

SØRENSEN

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OUR STORY

Our Story

Sørensen Leather is one of the most well-known suppliers of high-end leather on the market today. Not only in our native Denmark, but also on a global level, where we currently work with customers from 36 countries all over the world. Our reputation is based on over 40 years of experience in the industry, our top quality leather, personalised customer service and extensive professional knowledge.

When customers partner with us, we guide them throughout the entire process to ensure that the leather they purchase is the most appropriate for their specific project. Our expert team is at their disposal, available with insights and advice to help them through every stage of their project – from concept to completion.

In addition to our enormous focus on customer service, we take great pride in providing our customers with the best quality leather. We believe that quality is not something that comes by chance, especially not the exclusive, high quality leather that we're known for. Since we don't have the capacity to produce our own leather in Denmark, we outsource production to our partners, who are mainly located in Europe. Given our high demands and specifications as to how leather should look and feel, our production partners produce leather according to our own protocols. Each tannery specialises in a specific line of leather and we only choose tanneries that are the best in their area of expertise.

For us to be able to deliver the highest quality leather possible, we put a great deal of trust in our skilled partners and staff. We do so by continuously training and developing our employees and by only working with the best, most relevant tanneries. Furthermore, we always conduct internal quality tests on every batch. We also put our leather through additional, more meticulous tests, conducted by our external partners at their laboratories.

Background

Sørensen Leather was founded by Arne Sørensen in the early 1970's. An entrepreneur who began his career in sales, Arne soon realized that there was a great need for a leather supplier in Denmark. He seized the opportunity, travelled to Germany to visit a tannery and left the meeting with a job as their Danish agent. After working his way up the ranks gaining expertise all along the way, Arne went on to establish Arne Sørensen Leather. Since then, it has blossomed into a global brand known as Sørensen Leather run by the second generation of the Sørensen family, Arne's daughter Louise and son Mads, who work as CEO and Sales Director respectively.

MISSION VISION

Mission vision

Our mission vision is to be a global name synonymous with high quality, genuine leather. Our overall goal is to be the preferred leather supplier among our target group of architects, designers, interior designers, design manufactures and more. We have a great deal of experience, knowledge and in-depth expertise, as well as the ambition and resources to be the best in the field. At Sørensen Leather, we also have a winning mentality. Meaning, in order to deliver the best products and service to our customers, we need to have high standards regarding ourselves, as well as our partners. With this in mind, we present our mission vision.

Why? Our purpose is to broaden and convey knowledge, experience and use of genuine leather

Leather is a natural material that comes from a living animal. Just as human skin differs from person to person, the same is true with cows. The life they lived is reflected in the quality of their skin and the unique markings on the surface. Our ability to provide the finest leather possible starts with having the best raw materials to begin with.

We are continuously exploring and experimenting with alternative ways to use leather. Including different industries that could benefit from leather, given it's unique attributes, advantages and appeal.

At Sørensen Leather, we believe it is our duty to educate our partners about different leather types, its special characteristics and potential applications. It is vital for us that they truly understand leather, so they can distinguish between real and fake, different leather types and their numerous possible applications. Leather is an amazing, unique material which, when treated carefully, can last lifetimes, from generation to generation. In our opinion, communication is key for our partners and customers to understand what makes leather unique, why high quality is important and the reasoning behind various price levels.

How? We challenge, enact and inspire all universes in which the use of leather creates value

We want our knowledge and experience with leather to be shared with as many people as possible. To this end, we focus on a variety of different approaches and arenas. To begin with, we teach the next generation about leather, its qualities and applications, both at

VIA University College and Skive Tekniske Skole. Being in contact with the new generation before they enter the work force allows us to share our knowledge, to be inspired by their creativity and to discover even more ways to use leather. We provide opportunities for our customers to gain insights and inspiration, with leather events we host in Aarhus and Copenhagen, where various stakeholders are invited to join and participate in an evening that facilitates the exchange of knowledge and creative ideas about leather. In terms of social media, we share an array of inspiring images with our growing base of global followers, where they can see countless applications of leather – from the design, furniture and lifestyle segments, to architecture, interior design, styling and fashion accessories. Furthermore, we also collaborate with designers and architects to explore new creative outcomes using leather.

