

# UN Global Compact

IC COMPANYS  
*COMMUNICATION*  
*ON PROGRESS*  
2012

# Message from the CEO

IC Companys is a leading sports and fashion company with approximately 2500 employees engaged in operations globally.

As a natural part of striving to become the best developers of sports and fashion brands, IC Companys is also aspiring to be one of the most responsible developers. By being a responsible developer we refer to IC Companys not only being in compliance with regards to international standards on people, planet and profit but also to IC Companys' ability to allocate resources to where we can make the biggest impact.

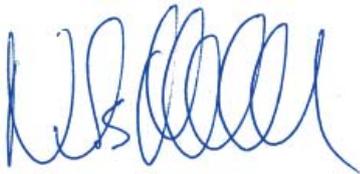
Our financial year 2011/2012 has been affected by the global financial turmoil and challenging markets. However, it has also been a year where we have put even more emphasis on and seen the benefits of working more systematically with our corporate responsibilities and where we have seen the importance of integrating our social, environmental and economic responsibilities for our long-term profitability.

Our emphasis on working with international principles has played a pivotal role in guiding our company and assisting us in taking the right decisions which also contribute to our readiness to meet future challenges. By matching our overall CR framework in terms of international principles with relevant policies and processes which are allocated to the relevant functional departments we have created a solid foundation for our CR work.

The financial year 2011/2012 has also been characterized by IC Companys working even more strategically in terms of defining where we can make the biggest impact; alone with regards to our own CR policies and processes; in partnership with our suppliers, sharing knowledge on how we together can work towards a more sustainable supply chain and finally by giving our customers the opportunity to take action and play their part as members of the growing community of sustainable fashion consumers.

In the next financial year IC Companys will continue our strong support of the UN Global Compact Principles and will work hard to have even better systems in place for implementing our CR efforts across the board. This includes continuing our emphasis on creating strong partnerships with our suppliers with focus on dialogue and education as vehicles for the development of a more sustainable supply chain. Furthermore, there will be attention on quantifying our work through focusing on data collection inspired by the GRI framework.

In the next pages you will find more information on IC Companys' commitment to the UN Global Compact and how we translate this commitment into concrete activities and results.



Chief Executive Officer  
Niels Mikkelsen

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# CORPORATE RESPONSIBILITY IN IC COMPANYS

*Our Corporate responsibility framework of People, Planet and Profit is based on international principles and the UN Global Compact. Our work with international principles has played an important role in guiding our company in making the right decisions while also contributing to our readiness to meet future challenges. By matching our overall framework with policies and processes allocated to the relevant functional departments we have created a solid foundation for our Corporate Responsibility work.*

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The first part of the Global Compact communication on progress report presents IC Companys' corporate responsibility (CR) policy and then provides highlights of our CR activities in the financial year 2011/12. This is followed by a description of our work on People, Planet and Profit and subsequently by our plans and targets for the next financial year. In the last part of the report we provide a matrix showing an overview of activities and results vis a vis the 10 principles of the UN Global Compact.

## Corporate Responsibility policy

In the below is an excerpt of the CR policy. The areas of the CR Policy related specifically to People, Planet and Profit are mentioned in the section describing how we work on each area.

In IC Companys we recognise that we are part of an industry with many CR challenges both in terms of complex supply chains and resource challenges to mention a few. Our overall approach is to take these challenges seriously and make sure that we are not a barrier to sustainable development. However, we would like to take it one step further and where possible work towards turning these challenges into opportunities where we can use our inherent creativity and strong innovation skills to make a difference and contribute to sustainable development.

For IC Companys, CR is about not only making sure our products live up to our high quality standards and customer expectations, but also that they are produced responsibly. We consider CR to be an integrated part of our business and an essential element in our Company's profitability. Furthermore, our work with CR plays an important role in making sure IC Companys is ready to meet future challenges.

IC Companys' CR efforts are grounded in the UN Global Compact's 10 principles which are based on internationally adopted declarations and conventions on human rights, labour rights, environmental protection and anti-corruption. We use these principles and the United Nations Guiding Principles as the overall framework to guide our CR policies and implementation processes.

