

# UN Global Compact

## Communication on Progress 2017





## **Global Compact Communication on Progress 2017 for N Brown Group**

### **CEO Statement**

At N Brown we are committed to participation in the Global Compact, to measuring the impacts we make as a business using the Compact's Ten Principles and to reporting on these measured impacts annually in a Communication on Progress (COP).

This is our third annual COP and we hope that you find it useful. The 12-months covered by this report saw significant positive change at N Brown. There was growth, increased profitability and also corporate restructuring that has placed us in a stronger position to manage, measure and deliver the targets we set ourselves on People, Planet and Product. We also started to consider as a Board how we might integrate the Sustainable Development Goals into our strategy for the future. Allow me to welcome you as a reader and assure you that my team and I are available to answer any questions. We also welcome your ideas and feedback.

Angela Spindler  
Chief Executive – N Brown Group

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**N BROWN**  
Where Fashion Fits

## Taking care of our world

### Corporate Social Responsibility

Our strategy is designed to embrace the three CSR pillars: 'All People', 'One Planet' and 'Every Product'. It aims to fully align our ethical policies with our commercial activities, achieving tangible results and benefits for all our stakeholders.

**All People**  
Dignity and respect  
We want everyone who works for us, wherever they are, to be treated with fairness, dignity and respect. Because everything we achieve as a business, we achieve through people.

**One Planet**  
Ways of working  
We're determined to understand our effect on the world, and find better, smarter and more sustainable ways of working. To learn and to teach, to recycle, reuse and respect, wherever we are on our big beautiful planet.

**Every Product**  
Responsible  
That means partnering with suppliers who share our standards, working together to create ever more responsible, sustainable products that our customers can enjoy with confidence and with conscience.

**All People**  
**Where people are concerned, so are we**  
Everything we achieve as a business is achieved through caring for our customers, our community and our people.  
Our Customer Charter sets out our commitment to customers. We seek to establish enduring relationships for the mutual benefit of both customer and the company. In particular we recognise the importance of being a responsible lender. We continually monitor the experience of our customers in order to improve their experience and offer tailored products whilst being mindful of a customer's individual needs.

**One Planet**  
**Protecting the earth begins with respecting it**  
We're determined to understand our effect on the world and find better, smarter and more sustainable ways of working. To learn and to teach, to recycle, reuse and respect, wherever we are on our big beautiful planet.  
Over the last five years through the hard work of our colleagues, greater operational efficiencies and greater investment, we have achieved a 28% reduction in greenhouse gas emissions per million pound turnover and aim to reduce this further.

**Every Product**  
**Our products should make people feel as good as they look**  
The Group has been working closely with its suppliers over the last couple of years to improve customer experience and to promote responsible sourcing. This means partnering with suppliers who share our values and standards. By working together, we hope to create more responsible and sustainable products that our customers can enjoy with confidence.

N Brown – About Us

## Human Rights & Labour

### Responsible Sourcing

Since the last report, we have re-focused our responsible sourcing strategy to become more effective with our resources and align more closely with our corporate strategy. This included changes to external stakeholder commitments, including consolidating engagements that were duplicated and developing others where we felt we could have more impact, for example our membership of the Ethical Trade Initiative.

We have also started new relationships which we believe will bear fruit in future, including with the Association of Suppliers to the British Clothing Industry (ASBCI). We will continue this review on an annual basis to ensure that we maintain the optimal mix of stakeholder commitments that best reflect our goals as a business.

Membership of the Ethical Trading Initiative remains the core driver for much of N Brown's commitment to responsible sourcing. For example, we only work with factory partners that have been independently audited for compliance to the Ethical Trading Initiative (ETI) Base Code, whilst supporting and coaching suppliers through the process, including capacity building to develop long-term relationships.



Working with the ETI as an active and engaged member will continue. With a constantly evolving supply chain, membership has proved invaluable especially in regards to collaborative involvement in the source country working groups. The revised reporting format that will be published by the ETI in 2017 will be greatly welcomed especially as it aligns more closely with the Sustainable Development Goals.

In the period of time covered by this report, there were no known breaches of the ETI Base Code in relation to child labour or forced labour in the N Brown supply chain.

