

A vibrant meadow scene featuring a variety of flowers and butterflies. In the foreground, there are large, bright red poppies and smaller yellow daisies. The background is filled with tall green stalks topped with purple flowers, and several butterflies are seen fluttering around. The overall atmosphere is lush and colorful.

COP REPORT 21/22

KENTAUR
Work Wear of Denmark

The frontpage shows our biodiversity meadow in July 2021

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About this Report

The present report is Kentaur’s annual Communication on Progress (CoP) report which we are committed to publish as part of our UN Global Compact membership. Kentaur has been a dedicated member for many years and the present CoP report is our 10-year anniversary report. This report does also function as Kentaur’s annual CSR/sustainability report and covers the entire Kentaur Group; Kentaur A/S, Kentaur Norge AS, Kentaur Production and Kentaur Balkans. Kentaur Production and Kentaur Balkans are our two production sites in Poland and Serbia, respectively. The reporting period in the present report is January 1, 2021 to December 31, 2021.

The structure in the report is built around the three main areas in our sustainability strategy: Social Responsibility, Product & Resource Responsibility, and Climate Responsibility. Each main area is subdivided into own operations and supply chain from where we report on our progress through targets, actions, and measurement of outcomes compared to our previous CoP reports. The targets and actions in our strategy are identified and prioritized based on our daily work with corporate due diligence. The four main areas, protection of human rights, labor rights, environment, and anti-corruption, and the underlying Ten Principles in the UN Global Compact are incorporated in our due diligence.

We initiated new sustainability journeys in 2021 and because of these new journeys, we have more to report and therefor new sections have been added to the present CoP report compared to previous. We have introduced a corporate due diligence section describing our work with due diligence including a summary of our social and environmental risk assessment and grievance mechanism. This CoP report does also present Kentaur Group’s first GHG accounting of scope 1, 2, and 3 with baseline year 2020.

Additionally, we present specific cases from 2021 which exemplifies how our sustainability work looks in practice in the section called *Case Stories and Projects*.

It is important for us to point out that the data in the report have not been verified by a third party. However, we put a lot of effort into verifying the data internally in various departments and the full report has been reviewed by the CSR Network called Green Network. Questions about the report can be directed to Textile & Sustainability Specialist Line Nygaard Jensen: Inj@kentaur.com



CEO Statement



Through Corporate Social Responsibility Kentaur accepts the challenge to ensure that sustainability is part of the way we do business. Our work is based on basic respect for fundamental human rights and labor conditions which we strive to integrate into our organization. Furthermore, we influence our suppliers and partners to live up to the same obligations and integrate them into their sphere of influence.

Our continued support of UN Global Compact

Kentaur A/S has been a member of the UN Global Compact since 2011 and has ever since been working to refine our local, social, and environmental effort across our value chain. Our work is based on the UN Global Compact's 10 principles for corporate sustainability and responsibility. These principles act as framework for our CSR activities and include the four general areas:

- Human rights
- Labor conditions
- Environment
- Anti-corruption

In recent time we have further focused our effort through the context of the 17 UN Sustainable Development Goals (SDGs) where we have chosen our primary focus on:

- 8 - Decent Work and Economic Growth
- 12 - Responsible Consumption and Production
- 13 - Climate Action

In our CoP report we outline target areas and defined specific, measurable goals which we will track over time to drive progress and improvement.

Progress during 2021

Our 2021 efforts have been impeded by the global Covid-19 pandemic due to various restrictions placed on our business. Nonetheless, we have seen progress on our CoP goals and achieved some major milestones. Early in the year, our facilities in Poland and Serbia had their first amfori BSCI audits. Later during the year, we obtained STeP by OEKO-TEX certification. It means that most articles produced at these locations can be labelled as MADE IN GREEN by OEKO-TEX and Der Grüne Knopf. STeP by OEKO-TEX focuses on six main areas with respect to product and production: Quality management, chemical management, environmental management, environmental performance, social responsibility, and health & safety. This is far more comprehensive than amfori BSCI which mainly focus on social responsibility and health & safety. Important accomplishments toward our SDG goals.

The year also brought further progress on our greenhouse gas (GHG) accounting efforts. A company baseline was established according to the Greenhouse Gas Protocol on our scope 1 - 3 emissions. It provides a baseline for further work in 2022 to setup a model for carbon footprint on a garment-by-garment basis through Life Cycle Assessments (LCAs)

Our commitment through Textile Service

The garments we produce are sold through our textile service partners who circulate it among end users. Of essence is durability and through well-designed products produced in long lifespan materials, we seek to reduce environmental impact. Preference for more environmentally friendly materials and manufacturing processes is integrated into our core product development process.

Our approach to sustainability is about the journey and the day-by-day effort to improve, aided by long term goals. We must all strive to set an example to positively influence sustainability of tomorrow. We will do ours.

Bo Ensted Danielsen, CEO

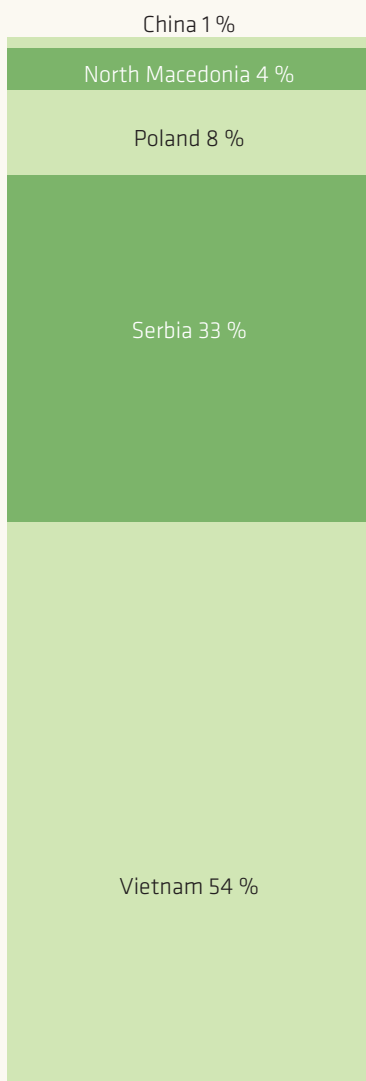
Our Business

Kentaur is primarily a B2B enterprise designing and producing professional workwear for industrial laundries. We offer workwear in the following three main segments: Healthcare & Service, Food Industry & HACCP, and HORECA & Retail. We mainly distribute our workwear through the Textile Service Industry (industrial laundries) as well as other professional partners in the European market.

Our focus is on Textile Service and the creation of added value for the individual customer through dialogue and market knowledge. We work with logistics, quality, and user-driven innovation, so that our customers and partners can always meet market requirements.

Additionally, we have a close and long-term collaboration with our valued business partner ID[®] Identity on knitted workwear for industrial laundry. ID[®] Identity is also committed to UN Global Compact's Ten Principles and their latest CoP report can be found on the following link: <https://doc.id.dk/COP/2021/>

