

**Norwex<sup>®</sup>**

**UN Global Compact  
Communication on Progress  
2010.6-2011.6**



## Statement by the chief executive

Norwex is committing itself to the highest standards of ethics in terms of our mission statement and with the aim of improving quality of life. Norwex has an ecological approach to our mission and is considering the impact on humans, other animals and the environment and how these parts interact and impact each other. Norwex is as such striving to improve the quality of life rather than just improve the indoor environment or the well being of a few individuals.

Norwex's Mission Statement:

*improving quality of life  
by radically reducing the use of chemicals  
in personal care and cleaning.*

This is the core of our business.

By committing ourselves to these principles, Norwex China considers it important to protect the well being of any individual and the eco system at our production sites in the process of acquiring materials and producing our products. Norwex China is committed to ensure that all the 10 principles of the UN Global Compact is respected and met not only by Norwex China's staff and management, but also by the staff and management of our suppliers. Norwex China has expanded on the 10 principles in the UN Global Compact when we made our Corporate Social Conduct Code of Conduct (CSR CoC) in 2011 to be adhered to by both Norwex China and our suppliers.

I am happy to see that staff and managers of Norwex China have made good progress during the first year of participation in the UN Global Compact program.

Best regards,



Thomas Nicolaisen  
Executive Director

## **Company introduction**

In 1994, still in the pioneering days of a new product called Micro Fiber, a local cleaning company received a sample of this cleaning product and soon realized its enormous potential on the cleaning marketing. Soon thereafter, the Norwegian operating company, Eidsvoll Miljøprodukter, went into further developing micro fiber as a material used in modern cleaning products.

A holding company, Norwex Holding AS, was established in 2000 to enable Norwex China group to expand internationally and to further our product development.

Norwex came to China in 2005, when we set up a Representative Office in Shanghai. With further development in 2006, Norwex China was set up as a company.

In October of 2009, Norwex incorporates a manufacturing company in Zhangjiagang –Norwex China Factory.

We are here to protect the Intellectual property of Norwex worldwide and to prevent 'copycats' from emerging, to establish efficient production, product development, quality control, and to open up markets in the Far East and Asia.

## **Human Rights Principles**

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.

## **Assessment, Policy and Goals**

Norwex fully and passionately supports the Universal Declaration of Human Rights.

Norwex maintains a non-discriminatory policy with respect to conditions of employment - including hiring, promotions, termination and compensation -- that includes age, race, sex, sexual orientation, religion, and disability.

Norwex's core values: *Integrity, Trust and Respect.*

All human beings deserve respect just because they are human beings. To receive respect confirms the individual's worth as a human being.

We have policies in our Executive Manual for the breach of core values:

If an employee is in breach of the company core values, this will regularly have formal consequences, and will also result in loss of annual performance bonus.

The UN Global Compact's Human Rights principles will as part of our company regulations be become a part of our Employee Manual and staff and managers will adhere to the UN Global Compact Human Rights principle, promote the consciousness of upholding human rights, support and respect the Universal Declaration of Human Rights. Violations of regulations in your Employee Manual will have formal consequences.

### **Implementation**

Our policies are implemented in our day to day operations. All of our staffs are treated fairly, we have suggestion box, staffs are allowed to give suggestions and ask questions on company policy, working condition, food quality, working time etc.

We promote work-life balance through providing entertainment facilities for staff that lives in the dormitory, organizing staff dinners, company tours and limit the use of overtime whenever possible by rightsizing our workforce.

We have monthly conversation between CEO and staff to promote a free and open communication between management and staff. We share company information and updates with all staff in regular newsletters, company Intranet and town hall meetings.

Norwex China established a formal labour union in 2011 as part of our legal requirements in China to further structure formal communication between staff and management and to make sure the staffs in Norwex China have the possibility to bargain collectively.

On our local Intranet, there is a page exclusively for the UN Global Compact where information, training material and this COP are posted.

To protect each of our supplier's staff, Human Rights is part of Norwex China's CSR Code of Conduct and Norwex China will conduct supplier audits to ensure that we are not indirectly involved in human rights abuses.