In consideration of the Modern Slavery Act 2015, we have been working with our partners (including ETI members) to better understand the issues that contribute to forced labour and to risk assess our tier one supply chain. We believe that it is likely that there may be issues in relation to the retention of the passport and identity documents of workers in Malaysia. We aim to address these concerns through collaborative work with other retailers and brands as well as institutions including government.


Our commitment to the Bangladesh Accord on Fire & Building Safety continues as part of the binding agreement we made alongside other responsible retailers in 2013 and this will continue through to May 2018. Being part of the Accord means we help maintain our industry's focus on the importance of fire and building safety in Bangladesh. It also demonstrates our commitment to sourcing from Bangladesh despite the challenges that remain in this country. Performance is evidenced through regular safety inspections of all our factory partners by the Accord's in-house team. To assist with necessary remediation work (and to compliment the work of the Accord's in-house team) we engaged a structural engineer in 2017 whose services are made available to N Brown suppliers in Bangladesh without charge.

Action, Collaboration, Transformation (ACT) is a group of retailers and brands that work with a leading trade union (IndustriALL) towards achieving living wages and framework collective bargaining agreements for the global ready-made garment (RMG) sector. Members (including N Brown) have worked together to launch ACT's commitments and goals in 2017.

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

## Go Faux

Are you faux real? As the winter chill sets in, look fierce in faux fur and take any outfit from basic to bold in our coats and jackets. We've updated faux fur for the new season, and it's never looked so good. So slay all day, keep out the cold and get the look.



Our updated Modern Slavery Statement in line with the Modern Slavery Act 2015 has been published and can be found at:

<http://www.nbrown.co.uk/~media/Files/N/N-Brown/documents/modern-slavery-statement-oct-2016-v2.pdf>

Training in relation to Modern Slavery has been developed for all direct employees and we are collating data from our indirect suppliers to assess and share training & resources in a more targeted way in 2017.

## **Human Resources**

N Brown is a place where we foster talent. We nurture and support all 2600 colleagues across the group. We commit to creating career opportunities for all. Successfully developing our range of apprenticeship programmes and student placement this year, we focussed on equipping our emerging talent with the tools and skills needed to grow with N Brown.

This year we saw the launch of our new LEAP leadership programme for aspiring talent, offering a blended programme of learning. Always learning is one of our corporate behaviours, with every colleague encouraged to embrace every opportunity. Living the GUSTO values is intrinsic in everything we do and this year embedding our N Brown 'behaviours', we have unlocked a culture where opportunities are seized upon and ideas spring into life. We've dismantled the more traditional hierarchies, removing layers, working collaboratively and encouraging more talent mobility across all areas of the business.

The key to N Brown's culture is openness and transparency. Engaging and communicating is extremely high on our agenda. This year we took one step further on our colleague digital journey by introducing a new and improved intranet. However, we recognised that nothing can replace face to face connections and interaction and along with weekly team meetings, we brought all colleagues together at a 'Proud to be N Brown' event in September, to share our future plans and our aspirations for N Brown. Following these activities and the great work every day of leaders throughout the business, we are proud to report that engagement this year is at an all-time high.

We continue to work with leading local educational facilities, establishing, maintaining and developing our relationships, including Manchester Metropolitan University. We also reach out to our communities with our 'Make a Difference' day volunteering programme, as well as continuing to support a range of charities.

The 'Women like us' network was introduced to support our senior female leaders at N Brown. In fact, we're very proud that N Brown are in the 10% of FTSE250 business headed by a female Chief Executive and 51% of our leadership team is made up of females.

A holistic approach to wellbeing is adopted, offering benefits and services that support colleagues from discounted gym rates, occupational health services through to an Employee

Assistance Programme, counselling and physiotherapy. Improving our working environment and creating flexible spaces is equally important in our approach to wellness, allowing our colleagues to unlock their full potential, creatively and collaboratively, making N Brown a great place to work.

## **Environment**

### **Recycle, Reuse, Respect**

We at N Brown take our environmental commitments extremely seriously and are committed to an environmental strategy that we define as recycle, reuse and respect. These are longstanding and long-term commitments. As a Group we strive to develop them on an ongoing basis.

The business continues to work alongside partners Envantage Limited and Viridor Limited to manage, measure and improve its environmental performance.

Since the previous reporting period (2015/16) as a result of shipping 7 % more items, the Group increased its energy consumption across our main direct emissions sources (electricity, gas and diesel) by 3 %. This increase (associated directly with the change in operational activity) was planned for and properly managed to minimise its impact. The good news is that in terms of absolute energy consumption, we can report a decrease of 4 % in proportion to the number of items we shipped.

