

Communication on Progress UN Global Compact 2017



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After six years of hard work since our involvement in the United Nations Global Compact, I am pleased to express that *animaná* continues to support the Global Compact's ten principles concerning human rights, labor rights, the environment, and the fight against corruption.

animaná is the result of my own passion for making a difference in the fashion industry, mostly related nowadays to slave labor and shallow consumerism. With more than 20 years of personal experience in projects related to social impact, *animaná* was conceived as an alternative to current production and consumption systems. As a social enterprise, it coexists with the environment, people who inhabit different places around the world and technological evolution. Most of *animaná's* knitwear and home textiles are based on the little known camelids fibers from Patagonia and the Andes (like alpaca, llama and vicuña) and handmade by artisan's communities with the aim of letting them get as large a share of value adding activities as possible.

With our work we support and seek to achieve the 17 Sustainable Development Goals (SDGs) within our sphere of influence, making them part of the strategy, culture, and daily actions of our company.

After 8 years in the market we are proud with the fact that we have been certified as a B Corporation, arriving this year at top 10 of B Corporations globally, and continue to have the highest standards with all our suppliers and business partners.

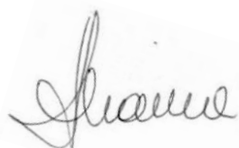
During the last year we continued working on a consolidated a network in Argentina, Peru and Bolivia achieving a systematic processes for quality control, and giving work to hundreds of small scale fiber producers, weavers, and hand-knitters. We have also started to work in our new spring summer collection expanding our artisan's network to Mexico and their master skills in linen.

We are also happy to announce that our flagship Boutique, opened September 2015 in Paris, is being a truly success. After a lot of work and effort, we have opened our first store to give more voice to the work that represents 5000+ artisans and small entrepreneurs. We are sure this will be the first of many more to come.

animaná strives to achieve sustainable development in all its operations and practices, by being economically viable, environmentally and socially responsible and beneficial, transparent, and committed to the promotion and strengthening of marginal Latin-American communities.

Sincerely,

Adriana Marina
Founder of *animaná*

A handwritten signature in dark ink, appearing to read 'Adriana', is centered below the typed name. The signature is fluid and cursive.

Human Rights Principles & Labour 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

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

Principle 4: Elimination of all forms of forced and compulsory labour;

Principle 5: Effective abolition of child labour; and

Principle 6: Elimination of discrimination in respect of employment and occupation

Assessment, Policy and Goals

animaná is guided by the principles of The Ethical Trading Initiative Base Code in its work to improve the social and economic conditions of its employees. The Code was founded on the conventions of the International Labour Organisation (ILO) and for the improvement of the social and economic conditions of producers by the standards of the World Fair Trade Organization (WFTO).

Moreover, *animaná* is committed towards the continued implementation of progressive practices under the concepts of Ethical Fashion, Fair Trade and Sustainable Development, designed to protect people and the environment.

With dialogue, transparency, equity in the trading conditions and partnership with workers and the communities, we promote justice in International Trade: Quality of life for the communities of artisans and craftsman; Promotion of cultural Diversity; Corporate Social Responsibility.

We promote sustainable development through working directly with local craftsman to include participation of different cultures and to bring about the development of trade.

The change that Ethical Fashion promotes is reflected through transparency in production networks and trade. This concept includes the notion of artisan production as Brand Value (the final price reflects the social costs) that not only distinguishes itself by quality of raw materials and manufacture, but by the human resources involved in finishing procedures, creating a story behind the product.

The prices that are paid for producers reflect not only the costs of production but are also a guarantee that the basic needs and universal rights of manufacturers are met.

Implementation

Principles 1 to 6 are the very basic fundamentals for our operations. Even though rules and regulations effectively make it impossible not to follow this principles in most countries we operate, we aim to use our buying power to get suppliers change their mindset and involvement.

We are committed to inform about these principles for all involved in this industry. We develop activities with various NGOs and other social enterprises of the sector, supporting projects that value the skills and knowledge of Andean communities and marginalized groups. We work together with universities, craftsmen and our suppliers in order to facilitate access to information, design and price setting, and protecting the ancestral techniques.

In this regard, the NGO *Hecho por Nosotros* is a fundamental branch of our enterprise. Together with *Hecho por Nosotros* we promote the creation of eco-friendly poles of development and local culture based on the principles of ethical and sustainable fashion.

The NGO sets its efforts on guaranteeing fair trade practices along the production chain. It recovers and documents ancestral techniques such as the use of natural fibers and dyes, and also promotes them. It cooperates in getting access to international certifications and in the creation of social and economic networks that later have an impact on local development.

