BRICpro

UN Global Compact Communication on Progress 2020



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About BRICpro

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

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

Supporting the UN Global Compact

We hereby confirm BRICpros' continued support to the ten principles of the United Nations Global Compact-initiative. This Communication on Progress is the fifth sustainability report in the history of BRICpro and as a company we are proud to support this important initiative heading towards a better world where private corporations acknowledge their responsibility within the areas of humanand labour rights, environment and anticorruption, and are willing to act thereafter.

BRICpro is an ethical sourcing company specialised in assisting design, furniture and interior brands to find sustainable materials and ethical production sites, and we are determined, in our daily operations, to incorporate the principles into all procedures, and to build and uphold a culture for integrity. With this report we wish to give employees, clients, costumers, civil society, governments and others an honest statement on our progress to meet our obligations.

The year 2020 turned out to be a very challenging, however interesting, year for BRICpro. The global covid19 pandemic struck our business from one day to the other, and obviously that affected our possibilities for

engaging in local issues world wide, and it made it difficult to follow social developments 'on site'. It was a challenging time for BRICpro and we had many concerns regarding the health and safety of our employees and workers in the supply chain. Our respons to the pandemic as well as the subsequent practical and legislative limitations, led to a change in the way we operate internationally, and among others this change in approach will be addressed here.

Following on from our commitment to do business in compliance with the UN Global Compact we are simultaneously comitted to contribute to the UN Sustainable Development Goals in order for us to also contribute to solving societal challenges. We have chosen an interlinked approach, since we experience many overlaps in our practical actions made. In particular we contribute to SDGs no. 8, 12 and 13.

BRICpro was established with the aim of doing business in a responsible manner and through the years we have gathered huge amounts of in-depth knowledge and practical experiences, which we are happy to share with all interested. Feel free to contact us if you want to lean more about BRICpro.

Signature:

Mads Bisgaard Christensen CEO

Signature:

Leen Hanemaaijer Head of Production

The Sustainable Development Goals

In 2020 we continued our commitment to the Sustainable Development Goals. The SDGs consists of 17 goals that invite all governments, organizations and businesses on-board to work towards creating solutions to reach these common goals. For businesses this is a unique chance to ensure an innovative business and a sustainable economic growth.



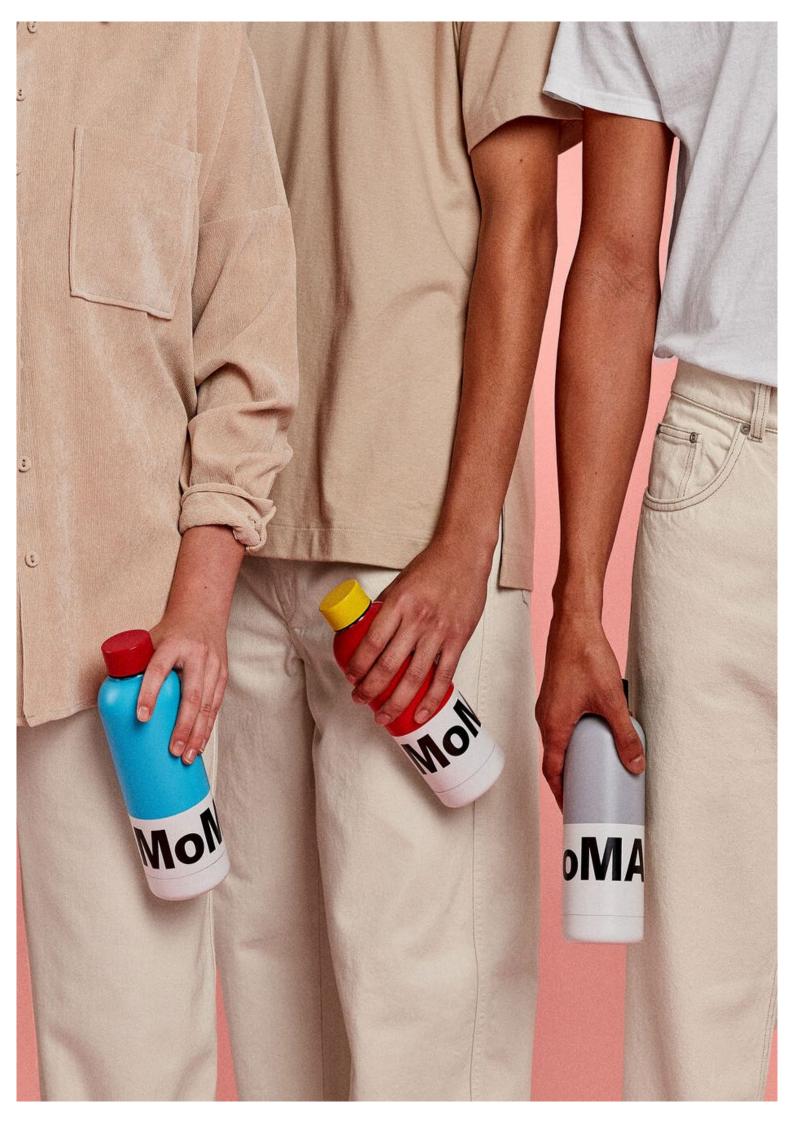
In this report you will see our efforts to comply with the 10 principles of the UN Global Compact and the SGD's as one integrated approach, as we see many links and overlaps. We believe that we can get the most out of both with an interlinked approach, since the SGD's are containing issues within both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