What? With the highest level of competences and knowledge, Sørensen Leather is a global company with resources and clear ambitions of being the best

For us, it is crucial to work with extremely capable staff and production partners. That's why we continuously invest in developing the professional expertise of our staff, providing them with training and information they can use at work on a daily basis. Regarding our producers, we choose them carefully and treat them as partners. We have a close relationship with them and regularly engage in dialogue to oversee the quantity, quality and other specifics of each order. Throughout the process, we conduct quality control tests to ensure that the leather quality meets our high standards.

CSR INTRODUCTION

CSR Introduction

According to the definition put forth in the guidelines for ISO 26000, corporate social responsibility (CSR) is the accountability of an organisation concerning the impact of its actions and decisions at a societal and environmental level. This involves demonstrating transparent, ethical behaviours and protocols which contribute to a more sustainable development. A CSR strategy takes into consideration stakeholders' expectations and is integrated throughout the organisation, its practices and relationships. It is in compliance with relevant, applicable laws, and acts in accordance with international codes of conduct.

At Sørensen Leather, we recognise the importance of our own responsibility towards society and the environment at large. It's the driving force behind our focus on the well-being of our staff, our choice of companies to partner with and measures to minimise any impact on the environment.

Our CSR strategy is aligned with our mission vision. It's based on our 44 years of experience, our values and beliefs as a company.

Overall, our goal is to minimise any negative impact on the environment, to have a positive influence on our partners in terms of their own CSR actions, and to be the preferred employer among our staff due to our CSR initiatives that contribute to their wellbeing at work. With our CSR Policy in place, we hope to motivate other companies in our industry to invest in CSR initiatives. Moreover, our aim is to keep the motivation, commitment and productivity of our staff, and to enhance the perception of Sørensen Leather by the general public.

At Sørensen Leather, we act according to the 10 principles presented on the United Nation's Global Compact Initiative:

Human rights

1. Business should support and respect the protection of internationally proclaimed human rights;
2. Make sure that businesses are not complicit in human rights abuses

Labour

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

4. Elimination of all sources of forced and compulsory labour
5. Effective abolition of child labour

6. Elimination of discrimination in respect of employment and occupation

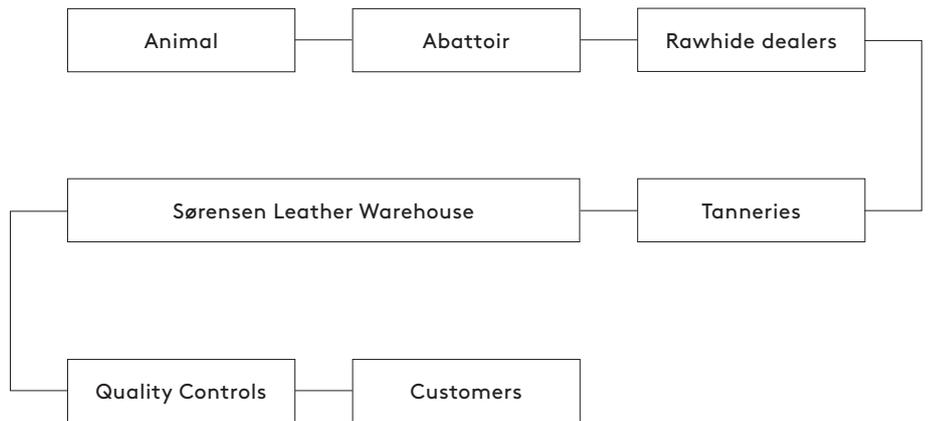
Environment

7. Businesses should support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery

CSR STRATEGY



CSR Strategy

A CSR strategy for our line of work needs to start with the basic understanding that leather is a by-product. It's a natural material that originates from a living creature that deserves to be respected. Since the animal's quality of life is reflected in the quality of its skin and we want to provide the best quality leather to our customers, we need to make sure that our producers treat the animals with respect throughout the duration of their life.