Production volume in 2021



The value chain in Kentaur's business model

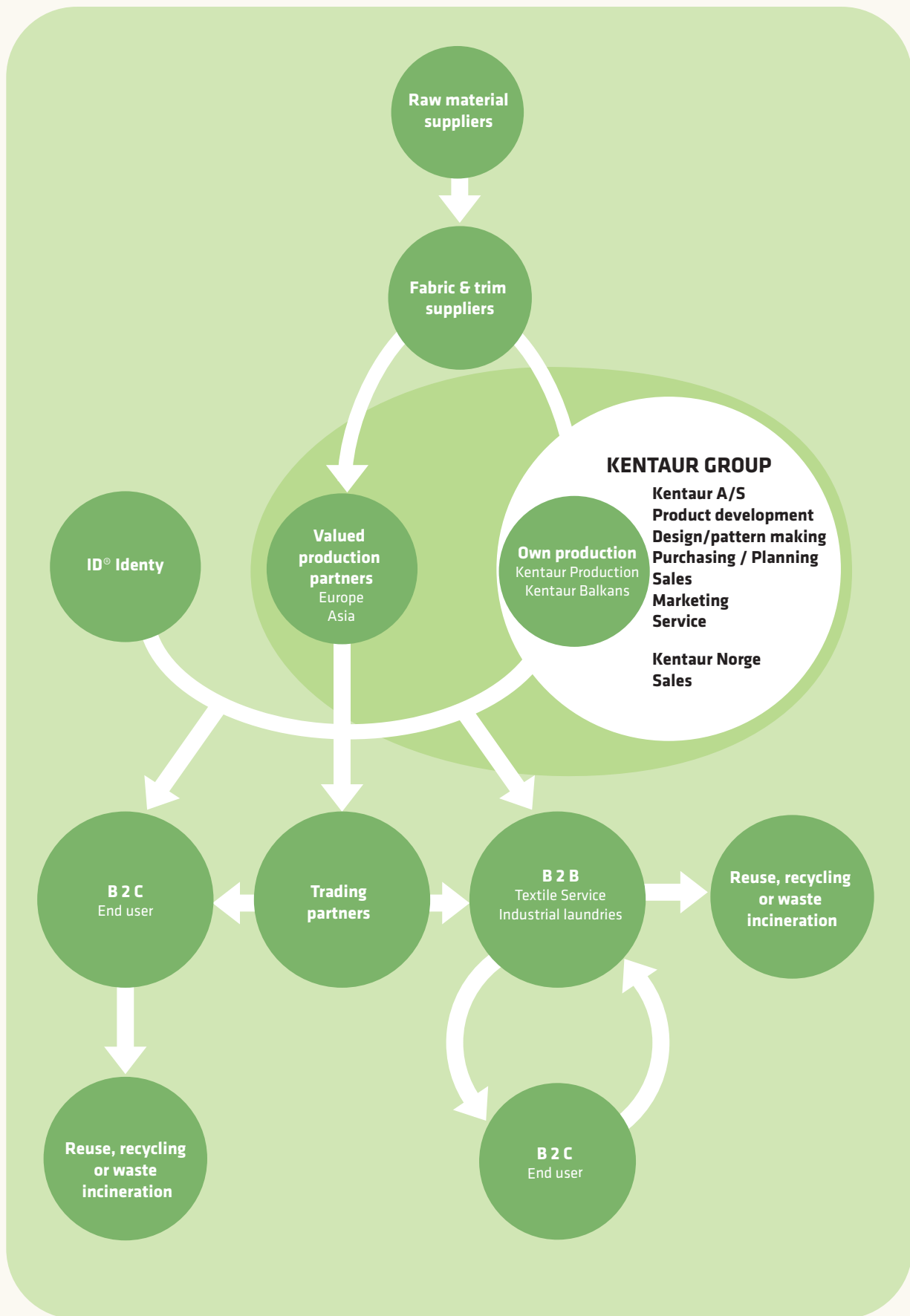


Figure 1

Highlights 2021

Corporate



10-years anniversary
UN Global Compact member



Improved Corporate Supply Chain
Due Diligence processes

Climate Responsibility



25,581.7 tons CO2e emissions in 2021

Social Responsibility



94% of our production volume (pcs) are produced in factories with **B or A score**

Environmental Responsibility



We sourced **28%**
of our cotton as Better Cotton



**GREEN
BUTTON**
GOOD FOR PEOPLE.
GOOD FOR NATURE.

Labels and certifications
achieved by Kentaur A/S



3,948,140 plastic bottles have
been recycled into textile fibers in our
sold Kentaur products



85% of bought fabric volume (mts) have been produced by
a STeP by OEKO-TEX certified fabric supplier.

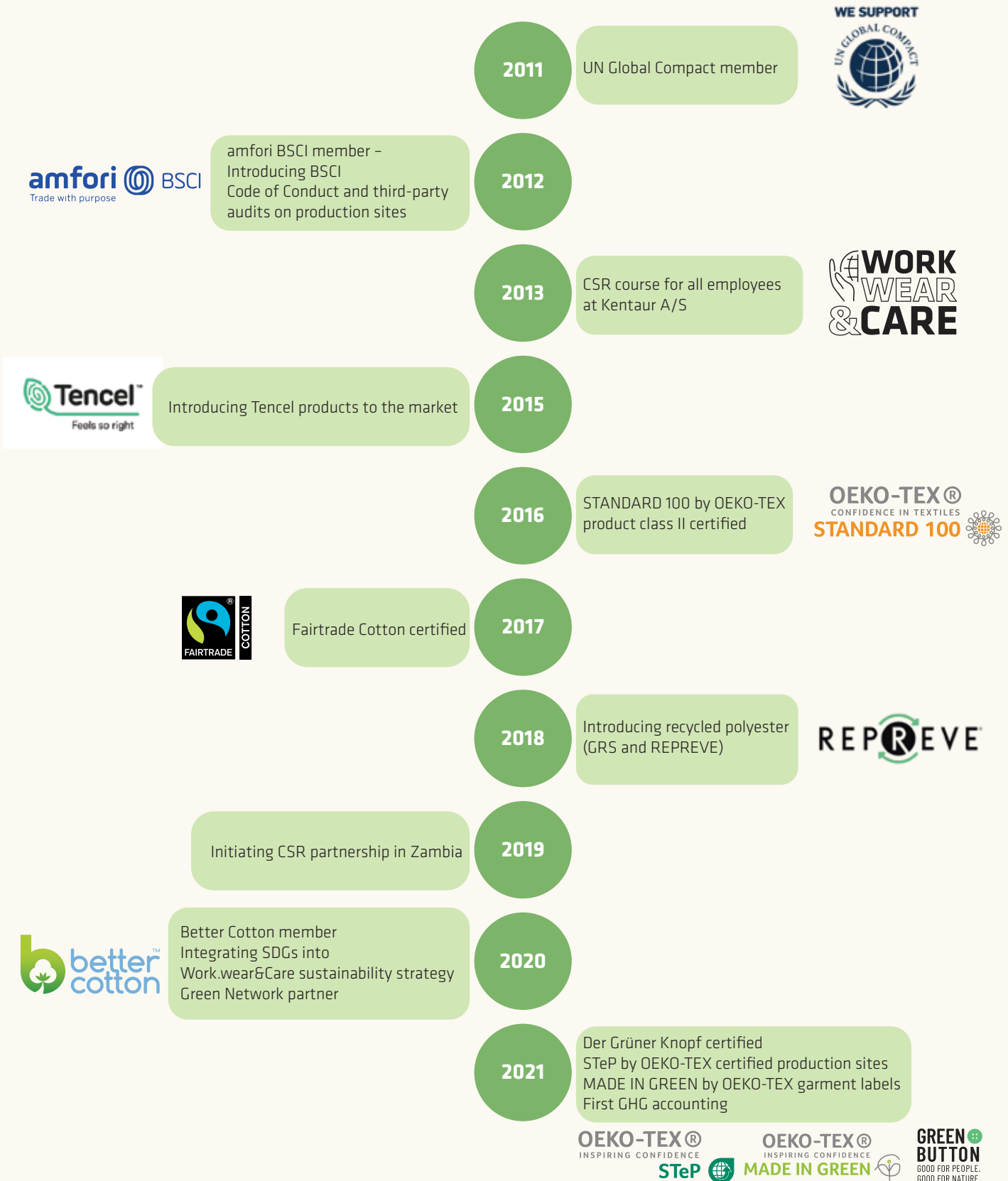
60% of our garment production are STeP by OEKO-TEX
certified.



Audits and certifications achieved by production in Poland and Serbia

Sustainability timeline

2021 has been a sustainability anniversary year at Kentaur. We celebrated our 10-year anniversary of being a UN Global Compact member. A lot has happened since Kentaur committed officially, back in 2011, to work dedicated with sustainability and corporate responsibility. This is evident in the sustainability timeline below.



WORK WEAR & CARE

At Kentaur, we care. Care about our responsibility as a company. Therefore, our sustainability strategy is named Work.Wear&Care. Work.Wear&Care covers both corporate responsibility and product sustainability.

We want to take responsibility for the industry we are part of, and our ambition is to be among the most sustainable suppliers of workwear to the Textile Service industry. We want to make sustainable and climate-friendly workwear available to everyone in everyday life, as a natural and responsible choice.

We define sustainable and climate-friendly workwear as follows:

- High quality.
- Durable/long lifespan.
- Made of textiles with more preferred materials such as recycled polyester, TENCEL™ Lyocell, Fairtrade® cotton and cotton sourced as Better Cotton.
- Produced socially responsible.
- Produced with the least possible carbon footprint with continuous improvements.

Work.Wear&Care also includes sustainable labels and certifications that help to improve more environmentally friendly production methods and equalize and improve social and economic living conditions in the textile industry worldwide.

When we work with sustainability, we work holistically, which means that we pay attention to the whole supply- and value chain on economic, social, and environmental aspects. That is why the underlying fundament of our strategy is the Ten Principles of UN Global Compact. On top of this fundament, we have incorporated the 17 UN SDGs as a natural part of our sustainability strategy to create a structure where we can transform policies and strategies into actions. We want to minimize our negative impacts and improve our positive impacts in areas where we can make a concrete and measurable difference. Our sustainability strategy is divided into three main areas which work around SDG 8, 12 and 13. These SDGs have been selected based on a SDG assessment which concluded that we can make the greatest difference here given our structure and resources available.



Figure 2 shows the relation between the Ten Principles of UN Global Compact and the SDGs in Kentaur's Work.Wear&Care strategy.

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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



Figure 2

Sustainability strategy

Social Responsibility

8 DECENT WORK AND ECONOMIC GROWTH



Target 8.5: Achieve full and productive employment and decent work with equal pay.

Target 8.8: Protect labor rights and promote safe and secure working environments.

Ambitions:

- Reduce sickness absence by 25%.
- Zero work accidents.
- We employ employees based on competences and want a balanced gender distribution at board- and management level in Kentaur Group.
- We want to create financial opportunities locally – all production employees must receive fair remuneration.
- 2022: amfori BSCI audit with minimum B score on all production sites.
- All our fabric and trim suppliers must be audited or certified for social compliance according to a recognized standard like amfori BSCI or STeP by OEKO-TEX. (Alternatively e.g., SA8000, FLA, FWF or WRAP)

Product & Resource Responsibility

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Target 12.2: Achieve sustainable management and efficient use of natural resources.

Ambitions:

- 2025: 75% of Kentaur's self-produced goods sold are products labeled with Sustainable Kentaur.
- 2025: Sourcing 50% of our cotton as Better Cotton.
- Our fabric cutting waste must be reduced, used and/or recycled.
- We want to help ensure that our products are recycled by the end of their service life.

13 CLIMATE ACTION



Climate Responsibility

Target 13.2: Integrate climate change measures into policies, strategies, and planning.

