

JANUARY 2020



COMMUNICATION ON PROGRESS 2019

This report has been written on behalf of N Brown by the CSR & Sourcing team. We are pleased to continue our participation in the UN's Global Compact for the fifth time. Our continuous support to the UN has been shown through our actions in 2019.



Global Compact Communication on Progress 2019 for N Brown Group

CEO Statement of support.

N Brown is pleased to reaffirm its commitment and participation in the Global Compact, continuing to measure the impacts we make as a business by working with the Compact's Ten Principles and reporting on these annually. This is our fifth annual Communication on Progress report. The 12 months covered in this report saw a significant improvement in our approach and we describe our actions to continually move forward and imbed the principles into our strategy, culture and operations. This has placed us in a stronger position to manage, measure and deliver the targets we have set on People, Planet and Product. Allow me to welcome you to read on and assure you that my team and I are available to answer any questions. Your ideas and feedback are always welcome.

A handwritten signature in black ink, appearing to read 'S. Johnson'.

Steve Johnson
Chief Executive – N Brown Group

The Ten Principles of the UN Global Compact

Human Rights

[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.

Labour

[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 labour;

[Principle 5](#): the effective abolition of child labour; and

[Principle 6](#): the elimination of discrimination in respect of employment and occupation.

Environment

[Principle 7](#): Businesses should support a precautionary approach to environmental challenges;

[Principle 8](#): undertake initiatives to promote greater environmental responsibility; and

[Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

[Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

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SECTION 1:

Introduction

The purpose of this report is to communicate our contribution towards sustainability and the UN goals in relation to our own corporate performance. The report will focus on the three-pillar framework of our organization: People, Product, Planet. This structure formulates our alignment with the UN Sustainable Development Goals (SDGs), some of which are more prominent in our strategy than others. The report will also draw on the UN Compact's 10 guiding principles, especially those of labour and the environment.

Our Corporate Social Responsibility

How we're being socially accountable

Our strategy is designed to embrace the three Corporate Social Responsibility (CSR) pillars All People, One Planet, Every Product.

It aims to fully align our ethical policies with our commercial activities, achieving tangible results and benefits for all our stakeholders.

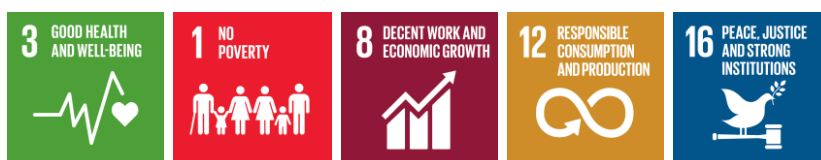


SECTION 2:

Product

Creating responsible product is not only about the product itself but also the suppliers we partner with and the environment in which they create our product. We want customers to feel assured that the products they buy from us have been ethically sourced.

Relevant SDG's



N Brown has a strict [policy](#) on animal welfare. We do not and will not sell products made using real fur, Ivory or endangered species.

Our updated [Modern Slavery Statement](#) in line with the Modern Slavery Act 2015 has been published on our corporate website.

Training in relation to Modern Slavery has been developed for all direct employees and we have collated data from our indirect suppliers in order to assess their practices and share training & resources in a more targeted way.

2.1 (ETI)

Since the last report, we have continued to improve our supply chain network by increasing our transparency. We currently work with just over 1000 suppliers, a reduction from 2000 in 2018. This has made it easier to manage our supply chain and align our strategy.

Sourcing sustainable product requires strong institutions within the supply chain, one of which is the Ethical Trade Initiative (ETI). Our continued partnership with the ETI has supported workers in garment factories through regular employment, fair working hours and a fair living wage. We only source from factories which comply with this Initiative.

Working with the ETI has supported in the prevention any form of child labour or modern slavery in our supply chain, which aligns with the Modern Slavery Act (2015). We now have a greater understanding of the risks of children in work and their lack of education. This notion reflects the UN's Good Health and Well-being SDG. However, with 168 million children working in underdeveloped regions, it is important to be mindful that some families rely on their children to survive.



