

NOA NOA
COMMUNICATION ON PROGRESS
2017



CONTENT

3
INTRODUCTION

3
CEO STATEMENT

4-5
OUR ETHICAL GUIDELINES

6
HUMAN RIGHTS

7
LABOUR

8-9
ENVIRONMENT

10
ANTI-CORRUPTION

11
CONCLUSION

INTRODUCTION

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

The strategic commitment to join and support the 10 principles of UN Global Compact was made 5 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 2017 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.

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.

During 2017 Noa Noa have reviewed the supply chain and the supplier base has been updated. The majority of our production comes from suppliers who are members of, and audited by BSCI. We continuously work with our suppliers to improve audit results. Our main focus is a continuous improvement in the factories in the far east, where most of Noa Noa products are produced. We aim to have even more of our suppliers engage in BSCI during 2018. For all new suppliers membership of BSCI is a prerequisite for working with Noa Noa, either to already be engaged, or to engage when starting a collaboration with us.

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.

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 was for the first time delivered together with the Noa Noa autumn 2017 collection. From there on, it will be a continuous capsule collection which will be delivered 2-4 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 experienced the difficulties in working with sustainable fabrics during 2017 and this has intensified our work and search for new materials. We have found that not all actors in the area are trustworthy and this has made us more careful when including new fibres in the collection. We have though expanded the work with organic fibers to also include a larger part of the main collection as well as the ON THIS NOTE collection. Our focus on securing certificates for all new fabrics has been intensified and will also be for the future. We are working closely with existing suppliers that have knowledge in the area as well as searching for new suppliers with sustainable solutions. The aim is to include more sustainable materials, not only in the ON THIS NOTE collection but also in the main collection. So far, the main sustainable materials used are Organic cotton, Recycled polyester and Tencel.

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 2017 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 2017 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 2018, 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.

During 2017 we also started a cooperation with several other Dansih Fashion Companies in an informat network group discussing experiences and difficulties when working with new materials. The aim of the network is to share experiences and supplier information to be able to speed up the process of changing to a more sustainable production and use of textiles.

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 2018.

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 continued to produce the bags during 2017, also sunglass covers are made in the same way. The no-waste jewellery bags will also be made for the 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 2018/2019. 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 plan and execute our CSR strategies.

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