

NOA NOA
COMMUNICATION ON PROGRESS
2016



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INTRODUCTION

This is Noa Noa's Forth Communication on Progress report.

The strategic commitment to join and support the 10 principles of UN Global Compact was made 4 years ago and the framework is still the base in the CSR work at Noa Noa. CSR has been part of Noa Noa's business practice for many years and goes hand in hand with our value of acting responsibly.

This report covers the progress in Noa Noa during 2016 in regards to the Global Compact principles and the aim and goal for the coming year.

CEO STATEMENT

To our stakeholders:

I am pleased to confirm that Noa Noa reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Henrik Aaen Kastberg
CEO

OUR ETHICAL GUIDELINES

ACTING RESPONSIBLY

We will approach CSR and promote an ethical supply chain in accordance with our values and within the framework of our membership of BSCI and the ten principles of UN Global Compact on human rights, labour, environment and anti-corruption.

COMPLYING WITH LAW AND INTERNATIONAL RECOGNIZED RIGHTS AND STANDARDS

We are committed, wherever we operate and at all times, to comply with all applicable laws and regulations, the ten principles of UN Global Compact, and the requirements following from our BSCI membership.

MANAGING EXPECTATIONS

We will in a clear, adequate and timely manner make sure that our employees, partners, and suppliers are familiar with what we require of them in relation to human rights, labour, environment and anti-corruption. We will be open and honest about the challenges we might face and take responsibility for solving. And we will communicate our objectives and the results we achieve as soon as possible.

GROWING EMPLOYEES' TEAM SPIRIT

We believe that we can achieve more as a team than as individualists. We value diversity and assist each other. Our behavior is constructive and we seek individual solutions to individual problems and resist all aspects of discrimination and harassment.

SUPPORTING OUR SUPPLIERS' ETHICAL EFFORTS

Accepting that we cannot guarantee that ethical problems may not arise in our supply chain, we consider it essential that our products are manufactured and handled in a proper and responsible manner by our suppliers. To that end we ask every supplier to accept, sign and follow our Suppliers' Code of Conduct (CoC). The CoC is based on the ten principles of Un Global Compact and the BSCI Code of Conduct, and it provides our suppliers with the ethical roadmap needed when working with Noa Noa. Our membership of BSCI constitutes the main tool for translating the intentions of the CoC into reality. According to the BSCI compliance system we call for self-assessments, monitor compliance, commission external audits and facilitate corrective measures and training when needed. If a supplier fails to comply with our CoC we will always respond in an effective and appropriate manner and, whenever possible, we will opt for a response facilitating corrective measures and leading to progress. However, in the event of gross negligence on behalf of a supplier, we will not hesitate to terminate a contract if appropriate.

PROTECTING OUR BRAND

We insist that every individual representing Noa Noa is under a special obligation not to engage in any activity (both in words and action) that compromises our ethical guidelines including corruption in all its form. This is stated in our internal management guidelines.

ANIMAL WELFARE

At Noa Noa we are strongly opposed to any form of animal cruelty including, but not limited to, methods such as mulesing and live plucking of birds/rabbits. We only use leather, fur, feathers, and wool from animals used for food production.

LIMITING OUR ENVIRONMENTAL IMPACT

We will monitor our environmental footprint and continuously look for possible ways of reducing our energy consumption, improving the sustainability profile of our packaging, increasing recycling of unsold clothing, as well as promoting environmental friendly manufacturing in the supply-chain.

EASING DIFFICULT LIFE CIRCUMSTANCES FOR CHILDREN AND WOMEN

We will, while respecting the integrity of our brand and customers, support projects helping children and women in operating countries and main supplier countries or elsewhere when a suitable project is found. Noa Noa collaborates with SOS Children Villages, an independent international NGO development organisation, which works to improve Children's rights and living conditions.

HUMAN RIGHTS

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

Principle 2: Businesses should ensure that they are not complicit in human rights abuses.

BSCI ENGAGEMENT

Through the membership of BSCI Noa Noa supports initiatives that secure the human rights of workers in our supply chain. We continuously audit our suppliers and act on audit results to support improvement in the conditions for the workers in the production.

The work with BSCI was upgraded in 2015 as BSCI released a new Code of Conduct and a new auditing process. Noa Noa has adapted and implemented the new way of working and has during 2016 continued the auditing of suppliers according to the updated code of conduct.

HIGG INDEX – 2 YEAR PROJECT

During 2015 Noa Noa got the opportunity to take part in a project facilitated by DAFI (Danish Fashion Institute) and organized by SAC (Sustainable Apparel Coalition). The 2-year project continued in 2016 where Noa Noa has gained more insight in what areas to improve as a company and where small changes can improve the way of working and the working conditions for our suppliers. The knowledge gained as well as the network of fellow colleagues from other companies will be used in the continuous improvement of Noa Noa in the future. Noa Noa will not join SAC and the higg index as a member at this point but will be evaluated for the future.

LABOUR

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

Principle 4: Businesses should uphold the elimination of forced or compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

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

BSCI ENGAGEMENT

Through our membership of BSCI we support initiatives to improve Labour rights in our production countries. We continuously audit our suppliers and act on audit results to support an improvement in the working conditions for the workers in the production.