2.2 (BANGLADESH ACCORD)

The Bangladesh ACCORD has been an equally important commitment for us here at N Brown. The ACCORD's Fire and Building Safety practices help prevent crises, such as the Rana Plaza Factory collapse in 2013, from happening again. The ACCORD also helps resolve safety complaints in order to ensure standards are kept as high as possible. Safety and Well-being is a basic human right, heavily supported by the UN. We will continue to work with the ACCORD until the newly formed RSC supersedes the ACCORD in 2021. The BGMEA (Bangladesh Garment Manufacturers and Exporters Association) are in the process of establishing the RMG Sustainability Council (RSC), which will take over the structure, operation and resources of the ACCORD as it phases out from Bangladesh as part of the signing of the current Memorandum of Understanding (MoU). We will therefore continue to prioritise the safety of workers in Bangladesh.

2.3 (ACT)

Action Collaboration and Transformation (ACT) supports the apparel industry by providing a fair living wage to workers through industry-wide collective bargaining. ACT aims to bring all stakeholders together, including Global retailers, Trade unions, manufacturers and government bodies, as a way creating structural change (SDG 16). ACT also partners with the International Labour Organisation (ILO) to create a fair wage and acceptable working conditions.

N brown supports ACT'S position in their belief that minimum wage is not enough as it does not cover for family support, nor does it provide any discretionary income. ACT support providing workers with fair wages, which will contribute to the 10th UN Goal to reduce inequality.

2.4 (SUSTAINABLE CLOTHING)

We have increased our efforts to move towards more sustainable product types across two of our main brands, Jacamo and Simply Be. An example of this is the transition to using recycled polyester in our outerwear products in the Spring/Summer 2020 collections.

Across both genders in our denim category, we have sustainably sourced cotton and trims for upcoming ranges while we continue to focus on moving towards 'green' factories which use hydroless washing techniques. This is part of ongoing efforts across our supply base, whereby we work closely with supplies in order to encouraging the adoption of new technologies and ways of working.

Our motivation to improve the sustainability of our clothing demonstrates our proactive and precautionary approach towards future environmental challenges (Principle 7). This form of responsible consumption will improve the Sustainability of cities and communities around the world.

2.5 (AUDITING AND GRADING OF FACTORIES)

N Brown continue to promote a transparent supply chain, believing a more transparent supply chain will allow for a more sustainable one. Our auditing and grading of factories are now delivered through an external organisation, Verisio. This company helps deliver comprehensive supplier audits including detailed and up to date information on wages, working hours and general sustainable and ethical practices. Verisio will request existing ethical audit reports such as SMETA(Sedex Members Ethical Trade Audit) and Amfori.

SECTION 3:

PEOPLE

N Brown is proud of its Manchester heritage and is committed to fostering talent in the north, investing in skill and role development across all areas of our business. We nurture and support all 2,200 colleagues across the group and are committed 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 bring their best self to work every day at N Brown.

Here at N Brown, we champion inclusivity by making our customers look and feel amazing. Our values are intrinsic in everything we do, they are the heart of our business and remind us and the world exactly what we believe in. With the launch of our new values and behaviours, we have unlocked a culture where opportunities are seized upon and ideas spring into life. The key to N Brown's culture is trust, curiosity and togetherness. Communication and engagement continue to be extremely high on our agenda. Without our people and their relentless enthusiasm and passion we couldn't do what we do. We are proud to report that employee engagement continues to be 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.

RELEVANT SDG's



3.1 (ESTABLISHING YOUNG TALENT)

N Brown have continued to develop their relationships with local universities, especially Manchester Metropolitan University and The University of Manchester, where many of the company's placement students are sourced from. We currently employ 19 Placements and 51 Apprentices. This influx of young talent benefits our organisation through fresh, innovative ideas, bringing another dynamic to the way we operate.

The Placements and Apprentices themselves benefit by way of meaningful industry experience - highly valued by potential employers. Apprentices in tech, for example, have progressed significantly through our collaboration with Code Nation, an organisation that equips students in under-resourced high schools with the skills, experiences, and connections that together create access to careers in technology. Our investment in human

capital will drive our corporate success, whilst also creating job opportunities through quality education.