At the same time, as much as the quality of the leather is of utmost importance to us, we also need to consider the effect that our actions have on the environment and the societies we work with. These factors, as well as the impact that our strategy will have among our various stakeholders, are included in this CSR strategy.

Quality

At Sørensen Leather, we have high ambitions. To ensure that we only provide the best leather and the finest customer service, high quality must be a value at the forefront of everyone's mind, from our staff to our partners. It has to be a top priority at all stages of the process - from development, to tanning, to quality testing, sales and customer support.

There are various factors that contribute to the quality of the leather. Every hide is unique, depending on the quality of life of the cow, which will result in unique variations

in the look and feel and quality of the leather as a raw material. Add to that the age of the animal and this will impact how well the colour will adhere to the hide and how much leather can be used for production. The look and amount of leather for use is further influenced by the sorting process done by the tanneries. It is up to them to sort leather according to the quality it can provide. Before a piece of leather leaves the tanneries, it goes through many hands. For us, this craftsmanship is key in terms of quality control.

Given our high demands and expectations concerning our products, we believe that involvement, communication, training and development are vital for the desired quality. That's why we are so actively engaged with all parties involved in our supply chain. We take and seek responsibility during the production process by being transparent and by providing our partners and staff with all the relevant information they might need.

It is also essential for us to know that our partners are the best. That our employees are not only highly accomplished, but that they also have access to a variety of training programmes to further enhance their capabilities. To this end, we invest a lot in the on-going training and development of our staff.

What's more, in order to ensure that we remain competitive and innovative in our field and that we meet our customers' needs and demands, we also invest a lot of our resources in research and development. That way, not only can we create new collections that better fit our customers' wishes, we can find new applications and new industries potentially interested in working with leather.

On another level, we put our leather through diverse rigorous quality control tests. Every single batch goes through a series of internal tests where we check it in terms of colour calibration, comfort, thickness, shine, look, durability and more. In addition to these assessments, we regularly send our leather out to various external laboratories, where our partners check it more thoroughly for colour fastness to-and-from rubbing, tear load, colour fastness to artificial light, dry finish adhesion and dry flex resistance. It is crucial that both our partners and staff are knowledgeable enough to recognise the importance of these quality checks, to make the distinction and sort the leather accordingly.

As a final point, our customers can rest assured that they will receive the best leather for their specific project, also because we go to great lengths to choose the production site based on their specific projects, needs and desired outcome.

Chrome, vegetable and synthetic-tanned leather

Tanning is the process that a cowhide goes through, in order to be transformed into leather. Cowhide is an organic material that will decompose with time. To prevent this, the tanning process alters the collagen protein in the hide by modifying its molecular structure, turning the hide into leather as we know it. A natural, versatile raw material ready to be used by a range of industries, without degrading over time.

At Sørensen Leather, we supply chrome, vegetable and synthetic-tanned leathers. In this section, you can learn more about these three tanning methods, including each of their advantages and disadvantages.

Around 85% of all leather produced worldwide is chrome-tanned. Chrome-tanning has become increasingly more popular, not only because of the low costs associated with its production, but also because it is a rather quick tanning process.

Chrome-tanned leather uses chromium sulphates and other chromium salts, which are the active ingredients found in the tanning agent Chrome III, the chromium used for chrome-tanning. If used correctly during the production process, chrome-tanning is not hazardous. In fact, Chrome III is naturally found in the environment, in rocks, soil, plants and lava. Chrome III can also be found in everyday products, such as meat, fruits, vegetables and spices, as well as some weight-loss and performance-enhancement pills.

Again, when used correctly, chromium is neither dangerous nor harmful. In fact, it is actually considered quite essential for human health. However, if not properly managed through the production process, Chrome III can develop into Chrome VI. This occurs when Chrome III oxidises in the presence of oxygen in combination with other factors, such as high pH levels. This transformation process is more complex than it sounds and it is very seldom that it happens in leather tanneries. European tanneries are known for their high quality and stringent control over their processes. Due to the constant and extensive testing of our leather, we have yet to find any traces of Chrome VI. Nonetheless, to reduce any potential negative impact of chrome-tanning, the leather industry is under pressure and scrutiny to comply with the different regulations continuously being introduced.