The communities that *animaná* works with in the Andes are largely made up of small-scale family-run farms. As a result of the great benefits and the world's appreciation of raw materials that proceed from the animals they breed, those families sometimes sell these raw materials to large intermediaries - the ones who hold the greatest profits in the production cycle.

animaná, together with other organizations, provides a trade network that bypasses the middlemen thus giving added value to the production activities of these families. We seek that transactions are made under the principles of Fair Trade.

animaná brings information to remote places and promotes the South American camelids' fibers classification. *animaná* strengthens projects of use and care of different animal and vegetable species in order to achieve the best quality in the final product.

animaná seeks to improve the levels of competitiveness of producers in order to achieve their integration and consolidation in the productive chain, promoting equity in the commercialization of raw materials and the resulting product. We work on information networks, prices, design and help build up their own networks, to associate and receive a fair profit and revalue their activity. In this way we create and strengthen a critical mass able to be self-sustainable.

Our aim is to create a self-sustainable model that includes and actively empowers marginal urban and rural communities. We investigate, encourage and document traditional and inherited techniques, as well as the use of natural fibers. Additionally, we are forming alliances with projects dedicated to education, sexual education, providing health information, and prevention and treatment for disease, fomenting good practices. We give

an incentive to the conformation of solidarity groups and self-sustainable cooperatives, helping to produce solid results from the NGO's work.

During these years we have developed 300+ workshops together with *Hecho por Nosotros* in order to build the producers' capacities in design and commercialization, involving schools students focused on design and local artisans in the North of Argentina. Some of those workshops *animaná* financed itself and others were financed by third parties, through private support of people of good will, who in turn monitored all the activities put in place to carry out the programmes.

Some of our workshops being developed during 2016 – 2017 include:

- Sustainable Fibers Cooperatives of women weavers in Tilcara, Seclantás, Puerto Santa Cruz, Cachi Adentro and La Marina.
- Recovery of ancestral techniques, including carding, hand spinning and the use of natural dyes. Workshops organised together with professor Sylvia Quattrocci, Marcelo Ballesteros, Victor Pissoni, Julio Portal in Salta province, Argentina.
- WORKSHOP NU, leaded by Pilar Obeso, employs female convicts in rehabilitation centers in Mexico (CERESOS).

animaná relies in a group of passionate academics, professionals, designers, artists and craftsmen joined in the desire to build a better supply chain and rebuild a beautiful culture. United, they contribute with their insight and ability to shape *animaná*.

In the past seven years we have worked hand in hand with Dominique Peclers, a renowned international fashion consultant of the highest caliber. She is always collaborating with us, specially since we have opened our first boutique in Paris. She helps us to acquire knowledge and gain experience to develop *animaná* as an alternative way of production by sharing her expertise (and spreading it to the world) in market trends.

More, during the past, we have strengthened our management team. We have hired specialist for managing the boutique, advocated and trained our team to specialize in wholesale trade, and partnered with specialist like Warren Knight and Craig Wilson, Kate Osborne, Tracy Hulett, Beatrice Screve, Valeria Kholostenko, Mariana Ramos, Chere Di Boscio, Mateo Zambruno, Matias Figliozzi, Elena Christopoulos, Marcia Gitman & Victoria Martinez de Oz.

We are working hard on reorient our commercial strategy to retail market to be able to maximize the impact we made on consumers and artisans, to bring them more opportunities.

Incorporation of disadvantaged or marginal groups.

Type of group: Andean and Patagonian rural communities marginalized from the society and the production system, and economic revenues.

In the Andean culture, men and women knitted side by side. With the passage of time and the transformation of the roles we play in society, this job is now left to the women. When

men are left out of a project however, due to chauvinism or fear, it ends up causing the project's deterioration.

Because of this *animaná*, together with other organizations and NGOs, promotes the integration of men into handicrafts, in order to recover his identity and strengthen family enterprises.

In 2016-2017, we have been working mostly with small groups of artisans, living far from urban areas, almost composed of large families where women are in charge of classification of the fibers sheared by men, and men of weaving the products on manual looms.

animaná also incorporates groups suffering from mental disorders that in the North are frequently found because of consanguinity.

Last year, we have empowered around 100 artisans directly in Argentina, Perú and Bolivia. Given that each one influences a family of approximately 7 members, indirectly we have impacted positively the lives of 700 people.

We keep working with the Foro de Moda Etica Latinoamérica (Ethical Fashion Forum Latin America or shortly "The Foro") in the following areas: design issues related to the Ethical Fashion, transparency in the supply chain, and consumer communication, difficulty in accessing European markets (associated to Latin American enterprises) & certifications (we promote to take into account camelid fibers and other natural materials as camelid hair and raw silk that are not certified despite being completely organic).