3.2 (FLEXIBLE WORKING)

As a company, we wish to support our staff to the best of our ability, promoting a flexible, inclusive working environment. Given our staff are heavily motivated by pace, it is important to delegate them with responsibility of managing their own time. This is shown through our Work from Home (WFH) scheme, as well as our staggered hours system.

Working from home gives employees the opportunity to manage their lives, in terms of work, family and leisure. Whereas staggered hours allow employees to commit to various personal issues, without affecting their work. Employees can begin work anytime between 7am and 10am.

3.3 (DIVERSITY)

The board of directors recognises the importance of diversity, including gender, social and ethnic backgrounds, cognitive and personal strength, at all levels of the company as well as on the board. As a company, we are committed to equal opportunities and increasing diversity across all operations.

We currently have 22% female representation at Group Board level and 14% on the Executive Board. This means we are currently below the 33% target for 2020 set by the Davies report. Strengthening our executive pipeline remains a priority the Nomination and Governance Committee who will focus on ensuring the board's composition is improved over the next year.

Senior Management

Females: 11 heads (35%)
Male: 20 heads (65%)

Employee Diversity

Females: 1284 heads (58%)
Male: 931 heads (42%)

Employee Diversity Bangladesh Hub.

Females: 2 heads (12%)
Male: 10 heads (88%)

We have significantly improved our female representation in our Hub in Bangladesh by appointing a Senior HR, Admin and Finance Executive and Senior Merchandiser this year.

3.4 (Body confidence and diversity)

Here at N Brown we prioritise the customer by creating the best fitting product, regardless of their size, age or gender. Body inclusivity drives our success and continues to make us a more diverse company.

Simply Be have shown support to misrepresented customer groups through their ‘#MoreThanOurBodies’ campaign. During London Fashion Week, models, diversity campaigners and influencers grouped together to champion body diversity. The group toured on an open-top bus



around London, celebrating the power and individuality of women. This was a vital message to spread, given 89% of women believe their body size is not represented on the runway.

JACAMO have also been supporting body shape inclusivity and confidence through the ‘Live YOUR Moment’ campaign. Raul Samuel, Body Confidence Ambassador, helped promote the agenda by conveying the message that men should be confident regardless of their body shape or size and champion body positivity alongside women.

JD Williams focusses on shape and fits that flatter, we create unique silhouettes, rather than scaling patterns; we use real bodies, rather than static mannequins; and we design our products to fit – a unique, age appropriate point of view to empower women to feel their best.

3.5 (CHARITY AND VOLUNTEERING)

Charity

We continue to encourage and support our colleagues to play a positive role within the local community. Our partnership with our local Maggie’s centres (Maggie’s Manchester and Maggie’s Oldham) has been extended for a further year to allow colleagues to continue to fundraise collectively for this worthy cause. Partnering with Maggie’s has allowed us to raise awareness of the support that this charity offers. Our colleagues have also benefitted from a range of workshops and information sessions which Maggie’s have held in our workplace.

Our charity strategy also allows colleagues to support individual charities which are close to their hearts, either through fundraising or volunteering in our Make a Difference (MAD) day volunteering scheme. The MAD scheme allows colleagues, either in teams or individually, to take a day out of the office to volunteer with a charity of their choice. Examples of charities supported this year include Seashell Trust, Children's Adventure Farm Trust and The Society for Abandoned Animals.

Volunteering

The JACAMO innovation team supported the Marine Conservation Society in a big beach clean-up. They joined a group of 70 individuals from the society and together managed to clear around a ton of plastic.



Our CSR & Sourcing team took part in a sustainability event (Let's Grow Together) set up by Manchester's City of Trees in partnership with our supplier, DUO UK. City of Trees arranged the event at a local primary school with the aim of promoting a more environmentally friendly area. The day consisted of planting trees and clearing land space. A total of 285 trees were planted, which has contributed to reducing carbon trap air pollution and the risk of flooding. N Brown used the opportunity to promote our latest values (see below).



SECTION 4:

PLANET

As an ever-growing business, it is important we understand our impact on the planet and adjust our strategy in accordance with the environment and its future. By adopting the policy of recycle, reuse, respect we can achieve a strong level of sustainability, which reflects the wants and needs of external stakeholders.