We also provide vegetable-tanned leather, which corresponds to 10% of all leathers tanned worldwide. This process replaces chromium by soaking leather in a solution made of vegetable tannins, which come from plants and trees like oak, chestnut or mimosa.

Compared to chrome-tanning, vegetable-tanning is a more complex and time-consuming method. The slow process and special skills associated with this production method has resulted in very few tanneries worldwide being able to produce this type of leather. Not only does this increase the price of the material, it also reduces the demand for it.

Finally, we work with synthetic-tanned leather, which only represents around 5% of all leather tanned on a global level. Our synthetic leather is tanned using glutaraldehyde, which is a chrome-free, artificially produced tanning agent. The chemicals used in the synthetic tanning of leather are approved according to REACH guidelines and chromium is not used in the production process, which means it is not considered hazardous for human health. This type of leather is particularly appealing to the car industry, where currently about 50% of car leather is synthetically tanned.

In terms of environmental impact, all tanning processes leave their own, specific footprint. Because each tanning process leaves its distinct mark, it is difficult to claim that one method is better than the other. In the end, it is up to each individual or company to make a decision based on what is most important for them and their project, including the values they identify with most.

Environmental aspects

As a company, we want our actions to have as little an impact in the environment as possible. In order to achieve this, it is crucial that our partners at the tanneries have a

similar commitment and viewpoint as we do. To make sure that we partner with the best, and to ensure that our partners understand our values and share the same respect for the environment, we take a long time to screen possible candidates.

In this section, you can get more insights into the different areas we focus on to reduce any possible negative impact on the environment.

Water consumption, treatment and disposal

Water is a component that plays a big role in leather production. It is used primarily in the tanning and dyeing processes and also in some smaller steps along the way. For this reason, water supply and wastewater treatment represent the most important environmental concerns for the tanning industry.

Reducing the amount of water consumed per product unit has been a top environmental priority for European tanneries over the years. Setting continuous improvement objectives aimed towards the development of water efficient processes and water-recycling technologies has made this possible.

Approximately 95% of the water used in tanneries is subsequently discharged and then forwarded for purification. In Europe, the wastewater from every single tannery has to undergo a complete and very complex system of purification, which complies with very stringent guidelines imposed by the European Union. The remaining 5% represents water that either evaporates during the production process or the moisture content of waste for recycling and disposal.

In terms of water discharge and its subsequent purification, one of two things can happen. When a tannery is established in a tanning district, it usually has its own centralised water treatment plant, managed by the district. In this scenario, tanneries only carry out the primary tanning treatment at their facilities, allowing the remaining treatments to be conducted by the centralised treatment plant. This is a very good example of a successful inter-corporate collaboration that fosters environmental sustainability. When a tannery is located outside these industrial districts, wastewater purification is carried out independently. In these cases, tanneries primarily discharge their treated wastewater into public sewage systems.

Most of our partners have their own water-treatment station at their facilities, where they clean wastewater before disposing it. One of the rules tanneries must comply with stipulates that the water that comes out of the production process must be as clean as the water that went into in to begin with. To make sure that tanneries meet these standards set forth by the European Union, our partners are usually asked to conduct daily tests on the water to prove that they are abiding by these regulations.

As for future developments, the focus isn't limited to on-going efforts to reduce the volume of wastewater discharges. It includes finding alternative sources of energy for the wastewater treatment process. At Sørensen Leather, we are proud to say that our partners are committed to making a difference. Most of them are already working with alternative

sources of energy. Furthermore, they have been reducing the amount of water used in leather production processes continuously over the years.

Waste management

Even though tanneries produce a huge amount of waste throughout the production process of leather, we need to take into consideration that the majority of this waste can actually be re-used. In fact, only a very small portion of their production waste cannot be given a second life. Even the wastewater coming from water purification systems can be re-purposed under certain circumstances. That's why waste management plays a big role in the leather production, where tanneries need to identify and select specific companies specialised in waste disposal, whose aim is to either re-use or recycle their raw materials.