We pledge to work pro-actively internally as well as externally with our suppliers to promote compliance with these principles. We will never be able to guarantee 100% compliance, but we strive to make a positive difference and set up due diligence processes to avoid non-compliance issues. Furthermore, we use our Compliance Hotline to enable access to remediation in cases of non-compliance.

A cornerstone in IC Companys' approach is a continuous assessment of our CR risks and opportunities. This is essential for our efforts to secure compliance. Equally importantly it enables us to prioritise and allocate resources to where we can make the biggest impact. Moreover, we believe that for CR to be sustainable, it has to be integrated in the appropriate functions within IC Companys and our brands. This means that based on our continuous assessments, we assign responsibility in the organisation for our CR issues and CR targets in order for the relevant functions to take action.

## Highlights of activities in 2011/12

### *Development of a new CR strategy and implementation framework*

In terms of CR, this financial year has been characterized by the development of a new strategy including the development of policies and processes to guide the implementation of the strategy (see figure 1 below). To facilitate the roll out of the strategy and to achieve a common understanding of how we work with CR in IC Companys, all our 11 brands and functional departments in IC Companys have been through training sessions.

	PEOPLE	PLANET	PROFIT
PRINCIPLES	UNGC Principles 1-6	UNGC Principles 7-9	UNGC Principles 10
POLICIES	People CR policy	Planet CR policy	Profit CR policy
PROCESSES	Processes supporting the implementation of the People principles and policies	Processes supporting the implementation of the Planet principles and policies	Processes supporting the implementation of the Profit principles and policies

Figure 1 - 3 X 3 P's. Overall CR implementation framework - From Principles to Policies to concrete Processes.

The implementation framework described in Figure 1 provides us with guidance in our everyday work. Furthermore the processes provide us with hands on guidance on how we operationalize this work. However, the overall principles are also used as guidance when we face a challenge or dilemma. Filling in the matrix is a continuous process which is aligned with our due diligence work.

### *Assessment of CR Challenges and Opportunities*

During 2011/2012 we initiated an analysis of our challenges and opportunities. This has allowed us to sharpen our strategic CR focus and work even more strategically with the areas where we can make the biggest impact. Furthermore, this has led to a process where we have focused on using our creative skills and matched these skills with CR training so we can work more proactively with regards to our CR challenges and opportunities.

### *Education – a cornerstone of our CR work*

Our emphasis on education is based on the overall aim of being able to identify where we can make a positive difference and where we can turn CR challenges into opportunities. An important aspect of this work is to continuously identify what we can do to facilitate more sustainable operations at our suppliers. Consequently, during the last 12 months we have put a lot of emphasis on building the competences among our own staff to be able to identify where can take action or make decisions that end up leading to non-compliance challenges for our suppliers.

## *Working with our suppliers*

In general we see our suppliers as critical partners in our efforts. Consequently using a partnership approach to promote responsible supply chain management has been a main focus area during this financial year. This included assisting our suppliers to find the most responsible solutions and also listening to our suppliers' ideas on how we can improve our own performance. Furthermore, we have developed a supplier scorecard which in addition to parameters like quality, price and delivery also includes CR parameters. This will be used as a tool to further promote dialogue with our suppliers and emphasize our focus on CR performance as an important aspect of being an IC Company's supplier.

## *CR in our Brands*

On top of our corporate CR work, our brands are also becoming more and more active. Our CR frontrunner Jackpot is continuing their industry best practice work under the overall title of 'Respect for People and Planet'. Their holistic perspective ranges from responsible supply chain management all the way down to support of cotton farmers to involving the end users by introducing 'take back' campaigns. Furthermore, Jackpot is also actively involved in the Better Cotton Initiative (BCI) and will introduce the first BCI product in the fall 2012 collection. As a result of Jackpot's dedication they took home the prestigious 'Best Organic Textile Product Award' with the 'Jackpot Donation Tee Spring 2012'.