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









Human & Labour Rights

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

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



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



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

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

An ethical supply chain built on trust and respectful cooporation

BRICpro is promoting good practices in all aspects of our value chain, having a special focus on assisting our partners in the supply chain. As a solid point of departure for operating we developed a detailed database for comparing our partner factories' CSR statuses, which gave us the possibility to monitor and impact each specific factory. The factories were visited by BRICpro staff or were certified with either BSCI, Sedex, GOTS and/or SA8000. The database was a helpful tool in our daily operations, and through the years we supported our partner factories in carrying out a number of social improvements directly related to humanand labour rights issues.

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

Furthermore, all factories have shown to be committed to operate in accordance with the UN Global Compact initiative as expressed by their adherence to our Code of Conduct.

In 2020 we experienced a change in the way we had to do business in our supply chain. The global covid19-pandemic affected BRICpro in various ways: First of all, the pandemic per se, led to our increased health and safety-concerns for employees and workers in the supply chain, and we unreservedly adhered to- and followed health authorities' impositions and recommendations in order to protect workers and to prevent the covid19 to spread further. At a production facility, we donated 600 face masks to workers and their families.

Moreover, national and regional covid19-legislations led to several lockdowns at factories and offices worldwide, and we were denied access to production sites as well as entrance into countries. Such practical challenges forced us to rethink the way we engaged with factories in terms of business methods and our handling of ethical responsibilities. The year 2020 is therefore influenced by a change from local 'hands on' by BRICpro staff, to a higher degree of reliance on external partners and international audits. This development reflects a change in the BRICpro identity, moving from self-assessment methods to a higher degree of trust and reliance on valid and legitimate partners within the field of corporate social responsibility (CSR) and supply chain management. BRICpro welcomes this new approach, and we are proud that we have built up a solid structure for cooperating with highly skilled and trustworthy CSR-audit partners.

Despite our increased reliance on external partners, we are still in close contact with our partner factories with whom we communicate on a daily basis. This allows us to follow the development, to listen and learn from them.

Knowhow as catalyst for wiser choices

Our sustainable material library is a practical inspiration tool for BRICpro staff as well as for our clients. It gives us the possibility to make sustainable choices based on 7 categories; reduced carbon emissions and water consumption, considerations for animal welfare, no toxic materials, responsible material consumption, recycled material and circular recycable materials. The content have been carefully selected, and today the library consist of more than 40 different materials. The chosen materials are alternatives to mainstream and conventional materials, and we certainly have to face challenges because of their 'experimental' abilities. However, considering BRICpro as an ambitious pioneer within the fields of sustainable sourcing and production, we are determined to embrace better materials and we believe that in the long run this position, helps us to push both our clients and the industry in a more sustainable direction. Establishing this library, as well as ensuring it's continued development entailed a significant investment in terms of research hours, and even though we are far from having implemented these materials at a level equal to the conventional materials, we continuously spend a lot of time diffusing it to our clients, expecting them to also embrace the materials, knowing that it takes time.



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

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

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

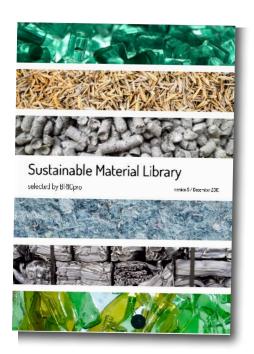
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Additionally the library has also proven to be an important tool for constructive and important, informal dialogues with our clients, design students and others, and it supports our strive to have positive impacts on our surroundings. We are happy and prod to share important knowledge with present and future decicion makers in the field.

The sustainable material library is updated on a yearly basis, where materials are being added or removed based on quality, applicability and sustainability.

Based on our sustainable material libray, BRICpro in 2020 gave a number of lectures to students enrolled at the New York School of Visual Arts in collaboration with the Museum of Modern Art, with whom we shared indepth knowledge on the materials. Knowledge sharing is vital and we are proud that this tripart collaboration is in line with the Sustainable Development Goal no. 17: Partnerships for sustainable development.

Some of the materials chosen from our sustainable material library that was integreted into products launched in 2020 featured egg shells (a table series) and recycled plastic (umbrellas).