Our partners mainly focus on one of these two scenarios: either they send their waste to specific companies that can transform it into biogas; or they send their waste to specialised companies that can treat and transform it into organic fertilizer. It is very seldom that tanneries can handle these processes on their own.

Once they find the right company to transform their waste into biogas, tanneries can then decide whether to sell biogas to external entities, or to use it internally at their facilities. Biogas can be used as a source of energy, heat or as a combination of both.

The situation is not very different when they decide to sell their raw materials to be transformed into organic fertiliser. Again, they need to find a specialised company to sell their raw materials to, who will then be in charge of transforming it into organic fertiliser and selling it to interested parties.

Environmental standards

ISO 9001 – Quality Management

ISO 9001 is an international standard stipulating the requirements for a quality management system. It defines the ways a company meets different requests set by their various stakeholders, who may be affected by the company's activities.

Having a quality management system like ISO 9001 helps businesses be more efficient, retain customers, improve customer satisfaction and potentially lead to increased sales and new customers. Most of Sørensen Leather's production partners are certified with ISO 9001, which reassures us that not only do they have our best interests in mind, they also run an efficient business.

ECARF

ECARF certification is granted when a product fulfils specific quality requirements set forth by the European Centre for Allergy Research Foundation, which certifies that a product can be used by consumers suffering from allergies, without triggering an allergic reaction.

The ECARF Foundation, the organisation behind the award, refers to an independent, qualified advisory board for the evaluation criteria from a scientific perspective. Products certified with the ECARF stamp live up to high-quality standards and contribute to the wellbeing of consumers with allergies worldwide. Additionally, allergy-friendly products promote a responsible use of resources and encourage sustainable production. Sørensen Leather's PURE collection is certified with the ECARF stamp of approval.

REACH

REACH is the European Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals. The goal with REACH is to improve and protect human health and the environment from the use of chemicals, by better understanding its properties and effects. REACH regularly issues an updated list of substances of very high concern (SVHC), minimising and, in some cases, even prohibiting the use of these harmful chemicals. REACH's regulations have also minimised the use of chemicals in final products to reduce their negative impact on our health and the environment. According to EU regulations, all parties working with chemical substances must gather the most up-to-date information about the chemicals available. If companies have no information on the chemicals used in their production processes, they are not allowed to sell such products.

Concerning the use of chemicals and chemical substances at our partner tanneries, all of our leathers comply with the EU standards and regulations set forth by REACH.

When companies start a working relationship with us, they are given a contract to sign, stipulating that they comply with the standards and regulations set forth by REACH guidelines. To ensure that our partners are not using illegal chemicals in their production process, we actively engage them in constant dialogue and conduct scheduled and unscheduled inspections. We also have face-to-face meetings at least once a year, where we visit them at their facilities. Furthermore, we continuously perform quality control tests on an on-going basis. This takes place internally at the tanneries, where we ask them to test leather for any illegal chemicals and also externally - where we ask our partners to conduct even more rigorous and thorough tests in their own laboratories.

IVN

IVN is the highest environmental standard for leather production in Europe, awarded by the International Association of Natural Textile Industry. The IVN certifies that a piece of leather has undergone a thorough inspection process focusing not only on the product itself, but also on every single step involved in its production - from land usage and animal wellbeing to the tanning process. To receive an IVN certificate, each link in the production chain must comply with extremely stringent standards that are quite comprehensive in scope, extending to the minimal use of resources, minimising any environmental impact and much more. Given such rigorous pre-requisites, it's quite an accomplishment for any leather to receive this certification. Sørensen Leather is proud to be awarded the IVN certification, specifically for our PURE line.

Ecolabel

The Nordic Swan Ecolabel is a highly respected certification that involves meeting strict environmental requirements for a product in all relevant phases of a product's life cycle. The pre-requisites for certification encompass a vast range of criteria throughout the entire production process, from the choice of raw materials, minimal use of hazardous chemicals, water and energy consumption and proper waste disposal to other factors, such as complying with rigorous standards set forth for health, safety and human resource management.

