



UN Global Compact

Communication on Progress 2016





Global Compact Communication on Progress 2016 for N Brown Group

N Brown Group is proud to support the Global Compact and the Global Compact Network UK and recommit to the initiative for another year. This is our 2nd Communication on Progress (COP) report.

The following report is a summary of the many activities we undertook in the last year to ensure we continued to operationalise the 10 principles of the Global Compact. Highlights for the year included publishing our first Modern Slavery Statement and the launch of our Sustainability Charter. I would greatly encourage you to read our Annual Report for a more comprehensive overview.

I wish to thank our CSR Committee for their work in ensuring the Global Compact's 10 Principles are at the heart of each business decision we make on a daily basis. As we look ahead together to 2017, the Committee will provide strategic focus and ensure that we drive through a culture of continuous improvement. Alongside the 10 principles, we will also undertake to further embrace and embed the Sustainable Development Goals (SDG's) as an integral part of the way we do business.

Angela Spindler
Chief Executive – N Brown Group

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Human Rights & Labour

Responsible Sourcing

N Brown has a policy of only working with factory partners that have been audited by experts to ensure they operate according to our Code of Conduct which closely follows the Ethical Trading Initiative (ETI) Base Code. There were no known breaches of the Base Code in relation to child labour and/or forced labour in the past year. Over the coming year, we plan to strengthen our approach to include better mapping, systems and further training for colleagues.

Working with the ETI as members continues to be a key element of the N Brown responsible sourcing strategy. With a constantly evolving supply chain, membership has proved invaluable especially in regards to collaborative involvement in the working groups.

Our engagement in the Bangladesh Accord on Fire & Building Safety continues as part of the agreement we made alongside other responsible retailers through to May 2018. Being part of the Accord allows us to demonstrate our ongoing commitment to sourcing from Bangladesh in an ethical and sustainable manner. Compliance is evidenced through regular safety inspections of all our factory partners in Bangladesh by the Accord's in-house team and independent advisors.

Action, Collaboration, Transformation (ACT) is a small group of retailers and brands that have agreed to work with a global trade union (IndutriALL) towards achieving global collective bargaining agreements for the ready-made garment (RMG) sector. Over the last year, the current members (including N Brown) have worked together to ensure that foundations are in place to publicly launch ACT in 2017.

N Brown has strict policies on human rights and animal welfare. We do not sell products using real fur.

The business is proud to have published its first Modern Slavery Statement in line with the Modern Slavery ACT 2015.

<http://www.nbrown.co.uk/~media/Files/N/N-Brown/documents/modern-slavery-statement-oct-2016.pdf>

Human Resources

At N Brown we believe in making our business a great place to be for our 2600 colleagues who work across our various sites and stores across the country. We believe that our people are one of the foundations of our successful business, and so, fuelled by the launch of our GUSTO company values, we've created a culture which celebrates colleague contribution and enables them to be the best they can be, as that's the N Brown way.

Just part of this is embracing diversity and equal opportunities. Everyone is different and so we treat each and every colleague who works as part of our N Brown team with the same

respect, care and dignity regardless of their background, ethnicity, sexual orientation, age, or gender.

In fact, we're very proud that N Brown are in the 10% of FTSE250 business headed by a female Chief Executive and furthermore, of our senior leadership team 51% are female. We also think that our colleagues' valuable experience plays an enormous part in our success with many of our people celebrating significant loyalty milestones with us.

We strive to ensure that people feel N Brown is a place where they'll feel welcome and can build their careers, and so, we boast thriving recruitment and development programmes including Apprenticeship and Graduate schemes for those leaving education for the first time. We continue to nurture talent and offer the same opportunities to grow, succeed and get to where we want to go.

Respect for employee health and safety is given the full importance and focus it deserves and we seek to lead on this. We undertake regular audits and work with the relevant authorities to ensure we comply fully with all applicable legislation. We consider that employee well-being is an essential component of health and safety and we continue to seek to find ways of improving this and positively impacting our employee's health whether it be via a focus on balanced nutrition at all of our catering facilities or via the active encouragement of local sports, social and volunteering activities.

Additionally, encouraging a healthy work life balance is part of who we are, ensuring colleague wellbeing through occupational health services and offering competitive reward and benefits. We're also a National Living Wage employer and maintain a strong and professional working relationship with our union partner who support our distribution and contact centre sites.