Ambitions:

- 2030: Net zero emissions in scope 1 and 2

Corporate Due Diligence – Risk Assessment

At Kentaur we commit ourselves to perform corporate due diligence. Due diligence is the process by which Kentaur identify, prevent, mitigate, and account for potential and actual adverse corporate social and environmental impacts. Kentaur's due diligence process is based on guidelines on corporate due diligence published by OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, Partnership for Sustainable Textiles, and the SME Compass published by Agentur für Wirtschaft & Entwicklung. In 2021, we have implemented new structured due diligence processes and procedures to obtain the certification Der Grüne Knopf. Der Grüne Knopf is the first certification in the textile industry to put corporate due diligence at its core.

Our due diligence covers own activities and our supply chain and is an ongoing exercise because risks of harm may change over time due to evolvement of our operations and/or operating context. To ensure we act with due diligence in our sourcing activities, we have adopted a Responsible Sourcing Policy in 2021.

See <https://www.kentaur.com/en-us/en/about-kentaur/code-of-ethics>

Our due diligence performance is risk-based meaning that the control measures taken are based on the severity and probability of the harm assessed through a risk analysis. The risk analysis is reviewed and updated in a one-year cycle unless an occasion requires an update outside the normal revision cycle.

Our social and environmental risk analysis covers areas of human rights, labour rights, environment and anti-corruption measured on 18 different parameters.

We prioritize the order in which we act from assigned risk ratings, which are based on the severity and probability of the incident to occur. In case of supply chain risks we also use our buying volume in the prioritization of our actions.

In 2021, we have identified below top-prioritized risks which we are addressing.

Supply Chain Grievance Mechanism and Remediation

The aim of Kentaur's due diligence is to identify, prevent and mitigate potential harms before they turn into adverse impacts. Occasionally, risk of harm can turn into actual impacts. We want to take responsibility for potential and actual social and environmental adverse impacts we might have caused or contributed to via our business and purchasing practices. We encourage our supply chain to notice Kentaur about eventual grievances through our supply chain grievance mechanism. Our grievance mechanism and remediation process are described in our Supply Chain Grievance Mechanism and Remediation process description.

See <https://www.kentaur.com/en-us/en/about-kentaur/code-of-ethics>

In 2021, Kentaur has not received any grievances from our supply chain partners.

Risk

Pandemic – COVID-19

Our business has been affected by Covid-19. Especially, the lockdown of the HORECA industry has had a negative impact on our business. On the other hand, we have seen a progress in the healthcare industry, which have had a positive impact. We have been impacted by the pandemic in our own operations as well as in our supply chain, which is evident in our sickness absence statistics.

Control measure

Pandemic – COVID-19

To reduce the risk of having employees infected in our supply chain and own operations several control measures were effective during 2021:

- Keeping 2 meters distance
- Disinfection in all rooms
- Corona test 1-2 times per week
- Lunch break in shifts
- No lunch buffets
- Working from home if possible
- Assigned toilets to different departments
- Use of face masks
- No business travels
- Measuring body temperature
- Arrival to work in separate busses
- Extra cleaning during the day
- Preferring online meetings

Additionally, we have incentivized the importance of being vaccinated by offering our employees on our production sites in Poland and Serbia a financial payment if they choose to receive a vaccination. It is very important to state that it is a voluntary offer, and we fully respect the choices of our employees no matter their decision.

Risk

Fair remuneration

We have a risk of contributing to social negative impacts in our supply chain, if the production employees' remuneration is not equal to the wage needed for decent living in their specific home country.

Social and environmental compliance in tier 2

The more upstream we go in our supply chain, the higher risk we have of posing negative social and environmental impacts, because we have reduced control and access. We have a few larger tier 2 suppliers who do not have their social and environmental performance audited and/or certified by a third party.

Forced labour – Cotton from Xinjiang Uyghur Autonomous Region (XUAR)

We used 376 tons of cotton in 2021 which have been grown all over the world. Our cotton consumption poses a risk of contributing to social harm such as the specific case with forced labor in cotton farming in XUAR.

Textile waste – pre-consumer and post-consumer

We produce textile products which means that we have fabric cutting waste (pre-consumer textile waste) from the manufacturing process. In 2021, we had approx. 134 tons of fabric cutting waste in own and external production. Additionally, our products wear out over time which generate post-consumer textile waste. These two types of textile waste pose a potential negative environmental impact if the material resources are not reused, up- or re-cycled.

Control measure

Fair remuneration

At our own production sites, we have a wage system containing three wage levels which ensures that all employees' competencies and efficiency are rewarded, and that their remuneration is always adjusted to the value of the work.

We use dialogue, third-party amfori BSCI audits, and STeP by OEKO-TEX audits for external monitoring of fair remuneration at our own production sites and at our suppliers. In case of any deviations the supplier is obligated to make a corrective action plan (CAP) on how to remediate the deviation. We follow up on the CAP through dialogue with the suppliers.

Social and environmental compliance in tier 2

All our tier 2 suppliers have signed our amfori BSCI Code of Conduct or equivalent and we discuss social and environmental compliance with them on an ongoing basis. However, we require our main tier 2 suppliers to have their social and environmental performance audited and/or certified by a third party to reduce our risk of harm. We have an ongoing dialogue with the specific suppliers.

Forced labour – Cotton from Xinjiang Uyghur Autonomous Region (XUAR)

To reduce our risks, we support cotton initiatives which work for human- and labor rights in the cotton industry. We are Fairtrade Cotton certified and we are a member of Better Cotton. Additionally, our suppliers have signed our declaration that they do not source cotton from XUAR and completed a supply chain map of the upstream supply chain including the origin of the cotton raw material.

Textile waste – pre-consumer and post-consumer

We engage in the transition of the textile industry to become circular. We work on and participate in various upcycling and recycling projects both nationally and internationally:

- In 2021, we developed upcycled aprons made from fabric cutting waste.
- Upcycling of dead stock garments and fabric into sneakers in collaboration with the company VAER.
- 2021-2023: Accelerating Circularity Project Europe (ACPE): An international European project where actors from the whole textile value chain participate to make circular supply chain models focusing on post-consumer textile-to-textile recycling at commercial scale.

8 DECENT WORK AND ECONOMIC GROWTH



Social Responsibility

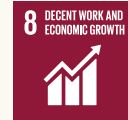
Target 8.5: Achieve full and productive employment and decent work with equal pay.

Target 8.8: Protect labor rights and promote safe and secure working environments.

Ambitions:

- Reduce sickness absence by 25%.
- Zero work accidents.
- We employ employees based on competences and want a balanced gender distribution at board- and management level in Kentaur Group.
- We want to create financial opportunities locally – all production employees must receive fair remuneration.
- 2022: amfori BSCI audit with minimum B score on all production sites.
- All our fabric and trim suppliers must be audited or certified for social compliance according to a recognized standard like amfori BSCI or STeP by OEKO-TEX. (Alternatively e.g., SA8000, FLA, FWF or WRAP)

Social responsibility



Kentaur supports and respects the protection of internationally declared human and labor rights and we work diligently to make sure that we do not contribute to violations of these. Corporate social responsibility is not limited to cover activities within the Kentaur Group, we are also co-responsible for the activities we initiate in our global supply chain. Kentaur’s policies on protection of human and labor rights are documented in the company’s Code of Ethics. Through our membership of amfori BSCI, we control impartially that the above rights are also respected and complied with by our supply chain partners.

Own Operations

Sickness absence

Sickness absence can have major negative consequences for both employee and employer. Therefore, we have an ambition to reduce sickness absence by 25% on our production locations in Poland and Serbia. A reduction of 25% must be realized based on sickness absence measured in 2020.

We systematically register and monitor sickness absence on each location in the Kentaur Group. We want to have employees who thrive and feel good in their workplace with both managers and colleagues and therefore we evaluate the sickness absence monthly.

In 2021, we have experienced heavy challenges with Covid-19 infected employees especially on our production sites in Poland and Serbia. Already back in 2020, we implemented various control measures but unfortunately these have not been adequate to avoid Covid-19 infections entirely in 2021. Furthermore, we have incentivized the importance of being vaccinated by offering our employees on our production site in Serbia a financial payment if they choose to receive a vaccination. It is very important to state that it is a voluntary offer, and we fully respect the choices of our employees no matter their decision. This offer has been made in Q4 of 2021 and we will monitor the progress of this action in 2022.

Figure 3 shows the sickness absence in 2021 compared to 2020 on Kentaur Group level. We have faced great challenges with sickness absence due to Covid-19 infections, especially at our Serbian production site, which unfortunately seem to continue in the beginning of 2022.



Work accidents

A large part of a company’s social responsibility lies in ensuring that all employees have a safe and secure work environment to perform their work in. Kentaur’s ambition is and has always been zero work accidents.

We have Health, Safety, and Environment (HSE) committees on our locations in Denmark, Poland and Serbia. The HSE committees on the production sites have meetings regularly as needed while the HSE committee at HQ have 4 annual meetings. Work accidents and near-accidents are always on the agenda on all HSE meetings. To prevent work accidents from occurring again and prevent near-accidents becoming work accidents, we take corrective actions and preventive measures to reduce the potential risks. All employees in our production sites in Poland and Serbia are trained in HSE.

Figure 4 shows that there has been a total number of 3 accidents in 2021. They have been dealt with in the respective HSE committees and it has been ensured that the necessary actions to reduce the risk of those accidents recurring have been implemented. The number of accidents were reduced by 2 from 2020 to 2021.