Under the overall ICC CR credo of identifying where we can make the biggest impact several of our brands have worked with identifying best practices on wet processing. Wet processing is potentially a process which wastes a lot of resources and uses a lot of harmful chemicals. However, it is also a process where a lot of technical breakthroughs have been made with regards to more sustainable processes and hence an area where we can make a big impact in cooperation with our suppliers. Consequently several of our brands have taken up this challenge and arranged training seminars for buyers and designers or initiated other programs targeting this challenge (see InWear example below). The aim of the training was to further build the technical knowledge about fibers, fabrics, dyeing methods etc. which allows our staff to set requirements and have a dialogue with suppliers on how to move to more sustainable wet processing.

Back in the 70s InWear introduced washed looked denim jeans to the consumers, and was famous for it. Based on this heritage, InWear has initiated a project building on sustainable washing of denim jeans with a washed look. The washing will be done using "smart" chemicals that requires less water and laser to achieve this washed look. By sustainable washing between 30-90% (depending on the washed look) water and energy is saved in the washing process. Hereby InWear is tackling two of the major challenges in the fashion industry – the large water consumption and the use of harmful chemicals. InWear has visited suppliers and first samples are already being produced. First jeans made by this water saving method will be in stores with the 13.01 collection.

## Our work on our People, Planet and Profit responsibilities

### People – UNGC principles 1-6

#### **People Policy**

IC Company's supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts both internally in IC Company's as well as in cooperation with our suppliers. Furthermore, we regularly assess opportunities for using our core competences to make a positive contribution to the realisation of the Universal Declaration of Human Rights.

Our work with Human Rights also includes our efforts to create a conducive working environment for our employees, which provides the opportunity to develop and achieve a good work life balance.

Furthermore, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights.

## *Responsible Supply Chain Management*

Generally in our CR work we look for issues where we can have an impact and where possible we can exercise leverage to obtain an impact beyond our immediate size. Our active membership of Business Social Compliance Initiative (BSCI) is a good example of this approach. BSCI represents 900 companies and a turnover of Euro 600 billion.

### **BSCI Code of Conduct**

The BSCI Code of Conduct is based on the most important international labour standards protecting the workers' rights such as the International Labour Organization (ILO) Conventions and other important declarations of the United Nations, the OECD guidelines for multinational enterprises and the UN Global Compact. The Code of Conduct includes the following:

1. Legal Compliance
2. Freedom of Association (UN Global Compact Principle 3)
3. Prohibition of Discrimination (UN Global Compact Principle 6)
4. Compensation
5. Working Hours
6. Workplace health and Safety
7. Prohibition of Child Labour (UN Global Compact Principle 5)
8. Prohibition of Forced Labour and Disciplinary Measures (UN Global Compact Principle 4)
9. Environment and Safety issues
10. Management Systems

## *BSCI*

Since joining BSCI in 2007, BSCI forms the foundation of IC Companys' initiatives on responsible supply chain management. BSCI is a business-driven initiative for companies committed to improving working conditions in the global supply chain. Built on the 3 pillars of Monitoring, Empowering and Engaging, BSCI unites hundreds of companies around one common Code of Conduct and supports them in their efforts to build a responsible supply chain by providing them with a step-by-step development-oriented system.

A big part of BSCI's work and budget is capacity building or empowering of suppliers and members. BSCI provides workshops in areas identified as challenging for suppliers e.g. overtime, occupation health and safety and worker management. In 2011 BSCI reached a total of 5.125 participants in their workshops. BSCI's emphasis on capacity building is very much in sync with our approach and belief that it is through these activities that we will see real progress with our suppliers. IC Companys has participated actively in this financial year on improving BSCI's capacity building work as a member of the capacity building work group. This not only provides IC Companys with the opportunity to be a part of the further development of BSCI but also allows us to gain valuable knowledge about the root causes or non-compliance areas from the suppliers' point of view.

The 'Monitoring' aspect of BSCI i.e. the audits is important part of our risk assessment and plays an important part in validating that the empowering work including capacity building is actually having an impact. Audits are conducted by independent external BSCI accredited auditors. The results of the audits are shared in a common database among BSCI participants.