We're on an exciting journey together, as we learn from and work with people from all walks of life. Every single person has a role to play in our future, sharing a clear view of what 'great' looks like. We call it working with GUSTO at N Brown. (<http://nbrowncareers.co.uk/>)

Environment

Recycle, Reuse, Respect

We at N Brown take our environmental commitments extremely seriously and are committed to an operational strategy that we defined as recycle, reuse and respect. The business continues to work alongside partners Envantage Limited and Viridor Limited to manage, measure and improve its environmental performance.

Since the last reporting period our actual energy consumption in kWh across electricity, gas and diesel has reduced 1.7 % from 29,465,256 KWH for 2014/15 to 28,979,222 KWH in 2015/6. We are pleased to report reductions in our Green House Gas (GHG) on a relative basis to the number of items we dispatched in 2014-15, a reduction of 11.2% when compared to the previous year; moving from 324.2 tCO_{2e} in 2014/5 to 287.8 tCO_{2e} in 2015/6.

Although our overall energy consumption in kWh has reduced since the last reporting period, our electricity consumption in kWh has increased 1.8 % from 18,458,822 in 2014/5 to 18,781,712 in 2015/6 due to the growth of the Simply Be high street brand and extension to our distribution centre in Shaw. Our footprint in terms of water also reduced 8% from 32.3 tCO_{2e} in 2014/5 to 29.5 tCO_{2e} for 2015/6.

Green energy accounts for 82% of the electricity we buy as a group and we are committed to maintain or improve this standard. As of March 2016, we also directly produce our own green energy having installed a new solar panel facility at our main distribution centre. Further details can be found in our annual report page 44 <http://ar2016.nbrown.co.uk/>

Anti-Corruption

Zero Tolerance Approach

N Brown Group operates a zero tolerance approach to all forms of bribery and corruption. We have policies and activities in place to ensure full compliance to the Bribery Act 2010. There are very clear and strict guidelines issued in relation to gifts and entertainment, and conflicts of interest which (alongside training for staff involved in commercial negotiations) seek to ensure best practice. We also operate a whistleblowing helpline which is monitored and managed by our Internal Audit team. No cases of bribery and corruption or of conflicts of interest were reported in the last year to the Internal Audit team.

Additional

Body Image

Inspiring our customers to feel good about themselves and body confident is an important part of who we are as a business. We always ensure that we use a diverse range of models from different ethnic and body types and all must be symbolic of a happy and healthy lifestyle. As an inclusive retailer, it's our mission to encourage diversity in the retail industry across all ages, body shapes and ethnicities and we actively look for diverse models to promote our clothing and brands.

We never book models who appear to be at an unhealthy weight for their height and build or seek to mislead with inappropriate or misleading sizing. We also operate strict design guidelines to ensure that the imagery and text used on our clothing is positive and appropriate.

Responsible Lending

The provision of financial services is an important part of our commercial offer, allowing customers the option of trying our fashion before they buy and spreading the cost of their purchases. Maintaining a balanced approach to creditworthiness and affordability assessment is essential. As part of our "Fit for the Future" transformation, we are investing heavily in new systems and data that further enhance our assessment of affordability in our

lending decisions. Following the transition of consumer credit regulation to the Financial Conduct Authority (FCA) having been previously regulated by the Office of Fair Trading (OFT), we along with our peer, underwent a rigorous and detailed application process for FCA authorisation. We were delighted to be awarded our full consumer credit license.

Charities & Our Community

A new strategy was implemented in 2015/2016 part of which included research into the type of charities that our customers and colleagues would like us to support. The findings from this piece of research helped to form the foundations of our current approach.

N Brown now works closely with three charities aligned to its power brands: Jacamo with Prostate Cancer and its 'Men United' Initiative, Simply Be supports Fashion Targets Breast Cancer and JD Williams supports Silverline.

While N Brown supports these charities on a corporate level through a combination of fundraising events and product, our charity strategy also allows colleagues to support individual charities at a local level through our Head Office and distribution centre.

Sustainable Development Goals

Alongside our renewed Global Compact commitment, N Brown is proud to support the Sustainable Development Goals (SDG's). We are currently undertaking a process of mapping our operations against the SDG's and will report further next year.