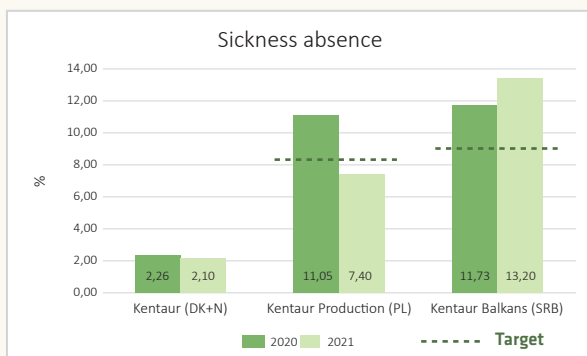


Figure 3

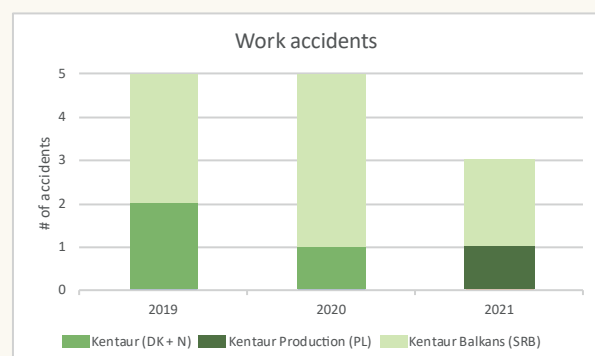


Figure 4

Gender distribution

Our ambition is to have a balanced gender distribution at board- and management level in Kentaur Group. We define a balanced distribution to be 60/40 irrelevant whether women or men constitute the 60%.

Kentaur is a modern company that employs candidates based on competencies and wants competent women to be represented at all levels in the organization, regardless of our location in Denmark, Poland, or Serbia. We will continue to employ candidates based on qualifications and competencies in 2022.

The pie charts show the gender distribution in the entire Kentaur Group, the board, and the management in Denmark, Poland, and Serbia by the end of 2021, respectively.

Overall, the proportion of women in Kentaur Group has increased from 87% to 90% by the end of 2020 to the end of 2021. This is mainly due to employment of primarily female production staff in Kentaur Production and Kentaur Balkans. Currently, we have a balanced gender distribution in the board and in the management level in Serbia.

Supply Chain

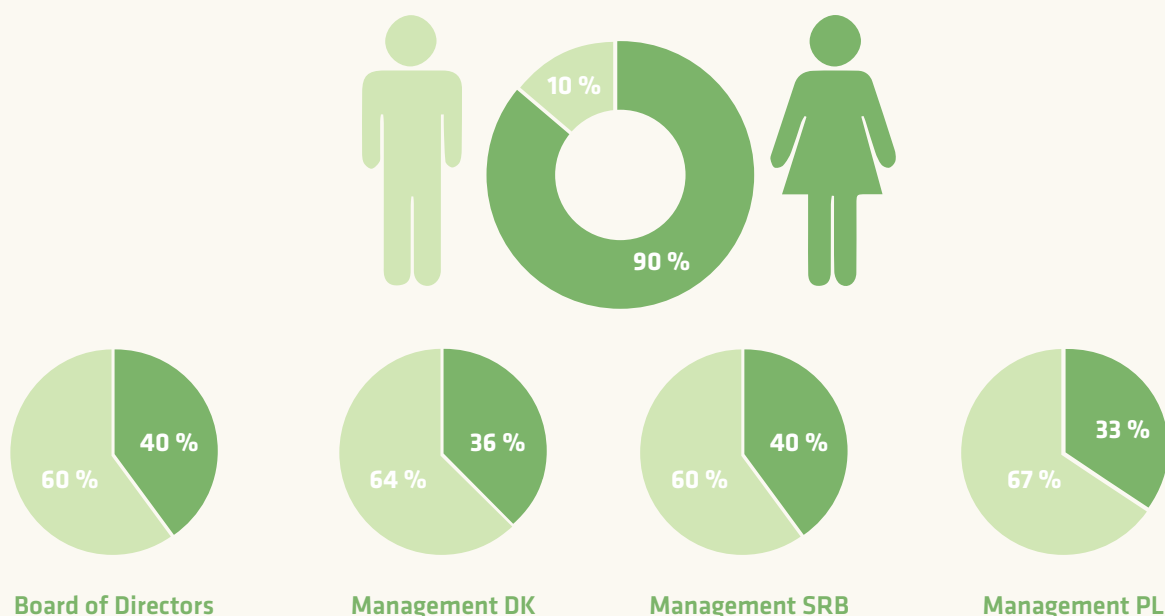
Fair remuneration

Kentaur has an ambition to create economic opportunities and stability locally where we produce. Kentaur will contribute to decent work with equal pay (cf. SDG target 8.5) by focusing on providing equal pay for work of the same value and a fair remuneration to all production employees.

The statutory minimum wage is always paid as a minimum, but an ambition to create economic opportunities will not be realized by local minimum wages. A wage system containing three wage levels are implemented in our own production sites in Poland and Serbia which ensures that the employees' competencies and efficiency are rewarded, and that the wage is always adjusted to the value of the work.

We use dialogue, third-party amfori BSCI audits, and StEP by OEKO-TEX audits for external monitoring of fair remuneration at the production sites. In case of any deviations the production site is obligated to make a corrective action plan (CAP) on how to remediate the deviation. We follow up on the CAP through dialogue with the production site.

Gender distribution Kentaur Group



Social auditing and certification - garment producers

Third party auditing of our own production sites in Poland and Serbia as well as our tier 1 producers is an important part of our social responsibility for the value chain in which we operate as a company. Kentaur has been a member of amfori BSCI since 2012 and we require that our own as well as tier 1 garment production sites sign and comply with the amfori BSCI Code of Conduct. In 2020 we decided that all production sites should complete an amfori BSCI audit with a B score as minimum by 2022, regardless of their location in the world. See Annex I for the description of the rating system in amfori BSCI.

Especially human rights, labor rights, and anti-corruption are in focus through our work with amfori BSCI on the production sites. All production sites have signed that they comply with the amfori BSCI Code of Conduct. To guarantee that the Code of Conduct is also implemented in the daily operations on the production sites, all must be audited according to the 11 principles in the Code of Conduct which constitute the 13 Performance Areas (PAs) in amfori BSCI. Annex II shows the list of the 13 PAs. We are in ongoing dialogue with our own and external production sites to ensure continuous improvements on all parameters in the BSCI Code of Conduct. If an audit is performed on a production site where the manufacturer has not complied with Kentaur's requirements, a CAP is prepared by the manufacturer and handed over to Kentaur.

Figure 5 shows the distribution of the latest amfori BSCI audit score for own and external production sites by the end of 2021. **72% of our producers have achieved either B or A score** which is an improvement from 29% in 2020. In 2022, we aim to maintain these good practices of social compliance. We have one external garment producer which is not part of the statistics in Figure 5. This producer is audited against the Fair Wear Foundation (FWF) standard instead of amfori BSCI which we acknowledge.

Figure 6 shows the amfori BSCI scores distributed on production volume. This means that **94% of our products were produced by factories with B or A score in 2021**. 3% of our production volume were manufactured by a producer with a D score and a not audited producer. In the beginning of 2021, Kentaur terminated the collaboration with these producers which had been the plan since the decision was made to establish own production sites.

amfori BSCI audit score

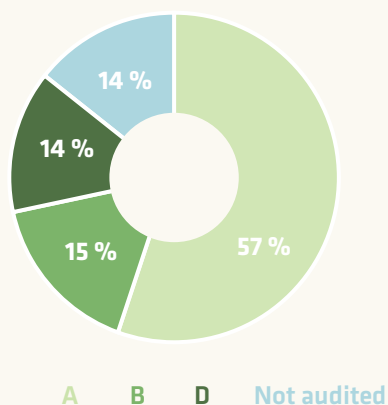


Figure 5

amfori BSCI score distributed on production volume

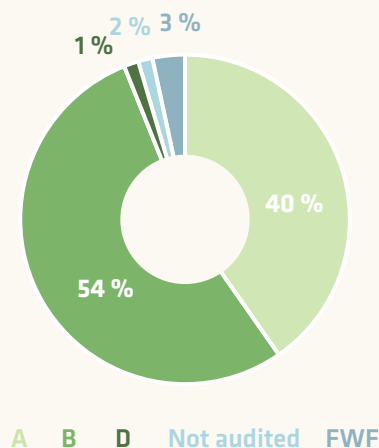


Figure 6

Social auditing and certification – fabric and trim suppliers

Kentaur’s social responsibility covers more than producers in tier 1 as described above. We have also set ambitions for our social responsibility further upstream in the supply chain. All fabric and trim suppliers must have a valid audit that includes social compliance according to a standard controlled by a third party. Kentaur demands that all primary suppliers must have a STeP by OEKO-TEX certification which controls both social and environmental compliance, and we strongly encourage all our remaining suppliers to have the same. Nevertheless, the most important thing is that all our suppliers have independent documentation on their work with social compliance. Annex III shows the list of standards containing social requirements which we acknowledge currently.

All our fabric and trim suppliers receive our amfori BSCI Code of Conduct (CoC) and we require a signature that they, as well as their suppliers upstream in the supply chain, comply with the principles therein. As illustrated in Figure 7, our BSCI CoC is signed by 82% of our fabric and trim suppliers. The remaining 18% comply with their own CoCs, which contains equivalent requirements to our amfori BSCI CoC.

We cooperate closely with our fabric and trim suppliers however we are dependent on them being able to document that they comply with our CoC in daily practice. We work actively to obtain documentation from our suppliers on the third-party social audits which are performed on their sites. Figure 8 shows that by the end of 2021, 61% of our fabric and trim suppliers could submit third-party reports and/or certificates documenting their social compliance. It is important to state that, 100% of our fabric and trim suppliers have social audits controlled by third-parties when considering the share of suppliers where our buying value is more than 1% of our total buying value.