The 'Engagement' pillar focusses on engaging stakeholders in a way that goes beyond what individual corporations can do. An example of BSCI's engagement work is the Round Tables on CR which BSCI initiates in sourcing countries such as China, India, Bangladesh and Turkey. The Round Tables provide an opportunity for dialogue with local stakeholders on how they can work together to improve working conditions.

## *Global Sourcing Project*

In spring 2012 the Group's sourcing project was implemented, with focus on partnership, flexibility and transparency towards suppliers, one of the goals of the project was to reduce the number of suppliers for the group. Reduction of suppliers in 2011-12 was 8% to a total of 349 (379), the full effect of the sourcing project is expected to come in to place in 2012-13 with an additional reduction of suppliers of 12-15%.

The sourcing project's focus is in line with the CR strategy with a clear emphasis on a partnerships approach to suppliers. Furthermore it still offers flexibility for brands to choose suppliers within our base of suppliers. Suppliers in this base have been through a due diligence process based on a variety of parameters including CR. Finally the focus on transparency for both buyers and suppliers is closely linked to our work with the supplier scorecard.

## *Work2Learn*

Work2Learn is a project in Dhaka, Bangladesh, initiated by the organisation Save the Children Denmark which IC Companys actively supports. The objective of Work2Learn is to offer underprivileged child workers a decent alternative, a market relevant education as well as safe and proper jobs and hence supports the UN Global Compact principles 5 on the abolition of child labour.

The project is a broad-based co-operation between children/students involved, NGOs, public institutions, educational institutions, trade organisations, local suppliers and businesses within the fashion industry.

The students participating in the project are aged between 16 and 18 and after 9 months of training with UCEP, they receive a traineeship with a local host corporation (e.g. a supplier of IC Companys) for 3 months. This financial year a total of 50 students (100 students in total since the project's inception) have now gone through the UCEP training program as well as apprenticeships at five local host corporations. Furthermore, closer links have been forged this year between the training institution (UCEP) and the industry, which provides the institutions with crucial knowledge on what skills and competences are required in the industry.

IC Companys continues to participate in this project for a number of reasons. We see this opportunity to translate our policies into action in close co-operation with one of our suppliers. Furthermore, we fundamentally believe in the model where businesses and NGOs work together to solve CR challenges. Finally, we support the project as it offers a constructive and sustainable solution to a social problem. By participating in this project IC Companys is sending a signal to other suppliers concerning our commitment and view on CR. In addition, we gain valuable experience by working with NGOs.

## *Global employee satisfaction*

In IC Companys our work with employee satisfaction is a continuous process which is closely followed by the top management. Satisfied, engaged employees and empowering leadership are absolutely necessary in a high performing organization. Each manager sets new targets each year and both individuals and teams are assessed to develop a performance culture based on performance recognition and respect for work life balance.

To support this process, the annual Employee Survey ensures that we have a continuous idea of what our strengths are and where we need to improve. The overall results from this year's Employee Survey shows that 'Satisfaction & Motivation and Loyalty' results for IC Companys are high with 72 points and 80 points, respectively. The score for 'Satisfaction and Motivation' has gone up one point from last year and when compared with the external benchmark of the European Employee Index (EEI), it is a good result, as the EEI score is 67. Also the 'Loyalty' score has improved by 1 point since 2011, which means that we have a satisfactory level of loyalty in IC Companys. When compared with the external benchmark EEI, it is a good result, as the EEI score is 71.

## Planet – UNGC principles 7-9

### **Planet Policy**

IC Companys supports the UN Global Compact's principles for the environment (principles 7-9). Practically we do this by continuously assessing our environmental challenges and following the overall principle of taking a precautionary approach to environmental challenges. Furthermore, we focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our impact on the environment and where we can work with our suppliers to facilitate that they, e.g., use environmentally friendly technologies.

With regards to the planet bottom-line the financial year 2011/12 has been characterized by a strong focus on and progress with regards to our work to eliminate harmful chemicals in our products.

