

**Specific instance notified by Clean Clothes Campaign Denmark and Active Consumers
regarding the activities of PWT Group**

FOLLOW-UP STATEMENT

17 January 2018

CONCLUSION

It is The Danish OECD National Contact Point's assessment that through extensive efforts and the additional initiatives planned, PWT Group has complied with recommendations of the NCP to such an extent that the final statement of 16 October 2016 can be removed from NCP's website.

The NCP points out that, in accordance with the OECD Guidelines for Multinational Enterprises, in particular with regard to due diligence, and as an example of how to incorporate the OECD Guidelines for Multinational Enterprises, the company should communicate its CSR-policies, as well as the efforts made, and which continue to be made, to comply with NCP's recommendations.

In the final statement of the Mediation and Complaints-Handling Institution for Responsible Business Conduct (The Danish NCP) of 17 October 2016 concerning Clean Clothes Denmark and Active Consumers' complaint concerning PWT Group A/S (PWT), the Danish NCP found that PWT in its supply chain had not worked with due diligence processes to such an extent as to comply with the OECD Guidelines for Multinational Enterprises (the OECD Guidelines).

In particular, PWT had failed to require the company's supplier, the textile manufacturer New Wave Style, Dhaka, Bangladesh, to protect the employees'

basic human and labour rights, including taking appropriate measures to ensure health and safety at the workplaces, see the OECD Guidelines, Chapter V, principle 4, c).

On this basis, the NCP recommended PWT to:

- Revise its management and risk assessment systems in order to implement processes by which the company can meet the requirement of due diligence in relation to its suppliers, in accordance with Chapter II of the OECD Guidelines;
- Ensure that the company's CSR policy

complies with the OECD Guidelines for Multinational Enterprises, particularly with regard to fundamental human and labour rights;

- Review its suppliers' self-assessments in conjunction with an analysis of industry and country risks and, on this basis, select which matters are to be inspected at the suppliers;
- Report and communicate about these efforts and about the measures carried out by the supplier to prevent potential risks;
- Continue its efforts to systematically incorporate the company's Code of Conduct into its management and risk systems; and
- As part of its due diligence efforts, consider the results of the Bangladesh Accord's independent programme for inspection of the factories which are suppliers to members of the Accord.

Pursuant to Section 7 of the NCP Act, MKI is obliged to follow up on this statement after one year in order to assess whether the company has complied with NCP's recommendations. The Danish NCP's statement in this respect is published. If the NCP assesses that the company has complied with its recommendations, the final statement will be deleted from the NCP's website.

On 16 October 2017, PWT described and documented the measures it had taken to comply with the NCP's recommendations. In its report, PWT stated that it had taken note of the NCP's recommendations and strengthened its corporate social responsibility work in order to meet the expectations in the OECD Guidelines for Multinational Enterprises.

On presenting this follow-up statement, the Danish NCP attaches importance to how:

- PWT has made significant changes to its management and risk management systems in order to implement the recommendations from the OECD Guidelines for Multinational Enterprises concerning due diligence in the company's own activities and in relation to suppliers, including by en-

suring that PWT's management oversees PWT's efforts to comply with the OECD Guidelines for Multinational Enterprises;

- PWT has revised its CSR policy in accordance with international guidelines, in particular the OECD Guidelines for Multinational Enterprises;
- PWT is engaged in systematically implementing its Code of Conduct among suppliers, including by issuing and systematically following up on self-evaluation forms, control visits and improvement measures based on control visits and Accord inspections;

In order to integrate the Code of Conduct and CSR policies in the company, PWT has established processes for this, which it incorporates at monthly management meetings, and at meetings between CSR officers, procurement officers and business developers;

- PWT has provided information concerning the access to complain on the company's website and with regard to Bangladesh, access to complain under the Accord has been established;
- PWT has involved stakeholders in the work on responsible business conduct by cooperating with CSR advisers and NGO representatives, and by participating in CSR networks; and
- WT is working to improve its CSR communication.

It is NCP's assessment that through extensive efforts and the additional initiatives planned, PWT has complied with recommendations of the NCP to such an extent that the final statement of 16 October 2016 can be removed from NCP's website.

The NCP stresses that, in accordance with the OECD Guidelines for Multinational Enterprises, in particular with regard to due diligence, and as an example of the incorporation of the OECD Guidelines for Multinational Enterprises, the company should communicate its CSR-policies, as well as the efforts made, and which continue to be made, to comply with NCP's recommendations.