To contribute to a more socially responsible textile industry on a global level, we do not want to replace our suppliers who are not currently third-party audited or certified in social compliance. Instead, we make an effort and encourage these suppliers to be audited if it makes sense. This can be a slow process due to Kentaur’s purchasing volume with some of our suppliers. However, we have continuous dialogues with the suppliers about social compliance to emphasize its importance for us.

Anti-corruption



Corruption, extortion, and bribery are unethical business practices that hamper sustainable development. At Kentaur, we will perform openness, honesty, and justice in all business matters and therefore all forms of corruption, extortion, and bribery are strictly prohibited. It also applies to Kentaur’s partners and suppliers to not engage in such behavior.

Our Code of Ethics and our anti-corruption policy create the foundation for the Kentaur Group to conduct business in an open and honest manner. In our daily operations, the focus is on ensuring that no forms of corruption, extortion or bribery take place through our work with the amfori BSCI CoC. As part of our due diligence process and risk analyses, we identify where there could be a risk of corruption to occur. Our partners and suppliers have committed themselves to not engage in corruption or the like (cf. PA13 in BSCI CoC) by signing and complying with our amfori BSCI CoC or equivalent CoC. Additionally, our anti-corruption policy is sent out to our suppliers with an accompanying notice that they must familiarize themselves with the content and its criteria.

In the section *Social auditing and certification – garment producers*, it was presented that all own and tier 1 production sites have signed the amfori BSCI CoC and are audited accordingly. In the section *Social auditing and certification – fabric and trim suppliers*, it was presented that all fabric and trim suppliers have signed amfori BSCI CoC or equivalent own CoCs. Kentaur is not aware of any incidents of violation of business ethics and integrity related to our activities in 2021.

Suppliers signed CoC

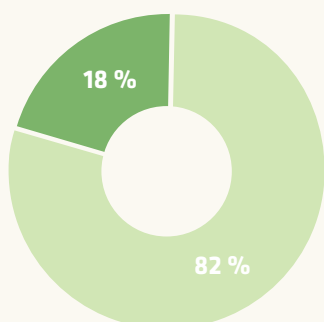


Figure 7 amfori BSCI Equivalent

Suppliers with social audit/certification

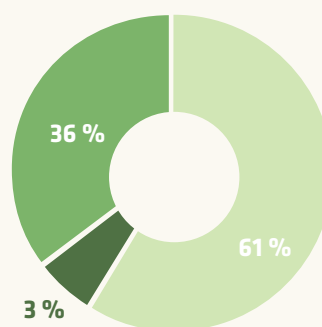


Figure 8 No third-party audit/certification In process Third-party social audit/certification

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Product & Resource Responsibility

Target 12.2: Achieve sustainable management and efficient use of natural resources.

Ambitions:

- 2025: 75% of Kentaur's self-produced goods sold are products labeled with Sustainable Kentaur.
- 2025: Sourcing 50% of our cotton as Better Cotton.
- Our fabric cutting waste must be reduced, used and/or recycled.
- We want to help ensure that our products are recycled by the end of their service life.

Product & Resource Responsibility



Kentaur develops and produce workwear using natural resources. That is why we have a special responsibility to ensure that the products we bring to the world do not harm the environment. As part of the global textile- and clothing industry, we have a strong focus on the environment and take responsibility by setting requirements to material choice and production processes. Kentaur's environmental protection policy is documented in the company's Code of Ethics.

Own Operation

Preferred materials

Kentaur has an overall ambition to work towards 100% sustainable material inputs that are renewable, recyclable and/or reusable. Our sub-ambition to achieve this goal is that 75% of Kentaur's own goods sold must be products labeled with *Sustainable Kentaur* in 2025 and we aim to source 50% of our cotton as Better Cotton in the same year.

Materials with a reduced impact on the environment are essential at Kentaur. In product development we only consider more environmentally friendly materials.

Our list of preferred materials evolves as new and more sustainable and innovative alternatives to the conventional textile materials enter the market. At present, we use preferred materials such as certified recycled polyester (either GRS or Unifi REPREVE®), TENCEL™ Lyocell, Fairtrade® Cotton and source Better Cotton. Products where these materials are sourced for or used in are referred to as *Sustainable Kentaur* products as they are more responsible products compared to our remaining products.

In 2021, **sales of Sustainable Kentaur products accounted for 20%** of total sales of own goods as illustrated in Figure 9. This is a decrease of 2 percentage points compared to 2020. Kentaur's sales of own goods have increased from 2020 to 2021, however the sales of *Sustainable Kentaur* products have not increased to the same extend which results in a lower share of sold *Sustainable Kentaur* products. We are still aiming for 75% in 2025, which we are planning to reach by choosing preferred materials for all new product developments as well as replacing materials in existing products. In 2021, we have been working on switching one of our major running fabrics from conventional polyester/cotton to recycled polyester and sourcing the cotton as Better Cotton. All quality parameters are approved, however the situation on the global market has made it impossible to complete the switch due to shortage of recycled polyester and significant price increases. We have postponed the switch to 2022.



Distribution of sold Kentaur products 2021

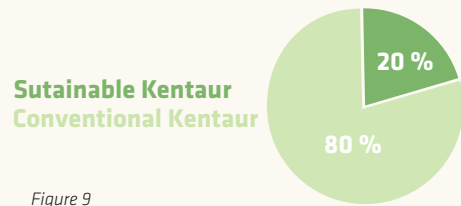


Figure 9



Figure 10 shows that **we sourced 28% of our cotton as Better Cotton** in 2021 which is 12 percentage point more than in 2020. It is important to state here that the result in 2020 was influenced by the time Kentaur joined the Better Cotton Initiative. The Better Cotton sourcing was only registered on the Better Cotton Platform from June 2020 and onwards. We will continue the work with Better Cotton sourcing to increase the share and are still aiming for reaching 50% in 2025.

Cotton sourcing 2021

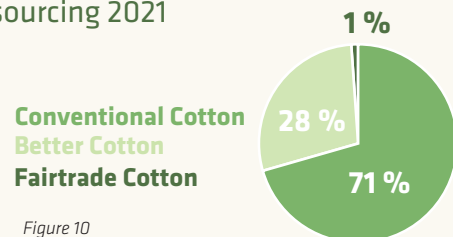


Figure 10

In 2021, we have continued our journey by selling products containing recycled polyester from certified post-consumer PET bottles. We buy GRS certified polyester and Unifi REPREVE® polyester. Figure 11 shows that **the number of bottles recycled in our sold products in 2021 add up to 3,948,140 bottles.**

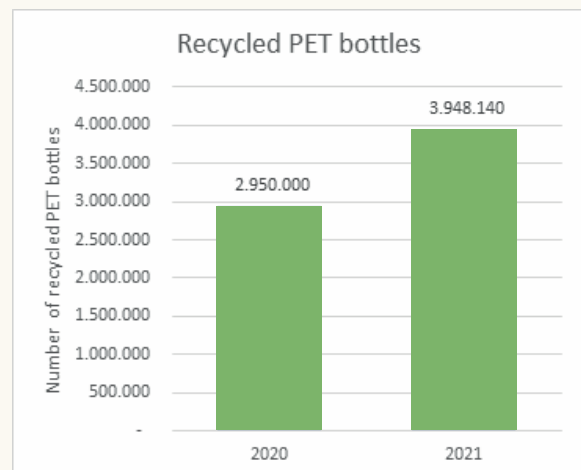


Figure 11

Certifications and labels

In 2020, Kentaur set the goal to achieve more certifications to ensure, control, and document that our sustainability journey makes a difference in both product and production. It was the aim to achieve these certifications during 2021. The certifications obtained by our own garment production sites are reported in the “Supply Chain” section under *Environmental auditing and certification – garment producers*. We aimed for having Kentaur A/S certified as a supplier of Grüner Knopf and EU Ecolabel products.

We have succeeded in **obtaining Der Grüne Knopf (DGK) certification in 2021 as the second Danish company** and among the first 70 companies in the world. DGK is an international certification for sustainable textiles owned by the German State. The DGK standard includes both product criteria and corporate criteria on social and environmental sustainability. We could **certify 25 products** at the time of our audit. In 2022, we will continue to add more products continuously.

We did not manage to obtain the EU Ecolabel within 2021. The main barrier has been maintaining a high fabric performance with respect to shrinkage and colorfastness when replacing some of the essential chemicals in the textile production process. Overall, this needs to be improved before we are ready to apply for the EU Ecolabel. If this is not improved, we will reduce the lifetime of the garments because the fabric quality is reduced. However, we still see the EU Ecolabel as an important step on our journey and therefore we are still working on an EU Ecolabel certified healthcare and service collection and are continuing the collaboration with our fabric suppliers to improve and test the fabric quality in 2022.

In 2021, **we obtained the product label MADE IN GREEN by OEKO-TEX on our finished products** because our garment production sites became STeP by OEKO-TEX certified. We can offer a MADE IN GREEN by OEKO-TEX label on our finished garment because: (1) the garment manufacturer is STeP by OEKO-TEX certified, (2) the textile producer performing the wet processes is STeP by OEKO-TEX certified, and (3) the finished garment is STANDARD 100 by OEKO-TEX certified. Kentaur has for several years used fabrics with the MADE IN GREEN by OEKO-TEX label, but now when our garment manufacturers are STeP by OEKO-TEX certified, we can offer the finished garments with the MADE IN GREEN by OEKO-TEX. This extends third-party documented sustainability and transparency to more tiers in our supply chains.

In 2021, we **extended our Fairtrade certification** meaning that our own production sites in Poland and Serbia now are allowed to produce our Fairtrade Cotton products as well.