RELEVANT SDG's



4.1 (SUSTAINABLE PARTNERSHIPS)

Here at N Brown we are always searching for new ways to better manage our systems. One way in which we do this is through our partnerships with Envantage Ltd and Viridor, both of which are helping us to become more environmentally sustainable.

Envantage Ltd

Envantage Ltd are a group of Energy and low Carbon Specialists who help us keep our emissions low and our efficiency high. They have assisted us in supplying 98% of electricity from zero carbon and renewable resources. Envantage have extensive experience with carbon footprinting, carbon emission reduction and the CDP (Carbon Disclosure Project), making them a more than adequate partner.

Viridor

Viridor also contribute towards our sustainability goals by supporting us in recycling, resource and waste management. These specialists are excellent at transforming commercial waste and recyclables into high quality raw materials and renewable energy. In 2018/19 Viridor produced enough energy to power 738,000 homes. Furthermore, their network of 300+ recycling and landfill diversion facilities allow N Brown to achieve consistent zero waste to landfill.



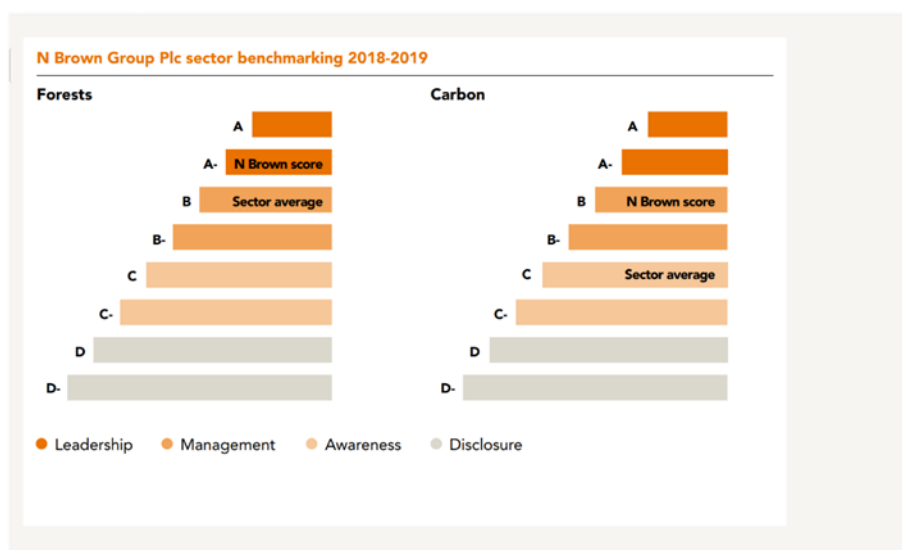
4.2 (EMISSION REDUCTION)

Environment

N Brown Group (the “Group”) are delighted to have maintained our previous environmental achievements and to have reduced our absolute and relative emissions compared to our previous reporting period. The Group have expanded our environmental commitments to include impacts associated with our supply chain as well as plastics and paper usage. We have once again reduced our Group GHG emissions, this time by a substantial 22%, compared to the previous reporting period. This reduction is mainly attributed to a decrease in our buildings’ energy consumption and a decrease in staff driving to work. We are also pleased to report a significant reduction of 14% in our relative GHG emissions (scope 1 & 2) against items dispatched compared to last year.

We have maintained previous achievements including:

- 98% of electricity supplied from zero carbon and renewable sources
- 100% of waste diverted from landfill across head office and distribution sites,
- Maintenance of Carbon Disclosure Project disclosure and performance scores (A- for Forests and B for Climate).



As well as maintaining performance in the above areas, we are committed to continually drive for environmental improvements. Our key areas of focus now cover:

Buildings Emissions

We are still on-track to meet our emissions reduction target for our corporate buildings. Our corporate buildings’ activities contribute to over half of the emissions associated with our core business operations, so it is an important area to focus on.

Supply Chain Emissions

Our Supply Chain Management Team have reviewed our end-to-end supply chain from Port of Origin to customer in order to understand the carbon impact of moving goods to our sites and delivering orders to our customers. The Group's aim of developing an overall picture of end-to-end supply chain emissions has been achieved, allowing us to identify key carbon hotspots to focus on. The Supply Chain Management Team are working on setting targets and putting action plans in place to cut emissions.