## *Non-compliance issues*

We started the financial year with five cases of non-compliance issues in terms of harmful chemicals which led to negative publicity. To become even better at handling these types of challenges we initiated a number of initiatives. One of the most important ones was to further strengthen the competences and resources of our HQ Knowledge center as well as the competences of our brand sourcers. The overall aim was to strengthen our preventative work: avoid that harmful chemicals enters our products in the first place. Moreover, we also wanted to be able to improve our risk management and apply tests in a smarter way. This work has led

to new processes being put in place and has already proven its worth in many cases. Additionally, we have provided training to our suppliers on how to avoid harmful chemicals. This has been supported by guidance and dialogue on specific issues e.g. with regards to finding alternatives to harmful chemicals etc.

Though we put a lot of emphasis on education and prevention we are aware that we need to perform audits and tests to validate our efforts. We have, however, worked hard the last year to add more knowledge to the testing. This means that today we have a much deeper knowledge and more developed systems to prevent non-compliance issues.

## *Litmus test of our approach*

Our approach and new processes were put to the test by the Norwegian authorities in the spring of 2012. The Norwegian Climate and Pollution Agency picked ten of our styles and invited us to Norway for a full day meeting with the aim of receiving documentation and test reports showing that the styles were in compliance with existing Norwegian as well as EU legislation (REACH). The meeting started with an explanation of our policies and processes for avoiding harmful chemicals in our products. This was followed up by an in-depth questions and answers session where we provided information on our test procedures and risks assessments. The meeting ended with the Norwegian authorities congratulating our work and commented that we were among the best companies they had ever examined. Our success story was later picked up by a journalist from the Norwegian Textile Forum magazine.

This story shows how we have gone from a relatively reactive approach to working more proactively and knowledge based.

### **Cottonfield – integrating CR thinking from design to the supply chain**

Cottonfield has initiated integrating CR more and more in their everyday business. As a start the brand has started internally by creating awareness about their CR opportunities and challenges and included it as an important point in their Collection Development Schedule.

Externally Cottonfield has started a process which involves not only asking critical questions to suppliers in terms of compliance with their Code of Conduct but also seeking knowledge from their suppliers and professional people within the field. The emphasis is on moving towards a process where dialogue and systematic testing will provide Cottonfield and their suppliers with important knowledge to be able to react on and correct issues proactively. It is a matter of seeking and communicating the learnings that every collection gives and be aware that our suppliers are not necessarily knowledgeable about all international regulations.

One of the goals is to help and develop Cottonfield's suppliers and collaborators to see this process as a new way of strengthening their business and get them to seek knowledge and in the future be able to suggest e.g. treatments, trim or prints techniques that can be used if the suggested design will pose challenges in terms of e.g. using harmful chemicals.

The goal behind the thinking is to foster more two-way communication on CR challenges and opportunities and for the learning to go both ways.

## Profit - UNGC principle 10

### **Profit Policy**

In IC Companys we believe that integrating our social, environmental and economic responsibilities is essential for our long-term profitability. In other words, we believe that running a company which respects our people, planet and profit responsibilities is not only the best thing for the profitability of IC Companys but it is also how we can make the biggest contribution in the societies where we operate. Furthermore, we also believe that this results in proper risk management for the benefit of our shareholders and other stakeholders.

With regards to anti-corruption, we support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery. To further safeguard our Company against illegal activities and to identify corrupt practices we apply our Compliance Hotline which provides a confidential system through which employees can report misconduct.

Furthermore, we continuously work to improve our processes and educate our employees on how best to tackle situations where they face corruption challenges.

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## *Anti-corruption policy*

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To support our work on applying a zero tolerance against corruption we have developed a comprehensive Anti-corruption policy. With the overall aim to ensure a non-corruptive business environment, we work actively to comply with all applicable anti-bribery laws in force across all countries where we do business. This is also in alignment with our membership of the UN Global Compact and the 10th principle on working against corruption in all its forms, including extortion and bribery.

This document sets out certain overall principles to be adhered to by all managers and employees of IC Companies and by our agents, suppliers, consultants and similar business partners appointed to act on our behalf anywhere in the world. Furthermore, the policy is aligned with the requirements in the UK Bribery act.