To ensure that our products do not contain chemicals in concentrations which are harmful to human health our products are STANDARD 100 by OEKO-TEX certified.

Table 1 shows an overview of the third-party audits, certifications and labels hold by Kentaur Group and year of introduction:

Fabric cutting waste

It is important for a circular transition that fabric cutting waste from production are not considered as waste that is disposed of by landfill or incineration without energy recovery. Therefore, Kentaur has set a goal that our fabric cutting waste from our own and external production sites must be reduced, reused and/or recycled.

In production, we are always trying to optimize so we produce as little fabric cutting waste as possible. This is an incentive from both an environmental and economic perspective. We have not found a scalable solution to reuse and/or recycle our fabric cutting waste yet. However, the textile waste is segregated in separate containers and collected by textile waste handling companies. Figure 12 shows the amount of fabric cutting waste we had in 2021 compared to 2020.

We are doing different projects focusing on recycling/upcycling of cutting waste and leftover fabrics. In 2021, we developed an upcycled apron made of our fabric cutting waste. The apron will go into production in 2022.

By the end of 2021 we initiated a collaboration with the Danish start-up VAER who makes upcycled sneakers from fabric leftovers and worn-out textiles and garments. Initially, VAER has produced sneakers of discontinued Kentaur aprons and can make 6 pair per Kentaur apron. In 2022, we intend to continue and extend our collaboration.

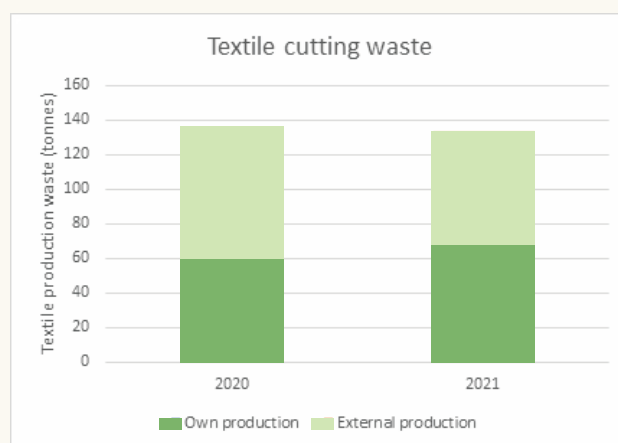


Figure 12

<p>Kentaur A/S</p> <p>STANDARD 100 by OEKO-TEX (2016) Fairtrade® Cotton (2017) MADE IN GREEN by OEKO-TEX (2021) Der Grüne Knopf (2021)</p>
<p>Kentaur Production (Poland)</p> <p>amfori BSCI (2021) STeP by OEKO-TEX (2021)</p>
<p>Kentaur Balkans (Serbia)</p> <p>amfori BSCI (2021) STeP by OEKO-TEX (2021)</p>

Table 1

Packaging materials

We set a goal in 2020 to replace all our packaging materials with more sustainable materials.

In 2021, we started to replace our cardboard boxes with FSC Mix cardboard boxes. This means that the cardboard is made of wood from a FSC certified forest, FSC controlled wood and/or reused paper materials. By this we ensure that the wood used to make the cardboard for the boxes we purchase does not contribute to deforestation and that social and economic welfare of the workers in the forestry industry and the local community are maintained.

Our garments coming from production in Vietnam are placed in polybags inside the cardboard boxes. We cannot eliminate polybags around the garments shipped from Vietnam due to the humidity difference in the air. Nevertheless, we reduce the amount of plastic needed by packing 10-20 items per polybag instead of packing the items individually. We are in progress to find a more environmentally friendly alternative to the conventional polybags and will continue this journey in 2022.



Circularity

Creating a sustainable textile industry with minimal environmental impact requires a circular business model. We feel obligated to take responsibility for the products we develop and produce. Therefore, we want to participate in the process of securing that our products are reused and/or recycled after the end of life.

This is a huge challenge which Kentaur cannot solve alone, and we will in the coming years actively participate in networks and projects which promote the possibilities and solutions for recycling worn-out textile products. The ultimate circular goal is to recycle worn-out garments into new textile fibers which can be used for making new textile products. We participate as a brand and garment producer in national and international projects working on both mechanical and chemical recycling of post-consumer garments into new textile fibers. These projects involve collaboration with suppliers, customers, textile waste handlers and recycling companies along the value chain. In 2021 we joined the project Accelerating Circularity Project Europe (ACPE) which is an international European project where actors from the whole textile value chain participate to make circular supply chain models focusing on post-consumer textile-to-textile recycling at commercial scale. This project runs until 2023. There is no doubt that a circular business model is the goal, however we must also face that the transition from a linear to circular model takes time.

In 2022, we will start working with life cycle assessments (LCAs) together with external consultants to obtain quantitative data on the environmental impact of our products. The LCA is an important tool in our sustainability journey because it makes it possible to compare the environmental impact of our products and it can be used internally as a decision-tool to secure that new product developments have lower environmental impact.



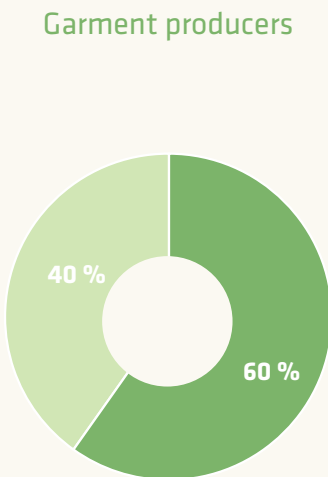
Supply Chain

Environmental Auditing and Certification – Garment producers

In 2021, the goal was to achieve STeP by OEKO-TEX certification at our two own garment production sites in Poland and Serbia. STeP stands for Sustainable Textile & Leather Production and is an internationally recognized certification scheme in the textile industry ensuring production under sustainable conditions. STeP by OEKO-TEX is a holistic sustainable certification meaning that it covers both social and environmental responsibility. The standard is divided into six different modules: Quality management, chemical management, environmental management, environmental performance, social responsibility, and health & safety.

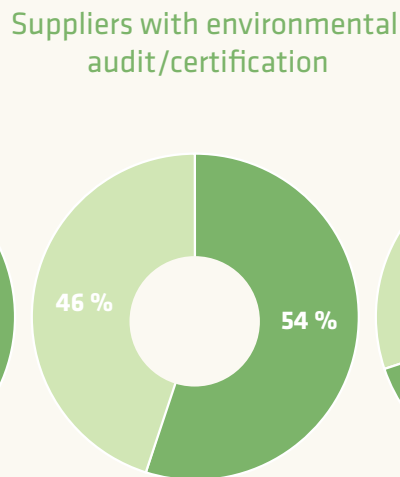
By the end of 2021, Kentaur Production and Kentaur Balkans both achieved the STeP by OEKO-TEX certification. Additionally, our external production site in Vietnam achieved the same certification in the beginning of 2021. This means that **60% of our garment production are STeP by OEKO-TEX certified** as illustrated in Figure 13.

In 2022, we are aiming to have our remaining external garment production sites (40%) STeP by OEKO-TEX certified, which means that we will be able to offer our full range of products with the MADE IN GREEN by OEKO-TEX label and Der Grüne Knopf label as long as our fabric suppliers are also STeP by OEKO-TEX certified.



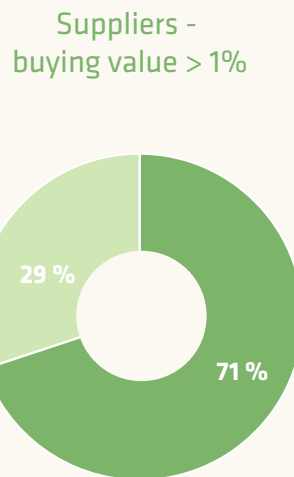
STeP by OEKO-TEX
Not STeP by OEKO-TEX

Figure 13



Environmental audit/certification
No third-party audit/certification

Figure 14



Environmental audit/certification
No third-party audit/certification

Figure 15



STeP by OEKO-TEX
Not STeP by OEKO-TEX

Figure 16

Environmental Auditing and Certification – Fabric and trim suppliers

As evident above, our actions to protect the environment go beyond our own operations. We want our suppliers to be able to document their work with environmental protection through audits and certifications and are constantly seeking to uncover the actors in our upstream supply chain. Figure 14 shows the proportion of our fabric and trim suppliers who have been audited or certified according to a standard that sets requirements for environmental protection. Annex IV shows the list of standards that Kentaur recognize currently.

According to Figure 14, 54% of our fabric and trim suppliers have a third-party environmental audit or certification. This share increases to 71% if we only consider the suppliers where our buying value is above 1% (see Figure 15). We use the same approach in this context as with social audits/certifications of our suppliers; we require all new and primary suppliers to have a STeP by OEKO-TEX certification, while all remaining suppliers must be audited for environmental compliance by a third party, if it makes sense. If a new fabric supplier is not STeP by OEKO-TEX certified at the beginning of the collaboration, we can still work together, if the supplier works to be certified within the first year of our collaboration.

Figure 16 shows that **85% of the fabric volume we bought in 2021 were produced by a STeP by OEKO-TEX certified fabric supplier.**

13 CLIMATE ACTION



Climate Responsibility

Target 13.2: Integrate climate change measures into policies, strategies, and planning.

Ambitions:

- 2030: Net zero emissions in scope 1 and 2

Climate responsibility



Climate change is a reality and the Intergovernmental Panel on Climate Change (IPCC) stated in their report from 2021 that human activity is causing climate change unequivocally. As a product-producing company operating globally, we have a co-responsibility when it comes to the climate. Kentaur takes this responsibility seriously, as the consequences of not taking targeted actions are serious for our business and our planet.