Paper

The Group has a strategy to shift from traditional catalogues and move towards digital. We have already carried a substantial amount of work in order to understand the environmental impact associated with our paper usage. We hope to develop this further by setting formal targets to reduce our impact in this area.

Plastic

N Brown recognise that plastic waste is one of the biggest environmental challenges facing the world today. We are committed to playing our part to reduce the impact of plastics pollution and have already carried out work to reduce, reuse and recycle our plastics at all stages of our operations. We plan to improve the understanding that our operations have on this impact area and to set targets to drive us to continually reduce our impact.

4.3 (LED LIGHTING INITIATIVE)

Given our commitment to internal environmental sustainability, we are investing LED lighting upgrades across our main distribution centre and further work on this is underway to continue to drive down emissions. Our 2019 LED Lighting initiative aims to improve the efficiency of lighting, therefore reducing its impact on the environment. LED bulbs have been found to use 75% less energy than standard incandescent lighting.

4.4 (SUSTAINABLE PACKAGING)

N Brown have taken huge strides to improve the quality and sustainability of its packaging. This ranges from FSC-approved labels to polybags made from more recycled content.

Product Polybag and Despatch sacks

In the past year we have put a substantial amount of effort into improving the sustainability of our product polybags. Our product bags are now 100% recyclable and are made from 50% recycled content. This is well above the legislative industry standard of 30% recycled content. We have also streamlined our product bag sizes; not only are our polybags smaller than before, therefore requiring less plastic, but there are fewer bag sizes, resulting in more efficient packing.

Furthermore, we are in the process of improving the environmental quality of our despatch sacks. Our despatch sacks also contain 65% recycled content and we will continue to drive further improvements. Statistics show that our ethical supplier (DUO) have saved 48 tons of

plastic due to the best fit size. The company has also replaced 115 tons of plastic with new recycled plastic.

Shoe Box and Box fill.

We have reviewed the number of shoe boxes sizes and have implemented a 50% reduction by decreasing the number of size boxes from eight to just four. We have also seen an improvement in third party storage by streamlining box fill by an average of plus one per box. This roughly equates to a reduction of 1.3k pallet spaces in a warehouse.

FSC Approved labels

The Forest Stewardship Council (FSC) play a key role in sustainably managing the world's forests. By partnering with this non-profit organisation, we know our packaging will be as sustainable as possible. We can proudly display FSC-approved swing tickets for our key brands: JACAMO, Simply Be and JDW.

Section 5: Anti corruption

Zero-Tolerance Approach

UN global Compact Principles: 10.



N Brown Group operates a zero-tolerance approach to all forms of bribery and corruption. We have Anti Bribery and Corruption 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 hospitality, and conflicts of interest which (alongside training for colleagues involved in commercial negotiations) seek to ensure best practice.

Although we consider this approach to be ‘business as usual’, we seek to ensure proper training at induction in addition to frequent refresher training so that all staff are fully aware of our policies and procedures. In addition to our internal policy on whistleblowing, we also partner with an independent whistleblowing helpline to which individuals can report any concerns anonymously.

We communicate with both merchandise and non-merchandise suppliers to ensure that all our suppliers understand our zero-tolerance approach. Training across the supply chain ensures this message is continually reinforced. We seek to learn and adapt to a changing market place, adapting to new threats as they emerge within the risk landscape. Our audit and security teams conduct internal audit, risk assessments and investigative procedures in accordance with protocol that is of best industry practice. Any violations or breaches of our policies and procedures are investigated and with all due care and attention and dealt with appropriately; this includes working with the appropriate authorities as necessary. We are committed to continuous improvement and engage in industry networking ensure maintenance of best practice.

SECTION 6: CONCLUSION

Despite working in an industry which faces many environmental and social issues, we are continuing to find new ways of better managing our systems, aligning much of strategy to the UN Goals. From building strong institutions to creating social and gender equality we are paving the way for many digitalised fashion retailers in the sustainable world. Under the leadership of our Board of Directors, we can continue deliver meaningful improvements and progress.

SUSTAINABLE DEVELOPMENT GOALS

