



UN Global Compact

Communication on Progress

2016.9-2017.8



Statement by the General Manager

Dear Reader,

Our growth in 2016 and 2017 has enabled us to go a step further in our commitment to our employees, our customers and our local partners. As of May 2017, Norwex China has moved to a brand-new facility that will allow us to sustain our growth for the coming years.

This new factory was designed with Norwex values and mission statement in mind.

Solar panels, recycled building materials, electrical charging station, all combine to create a green factory that reflects our commitment and respect toward our planet.

Resting areas, natural lighting, temperature controlled workshop and office, a modern open facility all respectful to our employees.

Norwex continues to deliver new solutions for a healthier environment to live in, creating safe havens by reducing harmful and toxic chemicals in our homes. Our company mission statement remains

***Improving quality of life
by radically reducing chemicals
in our homes***

We continued to develop products that support this mission.

Besides these products, we reach out to people through our Norwex Movement. The Norwex Movement is a meeting place of people of all walks of life, all over the globe, coming together to create a more sustainable chemical-free environment for our families and our planet.

The website supporting this is www.NorwexMovement.com

This website is part of the Norwex Movement. The Norwex movement exist to help people everywhere create safer heavens in their homes by raising awareness about planetary issues that affect all of us.

Our values of Integrity, Trust and Respect, stay the same and form the backbone for a healthy corporate culture within Norwex.

Sincerely,

Julien Dufaure
General Manager Norwex China



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 in the cleaning market. Soon thereafter, the Norwegian operating company, Eidsvoll Miljøprodukter, went further into developing micro fiber as a material used in modern cleaning products to help reduce our use of harmful chemicals in our homes and enable us to clean using only microfiber and water.

The holding company, Norwex Holding AS, was established in 2000 to enable the Norwex 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 incorporated a manufacturing company in Zhangjiagang – Norwex China Factory.

Human Rights Principles

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

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 is an Equal Opportunity Employer committed to a work environment free from discrimination. We provide equal opportunities to all applicants and employees with regards to race, color, religion, sex, national origin, marital status, sexual orientation, physical or mental disabilities or other factors unrelated to a person's job performance ability.

Norwex's has 3 core values that are central to how it operates its businesses worldwide: Integrity, Trust and Respect.

Integrity

To conduct our business with integrity means we uphold our moral principles and remain honest and transparent in all areas of practice, from our product standards to our business relationships.

Trust

Trust is the belief that one can rely upon another's actions and words. Through a foundation of



trust, we empower our community of employees, Consultants and Leaders to work openly and creatively.

Respect

To respect someone is to think highly of them and to admire them for their qualities. By respecting others, Norwex brings people together from all walks of life creating a supportive, inspiring and empowering. All human beings deserve respect just because they are human beings. To receive respect confirms the individual's worth as human being.

We have policies in our Executive Manual for any breach of our 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 are part of our company regulations and part of our Employee trainings. Staff and managers will adhere to the UN Global Compact Human Rights principles, promote the consciousness of upholding human rights, support and respect the Universal Declaration of Human Rights. Violations of regulations in our Employee Manual will have formal consequences.

Implementation

Our policies are implemented in our day to day operations. All of our staff is treated fairly. Norwex truly cares about each of its staff. As an example, every Wednesday, we organize a breakfast meeting for all staff so that they can communicate and get to know each other better. Also, In order to guarantee good food quality, we regularly arrange food surveys.

In Apr 2015, Norwex China Charity Committee was established with the purpose of helping internal employees and supporting external charity organizations. Norwex China Charity Committee has organized four charity sales since 2015 and donations were made to external Charity Organizations as well as to internal employees facing personal tragedy.

Additionally, Norwex supports many charities worldwide and Norwex China did a contribution to the local Zhangjiagang Charity Fund in August 2016.

In December 2016, Norwex partnered with a local Zhangjiagang non-profit organization to fulfill the project named "To Meet the Dream" to help students in a nearby school better know the world, helping them to have better future.

We have regular informal conversations between General Manager and staff to promote a free and open communication between management and staff. We share company information and update all staff in regular newsletters and company Intranet.

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 are part of Norwex China's Manufacturing Agreement and Norwex China will conduct supplier audits to ensure that we are not indirectly involved in human rights abuses.

Measurement of outcomes

Norwex undertakes regular Environment, Health & Safety Meetings concerning company compensation, working time, working condition & company benefits. EHS Training for all staff has been finished in April 2015 and this training will be part of our new hire orientation and annual training plan. As of the end of August 2017, we have accumulated 1721 consecutive accident free days. Lung check-up was added to annual physical examination to rule out the possibility of disease caused by the working environment.

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;

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

Assessment, Policy and Goals

Norwex China strictly adheres to the Chinese Labor Law.