GHG accounting

Kentaur wants to be a climate-friendly company and has set a goal of net zero emissions in 2030 in scope 1 and 2.

In 2021, we participated in the Danish national project called "Klimaklar SMV" where we worked on our GHG accounting for Kentaur A/S. After this project, we have continued the work and included Kentaur Norway, Kentaur Production and Kentaur Balkans to obtain a complete GHG accounting for Kentaur Group. This is our first GHG emission reporting and therefore the aim has been to identify our largest impact areas to focus our effort and actions on the areas where we can make the greatest impact in the coming years. Thus, our next steps will be to improve the quality of input data and emission factors to achieve ever more accurate results, and to investigate the largest impact areas even further to get a more detailed and nuanced understanding of our impact.

Accounting methodology

Our GHG accounting is made in accordance with the Greenhouse Gas Protocol (GHGP) which is an international acknowledged standard outlining how to collect, process, and convey data about greenhouse gases with the aim of limiting and reducing climate footprint of the company. The GHGP covers the seven greenhouse gases CO₂, CH₄, N₂O, NF₃, SF₆, HFCs, and PFCs which are calculated and presented in CO₂ equivalents (CO₂e) in the present report. It is necessary to have a common unit for comparability because the different greenhouse gases have different Global Warming Potentials (GWP).

We have used the operational control approach for Kentaur Group's GHG accounting which means that all GHG emissions from Kentaur A/S (Head Quarter), Kentaur Norway (sales office), Kentaur Production (production and warehouse activities) and Kentaur Balkans (production activities) are included.

The GHG emissions are divided into three scopes according to GHGP. Scope 1 covers the GHG emissions originating from activities owned or leased by Kentaur Group, also called direct emissions. Scope 2 covers the indirect GHG emissions coming from energy purchased by Kentaur Group. Scope 3 covers the remaining indirect GHG emissions in Kentaur Group's value chain and up- and downstream supply chain. Scope 1 and 2 are mandatory to report while scope 3 is voluntary according to GHGP. Kentaur Group's GHG accounting covers our direct emissions in scope 1 and our indirect emissions in both scope 2 and 3. We must include scope 3 to get a realistic picture of our total climate impact because the largest amount of our GHG emissions originates from activities in our scope 3.

Emission factors used in our GHG accounting are coming from the public available Danish tool "Klimakompasset" which The Danish Business Authority is responsible for. In cases where we have more specific emission factors on hand, these factors have been used instead of the emission factors in "Klimakompasset". This is the case with purchase of textile apparel and textile fabric where the emission factors are extracted from the database Exiobase v3.3, emission factors for upstream and downstream transportation are from Ecoinvent Transport (Ecoinvent 3.6) and our flight booking agency provide us with our climate footprint covering our business flights.

Kentaur Group's climate footprint

The table below contains our complete GHG accounting for 2020 (baseline year) and 2021. 98.2% of our total emissions are coming from scope 3, meaning that only 1.8% of the GHG emissions are coming from our direct and indirect emissions in scope 1 and 2. The two categories constituting the largest emission impact are 3.1 and 3.2 which are the emissions related to our purchase of goods and services. Our purchase of apparel, textiles, and trim alone accounts for over 90% of our emissions. This category, we cannot directly reduce by implementing initiatives alone. We need to collaborate with our suppliers to bring down the emissions related to our purchased goods. In the coming years we will focus on collaborating with our primary suppliers to reduce our emissions coming from category 3.1.

	2021		2020	
	ton CO ₂ e	Share %	ton CO ₂ e	Share %
Total scope 1 - Direct emissions	216,9	0,8	214,1	0,9
1.1 Company facilities	114,3	0,4	110,8	0,4
1.2 Company vehicles	102,6	0,4	103,3	0,4
Total scope 2 - Indirect emissions from purchased electricity and heat	241,3	0,9	224,5	0,9
2.1 Market-based	194,8		194,4	
Total scope 3 - Indirect emissions related to the value chain	25.123,5	98,2	24.617,3	98,2
3.1 Purchased primary goods (apparel, textiles and trim)	23.403,7	91,5	21.354,3	85,2
3.2 Purchased secondary goods and services	1.061,1	4,1	2.799,9	11,2
3.3 Fuel- and energy related activities	71,0	0,3	71,1	0,3
3.4 Waste generated in operations	172,0	0,7	159,1	0,6
3.5 Upstream transportation	149,0	0,6	175,4	0,7
3.6 Downstream transportation	45,4	0,2	27,0	0,1
3.7 Business travels	25,9	0,1	30,4	0,1
3.8 Employee commuting	195,3	0,8	N/A	N/A
Total emissions	25.581,7	100,0	25.055,8	100,0

Scope 1 includes direct emissions from sources that are owned or leased by Kentaur Group. In our case scope 1 covers two categories.

1.1 company facilities, which is the combustion of oil, natural gas, and wood pellets for heating.

1.2 company vehicles, which covers the fuel combustion in company cars.

Scope 2 includes all purchased energy for electricity, heating, and cooling. In our case this is electricity and district heating. The total emissions from electricity are location-based which means that we use country specific energy mix emission factors.

2.1 Market-based is calculated like the location-based emissions, however the emissions have been adjusted to our purchase of renewable energy via Guarantees of Origin (GOs) certificates.

Scope 3 includes all remaining emissions related to our value chain and up- and downstream activities in our supply chain. We have included eight categories belonging to scope 3.

3.1 Purchased primary goods (apparel, textiles, and trim) includes our purchase of textile apparel from external garment producers, textile fabric, sewing thread, embroidery thread, buttons, zippers, ribbons, and labels for own production. All measured in volume (tons).

3.2 Purchased secondary goods and services includes different kinds of remaining purchases of goods and services to our offices and production sites. All measured in monetary unit.

3.3 Fuel- and energy related activities includes all fuel- and energy related emissions which are not covered in scope 1 and 2. This category contains emissions related to extraction, production and distribution of the fuel and energy purchased by Kentaur Group.

3.4 Waste generated in operations includes the waste generated in offices and in own production sites. Waste includes household waste, cardboard and paper, plastic, and textile. Additionally, textile waste generated in external production sites based on Kentaur's order volume are also included.

3.5 Upstream transportation includes transport from all production sites to our warehouse in Poland and is measured in ton.km. We include Radiative Forcing Index (RFI) when calculating the emissions from our air transport. In 2021, 26% of our upstream transportation emissions came from air transport.

3.6 Downstream transportation includes transportation paid by Kentaur from our warehouse in Poland to our customers around the world. It is measured in ton.km and RFI is included in the calculations.

3.7 Business travels includes transportation related to business travels where company cars have not been used. Flights are the main post in this category.

3.8 Employee commuting includes transportation to work of employees working at Kentaur A/S, Kentaur Production and Kentaur Balkans. In Poland 3-4 persons drive together in one car to work and in Serbia we have arranged Kentaur busses which our employees use to go to work. Figure 17 and 18 show that the 10% of Kentaur's workforce which are located in Denmark accounts for 37% of the total GHG emissions related to employee commuting.

Employee commuting- GHG emissions

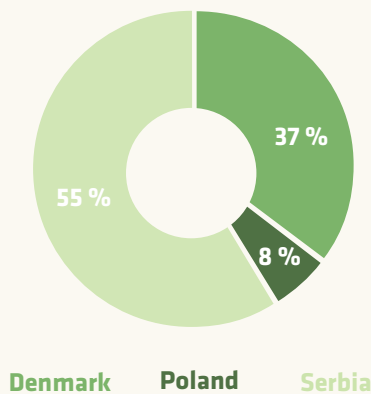


Figure 17

Location of employees

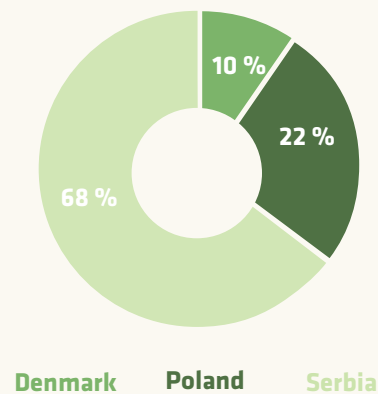
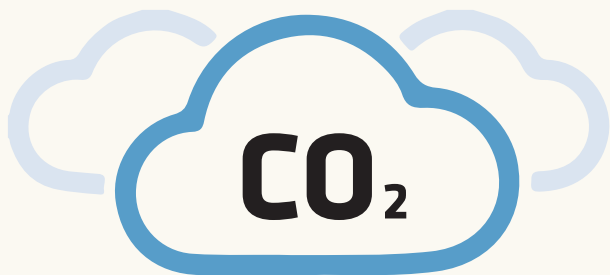


Figure 18

In 2022, we will initiate the following actions to reduce our GHG emissions on corporate level:

- Find the best solution for installing charging stations on the parking lot at Kentaur A/S and our Polish production site.
- Investigate the possibility to change the oil burner to district heating at Kentaur A/S.
- Investigate the possibility to install solar panels at our Serbian production site.
- Today, 60% of the electricity at our production site in Poland comes from renewable energy sources documented through purchase of GO certificate. In 2022, we will investigate the possibility to increase this to 100%.
- Investigate replacement of heating system at our production site in Poland from natural gas to wood pellets.



Case stories and Projects



CSR project in Zambia

Kentaur is proud to be co-sponsoring a volunteer project in Zambia at the shore of Lake Tanganyika, via the partnership "CSR-Partnerskab", where we educate young locals in the craft of sewing textiles and provide them with food and a place to live. This is an ongoing partnership which we initiated in 2019.