As well as this relative reduction in our energy consumption associated with electricity, gas and diesel, our total direct Group greenhouse gas emissions also reduced per item shipped, by 11 % when compared to the previous reporting year; moving from 283.5 tCO<sub>2e</sub> in 2015/16 to 251.6 tCO<sub>2e</sub> in 2016/17. The absolute direct emissions for the Group also dropped from the previous year by -5 %.

We continued to measure the impact of our direct energy usage and emissions and to monitor indirect emissions such as waste and water.

The Group continued to meet its target of zero waste to landfill across its head office and distribution sites where most of our waste is generated. We are committed to maintain this position.

Water consumption has increased slightly since the previous reporting year (by 2 %) but this is due to the increased activity across the Group. The Group now uses 28% less water than it did in 2007/08, over achieving on a target that had been set at a 25% reduction.

We continued to purchase green electricity for all our UK sites\* increasing our green energy profile from 82 % last year to 97 % during 2016/17.

As part of efforts to develop our 'green culture' we are encouraging internal colleagues to make use of public transport through offers of seasonal ticket loans for commuting by rail.

Further details can be found in our annual report pages 50 - 55 <http://ar2017.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 with 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. Although we consider this approach to be business as usual, we seek to ensure at induction and with refresher training that all staff are fully aware of our policies and procedures. We also operate a whistleblowing helpline which is monitored and managed by our security team. No cases of bribery and corruption or of conflicts of interest were reported in the last year to the security team.

We communicate with both merchandise and non-merchandise suppliers to ensure that all our suppliers understand our zero-tolerance approach. We have trained/plan on rolling our training out in the supply chain to ensure this message is continually reinforced.

We seek to learn and adapt to a changing market place and adapt to new threats as they emerge with regards to the risk landscape. Our audit and security teams conduct internal audit, risk assessments and investigative procedures in accordance with protocol that is industry leading. Our policies ensure that abuses are considered gross misconduct and we are in a position to work with the appropriate authorities including local police if necessary.

We are committed to continuous improvement and engage in industry networking and engagement to ensure maintenance of best practice.

## **Additional Body Confidence**

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. Our PR and brand campaigns promote - and campaign for - inclusivity in the fashion industry and we actively look for diverse models to promote our clothing and brands including areas that are underserved by mainstream fashion retailers such as bringing fashion to a wider range of sizes across all our brands. We offer sizes from 10-32 for womenswear and S to 5XL for menswear.

We carefully select models who portray health and vitality, celebrating positive body image for their height and build and never 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 inclusive and appropriate.

For Jacamo menswear brand we launched our 'Real Man Runway' campaign which was our search for an everyday man to star in our Autumn Winter Campaign, whilst also helping to Champion male diversity in the fashion industry.

We received almost 500 applicants and our winner Andy Caine will be the face of our AW17 campaign. This campaign also won the PR moment award for 'Health, Beauty, Retail and Fashion Marketing Communications Campaign of the Year'.



## **Responsible Lending**

The provision of a leading range of financial services is an important part of our customer proposition, allowing customers the option of trying our products before they commit to buy and also allowing customers to spread the cost of their purchases should they wish to. Maintaining a balanced approach to creditworthiness and affordability assessment is essential and an area we have years of expertise in.

Our communications to customers are always simple, clear and never misleading. Our priority is transparency to explain how our products and services work and to actively help our customers assess affordability enabling them to make informed decisions when they choose to borrow. Our customer's financial welfare and ability to pay is key in all the decisions we make regarding lending.

In circumstances where customers get into financial difficulties we are very proactive and collaborative in our approach, working with the customer to develop a personalised repayment plan, which typically involves ceasing interest charges for a period of time.

Over the last two years we have invested heavily in new systems around Risk and Fraud Prevention. This means we have enhanced our assessment of affordability in our lending decisions and reduced the threat of financial crime. We have a full, unconditional licence from the Financial Conduct Authority in the UK who assess firms against their standards of fair customer treatment.

We take data security extremely seriously including the maintenance of strict protocols around customer data. We have taken steps to combat the increasing threat of identity fraud. We ensure that we are fully transparent with customers in terms of how their data will be used or shared.