Social aspects

External social statement

A good relationship with our external stakeholders is one of the crucial reasons for our success. When we decide to work with them, our goal is ultimately to build trust and credibility. A top priority for us is that all parties benefit from partnering with Sørensen Leather and that our relationship and cooperation leads to successful accomplishments for all parties involved.

Production partners

For us at Sørensen Leather, knowing that we provide the best quality leather to our customers is something we are very proud of. However, to ensure this top quality, we need to partner with the most relevant producers in the field. That's why we choose production partners based on the type of leather they are best at producing. We would much rather work with a few reliable partners who live up to our expectations and who fulfil our requirements, than use time and resources to look for and screen new candidates.

Before we engage in a new partnership, we take our time screening possible candidates. In the screening stage, our focus is on their ability to meet our requirements in terms of desired quality, quantity and delivery time. To see if they share a similar organisational philosophy and set of values. And determine if they would be a good match overall.

Before our partners start working with us, they are given two contracts with two standards they most definitely must comply with. Their signed agreement to these contracts is a reassurance that they will act according to strict guidelines. The first standard, REACH, describes the correct usage of chemicals in the production process. The other standard is the UN Global Compact. When signed, it certifies that neither our production partners nor their suppliers work with child labour. It further states in detail the need to respect human rights, to have an environmentally-friendly approach, to encourage the development and diffusion of environmentally-friendly technologies and to work against corruption.

There are three main ways we monitor and control our partners' actions and activities. Firstly, through scheduled and unscheduled inspections to their facilities - which they agree to upon signing our contract. Secondly, by keeping an open and continuous commu-

nication with them. Thirdly, by visiting their facilities at least once a year. As a result, we are in a better position to determine if they are meeting our requirements and expectations, and we can see if we need to take action or not. Given numerous such inspections that we have conducted over the years, we have yet to encounter a situation where we had to take action.

Customers

Having good customers is of the utmost importance to us at Sørensen Leather. We create a good relationship by engaging in a continuous dialogue with our customers, by offering the best customer service, understanding their needs and wishes, and guiding them in the right direction every step of the way. Sharing the same values is key, and so is creating trust between both parties, leading to what we see as a relationship of mutual dependency. This mutual dependency is the reflection of a successful bond with our partners and it happens when we both thrive due to our partnership. Our goal is to have a personal relationship with our customers and to offer them more than they expect from us.

We understand and respect the fact that we will only be successful if our customers prosper. Consequently, we work hard towards making sure that we deliver the highest quality customer service possible. For our customers to have the most positive experience when they conduct business with us, we focus on several aspects. First of all, we have a highly-qualified sales team with extensive knowledge about leather, which they are ready to share with our customers. In doing so, customers can be sure to receive personalised knowledge and tailor-made advice based on their own specific needs and the project itself. What's more, our customers can count on the fact that we conduct thorough quality controls on our leather, which is a reassurance that they only receive the best leather from us. Offering competitive payment services is something that distinguishes us at Sørensen Leather. Based on the credit checks that we conduct on our customers, they can pay for their products over a pre-agreed period of time. Finally, our Danish customers can benefit from day-to-day deliveries of the majority of our leathers.

Credit AAA certification

Sørensen Leather has achieved an AAA credit rating for several years in succession. Certified by Soliditet A/S, it is the highest credit ranking possible for a Nordic-based company. A credit rating system is a very useful tool that helps companies making safe, profitable decisions and avoid potential credit losses. Looking into our AAA certificate, our partners can easily see that we have a solid financial standing and that over the years, we have continuously met our payment obligations. Soliditet's credit rating system is a well-known expert model that is based on specialised experience within credit allowances. The system is updated on an on-going basis with rating statistics and other relevant information, which attest to its accuracy.

Charity Support

We like to feel that we have played a significant role contributing to the positive development of our society. Not only do we actively encourage and inspire our partners to

minimise any adverse impact on the environment, we foster a working environment that supports the wellbeing and professional development of our staff, including the creation of new job opportunities. Furthermore, we also support a variety of charity organisations.