Our anti-corruption policy is included in all relevant IC Companies standard contracts.

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## *Compliance Hotline*

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IC Companies has established a Compliance Hotline allowing employees/managers and agents working on our behalf to report suspected misconduct in a secure and confidential way. The Compliance Hotline plays an important role in ensuring that IC Companies complies with all internal policies and regulatory requirements and is an important part of our on-going due diligence work.

The objectives of the Compliance Hotline are twofold 1) to identify potential wrongdoings and non-compliance issues early and 2) to take action and thereby prevent problems from escalating. In other words the Compliance Hotline plays an important role in our risk management protecting our credibility and reputation.

Though mentioned here under the Profit chapter, the Compliance Hotline is equally relevant with regards to People and Planet non-compliance issues.

## Plans and targets for 2012/2013

In the next financial year IC Companies will continue our strong support of the UN Global Compact Principles and will work hard to have even better systems in place for implementing our CR efforts across the board. This includes continuing our emphasis on creating strong partnerships with our suppliers by focusing on dialogue and education as vehicles for a more sustainable supply chain. Furthermore, there will be attention on quantifying our work through increased data collection inspired by the GRI framework.

Furthermore we will focus on the following:

- Roll out compliance hotline to all staff
- Roll out anti-corruption policy to all staff
- Full roll out of Supplier Scorecard tool
- Increased transparency of supplier CR performance and ranking
- Continuous training and dialogue with preferred and partner suppliers
- Active membership of BSCI including participation in working groups
- Continuous updating of our RSL
- Tools and training on harmful chemicals for brands and production offices
- Increased training for sourcing and design teams

## CR activities and results 2011/2012

PRINCIPLES	COMMITMENT	SYSTEMS	ACTIONS	RESULTS
People – Social responsibility				
<p>Principle 1: Support and respect the protection of internationally proclaimed human rights</p> <p>Principle 2: Make sure that we are not complicit in human rights abuses.</p> <p>Principle 3: Support freedom of association and the right to collective bargaining</p> <p>Principle 4: Support elimination of all forms of forced and compulsory labour</p> <p>Principle 5: Support the effective abolition of child labour</p> <p>Principle 6: Support elimination of discrimination in respect of employment and occupation</p>	<p>IC Companys supports and respects the Universal Declaration of Human Rights which is outlined in the UN Global Compact principles 1-6. We do this by continuously identifying and assessing potential adverse human rights impacts internally in IC Companys as well as with our suppliers.</p> <p>Furthermore, we use education both externally with our suppliers and internally as a mean to develop the capacity and understanding of the importance and value of working with human rights</p>	<p>CR Integration in relevant departments, managed by Corporate CR Manager, who reports directly to the CEO</p> <p>Consultation Committee with participation of management and employees representatives</p> <p>CR standards included in Occupational Health and Safety (OHS) guidelines</p> <p>Annual employee surveys</p> <p>Compliance Hotline</p> <p>Business Social Compliance Initiative (BSCI) Code of Conduct (covering principles 3-6)</p> <p>Supplier scorecard incl. CR indicators linked to BSCI process</p>	<p>Internal CR training of all departments and brands (reaching 280 employees)</p> <p>Hired Corporate CR Manager</p> <p>Assessed CR risk and opportunities</p> <p>Revised OHS guidelines</p> <p>Employee survey</p> <p>Input to and membership of BSCI capacity building work group</p> <p>Assessment of suppliers using BSCI process</p> <p>Initiated rating of our suppliers (Supplier Scorecard) according to progression in BSCI process</p> <p>Global Sourcing Project</p> <p>Work2Learn activities - Development of Health and Safety Policy - OHS upgrading of sewing, knitting and mechanics departments - Continued apprenticeship program for students</p> <p>Jackpot support of Chetna Organic Farmers Association</p>	<p>Increased awareness across the board in terms of CR challenges and opportunities</p> <p>Increased dialogue with suppliers on how to avoid identified potential non-compliance issues</p> <p>Improved OHS guidelines</p> <p>Employee survey results: Increased 'Satisfaction and Motivation &amp; Loyalty' among ICC employees (up 1 point from last year)</p> <p>5,125 participants in BSCI workshops in 2011</p> <p>68% of the production deriving from countries with a high risk profile was from suppliers who had or were in the process of completing the BSCI auditing process</p> <p>Reduction of suppliers in 2011-12 was 8% to a total of 349 (379)</p> <p>Work2Learn - Additional 50 students passed through education and apprenticeship program and gained valuable work experiences - UCEP gained increased knowledge of skills and competences required by the industry</p> <p>10,800 farmers now reached through Jackpots support to the Chetna Organic Farmers Association up from 9,032 last year</p> <p>Jackpot winner of 'Best Organic Textile Product Award'</p>
Planet – Environmental responsibility				
<p>Principle 7: Support a precautionary approach to environmental challenges</p>	<p>IC Companys supports the UN Global Compact's principles for the environment. Practically we do this by continuously assessing our environmental challenges and following the overall principle of taking a precautionary</p>	<p>HQ chemicals knowledge center</p>	<p>Two full days training seminar on how to avoid harmful chemicals for staff from all IC Companys' brands (reaching all sourcing managers as well as additional sourcing and design employees)</p>	<p>Increased competences of own staff and suppliers on how to avoid harmful chemicals in our products</p>