Regarding the professional partnerships we maintain with other financial services providers, we expect the highest standards which must be equal to our own and we monitor our partners to ensure this.

## **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. Asking our customers and colleagues which charities meant the most to them helped to form the foundations of our current approach and to understand how we should shape our charities strategy in future.

N Brown now works closely with three charities aligned to its brands and has implemented successful fundraising drives for each charity over the past 12 months. Jacamo is partnered with Prostate Cancer and its 'Men United' Initiative, Simply Be supports Fashion Targets Breast Cancer and JD Williams supports The Silver Line.

We have created special ranges for both prostate & breast cancer campaigns and the net sales profit for both went to the individual charities.

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

We operate an employee volunteering programme called Make a Difference (MAD) where employees, either in teams or individually, take a day out of the office to volunteer with a charity of their choice. Examples of charities supported include Age UK, Mustard Tree and Manchester City of Trees.

The executive team volunteered to work with Age UK supporting the Openshaw Resource Centre which offers a stimulating and enjoyable day out for older people who would otherwise have to spend all day at home. The scheme is still in its early days but over 500 hours have been committed to MAD days, with hundreds more colleagues already discussing ways to volunteer and 'Make a Difference' in future.

## Make a Difference Day: Proud to work at N Brown



### Operating Board supports Age UK

Leading by example was our executive team. Our CEO and five of the Operating Board Directors volunteered to work with Age UK. Age UK is the country's largest charity that helps older people make the most of later life.

The Operating Board chose to spend its MAD day at the Openshaw Resource Centre in Manchester. Funding from Age UK helps to support the Openshaw Resource Centre, which offers a stimulating and enjoyable day out for older people who would otherwise have to spend all day at home.

The Operating Board took part in a number of activities with its patrons, including decorating gingerbread men, games and bingo!

The Centre performs a vital function in enabling older people to avoid isolation, and in promoting social and physical wellbeing among the older population.

Over 70 colleagues have booked in nearly 500 hours to 'Go MAD', with hundreds more colleagues eagerly discussing ways to volunteer and 'Make a Difference'.



In Bangladesh, we have supported the education of 30 girls through school with the 'Breaking The Cycle' charity. Breaking The Cycle UK raises funds to support the continued education of secondary school girls from financially disadvantaged families in Greater Sylhet, Bangladesh and they align their missions and goals with SDG 4 (<http://breakingthecycleuk.org/>)

We are looking forward to graduations in spring 2018.



Our PA team help Make a Difference with Mustard Tree



Strengthening Knowledge, Community  
& Equality through Education.

## **Gender Equality – achieve gender equality and empower all women and girls**

In 2017, a women's network called 'Women like Us' was launched by Ann Steer, N Brown Marketing Director. This initially targeted women in the N Brown senior leadership team and after a successful pilot with this audience, has now been extended to include the entire female management population.

It is an opportunity for women within the organisation to get together and talk about relevant business topics such as leadership, change and business in the future. It provides a safe environment to offer support, exchange ideas and empower each other to develop skills and achieve their ambitions.

The group has featured a number of external speakers who are successful women in all types of roles sharing their experiences, successes and challenges. This has given rise to excellent debate and conversation and helps us to understand how and why the business should support gender equality.

It is an extremely successful forum with excellent feedback from the attendees and there is a development plan for this network going forward.

## **Sustainable Development Goals**

The business has started on a new and positive journey to ensure we map all our activities and outputs according to the Sustainable Development Goals (SDG's). In order to do this, we have made a basic assessment of the SDG's and our current business activities. It is our understanding that the way in which we manage our business has a wide-ranging effect on almost all the goals indirectly. In terms of direct and measurable impact, we believe we can positively contribute to the achievement of the following goals:

**1, 3, 4, 5, 7, 8, 10, 11, 12, 13, 16, 17**

In 2017, we will appoint an SDG's champion from our senior management team to improve awareness and understanding of the SDG's for all our colleagues and other important stakeholders.

We will also seek the approval of the N Brown Board of Directors in making each director responsible for sponsoring leadership activities in support of a particular SDG or a range of SDG's. We aim to ensure that under the direct sponsorship and leadership of the Directors, we can deliver meaningful improvements and progress. We will report on this progress in our next COP.

# SUSTAINABLE DEVELOPMENT GOALS

