



Sourcing Strategy and Purchasing Policy

Vendor selection

The Purchase Department is responsible for purchasing all products for ID.

The range of Suppliers we use today by ID are located in: Bangladesh, China, Turkey, Bulgaria and Portugal.

- where most of the countries are classified as "High Risk" countries.

The Majority of the Purchase (about 65-70% of the volume) are from Bangladesh, whereas 30% is from China.

In Bangladesh we also have our own office in the capital Dhaka.

The office was established in 2005, and today we have 7 local people engaged – all working under the ID umbrella.

ID does not own any production locations in any of the above Countries, but we never do any orders before we personally have visited and inspected the factories which make garment for ID.

Vendors are always selected on a competitive basis, where following parameters in addition to price are important:

- Ability, capacity and skill of the respective vendor.
- Whether the vendor can perform our required orders promptly or within a certain agreed Time line without delay or interference.
- Integrity, reputation, experience and efficiency of vendor.
- Judging related compliance issues
- That there is no conflict of interest with the vendor

Supplier relations

As the main business is Corporate Wear, ID has a dedicated and strong focus on long-term relationship with our suppliers. We aim to establish cooperation with the same suppliers for multiple years. Together with several of our key suppliers we have had this partnership for more than 15 years.

The long-term relationships with our suppliers are very import to secure consistency in terms of obtaining the same quality and the same colors order by order.

PRO Wear, SEEYSER, Seven Seas, Jean Seas, Je











Quality is a key word and is of vital importance for us in order to increase the lifetime of our garments. As about 70% of the purchase is from Bangladesh, we have a huge advantage with our set up, as our staff from the Dhaka Office are visiting the factories each day to follow and inspect our ongoing productions.

Working closely and long termed with our suppliers also means that we are well focused on CSR activities.

Among many focal points we encourage and welcome improved and better working conditions for

the employees. Here the amfori BSCI reports are an excellent tool for us to get a detailed view and input about the respective supplier.

In Bangladesh our policy is also to secure that the factories are member of ACCORD.

The International ACCORD is an independent agreement where factories and trade unions work towards a safe and healthy garment and textile industry in Bangladesh.

Purchase pattern

80% of our Purchase is ID Basic orders and to secure that we have the right garment on stock we use a planning system called "FashionBoard". A pre-adjusted "calculator" focusing on history of sales, hereand-now warehouse situation and coming sales – all indicators for accurate bookings which will help the availability of garments in our warehouse.

For the ID Basic orders, we book annual capacity at our main suppliers.

20% of our purchase is Private Label orders – here we normally use exactly the same factories as for your Basic orders, so we can guarantee the same high quality.

Where it is possible, we always communicate directly with the factories.

ID also works with agents, mainly in China, because of the language issues and the smaller factories, but we always know on which factory each order has been made.

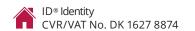
Pricing

It is our intention to ensure that goods and services procured by ID are made on the basis of Competitive prices – considering quality, suitability, delivery, service, integrity, reputation and experience of our vendors.

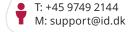
From time-to-time prices are being checked and compared by other suppliers – always to be updated that the garments are being purchased at the right price.

Quality Manual

All new suppliers will be introduced to our Quality Manual, and a formal agreement and signature is required before our cooperation with the respective supplier can officially start.











The Quality Manual is highlighting our Code of Conduct and is an overall set of rules how our cooperation with the vendors are defined.

Once a year the Quality Manual is fine-tuned and updated – and again our vendors are involved in order to secure that they adapt and follow our requirements in order to remain in cooperation with ID.

Ethical, Environmental and Social Considerations

ID has a strong ambition to show social responsibility through our procurement and supplier choices.

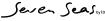
With focus on these parameters, we intend to live up to the ethical, environmental, and social standards.

These standards include:

- That the supplier and any subcontractors comply with UN's convention on Child Labor, UN's convention on Human Rights and UN's convention on freedom and protection of the right to Organize.
- That all behavior in connection with procurement is ethically correct e.g. With regard to confidential Information, and that everything is stated in a high professional and legal standard.
- That our garments are produced in accordance with national labor requirements. (eg. Labor rights).
- That sustainable elements have been considered in production and that no environmentally harmful substances have been used in the manufacturing process of our garments.

Thomas Husted CEO

PRO Wear, SELS Seven Season



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Quality wear for a thousand jobs