Reducing our use of plastic packaging

In 2019, BRICpro had the goal of eliminating the use of plastic packaging and we therefore introduced the NO! Plastic package-initiative. The goal set as a work-in-progress and in order for us to reach that objective, several sub-objectives have been made: For instance we have made a thorough examination of a range of alternative materials. The intention was to identify one or more sustainable materials which, in particular during transport, have the same protective qualities as plastic. Furthermore, in 2020 we finished a packaging guideline that we shared with internal and external stakeholders, in order for them to be aware of the extent of plastic in packaging used, and to present alternative methods of packaging.

By 2020, we are experiencing that our clients are more likely to use plastic-free packaging materials compared to previous years, and we are happy to find ourselves in a position where we are able to, kindly, push our clients and suppliers in this direction. However, we are well aware that we have still not reached our goal, among others due to limited technological abilities in present alternative materials. We are at the beginning of a plactic-free journey, and in this regard, BRICpro continues the dialogue with clients to assist them in making sustainable packaging choices when possible, as well as with suppliers in order to discuss new packaging methods.

Expansion with care for environment

Within the last couple of years, BRICpro has experienced a steady expansion of our supply chain and along with this process came considerations of both economic and social sustainable characters. It was clear that building up a supply chain in Europe had numerous advantages related to carbon emissions when compared to our Asian setup, and hence expansion of primarily the European market, became our strategy.

In the years 2018 - 2020 BRICpro went from having 26% to having 40% of our production facilities in Europe. This steady development gives us the possibility to thoroughly transform our structure while keeping a solid focus on sustainability, in order for us to uphold and maintain our high ethical standards on which BRICpro was built.

In the same period of time we saw a comparativ decrease in production volume in Europe going from 65% in 2019 to 41% in 2020. This does not reflect a fall at the European volume, it is exclusively an expression of an increase in volume from our Asian facilities.

Focusing on carbon emissions due to transport, there is a key advantage when operating at the European production sites, because of shorter transport distances, and even though our Asian setup at the moment is having the greatest volume, we are happy to follow a strategy leading towards an increase in number of European production sites.

Furthermore it is important to notice that those of our clients that often choose European production sites, very often also choose European materials, eg. wood harvested in the same region where the production takes place, which also minimizes shipments' carbon footprint in comparison to our Asian structure.

Indicators/year	2018	2019	2020	2021
European factories (agg. in pct. of total)	26 %	39 %	40 %	35 %
European production volume (pct. of total)	27 %	65 %	41 %	35 %



Air freight and initiatives for neutralizing our negative environmental footprint

A core, however problematic, element in our business is our dependency on shipments across the world. We are well aware of the negative environmental impact the shipments have due to carbon (or equivalent) emissions, and it challenges our ethics and self-understanding everyday. Meeting this challenge and to take relevant action is therefor keen to us, and for the last three years we have been a part of the DHL Go Green-initiative, that through donations ensures neutralization of our carbon footprint. The shown reduction of Co2e emissions in 2020 reflects a decrease in number of air freights, caused by the covid19 pandemic.

Quantitative indicators/year	2019	2020
Offset of Co2 emissions from air freights ¹	13,272.23 kg CO2e	6,414.18 kg CO2e

Legally harvested wood

Illegal loggin or trade with wood or forest products have severe negative consequences in a range of areas, among others regarding biological diversity, indeginous people's rights, taxes/corruption and carbon emissions, which explain why we give this area special attention and have developed a rigorous due diligence system. In accordance with the EU Timber Regulation (EUTR) we require documentation from our suppliers containing FSC-certification, invoices and logging permits from the wood.

Additionally, BRICpro in 2019 became a member of the FSC-network, in order for us to further push the industry in the right direction. Since 2019 we have more than doubled our amount of items made with FSC-cecrtified materials.

Quantitative indicators/year	2018/2019	2020	2021
FSC-certified items produced	4.329 pcs.	7.456 pcs.	9.509pcs.



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¹ DHL Express Go Green certificates 2019 and 2020. Available upon request.

Outphasing restriced chemicals

The conventional textile industry is affected by a number of chemical substances that may cause severe and sometimes irreversible impacts on humans and environment. The chemicals are by the EU defined as substances of very high concern and appear on the official SVHC-list. Being integrated into the BRICpro Code of Conduct, the list has throughout 2020 been shared with partner factories, followed by constructive dialogues on how to phase out the substances. On top of that, all suppliers are furthermore required to comply with the EU Legislation referred to as REACH, which demands our suppliers to identify and risk manage the substances used. Upon request from BRICpro, our partner factories have to agree to third party tests to ensure and show compliance with the REACH.

Anti-corruption

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

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

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

Want to learn more?

If you have questions or comments to this report, please contact us.



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

We welcome feedback on its contents.