



BRICpro approach to corporate social responsibility

Where production quality, ethics and profitable business meet

2017-2018



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BRICpro – where production quality, ethics and profitable business meet

Proper working conditions, product quality and economical profit go hand in hand in the BRICpro mind-set. Our mission is to reshape the perception of traditional production by letting Corporate Social Responsibility (CSR) be the driving factor in all our business activities. If we can build an ethical business from within it will most certainly be a crucial factor for the growth of BRICpro.

Our mission is to build a growing business where ethical values and CSR is the driving element. The overall idea is to be part of improving working conditions at our partnering factories in emerging markets while supplying our clients with high quality products at competitive prices.

The concept sprung out from a specific market demand and is continually being fine-tuned in close collaboration with our client portfolio. That is why we allow our clients to co-brand with our CSR-initiatives, strengthening brand-value and gross profits.

This document presents BRICpro's core business values and explains the way we act and operate in the world.

Thank you for taking the time!

Nichlas Hassing and Mads Bisgaard Christensen



Introduction

BRICpro is built on ethical business values. By that we mean that we engage ethically responsibly in all our relations; both in regards to suppliers, clients, stakeholders, employees, consumers, local communities and other groups that we may affect – simply because of our existence and activities.

'To engage ethically responsibly' means that we every day work to ensure that we don't have any negative impact on human rights of the people affected by our business. Therefore responsible supply chain management is an important element in our effort to ensure that the footprints we leave behind are not harmful to any workers.

Furthermore, in BRICpro we do not only focus on not having a negative impact. We also wish to positively affect working conditions and contribute further to a sustainable development among suppliers worldwide.

In November 2015 BRICpro was officially welcomed into the large group of companies working directly with United Nations Global Compact – The world's largest corporate sustainability initiative. On a yearly basis BRICpro will publish a 'Communication on Progress'-report, with the aim of communicating our progress and challenges to the UN and to our stakeholders.

In June, 2016 BRICpro was recognised as a GOTS certified company, which means that we now can deliver certified organic textile products. Moreover, the GOTS certification has a high focus on human rights and labour rights in the supply chain – fundamental rights that BRICpro is complying with on our own turf.

In December 2016, BRICpro joined Dansk Initiativ for Etisk Handel – a multi-stakeholder organisation that gathers Danish companies, public organisations, trade unions and NGO's to tackle ethical challenges by developing sustainable solutions that result in a more responsible production, responsible purchasing practices, and responsible supply chain management in global value chains.



Vision

BRICpro's vision is to *change the production methods in today's world and to assist our clients in their efforts to create products that are manufactured ethically responsibly.*

We are specialized in production of interior design, home textiles and furniture. Common to these areas are that there are almost innumerable manufactures. However, the truth is that they far from all comply with acceptable working conditions for their employees. BRICpro wants to be a leader in a generation of enterprises contributing to sustainable social, economic and environmental growth in a global supply chain set-up.



Approach: International Standards

The way BRICpro does business both locally and internationally is thoroughly considered and structured in a way that respects humans, local communities and cultures. Everyday we strive to act according to the human and labour rights as describes within the international framework put out by the United Nations. These mutually agreed rights is our direction for how to behave when doing business with partners locally or abroad.

More specifically BRICpro has chosen to work within the UN Global Compact, and use this initiative as a guidance in our daily interactions with partners. Furthermore, BRICpro has also chosen to take into account specific ILO Code of practices within the fields of health and safety of machines and chemicals, as well as specific industry recommendations.

Internationally acknowledged standards, principles and rights are thus important and necessary for BRICpro to follow, in order for us to avoid that we become biased in our actions. However, basing our work on international standards is supplemented by our specific business approach - our *BRICpro Approach*.



The BRICpro Approach

Besides relying on internationally acknowledged principles, we have a certain approach to every-day business relations. The BRICpro approach is our attempt to bring responsible supply chain management to a new and more constructive level; going from useless top down-approaches with a lot of focus on audits to a more equal relation with our suppliers, where we actively work towards real improvements locally, instead of simply work to get signatures on code of conducts.