See previous chapter regarding Human Rights.

PAPERCHAIN JEWELLRY - 2016

In 2015 Noa Noa started up a project with a group of women from Uganda who are producing handmade jewellery. Their brand is called Paperchain and they were to produce a small capsule collection for Noa Noa in the fall of 2016. The project was delayed due non-compliance with EU REACH regulations that had to be corrected. The first collection has therefore been delivered in the start of 2017, together with the Spring 17 collection.

The aim of the Paperchain project is to help the street kids of Uganda by helping their parents. The salary enables the women to create a sustainable economy for their families and, in the long run, keeps children off the streets. This collaboration helps the women to create a better future for their children. Noa Noa will also communicate this project and spread the word in our industry.

ENVIRONMENT

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

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

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

CAPSULE COLLECTION “ON THIS NOTE” – SUSTAINABLE AND RECYCLABLE FIBERS

Noa Noa introduced a new capsule collection in 2016. The capsule collection will for the first time be delivered together with the Noa Noa autumn 2017 collection. From there on, it will be a continuous capsule collection which will be delivered 4 times a year. It is a laboratory where the focus is to work with sustainable fibers, 100% pure fibres and new materials with a low environmental impact. We have among others worked with new materials such as Banana and Corn which are made from the waste from food production.

The experience gained and lessons learnt by working with sustainable materials will gradually be incorporated in a larger scale into the main collections. Noa Noa is looking forward to continuing the development and work with sustainable clothes manufacturing.

RESTRICTED SUBSTANCE LIST (RSL)

During 2016 Noa Noa kept focus on the chemicals used in our production and continuously seeks new knowledge and insight to the area. Extensive work and lack of resources made it impossible to reach the targets set for 2016 by finishing the RSL (Restricted Substance List) and improving the workflow of controlling chemicals in our production. This goal has been postponed and our new goal is to finish the Noa Noa RSL in 2017, and distribute it throughout the supply chain accordingly along with an updated version of our Standard Operating Procedure (SOP).

A clear Chemical policy has been set for Noa Noa and is as follows:

Noa Noa shall act as a sustainable and responsible actor on the global fashion market. To be able to do so, restrictions and limitations for chemical use/content must be followed on all markets where Noa Noa is present. By this, Noa Noa together with its suppliers will contribute to a more sustainable production of fashion garments via education and a constant move for more sustainable and environmental friendly production.

INDUSTRY NETWORKS

To stay updated with the industry standards and new regulations regarding chemicals used in production and finished products, Noa Noa continued its membership of the Swedish textile industry chemical network facilitated by SWEREA IVF as well as the Danish network facilitated by Bureau Veritas.

Network meetings during the year have kept the company updated in the area as well as provided several interesting and useful relationships within the industry by exchanging experiences and knowledge.

RECYCLING

All Noa Noa garments which are re-located to our outlets, e.g. styles with minor defects are sent to charity. This we plan to continue doing during 2017.

Fabric swatches or parts of garments received from suppliers that are not useful anymore will be donated to child care centres for them to use for creative activities with the children. This has been highly appreciated and we will therefore continue throughout 2017.

NO-WASTE JEWELLERY BAGS

During 2nd half of 2016 the no-waste jewellery bags were introduced for all our jewellery products and thereafter used for all jewellery products sold in 2016. This has shown to be a great way to use waste fabric from production and Noa Noa has decided to continue the no-waste jewellery bags for coming collections.

FSC HANGTAGS

The projects with introducing the FSC labelled material for hangtags has been postponed due to lack of resources and will instead be rolled out in 2017/2018. The project is under investigation and is not yet settled due to ongoing price negotiations and production requirements. Noa Noa is determined to change from conventional paper sources to FSC but the right supplier of both material and distribution needs to be found.

ANTI-CORRUPTION

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

SUPPLIER CONTRACT

Corruption in our Supply Chain is of zero tolerance and to be able to control it and to make sure that it does not occur Noa Noa has chosen to make use of the BSCI tools available. Suppliers are requested to sign the BSCI Code of Conduct that covers among other areas, the Anti-corruption policy. This is followed up by regular audits of suppliers where these parameters among others are controlled.

INTERNAL MANAGEMENT GUIDELINES

Noa Noa does not engage in business relations with customers, suppliers or partners where corruption, bribe or personal relations / gifts are necessary to drive business. No employee are allowed to take bribe, Noa Noa has a zero tolerance for misuse of means, fraud and theft.

Noa Noa does not allow any of above components to drive our sales, we rely on standard terms and the design and products in itself to be competitive and satisfy the customer need and grow the business. Decisions taken can only be based on a sound financial basis and deviations from these guidelines are considered inappropriate behaviour.

The Anti-Corruption guidelines have been incorporated in our management guidelines.

CONCLUSION

Noa Noa is looking forward to continuing the work with the United Nations Global Compact. The 10 principles in combination with our engagement in BSCI give us a very good base to be plan and execute our CSR strategies.

We will continue our responsible journey towards our supply chain, society and environment.