water discharge by quality and destination.</p> <p>Complied with national standard on discharged water.</p>
		<p>EN 22: Total weight of waste by type and disposal method.</p> <p>All type of wastes were handled and treated properly on disposal as per legal requirements</p>
	<p>EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.</p> <p>Developed paper materials to replace plastic in packaging. Also new way of packing that can save 20% of space in loading Started with energy consumption and CO2 emission on transportation.</p>	
Anti-corruption	<p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>SO3: Percentage of employees trained in organization's anticorruption policies and procedures.</p> <p>Implemented and maintained ScanCom Code of Conduct with all business partners.</p>
Economic	<p>EC1: Direct economic value generated and distributed.</p>	<p>Maintained generate profit after tax and kept employees' benefits above legal regional minimum wages and insurance.</p>



PERFORMANCE INDICATORS AND OBJECTIVES FOR THE FOLLOWING YEAR

For season 21/22, ScanCom will communicate the progress using the updated performance indicators listed below together with updated objectives.

UN Global Compact Principles	Level C, Global Reporting Initiative (GRI) Performance Indicators	Related Objective
Human rights	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>Continue with amfori BSCI, Sedex SMETA, ICS audits and Code of Conduct from the customers or other requested social compliance platforms at key suppliers. Maintain the ScanCom's social compliance program for the supply chain.</p>
	<p>Principle 2: Make sure that they are not complicit in human rights abuses.</p>	<p>Continue to maintain the effective child labour policy and increase the identification of the child labour risk in the supply chain, especially at the material suppliers.</p> <p>Continue with the young worker program, as part of the ScanCom Sustainability Strategy to promote human rights including the development of communities and social advancement.</p>
	<p>Principle 3: Businesses should support and respect the protection of internationally proclaimed human rights</p>	<p>HR2: Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.</p> <p>HR6: Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.</p>
	<p>Principle 4: Elimination of all forms of forced and compulsory labour.</p>	<p>HR3: Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.</p> <p>Maintain integrated ScanCom Code of Conduct training for all employees and business suppliers. Open to the human trafficking training program from NGOs for employees in promoting their self-defence capability</p>

UN Global Compact Principles	Level C, Global Reporting Initiative (GRI) Performance Indicators	Related Objective
<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<p>LA1: Total workforce by employment type, employment contract.</p>	<p>Maintain the well respect over the Code of Conducts, amfori BSCI, Sedex SMETA, ICS programs and customers Code of Conducts at ScanCom. Promote the cooperative activities with the Trade union for the best of supporting employees in alignment with the business strategy</p>
Labour	<p>Principle 4: Elimination of all forms of forced and compulsory labour.</p>	<p>LA2: Total number and rate of employee turnover by age group, gender.</p> <p>Maintain the well respect over the Code of Conduct with no incident of forced labour or compulsory labour at ScanCom and contract manufacturers with regular internal audits and external audits. Labour turnover KPI set with proper analysis and action plan to reduce the turnover rate.</p>
	<p>Principle 5: Effective abolition of child labor.</p>	<p>LA4: Percentage of employees covered by collective bargaining agreements.</p> <p>LA6: Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.</p> <p>LA7: Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities.</p> <p>Maintain the well respect over the Code of Conduct with no incident of child labour at ScanCom and contract manufacturers with regular internal audits and external audits.</p> <p>Promote and maintain 100% of employees participating Trade union and covered by Collective Bargaining Agreement (CBA). Ensure annual employees social dialogue.</p> <p>Modify the list of employees and management participating in health & safety management program with necessary training to monitor and control the health and safety.</p> <p>Continue to promote the health and safety management system with proper KPI and action plan and programs in reducing the labour accident ratio, accident loss time and promote the safety culture at the floors.</p>
	<p>Principle 6: Elimination of discrimination in respect of employment and occupation.</p>	<p>LA10: Average hours of training per year per employee by gender, and by employee category.</p> <p>LA14: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.</p> <p>Maintain the well respect over the Code of Conduct with no incident of discrimination at ScanCom and contract manufacturers with regular internal audits and external audits.</p> <p>Continue to promote the well awareness of employees on non-discrimination over the integrated Code of Conduct training.</p> <p>Continue to promote the well respect over the gender equality with KPI and action plan in gender balancing at the managerial level.</p> <p>Take part in the amfori Speak for Change program to improve the level of satisfaction in mid-2022.</p>



UN Global Compact Principles		Level C, Global Reporting Initiative (GRI) Performance Indicators	Related Objective
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	EN1: Material used by weight or volume.	Continue to comply with requirements from REACH, LRS, OEKO-TEX and extend to requirements from DETOX, ICS environment, HIGG Index and amfori BEPI. Promote the respect over the use of materials in a responsible manner so to reduce the material wastes from operation.
	Principle 8: Undertake initiatives to promote greater environmental responsibility.	EN2: Percentage of materials used that are recycled input materials.	Continue to focus on improving the sourcing on using suppliers with higher percentage of recycled ratio. Continue to focus on internal increment of recycle percentage for plastic and wood composite. Replace materials or substances with more environment friendly ones as packing materials and glues.
	Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	EN3: Direct energy consumption by primary energy source. EN 8: Total water withdrawal by source.	Continue to reduce 5% in energy used per piece in season 21/22. Continue to develop the better environment database obtaining mechanism including energy, water and recycle materials used for analysis and improvement plan.
		EN 21: Total water discharge by quality and destination.	Continue to properly monitor the legal requirements for continuous improvement and completely comply with the parameter of discharged water per industrial zone standards.
		EN 22: Total weight of waste by type and disposal method.	Continue to better monitor of the in-house waste segregation program. Additional investment in equipment to better collect the data and measure the date for analysis and reduction action plan. Extend the monitor of proper wastes handling and treatment by the waste service providers. Continue to promote the program for ZERO waste landfill.
		EN26: Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Continue to maintain the monitoring of CO2 emission from the operation and the supply chain. Continue to fully control of restricted substances from input to operation following REACH standard and requirement from customers.
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	SO3: Percentage of employees trained in organization's anticorruption policies and procedures.	Maintain the well respect over the Code of Conduct with no incident of corruption in all its forms at ScanCom and contract manufacturers with regular internal audits and external audits. Promote the awareness from employees, management and suppliers from frequent integrated training program.
Economic		EC1: Direct economic value generated and distributed.	Maintain generate profit, paying tax, and keep our employees' benefits above the regional minimum wages with insurance.



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