Measurement of outcomes

Social certifications & Standards met

animaná supplies its products from artisans in the Andean regions of Peru, Bolivia and Argentina, and from 2016 we started working with artisans from Mexico.

These artisan producers are associated and are protected by our NGOs Hecho por Nosotros dedicated to monitor their working conditions and promoting solidarity commerce and responsible consumption.

When working with small companies, *animaná* works only with suppliers that employ production processes that are certified by respected third parties.

We are a B Corp Certified and we recently were selected as top 10 of B Corps worldwide.

Also, our work has drawn an interest from ASHOKA and ASHOKA C&A Foundation Fabric of Change, ambos llevando adelante empresas y proyectos sociales, la última sobre todo en la industria textil.

With the consultative status ECOSOC that Hecho por Nosotros has obtained, *animaná* and Hecho por Nosotros has been bringing sustainable fashion questions and incorporated sustainable development/Agenda 2030 themes to the industry successfully, by delivering oral declarations at ECOSOC meetings, uniting globally actors to work together for needed paradigm change of the industry and finally, publishing studies and a book about the sustainable development and textile industry nexus.

Transparency:

Our entire internal production process is transparent: we share all information and invite businessmen, foundations, organizations and interested individuals to become spokesmen of our work and to become our auditors. We invite experts, scholars, investigators, institutions, NGOs, and all those interested in discovering our production chain to experience Patagonia, the Andes, its artisans and local producers. *animaná* connects techniques, materials and craftsmanship from the Andes and Patagonia, together with local and international quality standards and design by having continuous dialogue with international experts such as individuals or foundations. They monitor the production processes.

We plan adding a traceability system for the garments uniting efforts to link the sale of the product with social goals.

We familiarize suppliers and producers with Fair Trade code and we invest in the communities engaged in the chain of production. We use only 100% natural and organic fibres, many of which undergo certifications such as SKAL, GOTS, and FLO, when applicable.

We have the support of *Ashoka*, and *IDB Network* foundations as we spent time working with during 2009.

Today, we are working in an alliance with the Ethical Fashion Initiative from the International Trade Center, who are working in opening markets for *animaná's* artisan products.

Environmental Principles

Principle 7: Businesses 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

animaná minimize the impact on the environment by giving objects continuous life, using less water and energy in the production process, and reducing waste. We use organic raw material (without pesticides, insecticides, and GMO). We use natural, alternative, and recyclable fibers as well as natural dyes. Any harsh treatment is prohibited.

Members of animaná shall demonstrate commitment to promote fashion that minimizes environmental impact of the textile and apparel industry, from design to finishing procedures by:

- Maximizing the use of raw materials from sustainably managed sources, buying locally when possible.
- Communicating the goodness of using natural raw materials that have the non-impact on the environment, as are part of nature cycle and can be 100% recycled.
- Respecting the international, regional and national laws that protect animal and vegetable species.
- Promoting the use of alternative, organic, natural and recyclable fibres, without additives such as pesticides, insecticides, and GMO seeds.
- Introducing new behavior such as recycling, reduced use of water and energy for production, and minimizing waste materials through upcycling.
- Using technologies that seek to reduce energy consumption, and supporting renewable energy technological systems that minimize gas emissions.
- Using recycled and biodegradable materials for packing to the extent possible, and dispatching goods abroad by sea wherever possible.

Implementation

Raw materials

In terms of the raw materials, *animaná* works with natural fibers of the Andes and Patagonia. Fibers obtained from camelids such as llamas, guanacos, alpacas and vicuñas are highly valued for their softness and durability and *animaná* endeavors to protect all camelid species. The camelids roam free in large pastures in their natural habitat in the Andes and Patagonia. The animals are sheared using manual processes (scissors), and the best fibers are selected. A wide variety of natural undyed colors are chosen ranging from white and light beige to intense blacks.

Other fibers we work with include Andean silk, organic pima cotton (in its natural colors which range from natural to yellows and browns), merino wool (OVIS XXI), chaguar, linen and other natural raw materials such as onyx, nickel, and silver.

We collect natural fibers (from indigenous species which grow and in other cases are raised spontaneously) and other raw materials under the law system which protects these species, keeping the environment unaltered.

We work together with UNIDO and other local and regional organizations dedicated to the protection and care of the camelids, under the guidelines of international conventions as the CITES - Convention on International Trade in Endangered Species of Wild Fauna and Flora.

Artisans spin the fibers by hand and dye them with pigments obtained from native plants, reviving the techniques inherited from our rich history. We also work with industrially spun fibers, but only in their natural shades or naturally dyed, without any chemicals.