Our work is based on:

Dialogue. Through dialogue we can build an open and honest relationship with our suppliers. It is the way for BRICpro to make the supplier aware of issues within human and labour rights. We discover relevant areas that need to be improved and we learn more about the human rights situations at the factories. This way, it becomes easier for us to assist the factory with improving initiatives.

Process. The world is not perfect. We assist suppliers in getting from A to B, while accepting that things might not be perfect. When we see suppliers' willingness to improve conditions at the factory, we are happy to get involved, because this gives us an opportunity to change the local conditions to the better.

Equality. Since BRICpro is the buyer, there will always be an element of inequality in the relation to our supplier. We are aware of this, and therefore ensure not to misuse our position. We have respect for local situations and local knowhow and always engage with suppliers based on the philosophy, that we all shall learn from each other.

No finger pointing. Rather than seeing ourselves as 'auditors', we visit the factories with an open mind-set, where focus is on workers' well being, and the social and economic gains related to this.

Trust and respect rather than control. Since we are not present at the factories 24/7 we will never be in a position where we can monitor the factories constantly. This cannot be guaranteed whether we make use of code of conducts, unannounced visits or external audit bureaus. Hence we have chosen to take our time to build up long term relationships based on trust and mutual respect. A method that has shown to be successful for all partners.

Leverage. In situations where it is necessary, we will make use of our, however limited, bargaining power and leverage in order to push a certain human rights agenda and achieve human rights improvements.

One voice. In BRICpro we speak with one voice to our suppliers. We wish to eliminate all confusion, pressure and contradicting demands to our suppliers, by ensuring that all directions given are aligned with both CSR and production needs. The production and CSR departments cannot and should not be separated!



The BRICpro toolbox

We have over the years developed some methods and approaches that we use when doing business. The two tools we use the most is 1. Our sourcing guidelines and 2. Our dialogue tool

Sourcing guide

To make sure we keep a detailed eye on the new business activities we set in motion the production team and CSR team have developed a sourcing guide that helps to decide which suppliers to work with and why. The aspects to consider is, among other things, commitment, capacity, communication, CSR, costs, and consistency. This guide has been implemented in the whole business set-up and is driving our future business activities.

It is very clear to possible future suppliers that CSR is a crucial factor to us, so if they choose to invest in CSR we are looking very positively to start a business relationship with them.

Dialogue Tool

The BRICpro Dialogue Tool is our practical and concrete tool we use when visiting factories. It is a merge between the UN Global Compact and the BRICpro Approach; The areas to look into comes from the UN Global Compact, but the way we assess and communicate is where our specific BRICpro approach comes into play.

The tool is customized to the industry and countries we work with, which is why it is not like any other tool. The tool is for internal use between BRICpro and our suppliers, and is translated into local language. When visiting a factory the tool is filled out as a collaboration between BRICpro and the supplier in an open dialogue.

Today the Dialogue Tool exists of 6 chapters:

1. Health & Safety
2. Hours, Wages & Leave
3. Freedom of Association
4. Forced Labour
5. Child Labour and
6. Discrimination.



Our CSR strategy 2017–2018

In order for BRICpro to reach our vision – *to change the production methods in today's world and to assist our clients in their efforts to create products that are manufactured ethically responsibly* – we must establish a foundation for economic value creation for both business partners, manufacturers and BRICpro through a social sustainable production in the supply chain.

Our strategic goals:

1. To make the BRICpro sourcing guide an even more integral part of our business activities.
2. To assess all involved factories using the BRICpro Dialogue Tool. The findings in the assessment must show that the majority of the areas of concern has an acceptable level of human rights standards.
3. To launch improvements at the factories to make sure the working conditions keep improving.
4. To ensure that the manufacturers can see the business benefits of focusing on human rights and environmental issues at their factory.
5. To adapt the BRICpro Dialogue Tool to new countries and industries where BRICpro is expanding the business.
6. To strengthen our Dialogue Tool as we gain new experiences and knowledge.
7. To externally communicate our progress (UN report Communication on Progress).
8. To support our clients in benefitting from choosing to manufacture ethically.
9. To engage with the local communities and global organisations affected by our business, including NGOs and other relevant stakeholders.
10. To engage with relevant stakeholders in Denmark to create fruitful and meaningful collaborations.