- SOS Children's Villages (SOS Børnebyer)

SOS Children's Villages is an organisation working with the long-term development of orphans and vulnerable children in their designated villages worldwide. Their mission is to provide "a loving home for every child" by giving children a caring childhood with a safe family and access to an education. They believe that growing up with a loving family and receiving an education will give these children a better chance of living a healthy, independent life once they are old enough to leave these villages. By supporting SOS Children's Villages, we are assigned a specific child who we are accountable for. Our donation funds our child's education, living and health expenses, and it provides a salary for the "care-mothers" working at SOS Children's Villages. Our support helps to safeguard vulnerable children from being alone or at risk and helps the family as well as the social development of the specific community. We receive regular updates from the child we support, with a picture and a letter telling us about their life at their village. This allows us to follow how our child is developing and how our support is making a difference.

- Children's Rights (Børns Vilkår)

On a more local level, we want to ensure that children in Denmark have a good and healthy upbringing, which is why we chose to support Børns Vilkår. This is a private, humanitarian organisation with the resources to support and give anonymous professional advice to children and youth at risk. These children may be experiencing bullying, grief, divorce or violence in their surroundings. Børns Vilkår's goal is to make sure that no child in Denmark has to suffer being abandoned, betrayed or forsaken by our society.

- Night Owls (Natteravnene)

As a further reflection of our engagement with the Danish society and more specifically children's rights, we support the Night Owls organisation. Their goal is to create a safe environment at night for children and young people in vulnerable situations. The Night Owls work with volunteers who walk around the streets of Denmark in the evening, and who are available for these young children to talk to and seek advice from. These volunteers are seen as role models in their local neighbourhoods, where they help to prevent vandalism and violence. As Sørensen Leather is located in Tilst, a location known for having some problematic youth, we decided to support the dedicated team of Night Owls from Tilst.

- Børnelejren på Langeland

Børnelejren på Langeland is a non-profit, volunteer-based organisation whose objective is to send children living in disadvantaged conditions on a well-deserved weekend experience out in the nature in South Langeland. Sadly, we all know about children living in a disadvantaged situation, either because they are handicapped,

come from a poor family, are bullied, chronically ill, orphans, victims of violence or divorce. Denmark is unfortunately no exception, and we find children living in these situations around our communities. Børnelejren på Langeland's intention is to help as many children as they can. To do so, they rely on funding from private people and organisations that help them cover the costs of these weekends, maintenance costs and salaries whenever appropriate. Our support allows the organisation to take care of administrative costs and to keep on hiring relevant people, so that ultimately they can continue to help as many children as possible.

Internal social statement

In previous sections we've talked about how our external stakeholders play a big role in terms of our success. In this section, our focus is on the importance of our employees and how they also contribute to our positive results over the years.

Given our continuous growth, we are increasingly becoming more internationally focused. This involves thinking and acting globally. Diversity is an imperative in order for our business to thrive, as it gives us access to different ideas and ways of thinking. In turn, this gives us an advantage in servicing our customers even better, and lays the foundation for our continued growth and success.

At Sørensen Leather, we have very high ethical standards. Based on our background and values, we set ambitious goals which depend on the integrity and professionalism of our staff. Because we rely so much on our staff, we need to be sure they understand and act according to our values, that they are committed to our company, that they are highly-qualified and willing to participate in a learning experience.

Employer of choice

Clearly our employees are one of the keys to our success. They are the ones who will help us act according to our vision and help us stay competitive on a global level. As a result, we focus a lot of our efforts on attracting, developing and retaining the most qualified, competitive and innovative employees in the field. In return, they can expect an attractive workplace, with a healthy, flexible and productive work environment, where they can engage in a challenging career and enjoy a healthy balance between work and personal life.

Employee development

We have an HR philosophy that encourages a learning and knowledge-sharing culture to foster innovative thinking and career development. Whenever possible, we try to help our staff get closer to reaching their full potential and high performance goals. This will contribute to their personal success, which will help us continue to thrive as a company. To this end, a lot of our resources are invested in our staff's on-going training and further education. We do so not only for them to develop their skills, but also so they can become even better employees, better brand ambassadors and provide the best service to our customers.