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

Norwex normal workweek: 40 hours. In emergency or unusual situations, Norwex workweek can be extended to 60 hours, including overtime. All workers take at least one day off every seven-days. All overtime is voluntary.

In addition to their compensation for regular hours of work, Norwex workers are compensated for overtime hours at the premium rate required by applicable laws and regulations. Norwex also offers vacation time, leave periods and holidays consistent with applicable laws and regulations. Employees are paid timely and clearly conveyed the basis on which they are being paid.

Norwex employees are also free to leave work or terminate their employment with reasonable notice.

Norwex does not use any forced and compulsory labor or use child labor 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 labor principles.

The UN Global Compact Labor Principles are part of our company regulations and explained during new hire orientation day. Violations of our Employee Manual will have formal consequences.

Implementation

The UN Global Compact Labor principles have been introduced in 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.

Norwex China labor union is there to ensure 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: Business should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

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

Assessment, Policy and Goals

Norwex is committed to consider 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 considers 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.

Implementation



Norwex is producing environment friendly products. Microfiber allows for the removal and or reduction in the use of cleaning products that can contain harmful chemicals, reducing their inherent pollution to our habitat. Norwex uses antibacterial technology in our own fiber to give our products an excellent cleaning function.

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

The UN Global Compact's Environment principles are part of our company regulations and added to our Manufacturing Agreement.

The UN Global Compact's environmental principles are 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 its products, and we have recycle programs for daily use items in the office.

Measurement of outcomes

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

We have purchased a laser guided auto-cutting machine that also reduces the cutting waste. The cutting waste is collected and recycled and re-used.

Our dyeing factories all have upgraded their water-purification systems.

Although our production output over the years has gone up considerably, the energy, gas and water cost were relatively stable thanks to saving initiatives and efficiency improvements.

In order to manage the continuous growth of Norwex, Norwex China has built its new manufacturing facility. The building space almost tripled, from 3,758 SQM to 10,000 SQM and warehouse space more than doubled from 1,000 SQM to 2,500 SQM.

At Norwex, our goal is to improve quality of life and take responsibility for our planet. This is reflected through utilizing lots of natural, low consumption and presence-detecting lighting, a green roof and solar power.

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 anti-corruption policies, which are in the Integrity Statement that all staff and suppliers of/to Norwex China have 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 principle is part of our company rules and was added into our Executive & 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. Any claim of corruption is extensively investigated internally and by our legal departments. Until August 2017, we have had no confirmed cases of such misbehavior.

We also did not find any suppliers violating our CSR Code of Conduct with respect to graft and corruption in 2016 and 2017. 100% of our suppliers have signed the Supplier Partnership Agreement and Manufacturing Agreement.

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 processes are environmentally responsible.

On the basis of such commitments, Norwex has been working on setting up a CSR Code of Conduct and this code was released in 2012 and all our suppliers have signed it.





Norwex Corporate Social Responsibility Code of Conduct

At Norwex, we are committed to conducting business with the highest standards of business ethics and respect for human rights and the environment. We require our vendors and other partners to meet at least the same standards. All must be in compliance with the requirements of local applicable laws and regulations.

What follows are the essential requirements that our own factory and its vendors must meet:

Respect for human rights

Compliance with the principles of the UN Global Compact initiative is a must. All employees will have a written labor contract.

Child and forced labor is not allowed. The minimum working age must be according to local applicable laws.

The safety and health of our employees and of our suppliers' employees are our highest concern. Safe work environment must be foreseen and compliance with all relevant EHS regulations is a must.

This includes possible dormitories.

Harassment, abuse and discrimination are forbidden. All employees must be treated with respect and dignity. Non-discrimination is required in the employment in hiring, compensation, advancement, discipline, termination or retirement on the basis of gender, race, religion, age, disability, sexual orientation, nationality or ethnic origin.

Working hours and compensation must be at least in accordance with the local labor law. The right of the workers to freedom of association and collective bargaining must be recognized and respected.

Environmental

All suppliers must avoid negative impact by their activities on the environment. They must actively strive to reduce their footprint on the environment. Suppliers must comply with local and international laws or rules protecting the environment.

Corruption

Corruption in any form is forbidden. Violation of this prohibition can result in immediate termination of the supplier.

Others

Norwex has its own quality assurance division that will ensure compliance with Norwex' code of conduct and other agreed rules. They will be granted access to the production facilities.

Vendors cannot use subcontractors without the prior written approval and only after this subcontractor has also accepted Norwex' terms.

This code summarizes only the major requirements of doing business with Norwex China and in no way does it replace any of the agreements signed between Norwex and its vendors.

Norwex maintains also a high degree of confidentiality for which all suppliers need to sign a confidentiality agreement.