### **Measurement of outcomes**

Norwex undertake surveys on company compensation, working time, working condition, benefits, company climate which is fed back to the Board as well. Score for 2010 company climate survey was 4.01 out of 5. The 12 questions asked each

quarter for this survey are below:

1. I know what is expected of me at work.
2. I have the materials and equipment to do my work right
3. At work, do I have the opportunity to do what I do best every day.
4. In the last seven days, I have been given recognition or praise for doing good work?
5. My supervisor or someone at work seems to care about me as a person.
6. There is someone at work that encourages my development?
7. My opinions seem to count at work.
8. The mission/purpose of my company makes me feel my job is important.
9. My co-workers are committed to do quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress
12. This last year, I have had an opportunity to learn and grow.

### Labor Principles

**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 labor;

**Principle 5:** The effective abolition of child labor; and

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

### **Assessment, Policy and Goals**

Norwex China strictly adheres to the Chinese Labour Law.

Norwex's hiring principle: to promote equal employment opportunity regardless of race, ancestry, place of origin, colour, ethnic origin, citizenship, sex, sexual orientation, age, marital status, family status or handicap.

Each individual in Norwex enjoys equal pay for equal work, and we ensure that the hiring procedure is objective, transparent and equal.

The promotion of team working is paramount. We expect every employee to be self-motivated, responsible, and to participate in decision making in a considerate manner. Our culture is to be inclusive, supportive and coaching, we expect everyone to actively listen and we have a cooperative approach to decision-making but not to be afraid to deal with difficult issues and show leadership and decisiveness by our managers.

Norwex does not use any forced and compulsory labour or use child labour and we support the principle of freedom of association. Principles 3 through 6 are incorporated into Norwex China's CSR Code of Conduct, which our suppliers are obliged to follow, and Norwex China will audit our suppliers to ensure we are not indirectly violating any of the 4 labour principles.

The UN Global Compact Labour Principles will be part of our company regulations be added to our Employee Manual. Violations of our Employee Manual will have formal consequences.

### **Implementation**

The UN Global Compact Labour principles have been introduced in our monthly internal newsletter, and as part of our internal training and Intranet website.

Norwex has a human resource team in place to ensure the principles are implemented and supported, to be included in the new hire training for new employees and is available to assist and support staff and managers in questions regarding any of the 4 principles.

The newly established Norwex China labour union also ensures that the Global Compact's principle number 3 is consistently followed.

### **Measurement of outcomes**

The number of lost legal disputes with staff is zero and no labor disputes/strikes per calendar year. There have been neither disputes in relation to forced and compulsory labor or complaints about discrimination.

### **Environment Principles**

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.

### **Assessment, Policy and Goals**

Norwex is committed to considering the environmental impact of the business and

selling its clean without chemicals concept and state of the art organic and other personal care products.

Norwex has an ecological approach to our mission and is considering the impact on humans, other animals and the environment and how these parts interact and impact each other. Norwex is as such is striving to improve the quality of life rather than just improve the indoor environment or the well being of a few individuals.

## **Implementation**

Norwex is producing environment friendly products. Microfiber allows for the removal and or reduction in the use of cleaning products and chemicals, reducing their inherent pollution to our habitat. Norwex fiber has outstanding performances except the properties above. Because Norwex uses antibacterial technology in our own fiber, which makes our products excellent in cleaning function. Silver technology is employing in our fiber production.

Norwex is continually seeking better technologies for producing products as well as the characteristics of the products itself.

In 2011 we will work on getting and updated Nordic Swan certification and an OekoTex100 certification for some of our products to ensure they are made with minimum impact to human health and the environment.

The UN Global Compact's Environment principles will as part of our company regulations be added to our Employee Manual.

The UN Global Compact's environmental principles are a part of Norwex China's CSR Code of Conduct and we audit our suppliers to ensure Norwex China is not indirectly involved in the abuse of our environment and any unnecessary pollution.

Norwex China recycles industrial waste from the production of our products, and we have recycle programs for daily use items in the office.