In addition, we also take initiatives to engage with the next generation of workforce. On one level, we work with internships, which means students from different educational backgrounds have the opportunity to come and work at Sørensen Leather. While they benefit from a hands-on learning experience, we also benefit from them bringing fresh, new ideas into our company. On another level, one of our Sales Managers teaches at VIA University College and Skive Tekniske Skole, where he shares his in-depth knowledge and experience working with leather. It's also where he acts as an advisory partner on the subject of leather – for students and especially other lecturers at the University. Consequently, he can spread his knowledge of leather, different ways leather can be used, and in turn, be inspired by new, creative ideas and applications for leather.

Work environment

One of our internal goals at Sørensen Leather is to create a physical and psychological work environment where our employees can thrive, without the risk of any physical or psychological injuries.

According to Danish law, we need to have an Arbejdspladsvurdering (APV), where both employees and leadership are involved in the process. The goal is to evaluate our workplace on a physical and psychological level. Employees are given a questionnaire focusing on these two topics, divided into different areas, where they are asked to share their opinion on specific issues and give constructive feedback on how to make Sørensen Leather a better workplace. Based on their answers and feedback, the leadership will then develop a plan with a course of action, where the goal is to make the changes necessary to create an even better work environment where all employees feel comfortable working. Research shows that the majority of the companies who conduct this internal analysis and make the necessary changes end up with a better work environment than before the analysis. A good work atmosphere can help increase motivation, decrease the amount of sick days per year and enhance overall productivity. At our company, sick days are at a very low 2% per year. A good indicator of high engagement, motivation and dedication.

When new members of our staff start working at Sørensen Leather, they are given an on-board plan where mutual requirements and expectations are explained. During the on-boarding period, they go on a tour of the company to familiarise themselves with other departments and see how they operate. While we define in more detail their tasks and areas of responsibility, they have the chance to get to know our culture and start integrating with our company. Our goal is to ensure that our new employees know the company, the culture and other members of the staff, and feel motivated to start working at Sørensen Leather and to perform at their best. Throughout the year, we have employee development meetings where performance and future plans are discussed. If we have concerns at any other time during the year, the staff is always welcome to contact a representative of our workforce who will communicate our concerns to the relevant parties.

The social environment and the feeling of being part of a team is very important at Sørensen Leather. That's why we meet twice a day in our canteen, where we sit together and enjoy a cup of coffee. Not only do we get to enjoy each other's company over our break, we also get a daily update on the activities of different departments in our office.

To help contribute to a good office environment, we encourage our staff to:

- Talk to each other and not about each other
- Respect each others' work and time
- Take responsibility and recognize when you fail
- Be positive over others and think about your tone and facial expressions
- Give compliments and positive criticism to your colleagues
- No one should feel less valuable – we are a team, where all of us have an important task

STRATEGIC GOALS AND EVALUATION

ISO 14001 Environmental management

Regarding our future plans, Sørensen Leather is considering to obtain an ISO 14001 certification, which defines the requirements for an environmental management system. The system helps companies identify, manage, monitor and control their environmental concerns. It can help a company improve its environmental performance through a more efficient use of resources and represents a stronger commitment towards proactive initiatives that boost their environmental achievements. In turn, this can contribute to a competitive advantage and enhance the trust of the company's stakeholders. If we decide to obtain an ISO 14001 certification, it is important to set clear goals to improve environmental efforts, along with the necessary control mechanisms to be certain that we are on the right track.

In addition to reducing any environmental impact and the use of resources, as well as adding a competitive edge, other benefits of attaining an ISO 14001 certification include enhancing a company's reputation and the confidence of stakeholders through strategic communication. Not to mention a financial advantage as the result of reduced costs and efficiencies. It can lead to successful environmental accomplishments of suppliers, by integrating them into the company's operations. Since some governmental organisations only work with companies that have an ISO certification, it's an opportunity for companies to broaden their appeal to even more customer groups, resulting in an increase in sales, as well.

For further information about our CSR initiatives, do not hesitate to contact us.