In addition to this, *animaná* supports the re-cultivation of a native Peruvian cotton variety that was grown for some 5000 years until it was replaced by white cotton production of the nineteenth century. The production, processing and export of all these natural fibers are vital for the development of local communities.

Natural fibers (from indigenous species which grow spontaneously) are healthy. They provide natural ventilation as they act as a thermal insulator. They are also an excellent renewable resource and 100% biodegradable. Their production has a neutral carbon footprint. They are a high-tech option as they have a good mechanic resistance, a lightweight, and a low cost. They are also a responsible option: their production, processing, and exportation are of great economic importance to developing regions such as the Andes.

By choosing natural fibers we are fighting hunger, poverty, the disintegration of the environment, and assisting rural communities in their projects.

We promote and strive for the formation of Arts & Crafts centers. There we dedicate ourselves to recovering natural techniques and the way of handling the raw materials. The Andean region is one of the world's richest and largest deposits of biodiversity. It has a significant percentage of genetic resources economically profitable. This percentage includes natural colorings in plants such as the woodlouse or "cochinilla." Other sources of natural colorings or dyes are plants, animals and minerals rich in colors; all of them raised in the Andes.

animaná works with Argentinian and Peruvian enterprises, in recycling processes of alpaca, llama and wool fiber products, by purchasing and re-using rests of fabrics in new products.

Packaging and Shipping

We have developed designs of an eco-friendly packaging using organic cotton, wool waste, and other materials. We usually use recycled carton/cardboard for the transportation and packaging of products.

We plan to work hand by hand with other enterprises, organizations and people related to cargo transportation. We privilege those that have less impact on the environment (trains, maritime transport, combined when necessary with road transportation), re-group deliveries and share cargos. Also, those which inform us of the daily itineraries of the different means of transport, aiming at reducing the amount of vehicles in circulation, kilometers per vehicle and kilometers per ton, by increasing the cargo factors and therefore reducing “empty” or “half-empty” circulating vehicles.

We have relocated our stocks centers near to the consumer to reduce unnecessary carbon footprint. We are working on improve our logistic model as sales grows.

Measurement of outcomes

Environmental certifications & standards met

It is important to remark that production, processing, and finished products from camelid fibers do not have certification in spite of the fact that they are absolutely natural. Only some cotton wool projects have certifications, most of them being in Perú.

In Peru we are associated with a rank of very advanced cooperatives and NGOs which provide us with natural and organic products.

We work together with UNIDO, foundations, and local NGOs from the Andes which promote sustainable use of the environment, species of animals, vegetables, and minerals.

We also incorporated our projects to museums, institutes, and art spaces which are dedicated to the recovery of Latin American history.

It is vital for us to collaborate together with other organizations because we believe working as a network boosts our actions and the results we may obtain.

animaná interacts and is enriched by the work of institutions linked to local governments, international organizations (i.e.: UNESCO, World Bank, UNIDO), financial organizations willing to provide micro-credits, investigation institutions which provide critical analysis of reality and offer alternative solutions, institutions which provide legal advice, and, lastly, universities of fashion and design in Argentina and around the world.

We are engaged in using natural elements in our production process, fibers from animals raised in the wild in order to preserve their conservation. That is why we research, develop, promote, and participate in workshops and trainings for the recovery of techniques, the correct use of technology, and clean water and energy processes.

We involve local people in the handicraft work and semi-handicraft work. We promote natural energy use and encourage the implementation of solar energy in drying processes.

Anti-Corruption Principles

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

Assessment, Policy and Goals

animaná committed in conducting all of its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity and transparency in all our business dealings and relationships in our daily operations.

Our policy is directed and applied to those working for *animaná* or associated with *animaná*, including our staff members (whether permanent, fixed-term or temporary or homeworkers), suppliers, consultants, agents, etc. Its purpose is to provide recognition and to help in dealing with bribery and corruption issues.

animaná is critically against all forms of corruption, bribery and extortion (as defined by the Global Compact and International Transparency). We adhere to the OECD Guidelines and Recommendations for Businesses in monitoring internal performance and accounting of the company (Good Practice Guidance on Internal Controls, Ethics and Compliance, included as Annex II to the 2009 Anti-Bribery Recommendation) and support the UN Convention against Corruption.

Implementation

All members of *animaná*, suppliers and associated organizations and individuals are aware of our zero-tolerance policy for corruption, bribery, and extortion.

Measurement of outcomes

No case of corruption has been seen or acknowledged yet. We still are a small company that employs and contacts itself only with respectable partners.

In *animaná* work only with suppliers and partners that act with transparency and integrity, and undergo procedures for local and international certifications and standards.