## **Measurement of outcomes**

We have certified in 2010 some product ranges according to the Nordic Swan Standards to ensure our products made with minimum impact to human health and the environment and will continue to certify products in 2011. We will measure how many % of our products that are OekoTex100 Certified or have the Nordic Swan Label certification.

We send warning letters to our suppliers based on supplier audits for violating our CSR Code of Conduct with respect to environmental protection.

### Anti-corruption Principles

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

#### **Assessment, Policy and Goals**

Norwex is against corruption and supports the UN convention against corruption, and we have policy of anti-corruption, which is the Integrity Statement that all staff and suppliers of/to Norwex China has signed.

Norwex's Core Values are: *Integrity, Trust and Respect.*

Integrity is the quality of being honest and morally upright. Incorporating integrity into our core values means we must conduct our business in a strictly legal way, we do not do anything illegal.

The UN Global Compact Anti-corruption principles is part of our company rules and will be added into our Employee Manual.

#### **Implementation**

Every Norwex staff is required to sign the Integrity Statement the first day they work for Norwex, which is a part of the employee contract.

Every Norwex supplier is required to sign the Supplier Integrity Statement together with the supplier contract the first day they work with Norwex.

#### **Measurement of outcomes**

Staffs who are working for Norwex now all have signed the Integrity Statement, and we didn't find any corruption in our business in 2010.

We did not find any suppliers violating our CSR Code of Conduct with respect to graft and corruption in 2010.



## Norwex CSR Code of Conduct

Norwex is committed to ensuring that working conditions are safe, that workers are treated with respect and trust, and that manufacturing process are environmentally responsible.

On the basis of such commitments, Norwex is working on setting up a CSR Code of Conduct and will release it in the next year and have our suppliers sign and follow this.

Corporate social responsibility ("CSR" for short and also called corporate conscience, citizenship, social performance, or sustainable responsible business) is a form of corporate self-regulation integrated

into a business model. In the 21<sup>st</sup> Century, CSR is another name for the UN Global Compact in the whole world. The reason why we say this is that the UN Global Compact is becoming the biggest corporate citizen initiative organization since it was announced by the UN Secretary-General Kofi Annan in 1999 and launched in 2000. The UN Global Compact is, based on the promotion of international convention, the 10 principles in the areas of human rights, labour, environment and anti-corruption, its goal is to build a sustainable worldwide economy.

Norwex CSR Code of Conduct:

### Labor and Human Rights:

- Antidiscrimination
- Fair treatment
- Prevention of involuntary labor
- Prevention of underage labor
- Working hours
- Wages and benefits
- Freedom of association

### Health and Safety:

- Occupation injury prevention
- Prevention of chemical exposure
- Emergency prevention, preparedness, and response
- Ergonomics
- Dormitory and dining
- Health and safety

communication

### Environmental Impact:

- Hazardous substance management
- Wastewater management
- Air emissions management
- Solid waste management
- Environmental permits and reporting
- Pollution production and resource allocation

### Ethics:

- Business integrity
- Disclosure of information
- Whistleblower protection and anonymous complaints
- Protection of intellectual

property

**Management Commitment:**

- Company statement
- Management accountability and responsibility

- Documentation and records
- Training and communication
- Worker feedback and participation
- Corrective action

Norwex will also be auditing our suppliers based on the CSR Code of Conduct, which also includes measuring the environmental impact of our supplier's production.

principles and to get the further progress on Norwex CSR.

Supplier commits to give Norwex access to its production and administrative facilities and to provide Norwex with any records or any other documentation for the purpose of completing a CSR audit. Norwex commits to provide the supplier with an audit report and to present this to the supplier so that the supplier can improve any CSR violations found during the audit by Norwex.

Norwex will require that suppliers implement this Code using the management systems described in our CSR. Norwex will visit supplier facilities, with or without notice, to assess compliance with this Code and to audit supplier's wage, working hour, payroll, and other worker records and practices.

To achieve the goal of sustainable and stable development, fulfil corporate social responsibility, we will continue to make efforts under the guidance of the UN Global 10

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