PRINCIPLES	COMMITMENT	SYSTEMS	ACTIONS	RESULTS
Planet – Environmental responsibility				
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p> <p>Principle 9: Encourage the development and diffusion of environmentally friendly technologies</p>	<p>approach to environmental challenges.</p> <p>Furthermore, we focus on educating our staff to become even better at identifying where in the supply chain we can take action to reduce our impact on the environment and where we can work with our suppliers to facilitate that they, e.g., use environmentally friendly technologies</p>	<p>Database for monitoring test results on harmful chemicals</p> <p>Supplier scorecard incl. CR indicators on harmful chemicals</p> <p>Membership of Swerea – The Swedish Chemicals Group - which includes continuous updates on newest research and developments with regards to chemicals in textiles</p> <p>Compliance Hotline</p> <p>Fur Policy (under revision)</p> <p>Risk Matrix and supporting guiding documents for avoiding harmful chemicals</p> <p>Restricted Substance List (RSL)</p>	<p>Extra chemicals training of HQ knowledge center including participation in monthly Swerea meetings</p> <p>External training by industry expert on wet processing.</p> <ul style="list-style-type: none"> <li>- InWear: whole sourcing department as well as a 2 designers</li> <li>- Jackpot: whole sourcing and design departments</li> </ul> <p>Two days training session on sustainable fashion by the Sustainable Fashion Academy with participants from InWear, By Malene Birger, Designers Remix</p> <p>Suppliers rated according to chemical performance</p> <p>Training of 52 Chinese suppliers by MTS on how to avoid harmful chemicals</p> <p>One-on-One dialogue with and advice to suppliers on using non-harmful chemicals</p> <p>Updated RSL and risk matrix</p>	<p>Increased transparency and awareness for suppliers with regards compliance with our RSL</p> <p>Increased knowledge of suppliers on how to avoid harmful chemicals</p> <p>Application of Risk Matrix on all styles to secure the 'right' products are tested for harmful chemicals</p> <p>Improved RSL covering latest REACH (Registration, Evaluation, Authorisation and Restriction of Chemical substances) developments</p>
Profit – Financial responsibility				
Principle 10: Work against corruption in all its forms, including extortion and bribery	With regards to anti-corruption, we support the 10th principle of the UN Global Compact and apply a zero tolerance approach against corruption in all its forms, including extortion and bribery. To further safeguard our Company against illegal activities and to identify corrupt practices, we apply our Compliance Hotline which provides a confidential system through which employees can report misconduct	<p>Anti-corruption Policy</p> <p>Compliance Hotline</p> <p>Code of Conduct</p>	<p>Established Anti-corruption Policy</p> <p>Established Compliance Hotline</p>	