Kentaur Fairtrade collection to municipality of Oslo

In 2021, Kentaur has outfitted healthcare and service personnel working for the municipality of Oslo with products from our Kentaur Fairtrade Collection.



Klimaklar SMV

On our continuous journey towards sustainability, Kentaur A/S has participated in the Danish national project "Klimaklar SMV", aiming to reduce the company's carbon footprint in the future. The project was facilitated by Viegand & Maagøe and funded by Industriens Fond.



Biodiversity field

In 2021, we made our 20,000 m² field next to our Head Quarter in Denmark to one large flower meadow which attracted an amazing number of insects and butterflies during the Summer.

Der Grüne Knopf certification

In June 2021, Kentaur became Der Grüne Knopf (DGK) certified. DGK is a certification for sustainable textiles and the standard focus on protection of human and the environment in the textile supply chain. DGK has corporate- and product specific requirements. The corporate requirements focus on due diligence are divided into five core elements: Aligning Corporate policies, identifying and prioritizing risks, taking effective measures, reporting in transparent manner, and taking grievances into account. Regarding product requirements, DGK is a meta-certification, which means that our products can be DGK labeled if they fulfill existing international acknowledged certification and label schemes. In our case, this means that DGK-labeled products are already labeled with MADE IN GREEN by OEKO-TEX on garment level.




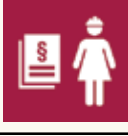
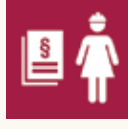








amfori BSCI and STEP by OEKO-TEX


In 2021, our two production sites in Poland and Serbia reached a milestone on our sustainability journey. Both production sites had their first amfori BSCI and STEP by OEKO-TEX audits and completed both with the highest possible overall result according to the respective standards. This makes the foundation for Kentaur's further journey because we are now able to offer a large range of our garments with the MADE IN GREEN by OEKO-TEX and Der Grüne Knopf label.



Overall measurements of outcomes

Goal	Action 2022	KPI	Result		Related SDG target
			2021	2020	
Social responsibility					
Reduce sickness absence by 25% from 2020 baseline	Focus on Covid-19	Sickness absence Kentaur A/S Kentaur Production Kentaur Balkans	2.10% 7.40% 13.20%	2.26% 11.05% 11.73%	
Zero work accidents	Continue the work with HSE committees in Denmark as well as at the production sites	Number of work accidents Kentaur A/S Kentaur Production Kentaur Balkans Total	0 1 2 3	1 0 4 5	8.8 
Balanced gender distribution	Recruitment must continue on the basis of competencies	Share of women: Board Management DK Management PL Management SRB Total	40% 36% 33% 40% 90%	40% 40% 25% 33% 87%	5.5 
Fair remuneration to all employees in production	Continue to monitor the remuneration and follow up on corrective action plans from suppliers	Work in progress to create fair remuneration KPI	N/A	N/A	8.5 
2022: amfori BSCI audit with minimum B score on all production sites	Maintain good practice of social compliance	Share of production sites with minimum B score BSCI score by volume produced: A B C D In process Not audited FWF	72% 40% 54% 0% 1% 0% 2% 3%	29% 3% 54% 0% 13% 24% 6% 0%	8.8 
Fabric and trim suppliers must be third-party audited or certified for social compliance, where it makes sense	Dialogue with suppliers to incentivize a social compliance audit/certification controlled by third-party	Share of fabric and trim suppliers with a social compliance audit/certification controlled by third-party Share of fabric and trim suppliers, who exceed 1% of our buying value, with a social audit/certification controlled by third-party	61% 100%	60% 100%	8.8 

Goal	Action 2022	KPI	Result		Related SDG target
			2021	2020	
Responsible products & responsible resource consumption					
2025: 75% of Kentaur's self-produced goods sold are products labelled with <i>Sustainable Kentaur</i>	Continue sourcing of more sustainable fabrics for all new products as well as switching to more sustainable fabrics on existing products	Proportion of goods sold labeled <i>Sustainable Kentaur</i>	20%	22%	12.2 
2025: Sourcing 50% of our cotton as Better Cotton through BCI	Sourcing of Better Cotton on all new fabrics containing cotton as well as switching to sourcing of Better Cotton on selected existing fabrics	Proportion of cotton sourced as Better Cotton	28%	16%	12.2 
Increase the use of recycled polyester	Sourcing of recycled polyester on all new fabrics containing polyester and switching to recycled polyester on selected existing fabrics	Number of PET bottles recycled in self-produced goods sold	3,948,140	2,950,000	12.2 
Achieve certifications that promote and support the sustainable development of our business	Kentaur A/S obtain EU Ecolabel certification	Number of certifications that support sustainable development	5	2	12.2 
Reduce, reuse and/or recycle fabric cutting waste	Explore possibilities within textile upcycling and recycling by participating in projects with external partners.	Fabric cutting waste in tons: Own production External production Total	67.7 66.1 133.8	59.6 76.4 136.0	12.5 
Fabric and trim suppliers must be third-party audited or certified for environmental compliance, where it makes sense	Dialogue with suppliers to incentivize an environmental audit/certification controlled by third-party	Share of fabric and trim suppliers with an environmental audit/certification controlled by third-party	54%	54%	12.2 
		Share of fabric and trim suppliers, who exceed 1% of our buying value, with an environmental audit/certification controlled by third-party	71%	71%	

Goal	Action 2022	KPI	Result		Related SDG target
			2021	2020	
Climate responsibility					
2030: Net zero emissions in scope 1 and 2	See "GHG accounting" section	Tons CO ₂ e Scope 1 Scope 2 Scope 3 Total	216.9 241.3 25,123.5 25,581.7	214.1 224.5 24,617.3 25,055.8	13.2 

Annex I

In the amfori BSCI system, the auditee is audited in 13 Performance Areas (PAs) where each PA is assigned a score from A to E. The overall rating is then determined based on the assigned scores in the individual PAs. The table below shows the rating system:

Rating	Conditions of attribution
A Very good	<ul style="list-style-type: none"> • Minimum 7 PAs rated A • No PAs rated C, D or E
B Good	<ul style="list-style-type: none"> • Maximum 3 PAs rated C • No PAs rated D or E
C Acceptable	<ul style="list-style-type: none"> • Maximum 2 PAs rated D • No PAs rated E
D Insufficient	<ul style="list-style-type: none"> • Maximum 6 PAs rated E
E Unacceptable	<ul style="list-style-type: none"> • Maximum 7 PAs rated E
Zero tolerance	<ul style="list-style-type: none"> • If a Zero Tolerance issue is identified the audit is terminated immediately and action must be taken in accordance with the BSCI Zero Tolerance Protocol

Annex III

Below is the list of standards containing social requirements that Kentaur acknowledges:

amfori BSCI
 Bluesign®
 Cradle to Cradle Certified™
 Der Grüne Knopf
 EU Ecolabel
 Fairtrade Cotton
 Fairtrade Textile Production
 Fair Labour Association (FLA)
 Fair Wear Foundation (FWF)
 Global Organic Textile Standard (GOTS)
 Global Recycled Standard (GRS)
 ISO 26000
 SA8000 – Social Accountability International (SAI)
 Sedex Members Ethical Trade Audit (SMETA)
 STeP by OEKO-TEX
 Worldwide Responsible Accredited Production (WRAP)
 General third-party auditing of social compliance

Annex II

amfori BSCI comprises the following 13 PAs for which requirements are made:

- PA1: Social management system and cascade effects
- PA2: Workers involvement and protection
- PA3: The rights of freedom of association and collective bargaining
- PA4: No discrimination
- PA5: Fair remuneration
- PA6: Decent working hours
- PA7: Occupational health and safety
- PA8: No child labor
- PA9: Special protection for young workers
- PA10: No precarious employment
- PA11: No bonded labor
- PA12: Protection of the environment
- PA13: Ethical business behavior

Annex IV

Below is the list of standards containing environmental requirements that Kentaur acknowledges:

amfori BEPI
 amfori BSCI
 Bluesign®
 Cradle to Cradle Certified™
 Der Grüne Knopf
 Eco-Management and Audit Scheme (EMAS)
 EU Ecolabel
 Fairtrade Textile Production
 ISO 14001
 STeP by OEKO-TEX
 Sedex Members Ethical Trade Audit (SMETA)
 General third-party auditing of environmental protection

Sustainable initiatives

It is a part of our sustainability journey to participate in various initiatives that help to continuously provide us with new knowledge and improve our work with sustainability.

Memberships:



Certifications:



Partnerships
Projects
Networking groups:



CSR-partnership in Zambia with Foreningen eventure and Kilden



ACCELERATING CIRCULARITY



Chemistry and sustainability in the textile industry





PSST ... HER ER DER SÅET BLOMSTERFRØ TAK, FORDI DU IKKE BETRÆDER MARKEN!



Denne mark bliver til en 20.000 m² stor blomstereng, til gavn for biodiversiteten.

Snart vil marken stå i fuldt flor, så sommerfugle, bier og andre insekter kan tage for sig. Byens borgere er også velkomne til at tage en buket med hjem. Vi forventer, at blomsterengen står klar fra midten af juli 2021.

Med denne mark er vi med til at levere på verdensmål nr. 15 "Livet på land". Hver en lille blomst kan gøre en forskel for naturen – og det vil vi gerne bidrage til.

Vi håber, du vil nyde blomsterengen sammen med os.

KENTAUR
MILK MADE IN DENMARK